"Doing Strategy" – A practice-based study of small- and large-scale phenomena in SMEs

by

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Dedication

To my father, who always believed in me before I believed in myself. You are gone, but your faith in me has made this journey possible.

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Abstract

This research presents an in-depth analysis of strategy activities and practices that take place within small and medium size enterprises (SMEs) in the North West of England. Using components of Schatzki's social practice theory the research explores *how* and *why* SME's practise strategy. The research considers current practice-based strategy research and challenges to create a conceptual framework that applies a social practice theory to propose a perspective of strategising that emphasizes how local purposive action, guided by components of practice, can actually result in the unexpected emergence of a coherent and plausible strategy. This has been completed with a set of empirical longitudinal observations and supplementary interviews within nine SMEs, to provide an acutely attuned representation of the variety of ways in which predispositions of practice are acquired and expressed in different situations and time frames. The findings provide an account of four different ways of practising strategy in SMEs; Firm Frugality, Meaningful Relationships, Renowned Reputation and Guided Compliance. It shows how the owner-manager's understanding of strategy informs and organises; the concerns that orient their work, the everyday practical coping actions taken, and the ongoing improvisations and adjustments made, by analysing them in relation to the mental organising principles of practice; rules, understandings and teleoaffective structures. It demonstrates there is an entwining between the activities and understandings which informs the practice of strategy. Finally, the findings show how strategy, as a consistent pattern of actions, emerge serendipitously from the synergistic interweaving of such local coping actions, the practice predispositions that underpin them and the positive unintended consequences that unexpectedly ensued. Thus, the research contributes to strategy research by proposing how unintended consequences of practical coping leads to strategy emergence that considers the actors' social embeddedness and reveal the dynamics of how this *actually* happens in practice. By using practice theory to investigate how SMEs "do" strategy this research has two main contributions to knowledge. First, it documents how the multitude of coping actions solidify inadvertently over time into a set of practice understandings that provides the basis for strategising, without deliberate intent. Secondly, it details how seemingly inconsequential micro actions taken in situ are guided by practice propagated predispositions that provide the patterned consistency which makes the inadvertent emergence of a coherent strategy possible. By demonstrating how the "doing" of strategy can produce tangible organisational outcomes, this research offers insight into reconciling the troublesome micro/macro distinction implied in strategy research.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This research seeks to explore strategy within SMEs from a practice-based perspective. It aims to capture *how* strategy emerges, its specific dynamics and intricacies, to understand how a coherent and consistent pattern in the absence of deliberate intention can consequently become strategy. In doing so, the researcher will consider the phenomena occurring from a different viewpoint from that of the current view of practice strategy. Instead, it will engage in a practice philosophical position, to advance the current understanding of strategy practices, accounting for the social embeddedness of practitioners and how the nexus of practice affects actions and responses. This chapter will consist of an overview of the research, beginning with the significance of SMEs and the background to the study. Then it will outline the aims and objectives of the research, which have guided the research process and design.

1.2 The Significance of SME

Small and medium sized enterprises (SME) are important entities of the economy, the local regional community and are engines to stimulate growth and economic development (Van Gils, 2005; Wang, Walker & Redmond, 2011). Whilst no universal definition exists for what an SME is, this research will be using one adopted by the EU, which stipulates that medium sized businesses are those that have fewer than 250 employees, whilst small business have less than 50 employees (Christodoulou, 2009). These types of businesses are the backbone of the UK economy, whereby 99.9% of all enterprises in the UK are SMEs, as such they employ around 59% of the workforce (Lucas, Prowle & Lowth, 2013). More specifically, the number of SMEs in the North West of England continue to increase, becoming one of the largest providers of employment worldwide (Pașnicu, 2018). As the dominant type of firm (Masiak, Block, Moritz, Lang & Kraemer-Eis, 2017) they underpin the fabric of regional social development, by existing within regional social interaction and in forming mechanisms for future development (Granata, Lasch, Le Roy & Dana, 2017). Yet, they often experience low performance and endure a high failure rate (Zaridis, 2012), this, as many claim, is due to a lack of strategic awareness (Majama & Magang, 2017; Hudson-Smith & Smith, 2007). Therefore, strategy is a major issue for SME survival and studying the two in tandem could offer interesting perspectives for future research and practice.

Research has regularly shown that SMEs tend to abstain from formal strategic planning practices (Sandberg, Robinson & Peace, 2001; Beaver, 2003). According to the strategy literature this is to their detriment, as many determine that those who do not engage in planning for the future will struggle to compete effectively or survive (Wang *et al*., 2011). In turn, SME owners stand accused of lacking clear long-term vision or an understanding of the future state of their business (Mazzarol, 2004). However, this may be due to the type of strategy work that takes place within specific contexts. The predominant focus of strategy research, both recent and traditional, pays little attention to smaller business and instead is preoccupied with larger firms (Kearney, Harrington & Kelliher, 2018). Whilst this has generated a wealth of knowledge for the strategy agenda, there is still a requirement for greater elaboration and understanding of the nature of strategy across all sectors of the economy. Whilst larger business and corporations have formalised and explicit strategic plans, SMEs frequently rely on the practical coping of the 'powerful actor' with which the business complies (Jarzabkowski, Le & Balogun, 2019). In this sense, SMEs tend to orientate towards short-term operational issues rather than long-term strategic issues, leading them to work more reactively than proactively (Stonehouse & Pemberton, 2002; Mazzarol, 2004). Whilst SME owners may claim to be forward thinking and implementing plans, actions are frequently ad hoc and intuitive rather than written in a formal setting (Wang *et al.*, 2011). As strategising comprises a vital aspect of the survival, growth, and competitiveness of a firm (Liberman-Yaconi, Hooper & Hutchings, 2010), it is important to apply this to the SME context in order to support the practitioners in hand and for the wider issue of regional social and economic development (Danson *et al*., 2015).

Similarly, the organisational structure of SMEs offers significant opportunities for applied strategy research. As predominantly single site entities, they offer the opportunity to observe multiple levels in a sole location, from the micro activities of owners through to their employees, to the situations they are collectively immersed in, to the macro-strategic evolution of the firm (Bouty, Gomez & Chia, 2019). This helps explore the inter-level activities individuals are accomplishing who carry, consume, and participate in the strategic direction of a firm (Oliver, 2015). This will provide the opportunity to better understand the key role of owner-managers of SMEs (Danson *et al*., 2015; Komppula, 2014) and their role in strategy making and development throughout the business. Therefore, this research responds to a call to improve the understanding of the nature of strategising in the smaller firm (Fernandez-Esquinas, van Oostrom & Pinto, 2017) and for greater elaboration on the account of how owner-managers engage with and contribute to contextual SME strategising. As such, it is an area of business that would benefit from further research into strategy, to aid in their understanding of the type of practices and interactions that occur and to stimulate opportunities for applied research into SME specific issues.

1.3 Background to the Study

Academics and practitioners have been trying to understand how strategy works by developing theories and conducting empirical studies for years (Mintzberg, 1994). Despite this wealth of literature, strategies and SMEs continue to fail, due to the lack of credible, viable knowledge for practitioners to enhance their practice, because conventional knowledge fails them. Consequently, diverse perceptions of strategy and its workings have evolved and shifted over time and must continue to do so. To rectify these failings, practice-based approaches emerged within the strategy agenda (Vaara & Whittington, 2012; Balogun *et al.*, 2014), namely strategy-as-practice (SAP) (Golsorkhi *et al.,* 2015; Jarzabkowski, Balogun & Seidl, 2007; Whittington, 2006). SAP is a concept for understanding key strategy issues including agency, structure and how individual action and institutions are linked in social systems and organisations (Schatzki, 2002). This approach shifts the focus of strategy research to a close enquiry of the micro-processes, practices and activities that have so often been overlooked in traditional strategy research (Chia & MacKay, 2007). As such, the SAP agenda opposes the popular and dominant view that strategy is something organisations possess, and instead views strategy as something people do (Jarzabkowski, 2004; Whittington, 2006). Therefore, the focus lays on individuals, the routines and procedures used to enact strategy (Jarzabkowski & Wilson, 2002), which allows researchers to conduct in-depth analysis of what takes place in the thinking and doing of strategy. This reorients strategy research towards the activities and competencies of individuals as strategists, rather than focus on core competences of the organisation. These new approaches shaped the ideas about how practitioners are doing strategy, which is now much more focused on micro-level social activities and practices that characterise the way strategy is conducted. This provides a useful research agenda and social movement for linking contemporary strategic management research approaches with practice-oriented studies. This rapidly developing field has produced a plethora of research exploring the activities, actions, processes, and practices occurring within organisational life (Golsorkhi, Rouleau, Seidl & Vaara, 2015; Jarzabkowski, 2005; Langley, Smallman, Tsoukas & Van de Ven, 2013; MacKay & Chia, 2013). However, while the agenda has experienced increased research interest, few studies focus on strategy in the context of the SME (Kearney *et al.*, 2018). This research seeks to remedy this gap and search for strategy phenomena within the SME specific context, to understand the different strategy activities and practices compared with those in larger organisations.

In addition to this, responding to calls to improve how, even in the absence of clear prior intentions, a strategy as a coherent and consistent pattern of actions can actually emerge (Langley & Tsoukas, 2010; Vaara & Whittington, 2012; Bouty *et al*., 2019) this research applies a

philosophically informed practice-based approach to examine and explain how, in practice, strategy can actually emerge without deliberate intent. To do so, it challenges the varying accounts of the existing dualisms between structure and agency, and macro and micro, within the strategy agenda and addresses each. It is within the context of action in the absence of prior intentions that a sociologically informed practice-based approach is beneficial to clearly comprehend how a process that involves local, non-deliberate actions that are guided by internalised predispositions can ultimately contribute towards the emergence of a coherent and viable strategy (Bouty *et al.*, 2019; Jarzabkowski *et al.,* 2019). To do so requires more secure theoretical grounding, both within the philosophical perspectives and methodological design. By addressing this gap in the current body of work, the research aims to build upon practice-based approaches to strategy, by contextualising strategy within the SME and treating strategy as a social practice that requires sociological analysis. The corresponding knowledge can be put to work to improve the way strategy is conducted and understood within SMEs. The ambition is to open the research agenda of strategists to offer a more reflexive and critical perspective on the phenomenon. This will join an emerging body of work that adopts a practice-based approach to understand strategy (MacKay, Chia & Nair, 2020; Bouty, Gomez & Chia, 2019), entrepreneurship (Thompson, Verduijn & Gartner, 2020; Champenois, Lefebvre & Ronteau, 2020), organisational studies (Nicolini, 2016a) and social phenomena in general.

This research will therefore differ from the main practice approaches to strategy in two ways. First, it will commit to a theory of practice that reconciles issues of agency and structure to refute the overly emphasised actor or structural properties (e.g., Jarzabkowski, 2004; Balogun & Johnson, 2005; Paroutis & Pettigrew, 2007; Whittington, Cailluet & Yaki-Douglas, 2011) and instead pay close attention to the practices whereby social life is accomplished and reproduced. Such an approach can help illuminate how practices shape activity across time and space, and how everyday patterns of actions that arise from habituated tendencies and internalized dispositions, rather than from deliberate initiatives, can consequently become strategy (Chia & MacKay, 2007). By drawing on practice theory to examine the "doings" of strategy, the aim is to capture how a coherent strategy emerges through every day, mundane, routinised actions and practices. Secondly, the philosophical commitments towards practice will provide an opportunity to address large-scale phenomena and distance the practice strategy agenda from microsociology. Therefore, it will abandon large abstract theory to study large-scale phenomena and instead ground sociological concepts within the typical micro-events that make them up (Collins, 1981). It will explore how both large- and small-scale strategy phenomena is constituted by and emerge through the aggregation of interrelated practices, by addressing the micro-macro linkage in a flat ontological position. Consequently, this research contributes to the practice strategy school of thought by empirically showing how both small- and large-scale phenomena are constituted

through and experienced in terms of 'micro' situations, placing significant focus on the realm of practices as the precursor to daily strategy doings. In doing so, it further contributes to the understanding of the methodological and theoretical implications on applying a social practice theory to strategy. The relevance of this is two-fold; both academically and practically. Firstly, it allows researchers to avoid abstract generalisations and instead account for specificities for a richer theoretical repertoire, and secondly, it allows for academic work to produce representations that practitioners can use to consider their own practice and daily practical concerns (Nicolini, 2017).

1.4 Personal Statement

After graduating university in 2013 with a Lower-Second Class degree in English Language I was quite sure that academia and I did not get on (and never would). After several months' soul searching, travelling, and teaching, I began working in my local cinema scooping popcorn and sweeping floors. On reflection, this was a career defining moment. The team I worked with was passionate, energetic, and dedicated to their role and my time spent here instilled in me a work ethic like never before. I experienced barriers to my work in multiple different ways, whether macro structures like the glass ceiling or micro technical faults with projectors that left me to manage a room of 250 angry customers. It was in this role that I first-hand experienced strategy work and began to consider returning to academia as I had seemingly hit the ceiling for future opportunities. In 2016, I embarked upon a new relationship with academia in a Master of Science programme at the University of Central Lancashire. It was here that I was exposed to the people and experiences that inspired my desire for research and the opportunity to do so.

In truth, this PhD research project was a studentship with a pre-established broad category for the topic of research, strategy and SME. Whilst I cannot claim to have chosen the field itself, I had a huge amount of flexibility and creative licence to choose the particular focus. It was in my meeting of young entrepreneurs, who had brilliant ideas, but were struggling daily, working with my Director of Studies and my own experiences facing challenges and barriers within the workplace that guided me to the specifics of practical coping as strategy. I remember an early day in the research process, where I had a realisation that I as a researcher, within a community of practitioners and academics, could make a difference to problems that are very real for people owning and managing SMEs. These experiences, taken together, inspired my interest in organisational life and the small, seemingly innocuous actions, that have large consequences. Taking a practice approach in this work and delving into the *how* of SME strategy practices can ultimately find some root in this interest in the lived experiences of organisational life. That in

paying attention to the intricate web of mundane routinised daily doings, I could unravel the well-established thought that SME owners lack clear long-term vision or an understanding of the future state of their business, and instead work towards demystifying what strategy is within the SME context.

1.4 Aims

The main aim of this research is to explore practices in small and medium size enterprises in the North West, applying social practice theory to appreciate how a coherent strategy emerges through everyday purposive actions and practices, to advance the understanding and facilitation of the types of strategy practices that occur.

1.5 Objectives

This aim is operationalised through the following research objects:

i) To explore the mundane practical concerns and copings that orient the daily strategy work of SMEs.

ii) To analyse how local, spontaneous coping activity is informed, affected, constrained, or enabled by the wider constellation of practice.

iii) To explore the local and trans-local effects of practice and the unintended consequences that are retrospectively considered as coherent strategy.

1.6 Structure of the Thesis

The research is presented in five main chapters. The *first* chapter presents an introduction to the research, by justifying the context of SME, expounding the background to the study, highlighting the motivations for the research, and introducing the aims and objectives of the research. The *second* chapter explores the literature and theory surrounding strategy in general and practice-based approaches to strategy. It continues by contextualising practice-based approaches to strategy research and strategy emergence within the SME field and consequently sets out the theoretical frame which sensitises the rest of the thesis. Then it presents the philosophical underpinnings of strategy practices and depicts an approach to analysing strategy practices. It concludes by presenting the conceptual framework that draws upon the concepts and theory

highlighted within the chapter as a whole, to best explain the progression of studying the strategy phenomena. The *third* chapter of the thesis explores the methodological approach taken. In doing this, it describes the research design for the study including the ontological, epistemological, and methodological assumptions which underpin the research design. It proffers the research strategy, the data collection methods, the stages of analysis, and concludes with reflections on credibility, ethical considerations, and methodological limitations. The *fourth* chapter presents the findings of the research in line with the stages of analysis. As such, the first encounter with the data reveals a range of practical concerns and copings and several themes emerge which hold some explanatory power for how SMEs "do" strategy. The second encounter with the data provides an account of the cognitive ordering of the SME strategising practice, to expound why SMEs strategise in the way they do. The *fifth* chapter of the thesis delves into the meaning, importance, and relevance of the findings, by discussing them in tandem with the literature. The *sixth* and final chapter articulates the contributions to knowledge, methodological reflections and directions for future research, practical implications of the research, and brings the research to a close with concluding remarks.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In order to supplement knowledge and understanding regarding the main aims and objectives of this research, an extensive body of work is explored and compiled into this literature review to determine the main perspectives and arguments that exist within the strategy and practice agenda. The aim of such is twofold; firstly, to provide a critical evaluation of the main concepts surrounding the evolution of strategy research, ultimately directing attention on the recent turn to practice. Secondly, to confront the theoretical and methodological challenges of current practice-based strategy work, an alternate conceptualisation to theorising strategy will be formed. Therefore, the literature review is split into six sections. The *first* section considers conventional mainstream strategy and highlights the inadequacies which motivated the practice turn within strategy research. The *second* section evaluates the ensuing practice-based approaches, highlighting the shift in focus from traditional strategy research and the high levels of pluralism and ambiguity within the agenda, to generate gaps in the research to be developed. Following this critical review, the *third* section elucidates the logic behind SME strategy as a social practice. The *fourth* section challenges the philosophical commitments and entanglements of this approach to strategy, by probing the ontological positioning of practice theories and addressing issues of agency and structure in their relationship to individual action, institutions, cultures, and organisations. The *fifth* section critically evaluates the methodological implications of utilising such a philosophically driven approach to strategy research and outlines the schema of components that practice theory can lend as an analytical lens and methodological strategy. The *sixth* and final section comprises an appropriate conceptual framework which is created to sum up the system of concepts and theories that inform the research based on the theoretical discussion it follows.

2.2 Conventional Perspectives on Strategy

Conventional mainstream strategy research is based on a managerialist foundation (Mantere & Vaara, 2008), rooted firmly within an epistemological foundation in rationality, where strategy is perceived as a set of techniques to manage firms (Eisenhardt & Zbaracki, 1992; Kaplan & Norton, 2001; Porter, 1980, 1985; Pettigrew, 1985, Mintzberg, 1978). Emerging as a discipline in the 1950s and 1960s, strategic thinkers were influenced by classical scientific thinking

(Walton, 2017). In this classical approach to strategy, actors at the top of the organisation were viewed as rational beings who deliberately devised and planned strategies and implemented them in a top-down linear process (e.g., Chandler, 1962; Ansoff, 1965; Sloan, 1963; Andrews, 1971). These particular scholars saw profitability as the ultimate goal of business and rational, deliberate planning as the means to achieve it. This is a core assumption that underpins the different schools of thought that have developed within the conventional stream of strategy, namely planning (Chandler, 1962), design (Mintzberg, 1994; Christensen *et al.*, 1987) emergent (Mintzberg, 1973; 1978; 1987), process (Johnson & Scholes, 1988), content (Porter, 1980) and so on. These schools consider strategy as a deliberate process of conscious thought in determining the basic long-term goals and objectives of an enterprise (Chandler, 1962). The degree to which strategy can be expressed as a rational process, however, has been severely criticised, as problems and solutions of strategy are always in a continuous process of reconstitution (Knights & Morgan, 1991). Many of the early scholars consider strategy formation as an explicit and creative stream of decisions by management (Mintzberg & Waters, 1982), where strategy was focused on a firm's competitiveness, external environment, and organisational performance (Porter, 1980; 1985). However, the ability for strategy to remove uncertainty and plan the perfect future is impractical and unattainable (Clegg, Carter & Kornberger, 2004). Moreover, researchers began to identify outside management groups key to organisational knowledge creation to aid in strategic environments, the top-down planned view of strategy was challenged (Hart, 1992). Classical strategy research appeared to have no consideration for actors outside of top management, nor how human emotions, actions, and motivations shaped strategy (Cunningham & Harney, 2012), as actors were deemed rational (Pfouts, Hirsch & Hunt, 1976). These rational assumptions made it an uninteresting field of research (Jarzabkowski, 2005).

Opposing these assumptions, Mintzberg argues that strategy formulation cannot be separated from strategy implementation (Mintzberg, 1994; 1978). He suggests that strategy making consists of both deliberate and emergent elements and that the purely planned strategy is the unlikely extreme of a wide continuum (Mintzberg & Waters, 1985). The idea of emergent strategies is that, within an organisation, strategy emerges out of practice in a bottom-up or undirected way. Even though many attempts at emergent strategy making might fail, some are successful in changing the company's overall direction. An emergent or realised strategy is a pattern of action that develops over time in the absence of a specific mission and goals, or despite a mission and goals, as intentions collide with and accommodate a changing reality (Mintzberg, 1994). Emergent strategy making is "most likely to emerge at a level where managers are directly in contact with new technological developments and changes in market conditions, and have some budgetary discretion" (Burgelman, 1991, p. 246). In this view, strategic decision making is an ongoing and rather inductive change process (Hendry, 2000; Regnér, 2003). It can be

incremental and path-dependent, as strategies are continuously modified (Whittington, 1996; Jarzabkowski, 2004) and thereby become accepted within the organisation (Lowe & Jones, 2004; Papagiannakis *et al.,* 2013). The emergent approach to strategy making is not without its critics either, Carter *et al.* (2008) argue that it is just as top management oriented as the planned and design approach, whilst others criticise its lack of coherence (Idenburg, 1993; By, 2005). According to Idenburg (1993, p. 136), the emergent perspective on strategy "leaves the door wide open for all kinds of irrational mechanisms". Nonetheless, many scholars argue that the emergent approach is particularly relevant for practice (e.g., Hendry, 2000; Lowe & Jones, 2004; Maritz *et al*., 2011).

In sum, the planning, design, and content schools consider the conditions of success and failure in terms of top-down choices and performance outcomes, focusing on the question of 'what strategy'. Whilst the emergent school considers strategy as not solely a plan but also a pattern that emerges over time, acknowledging the complex, bottom-up process throughout an organisation (Mintzberg & Waters, 1982). Here, the 'how' question of strategy emerged, which was the inspiration for the development of substitute approaches; process (Johnson & Scholes, 1988), action-based and processual approaches (Whittington, 2002), which sought how an organisation's strategy emerged in alternative ways, focusing on strategically relevant events and procedures (Chia & Holt, 2006; Lechner & Müller-Stewans, 2000). The focal point in process and processual research is understanding how strategies are formed over time, emerging from a combination of influences within the organisation, either of cognition or uncertainty (Lechner & Müller-Stewans, 2000), where objectives were not simply for profit-maximisation, but also innovation (Walton, 2017). However, these approaches were still considered 'deliberate' emergence (Mintzberg & Waters, 1985) and were still top down, where strategy was designed by senior-level managers and implemented by the lower levels (Mintzberg & McHugh, 1985). This assumption has been widely criticized and rejected as unrealistic, due to being based on the micro-economic beliefs of a single rational and utility maximising individual (Golsorkhi *et al*., 2015). Meaning research on strategy was predominantly focused on few variables all at the macro-level of the organisation and market, with little consideration for the identity of anyone involved in the strategy work (Jarzabkowski *et al*., 2007).

The conventional approaches, whilst the very foundations of strategic theory today disregard the individual and demonstrate their ignorance of the fundamental indecision that characterises every decision. In this regard, it is how strategy is defined. For many of the conventional approaches (e.g., Mintzberg, 1985; Chandler, 1962; Porter, 1980; Johnson & Scholes, 1988), an organisation's strategy is its understanding on how to gain competitive advantage (Barney &

Hesterly, 2015). This makes competitive advantage central to the debate about what strategy research should seek to explain. Its economic approach provides a theoretical context that renders it stuck within the macro-analysis of industry dynamics (Clegg, Carter, Kornberger & Schweitzer, 2011). Therefore, it fails to recognise and identify the work of strategy, by limiting focus on the individual and their role in the creating and doing of strategy. Moreover, these conventional strategy approaches are commonly associated and have been developed within larger companies and cannot simply be stretched to cover SME specific issues (Gibbons & O'Connor, 2005; Hauser, Eggers & Güldenberg, 2020). The notion of performance 'success' as attributed to the large organisation has been debated within the SME field and findings suggest success cannot be measured according to the same rational economic criteria (Jennings & Beaver, 1997). This is due to the vast differences between the two types of entities and the SME uniqueness, which has a noticeable influence on factors and outcomes of research (Kitsios & Kamariotou, 2019). Such differences include performance objectives different to those of larger companies, such as pursuing personal, noneconomic goals (Jennings & Beaver, 1997; Wang *et al*., 2011), SMEs are often relatively resource-constrained businesses operating in markets fraught with uncertainty (Knight, 2001) and they have a greater reliance on individual influence on strategy (Gibbons & O'Connor, 2005). As such, the need for contextual strategy development, catering for the differences in SMEs is warranted (Bellamy, Amoo, Mervyn & Hiddlestone-Mumford, 2019).

This prompts more applied research into considering strategy within SME specific contexts. Although, over the years, results have been inconclusive in how SMEs engage in the strategy formation process (Ghobadian *et al*., 2008; O'Regan & Ghobadian, 2007; Gumbus & Lussier, 2006), this is seemingly due to the researcher's predilection towards strategic planning as part of the macro-economic narrative (Bellamy *et al.,* 2019). In this stance, academic commentary depicts SMEs as a strategy 'black hole', that are devoid of strategic planning (Robinson & Pearce, 1984), any kind of written strategy document (Kemp & Gibcus, 2003; Bryant, 2007) and are consequently dubbed "strategically myopic" (Mazzarol, 2004, p.1). These works are written on the foundation that the absence of such formal strategy work infers that there is an absence of strategy altogether, and in doing so, harms SME performance (Spanos *et al*., 2004; Andrews *et al*., 2009). Therefore, much of the SME strategy literature is grounded in the classical school of thought of content strategy (Porter, 1980; 1985), heavily influenced by economics, assuming that there are direct cause and effect relationships between the "structure of industries, the behaviour of firms within them and their financial performance" (Walton, 2017, p.7). The ensuing assumption that SMEs are particularly prone to exhibit strategy absence (Abosede *et al*., 2016) and comparing this to performance differentials, reaffirms that the outdated, economically driven approach is unsuitable for such a context (Wolf & Floyd, 2017). Moreover, for practice-based

research the aims are not merely to improve strategy to improve performance, but to understand how and why strategy takes place as it does, offering a more comprehensive and in-depth analysis of strategy (Golsorkhi, Rouleau, Seidl & Vaara, 2015).

Consequently, this research responds to calls to conjoin a practice approach with the SME sector (Devins, Lodorfos, Kostopoulos, & Webber, 2016; Redmond & Walker, 2010) to develop strategy research through a different lens by documenting what is in fact happening in businesses, giving a special sensitivity to the informal, unscripted activities through which strategies often emerge (van Scheers, 2011). In failing to account for human action and the practice of 'doing' strategy in dominant mainstream strategy research, the classical approaches lack the understanding of what and who is shaping strategic action. Whilst the interest in strategy outcome and performance still remains, the emphasis now turns toward the internal organisational goings-on, the micro-activities that constitute the real 'doing of strategy', rather than on the macro-causal factors determining strategic success (Chia & Holt, 2006). The conceptual and theoretical dichotomies within traditional strategy research have bounded understanding in regard to the day-to-day activities of individuals. Considering these inadequacies of the early research, a social practice theory can provide the tools and understanding to comprehensibly explain the practice or doing of strategy (Johnson, Melin & Whittington, 2003; Whittington, 2002; 2007). However, despite these increased interests, there exists very little empirical evidence on strategy practices within SMEs (Bellamy *et al.*, 2019), therefore making it an ideal context to study strategy work.

2.3 Strategy and the Turn to Practice

A fundamental ontological shift in the approach to strategy research occurred in the early 2000s. Firstly, strategy is no longer an entity that is stable and observable, but instead is identified as a reality in constant flux. Recent strategy scholars have recognised that many organisations do not experience success by following pre-established strategic plans, but because a viable strategy often emerges inadvertently (Chia, 2013). As such, a shift in focus to explain the process of strategy-making and the phenomenon of strategy emergence has followed. Moving away from the content of strategic planning, scholars are now paying close attention to activities, actions, processes and practices that occur in everyday organisational life (Golsorkhi, Rouleau, Seidl & Vaara, 2015; Jarzabkowski, 2005; MacKay & Chia, 2013). The macro-level perspective has shifted to incorporate individual action and demonstrate an inclusive multi-level perspective, which is better sensitised to the context of the SME.

2.3.1 The Emergence of a Practice-Based View

In the complex landscape of contemporary social theories, "'practice theories' or 'theories of social practices' have formed a conceptual alternative that seems attractive to an audience dissatisfied with both classically modern and high-modern types of social theories" (Reckwitz, 2002, p. 243). The 'practice turn' has occurred across contemporary social science disciplines offering key concepts for understanding central questions about how agency, structure, individual action, and institutions are linked across a variety of social systems, cultures and organisations (Bourdieu, 1990; Foucault, 1977; Giddens, 1984; Schatzki, 2002). This turn seems to be tied to an interest in the 'everyday' and 'life-world' (Reckwitz, 2002), as the concept of 'practice' allows researchers to engage directly with practitioners, to examine issues directly relevant to those who are engaged in the doing of their work. This is to advance theoretical understanding that has a practical relevance for organisational members.

Since early 2000, strategy-as-practice (SAP) has emerged as a distinctive approach for studying strategic management, strategic decision-making, strategising, strategy-making and strategy work from a practice-oriented perspective (Whittington 1996; Johnson *et al.,* 2003; Jarzabkowski *et al*., 2007; Jarzabkowski, 2005; Mantere & Vaara, 2008; Spee & Jarzabkowski, 2009; Vaara, 2010; Whittington, 2006). Emerging from classic strategy process research (Pettigrew, 1973; Mintzberg & Waters, 1985) and those attempting to extend strategic management (Eisenhart, 1989; Knights & Morgan, 1991) the SAP research agenda was born with a concern for the close understanding of the myriad, micro activities that make up strategy in practice (Johnson *et al.,* 2003). This approach aims to treat strategy as a social practice to improve the way strategy is conducted and to reform the strategy shared between practitioner and academic community (Whittington, 2003). Moving away from the perspectives that treat strategy as something an organisation *has*, SAP researchers instead acknowledge that strategy is also something that individuals *do* (Johnson *et al*., 2003; Jarzabkowski, 2004; Jarzabkowski *et al*., 2007). SAP research focuses on micro-level social activities, processes and practices that characterise organisational strategy, which serves as a useful research programme and social movement for connecting contemporary strategic management research with practice-oriented organisational studies (Golsorkhi, Rouleau, Seidl & Vaara, 2015). In many ways, SAP is regarded as an alternative to mainstream strategy research as it moves to a more comprehensive, in-depth analysis of what actually takes place in the thinking and doing of strategy, rather than focusing merely on the effects of strategies on performance alone (Golsorkhi, Rouleau, Seidl & Vaara, 2015). It does this by focusing on the *where* and *how* strategising and organising is done, *who* does this work and *what* skills are required for this work (Whittington, 2002). Here, strategising

refers to all the practices and processes through which strategy is conducted (Vaara & Whittington, 2012). SAP has already provided meaningful research that examines strategy practice, for instance considering discursive power (Hardy & Thomas, 2014), language games (Clegg, Kornberger & Carter, 2003) and strategic tools (Gunn & Williams, 2007). As it is sociologically informed, rather than economically driven like its predecessor, this has aided in its ability to see how specific social conditions and practices can impact actors of strategy work (Balogun & Johnson, 2005). Therefore, scholars concentrate on the daily activities of actors and how they interact with context (Jarzabkowski, 2003). By focusing on such actions and interactions that constitute a strategy process (Paroutis & Pettigrew, 2007) the SAP approach clearly favours managerial agency.

Based on the early works of SAP an overarching framework has been developed by considering practitioners, praxis, and practice (3Ps), drawing on wider social practice theory (Paroutis, Angwin & Heracleous, 2013). The framework introduced by Whittington (2006) focuses on the "who", "how", "where" and "when" of strategic actions. In this way strategy is encapsulated as something that 'people' do as opposed to something that organisations do. 'Practitioners' are the actual human beings who are engaged in formulating, shaping, and executing strategies. The term 'praxis' refers to the actual 'day to day' activity people do in practice (Paroutis *et al.*, 2013; Johnson *et al.,* 2003), "the flow of activity in which strategy is accomplished" (Jarzabkowski & Spee, 2009, p. 2). The term 'practice' is defined as the "social, symbolic, and material tools through which strategy work is done" (Jarzabkowski & Spee, 2009, p. 2) or the routines of behaviour, such as traditions and norms in strategy work, as such involves the formal and informal interactions and activities at the organisation centre (Regnér, 2003; Whittington, 2006). The 3P framework outlines an important overlap, often referred to as 'strategising'. Strategising refers to the strategy work (Vaara & Whittington, 2012) and includes all the practices and processes through which strategy is conceived and executed in a continuous fashion. It covers the micro-level activities through which actors construct and enact strategies (Whittington, 1996). Therefore, SAP authors claim that their unit of analysis is strategy practices, the flow of activities carried out by individuals or groups within traditional organisational processes such as strategic planning, decision-making, resource allocation and strategic change. However, across the field there exists varying definitions of the term 'strategising'. For example, for Jarzabkowski *et al.* (2007, pp. 4-5) it is "the doing of strategy, or the construction of this flow of activity through the actions and interactions of multiple actors and the practices that they draw upon". In contrast Johnson *et al.* (2003, p. 14) define strategising as the "detailed processes and practices which constitute the day-to-day activities of organisation life and which relate to strategic outcomes". This discrepancy has two potential causes, firstly the wider theories of practice underpinning their approach have yet to unanimously agree on a definition for the term 'practice' (Nicolini,

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2013; Schatzki, 2001) and secondly the broad definition of practitioners offered. Whilst SAP scholars argue that this diversity is constructive for the field and that it should be considered as an "umbrella construct" (Floyd *et al.*, 2011), critics commonly find it too broad and lacking precision (Elbasha, 2015).

2.3.2 The Heterogeneous Nature of Strategy-as-Practice

In recent years SAP research has fulfilled its promise by being livelier than ever, with many thinkers and writers applying a strategy-as-practice approach to their research interests (Golsorkhi *et al.,* 2015; Vaara & Whittington, 2012; Balogun *et al.,* 2014; Seidl & Whittington, 2014). The heterogeneous nature of the field is perhaps reflects the initial motives behind the collective interest, namely; (1) a practice focus provides the opportunity to examine the micro-level of social activity in the field, (2) the practice approach breaks with methodological individualism and instead emphasises that activities need to be understood as enabled or constrained by the practices in the field, and (3) the notion of practice allows scholars to engage with fundamental contemporary social analysis issues (i.e. structure and agency) (Golsorkhi *et al.*, 2015). In chasing these aims various themes for practice in strategy have emerged. The central (and most popular) theme within the SAP stream of research is formal strategic practices, such as strategy workshops (Hodgkinson *et al*., 2006; Jarzabkowski & Seidl, 2008; Johnson, Prashantham, Floyd, & Bourque, 2010; Seidl, MacLean & MacIntosh, 2011), strategy meetings (Wodak, Kwon & Clarke, 2011), committees (Hoon, 2007) and formal administration routines (Jarzabkowski & Wilson, 2002), to name but a few. Other important themes include sensemaking, materiality (Whittington, 2006), tools (Moisander & Stenfors, 2009), discursive practices (Vaara *et al.,* 2004), identities and power in strategy (Golsorkhi *et al.* 2015). The heterogeneity in themes present within SAP demonstrate the agenda's popularity and theoretical efficacy, however, Carter *et al*. (2008) posits that core themes within SAP are already present within core management principals introduced by Fayol (1918), rather than being inherently new concepts. Implying much of the agenda has roots in traditional strategy research, as opposed to being a distinctive agenda. SAP scholars defend this, explaining that they are more concerned with explaining existing problems rather than the theory in use, seeking to use the existing body of knowledge to investigate novel problems (Varyani & Khammar, 2010).

As the agenda has grown, so have the diverse theoretical, epistemological, and methodological perspectives and SAP is characterised by a high degree of pluralism and ambiguity (Golsorkhi *et al*., 2015; Rasche & Chia, 2009; Carter *et al.,* 2008). For some, there is a reliance and a revival of themes from the resource-based view (e.g., Johnson, Langley, Melin, & Whittington, 2007;

Regnér, 2008), rather than offering novel insight (Carter, Clegg & Kornberger, 2010). Jarzabkowski (2003; 2005) explores activity theory, alternative theories of social practice (2004) and structuration theory (2008). There are those who explore the potential of Actor Network Theory (Denis, Langley & Rouleau, 2007; Johnson *et al.,* 2007), Institutional Theory (Johnson *et al.,* 2007) and the Heideggerian perspective (Chia & Holt, 2006). This theoretical pluralism makes the pluralism of the epistemological perspectives much less surprising. Scholars across SAP draw from fundamentally different understandings of 'practice', which causes significant epistemological disparities. Whilst there is a certain homogeneity in the general presentation of practice in strategy perspectives (Rouleau, 2013), it is evident that there are numerous fluctuating underlying views of practice (Carter, Clegg & Kornberger, 2008). To name a few; practice as managerial action in strategising (Whittington, Cailluet & Yakis-Douglas, 2011), practices as a set of tools in strategic planning (Kaplan, 2011; Jarzabkowski, Spee & Smets, 2013), practices as organisational resources (Regnér, 2008) and practice as global discourse (Carter *et al.,* 2010). Within works analysing managerial practice, 'practice' refers to the action through which managers recurrently accomplish their strategy work (Jarzabkowski, 2004). As Jarzabkowski (2004) notes practice is the actual activity, events, or work of strategy, while practices are those traditions, norms, rules, and routines through which strategy work is constructed. Other SAP authors are more concerned with the various sets of material tools related to strategy formation. Here, 'practices', used plurally, are mainly associated with the procedures, norms and traditions by which strategy is actively accomplished. The view of practices as a set of tools provides a stronger comprehension of the informal procedures of strategic planning and of how standardized sets of practices are produced within particular settings.

The more sociologically informed view of 'practice' claimed by those within the SAP field, encouraged by Whittington (2006) to connect the detailed activity of individual practitioners with broader societal phenomena, refers to the social and tacit knowledge that practitioners use when they are doing strategy. This view assumes that practice is related to the knowledge frame that actors draw upon in doing their strategy work. Within this frame of thinking, authors have explored activities such as strategic decision making as a social practice, rather than a management technique (Hendry, 2000). Therefore, strategy takes its meaning from the social context in which it evolves (Rouleau, 2013). By viewing 'practice' as social knowledge, research aims to highlight the contextual and hidden characteristics of strategy-making rather than to provide practical implementations for impacting strategy performance. Rouleau's (2005) examination of strategic sensemaking and managers' tacit knowledge of their broader social context provides a useful illustration of this perspective. The view of practice as knowledge invites the strategy-as-practice researcher to redirect attention towards the collective stock of knowledge that is a precondition for action and activities instead of looking at managerial action

or the set of activities in which strategy-making is entangled. A view of practice as knowledge looks for the ordinary practical reasoning by which practices are interconnected with one another and re-produce social life in organisations.

Orlikowski (2015) characterises these understandings into three distinct group; the first treats practice merely as phenomenon, studying what happens 'in actual practice'. The second favours practice as a theoretical perspective, where researchers not only pay attention to what happens in practice, but also draw upon theories of practice. Whilst the third treats the notion of practice as a particular philosophy, specifically ontology; this is where social reality is conceived as constituted by practice. It is the third type that Orlikowski (2015) calls the most extreme in how it engages with practice, and as such, it is the rarest form of approach found in existing publications. This is unsurprising when considering that no unified sociologically driven practice approach exists (Schatzki, 2001). Instead, those who theorise practice commonly agree on one core notion; that the study of the social must begin and conclude with social practices (Nicolini, 2017), where social practices are, minimally, arrays of activity (Schatzki, 2001). Therefore, to ascribe to a practice approach there is a multiplicity of ways in approaching subject matter, as long as the field of practices is the place to study the nature of such. This is one of the potential causes for the interchanging terminology and uses for 'practice' in streams of SAP. Due to the commonality for researchers in SAP to opt for Orlikowski's first two types of 'practice' understanding, there ensues a lack of clarity within the research agenda. In part, by not committing to the practice 'worldview' they offer under-articulated or ambiguous depictions of the social world and ultimately get stuck in the process approach in strategy (Sandberg & Tsoukas, 2015). A significant aspect of this ambiguity is how researchers address structure and agency in the process of strategising. This lack of clarity is considered a theoretical weakness (Carter *et al.,* 2008) and instead a deeper understanding of the agency agenda is required (Chia & MacKay, 2007) to understand the relationship between what practitioners do in strategising and what spurs these actions. This is addressed in more detail in Section 2.5.

The heterogenous nature of the strategy-as-practice agenda is useful for the purposes of this research as it "has been extremely helpful for generating a community of ideas, activities and researchers promoting divergent agendas" (Rouleau, 2013, p 557). However, some claim it lacks a theoretically advanced and critically oriented approach to explore the fundamental issues of practice (Clegg *et al*., 2004; Carter *et al*., 2008; 2010; Carter, 2013). Moreover, full accounts and applications of a sociologically informed practice theory remain scarce. Relying heavily on micro-activities of individual actors generates the subsequent problem of linking said individual actions to macro-outcomes. As such, the promise to reveal the micro-processes of strategy-making, linking the micro to the macro and reveal what strategists actually do, is yet to be fully

realised (Brown & Thompson, 2013), revealing a promising premise to apply further philosophical practice theories to the realm of strategy.

2.3.3 Strategy Practice in the SME Context

In regard to the context of strategy practice research, strategy-as-practice frequently choose to contextualise their strategy research in specific organisational settings, such as airlines (Vaara, Kleymann & Seristo, 2004), clothing (Rouleau, 2005), multi-business firms (Paroutis & Pettigrew, 2007), orchestras (Maitlis & Lawrence, 2003), universities (Jarzabkowski, 2003; 2004; 2005) and so on. As such, similarly to traditional strategy research, the focus of much practice-based approaches to strategy are often conducted in larger organisational settings (Jarzabkowski, 2008), contributing towards a significant shortage of SME specific strategy research. Whilst SMEs are widely explored within business and management research (Henry, 2013; Kyriakidou & Maroudas, 2010; McGuire, 1976) and are the focus of policy-based studies (Kuyucu, 2011; Pickernell *et al.*, 2013), there are calls to apply practice-based approaches to understand strategy phenomena within this context (Devins *et al.,* 2016; Redmond & Walker, 2010). The increasing interest in SMEs is motivated by the increasing challenges that small business faces in today's competitive global economy that is dominated by large organisations and global giants (Hodgkinson & Starkey, 2011). However, despite these recent interests, there remains very little empirical evidence on the use and adoption of sociologically informed practice-based approaches within the context of SME specific strategy. Most studies that consider strategy in the context of the SME context hold a traditional view of strategy, whereby they consider a key determinant of business success lies in the absence or presence of strategic planning (Schwenk & Shrader, 1993; Miller & Cardinal, 1994; Hormozi, Sutton, McMinn & Lucio, 2002; Wang *et al.*, 2011). However, as previously stated, the assumptions of the traditional views where strategy can remove uncertainty and plan the perfect future is impractical and unattainable (Clegg, Carter & Kornberger, 2004). These studies are concerned with the setting of long-term organisational goals, the development and implementation of plans to achieve these goals, and the allocation or diversion of resources necessary for realising these goals (Stonehouse & Pemberton, 2002; O'Regan & Ghobadian, 2004). Further studies into SME strategy suggest that those who engage in formal strategic planning are also more likely to be more innovative and achieve international growth (Upton, Teal & Felan, 2001; Beaver & Prince, 2002; Stewart, 2002; Gibbons & O'Connor, 2005). Perhaps most importantly, they claim SMEs that engage in strategic planning are less likely to be those that fail (Perry, 2001). However, amidst these claims, academics recognise that strategic planning is rare or non-existent in most SMEs (Wang *et al.*, 2011).

As such, the SME strategy literature relies on core assumptions of both the planning and content schools (Porter, 1980; 1985), seeking out the relationship between performance differentials and strategy in a cause-and-effect relationship. This has driven research to seek and explain the lack of strategic planning as the cause for poor performance, and therefore research within SMEs is focused identifying 'barriers' that discourage or prevent planning, that consequently harm performance. This puts metaphorical blinkers on the SME strategy agenda, as they are too concerned with why there is a lack of strategic planning in SMEs and fail to question what other types of strategy work might take place instead. In practice, SMEs tend to orientate towards short-term operational rather than long-term strategic issues, and decision-making tends to be reactive rather than proactive (Jones, 1982; Gaskill, van Auken & Manning, 1993; Brouthers, Andriessen & Nicolaes, 1998; Stonehouse & Pemberton, 2002; Mazzarol, 2004). Even within SMEs that claim to plan, plans are frequently ad hoc and intuitive rather than formally written and provide little basis upon which business performance can be measured or analysed (Kelmar & Noy, 1990). Therefore, this research diverges from the current SME strategy literature, and instead applies a practice-based perspective that offers the tools and terminology to understand the activities that actually happen in SME strategy, contrasting the established understanding the studies above pose on what strategy is. Accordingly, practice theory asserts that strategy is not some transcendent property that a priori unifies independently conceived actions and decisions, but is something immanent, unfolding throughout the day-to-day activities (Chia, 2006). Therefore, strategic outcomes do not presuppose deliberate prior planning or intention. This can allow the ad hoc and 'intuitive' strategy activities that have been previously overlooked by views that regard strategic decision making as essentially intentional, purposeful and goal-oriented, to be accessed and understood in how SMEs 'do strategy'.

Amoo (2019) aims to fill one such void within the SME specific literature by exploring the use of strategy tools in the strategy formation process. The theoretical orientation adopted is informed by SAP, with a keen focus on micro-processes and practice. The paper examines the micro-processes, with an acknowledgement that these link to the macro-environment, through the detailed understanding of processes operating within the context and as related to the organisation and individual. Yet, the unit of analysis remains the individual, whereby the use of strategy tools is motivated by a mental state with a propositional content. Micro-activities and processes are ultimately explained by a recourse to the idea of intention, a system of beliefs or the internalising of tacit rules, in other words, in terms of an essentially cognitivist explanation. Similarly, Marietto and Sanches (2013) study individuals in SMEs (owners, entrepreneurs, managers, salespeople and other social actors) through SAP assumptions, as they interact with the internal

and external environment to formulate, influence and execute strategies. However, they ground their work within activity-based theory, drawing infrequently from the 'practice' aspect of strategy-as-practice. As such, Kearney *et al.* (2018) begin to develop a framework that applies a strategy-as-practice approach to the micro firm context, seeking to provide SME owner-managers with a framework for the development of strategising, however, do not explain how empirically this can be done. The extent to which calls are made for the application of theories of practice to the SME context is vast and spans from the strategy agenda (Kearney *et al.,* 2018) to consumption studies and energy research (Powells *et al.*, 2015; Hampton, 2019). However, few studies exist empirically applying this (see Hampton, 2019). Therefore, applying a sociological practice theory lens to strategising in the context of SMEs can provide both the theoretical understanding of what happens and why, and the methodological tools to uncover this in practice.

2.4 The Logic Behind SME Strategy

Consequently, drawing on the above review, the logic behind SME strategy work and strategy practices needs to be clarified to align with the appropriate sociologically informed practice perspective. As outlined, strategic practices have been the focus for empirical enquiry within the strategy-as-practice agenda, identified and represented in numerous ways; strategy workshops (Hendry & Seidl, 2003; MacIntosh *et al.*, 2015), strategy meetings (Liu & Maitlis, 2014; Kwon *et al.*, 2014), formal teams (Hendry, Kiel & Nicholson, 2010) and other formal administrative routines (Jarzabkowski & Wilson, 2002). Others take this outside the organisation and recognise the use of SWOT analysis (Wright, Paroutis, & Blettner, 2013), PowerPoint strategy presentations (Kaplan, 2011), strategy projects (Paroutis, Franco, & Papadopoulos, 2015), or strategy retreats (Johnson *et al.*, 2010) as strategy practices. Burgelman *et al.* (2018) argue for a more process perspective on strategy practices. They commit to the notion of 'realised' strategy, recognising the emergent nature of strategy, yet they also allow for deliberate strategy. Their strategising episodes propagate a bounded realised strategy characterised by its encompassment within deliberate strategy-making, which they label as "formal strategy meetings and retreats or informal, ad hoc encounters between decision makers" (Burgelman *et al.,* 2018, p. 541). Whilst this demonstrates a nod to the practice perspective in that it recognises the evolutionary nature of strategy and the temporal recursiveness related to it, they do not explicitly articulate the agency commitments practice perspectives prescribe. In articulating the importance of 'managerial attention' and deliberate-ness, it is more process than it is practice and therefore their notion of 'strategy practices' is incompatible with the philosophical commitments of practice-based research.

In a similar bridging move between process and practice perspectives, Chia and Holt (2006) build upon Regnér's (2003) theory of 'centre' and 'periphery' utilising Heidegger's (1971) model of 'building' and 'dwelling', in order to re-conceptualise agency, action and practice within strategy. To understand this bridging move, a brief understanding of Heidegger's notion of how the world 'shows itself' is required. For Heidegger (1971) this is done in two ways; 'dwelling' whereby the being is totally immersed 'the world' (Dreyfus, 1991), with an engagement of thought that is prior to mental representation and deliberate action, and 'building' is the way in which people go about their affairs. If thinking is how people become aware of themselves and the space they are in, building mediates the relationship between thought and space. Regnér (2003) builds upon these world views by introducing peripheral and central strategic contexts. In the centre, building mode is located, where deliberate strategic aims and clear strategic plans are explicitly talked about and produced, this is a core theme in traditional strategy research that favours economic thinking and rational planning (e.g., Barney, 1991; Porter, 1980). In contrast, on the periphery, strategy appears much more heuristic and explorative, where actors are well versed in developing an awareness of the unpredictable and varying environmental impacts through direct local engagement. This is particularly prevalent for the SME context as their size places them in a position of heavy dependence on the wider environment (Alonso, Bressan, O'Shea & Krajsic, 2014) and ultimately occupy what Regnér would call the periphery in their strategy work. Chia and Holt (2006) develop the periphery/dwelling aspect of this work. Considering the strategist in the centre has deliberate strategic aims and plans, carefully constructing mental models of the world preceding any practical engagement (Horst & Jarventie-Thesleff, 2016), they are more concerned with those who act at the periphery who are often overlooked. The more practice-oriented periphery consists of non-deliberate, every day, adaptive, localised practical copings in which the practitioner reacts on immediate concerns but follow habituated ways that are consistent with their own sensemaking, and what ensues is unintended strategy emergence (Laari-Salmela *et al*., 2018; Horst & Jarventie-Thesleff, 2016; Chia & Holt, 2009). It is this dwelling mode that challenges the dominant view (Chia & Holt, 2006), whilst also being complimentary to the SME context where the activities that take place are much more ad hoc and responsive. In this way, strategy emerges and unfolds through everyday practical coping actions. It is constantly in action as actors act upon an internalized disposition based on their past actions and experiences (Chia & Holt, 2006). As such, strategy practices are not "transcendent property that a priori unifies independently conceived actions and decisions" (Chia & Holt, 2006, p. 637), instead they are viewed as immanent in every adaptive action.

Bouty, Gomez and Chia (2019) continue this with the notion of "wayfinding" that considers actors' social embeddedness and how their internalized habitus predisposes them to respond to small failures with seemingly small coping actions to unexpectedly produce a coherent strategy. Wayfinding relies on a crucial distinction between "purposive" and "purposeful" action (Chia & Rasche, 2015). Whilst "purposive" action is conscious but non-deliberate, "purposeful" action is conscious and deliberate. In recognising people regularly act non-deliberately without having a clear objective in mind, this model can demonstrate that strategy can emerge unintentionally as a consistent pattern through the mediation of habitus, which frames perceptions and possibilities for action (Bourdieu, 1990). The wayfinding notion relies on Bourdieu's (1990) account of practices to underpin strategy as practical coping. Here, Bourdieu proffers practices as socio-historical shared source of established ways of engaging with the world in a manner that is deemed suitable and acceptable by the collective involved. Therefore, activities in a given field are produced by dispositions, which are acquired under the conditions characterising this field and structured homologously within such, which in turn produce actions that perpetuate the practices and conditions found there. The wayfinding account heavily relies on Bourdieu's conception of the habitus; the "system of durable, transposable dispositions [...] which generates and organises practices [...] without presupposing a conscious aiming at ends or an express mastery of the operations necessary in order to attain them" (Bourdieu, 1990, p. 52). In other words, the actors 'sense for the game' determines all activity (Nicolini, 2013). It is not just responsible for generating action, but for thought, understanding and motivation in selecting which actions to generate (Schatzki, 1997).

Whilst the notion of purposive practical coping in a dwelling worldview is a useful notion for the purposes of this research, it is within Bourdieu's underpinning that provides a piece, but by no means all of the solution (Swidler, 2001). De Certeau (1984) argues that Bourdieu only deals with predominant practices and is unsuitable in the pursuit of capturing micro aspects and the everyday acts of practice. As such, the notion of 'habitus' is peppered with inconsistencies and ambiguities that lack explanatory power (Lau, 2004; Schatzki, 1997), as it fails to explain why an actor performs one 'sensible' action rather than another. This 'practical logic' falls short when compared to the understandings located in Schatzki's (2001; 2002) explanation of practice. The habitus' practical sensibility stands to explain much, if not all, of human activity, whereas understandings for Schatzki (1997; 2001) are construed as abilities that pertain to those actions. This means that understandings do not simply work alone, they are organised within a pool of rules and teleoaffective structures which organises the doings and sayings that compose a practice.

Consequently, to further advance the discussion on strategy emergence and in exploring *how* seemingly inconsequential micro actions taken in situ eventuate into a coherent pattern that is retrospectively recognised as strategy, mediated by practice, the notion of strategy as practical coping is accepted. This is to advance the effectiveness of tracing strategy in the arrays of everyday human activity. Therefore, strategy practices will be considered as situated and socially accomplished, purposive, non-deliberate activities within an organisation, that are characterised as everyday practical copings and improvisations made in relation to the situatedness of the practitioner. This theoretical orientation complements the aims of the study as it shares fundamental similarities with the nature of agency as a practice-based sensitivity. However, despite the richness of Bourdieu's (1990) concept of habitus and his theory in general, many aspects of practice are left unaccounted for (Nicolini, 2013). As such, to further develop the concept of strategy as practical coping a revised practice perspective to underpin the approach will be considered. As such, it will highlight the pervasive influence of social practices as what accounts for the interactions between large- and small-scale phenomena, which is fundamental in understanding how strategy emergence from local purposive coping actions is possible. In so doing, it contributes to answering the call to better account for the social and collective embeddedness of the strategy practitioner's agency (Elbasha & Wright, 2017; Rasche & Chia, 2009; Rouleau, 2013; Whittington, 2007) and to highlight how "lower-level processes and practices engaged by individuals and groups connect to broader organisational-level processes and outcomes" (Kouamé & Langley, 2018, p. 560). This can potentially unveil how practices interact to provide coherence to the macro pattern emerging out of micro actions.

2.5 Philosophical Presuppositions of SME Strategy Practice

Following a practice-based approach offers the opportunity to address "how and why things emerge, develop, grow, or terminate over time" (Langley, Smallman, Tsoukas, & Van de Ven, 2009, p. 1) within the world of strategy. However, to understand and account how local, spontaneous coping activity is informed, affected, constrained or enabled by the wider constellation of practice, the philosophical presuppositions must be discussed. As discussed, there is a tendency in recent strategy literature to view practice as a consequence of the individual agent, presupposing that practices are what actors do, brought about by a deliberate will of conscious thinking (Salvato, 2003; Samra-Fredericks, 2003), offering revivals of classical strategy approaches that rely on deliberate strategy action, rather than themselves being the product of the social practice (Chia & MacKay, 2007). By viewing practice in such a way, research tends to focus on the individual who performs the activities, placing both causal efficacy and ontological primacy at the actor's feet, rather than the social practice itself. In this way,

activities, practices, and processes are treated interchangeably, viewing them as 'epi-phenomenal' which are reducible to the intentions of individual agents (Chia & MacKay, 2007). When considering organisational actors as those who make purposeful choices to achieve a goal, strategy researchers are presenting a central role to human agency (Peng, 2003; MacKay & Chia, 2013). The major consequence of this analytical predisposition is that social entities are ontologically privileged over impersonal processes, which allows methodological individualism to prevail (Chia & Holt, 2009). Put simply, subjective individual motivation is accepted as the explanation to all social phenomena.

By removing the emphasis placed on human agency the mutually causal nature of organisational situations is reduced to actions that provide convenient conceptual 'resting points' for theoretical causal explanations (MacKay & Chia, 2013). As such, the possibility that strategic action may be brought about by culturally and historically shaped dispositions attained through social practices, remains relatively unexamined (Chia & MacKay, 2007). Therefore, in utilising an alternate practice concept the argument that strategy can emerge from non-deliberate actions, through a revised understanding of human agency and action, becomes much more thinkable to construe actions to be non-deliberate and yet at the same time consistently strategic. To reconcile this, an appropriate perspective of practice must be established to consider strategy as practical coping, to understand what the generator of the purposive, practical coping action is. Thus, scholars from both within SAP and outside, call for strategy research to do more to fully apply a practice theoretical approach and take social practices seriously (Chia & MacKay, 2007; Vaara & Whittington, 2012). Consequently, this research will differentiate from the dominant SAP approach to strategy (Golsorkhi *et al.,* 2015; Whittington, 2006; Jarzabkowski *et al*., 2007) and the strategy as practical coping agenda, by drawing upon a sociologically and philosophically informed theory of practice to broaden and enrich the field of strategy practices.

Therefore, this section is split into four subsections. Firstly, it will discuss the practice perspective in wider terms, narrowing it down to a perspective of practice that is suitable to underpin this research. Treating the social as a field of practices opens questions concerning the social order, therefore the second section critically discusses the rejections of dualisms in an agency and structure debate, followed by third section which examines the relationship between micro and macro. Finally, due to the implications of the previous sections reflectivity within practice will be conceptualised.

2.5.1 A Revised Perspective of Practice and its Relevance for Strategy Research

Philosophical practice thinkers contend that practices underlie subjects and objects, highlight knowledge as something acquired by doing (procedural knowledge), and illuminate the conditions of intelligibility (Wittgenstein, 1958; Dreyfus, 1991; Taylor, 1985). Therefore, it is within the field of practices that the phenomena of knowledge, human activity, social institutions, and historical transformation occur within and are components of (Schatzki, 2005). Social theoretical thinkers consider practices to imply the desire of free activity from the determining grasp of social structures and systems, this allows them to question individual actions and their status as the building-blocks of social phenomena (Bourdieu, 1977; 1990; Giddens, 1979; 1984). On the other hand, cultural theorists Foucault (1982) and Lyotard (1984, 1988) argue to speak of practices is to depict language as discursive activity in opposition to structuralist conceptions of it as structure or system. As such, each contribution towards human activity ultimately oppose numerous current streams of thinking, including intellectualism, representationalism, individualism, structuralism, and many strains of humanism and poststructuralism (Schatzki, 2005). Applications of Foucault's work within the strategy agenda has seen researchers consider strategy as 'discursive formation' or 'body of knowledge' (Foucault, 1969, p. 61). Here, they distance themselves from the concept of a heroic strategy practitioner and instead develop a critical analysis of strategy defining strategy as discourse (e.g., Laine & Vaara, 2007; McCabe, 2010; Mantere & Vaara, 2008).

However, it is in the following theoretical thinkers' contributions to practice that much of the strategy literature concerns itself with. Wittgenstein (1958) and Heidegger (1971) are often cited as the modern fathers of the practice theoretical perspective in philosophy and social science (Nicolini, 2013). Wittgenstein's key contribution is in determining that conceptual understanding presupposes a fundamental implicit practice, whilst Heidegger offered that being-in-the-world is a matter of practical coping in action. Both offered an alternative to the Cartesian worldview that separates the thinking and perceiving subject from the exterior world and ultimately resist the modernist perspective that actors are isolated individuals that seek to interact with each other and the world through their actions. It is this Cartesian split that conventional strategy research adheres to, "where proper knowledge is construed as the ability to represent the world around us in the mind in the form of mental images" (Chia & Rasche, 2015, p. 2). What distinguishes strategic action as opposed to mere behaviour for the conventional perspectives, is that actors are deemed to be motivated by prior intentions and act deliberately to attain some pre-specified goals and objectives (Chandler, 1962; Mintzberg, 1994; Pemberton, 2002; O'Regan & Ghobadian, 2004). Instead, the practice theoretical thinkers consider that actors always take part in and

perform social practices, deeming it proficiently suitable as the unit of analysis. As such, Wittgenstein and Heidegger have spurred a range of strategy researchers to apply their concepts to the doing of strategy (e.g., Mantere, 2013; 2015; Seidl, 2007; Chia & Holt, 2006; Tsoukas, 2015), specifically geared towards the spontaneous and non-deliberate aspects of activity that is oriented towards attaining certain strategic aims (Chia & MacKay, 2007). This Heideggerian phenomenological line of thinking has implications for how strategy-making is viewed and has spurred the strategy agenda to consider an onto-epistemology that makes space for different types of action and intentionality (Sandberg & Tsoukas, 2015). Barad (2007) has explained that by focusing on relationships, and how these relationships are in a constant state of becoming, rather than being, we begin to see the inseparability between ontology and epistemology, i.e., an onto-epistemology.

A variety of social theoretical thinkers have expanded and developed a theory of practice, which has been drawn upon in strategy research, some already mentioned within the discussion; Schatzki (e.g., Ahrens & Chapman, 2007), Bourdieu (e.g., Bouty *et al*., 2019; MacKay *et al*. 2020), and Heidegger (Tsoukas, 2015) to name a few, all of whom have made significant contributions to practice theory. Whilst they and other prominent practice theorists share the supposition that 'practice' is central to social life (Schatzki, 2001; Wittgenstein, 1958; Bourdieu, 1977; Giddens, 1979), they have diverging ideas about society and how it works drawing upon and developing different aspects. This elaborates how and why a diverse set of theorists are often called upon in informing practice-based approaches to strategy. Each approach offers diverse contributions to philosophical matters such as the significance of human activity, the nature of rationality and normativity, the character of power, the transformation of social life and so forth. Given this multiplicity of contradictions a clarification on the practice philosophical positioning considering how society and practice is conceived is needed to inform the type of practice approach applied.

Each approach holds an interest in understanding strategy practitioner's activity, interactions, performances, and the practices that actors produce and reproduce in working life (Nicolini, 2013). However, whilst the practice approach offers the ability to seek this providing novel insight, it also creates unique methodological and philosophical challenges, specifically as general theories of practice are often preoccupied with the abstract and pay scarce attention to the empirical application and subsequent consequences (Warde, 2005). To address this, much of Schatzki's (1996; 2002; 2010) work has been towards creating a full conceptualisation and terminological description of a theory of practice to develop a more systematic theoretical framework for future empirical applications (Reckwitz, 2017). As such, this research will draw upon Schatzki's conceptualisation of practice, known as site ontology (Schatzki, 2002), to

empirically examine strategy practice in action. This is following other such academics turning to his site ontology in fields such as strategy (Hydle, 2015), accounting (Jørgensen & Messner, 2010), management learning (Zundel, 2012), and financial markets (Jarzabkowski, Bednarek & Spee, 2015). Schatzki's theory of practice was fundamental in developing the conceptual foundations of the SAP field (e.g., Chia & Holt, 2006; Chai & MacKay, 2007; Whittington, 2006; Jarzabkowski & Spee, 2009). Yet, as with many practice theories, the use of Schatzki's theory in empirical studies within strategy-as-practice is limited.

In order to grasp Schatzki's concept of site ontology, attention must first be paid to 'site'. Perhaps the most obvious definition of 'site' is "where things exist and events happen" (Schatzki, 2002, p. 63). They are locations where something takes place, including its location in space and the localised context. It is where something or anything can be found; language, coming of age, or activities that make up a practice. Schatzki draws on the role of human beings in articulating the distinctive quality of a 'social site', which "is a specific context of human coexistence: the place where, and as part of which, social life inherently occurs" (Schatzki, 2002, p. XI). Social life is composed of assemblages of practice and constituted by human coexistence. Put more simply, the social site is a nexus where human practices take place, where human coexistence transpires, it is where human lives 'hang together'.

At the centre of Schatzki's site ontology is the concept of practice; "a temporally evolving, open-ended set of doings and sayings linked by practical understandings, rules, teleoaffective structure, and general understandings" (Schatzki, 2002, p. 87). The fundamental elements of a practice are formed by doings; voluntary bodily doings, and sayings; speech acts or a particular form of bodily doings (Schatzki, 1996; 2017). For Schatzki, doings and sayings include the active body expressing a relationship to how things stand and are going for a person through; bodily manifestation of states of the mind (i.e., sensations and emotions), bodily signification of cognitive conditions (i.e., desires, beliefs, hopes and expectations), and the very idea that the body is an instrument to perform actions; it is through bodily actions that other actions are performed. Therefore, the conceptual tools Schatzki provides are useful to appreciate the complexities within practice and in identifying the complex intertwining of the constellations of social practices (Nama & Lowe, 2014). Given that this research seeks both to explore the daily doings of strategy within SMEs, how it emerges and how the wider constellations of practice constrain, enable, and affect those activities, Schatzki's conception of practice is a valuable framing theory for the research.

Essentially, site ontology maintains that social phenomena can only be analysed by examining the sites, the settings where human coexistence transpires. Context is a very important phenomenon that plays two-fold role in the 'social on-going' of everyday lives. First, many actions are actions taken toward and in response to the people, events, and objects encountered in specific settings. For example, making a cup of coffee within your morning routine before leaving for the office, or the classroom, is an action taken toward getting to work feeling awake and ready for the day, whilst it is also in response to feeling drowsy, the kettle sitting on the side and the coffee in the cupboard. Secondly, the actions and entities people encounter in settings help mould which particular intelligibility-determining factors determine what it makes sense to them to do and how they consequently act. For example, when you arrive at the office, you don't take your shoes off, put on your slippers and put your feet up to read a good book, the actions and entities you encounter within that work environment mould what is appropriate and what is not.

To undergo an investigation into strategising informed by Schatzki's practice theory means strategy activities must be considered as social practice, instead of certain managerial techniques (Hendry, 2000). In this sense, the social context provides strategy its meaning. By considering practice as social knowledge it can highlight the contextual and hidden characteristics of strategy emergence. To identify such a strategy practice, practice theory stipulates interconnectedness, by which no phenomenon can be understood in isolation (Nicolini, 2013; Østerlund & Carlile, 2005; Schatzki, 2002). Thus, only when the entire context and totality of interconnected practices is considered can the meaning of human action be grasped (Nicolini *et al*., 2003). In other words, practices can be identified as those that are repeated and collectively practiced. They are the recurrent, situated social action that members of a community engage in (Orlikowski, 2002). If it is not such, it is not a practice (Rivera & Cox, 2016). Once a practice is recognised as such, it is the repeated doings and understandings that sustain and modify it as a practice (Schatzki, 2002).

Therefore, this perspective allows for a full examination of strategy emergence by conceptualising strategy as practical coping, underpinned by a practice perspective that is informed by Schatzki's schema of components. In this way, specific focus can be placed on the practical intelligibilities and internalised predispositions that are held within the underlying nexus of practice and that ultimately generate the localised coping actions, which consequently become coherent strategy. Moreover, Schatzki's conceptualisation offers the chance to tackle why actors cope in one way or another, in a way Bourdieu's habitus cannot; for example, through considering teleological affectivities that avoid privileging a single sort of end like the habitus and instead reflects on the practical significance of emotions and moods, which also determine

activity. Similarly to Bouty *et al.* (2019) this works to highlight how unintended consequences of SME practitioners small coping actions taken in response to organisational concerns and small failures and the itinerant interweaving of these actions and their consequences can iteratively and cumulatively produce a coherent strategy. This is specifically important to create an understanding on how practitioners in action make sense of future events 'retroactively' (Czarniawska, 2008), by interpreting their historical experiences and past practice.

Accordingly, strategy practices are considered as situated and socially accomplished, purposive, non-deliberate activities within an organisation. They are ways of doing things, embodied and materially mediated, that are routinised over time (Reckwitz, 2002; Schatzki, 2001) that are characterised as everyday practical copings, improvisations and adjustments made in relation to the situatedness, guided by rules, understandings, teleoaffective structures and the practical intelligibilities of such. However, to truly grasp this approach, Schatzki's ontology must be contended with and the philosophical implications must be resolved and grounded within the theory. Thus, the concepts of structure and agency will be unravelled, and the micro and macro will be characterised to demonstrate that practice-based sensitivities do not have to be pigeonholed as part of microsociology. To address this, the following sections sketch the social order, firstly re-conceptualising the macro and micro into the field of strategy practices, then by characterising strategic agency and structure, then finally contending with issues of reflexivity since individual strategic agency is refuted.

2.5.2 Strategy Practices and the Social Order

The nature of the social order has been an abiding issue across multiple fields of academia and poses pertinent concerns for the development of a conceptual framework that suitably and adeptly depicts the nature of 'macro social' phenomena (Coulter, 2001). The macro-micro dualism debate has been the source of complications throughout the practice strategy movement (Nicolini, 2017), and whilst some have applied other theoretical lenses to depict the relationship between the two within the realm of strategy (Seidl & Whittington, 2014) it is a subject not many attempt to tackle. As such, the field is commonly labelled micro-myopic (Vaara & Whittington, 2012), too concerned with microsociology and thus unsuitable in an investigation towards large scale phenomena such as strategy emergence. To reconcile this, two prominent ontological perspectives in discussing the macro and micro within practice theory named by Seidl and Whittington (2014) are the 'tall ontology' and 'flat ontology'; both of which give agency an immanent logic to the practice. The tall ontology or the more 'traditional' ontology is a more layered view of the social. For example, Bourdieu and Giddens both believe things such as

structure and power exist in their own right, although are reproduced in the field of practices. In admitting that phenomena exist outside the realm of practices, they give it an external force that can structure people's daily conduct. This then means they are treated as self-subsistent entities (e.g., social classes, the state etc). In these terms they constitute a different level of social reality that needs to be explained in terms that are different from those used to explain mundane social intercourse. It receives its name from the core focus on vertical connections between the micro and macro, assigning causal power to historical and cultural events. Ultimately, macro institutions and micro activities are made of different ontological 'stuff'.

The application of taller ontologies is more commonly found within the strategy agenda. One notable attempt at reconciling this issue is Herepath's (2014) interpretation of Archer's morphogenetic cycle, which is used to illuminate how macro-political structures can exert pressure on the strategising praxes of managers in the Welsh National Health Service. Yet, she concedes the Archerian approach lacks the sensitivity to analyse nuances in social interactions (Herepath, 2014). In other works, the notion of institutional logic was drawn upon to discuss how historical trends are drawn upon in actions and interactions at an insurance company (Smets, Jarzabkowski, Burke & Spee, 2015). Here they operationalise Nicolini's (2009; 2013) zooming in and out research strategy where they unravel and document the vast nexus and complex web of practices at work. More evidence of the taller ontology amongst the SAP community relies on Giddensian structuration theory (e.g., Jarzabkowski, 2004; Whittington, 2006; 2007) to describe how larger social systems "furnish the practices that enable the doing of local strategising" (Seidl & Whittington, 2014, p. 1414). Similarly, Foucault is associated with a tall ontology (Knights & Morgan, 1991), whereby it is accounted how strategy, as a dominant discourse of capitalism, exercises influence and power on managers and employees. There are methodological advantages to these tall ontologies, one of which is that by identifying the key mechanisms connecting macro to micro, a good deal of what happens is explained (Seidl &Whittington, 2014). However, there is a greater danger of macro determinism that renders the micro superfluous and many question why size or complexity have anything to do with the existence of social phenomena or be granted different ontological status (Nicolini, 2016b). These works demonstrate a need for further work in conceptualising and empirical application of a social theory that enables strategy researchers to systematically consider local forces and the relationships with the wider context, to add significant value to strategy work (Elbasha & Wright, 2017). Therefore, a viable solution to the problems which are generated by contemplations of the nature of macro phenomena and their relationship to the micro can be found within the flatter ontologies.

Whilst the tall ontology focuses on vertical connections between the micro and macro, assigning causal power to historical and cultural events, the flat ontology focuses on the lateral connections between human and non-human actors, the macro social level is considered the same as the micro. Here, the particular episodic actions are embedded within the largest social phenomena, but the two streams of thought argue whether these phenomena bear down from above, or connect from the side through lateral connections between humans and non-human actors (e.g. technological artefacts, which are in general characterised narrowly as material objects made by (human) agents as means to achieve practical ends), emphasising that the causality of social phenomena take place in the specific context (Seidl & Whittington, 2014). In other words, the flat ontology abandons a micro-macro duality, they are instead considered as separate analytical levels, the macro is culturally shared, historically constituted and forged into everyday actions (micro) (Miettinen, Samra-Fredericks & Yanow, 2009). The individuals and context are in a continuing relationship and therefore have ontological equality (Feldman & Orlikowski, 2011; Reckwitz, 2002; Schatzki, 2005). It is quite striking when reviewing the strategy-as-practice literature that flatter ontologies are significantly less ascribed to (Seidl & Whittington, 2014). A notable appeal to a flatter ontology is Chia and Holt's (2006) paper in which they refute a pre-formed individual and a subsequent detached environment. Instead, they describe strategic agency as involving the relationality between both past experiences and places. The advantage of this flat approach lies in its ability to see how strategy connects to the worlds of knowledge production and economic and social change more widely (Seidl & Whittington, 2014). By contrast with taller theories, flatness makes no priori assumptions regarding general sources and directions of causality, but instead invites open-minded investigation into why things are happening specifically in the here and now. Therefore, there is both an advantage to using flatter ontologies and a gap to be explored.

Consequently, Schatzki's (2002) site ontology proffers a flat ontology that in many ways joins forces with other relational sociologies that suggest all social phenomena are constituted through and experienced in terms of micro situations. In embracing Schatzki's flat ontology (2016b), caution must be taken not to use abstractions to refer to the summaries of micro behaviours as they do not have causal power and cannot be turned into entities in their own right with autonomous existence. Simply, social reality has no levels, it is practices all the way down; the study of the social begins and ends with social practices. Schatzki moves the ontological site away from both individualistic and societist ontologies. Whilst the former offers an account of human activity on the basis of cognitivism, the latter explains how wider social structures shape human action. Schatzki's approach is neither individualistic nor holistic (Warde, 2005), rather, the domain of study is the social practices that are ordered across space and time (Giddens, 1984). Thus, it can be labelled a meso level theory that locates itself at an intermediate level of analysis

allowing for action to be observed, but also for awareness of how forces of context shape individual action. This allows for analyses that are specifically designed to reveal connections between micro and macro levels. This is where Schatzki's terminology alters, what others would call macro phenomena is now conceived as large social phenomena existing in a web of inter-mingled large and small practices (Schatzki, 2011). In this way, practices are seen as the point of departure from where the levels of micro to macro can be explored in how practices are enacted and what practice does within the larger context. This notion implies that social structures and regularities are constantly being made, they are reproduced in every small instance of action (Reckwitz, 2002), which all happens in the place of practice.

However, in taking a Schatzkian practice theory approach, the common misstep of simply borrowing his language to label works superficially as 'practice-oriented' must be avoided. To do so, this research is grounded in the concept that all social phenomena both large and small are placed in the same one plenum of linked practices and arrangements (Schatzki, 2015). All the social, the human coexistence, occurs as part of this immense and evolving web, thus making all social phenomena aspects of this web. This can be envisioned as chains of action that exist within the nexuses of practices (Schatzki, 2010). Any performed micro action is a glimpse of the practice it is encapsulated within and each separate action helps make up a chain of other actions of other practices. A useful example of the chains of action that connect micro actions to the macro are given by Schatzki (2010), whereby the nexuses of a football game are inherently linked with the wider nets of stadium maintenance, television broadcasting and investment activity. These chains can also be understood via categories. To further understand the logic of how the macro-social will be understood, any human activity or practice can be partitioned into those which are 'categorically bound' to some specific set of membership categories (Coulter, 2001). Those which are 'categorically open' imply no relevant identity is entailed by the performance of the practice. Thus, the category-bound status of an activity or practice can be ascertained by noting how straightforward it is to make an inference from the characterisation of an activity to a characterisation of the relevant identity of its 'doer.' Therefore, many practices can be conceived as institutional practices, presupposing the operations of macro-social phenomena. This phenomenon of 'occasional relevance' of the macro-social level to our everyday lives, demonstrates an alternative perspective to those that insist upon the omnirelevance of a macrosociological 'contextualisation' for everything humans do.

Consequently, in committing to Schatzki's theory of practice, this research places emphasis on the engaged strategy activities and intelligibility required to do such. Therefore, everyday actions produce the outlines of social life, they are necessary in producing structures to social life (Feldman & Orlikowski, 2011). Thus, the research avoids being micro-oriented, by refuting the

notion that the social order arises from local phenomena (Schatzki, 2005). The notion that the understanding of the social realm and its construction is centred on micro-activities within localized settings is disputed. Instead, it is argued that there is an existence of a background of *a priori* understanding of human strategic action. This pre-reflective and cultural interpretation is a way to comprehend the micro and macro, whereby the strategy practices are seen as the carriers of categories and a cultural load, forming the background to the strategic action (Chia & Mackay, 2007). Thus, the social structures that constitute the world, namely the historical and cultural institutions are inherent to the concept of practice and in identifying social practices research cannot be solely focused on the micro individual activities or organisational processes. Following this understanding, the practices that influence actors can reveal a transfer from multiple localised settings and from macro cultural and societal fields. As Vara and Whittington (2012, p. 287) acknowledge "'practice' implies more than simply practical". By focusing on the everyday practices and micro-processes within SMEs the researcher can identify the lateral relationships between the macro-social in which the temporal activities and practices are embedded (Peltonen, 2001), which are then carried into action through individual actors via micro-activities and practices. This enables the researcher to systematically consider both the macro wider forces, alongside the local forces on strategy practices, to reconcile and contribute significant value to a practice-based approach to strategy research (Elbasha & Wright, 2017). Its utilisation can lead to a rigorous examination of how the macrosocial is drawn upon in the day-to-day strategy practices of organisational members. As such, the recourse to practices is motivated by the desire to overcome the 'micro'/ 'macro' dualism by showing how all 'macro' social phenomena such as structure, culture, organisation, firm, strategy etc., are the result of the congealing of aggregate local 'micro' coping actions into a pattern of accepted socio-cultural practices (Schatzki, 2001).

2.5.3 Overcoming Dualisms in Strategy

Due to the philosophical positioning of much traditional strategy research that depends on the idea that actors are conscious and deliberate in their actions, as strategy is considered consciously motivated and deliberately formulated, gaps have been generated to seek out the non-deliberate aspect of strategy. This has been a driving force in rationalising the use of practice theory in the search for strategy emergence. Practice-based research adopts a radically different set of philosophical presuppositions regarding strategic agency and action. Practice theory is known for its rejection of dualisms that have so commonly been treated dichotomously (Feldman & Orlikowski, 2011). Contemporary social thought has customarily adhered to ontological dualism and, as such social reality is understood in terms of structure and agency (King, 2009). Whilst agency refers to individuals who are conscious and autonomous, with their own free will to

determine their actions, structure refers to the aspect of society that patterned arrangements pre-exist and can determine the choices and opportunities available for the individual (Barker, 2005). The debate over which should be given primacy, relates to a social ontological question; do social structures determine an individual's behaviour or does human agency?

Therefore, the central debate is in deciding whether actors are socialized and embedded into the social structures that constrain, or enable their dispositions, making the social structure the primary and most significant. Or are actors the central theoretical and ontological elements in social systems, and social structure is instead a result and consequence of the of individuals. However, an articulation of social structures, social agency, and the relationships between them, are concepts that are commonly avoided or ambiguously stated amongst practice-based approaches within the strategy agenda. The table overleaf, drawing on Elbasha's (2015) illustration, demonstrates the superfluity of commitments amongst practice-based strategy research and the commonality of not explicitly articulating the relationship between structure and agency.

Table 1. Overview on how agency and structure is addressed in the SAP literature

Source	Social Structure(s)	Social Agency	The relation between them
Whittington (1996)	Routines, ways of doing things in a particular context	Not explicitly articulated	Not explicitly articulated
Johnson *et al.* (2003)	Not explicitly articulated	Managerial agency, and the ability of managers to influence strategic activities	Not explicitly articulated
Balogun *et al.* (2003)	Not explicitly articulated	Not explicitly articulated	Not explicitly articulated
Jarzabkowski (2005)	Collective, routines, norms, roles, habitation and resources	Practical-evaluative wisdom when dealing with situated and distributed activities	Not explicitly articulated. However, Jarzabkowski draws extensively on Giddens' notion of the duality of structure: actors draw on structures as a source of power to lend meaning to action, and by doing so actors reinforce the social system.
Jarzabkowski and Fenton (2006)	Organisational hierarchy and macro state power structure	Not explicitly articulated	Not explicitly articulated
Johnson *et al.* (2007)	No dedicated section	No dedicated section, appears implicit in 'what people do'	Not explicitly articulated
Denis *et al.* (2007)	Organisational hierarchy and norms, and macro societal order	Not explicitly articulated, but seems implicit in the ability of actors to acquire skills through participating in institutionalised routines	Not explicitly articulated
Chia and Mackay (2007)	Not explicitly articulated	Not explicitly articulated	Not explicitly articulated: the authors invite researchers to renounce the dualism and favour the primacy of social practice
Jarzabkowski (2008)	An independent historical accumulation of beliefs, norms and interests	Not explicitly articulated, but can be interpreted as the actions of the organisational actors in the institutionalisation process	Behavioural regularities to modify and sustain institutional guidelines
Paroutis & Heracleous (2013)	Statements about strategy employed by strategists	Senior managers reflexively and actively participate in structuring strategy	Not explicitly articulated
Kearney et al. (2018)	Not explicitly articulated	Owner/managerial agency, manager's ability to influence strategic activities	Not explicitly articulated
Jarzabkowski, Le & Balogun (2019)	Structuring - the ongoing flow of action in which actors construct and reconstruct the specified grouping and linking that comprises the organisational chart	Flow of actions and interactions by multiple actors and the practices that they draw upon as they enact the organisation's strategic objectives	Actors enact structure in the enacting of strategy and vice versa

Some SAP studies appear to be generally informed by different theorists that advocate for a mutual constitution of structure and agency (Archer, 1995; Orlikowski, 2010). They recognise the routine and recursive nature of practice embedded within institutional structures (Jarzabkowski, 2004) and through Bourdieu's (1993) notions of field, agential position and capital, they illustrate the role of structure and agency in power struggles, which defend or subvert practice (Gomez & Bouty, 2011). SAP's main focus is on the strategic agency of middle and senior managers, either as individual agency (Rouleau, 2005) or as a collective agency (Balogun & Johnson, 2005), and how they draw upon broader social structures. Yet, by heavily focusing on individual and collective agency in strategising, placing the agent at the centre of their research (Elbasha & Wright, 2017), their account for how macro-structures are recursively interrelated with micro practices is considered by Carter (2013), Carter et al. (2008), and Vaara and Whittington (2012) as unconvincing. As mentioned, this has been dubbed by the field as "micro-isolationism" (Seidl & Whittington, 2014) or "micro-myopia" (Vaara & Whittington, 2012), where empirical studies concern themselves with what observed managers do, paying little attention to what and how macro-structures bear down and influence situated doing. In examining practices in isolation from the wider institutional contexts, it impedes the SAP approach from determining how mundane practices matter, in that they both constrain and enable strategy activities (Elbasha & Wright, 2017; Vaara & Durand, 2012).

Moreover, in placing agency with the practitioner, SAP requires further philosophical grounding to account how strategy can transpire as a coherent and consistent pattern of actions can actually emerge *non-deliberately* (Langley & Tsoukas, 2010). There is an overwhelming tendency in traditional strategy, strategy-as-practice and across all social sciences to assume that action is deliberate. This deeply embedded idea that thinking precedes action (March, 1972) remains active within the strategy agenda today and poses a great challenge in moving forward (Bouty *et al.*, 2019). These beliefs fail to account that many facets or 'ordinary' organisational life, occur through practitioners acting non-deliberately, without clear objective or long-term planning in mind. In addressing this agency dilemma there is the opportunity to study how strategy emerges unintentionally mediated by the field of practice.

As such, Schatzki's (1987; 1997) articulation of a theory of practice is a useful approach to address how strategy emerges unintentionally mediated by the field of practice. This research builds upon the current strategy practice literature by expounding how the relationship between structure and agency is conceived. Schatzki's Site Ontology (2002; 2016b) has significant implications on the relationship between human action on one hand and the system or structure on the other (Ortner, 2006). Drawing from Wittgenstein to describe practice as a lens through which social actors make sense of the world, it is this unorthodox theory, inspired by Taylor's

(1995) Heideggerian conception of embodied agency, that advances the debate of the structure-agent relationship. His practice theory challenges the prevalent ways of thinking about human life and sociality and directs the conversation away from individual minds or social structures. It addresses the dualism between structure and agency, relying on Giddens' reconceptualisation of the social world, whereby a recursive relationship between structure and agency is accepted. Therefore, resolving issues of structuralist approaches and methodological individualism, by avoiding the explanation of social phenomena in terms of individual actions or actors.

The interlacing of structure and agency is articulated as the ontological primacy of practice, where the social environment consists of embodied, materially interwoven practices that are centrally organised around a shared set of practical understanding (Schatzki, 2001). He grounds his theory in Heidegger and Wittgenstein's perspective to argue that people do what makes sense for them to do and that their practical intelligibility is made up from practices. Thus, defining practices as 'open-ended spatial-temporal manifolds of actions' (Schatzki, 2005) and as sets of hierarchal organised doings/sayings, tasks, and projects. By depicting social practices as the unit of analysis, those who consider agency and structure dualistically consider it ontologically entangled and argue for the ontic differentiation between the two. Therefore, they conject that the ensuing practice is lost (Orlikowski, 2010; Reckwitz, 2002). However, to demonstrate how the doing of strategy is shaped by the social practice which provides actors practical intelligibility, the field of practices is the place where the phenomena of agency and knowledge exists (Schatzki, 2001). Social practices are what produce and develop knowledge and power fundamental to action (Foucault, 1977). In utilising this conceptualisation researchers can pay close attention to human activity (Reckwitz, 2002), by embedding the individual's behaviour within a web of social practices (Vaara & Whittington, 2012). This aspect of practice theory understands that the knowledge schemes and codes are already part of the practice, not the individual (Reckwitz, 2002), they are a collective background of understanding, not the outcome of an individual's sensemaking (Rasche & Chia, 2009). These understandings inform actors of how the practice should be performed.

For the purposes of this research, individuals are no longer considered agents of change, conscious decision makers who shape their practices; rather they are conceptualised as 'carriers' of a practice (Spaargaren *et al*., 2016). Therefore, the research does not over emphasise the position of the actor, like much of the practice-based studies in strategy do. As carriers of practices, actors do not have a power to be the initiator of action (Rasche & Chia, 2009). This is similar to Foucault's conceptualisation (1977) where the actor is never individualised, separate from the context, but rather a social being whose possibilities are defined by the practices in which he or she is immersed (Rasche & Chia, 2009). This means that agency is located within

the practice, not in the human individual. Within the nexus of practices, the human agent is engaged and embedded within a culture and ultimately embodied within the social world (Taylor, 1995). This means that actors derive meaning as actors embedded within specific social contexts, situating the social in the realm of practice also. In understanding this position and of specific social practices, researchers can acknowledge that the way bodily and mental activities, artefacts and objects and knowledge collaborate and are embedded in the activities of the actors themselves (Schatzki, 2012). This shifts the perspective from a mentalistic preoccupation to an analysis of the materiality of social practices (Rasche & Chia, 2009). Practices are not simply discursive processes, but also non-discursive. If practices comprise routinised interpretations of both the self and the environment, the habituated bodily behaviour in addition to the knowledge codes that enable the actors to carry out the behaviour can be analysed. Once these practices are routinised in the day-to-day pattern of activities, the practices and social life become understandable to the person enacting them (Reckwitz, 2002; Feldman & Orlikowski, 2011). In this capacity, within the immanent practice logic, the agency capacity is not warranted to the actors, nor to the structure (Chia & Mackay, 2007; Feldman & Orlikowski, 2011; Schatzki, 2005; Seidl & Whittington, 2014). Instead, the actor's goals and the social norms are the result of collective construction, which are initially triggered by practices.

In this sense, the practices are the background and are thus the ontological site (Schatzki, 2005). It is a dynamic background that sees agency and structure as constitutive mutuality, through its constant production and transformation in practice. It is the context that constitutes human existence, which provides meaning to the individual about what social reality is and the understanding of what it is to be a human. As such, it provides meaning to practitioners about what strategy is, how it should be done and what it should achieve. Practice acts as a guide for strategic action, therefore challenging the conventional strategy approaches by opposing the notion that the strategist or the structure govern strategic actions. The strategy practitioner is simply a carrier of such practices, exercising the elements of the practice via the body, mind, and objects. As the carriers of strategy practice, they are neither autonomous or compliant to the rules, instead they understand the world and themselves and use their knowledge, according to a particular practice. Therefore, there are a multitude of social practices in play and as the practitioner performs one of the many, it demonstrates that the individual is only the point of passage of the bodily-mental routines they are predisposed to take (Reckwitz, 2002). Consequently, it is the practices themselves that form the basis of our social arrangements (Balke, Roberts, Xenitidou & Gilbert, 2014). Therefore, for the purposes of this research, it is within the strategy practices that action and interaction occur and from these rationality and knowledge are comprised and social life is ordered, reproduced, and transformed (Schatzki, 2005).

2.5.4 Transforming the Reflexive Strategic Agent into Reflective Strategic Observer

There are further implications of Schatzki's flat Site Ontology, namely within reflectivity. To consider strategy as practical coping, where actors are carriers of practice, focus is paid to the 'breakdown points' or 'crises' (Schatzki, 2016a), when practitioners face small, daily failures there inevitably remains some element of reflectivity through their practical intelligibilities. This concept is often considered jarring with Schatzki's flat ontology as non-autonomous individuals imply the inability to reflect. Therefore, it needs to be determined how reflective activities can be conceived as observable features of practice and not as individual, exclusive competences of a subject, nor as internal events residing within the head of human agents (Schmidt, 2017). Crises happen in people's ongoing moment-to-moment lives, which directly confronts people and demands some sort of response (Schatzki, 2016a). Characteristics of such is that they are unexpected, unpredictable, and undesired, with their next occurrence unknown. They interrupt what is going on and threaten projects and lines of action, therefore demand some sort of response. Executing the threat or considering acceptable substitutes requires first taking rectifying actions that clear away the problem. This is particularly useful in exploring SME strategy practices as it contextualises the ad hoc, intuitive, and reactive activities that take place (Stonehouse & Pemberton, 2002) as aspects of practice. This section will work to elaborate on how this occurs in practice alongside the refusal of individual agency.

Other depictions of breakdown posit a flowing or continuous period of practical success that is interrupted by some event, which triggers a change in the actor's mode of being (Heidegger, 1971). This is founded upon the idea that the default condition of human life is habitual, skilful and involves unreflective practical action; however, is interrupted due to surprises, accidents, novelties, and encounters with others. Interruptions suspend the habitual, skilful, or unreflective and give rise to a changed situation or way of being in which the actor can explicitly take stock of what has happened and ponder what to do next. This new situation is one of reflectivity, reflective consciousness, or deliberation and thought. Once reflection and thought have done their work, and the path forward is determined, the actor then returns to the condition of smooth, unreflective coping until the next interruption, breakdown, or problematic situation occurs. Similarly, Bourdieu saw times of crisis where the routine adjustment of subjective and objective structures is disrupted, constituting circumstances when 'rational choice' kicks in (Bourdieu & Wacquant, 1992). In Bourdieu's view, when the habitus cannot handle some unexpected or expected event, reflection in the form of rational thought takes over. Bourdieu's account of openness thus upholds the two-phase model of action that Heidegger proposes. However, the dichotomising view of human life in the strict partition of habitus and routine, and reflection and

crisis, supposes that ongoing lives exhibit distinct alternating periods of continuous practical coping and of explicit or discursive consciousness in the form of thought or reflection (Schatzki, 2016a).

This is reconciled by the notion of openness to the stream of activity (Reckwitz, 2003). Here, practice shifts between a relative 'closedness' of repetition and a relative 'openness' for failures, new interpretations, and conflictual everyday accomplishments (Reckwitz, 2003; Schatzki, 2016a). Therefore, acting is understood as a routinised stream of the reproduction of typical practices where usual activities reinforce the practice, but the inherent logic of practice provides an interpretive indefiniteness and uncertainty that requires context-specific reinterpretation and reflective actions. This in turn forces and facilitates an application of practice which in its partial innovativeness represents more than sole practice reproduction. This allows any adjustment to practice the full range of human responses to circumstances, from immediate skilful responses to calculated responses chosen after careful reflection, and everything in between (Schatzki, 2016a). Combining this with the concept of practical intelligibility (Schatzki, 1996) sheds understanding on where this reflectivity takes place. Practical intelligibility concerns the way a subject makes sense of the world through being embedded within it and on the basis of its practical knowledge of the social contexts it is negotiating. The concept rethinks the notion of rationality, where practical intelligibility describes the way that the world is made meaningful to an actor by acting within it, rather than an inherent capacity or capability (Farrugia, 2013). As such, the world is made intelligible through practical engagement and knowledge of it is constituted by embodied capacities to act within it. As opposed to cognitive rationality, practical intelligibility describes meaningful ways of thinking and doing that are made available through practice. Therefore, when a disturbance, crisis or breakdown occurs, the SME owner-manager is guided into a distancing of the context, to make sense of what has happened and to retrospectively consider the expectations, teleologies, rules or other norms of the specific practice, in order to cope with the failure and make any adjustments necessary. This is possible because regardless of what a person is doing at a given moment, they are almost always explicitly aware of something by giving it attention (Schatzki, 2000). As such, when a practitioner is immersed in his/her performance they can become a reflective observer who self-consciously stands back and engages in an awareness of what they are thinking or imagining; this awareness is a kind of self-knowledge (Schatzki, 2016a). This perception or self-perception is how people monitor and learn about changes in the world and guide, as well as keep track, of the progress of their actions. In other words, it is often failure in the daily performing of a practice that alerts our attention to survey the circumstances and to make any adjustments.

As such, strategy practitioners will not be considered as 'cultural dopes' (Spaargaren *et al*., 2016) who are passive recipients of the dynamics within their social practices. Instead, they are intelligible and knowledgeable, with practical intelligibilities that allow them to make sense of what to do in their navigation of the world. Practice opens "a space of places at which activities can intelligibly be performed" (Schatzki, 1996, p. 115). The strategy practitioner possesses skills, knowledge and competencies that can be analysed in conjunction with the strategy practices they are connected to, originate from, and continue to produce. Strategy practitioners have the capacity to act upon and to intervene in the world, which is produced in and through existing constellations of social practices (Spaargaren *et al*., 2016).

2.6 Towards a Practice Analysis of Strategy

In reconciling the ontological reasoning of practice theory, a practice orientation offers much to investigate (Schatzki, 2012). However, many questions remain surrounding the world of practice and how it is uncovered. The application of practice theory *in practice* requires further empirical work to show *how* practices of strategising actually unfold within this social order (Johannisson, 2011; Watson, 2013). Theories of practice guide researchers to study real-time and in-situ instances of practices, yet many of the accounts stay within the abstract rather than empirically demonstrating how these instances can be observed, analysed and theorised about. Therefore, this section abandons large abstract theory and focuses on a practice analysis to illuminate how such an ontological inquiry can be empirically and methodically investigated. Practice-based researchers must navigate, unravel and translate the web of phenomena occurring, in order to reveal and uncover practices and arrangements that constitute any studied phenomena, but an accepted way of doing so is yet to be realised (Lammi, 2018). Schatzki's limited empirical advice is to identify the ends, projects, rules, and actions that compose a practice (Schatzki, 2002) in order to grasp how the world is made intelligible through practices (Schatzki, 2010). Schatzki advises multiple generalised means to deal with such phenomena, however his advice to utilise the organisation of practices will be developed here. In this sense, his advice to examine "[...] commonalities and orchestrations in [...] actions, teleological orders, and rules; chains of action [...]; material connections among nets; and the desires, beliefs, and other attitudes that participants in one net have toward [...] other nets" (Schatzki, 2005, p. 476) is drawn upon. While this advice gives an idea of what Schatzki believes to be a good starting point to identify practice, it does not dismantle the obstacle facing the social investigator on how one should both study and account for fundamentally important aspects of this view. Briefly put, Schatzki has pointed to a couple of his concepts that a social investigator could consider but has not described how it ought to be done. Consequently, the frame of analysis in approaching social phenomena is

deliberated and some preliminary conceptualising on how this can be done practically is proffered below. This is done through accounts that demonstrate how, empirically, the fundamental unit of analysis can be practice, by focusing on the mental organisation of social practices, how the world is made intelligible through practices and the concept of practice breakdowns.

2.6.1 Practices and their Mental Organisation

To understand practice theory in the practice of empirical investigation into strategy emergence requires a demonstration about how concepts that originally hold ontological significance can be seen and spoken about in investigation (Lammi, 2018). As indicated, strategy practices are organised nexuses of activity, where mental phenomena such as desiring, hoping and believing are not "processes of either an abstract or a real and underlying apparatus". Instead "they are states of one's life: ways things stand or are going for oneself in one's ongoing involvement with the world" (Schatzki, 2001, p. 49). These mental states are expressed in behaviour where the behaviour either manifests or signifies them, and therefore can be captured through empirical observation of strategic action. However, they do not cause strategic activity; rather, they inform strategic activity by determining what makes sense for practitioners to do. This section explains how the mind organises a set of doings and sayings as a practice, by explicating that a practice is a temporally evolving and spatially dispersed nexus of open-ended sets of doings and sayings that are linked by practical understandings, rules, teleoaffective structure and general understandings (Schatzki, 2002), which ultimately determine an individual's sensemaking (practical intelligibility) for how they "do" strategy.

Schatzki (2002) conceptualises that doings and sayings can be recognised appropriate in reaction to a specific situation, which is restricted by the ways in which doings and sayings are tied to a particular practice. Schatzki (2002) outlines four organising principles through which doings and sayings are tied to a particular practice. The first is rules, this aspect refers to explicit prescriptions, procedures, and principles of proceeding, including macro-societal statute laws and the micro rules of thumb pertinent to a specific practice (Jørgensen & Messner, 2010). The second is practical understanding, this denotes the abilities of actors to react appropriately to specific situations. The third is general understanding, this is a reflexive understanding of the overall practice in terms of its values, including a cultural and societal sense of appropriateness and rightness, this might include individual and collective concepts, values and categories (Schatzki, 2017). The fourth is teleoaffective structures. Whilst the first part of the term, 'telos', denotes that all practices entail "a set of ends that participants should or may pursue" (Schatzki,

2002, p. 80) the second part of the term, 'affective', denotes an emotional component encompassing the appropriate emotions, it is through this that actors prioritise certain activities over others. Each organising principle in this schema of components provides a normative 'background' of the doings and sayings and thus their meaning. This offers a general theoretical apparatus for examining the relationship between human activity and the social. Therefore, the expression of these mental states and the organising elements themselves are held in two separate, but linked, categories. The observable manifestations are conceptualised as performances of practices (practice-as-performance), which are explained by the organising elements that link them (practice-as-entity). This relationship can be seen in Figure 1 below (taken from Flores *et al.*, 2015).

Practice-as-Performance
(the observable behaviours)

Practice-as-Entity

Rules
Directives or instructions

Practical Understandings
Know how

General Understandings
Shared beliefs, concerns or fates

Teleoaffective Structures
Normativised and hierarchically ordered ends and emotions
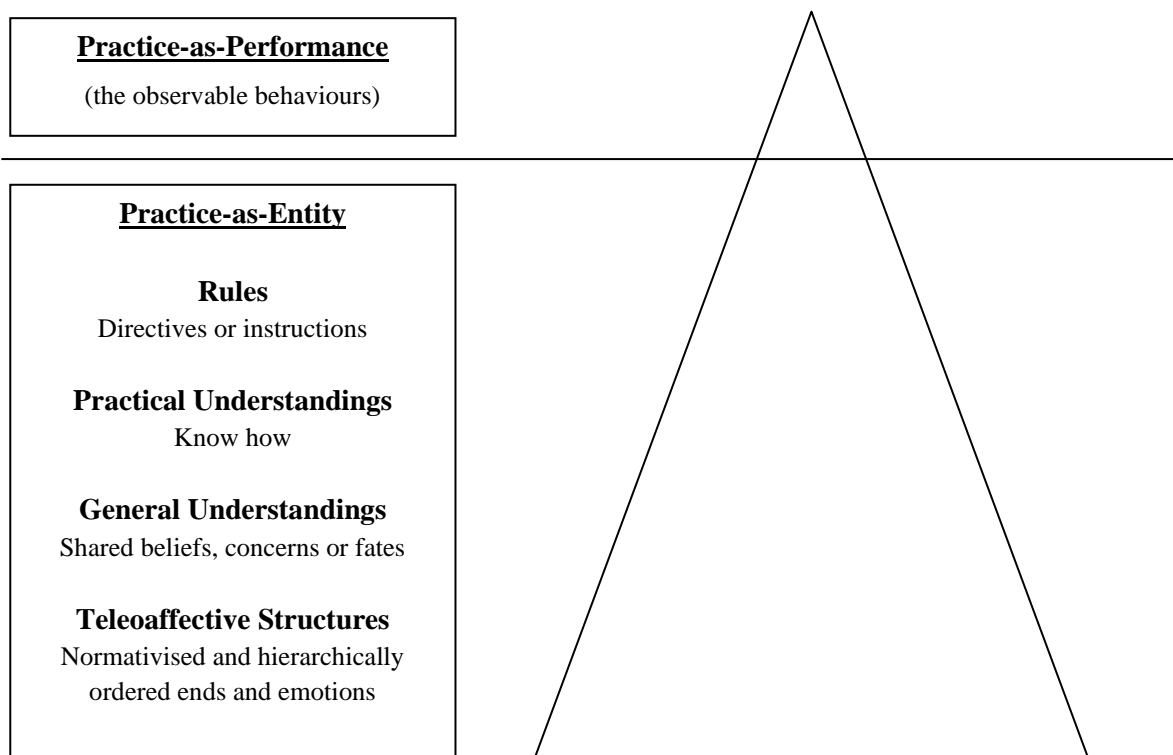
Figure 1. The relationship of practice-as-performance and practice-as-entity

Practices-as-entities can be recognised to exist across time and space, even if they are not currently being enacted (Higginson, McKenna, Hargreaves, Chilvers & Thomson, 2015). By contrast, practice-as-performance refers to specific moments of integration between elements that occur when practices are enacted in specific local situations and are observable (Røpke, 2009). A dialectical relationship exists between the two, whilst practices-as-entity may guide performances, it is through these performances that entities are (re)produced and either stabilised or changed (Warde, 2005). For many, the concept of practice-as-entity is seen as most important

when seeking to intervene in practices because it helps to avoid more behaviourist approaches to strategy (Spurling et al., 2013). In other words, a strategy practice can be seen as a configuration of these heterogeneous elements. Each element should be understood as broad categories covering a variety of aspects, that do not have clear boundaries in relation to each other and are partly embodied in the strategy practitioners. Take for example practical understandings, which covers the skills and the knowledge needed to carry out the strategy practice. Skills and knowledge are often learned by experience and training, and they become embodied in the strategy practitioner. Some knowledge may be codified in formal rules, principles, precepts, and instructions, whereas other parts remain tacit in the form of know-how. Some competences are generic, in the sense that they are used in many practices, not just strategy practices, such as the abilities to read and write, while others are more specialised. Although the practical understandings are partly embodied in the strategy practitioners, the practice perspective implies that they are seen as part of the practice (which only exists through the performances) and therefore social, in the sense that they are shared. Thus, present strategy practices are shaped by strategy practices, related practices, and systems of practice from the past. One way to denote how the shaping occurs is through how lives and practices unfold over time, and to the paths and patterns of dependence and accumulation that arise as a result. In taking on a specific role – in family or in working life – people cut themselves off from other possible pathways, they become enrolled in certain practices, and not in others. These trajectories have cumulative consequences both for the strategy practitioners involved, and for the organisations and institutions of which they are a part, and which they have a part in reproducing/transforming. Therefore, each of the elements together constitute the practice template. Eloquently put, they are "the blueprint that prepares and guides practitioners' actual performances in the form of sayings and doings that practices require to exist and affect. When performed, the elements composing a practice can be conceptualized as a moment of coming together and temporarily creating a whole in the form of a specific outcome" (Molander & Hartman, 2018, p. 374).

As indicated, the doings and sayings that compose the strategy practice hang together and are linked through (1) practical understandings, (2) rules, (3) teleoaffective structures, and (4) general understandings. Together, they form the practice organisation and constitute practice-as-entities. To truly understand the linkages that make strategy practices cohere as entities requires further discussion on each of the organising elements. Therefore, the following section addresses each element and their empirical usefulness for research into strategy emergence.

(1) To begin, the first phenomenon that organises a strategy practice are the *practical understandings*, which are a form of know-how, a form of knowledge, as when an individual acquires know-how, they learn how to do something. Know-how can pertain

to the strategic actions, tasks, and projects that compose a strategic practice, to using the artifacts, things, and arrangements thereof with which the practice is bundled, to circumscribing and effectively determining the normativity that delimits the practice, to interacting with people and organisms, to switching among practices and bundles, to carrying out actions and so on. Therefore, this know-how is conceived as practical understandings; knowing what to do and knowing how to identify and respond to something, it is a capacity underneath an action. Giddens' (1984) concept of practical consciousness and Bourdieu's (1977) habitus attempt to determine practical understandings; however, their conceptions present it as general know-how informing all human behaviour towards a specific context (Welch & Warde, 2017). It is this that they argue determines what people do in certain contexts.

(2) The second phenomenon that links the doings and sayings of a given strategy practice through practice-as-entity is a set of *rules*. Rules are "explicit formulations, principles, precepts and instructions that enjoin, direct or remonstrate people to perform specific actions" (Schatzki, 2010, p. 79). Indeed, for Schatzki, they "are formulations interjected into social life for the purpose of orienting and determining the course of activity" (2010, p. 79), which are observable as formulated directives or instructions, that are formulated and produced by humans everywhere in human existence (Schatzki, 2012). The role of rules is perhaps the clearest resource practice theory offers for understanding the shaping of and the possibilities for strategic action (Watson, 2016). They are one of the most significant points of commonality between practice theorists (i.e., Wittgenstein and Giddens) (Watson, 2017), simply considered as explicit rules of how to do things, what is allowed and what is not. As such, they become "the grounds for and limits upon the possibility of meaningful and practicable action by practitioners" (Watson, 2017, p.199), the most obvious form being laws, formalised rules that dictate the limits of our action with the authority to enforce them (Schatzki, 2010). Amongst the ways in which the shaping of individual action is conceptualised, rules are easiest to grasp. Particularly in formalised or codified form, rules can look like means of exercising power in a conventional sense: after all, laws are prime examples of codified rules. However, rules as apparent means of power are situated amidst a great range of other ways in which strategic action is constituted and influenced.

(3) *Teleoaffective structures* is the third organising element and are practice properties, comprising teleology, affectivity, and related structural arrangements. The term teleoaffective structure is a compound term made up of teleological and affective. It is

about being goal-oriented, where the goal is directed by normative views or moods. They are properties of practices that are further linked to accepted or expected emotional states. The teleological aspect refers to the teleological hierarchies; end-project-activity combinations, that are acceptable in a particular practice, whilst the affective aspect refers to how things matter given their beliefs, hopes and expectations that people carry within a practice (Schatzki, 2001). They are also fundamentally enjoined - meaning when performing a practice for the sake of particular ends participants should realise them (Schatzki, 2012). Therefore, together, teleoaffective structures are a range of normativised and hierarchically ordered ends, projects, and tasks allied with normativised emotions and moods. So, strategy practices are sets of things practitioners do, tasks and bigger projects, that are linked to what are considered appropriate ends. For Reckwitz (2002), a practice implies a 'routinised mode of intentionality' and emotionality, therefore, the desires and emotions do not belong to individual strategy practitioners but, in the form of knowledge, to strategy practices.

(4) The final concept is *general understandings*, these are known as abstract senses, sense of worth, value, or place of things, that are again expressed within strategy practitioners' doings and sayings (Schatzki, 2012). General understandings are the shared presuppositions that ground the intelligibility of social practices (Rouse, 2007). This concept accounts for cultures role in strategy practice, general ideas and how they are incorporated into practices, how they are then transmitted, translated, and appropriated by practices, how they inform and shape strategy practices and in turn how they are conditioned by the strategy practice. (Welch & Warde, 2017). In contrast to rules and practical understandings, which are generally interpreted as being particular to individual practices, general understandings are common to many practices and condition the manner in which practices are carried out, as well as being expressed in their performance (Schatzki, 2002). Practices are interdependent with an environment of practices and arrangements that supports their activity. Businesses need state-guaranteed markets, where legislation protects the viability and legitimacy of their enterprise, and where other businesses cooperate and compete in a relatively stable, rule-abiding, and predictable manner. There are relations of mutual dependency between employees, suppliers, local councils, competitors, clients and so on. General understandings sit across the boundary between the discursive and the non-discursive; they may be components of wider discursive formations that intersect practices, and may exhibit pre-reflexive, tacit or affective aspects. They therefore play a central role in the ideational and affective integration of practices in processes of group formation, identification, and reproduction, through identities, values, and organising concepts. Furthermore, general

understandings inform the ordering of the teleoaffective structures of practices; that is, helping organise the arrays of ends, orientations, and affective engagements of individual practices. Some argue that this concept is perhaps the most underdeveloped idea in Schatzki's conceptualisation of the mental organisation of practices. It is argued that the term encapsulates an extremely broad category, which can cause problems for the empirical researcher (Welch & Warde, 2017). However, whilst they might be broad and rest in the background, Schatzki (2002) argues that general understandings occasionally become objects of attention, reflection and even discussion, and that they ought to be for them to be maintained in practices. During such times of attention, concern and reflection, practitioners might well articulate aspects of general understandings as they come to the fore as objects of their attention. Hence, general understandings are assumed to be discursively emitted (Welch & Warde, 2017). Following this line of thinking, it is reasonable to claim that occasional glimpses of general understandings can be if given the opportunity to follow periods of reflection. Thus, offering the opportunity to examine more closely how even the general understandings that suffuse multiple practices might be differently understood across strategy practices that hold these in common.

Taking each concept into consideration, consider the practice of making a cup of tea. The practical understandings are the ability of knowing how to identify kettle and the tea bag, whilst also knowing what to do with them both. Whether that be an electric or stovetop kettle and knowing how to respond to its whistle or click when the water is boiled. There are some rules that are more widely accepted; you do not brew tea in cold water, it must be hot. Other rules are cause for many variations in the practice for example, do not squeeze the tea bag, and most importantly put the milk in last, never first. The teleoaffective structures provide motivation and suggest how the tea making ought to be performed in particular ways to achieve particular ends. For example, an individual may have many motivations for making a cup of tea in the morning, but it is expected that putting hot water and tea leaves into a pot will produce a cup of tea. The general understandings of making a cup of tea are far and wide, but when pondering this aspect, consider this, would you ever make a cup of tea for yourself, without also offering one to a visitor? That is a general understanding that is imbued in this practice if it is performed by someone who has lived within British culture.

Whilst each of the concepts has been demonstrated to guide strategy activity, it is important to note, that they never simply determine what people specifically do. Practical understandings are not the property of the strategy practitioner, they are the property of the strategy practice (Schatzki, 2002) and they therefore do not govern action or determine what makes sense for a practitioner to do; instead, their practical intelligibilities govern that aspect of activity (Welch &

Warde, 2017). Practical understandings are simply knowing how to carry out desired actions through doings and sayings, the ability to do some things appropriate to a situation (Schatzki, 2012). As such, it carries out those acts that practical intelligibility singles out. Moreover, rules shape action in a plethora of ways, yet they never single handedly determine what people specifically do (Schatzki, 2001). They too, combined with the other elements inform the practical intelligibilities that guides action. Similarly, teleoaffective structures do not govern individual activity, they instead determine the practical intelligibility both teleologically and affectively (Schatzki, 2001). The practical intelligibility, however, is also formed during the learning processes of how to carry out the strategy practices. It then follows the normativity in the teleoaffective structures, rules and understandings of a started practice to shape what makes sense for the practitioner to do (Hansen, 2009).

As demonstrated, practices are collective and have collectively shared links within practical understandings, rules, general understandings and teleoaffective structures, which hold the doings and sayings together. In contrast to practices however, activities by individuals are guided by practical intelligibility, which is simply what makes sense for the individual person to do. Practical intelligibility, as previously mentioned, draws upon the organising elements of practice, which are acquired only through active involvement in practices. It is fundamentally a property of individuals not of practice; the individual has the capacity to make sense of a specific action (Schatzki, 2002). Therefore, it determines what makes sense for the individual to next in the flow of conduct (Schatzki, 2010). This is then followed by the practical understandings that then executes what practical intelligibility selects. It is the schema of components of practice that moulds the mental conditions of strategy practitioners and determines their practical intelligibility. For example, by learning a practice and its conjoined ends, the affectivity of a practice informs the intelligibilities. Similarly, general understandings inform and condition practical intelligibility, and govern activity to the 'normative form'.

However, practical intelligibility is not the same as the rationality frequently assumed in conventional strategy research and strategy-as-practice (Schatzki, 2001). Whilst certain outcomes from practical intelligibility may indeed coincide with what someone may call rational, the outcomes can also be influenced by emotions of moods, which helps determine the most sensical course of action for the strategy practitioner. The mind does not comprise tacit knowledge that causes behaviour, rather stands in practical intelligibility-determining states of affairs that are expressed in behaviour (Schatzki, 2001). Therefore, the mind does not cause strategic activity, mentality cannot be the sole organising factor of strategy practices. The mind is a medium through which the strategy activities that compose strategy practice are non-causally organised. This sensemaking surrounding practitioner's strategy doing is, in a way, an interactive

process between actors, their environment and their practice, and all that composes it. As actors become participants of practice arrangement bundles, they learn which actions and goals are appropriate, expected, and allowed. It is here where they develop a practical intelligibility that enables them to discern the appropriate strategic action and proceed for the ends, they pursue according to events that confront them (Loscher, Splitter, & Seidl, 2019). Thus, practical intelligibility is about making sense of strategy activities. This includes the ideas of what the strategy activities are good for (or why they are considered problematic), the emotions, beliefs, and understandings related to them. The practitioner becomes the carrier of the strategy practice-related beliefs, emotions, and purposes when performing the strategy practice, but these aspects of meaning are seen as 'belonging to' the practice rather than emerging from self-contained individuals (Røpke, 2009).

2.6.2 Practice Breakdowns

The beginnings of a practice analysis approach towards strategy has begun to be elucidated, where strategic action is understood as tasks and projects undertaken for ends conjoined with affects, made possible by certain practical understandings, and undertaken in light of explicit rules and general understandings. However, to ascertain these, in how they guide practical coping, the need exists to order the messiness. As was alluded to (see section 2.6.1) there are occasions when a researcher can more easily capture glimpses of the general understandings and other organising principles within the performance of practice. One such occasions is in following periods of 'attention' or 'reflection'. Similarly, due to the notion of practical coping adopted within the research, which focuses on how strategy practitioners respond to small failures with seemingly small coping actions, the small failures are the starting point for such an analysis. The texture of practices usually has an effect that produces a certain kind of stability or security (Hopwood, 2016), where practice and activities run 'as usual'. However, as Schatzki observes "adjustment is part of the human condition. Things never go right, others' actions are indeterminate and unpredictable, nature is full of surprises and one's knowledge of the world incomplete and faulty, and whenever people coexist lines of action invariably collide." (Schatzki, 2016a, p. 32). Crises or problematic situations, by definition, are of great importance to the individuals who experience them, which is particularly valuable in considering SME practice due to the tight relationship between the owner-manager and their business, and ultimately the crises that impacts both. Due to their persistent presence, looming large in everyday life, they form a rich domain of investigation (Schatzki, 2016a).

As previously discussed, this account of human activity opposes what Heidegger (1962) and Bourdieu (1990) articulate, the latter being what underpins Chia and Holt's (2006) strategy as practical coping, due to their acknowledgement of thoughtful deliberation, where ongoing lives exhibit distinct alternating periods of continuous practical coping and of explicit or discursive consciousness in the form of reflection, logic, or conceptuality (e.g. Bourdieu, 1990; McDowell, 2007; Kilpinen, 2009; McGuirk, 2014). Instead, to understand the concept of practical coping and practical concerns that orient daily strategy work, acting is deemed unintentional, guided by the plenum of practice, and as such activity unfolds in the absence of rationality. Therefore, to explain strategy in dwelling terms to understand how it is that actions may be consistent and organisationally effective without the existence of purposeful strategic plans, continuousness and (explicit) consciousness are conceptualised, respectively, as ubiquitous in ongoing life; they are not consigned to distinct phases of it. Regardless of what a person is doing at a given moment, they are almost always explicitly aware of something (Schatzki, 2000).

This is grounded in the idea that the size, severity, or familiarity of crises does not correlate between thinking and doing. It is not the case that a person always or only thinks when a more severe or unfamiliar problem or issue arises, just as it is not the case that a person skilfully responds while looking, listening, or watching always or only when a more familiar problem occurs (Schatzki, 2016a). It can easily happen that a person responds without thought to a more severe or consequential matter or that a very small or familiar issue creates a great obstacle and considerable thought is given to it before responding. Indeed, these things happen not infrequently. They are sometimes dealt with through immediate responses just as minor issues sometimes occasion great thought. People sometimes get lost pondering the smallest details, just as they sometimes "intuitively" respond to what strikes others as complex or ponderous issues. It is possible to simply stipulate that a crisis or problematic situation occurs whenever an issue interrupts what someone is doing and causes him to think about what to do – but what thereby counts as a crisis might neither be classified by him as one nor qualify as a crisis colloquially understood. People's continual adjustments to the world exhibit a range of forms. Immediate responses to events and the combination of ceasing to intervene in the world, focusedly thinking, and subsequently re-engaging are just two possibilities. This allows attention to be paid to the daily adjustments made by SME owner-managers who react to crises, breakdowns, failures, and concerns on a daily basis, which are commonly overlooked due to their size and presumed lack of severity.

Hence, in studying the performance of strategy practices in the course of on-going life in SMEs, adjustment can occupy centre stage, to understand how people continually adjust what they do to circumstances and changes in the world. Again, any changes that occur, if they are acceptable

in the practice that is carried on, take place within the practice, and in the face of circumstances, a person can alter what tasks or projects, or even what ends, they pursue. Ultimately, when a practice runs 'smoothly' it aligns with the sense of previous practice, in a manner of 'closedness' of repetition, however when it meets unexpected environmental events, a breakdown in the practice occurs, where it shifts to a relative 'openness' for misfiring's, new interpretations, and conflictual everyday proceedings and in those moments the practice acts as an internal guide to practically cope in the uncharted territory (Reckwitz, 2003). Therefore, the concept of practical concerns, the conflictual everyday proceedings, can help focus the exploration of phenomena to begin tracing strategy practices. Practical concerns or organisational issues/failures are thus defined as breakdowns in the usual doings of a practice, where an inability to continue as usual occurs, which are empirically identifiable. Consequently, this concept yields a rich domain for the study of practice (Schatzki, 2010).

2.7 Conceptual Framework

The purpose of this section is to establish a conceptual framework that will give a holistic view of the research. This system of concepts will inform the research, by acknowledging the assumptions, expectations, beliefs, and theories that will be supporting the design (Miles, Huberman & Saldana, 2019). By highlighting the main concepts within the framework, it is intended to guide the research process to fulfil the research purpose. The purpose of this research is as follows: to explore practices in small and medium size enterprises in the North West, applying a social practice theory to appreciate how strategy emerges through everyday practices and actions, to advance the understanding and facilitation of the types of strategy practices that occur. To achieve this purpose, a clear and logical research strategy must be planned out.

In considering practices as 'epi-phenomenal', placing causal efficacy and ontological primacy with the social practice itself, Schatzki's theory of practice is suitably used as the underlining theory of the conceptual framework. From this perspective, the concept of practice will be accepted as routinised, embodied, materially mediated doings (Reckwitz, 2002; Schatzki, 2001), that are influenced through explicit rules, practical understanding, general understandings, teleoaffective structures and practical intelligibilities. By considering practice as the primace the researcher can identify and understand practice as it happens, to gain an intimate understanding of what the people do and why they do it. The individual will be considered as a secondary effect to that of the primary of trans-individual social practices (Chia & MacKay, 2007) and in taking such a philosophical approach, the research will recognise that practices shape activity across time and space, which will allow critical analysis of the phenomena that are strategy practices

(Knights & Morgan, 1991). Everyday strategy practices will reveal themselves as patterns of actions that arise from habituated tendencies and internalized dispositions rather than from deliberate initiatives (Chia & MacKay, 2007). Practice conveys a justification for action by the social actors and is culturally and historically absorbed. The individual and organisation will be considered as carriers of practice, rather than autonomous drivers of the actions and events, gaining an embedded view of strategy and revealing both the mechanisms that produce activities, but also the activities themselves. This allows the research to focus on the reactions that an individual may be predisposed to take. Recognising that strategic activities are at the core of a firm's strategy, yet the immanent logic that emerges through practices constitutes strategy (Chia & MacKay, 2007; MacKay & Chia, 2013). Identifying such a process involves the dispositions that make individuals act or become strategists (Gomez, 2010), whereby actors are 'seduced' by practices, by learning the tricks of the trade according to the dominant norm of practice (Allard-Poesi, 2015). Therefore, when focusing on the everyday actions and practices within SMEs the researcher can begin to uncover the emergence of a coherent strategy.

The previous section has highlighted some central concerns for the relationship between ontological inquiry and empirical investigation, in applying practice theory practically. There are calls for more philosophical accounts of practice theory to be transposed into empirical analysis within the field of strategy (Rouleau, 2013). As Warde (2005) acknowledges, the general theories of practice are preoccupied with the abstract and pay scarce attention to the empirical application and the subsequent consequences. Most attempts at empirical applications of Schatzki's theory refers to the useful vocabulary he provides, yet do not exclusively draw from it (e.g., Jørgensen & Messner, 2010; Maus, 2015). The aim here is to create a conceptual framework that gives the ability to uncover practices and arrangement that constitute the phenomena under study. Whilst Schatzki's (2002) concept of practice is useful in the abstract, two notable empirical applications will be drawn upon to inform this chapter and guide the application of practice theory in practice. The first by Heisserer and Rau (2015), who translate five key theoretical concepts from Schatzki's practice theory into empirical research in their study of consumption practices. They observe the performance of practice and identify the basic rules and material conditions that underpin it. They utilise participants' self-report to yield insights into daily routines and related material contexts, whilst analysing policies allowed them to consider the macro conditions that shape a practice, via formal and informal rules. Likewise, the second study by Lammi (2018) shared a comparable frame for analysis under three similar relevant practice theoretical concepts with the intent to trace 'change' in practices, these include *practice organisation, bundle and complex*. Whilst the concepts are titled differently, it is clear both papers are drawing upon similar notions and there are interesting overlaps. Lammi (ibid) aims to understand the analytical consequences in the use of contemporary practice theory in practice, by applying it in an

empirical study of socio-technical change. Therefore, an approach in using practice theory empirically will be created with the intent to trace the doings of strategy in practice. The researcher will operationalise Schatzki's key practice-theoretical concepts in considering individuals as carriers of practice in two rhizomatic motions of zooming in and zooming out, guided by the above empirical works.

Firstly, the researcher will begin by zooming in on *practice-as-performance* which will account for the accomplishment of a practice, what people *actually* do. This begins at the specific site of engagement which will be examined with special attention to the social arrangement (interactional order) and the discourses that are active in the particular scene. This allows the crucial action happening on the scene to be understood. This is achieved by trailing connections on the ground, following people and artefacts as they move, following them wherever they may go. By accounting for the local accomplishments, the researcher can begin to describe a set of actions that belong to a practice or how they are carried out/performed. It has been demonstrated that accomplishing a practice is never a detached process. Performances are governed by the schema of practice components and in *practicing* strategy practices they can be organised by a set of observable and reportable practical concerns. To gauge this aspect the mundane practical concerns which orient the daily work of the practitioners will be honed in on. Within this, any low-level organisational concerns can be identified, and an intimate depiction of key practitioners responsive practical coping can be captured. This aspect allows for practices to be qualified and examined as specifically strategy practices. This is done by tracing and following the practice in action and noting down the recursivity of any specific activities and practices.

Once the activities have been described the next step is in understanding how they are arranged within the practice; the meaning and interpretations that practice prescribes the activities. Strategy practices are oriented, and they are performed in view of the accomplishment of the meaning and direction that they carry. It is experienced as being governed by a drive that is based on both the sense of what to do and what ought to be done. Zooming in on this, brings forward and helps to articulate the lived directionality of the practice. Practical concerns are thus a way to describe the way in which members experience the meaning and orientation performed by practices. These concerns are customarily verbally addressed and discussed in the course of practicing, either through verbalising motives and goals, or through explanations and justifications (Nicolini, 2013). These can be successfully gathered in observing workplace local lexicon and in utilising qualitative interviews to report the ongoing concerns and the detailed necessities of practitioner's own accounts of their work. Ultimately, this zooming stage intimately details the doings and sayings, activities, practices, and how meaning is conferred through each. This documents how the activities are experienced and begins to outline how the

practitioners interpret their practice. This is an initial depiction of how strategy non-deliberately emerges, yet still does not elaborate *why* it happens, which is the focus of the zooming out stage of analysis.

In the second stage, zooming out, the researcher will expand the scope by following connections between practices and their products. As Schatzki (2002) states, a practice is a knot that must be untangled and thus the study of such cannot be limited to focusing simply on the performance or accomplishment. Instead, a further layer of analysis is needed to understand and appreciate how local activity is affected, constrained, or enabled by wider constellations of practices. This means a relational approach must be undertaken, to understand the local actions, the 'other' texture of practice needs to also be considered. This can then be used to explain how local practices can act at a distance and produce effects in different places and distant times, contributing to the 'wider picture', and how phenomena that has occurred in distant places and times can manifest through the actual local practice. This helps to avoid the common misstep of micro-myopia and localism. Therefore, zooming out of practices requires moving between the specific practice and the texture of practices which causally connect this instance to many others. This is done by examining the rules, practical understandings, general understandings and teleoaffective structures, which can account for the influencing elements for *practice-as-performance*. These make up the *practice-as-entities*, which pertain to the doings and sayings which belong to a practice and which are organised by the aforementioned notions. The researcher accounts for explicit formal and informal rules and instructions that influence actions, by observing company policies that affect the team, but also wider political and economic rules. Practical understandings are an overview of the knowledge required to carry out actions and can be observed or drawn out through interviews to capture people's skills, knowledge and what it takes to obtain such. Teleoaffective structure involves the linkage of doings, sayings, emotions, and beliefs that are appropriate to a particular practice. Here, the research draws upon Lammi's further developed concept of teleoaffective structure in his empirical application by focusing on the notion that activities can be categorised and the ends can be expressed as those pursued in an activity. This is a useful tool to categorise practices and to understand what the practice is in pursuit of, to understand where one practice ends, another begins and how they link with one another.

Practices determine organisations, which in turn means the practice determines the actor (Gherardi, 2009). By following and observing the different patterns and consistent actions occurring daily, the researcher can refute individual agency and instead track the actual visible activities and practices that practitioners actively engage in. By employing observations, the researcher can acknowledge how practice influence practitioners to move or conduct themselves in a certain way, in order to perform a practice. Observed performances of actions are to be

understood as routinised doings undertaken for ends conjoined with affects that are made possible by the practical understandings that are guided by explicit rules and general understandings. To uncover these, specific actions will be both observed and questions asked of practitioners to gauge their projected ends, their followed rules, and any other concerns regarding their practices. Thus, the focus will be on local and trans-local effects produced by assemblages of situated practices, the types of opportunities for action that the association between practices conjures for those who live at their intersection. Taking advantage of the multiple SMEs in the sample, the researcher has the opportunity to compare the same practice that is carried out. To analyse side by side the performance of the same practice in multiple locales and times, helps show how different meanings can be attributed to the same practice when the relationship with their practices change and the ensuing variants of effects and consequences. Here, the coping actions of practitioners can be mapped out to demonstrate any observable unintended consequences, to capture and trail other more or less distant activities in the interconnectivity of the practice.

Here the third Schatzkian concept will be called upon, *practical intelligibility*. This is what informs practitioners actions, to establish what makes sense for them to do and think. In studying practitioners' expressions of practical intelligibility, such as their reasoning for completing strategic doings in certain manners can allow the researcher to draw conclusions 'by proxy' about the teleoaffective structures observed during the zooming in stage and will aid in answering the questions raised in the previous paragraph. This will demonstrate the actual and perceived options for action, accepting that practices draw upon a plethora of possibilities by equipping actors with skills and knowledge and in laying down rules of appropriate ways of acting in certain situations. To draw out the information about what makes sense to people the researcher can interview and observe to establish their individual or collective sensemaking. It explains variations in the performance of a practice between practitioners. It allows the researcher to explore individual practitioners' ideas of what they think is the right thing to do. Therefore, in telling their own story of how and why they do things, it allows the researcher to identify daily practices and any related practices. Again, considering practitioners as skilled agents who negotiate and perform a range of practices in their daily activities and that a sole focus on one practice would miss their position within complex networks of interrelated practices.

This approach influences the research design in multiple ways. Firstly, the methodological approach; by conducting a longitudinal study it allows the researcher to collect data and view practices in two separate sites, contexts, and times to identify the wider constellation of practices being localised in different manners. Moreover, a longitudinal study allows the researcher to identify patterns and consistency of bodily activities that reflect certain strategic dispositions (Chia & Rasche, 2015). By drawing upon practice theory where practices are understood as

routinised performances of the body (Goffman, 1977; Taylor, 1985) and in focusing on the patterns of bodily doings and sayings that actors perform, the process of routinisation can be uncovered. This will aid understanding on strategy practices, rather than a multitude of phenomena based on specific set of strategic activities. Thus, in observing routinised behaviours of what people are actually doing, which can be supplemented by self-reports to gauge useful insights into practitioners' daily routines and related material contexts, the researcher can capture the embodied capacities and dispositions, that reside within practices themselves (Schatzki, 2001). As when professionals are engaged in practice, their bodies are already active participants (Green & Hopwood, 2015). Their predispositions, whilst are not visible, can be understood through the observation of regularities that are detected through the patterns of their actions and their 'shared practical understanding' (Schatzki, 2001).

The conceptual framework has summarized a practice-based approach to the analysis of the doing of strategy, drawing primarily from the theoretical body of work provided by Schatzki (2002). This practice perspective provides a potentially valuable frame of reference for research into *how* actors in SMEs "do" strategy and *why* it unfolds in the manner it does. The likely benefits include a direct focus on why strategy practices are practised in the way they are; a refined practice philosophical approach to characterise the author of strategic action that is sensitised to consider alternate features of practice; and a framework that facilitates the application of practice theory *in practice*. To illustrate the conceptual model, Bispo's (2015) practice-based data analysis process framework has been adapted, which can be seen below.

MAIN ACTIVITIES IDENTIFIED
(Practical Coping)

PRACTICE DESCRIPTION

BUNDLES OF ACTIVITY FORM PRACTICE

Strategy Emergence

SCHATZKI'S PRACTICE THEORY (Practice Ontology)

ACTIVITY 1
ACTIVITY 2
ACTIVITY 3
ACTIVITY 4
ACTIVITY 5
ACTIVITY 6
ACTIVITY 7
ACTIVITY X

KEY ACTIVITY ANALYSIS (ZOOMING IN; what practice gives them their meaning)

PRACTICE 1
PRACTICE 2
PRACTICE 3
PRACTICE X

KEY PRACTICE ANALYSIS (ZOOMING OUT; uncover the organising principles of the practice)

PRACTICE 1
PRACTICE 2
PRACTICE 3
PRACTICE X

Figure 2. Model of conceptual framework

The figure is a simplified framework to illustrate the zooming in and out motion on how to analyse strategy emergence from a practice-based approach perspective. As Bispo (2015) intended, it respects the idiosyncrasies of each practice-based approach, which made it suitable to the research in hand as a Schatzkian perspective of practice theory could be incorporated. This then determines the analysis criteria in both stages of the zooming process. Whilst the model has a directional flow, it is not a linear process. There are relations between all aspects of what occurs in the plenum of practices; however, this offers a helpful perspective on where to begin empirically.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter refers to the aims of the research to explain and justify the methodological choices in the course of the present study. The first section (3.1) of this chapter elucidates the researcher's philosophical stance and how it aligns with practice theory. The second section (3.2) discusses the issues of reflexivity within the research. The following section (3.3) proposes the research strategy and justifies the choice of a qualitative longitudinal approach to answer the research aims, before introducing the research participants. The fourth section (3.4) details data collection methods: non-participant observation, interviews, and documents. The fifth section (3.5) gives an in-depth description of the analysis process, demonstrating how practice theory provides general guidance to analyse the data. Before detailing the process, means by which the field data was prepared, and the coding technique used are offered. Following this, the four stages of the data analysis are presented whilst relating them to the constant movement between data and theory. The sixth (3.6) and seventh (3.7) section discuss credibility and any ethical considerations. Both topics are interweaved into every step of the research process and have an important impact on research practices and knowledge claims that are put forward at the end of this thesis. Finally, the eighth section (3.8) offers an account of the research journey addressing the methodological limitations and issues encountered.

The primary rationale behind the research is to explore practices in small and medium size enterprises in the North West, applying a social practice theory to appreciate how a coherent strategy emerges through everyday purposive actions and practices, to advance the understanding and facilitation of the types of strategy practices that occur. This is driven and informed by calls to both bolster the use of sociological theories of practice (Vaara & Whittington, 2012; Rouleau, 2013; Chia & MacKay, 2007) and to understand the frequently overlooked context of the SME in strategy (Devins *et al.,* 2016; Redmond & Walker, 2010; Amoo, 2019).

To achieve these aims the study is broken down into the following objectives exploring practices:

i) To explore the mundane practical concerns and copings that orient the daily strategy work of SMEs.

ii) To analyse how local, spontaneous coping activity is informed, affected, constrained, or enabled by the wider constellation of practice.

iii) To explore the local and trans-local effects of practice and the unintended consequences that are retrospectively considered as coherent strategy.

Therefore, the challenge is to articulate a methodological design and philosophical premises for founding this approach to theorising strategy and building upon the strategy as practice agenda (Chia & MacKay, 2007). By focusing on exploring the activities and practices that take place surrounding strategy, the correct methodological framework is paramount as individuals inhabiting these social structures are influenced by different environmental factors. Creswell (2009) proposes three pillars for research design which this section will broadly follow, these are: knowledge claims (or philosophical position), strategies of inquiry and methods of data collection.

Whilst, the process of the research reads in linear fashion, the process of qualitative research is far from linear, rather it is more iterative following a 'back and forth' pattern (Suter, 2012). The research design helps to reorder the messiness of research and refers to the overall strategy that has been chosen to integrate the different components of the study in a coherent and logical way, thereby, ensuring the aims and objectives are effectively met (De Vaus, 2001). The function of such is to ensure that data collected and analysed enables the aims to be met as unambiguously as possible. Therefore, the design of the research allows phenomena relevant to the aims to be obtained and specifies the type of tools used to accurately describe and explore meaning related to observable phenomenon (Creswell & Creswell, 2018). With this in mind, the design will be discussed in order to address and justify its selection.

This research was approached with a dwelling worldview, where being is always being-in-the-world, that is, a situated and contingent process of engagement with the environment (Dreyfus, 1993; Casey, 1998; Ingold, 2000; Cloke & Jones, 2001; Wylie, 2003; Thrift, 1999). The researcher was driven by a desire to 'make sense' of the spatio-temporality of human life, through a materialised and embodied view of the world. Consequently, the methods employed in this thesis adhere to site ontology in that it is assumed that the researcher and reality are tied to a type of context in which social life occurs, or *sites* and that, epistemologically, any knowledge concerning the 'reality' of lived experiences is something that is 'grown' and re-grown through unconscious social practice within specific contexts (Chia & Rasche, 2015). To understand the

reality of a phenomenon is to understand the phenomenon as it is lived by a person. This perspective allows space for skilful, embodied coping or engagement with the environment.

3.2 Philosophical Perspective

To study practices a methodological discussion is needed (Gherardi, 2012; Nicolini, 2013) to understand how the philosophical underpinnings guides both the research aims and the strategies to access and analyse the empirical data (Crotty, 2003; Bispo, 2015). The term 'philosophical position' encapsulates the researcher's views about what actually exists in the world about which humans can acquire knowledge (ontology) and how they acquire that knowledge (epistemology) (Spencer, Pryce, & Walsh, 2014). In this way, an individual's own social realities affect the research approach chosen (Flick, 2009). The relationship between the field data and research outcomes is of a philosophical nature and understanding the researcher's position provides the reader with the grounds to consider these outcomes (Easterby-Smith, Li & Bartunek, 2009; Johnson & Duberley, 2000). The following section sets out the rationale for the philosophical perspective, discussing the ontological and epistemological assumptions on which this research is based.

3.2.1 Ontology

Ontology is the branch of philosophy that is concerned with concepts that directly relate to existence, being, as well as reality (David & Sutton, 2011). Questions are raised about what exists and what does not exist, which have primarily been answered either with the objectivist view or the subjectivist view (Saunders *et al.*, 2019). Whilst the objectivist views that social entities exist independent of social actors, the subjectivist (social ontological) view that social phenomena are created from a continual relationship between the perceptions and consequent actions of social actors (Saunders *et al.*, 2019). However, it is within Schatzki's (2005) alternative social ontology, site ontology, that informs the way the researcher considers reality and what consequently guided the research process. As previously discussed, (see section 2.5.2, p. 41), site ontology maintains that social life is inherently tied to a kind of context ('sites') in which it transpires. Therefore, the researchers ontological position considers social reality as constructed through practices (Schatzki, 2002; 1996). This is similar to relational thinking within the practice-based approach which argues for organisations to be seen as arenas of interconnected practices (Nicolini *et al.*, 2003; Schatzki, 2006). This means practices that extend internally and externally constitute the organisation (Gherardi, 2012). By seeing the world through site ontology allows it to be understood that practices are practiced within a certain context, under certain conditions. Thus,

a practice is not only shaped by the internal dynamics of such a practice but is also shaped by what characterises the site in which the practice is performed. Moreover, the Heideggerian phenomenological basis of this approach allows for an abandonment of the objectivist-subjectivist duality, as many aspects of the subjective experience of social reality described by site ontology have traditionally objective qualities (Greiffenhagen & Sharrock, 2008).

The researcher assumes there is only one single level of social reality: the level of social practices where all human activity and social phenomena are situated within intertwined practices (Schatzki, 2011; Seidl & Whittington, 2014). It is neither external to individuals and others (objectivism) nor is it made from the perceptions and consequent actions of social actors (subjectivism) (Saunders *et al.,* 2019). In this way, specific social practices were studied and the way bodily and mental activities, objects, knowledge, know-how and affectivity came together were captured within the collective activities of multiple actors (Schatzki, 2012). This routinised social enactment of practice made the practice understandable to both the person enacting them and the person observing them (Schatzki, 2002; Reckwitz, 2002). Therefore, it was through practices that allowed the researcher to understand the meaning of the world around them. By going beyond describing what people do, practices are the creation of meaning, identity and ordering of activities produced (Bispo, 2015). As such, the researcher embraced the idea of the creation of meaning but rejected that this creation is an intangible mental process, a form of symbolic exchange or abstract coordinated process based on some kind of a communicative process. In this sense, the creation of meaning and knowing are concrete and could be identified through the discursive activity, body, habits, and concerns that are part of organisational members' lives (Reckwitz, 2002; Schatzki, 2001). This implies that social phenomena consist of or are created by the interaction of practices and material arrangements and through practices and their interaction with material arrangements that social phenomena can be analysed and explained.

Consequently, the researcher assumes that social reality is fundamentally made up of practices, it is neither a social world as external to human agents nor socially constructed by them, but instead is created through everyday activity. There are realities in practices, social phenomena are built by something other than the features of individuals, for instance, structures and institutions (Schatzki, 2005). This is seen as a fruitful approach towards strategy research as it facilitates a critical analysis of the practices that are so often taken for granted (Vaara & Whittington, 2012) and gave the research the means and tools to analyse and explain SME strategising in terms of the interaction of practices and material arrangements. The implications of such an ontological position meant that it was crucial to take the context into account when trying to analyse or explain any social phenomena.

3.2.2 Epistemology

Epistemology is commonly referred to as a way of understanding and explaining 'how we know what we know' (Saunders *et al*., 2019). The epistemology that underpins this research is intrinsically embedded within both the theoretical perspective and the methods used for data collection. Many types of epistemologies have evolved through time, however there are two dominant and commonly adopted types: positivism and interpretivism. Whilst positivism accepts that the world is objective and that there exists a universal truth, interpretivism views the world as subjective and constructed by an individual (Denzin & Lincoln, 2005). A strand of interpretivism includes phenomenology which is focused on a deep understanding of lived experience (Bush *et al.,* 2019), describing things as they are experienced, and this means turning away from science and scientific knowledge and to go "back to the 'things themselves'" (Husserl, 2001, p. 168). Influenced by site ontology, the researcher believed in studying organisations through the 'lived practices' of the participants (Orlikowski, 2010; Schatzki, 2005). Therefore, the epistemological position is broadly guided by phenomenology that facilitates explication and understanding of the human lived experience (Benner, 1994; Rae, 2000). However, this research diverges from interpretive phenomenology towards an epistemological position that amounts to a Heideggerian inspired onto-epistemology that draws heavily on Heidegger's concept of instrumental truth. This notion of truth provides philosophical grounding to many practice-based approaches, including site ontology (Caldwell, 2012; Segal, 2010; Nielsen, 2007). Such a notion arises out of the ontological structures of readiness-to-hand and unreadiness-to-hand, as described by Heidegger in Being and Time (Horrigan-Kelly, Millar & Dowling, 2016). The former refers to the embodied equipmental activity that renders tools-in-use phenomenologically transparent – that is, when conscious recognition of the propositional subject-object dichotomy disappears, and an individual is fully engaged in the task at hand. The latter refers to the breakdown of this process where entities lose their phenomenological transparency through failure of function and present not as propositional objects, but as contextually grounded obstructions. These structures constitute aspects of dwelling, which may also be described as total immersion in the world (Bida, 2018).

This epistemological perspective is underpinned by a 'dwelling' worldview, where knowledge is not seen as equivalent to propositional correspondence, nor merely some representational commodity that is digested, processed, and then acted upon, but rather is 'grown' and re-grown through social practice within specific contexts (Chia & Rasche, 2015). Therefore, the epistemological position is that of a Heideggerian onto-epistemology. In site-ontological terms, knowledge is considered as unconsciously internalized and incorporated into the practical

intelligibilities of the individual in the form of practical understandings, general understandings, rules and teleoaffective structures. In this sense, self and world emerge in the concrete activities of dwelling where skills are acquired and developed 'without necessarily passing through consciousness' (Dreyfus, 1991). In such a dwelling mode, decisions and actions emanate from being in situ and occur spontaneously. Here, the efficacy of action does not depend upon some pre-thought plan of action but results from internalized predispositions that facilitate continuous timely and ongoing adjustment and adaptation to local circumstances.

These phenomenological assumptions guide the researcher to see "how the organisation may be 'de-centred'" and how strategy doing, and strategy emergence, may be studied in its various manifestations (Tsoukas, 2015, p. 49). As such, it permits social life to be viewed as a complex and unpredictable bundle of practices where people's actions can have unintended consequences, and that in order to understand why people do things, it is essential to get close enough to them to begin to understand why strategists do what they do. That is, understanding and knowledge pertaining to strategy emergence in SMEs can be gained through observing forms of tacit knowing that are acquired through living within and becoming intimately acquainted with local conditions and not from some detached observer's point of view. Therefore, instead of seeking purposeful action, this epistemology necessitates a close engagement within the context, to uncover and understand the small, unspectacular, non-deliberate everyday coping actions throughout an organisation. Crucially, it "makes room for different types of action and intentionality" (Tsoukas, 2015, p. 53). This fits the aim of the study to develop an understanding of the practices of SME owner-managers and the Heideggerian onto-epistemology position and the underpinning phenomenology is most suited to underpin the study. Such an approach should produce different explanatory outcomes on what goes on in the actual process of an evolving or emerging coherent strategy (Chia & Rasche, 2010; Cunliffe, 2015).

3.3 Reflexivity

The philosophical considerations demonstrate the potential of an empirical onto-epistemological understanding of the analytic activities and knowledge that distances itself from pervasive mentalistic concepts of reflexivity and the reflecting subject (Schmidt, 2017). Instead, the researcher's reflexivity is considered as observable practice-specific activities of analysing, reflecting and theorising bound up within the practical intelligibilities (Farrugia, 2013). In decentering the subject, analytical access to collective meanings and shared implicit knowledge produced by practice can be theorized about. In this way, practice theory considers all components of practices to observable and accessible to participants and observers of practice

(Schmidt, 2017). Analysing and knowledge production are public social practices and components of integrated practice bundles. Put simply, mental states are not negated, rather the traditional epistemological status has been revised, where practices express the mental publicly (Schmidt & Volbers, 2011).

3.4 Research Strategy

The driving force behind this research is to understand how a coherent strategy emerges through everyday purposive actions and practices, to advance the understanding and facilitation of the types of strategy practices that occur. As such, a research strategy is necessary to give a sense of vision by forming techniques and procedures (methods) (Corbin & Strauss, 2014; Stebbins, 2001). In methodological terms, the majority of practice in strategy scholars recognise that there is a need for researchers to be close to the phenomena of study, to be able to see the immediate context and detail, whilst also simultaneously be broad in scope of study (Balogun, Huff & Johnson, 2003). However, this creates conflicts (Johnson *et al*., 2007) and offers various methodological choices, which come with respective advantages and disadvantages.

Longitudinal case studies appear to be the most frequently used research design as it allows the researcher to observe and understand the dynamics of the practices and routines to uncover their interdependences and interactions (Golsorkhi *et al*., 2015). However, there exists a plethora of methodological innovative approaches, to name them all is beyond the scope of this thesis, instead three approaches have been picked to demonstrate the heterogeneity. Rasche & Chia (2009) argue ethnographic approaches are most suitable, following suit Cunliffe (2015) also advocates for a subjective or intersubjective view of ethnography to better access the unanticipated processes and practices, due to SAPs focus on the rich description of the micro-practices of organisational life. For Rouleau (2015) biographical methods are considered more suited, tracing narratives of practices and the life trajectories of practitioners, with the aim to develop typologies of practices and propositions regarding the skills needed in strategising. Finally, Vaara (2015) considers strategising through the discursive aspects by employing a critical discourse analysis to capture phenomena such as the central role of formal strategy texts and discursive practices in strategy conversation. However, many of the approaches mentioned lack distinctiveness and require a much more focused approach that breaks away from the methodological individualism that still prevails within SAP work (Chia & MacKay, 2007; Rasche & Chia, 2009; Chia & Holt, 2009). The conceptual and methodological bases of much of the research in this area would benefit from a more theoretically advanced and critically oriented

studies (Carter *et al.,* 2008; 2010; Carter, 2013), to develop practice in strategy further and to be taken seriously (Langley, 2015).

The most effective paradigm for research is highly debated due to the advantages and disadvantages of each (Queirós, Faria & Almeida, 2017). Positivist quantitative methodologies focus on testing hypotheses and causality, which are neither consistent with the philosophical position of the research, nor are they suitable to regard the meaning of action in answering the exploratory aims of the research. It is thus a poor fit due to the inability for it to serve as a means to gain proximity to practice (Schatzki, 2012). In contrast, qualitative research methods seek to answer the 'why' and 'how' questions and not simply the 'what' answers that statistical methods provide (Holland, Thomson & Henderson, 2006). This is conducted by using methodologies that revel richness, depth, context, multi-dimensionality, and complexity (Mason, 2002). Therefore, the qualitative approach was deemed the most appropriate, as it enabled the researcher to explore a wide array of dimensions of the social world, an intimate understanding of the activities and practices, the understandings and experiences of the research participants, and the significance of the meanings they generated. Moreover, qualitative approaches are much more flexible in design (Robson & McCartan, 2016), allowing any components to be reconsidered throughout the collection and analysis process in response to any developments (Maxwell, 2012). This allowed the researcher to simultaneously collect and analyse data, develop, and modify theory and elaborate or refocus the research questions. Whilst the qualitative approach has occasionally been refuted regarding reliability (Golafshani, 2003), to overcome this Lincoln and Guba (1985) suggest that a reader can be persuaded to recognise qualitative work as reliable and worth reading.

After careful consideration of the multitude of qualitative approaches available (e.g., case study research, ethnography, grounded theory) the present research embraced a qualitative longitudinal approach. Longitudinal research is defined as a research design that involves repeated observations of the same variables (e.g., people) over short or long periods of time (Shadish, Cook & Campbell, 2002). The characteristic feature of longitudinal research is a focus on processes of change, stability, and continuity through time (Neale & Flowerdew, 2003), where the temporal dimension distinguishes this methodology from other research paradigms. Traditionally associated with quantitative methods concerning life trajectories (Winiarska, 2017), there has been an increased interest in longitudinal studies within the social sciences to qualitatively trace and understand phenomena through time (Holland *et al.*, 2006). Qualitative longitudinal research (QLR) incorporates elements of qualitative methods that allow for the exploration of subjective interpretations, motivations, perceptions, and their variations through time (Holland *et al.*, 2006). To access these, research material is usually gathered through interviews and observation (Winiarska, 2017). Moreover, applying QLR requires re-visiting the

same sample of research participants, either to re-observe or re-interview, and also to plan specific waves of the study (at least two), at more or less fixed intervals (Vogl, Zartler, Schmidt & Rieder, 2017).

3.4.1 Justification of Longitudinal Study

This approach was particularly suitable to answer the research aims for two main justifications. Firstly, the '-as-practice' agenda believe in being close to the practices (Rouleau, 2005; Samra-Fredericks, 2005), this is in order to become intimately aware of the recursivity of activities and components of the practice (Jarzabkowski, 2008). As QLR is useful for following phenomena through time, it allowed an intimate focus to be paid to the lived practice and their duration, the changes, or consistencies from one period to another (Menard, 1991; Calman, Brunton & Molassiotis, 2013). Secondly, QLR is driven by a desire to understand what happens, but also how and why it happens. To some extent, it offers the ability to capture the interplay between time and the cultural dimensions of social life, depicting time as non-linear (Neale, 2004) and therefore suitably engages with Schatzki's (2001) theory of practice that underpins the research. In line with Schatzki, this research was not preoccupied with so-called objective time, that is, chronological quantified clock time. Rather, it accepted how temporality unfolds and structures human experience in the categories of past, present and future to allow people to engage in activity (Schatzki, 2006). In this perspective, time is related to human conduct as it is organised and unfolds in social settings.

Following this, this research accepted that human temporality unfolds the activity-event in three dimensions, which happens simultaneously, together: past, present, and future. Here, past, present, and future do not form a succession in time; rather, past, present and future are dimensions of an event that happens at one stroke, simultaneously (Schatzki, 2006). This forms one of the major advantages of QLR, the nuanced understanding of phenomena that evolves *through* time (Carduff, Murray & Kendal, 2015), which was particularly relevant for understanding strategy practices. As such, particular ways of practicing strategy emerge as the result of incremental alignment of different interests over differing periods of time, therefore the researcher combined real-time shadowing in two different temporal resting points, to gain an appreciation of how local practices participate in larger configurations. This time justification of a longitudinal approach also contributed towards capturing the effects of practice. The meaning and effects of entities and practices derive from the ways in which "general understandings combine with teleology in the determination of human activity. They specify ends and purposes, stipulate forms of activity, and inform how objects and events can be used in pursuit of particular

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ends and purposes" (Schatzki, 2010, p. 152). QLR assisted in capturing this via following the practice through time to see any unintended strategy consequences that emerged.

In this form of study, data was gathered from the same subjects twice over a period of 6 to 12 months, which established a point of reference and aided in the reliability of the project. In this way, the researcher became more acutely attuned to the variety of ways in which the predispositions acquired were expressed strategically in different situations and time frames. To avoid the absence of analytical closure (Thomson & Holland, 2003; Vogl *et al.*, 2017) this research conducted two waves of longitudinal observations, this meant the prospect of new data in subsequent waves potentially rendering previous interpretations redundant or obsolete was minimised. As such, QLR offered a fresh perspective into established arenas of social enquiry, drawing attention to the lived through experience of practice through which social outcomes are generated and mediated. This helped to provide deeper insight into the practices that existed across multiple contexts, that are widely separated in time (Miller & Brewer, 2003).

3.4.2 Selection and Recruitment of Participants

SMEs provide a suitable environment for strategy research to look beyond the managerial ranks due to their size. This allowed the research to address the knowledge and understanding of the ways in which operational doings contribute towards organisational outcomes. Moreover, due to their single site nature, they do not have external hierarchical requirements enforced upon them, the entire business operates on one site. This allowed the researcher to capture the entire strategic doings of that business. Whilst it is regularly debated, the impact of numbers in ensuring the adequacy of a sampling strategy in qualitative research can be significant (Sandelowski, 1995; Vasileiou *et al.*, 2018). This is because qualitative research is concerned with meaning and not making generalised hypothesis statements (Crouch & McKenzie, 2006). Yet, sample sizes may be too small to support claims of having achieved either informational redundancy or theoretical saturation, or too large to permit the deep analysis that is the raison-d'etre of qualitative inquiry. Moreover, analysing a large sample can be time consuming, impractical and labour intensive. Determining adequate sample size in qualitative research is ultimately a matter of judgment (Sandelowski, 1995, Biddix, 2018). The aims of the study and ultimately the contribution of this research were the ultimate driver of the design and sample size (Charmaz, 2006). As such, due to the aims and the longitudinal design which provides in-depth data across multiple methods, fewer participants were required (Salkind, 2010). As such, the sample size was determined to consist of nine SMEs.

Participant recruitment began with attending events hosted by the Centre for SME Development at the University of Central Lancashire, followed by a process of telephone calling potential participants from the local economy. This strategy was successful and enabled the researcher to secure the pool of participants. The pool of SMEs was then narrowed down to a small population by process of a convenient sample, specifically SMEs in the North West who were selected based on a set of diverse variables. Research participants were chosen with the aim of capturing examples of 'polar types' (Eisenhardt, 1989; Bhattacherjee, 2012) for the sake of maximising the diversity of participants to be included in the analysis. The aim of this was to reflect the vast nexus of practices occurring and interplaying regardless of sector. This allowed the sampling to increase the scope and range of data exposed.

The final sample of nine UK North West businesses were all privately held. To ensure that heterogeneity was captured among the SMEs, the sampled businesses varied in terms of industry (creative studios, agriculture, manufacturing, accountancy, vehicle centres, and insurance), size (5 to 150 employees), owner-manager age (30 to 62 years), gender (3 female and 6 male), and age of business (9 to 85 years). These categorisations were made in ways that are meaningful, yet also minimised the possibility that participants would be recognised or identified. This diversity was to identify practices that occur across sectors in strategic doings spanning the hierarchical structures of each. A profile of the participants can be seen in Table 2 overleaf.

Table 2. Profile of Participants

SME	Age of SME (years)*	Nature of business	Size (no. of employees)	Participant (psuedonym)	Length of Service	Position**	Age Group	Sex
1	13	Creative Studios	5	Phil	13	CD-O	30s	M
2	9	Manufacturer (furniture)	16	Tim	9	MD-O	40s	M
3	13	Manufacturer (paper)	23	Mick	13	F-O	60s	M
4	22	Manufacturer (doors)	50	Steph	22	FD-O	60s	F
5	13	Accountancy	14	Anna	28	MD-O	50s	F
6	22	Automotive	100	Jim	22		40s	M
7	85	Manufacturer (agriculture)	150	Martin	18		30s	M
8	22	Non-specialised wholesale trade	30	Harriet	5	OD-O	30s	F
9	23	Insurance	21	Sally	6	MD-O	60s	F

*at time of initial data collection (2018)

** CD-O: Creative Director-Owner, MD-O: Managing Director-Owner, F-O: Founder-Owner, FD-O: Finance Director-Owner, OD-O: Operations Director-Owner

3.5 Data Collection Methods

In general, the methods used in QLR depend on the research questions, the substantive research area and the perspective of the researcher (Holland *et al.*, 2006). Using the appropriate methods is critical for the success and validity of a project (Glyfe, Franck, Lebaron & Mantere, 2015). Employing multiple methods to collect data in longitudinal research is both encouraged and expected (Yin, 2014), whilst it is also common when adopting a practice-based study (Schatzki,

2006; Nicolini, 2013). Due to the practice philosophical approach where the meaning of the world becomes understandable through the routinised social enactment of practice; methods must be suitable to capture consistency of recursive actions and divergences across groups that hold differing practice prescribed pre-dispositions. Therefore, methods that can capture both the perceptions and the actual occurring activities, practices, and changes, was required. With this and the research aim in mind, observations paired with interviews were used. This aids the researcher to understand the practices in more depth, by considering the persistence of bundles in human society as the default situation (Schatzki, 2010). In observing routinised behaviours of what people are actually doing, supplemented by self-reports to gauge useful insights into practitioners' daily routines and related material contexts, embodied capacities and dispositions that reside within practices themselves can be captured (Schatzki, 2001).

Real-time data collection activities took place over a period of 17 months between October 2018 and January 2020. Once the participants were secured and had agreed to participate in the research, a 5-day long visit to each of their sites was arranged and conducted. Once a suitable period of time passed (4-11 months), the researcher re-entered the SMEs for a 3-day period for a second round of observation. This amounted to a total of 508 hours of observational data. The interviews were scheduled and conducted after both observation periods, which totalled over 8 hours of interview data. The next three subsections explicate the data collection methods with the related justifications of each method, and detail how fieldwork was carried out.

3.5.1 Non-Participant Observations

The methods consisted primarily of observations, this was pertinent for the purposes of the study as when professionals are engaged in practice, their bodies are already active participants (Green & Hopwood, 2015). Their predispositions, whilst are not visible can be analysed and understood through the observation of regularities that are detected through the patterns of their actions and their 'shared practical understanding' (Schatzki, 2001). The observation allowed for other sensory data to be collected to better understand the phenomena at hand (Paterson, Bottorff, & Hewat, 2003), by collecting and examining doings in a social setting (Marshall & Rossman, 1995). This included aspects of tension, stress or anxiety that presented themselves through physical indicators (i.e., biting fingernails, sweating, physically tense, pacing the room and so on). This observational stage was focused on answering the questions: "what do people do?" and "how do they do it?", which aided in revealing the hidden meanings of phenomena (Corbin & Strauss, 2014).

As the research aimed to capture how a coherent strategy emerges through everyday purposive actions and practices the accounts must always be seen within their social context (Hammersley & Atkinson, 2007). Indeed, when the SMEs were observed it deepened the researcher's understanding in three ways. Firstly, the observed different practices in different SME sites established the wider organisational context beyond a single site. Second, non-participant observations were useful to link and compare what practitioners said during the interview to what they actually did in practice in their daily doings (Kalof, Dan & Dietz, 2008). Finally, non-participant observations helped the researcher to re-live the experience of working in each SME to view the practices as an insider, whilst having a critical distance from doing the job, to view the practices as an outsider (Nicolini, 2013). This enabled first-hand involvement to supplement the topics and issues raised in the interviews (Samra-Fredericks, 2005). This was achieved by frequent visits to each setting, where the researcher observed the flow and dynamics of the daily activities undertaken by all individuals present to achieve their work. The researcher chose vantage points within each location, to be able to view the owner-manager and their employees conducting their day-to-day work, however the researcher was also mobile and if the owner-manager moved to a new space, the researcher could follow. This gave a grasp of the flow of work in offices, of how different work activities were interrelated, how tasks were distributed among the employees, and the tasks of the SME owner-manager. Once this information was captured the informal strategy practices emerged to provide an account for the way in which practitioner's performances are influenced by their practices, in how they provide meaning to their activities and prescribe themselves specific roles for performativity (Lounsbury & Crumley, 2007). The data observations were conducted for a total of eight days during normal working hours at each site. The researcher noted the spontaneous doings of participants to offer a more nuanced and dynamic appreciation of situations that cannot be as easily captured through other methods (Liu & Maitlis, 2010). Intensive field notes were written and stored electronically for ease to move within the data. In situations that did not lend use of a computer, notes were written by hand and subsequently typed up each night. The electronically stored field notes amount to over 239,839 words.

3.5.2 Interviews

Interviews were used as a complementary data source to provide oral histories to document the reflective participants' temporal journeys through bundles and constellations of practice. This allowed the researcher to capture glimpses of the mental components of practice that compose these bundles across different timespaces. The owner-manager of each SME was interviewed. This was with the purpose of a richer understanding of the nexus of practices and for

strengthening the trustworthiness of the data. The combination of following the practice through observations and asking for self-reports to understand it from the logic of practitioners, allowed further opportunity for the practice to be viewed as both an insider and an outsider (Bispo, 2015; Nicolini, 2013). The initial observation gave the researcher the opportunity to understand the practices dynamics, to describe and analyse it as an outsider (Bispo, 2015), whilst the interviews gave the researcher the insider perspective to capture how the practitioners perceived and experienced their practice. This helped capture features and activities that are not just perceived by practitioners, but to see it more broadly (Czarniawska, 2008; Gherardi, 2012; Nicolini, 2009; 2013). As such, interviews aided the further exploration of how pre-existing practices shaped participation. They followed a similar approach to that proposed by Bouty et al. (2019), whereby particular attention was paid to aspects such as daily routines, small failures, and the way they were handled. Moreover, they provided the purpose of strengthening the observational data and the theoretical constructs (Yin, 2014). Likewise to observation, interviews allowed for the practitioner's sense-making to be unravelled to reveal the practical intelligibilities, general understandings and teleoaffectivity, to understand how people perform practices.

The interview style was semi-structured, which is one of the most dominant and widely used methods of data collection within social sciences (Bradford & Cullen, 2012). This is due to the ability it lends to explore subjective viewpoints of participants and gather in-depth accounts (Flick, 2009). An interview protocol was created to guide the interview, to allow the researcher to set an agenda of topics yet allowed the respondent to answer in their own more illustrative terms (Choak, 2012). This was in line with the phenomenological assumptions, that in order to understand why people do things, it is essential to get close enough to them to interpret perceptions and beliefs of their own actions and the influences of such (Donley, 2012). A thorough examination of what was said allowed for further inspections of the answers, which helped to correct the natural limitations of memories and of the intuitive glosses that people might place on what is said in interviews. Throughout the interview the researcher typically referenced the protocol to start a new line of discussion after the previous point had run its course. It was further designed to prompt the participants for more details, where both open-ended and probing questions were combined to capture experiences and clarify details. The interview began by seeking a description and background of the business and the owner. Once sufficient trust had been established between the participant and the interviewer (i.e., once the participant started to speak more freely and 'open up' about his or her experiences), the second part of the interview explored the practitioners sensemaking about why they do what they do. The focus here was on the significant events, exchanges, thoughts, feelings, decisions, and motivations the owner assigns to their actions. This consistent structure was used for the interviews but allowed flexibility to go with the flow of the conversation.

Participants were offered a range of interview locations to choose the location from, this ensured their comfort; however, all preferred their place of work. Therefore, the interviews were conducted in person with the SME owner-managers at their offices. The nine interviews were conducted over a period of 5 months and were taped and later transcribed. The mean time for the interviews was 54 minutes, with one interview lasting 74 minutes. Personal notes were made before, during, and after the interview, which included informal observations and discussions not recorded as part of the formal interviews. The transcribed interviews amounted to over 75,000 words. To address concerns of recall bias or hindsight bias (Fischhoff, 1975; Bradfield & Wells, 2005), the researcher often referred to the field notes to accurately account for what actually happened.

3.5.3 Documents

Interviews and observations provided reflective and current accounts from participants. In contrast, documents are considered as secondary sources in management and organisation studies because of their supplementary role of providing background information (Pettigrew, 1985; Strati, 2000). Documents collected provided data to establish some of the formal strategy at work (i.e. organisational procedures, strategy statements, PowerPoints from strategy meetings, strategic plans) and gave a platform to recognise if the actual work was what the SMEs formally published and whether any changes or diversions happened. Various internal and external documents were collected consisting of over 50 pages. Internal documents were usually obtained directly from the owner-manager in a formal printed strategy document. All but three SMEs provided some form of document. Some documents were electronically stored and received via email. All the internal documents were obtained after they were cited by participants during field activities. Eventually, different types of internal documents were collected, namely:

- Strategy statements (mission, vision, objectives)
- Strategy presentations for staff engagement/awareness
- Documents illustrating the issues and solutions to core business problems
- Employee handbooks

It should be noted that documents made up a very small data set from the data as a whole. Many of the SMEs had no such formal documents and relied much more on informal methods of discussing strategy at work. The primary focus of obtaining the documents was to assist in understanding what the practitioners themselves considered their strategy to be.

3.6 Analysis

Theorising through a social practice-based approach entailed a theoretical conceptualisation of practice as the 'house of the social' (Nicolini, 2013). Seeking to understand how strategy emerges in SMEs through a reconstruction of the social was a major concern during the data analysis. Schatzki's practice theory provides broad methodological guidance and sensitivities towards empirical observation, however empirically it is often too prescriptive and vague on where to go and what to look for (Geiger, 2009). Nevertheless, the developed practice sensitised toolkit that utilises the mental organisation of practices was sufficient to make sense of the data without the need for another complementary theoretical perspective.

The data analysis design was informed by the actual practice of data analysis. The researcher became immersed in the data to become acutely attuned with the doings of each practitioner. The analysis process constantly evolved, between the actual strategy doings, sayings and actions of the practitioners and the schema of practice components (practical understandings, general understandings, rules and teleoaffective structures), in tandem with an analytical movement between data and theory. When considering all presented aspects, this practice-based research required specific care for conduction. Therefore, this research does not simply subscribe to a new epistemology as an academic fad (Nicolini, 2013), instead the researcher has followed an approach that meets the methodological developments necessary in order to avoid creating an 'academic Frankenstein' (Bispo, 2015). In this sense, the analysis of empirical data began within the field, identifying the key activities of practice, to establish the draft of a practice. After that, to better understand, describe and explain the practice, the collected material was re-read to organise them inside the set of activities identified and which constitute the practice together. This was important so that each activity could be clearly described in how they constitute the main practice. In this moment, the first constitution and description of the practice as an insider is grasped. To go in depth to explain the practice, a second analysis process was conducted considering the practice as a whole. Here, data was revisited, researching the organising elements of practice as a coherent, symbolic, and meaningful set, as an outsider (Bispo, 2015).

This process can be depicted in the figure overleaf:
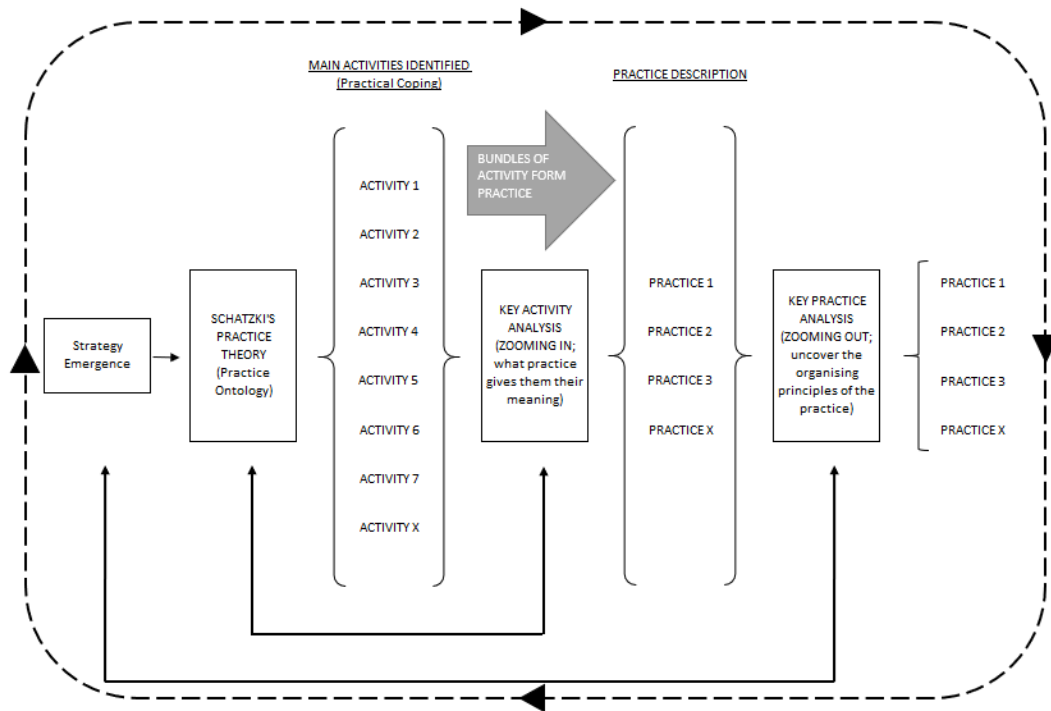
Figure 3. Practice-based data analysis process framework

The simplified framework taken from Bispo (2015) with a view on how to analyse data from a practice-based approach perspective was particularly useful to pay key focus on the actual practices. In following this framework to uncover the activities and arrangements bound to a practice allowed the researcher to reconstruct the abstract elements of the practice itself. This was done by developing a deep understanding of the practice on the one hand and on the other abstract analytically from the concrete activities to uncover the organising principles of the practice (Loscher, Splitter & Seidl, 2019; Schatzki, 2012). Therefore, Bispo's (2015) data process framework, whilst not a linear process, offered a succinct framework to follow to firstly develop a deep understanding of the practice, by zooming in on the activities it composes and zooming out to analyse the organising principles of those practices.

Following this framework, the analysis was conducted in four general steps. First, observational notes and interview transcripts were analysed inductively with the aim of identifying the key activities of strategy practices. This step of analysis was data-driven and based on practitioners' actions when faced with an organisational concern or small failure and how they adapted locally in situ. Through open coding, the organisational concern and the following coping activities were constructed for each case. In the second step of analysis, the practical coping activities of the nine empirical settings were zoomed in on and mapped out to understand how they arranged

within the practice that give them meaning. In this way, practice-as-performance was assessed to understand the rule interpretations, meanings, and motives that the practice prescribed the activities. In the third step of the analysis, via zooming out on practice as entity, it centred on uncovering the organising principles of the practice as a whole, from the concrete activities which established a practical intelligibility that governed the practical coping. Using this elaboration of practice theory, the analysis set out to construct a conceptualisation of the generalised constituents of the understandings, rules, teleoaffective structures, norms, and beliefs of previous practice. In constructing these meta-categories, activities were arranged and labelled into exclusive dimensions that document how they constrain or enable strategy work and the resulting effects of practice. The fourth and final step examined the unintended consequences of the activities and practices, to account how strategy emerges through the practical copings.

3.6.1 In the Search for Strategy Emergence

As stated, the notion of practice as a philosophy avoids foregrounding the individual at the expense of the practice. Therefore, the research began the search for strategy emergence with the immersion of practitioners in their practices and arrangements. The radical difference between strategy in large firms, as opposed to small firms as previously discussed (Liberman-Yaconi *et al*., 2010) establishes that owner-managers of SMEs frequently strategise based on intuition (Kearney *et al*., 2018). This is due to the uniqueness of the SME context for strategising, which derives not simply from organisational and stakeholder contexts but also from the owner-manager's dominant role. The owner-manager's dominant ownership share places heavy responsibility on the owner-manager, meaning their actions are more orienting for the direction of the business as a whole (Kearney *et al.,* 2018), which contributes towards what practices are participated in and how they are performed. Therefore, the source that guides action, as opposed to individual intuition, resides within socio-culturally practice propagated predispositions that provide the patterned consistency of strategising activities (MacKay *et al.*, 2020). As such, the research was attuned to the owner-manager, only as far as to capture their dependence upon prior practice-shaped and socio-cultural practical intelligibilities, whilst still placing the unit of analysis on the practice, where actors are not autonomous in their strategy doings, and hence any coping actions made. SME owner-managers come to the firm with a plethora of perceptions and practical intelligibilities gained through previous experiences with practice that predispose them to act and strategise in certain ways (Kearney, Harrington & Kelliher, 2014). Therefore, the owner-manager's cultural and historical practice experiences and motivations were captured to understand the meanings practice prescribes to them.

This was done by capturing the activities and their meaning within their specific setting. To better understand, describe and explain the practice, the researcher sought out and described the activities which constitute the practice together, zooming in on practice-as-performance, focusing on the bodily expressions and actors' know-how to act appropriately, which allowed an analysis on how practitioners perceive and react to the organisational concerns of a situation based on the repertoire of available practices. Next, to go in depth to explain the practice, the researcher conducted a second analysis process considering the practice as a whole; zooming out on practice-as-entity. At this moment, the data was continuously revisited, researching the practice, its organising principles and the practical intelligibilities that offer sensical course of action. Finally, in understanding how those practices predispose practitioners to practically cope in their strategy work, the unintended consequences were captured to document the effects of practice. This empowered a better understanding of strategy emergence in three ways. First, by accommodating a practice focus the researcher was able to pay equal attention to both structure and agency without favouring either. Striking this balanced perspective, the ability to analytically theorise the relationship between the macro and micro was legitimate. Second, by mapping out and intimately understanding the activities of the practice, it became easier to study how practice-as-entity constrains or enables the conduct of owner-managers. Finally, by understanding the relationship between the owner-managers and their practice (in terms of understandings, rule interpretations, norms, beliefs, projected ends etc.) meant that it was possible to theorise how the practical copings in day-to day work could become a coherent strategy. Therefore, in following the overarching methodological framework, an analysis of field data was embarked upon. This was a time-consuming commitment, however the opportunity to dedicate an entire year to data analysis was available.

3.6.2 Preparing the Data

The data was manually classified according to each SME. A unique and anonymous digital identifier was created for each fieldwork file. For example, these show the case identifier (e.g., SME1), the wave of fieldwork in which the file was generated (SME1W1), the type of data (observation notes, interview audio recording, or interview transcripts), followed by the digital format in which the file is saved (doc = word document, mp3 = audio file format). The labels appear as follows: SME1W1observation.doc or SME1W2interview.mp3. All secondary data (documents) were additionally labelled by the date of their initial production rather than the collection date.

3.6.3 Coding Technique

A comprehensive view needs to be provided of an undeniably complex set of processes through appropriate techniques. As such, the qualitative data analysis approach employed was thematic analysis as it reduces the complexity of the data by revealing 'patterns' within the dataset (Eisenhardt, 1989; Gioia *et al*., 2012; Langley, 1999). By systematically transforming the mass amount of raw data collected into an organised set of initial codes using thematic analysis allowed a focus on tracing activities of strategy practices. This was a flexible and useful research tool, that provided a rich and detailed, yet complex, account of data (Braun & Clarke, 2006; Ryan & Bernard, 2000). As this perspective of practice utilised for the purposes of this research embraces the idea that the creation of meaning and knowing can be identified through the discursive activity, body, habits, and concerns that are part of organisational members' lives (Gherardi, 2006; Nicolini, 2013; Reckwitz, 2002; Schatzki, 2001) it provided suitable patterns for coding. Patterns were revealed through a process of coding, when a summative, descriptive, essence-capturing attribute was assigned to a part of the data (Saldaña, 2009). These codes were then organised into themes, which were initially derived from the similarity amongst data codes and then by using a priori of theoretical constructs. This allowed data to be indexed or mapped out, to provide an overview to make sense of them in relation to the research aims and objectives. The research findings are therefore presented according to the themes that emerged from the data analysis, structured around theoretical concepts drawn from practice theory.

An open coding technique (Corbin & Strauss, 2014) was the most appropriate and therefore operationalised to answer the exploratory research aims, allowing codes to 'emerge' from the field data. This aided in reordering the data into categories, to detect consistent, meaningful, and overarching recursive themes. As Warde (2014, p. 291) states a practice might be recognised in a variety of ways, yet it is within his proposition of "time-use" which informs this research. When actors perform an activity recursively and for a significant amount of time it constitutes a reasonable set of indicators of the existence of a discrete practice. Therefore, as everyday strategy practices revealed themselves as patterns of actions that arise from habituated tendencies, coding captured this, and codes revealed themselves based on the prominence of their recursivity. In this type of coding, when it comes to categorising patterns, things can be grouped together not just because they are exactly alike, but because they might also have something in common, as Saldaña (2009, p. 6) states, "even if, paradoxically, that commonality consists of differences". This was useful to gauge the different ways practice can prescribe activity to a similar practical concern or breakdown. Therefore, three rounds of coding were conducted, where each code created was organised into themes based on the terms, images and ideas that are current in the

participants' worlds (Hammersley & Atkinson, 2007) to describe their behaviours and what is meaningful to them. This approach gave more weight to the data.

3.6.4 Stages of Analysis

To better understand, describe and explain the practice, it was necessary to go through the collected material and organise them inside the set of activities identified and which constitute the practice together. This *first stage* of analysis was data-driven and sought activities that expressed concern or small failures. Through open coding, the organisational concern and the following coping activities were constructed for each case. In this first round of coding, the observational notes and transcripts were coded, and no hesitation was made to assign more than one code for the same excerpt where necessary, accommodating the complexity of the data (Bazeley & Jackson, 2015). This approach explored how local people think and behave (Kottak, 2006), how practitioners perceive and categorise the world, their rules for behaviours, what has meaning for them, and how they explain things. Here, over 60 codes were uncovered that mapped out the daily practical concerns or small failures that were recursive to practitioners' practice (see Appendix 7 for examples).

At this stage, the data was categorised into 'themes' regarding the types of similarities between the codes. These themes were primarily centred around organisational concerns, daily issues and small failures that occurred repeatedly throughout the observational periods. During this stage codes surrounding practical understanding came to the fore focused on the 'how is' strategy understood measured by how the participants' strategy activities relate to become distinctive organised arrangements of activities (Sandberg & Tsoukas, 2016; Schatzki, 2012). Often there was a particular overarching significance placed on a unique set of activities in situ and also emphasised during the interview. Codes were consolidated and assembled into themes by judging their qualitative resemblance (Jarzabkowski, 2008) and as a result, four key themes emerged from the initial codes. Practice gives rise to the practical intelligibilities of the usual way of working, which ensures a consistency in the orchestration of action without necessarily implying the need for prior intent. If this ever changes within practice every day practical coping actions, adjustments and improvisations are attributable to the underlying presuppositions of practice. Therefore, when a practice diverged from the 'usual' it was labelled a breakdown, where practical coping actions occurred to adjust and improvise, which caused strategic implications. Therefore, the second round of coding adopted a more internal focus to the practice and concentrated on how practitioners responded and how they performed these activities (Rasche & Chia, 2009; Langley & Tsoukas, 2010). As such the coding of observations continued using the same open

approach, this allowed new codes and themes to emerge in the process. In doing so, the researcher began categorising activities that were responsive, adaptive, coping, or adjustments into codes. In this way the coding sought the detailed activities to identify the text that were specific to practical coping. Examining the activities at this level of analysis enabled the real variety of activities to be exposed and their degree of importance to the participants. Here, over 20 codes were produced for adjusting behaviour (see Appendix 7 for examples). These codes were then categorised based on their prominence of the recursivity and similarity into four key themes.

In the *second stage* of analysis, the practical concerns, and the low-level practical coping activities of the nine empirical settings were zoomed in on to understand how they arranged within the practices that give them meaning. As depicted, the first two levels of coding mainly used descriptive, low inference codes, which were useful in summarising segments of actions within the data into doings and sayings. This provided an intimate depiction of what is happening within the activities of SME strategy practices on a day-to-day level. Next, the codes were then sorted which required some degree of inference to link the initial codes into wider codes of strategy practice. In this way, the practice-as-performance was assessed through the ad hoc interpretations occurring on a day-to-day basis and the reflections made on their experience in relation to strategy. To do so, the codes provided the basis to read for how the arrays of activities were organised considering how the activities were organised around practical understandings and the interpretations and realisations of the 'right' way to cope. This reading sought the patterns and routines of activities which make up the practices (Everts *et al.,* 2011; Schatzki, 2002), and the importance of these practices to the participants (Schatzki, 2002). The analysis moved iteratively between readings and codes to gain a comprehensive view of specific strategy activities and how each relates with others to when organised into sets of activities. During these readings, the complexity of linkages among the activities, sets of activities and the practical understanding became evident. The purpose for each of these rounds was to rigorously categorise data similar in practical understandings and with comparable day-to-day activities by allocating and reallocating them into themes. Here, the researcher began to grasp the meanings prescribed by practice; what was important, what were the motives and what interpreted rules guided their practice. At the end of this stage, the codes revealed the orienting factors that were centrally important to the practice. For some, financial concerns were a significant daily practical concern, orienting the practical copings, trying to cut costs, get the best deal, or make a higher unit cost. This demonstrated that one interpretation of strategy practices prescribes financial return or stability as a sensical motive for action. Each were discussed in detail revealing how the meanings and motives that practice prescribes act as constraining and enabling factors on the performance of strategy practice.

The *third stage* of the analysis zoomed out on practice as entity. It centred on uncovering the organising principles of the practice as a whole from the concrete activities, to establish a practical intelligibility that governed the practical coping. Using this elaboration of practice theory, the analysis constructed a conceptualisation of the generalised constituents of the understandings, rules, and teleoaffective structures, that inform the practical intelligibilities and sensemaking of practitioners. In constructing these meta-categories, activities were arranged and labelled into exclusive theoretical dimensions that document how they constrain or enable strategy work. Subsequent to this, the initial codes that organised the data into comprehensive coping activities that revolved practical concerns, were then coded for a third and final time. Here, the data was coded against the theoretical concepts; rules, general understandings and teleoaffective structures (see Appendix 7 for examples). The content of each code and theme was examined to ensure consistency across the data. The coding process, which started in stage one, was being concluded. Coding produced over 300 codes, which were eventually organised into 4 themes under practice-as-performance and 14 themes under practice-as-entity, the theoretical concepts drawn from practice theory (Table 10, p. 290). As coding came to an end, the observation notes and interviews were referenced to look for incidences of these themes. On most occasions, the interviews enriched the theme that had emerged from the observations. Additionally, attention was particularly paid to what was said was done and what was actually done. Hence, the commonalities and disparities among the performances of practice were noted and common patterns slowly started to emerge.

The *fourth and final stage* aimed to understand the local and trans-local effects produced by assemblages of situated practices. Having captured the orienting factors for how and why strategy was practised differently across the sample, the researcher could now consider how this contributed towards the emergence of a coherent strategy. With the core logic of practice theory, how practices are produced, reinforced, changed, and with what unintended consequences were focused on. The researcher began by mapping any small incremental changes and further unintended consequences, any shift in direction that was a consequence of the practical concern and the responding practical coping was noted. At this fourth stage of analysis, all shifts or changes initiated by owner-manager that produced positive unintended consequences that helped contribute to a clearer sense of strategic direction were captured. As such, the analysis focused on revealing how the everyday practical copings in response to organisational concerns and breakdowns in practice, ultimately contribute towards a coherent strategy.

3.6.5 Data Analysis Summary

This chapter has presented the researcher's philosophical position, the research strategy, and the data collection methods. Following that, it presented a practice theory lens to make sense of the data. The data analysis process was then detailed. This process took the underlying organising principles of practice (Schatzki, 2002) and developed them incorporating an abductive logic to data analysis. The analysis, undertaken for the present study actively sought to unearth what happens in the daily doing of strategy and why it happens the way it does. The data analysis progressed in four stages, beginning with an activity analysis, and followed by a practice analysis, as informed by the conceptual framework of practice theory principles and Bispo's (2015) data analysis model. Each of these four stages were discussed, illustrating the activities undergone in each stage and the outcomes of each stage. Table 3 overleaf provides an overview of the analysis process, alongside the objectives of the research.

Table 3. Overview of data analysis

RESEARCH OBJECTIVE	STAGE OF ANALYSIS	THEORETICAL BRACKETING	METHODOLOGICAL BRACKETING	DATA ANALYSIS	
				MAIN ACTIVITIES	MAIN OUTCOMES
To explore the mundane practical concerns and copings that orient the daily strategy work of SMEs.	1	Zooming in	Key activity analysis	First and second rounds of coding	Generating initial themes and codes that document routinised activity of small failures and coping responses
	2	Practice-as-performance		Examined first and second round of coding across what is said is done and what is done	Description of the how the arrays of activities were organised and the interpretations and realisations of the 'right' way to cope
To analyse how local, spontaneous coping activity is informed, affected, constrained, or enabled by the wider constellation of practice.	3	Zooming out	Key practice analysis	Third round of coding against the theoretical concepts; rules, general understandings and teleoaffective structures and examination of such	Finalised themes and patterns across cases, four different ways of practising and understanding strategy emerged underpinned by the generalised constituents of practice
To explore the local and trans-local effects of practice and the unintended consequences that are retrospectively considered as coherent strategy	4	Practice-as-entity		Reading for and mapping out the incremental changes and spin-offs from the coping activities coded in stage 1	Positive unintended consequences that helped contribute to a clearer sense of strategic direction were captured

3.7 Establishing Trustworthiness and Credibility

Credibility establishes whether the research findings represent plausible information drawn from the original data and a correct interpretation of such has been conducted (Lincoln & Guba, 1985). To establish trustworthiness and credibility of the research, multiple key concepts have been utilised to ensure the rigour of the qualitative findings, namely, prolonged, and varied field experience, persistent observation, transferability, confirmability, and reflexivity (Anney, 2014).

Firstly, qualitative data collection requires the researcher to immerse herself in the participants' world (Bitsch, 2005). This helps gain an insight into the context of the study, which minimizes the distortions of information that might arise due to the presence of the researcher in the field. The extended time in the field improved the trust of the respondents and provided a greater understanding of participants' practice and context (Onwuegbuzie & Leech, 2007). Moreover, persistent observation allowed for an in-depth study to gain detail (Bitsch, 2005). The adequately sized participant sample allowed the researcher to discover intimate details of the practices observed and the various components that they are comprised of in a rich, deep manner. Extended interaction with the context and participants is of advantage to the inquirer, because it helps her gain an understanding of the essential characteristics of the setting (Guba, 1981). Miles and Huberman (1994) reported that data collected on entry to the field is weaker than that collected near the end of the study. This suggests that persistent observation gives an understanding of participants' world view and effects of the researcher's presence during fieldwork are minimized.

To further establish the trustworthiness of capturing and presenting the teleoaffective nature of practices "a different sensitivity, different modes of attention, different ways of being attuned to what happens around us" was followed (Blackman & Venn, 2010, p. 11). In this way, the research utilised affective ethnography guidance that gave the research the "quality of a continual motion of relations, scenes, contingencies, and emergences in which researchers are immersed and entangled with other humans, more-than-humans, texts, discourses, knowledges, and various other materialities" (Gherardi, 2019, p. 753). This was done through 'being with' the field, leaving behind any pretension to a fixed truth, authority, or legitimacy (Gherardi, 2019), which suitably complemented the dwelling worldview of strategy. In this way, the research followed an affective ethnography 'style' rather than method, where the researcher recognised affect when they saw it (or read it) as they framed the array of activities and practices potentially enactable within any given place (Gherardi, 2019). This was guided by the notion of affective texture which conveys the idea of affect as coming from outside and as a collective experience of being affected, the shared ground from which affect emerges (Brennan, 2004). These textures surround

and envelop people, things, and environments, where they can be felt, sensed, and radiated from one individual to another (Gherardi, 2019). Therefore, in attending to the affective texture of a 'place' in longitudinal observations, the researcher became attuned to the affective atmospheres generated and the potentialities for action and dispositions it makes available in that place.

Moreover, transferability refers to the degree to which the results of qualitative research can be transferred to other contexts with other respondents – it is the interpretive equivalent of generalizability (Tobin & Begley, 2004). The transferability judgment was facilitated through 'thick description' of the enquiry (Bitsch, 2005), the mass amount of field data collected combined with the extensive details concerning the methodology and context of the research processes, helps others to replicate the study with similar conditions in other settings. Without this, it is difficult for readers to consider the conclusions well founded and actual (Shenton, 2004).

Finally, a reflexive journal has been kept by the researcher. A reflexive journal is a document written by the researcher to aid in reflection, tentatively interpret and plan data collection (Wallendorf & Belk, 1989). This includes all events that happened during the process of data collection and overall research process. This is so the influence of the investigator's own background, perceptions and assumptions on the overall research process can be gauged. This is in order to establish confirmability (Shenton, 2004). Confirmability strengthens the credibility of the research as it refers to whether the results of an inquiry could be confirmed by other researchers (Korstjens & Moser, 2018) and are "not figments of the inquirer's imagination but are clearly derived from the data" (Tobin & Begley, 2004, p. 392).

3.8 Ethical Considerations

Considering the nature of qualitative studies, the close interaction between researchers and participants can be ethically challenging. Ethical issues are of considerable concern for qualitative research and literature indicates that the concerns can be amplified in importance in a qualitative longitudinal research piece. Major concerns as stated by Holland et al. (2006, p.26) include "consent, confidentiality, anonymity, the potential impact of the research on both researched and researchers…intrusion, dependency, distortion of life experience through repeated intervention, emotional involvement and problems of closure". Therefore, the formulation of specific ethical guidelines was essential and a set of rules to govern conduct (Pring, 2004), this included codes of conduct aiming to protect the research participants, in the form of ensuring anonymity and confidentiality of responses (Bryman & Bell, 2011) and the researchers' potential impact on the participants and vice versa (Sanjari *et al*., 2014).

To begin, informed consent was sought, this was not a one-off event, but a process. The participants were provided with a detailed information sheet regarding the study at the beginning of the project, which allowed them to provide written informed consent. However, this consultation process was conducted throughout all phases of the research (France, Bendelow & Williams, 2000), in order to ensure participants understood how the research was developing and gave them an opportunity to state their concerns or wishes to withdraw from the research. In the case they wished to withdraw they were informed that any data collected involving them will be struck through and destroyed. The researcher therefore received full permission and informed consent from the enterprises involved prior to conducting the research, to allow for complete ethical corroboration. Moreover, employees and employers were informed that regardless of employer's consenting to participate, employees did not have to if they did not wish to and that this decision would not negatively affect their employment status. This was aligned with the researcher's responsibility of protecting all participants in a study from potentially harmful consequences that might affect them as a result of their participation (Sanjari et al., 2014). Similarly, to ensure potential harms will not be inflicted upon study subjects no negative feedback will occur for practitioners or their employees, regardless of their participation or non-participation.

In relation to confidentiality, mechanisms were put in place to protect informants by keeping data confidential. The effective strategies taken here to protect personal information are as follows; removal of identifier components, pseudonyms for anonymity and secure data storage methods (Eriksson & Kovalainen, 2008). The participants were stripped of their identifying characteristics and were assigned pseudonyms, both individually and for the collective business to allow for confidentiality purposes. Moreover, the anonymity of participants in both the observation rounds and interview rounds will be asserted again verbally, to encourage open and honest discussion (Bygnes, 2008). Moreover, field notes, transcripts and interview recordings were stored electronically in a password protected file.

3.9 Methodological Limitations and Issues Encountered

Reporting research limitations is good practice to reflect the reliability and validity of the research process and findings made. One of the most significant aspects of any research is to ensure its validity and reliability. Considering reliability of the analysis there is scope for looking at things differently, as differing perspectives could influence the data analysis outcome. Moreover, counterfactual thinking is unavoidable in any field where researchers cannot perform controlled

experiments (Tetlock & Belkin, 1996). Individuals use counterfactual thinking when reflecting upon a decision they have made and consider how the outcome may have differed had they made an alternative (Coricelli & Rustichini, 2010). Researchers must use counterfactual thinking when considering the outcomes of their research and how they may differ per the conditions under which their investigation occurred. Therefore, the validity of this research is the strength of its conclusions, where the best available approximation must be made (Cook & Campbell, 1979).

Giving the fact that the research was conducted within a higher research degree programme that has distinct constraints on time and financial resources, it was impossible to encompass the effect of the organisation's external environment within this research. For instance, many of the participants interviewed referred to the external environment and named a number of entities informing the strategy practice. Although some of these entities were approached, it was felt that further interaction could result in mission drift outside the original scope of the research. Therefore, useful resources, data, and information were added to the data collection process and the remaining investigation suggested above is left as a future possible extension of the current research.

Regarding the longitudinal observations, two specific methodological limitations arose, experimental mortality and the observer's paradox. Firstly, participants frequently drop out of experiments whilst they are taking place or before they finish, this is known as experimental mortality (Allen, 2017). Experimental mortality is increasingly likely to be a significant threat depending on the length of time the data collection lasts for, since the potential for reasons for dropouts to occur increase. Due to the yearlong period the observations took place, dropouts were expected and accounted for in the designed sample number. However, even the most carefully designed research can by undone by conditions outside the control of the researcher (Jurs & Glass, 1971). In this case, unforeseeably, two participants were unable to complete the second round of observation. Yet, due to the 508 hours of in-depth observational data already collected at the point of mortality, the research could absorb the loss. Secondly, some claim that observational data can become compromised due to the observer's paradox (Dale & Vinson, 2013). This is where the phenomenon under investigation is unwittingly influenced by the presence of the researcher; people can modify their behaviour when they are being watched (McCarney, Warner, Iliffe, van Haselen, Griffin & Fisher, 2007). 'Naturally occurring' phenomena refer to interaction that would occur regardless of whether the researcher had come upon the scene and requested or obtained a recording of it (Psathas, 1990). Therefore, over the two years in the field safeguarding against the observer's paradox was paramount.

To curtail the researchers ratified presence, the researcher adapted to each site via the following four broad categories: (1) dress code, (2) time with participants, (3) vantage points of observation and (4) note taking.

(1) In those sites that prided themselves on their informality, informal dress was mirrored to blend in (Petticrew *et al*., 2007) to distract from the research activity, and to allow for the semblance of 'normality' (Hazel, 2015).

(2) Similarly, the researcher attended each site multiple times prior to the observations, to conduct administrative tasks (e.g., consent forms or providing information on the project), this exercise allowed rapport and trust to be built between the researcher and participants. This combined with the longitudinal element enabled participants to absorb the observer into the everyday circumstances of their environment.

(3) To become a "fly on the wall" the researcher carefully chose vantage points that allowed the scene to be captured, but to be out of the main scene. At times this meant sitting on a sofa behind the owner-manager's desk, out of view from employees. Other times, the researcher observed from unoccupied desks, blending in with the "usual" surroundings. In addition, the researcher refrained from speaking too much with the subjects (Greer, 2007).

(4) Throughout the observations it became apparent that certain participants found it unnerving when the research typed in response to their actions. This was drawing attention to the fact they were being observed. Consequently, the researcher would shift between handwriting and typing depending on how loud each observation site was.

Subsequently, each space was entered where the researcher could capture and observe participants in their work settings engaging in natural, instinctive, and ritualistic activities (Carson *et al*., 2011).

CHAPTER FOUR

FINDINGS

4.1 Introduction

Following the stages in the methodological chapter, this chapter reports the most notable findings of the primary data collection and analysis and relates them to the research aims. It relies on the notion that the main unit of analysis is the practices themselves and not of the practitioners. Following the stages of analysis, the data was analysed via thematic analysis, inductively constructing codes through an open approach. These codes were then themed and towards the end of the analysis process, the themes were mapped against core theoretical concepts from practice theory (see Table 4, p. 101).

As such, this chapter will be presented in three broad sections, each addressing the research aim. The research began originally with the wider aim to understand how SMEs "do" strategy on a daily basis. However, in engaging with both the literature, field, and data the aims were further developed, and the research sought to explore how strategy emerges from spontaneous, non-deliberate actions, that are retrospectively recognised as a coherent strategy. Similarly, the objectives that outlined how to achieve the aim developed from vague explorations of doing of strategy, to the specific stages of attending to practical concerns and copings, the wider constellation of practices that inform action, and the trans-local effects and consequences that are retrospectively considered as coherent strategy. Therefore, the findings section is structured around these objectives.

It will begin with practice-as-performance (4.2), demonstrating the practical concerns that orient strategy work and the responding practical copings. First, the problems that practice frames as important and thus organises strategy activities to form the four distinct ways of practising strategy and the coping activities they trigger will be considered. This demonstrates the possibility of practice evolution, whereby practices can bifurcate and develop differently over time as they are adapted to the local situation, opposing traditional strategic management works, which assume there is only one way to practice strategy. The four distinct ways of practising strategy emerging from the research are Firm Frugality, Meaningful Relationships, Renowned Reputation and Guided Compliance. Second, everyday practical coping activities of the practice of strategy can be arranged into four key types of coping: financial coping, resource coping, relational coping, and temporal coping.

Following this, the practice-as-entities (4.3) will be scrutinized to demonstrate an entwining between the activities and understandings practice prescribes that informs the practise of strategy. The variations of interpretations, practical concerns that orient the practising activities, and practical copings exhibit glimpses into the organising principles of practice. This will provide representative examples of the rules, general understandings and teleoaffective structures that guide the different orienting concerns of practicing strategy, showing how local, spontaneous coping activity is informed, affected, constrained or enabled by the wider constellation of practice. By examining the generalised constituents of the organising principles of practice, the practical intelligibilities (4.4) will explicate the emergent themes which documents how practitioners' intelligibility makes sense of what to do.

Finally, the unintended strategy consequences (4.5) will be outlined, underpinned by excerpts from the observational data and maps that trace the activities, practices, and trajectories throughout the time period. This section will document how positive unintended consequences emerge from local spontaneous coping actions and are only retrospectively considered as coherent strategy.

Table 4. Final themes represented alongside theoretical concepts

Theoretical concept		Themes	
Practice-as-Performance		Firm Frugality	Financial coping
		Meaningful Relationships	Resource coping
		Renowned Reputation	Relational coping
		Guided Compliance	Temporal coping
Practice-as-Entity	Rules	Rules of thumb Rule avoidance and defiance	
	General Understandings	"Profit-making" "Being an employer" "Risk-Taking" "Business is Strategy"	
	Teleoaffective Structures	Affectivity of fear Duty of care telos Affectivity of pride Affectivity of anxiety	
	Practical Intelligibility	Achieving financial stability Willingness to trust and try things Knowing and appearing better Being successful and being responsible	

4.2 Four Practical Concerns that Orient Practical Coping

When a practice runs 'smoothly' it aligns with the sense of previous practice. However, when it meets unexpected environmental events, a breakdown in the practice occurs and in those moments the practice acts as an internal guide to practically cope in the uncharted territory. Therefore, practical concerns or organisational issues/failures are defined as breakdowns in the usual doings of a practice, where an inability to continue as usual occurs. This made a suitable place to study practice-as-performance regarding strategy work and the analysis began in identifying first the immediate problems, challenges, and concerns, followed by the responding small purposive actions. The organisational concerns identified and analysed here are not exhaustive. However, they are profound, and present consistent orienting breakdowns. Indeed, they show that the day-to-day strategy work of SMEs is frequently met with small failures that must be coped with rather than planned for with deliberate intent. This section delves into the practical concerns that were identified throughout the first round of coding. Four final themes revealed themselves within the practical concern codes, Firm Frugality, Meaningful Relationships, Renowned Reputation, and Guided Compliance. These four themes are considered practical concerns because they were recursively shared by owner-managers and triggered coping activities to overcome the breakdown (see Appendix 8 for examples). Indeed, owner-managers frequently grounded their strategy work and focus around each theme in their day-to-day doings. The four themes surrounding practical concerns are made up of frequent verbal and non-verbal references made to each theme, making them significant and influential factors. The narrative portraying each relies heavily on observational notes on what actually happens and on participants personal accounts of their experiences during the observation. Therefore, this section demonstrates the actions and discourses that legislate what kinds of knowledge and information are valuable to practitioners. The regulation of information and knowledge through enrolment into particular practice, a particular way of seeing and doing, has the effects of framing 'problems', which involves defining what are problems and what are not. The result is a portrayal of the five core themes that strategy practices prescribe as important, highly orienting, and meaningful.

In addition, through a second round of coding this research has also derived four sets of practical coping activities, where practitioners practically cope to reach a practicable course of action. This coping was captured on the spot, in the moment, or when they explicitly invited other practitioners to partake in a dialogue of reasoning. Within this section, the researcher moved backwards and forwards from the specific breakdowns and organisational/practical concerns to the practical purposive copings as the starting point to better understand how practitioners do

their strategy work. Initially the practical copings were coded in a low level of codes to discover adjustments made in response to practical concerns. Proceeding this, a second order of codes were developed grouping the practical copings into coping types. Within this, four clusters of coping types unfolded; (1) financial coping, to deal with affordability and financial risk (2) resource coping, to deal with insufficient appropriate or necessary resources; (3) relational coping, to manage the different parties involved; and (4) temporal coping, to handle time pressures. In analysing the activities, the researcher could begin to explore what the basic interpretations and sensemaking that organises the activities into a specific way of practising strategy. Table 5 overleaf displays these different ways of practising and understanding strategy by integrating the key sets of practical concern activities and the practical copings to assist in the organising of its practice. The uniqueness of the four ways of understanding and practising strategy is covered in the following sections using evidence derived primarily from the observations, field notes and supported by self-reports in interviews.

Table 5. Four Practical Concerns that Orient Strategy Practical Coping

Ways of practicing strategy	Strategy meaning and interpretations	Key types of Practical Coping			
		Financial coping	**Resource coping**	**Relational coping**	**Temporal coping**
Firm Frugality	Strategy is understood and practised as the long-term financial viability of the business by emphasising efficient use of resources to increase profits.	- Reducing costs - Managing cost versus quality - Regular financial appraisals - Innovating for efficiency - Minimising material cost/labour cost - Minimising risk across projects	- Using cheap alternatives - Reducing material waste - Operation efficiency - Local sourcing (mates' rates/negotiating)	- Minimise hours worked by employees - Learn on the job - Minimise errors/disciplined for mistakes - Training for SME specific needs only - Negotiate overtime - Cut staff to improve cash flow	- Minimise down time - Spur productivity - Take work home/Stay late - Tight deadlines with strict enforcement
Meaningful Relationships	Strategy is understood as responsibly developing and maintaining relationships with a variety of stakeholders. Emphasis is on providing a good service, working relationships and safe work environment.	- Pay more for experience/talent - Bonus schemes - Values based - Gives customers/suppliers good rates - Resolves problems with no charge	- Provide surplus materials and technology - Provide breakroom spaces - Ammenities provided	- Nurture and develop teams - Prioritise stakeholder needs over SME - Transparency - Offer future opportunities - Manage impact of working conditions - Social events	- Provide cover for staff development days - Provide time for employee wellbeing - Looser deadlines
Renowned Reputation	Strategy is understood as providing a unique sellable product and getting recognition for it. Emphasis is on being known for what they do, talked about by many, and creating revenue through diversification and exposure.	- Pay more for materials - Asses potential for future profit - Pay more for marketing exposure - Working with smaller margins - Spending more across all aspects - Fast to spend	- Adopt and develop new technology - Maintain current equipment - Source better materials - Fit out purpose built spaces - Name on door brand everything - Environment focused	- Attend network events to gain exposure - Provide good working conditions - Build relationships - know names - Educate staff - Educate customers - Community focused	- Provide creative time - 'No time is time wasted' - Time doing productive work minimised, instead directed to networking in community - Use personal time to promote the business
Guided Compliance	Strategy is understood as following formal strategy procedures, regulatory requirements, and internal policies to create goals and plan how to achieve them.	- Strict budgeting - Strict financial reporting - Formal financial plans - Slow to spend	- Reporting systems - Accounting checks - Slow to upgrade infrastructure	- Code of conduct - Regular training - Regular communication of standards - Seeks everyones approval for a change	- Time provided for robust training - New roles are allocated time to enforce standards - Takes work home/Stays late

4.2.1 Firm Frugality

This and the following sections will follow the following structure; firstly, the data that revealed each way of practicing strategy will be documented, demonstrating the orienting practical concerns and secondly the corresponding coping activities will be presented. This is to provide an in-depth view of Table 5 that is underpinned by the data (p. 104). Almost unanimously across each SME, financial breakdowns were the most frequent and forefront practical concern that oriented strategy work. However, this theme emerged as a core understanding of strategy from some and not others. For Firm Frugality strategy was oriented by the understanding and interpretation that the financial viability of the business (and of the practitioner) was of paramount importance and therefore activities were oriented by frugality. This was evident through frustrations over high expenditures, unexpected financial costs, and budgetary constraints in purchasing necessary resources (i.e., space, machinery, or other relevant technology). The Firm Frugality concerns were revealed through activities such as; chasing payments, chasing bad debts/owed money, employees were reminded to cost their hourly work to bill clients correctly, employees were reminded not to work on projects that aren't paid, mates rates were frequently mentioned where employees were told to dumb down the work they produce, customer complaints received free extra stock in replacement of a refund to "keep hold of the cash", constant tracking of what money comes into and out of the business, employee mistakes were referenced in how much money was wasted and so on. For example:

> F-O goes to get another cup of tea from the staff room. On the way out of the office he bumps into F asks if a client has paid their bill. She responds and says the client has 7 days still left before they have to pay, and she has set up a reminder to chase it up once the 7 days are up. F-O starts to walk away and calls back, there is no harm in prodding them for a payment now, even if they do still have time left, they might be able to and then we would be in a better position sitting on that cash.
>
> **- FIELDNOTE SME 3**

> An employee at a sales desk behind F-O's desk is talking about a customer complaint about quality control to another employee. He says he needs to send an email of a letter about how they are going to handle the complaint and what they are going to do to rectify the situation. F-O listens from his desk and turns around and interjects the conversation. He tells them to try and avoid giving money back, try and add more product to their order, give them extra stock for free, so then they will be appeased, but we have kept hold of the cash.
>
> **- FIELDNOTE SME 3**

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F-O is sitting on an employee's desk as she is working at the computer. He is talking to her about an issue with a client and the issue with postage on a specific order. As she is trying to find the information, they are looking at the payment system which lists all payments. F-O uses his notepad and pen and writes down the dates that they needed to pay, delivery dates and invoicing for the specific order. She then opens an excel spreadsheet and asks F-O if he has seen it. F-O tells her it is a good spreadsheet and they both look at it at the computer. They both go through the customers and suppliers on the list and discuss who has paid and who hasn't paid and when they have paid. He asks her to make a follow up section at the end of the spreadsheet of who they need to call to chase up on money they owe. The employee tells him it is not as dire as you might think it is. F-O tells her that makes him very happy and could she print the document so he can spend some time chasing them up.

- FIELDNOTE SME 3

MD-O works on the production spreadsheet every Monday morning and it is edited every morning throughout the week taking note of the production timeline. MD-O gives tickets to all the employees in each section for what they need to be working on for the week. The constant editing of the ticket allows for certain jobs to take priority over others. As he is checking the document an employee enters the office saying something has been sized wrong on a ticket and now the material does not fit the frame on the third stage of production. MD-O sits and listens. He types in the measurements into his computer and prints it off. He then hands the new ticket to the employee reallocating the ticket for him to recut the material to the right size. MD-O then asks where the old material is that was cut incorrectly, the employee leaves the office to fetch it for him. He returns and hands it to MD-O. MD-O holds it up and looks at it, he says he will deal with this material to see if he can salvage it and put it towards something else to not lose any money. He then tells the employee to make sure everyone is checking their ticket measurements because mistakes like this cannot keep happening – they are too expensive, especially when it is leather.

- FIELDNOTE SME 2

An employee approaches MD-O as he is walking through the warehouse, he asks if MD-O knows if the sofa in the showroom has been sold because the quality is poor, it's all bashed up. MD-O sighs he says that people need to be more careful with the

products. He asks the employee if he can see if he can spruce it up and restud it, to see if that makes it look better. MD-O says make a judgement call, if you think it still looks shit, come and tell me and we can have a look. He finishes the conversation by walking away and calling over his shoulder "*I'm not throwing it out because that will be however much money down the drain*".

<div align="right">- FIELDNOTE SME 2</div>

Monetary value and general financial concerns were further demonstrated as an orienting factor of practice within the participants self-reports:

"Ok we have just gone over these last 2 years it has changed quite dramatically. Because 2 years ago we had an order in place with a three-year plan and everything was progressing forwards really nicely will grow in and so we had planned growth more people mum machines more space and all kinds of stuff and then we went into the the recession we we change to survival mode. And survival mode meant that if we could achieve what we did last year we are doing really really well so as an example to that you've got to put on the wall here then a top mum was 350000 but now, we're on £200,000 month. So, it's quite quite a lot different. So, we've had to change the business quite a lot during that period now when we went into survival mode then makes it very difficult to plan for the future. You know to do that well we're going to grow to 10 million because we're in survival mode and you know we didn't know what the future look like it was it was very difficult and then over the last... Over the last 4 months you start to see the green shoots so have some sort of recovery and starting to improve and so now we're going to start looking into doing those all bits again, but much scaled back."

<div align="right">– INTERVIEW EXCERPT SME 3</div>

Financial Coping

The primary activities of practice that are oriented by Firm Frugality concerns are to reduce costs and expecting to maximise profits. For those oriented by this small savings are important as they accumulate. Evidence of activities that were recursive across the observational periods revolved tightly controlling finances due to the perceived inherent pressures of "running a business". Financial information on sales, staffing levels, and Firm Frugality were sought and discussed daily, in the interest of maintaining a viable enterprise. In this way, strategy activities and practices are oriented by Firm Frugality breakdowns, where they could not afford to purchase relevant resources or experienced any unexpected costs and financial hurdles. For example, SME

3 required further office space for their finance team but could not afford any sort of expansion. In returning for the second round of observation the owner-manager purchased a trailer for the team to work out of in the car park.

> F-O walks through the office, into the reception area, where three desks have been squashed in. He tells them he is going out to the finance department. He opens the front door to the building and steps outside, in the carpark there is a static trailer, he walks up three steps and opens the door. Inside there are three desks. It is very cold. The three ladies are wearing branded jackets and their own scarves. F-O says, "*this was a steal compared to what it would have cost to extend the actual office, I've told them I will buy them as many jackets, scarves and gloves their hearts desire for the amount of money they've saved me*".
>
> **- FIELDNOTE SME 3**

Similarly, SME 2 frequently mentioned how a purpose-built space would be much better than their current layout. But they could not afford to move to a bigger space and therefore had to stunt their production line in line with the available storage space and the delivery slots they had available.

> MD-O to production manager – "*it would be great if we moved somewhere purpose built, imagine if we didn't have to run halfway down the street to ask a simple question or to pass on some info*". The production manager agrees, he says "*I know, it's so hard to oversee them when I am here, I can't tell whether they are working as hard as they say they are or if they're having a jolly in there. Would be so good to have us all in one space.*" MD-O begins walking back to the office "*it's the stuff of dreams and someone else's bank account!*" They both laugh.
>
> **- FIELDNOTE SME 2**

> Production meeting – MD-O explains unusual jobs and why certain jobs have been added to their job list, regardless of due date for collection. They have limited space to store furniture, so they have to manage their orders wisely. He explains to production workers jobs have been divided by hourly work per job lot to make up their working week. He reminds them, "*don't do any more than your specific allocated job lot, if anything gets finished too quickly, we will have nowhere to put it, there is no point getting ahead of the game if we can't properly store it*".
>
> **- FIELDNOTE SME 2**

Resource Coping

Material inputs are carefully managed through minimising the cost of purchase and in maintaining current assets:

> Textile supplier visits site 7 times during 2-week period, excerpts from conversations: "*so can you get us that leather for cheaper this time? We are doing a massive order for this [points to sample material], it's a huge job, it's a bespoke sofa that's going across three walls, so if we could get the leather for, I don't know, a couple of quid off, we can put that order in with you now*."
>
> **- FIELDNOTE SME 2**

Technology was a frequent source of concern, maintaining and upgrading, regarding the cost, the time, and the dependency for day-to-day duties/running of the business. For example, in SME 2 the breakdown of their website produced over 60 codes in the first week of observation, one such conversation observed elucidated this concern:

> MD-O is in the main office discussing with the finance director and a marketing executive about when they can have a meeting to sort out their website. MD-O says "*we need to fix the website to capture more clients, it's just not working, it's a mess. Clients end up clicking on it, get confused and then leave without buying anything and we only have me answering the phones and I can't take every telephone order and also, who even orders for things over the phone anymore*."
>
> **- FIELDNOTE SME 2**

SME 2 had multiple meetings with website developing companies to discuss what changes could be made to their website before purchasing any services. Following this, an in-house meeting was held between the owner-manager and the marketing manager, where they discussed how they could take the ideas from these meetings, but make the edits to the website themselves, minimising material costs of employing the developer firm.

> MD-O holds the iPad in front of him and the marketing manager. He points to a certain page on their website "our products" and says "*so they proposed we don't put all of our lines on here, they wanted us to have similar products bunched together, because obviously, clients are gonna want their product totally bespoke to them, but then they get a feel for what we do. Do you think you would be able to do that?*" The marketing manager responds that he would have to play around with the

software, because he isn't totally sure, but he should be able to, he concludes, "*if not I've got a mate who probably knows how to do it and he'll give me a hand.*"

Similarly, in response to similar concerns over their website and poorly performing online shop SME 3 asked his recent IT apprentice to modernise the website.

F-O spins around on his chair after he returns to the office. He says to his IT apprentice "*do you reckon you could do some web developing*". The apprentice responds that he thinks so, but it might be a lot of trial and error. F-O says, "*is there anyone at college who could help you?*" The apprentice thinks for a moment and says, "*I could probably get one tutor to answer anything I get stuck on*". F-O smiles and says "*great, do you think you could have a look at our online shop, try to get rid of the irrelevant pages and see if you can make it sleeker*". He continues, "*if you can't do it properly, we can look into paying someone to help, but I think you have the skills already and it would be great experience for you.*"

In this way, in the face of raising costs of a resource SME 3 coped either by seeking a 'free' version as detailed above or would conclude projects before fruition.

F-O is in a meeting with a Business Consultant, they are discussing his current business issues, the most prominent being the family conflict between himself, his daughter (operations director) and his wife (owner/previous finance director). He mentions that his daughter has been working on developing and launching a 'club' for their clients to make purchasing easier and more in line with latest technology via an app. However, they have so far spent over £5,000 on developing and have nothing to show for it. He says, "*I don't know what you will think about what I did, but I put a stop to it… we were getting nowhere with no return.*"

In addition to saving material costs, activities were observed that reduced energy costs. These practices occur through having behaviour changes in employees such as turning off lights, machinery, and computers when not required. On-going operational efficiencies were used to generate savings for example the offcuts from products in SME 2 and 3, whilst producing significantly different products, were used to make other items. For SME 3 this was in making paper straws to sell online and for SME 2 this was using offcuts of leather to make stripping for cushions.

<u>Relational Coping</u>

Salaries and wages comprise a critical expense for any business. Maintain certain staffing levels, though, are important to complete orders or to provide the service expected. All SMEs made decisions balancing being over- or under-staffed and their effect on production and staffing costs. Owner-managers oriented by their understanding of Firm Frugality practical concerns develop employees to meet organisational needs. This was to minimise errors made, which occurred on a day-to-day basis. While training was not formal, instructions are given on reducing waste and the wise use of resources.

> A new starter is prepping materials on the bench next to the production manager. As the new starter is prepping the fabric, the production manager watches whilst cutting his own piece of leather. The new starter has drawn on his stencils and is about to start cutting. At this moment, the production manager walks over and has a look at the way the stencils have been drawn on. He points to the edges of the materials and says, "*so you see how you have big gaps around the outside, we aren't going to be able to use that material if you cut it like this, but if you rotate these two stencils so they are next to each other along the edge, we will have better offcuts to use for something else. Do you see what I mean?*". The new starter nods and asks if he redraws it can he just start cutting it. The production manager nods and says "*yeah, other than that it looks good, just remember to make the most of the fabric in front of you when you are prepping it for cutting, it'll become second nature when you've done it a few times*."
>
> **- FIELDNOTE SME 2**

This was made further apparent within the self-reports:

> "*We do on-the-job training, mentoring and you know they can ask for help whenever, so they're constantly learning, how we like things done and how to work. It's not really a formal process, they mainly learn on the job. For example, erm, we had a new guy start and we just threw him in at the deep end with a material guy and he showed him the ropes of how to cut the material. That's the most important bit, to make sure they don't just cut templates out of huge rolls of material. I won't let them cut the leather because of that, would cost a fortune, only the production manager does, it's expensive and you've got to know how to cut it properly*."
>
> **- FIELDNOTE SME 2**

Moreover, there was frequent evidence of owner-managers negotiating overtime from their employees, often for free. For example, SME 2 states:

> "*The team regularly comes in early and leaves late, and they do that off their own backs, because they know that if they're unwell or need to leave early for whatever reason, I'll let them. It means they are much more motivated to get things done. They were taking the piss with it at one point, erm, and that's why I brought in the four-day working week, longer days Monday to Thursday and give them Friday off, a long weekend does wonders for what they're like productive wise on a Monday.*"
>
> **- FIELDNOTE SME 2**

This was evident during the observations, employees that had made a mistake or had not finished the work in the time allowance of their working hours were talked into staying late to complete the job. Moreover, these mistakes were discussed via the amount of money that they cost the business:

> 8:30am – F-O has been made aware by the operations manager that after he had left the office yesterday at 5pm the warehouse operatives and their team leaders shut down the production machines and left without completing an order that needed to be shipped out the previous evening. F-O goes into the warehouse and pulls the team leaders out and into a private office. He asks them whether the shipment went out to Norway yesterday and mentions that they were paying £700 for a quick turnaround for delivery. They reply shaking their heads. He asks them why they didn't finish the job when they knew it needed to be shipped that day. They reply saying they felt like they were too far off to complete the job even if they did stay a little extra. F-O tells them that at the moment, they cannot afford to send orders a day late because they already paid for shipping for yesterday. Now they will have to pay twice for shipping and if the client is unhappy reimburse them, either financially or with products. We also have lost that £700 for getting it to them in 24 hours, because you couldn't be arsed to finish. He says, "this isn't all for my benefit you know, if we can't get out of surviving this downward spiral, I won't be able to keep you all on, right now we all need to pull together and get everything out when it's supposed to". The team leaders nod their heads and apologise, they will get the order finished today and stay late if need be.
>
> **- FIELDNOTE SME 3**

<u>Temporal Coping</u>

SMEs are a sector of the economy that constantly cope with time pressures. They are commonly on the brink of a burnout due to their heavy workload, a finite amount of time to complete work, and the stress and pressure that comes from running a small business (Advanced, 2018). Temporal coping involved any activities associated with dealing with time constraints and pressures. Breakdowns are often accompanied by time pressures, in this sense within hours or minutes, owner-managers have to cope and charter a new course of action. For example, there was a central concern over wasted time being a negative consequence:

> MD-O looks up from his computer to two of his employees and stresses the importance of copying him in on all correspondence as he has to write up a new invoice as something was input wrong by [employee name] and the fees were not calculated right, "*so that's my time wasted then.*"
>
> **- FIELDNOTE SME 2**

> An employee is showing MD-O some website design work that he has been working on, MD-O asks, "*what's the time been spent on in the document?*". The employee responds, "*they need too much work to get it right – so rather than waste my time I'm going to change the design and make it cleaner*". MD-O responds, *"but all this other work was time wasted here on this?"*
>
> **- FIELDNOTE SME 2**

This type of coping for Firm Frugality-oriented owner-managers was to handle time pressures, and this was commonly shouldered entirely by the owner-manager in order to save costs. For example, taking work home:

> The sales manager calls out to F-O on his way out of the office, *"what are you taking those spreadsheets home for?"*. F-O responds, *"I didn't get round to calling everyone today and there are some creditors on here that I am a bit chummy with so I think I will get away with making some late calls tonight and then I don't have to worry about it tomorrow."*
>
> **- FIELDNOTE SME 3**

Working late:

18:15 (two hours and fifteen minutes after employees have left) – Everyone has left the office bar the finance director and MD-O. They are both working at their desks. Finance director is looking at the financial forecasting spreadsheets and calendar, she says under her breath "*why is there always so much to do at the start of a financial year?*" MD-O does not respond. After 10 minutes he says to her, "*why don't you get off home, I'll finish up here, I probably will be another hour or so and I'll lock up*."

<div align="right">

- FIELDNOTE SME 2

</div>

Being on call 24/7, aiding employees on their projects, doing work allocated to other roles (e.g., HR activities) to get things sorted quickly. There were also activities such as switching project priority for a project that was deemed 'more important' based on its financial value, for example:

"Will you prioritise [CLIENT NAME] over this project, this one is only for a little shop, they'll get this work and then won't come back to us probably, but [CLIENT NAME] have a huge budget for their campaign they are running and will want more, so get that pushed through first."

<div align="right">

- FIELDNOTE SME 3

</div>

4.2.2 Meaningful Relationships

Developing and maintaining human relationships are the main practices for those managers with a Meaningful Relationships understanding of strategy. The term Meaningful Relationships is used to describe the broader aspects of business engagement than traditional stakeholder groups of suppliers, customers, and employees to include an extended community. Their concern for people and their relationships, as evidenced by activities that are more socially inclined, rather than financial. For SME 1 and 8 this was initially captured in the office layout. Both had opted to design their office layout as open plan, so that both owner-managers were physically present within the team. Activities involved here included assisting their employees with their personal and professional development, maintaining networks and to sustain the local community.

For example, activities prevalent here were routine joking and non-professional conversations:

CD-O asks for a favour from an employee to do something following on from a call he has just taken. Everyone in office laughs – they all say, "not again!". The employee the request is made of says "oh go on then, just for you". It's a rush job. Needs to be done today. Another employee joins in conversation and laughs at the

last-minute nature of the work this client needs done. The employee says to room you know I have Friday off this week. CD-O seems confused and checks his calendar with staff holiday and his own meetings/holiday on. Everyone laughs. CD-O says yes – forgetful me. After a few moments of silence CD-O makes a joke about being old and forgetful and needing a day off. The office laughs.

<div align="right">

- FIELDNOTE SME 1

</div>

MD-O has been working on a report on her computer. She gets an error message. She says "oh hec" and laughs – she calls an employee over the phone. She says, "I've done a booboo, I have forgotten to change the date and I have done the import". She laughs again. He says he will come down. She laughs again. He enters the office, and she says "trust me – I always do this – I didn't mean to do that. I am not safe to be let out!!" They both laugh.

<div align="right">

- FIELDNOTE SME 5

</div>

The extended to external stakeholders, for example freelancers and clients:

CD-O is rounding off a meeting with a freelancer he wishes to use for an upcoming project. He says, "I will put an agenda together for the call so we can get clarity on these things. Is Wed 3pm good for you?". The freelancer says he is available. CD-O says it would be great if he could come in for the conference call with the client next week. CD-O, the freelancer and CD-O's senior designer all lean back in their chairs now that the meeting is coming towards an end. CD-O says, "okay cool – does that give us enough for next week" – he rubs his face and leans on his hands. Everyone stands up and informal chat continues. CD-O says, "I bet you don't have anything left to do for the rest of the day now?" All laugh. "That's the life ay, one meeting and then put your feet up" he jokes. The freelancer laughs and says, "something like that!"

<div align="right">

- FIELDNOTE SME 1

</div>

MD-O answers the patched through phone call. She begins by asking "how are you – I'm alright – have you had a nice Easter?" Pleasantries. She makes a joke saying is it a shock to the system to be back and working. She laughs. She then listens to the client's query. She responds "I don't want to rip him off, I thought it would be easier to go all with you, so that's what I advised him – but if it is going to be too complicated, then we can help you and him out and take on the work he wants us to do, but I just thought have it all under one roof would be easier for you and him. I

am happy to do any work with you – shoot all the bad thoughts and feelings out the windows, its fine, ha-ha."

<div align="right">**- FIELDNOTE SME 5**</div>

This was also evident in the materiality also:

The main office is a large, converted space where the owner-manager plus his employee's work. There are 8 desks, multiple filing cabinets, a bookcase, with a social space at the far end that includes a football table and a sofa. The walls are adorned with art/posters that have been framed, they include humorous design jokes – "Earth without art is just Eh!". They are very colourful.

<div align="right">**- FIELDNOTE SME 1**</div>

This orientation was further reinforced via the self-reports:

"I feel responsible for the staff. To me it's very important you know that we do work as a team erm it's not just for me, its erm I don't see the staff as merely a means to achieving my goal. I want them to participate and have longevity and durability. We've had a few changes in the past and therefore changes always cause a degree of concern and a lack of sort of stability and continuity, worries erm, and so building a secure people environment so the future is sustainable."

<div align="right">**- INTERVIEW EXCERPT SME 5**</div>

"So, the company's a family run business and they started just over 20 years ago. So, the strategy is to keep passing on responsibility and knowledge to other people who are within the business, pass on everything that they know and keep those family run um ethics and things, to ensure we can keep growing in the future."

<div align="right">**- INTERVIEW EXCERPT SME 8**</div>

Financial Coping

Meaningful relationships had a noticeable values-based approach. Values of family and community, caring, and hard work are exhibited and expected, which influenced their financial copings. For example, relationship with clients is prioritised over financial implications. Consider the following example in SME 8, a client had sent a complaint about faulty products being delivered. Once the OD-O gathered the information about the problem, she responds to the client prioritising their happiness over the financial cost of repairing the product free of charge and reimbursing them the cost of the product for the "inconvenience".

<div align="center">116</div>

A client has sent an email to OD-O. She reads the client complaint and calls a member of the tech team across the office from her. She rings the wrong desk phone. She tries him again. She asks whether an order has been sent out – he says "*I do think we have the order out*" – she says "*oh no didn't the order say on hold*" – he doesn't know. She says okay thanks and hangs up. She looks for more information on the system. She opens the system and finds the clients company and product order with all the invoices. She then goes over to the production manager at his desk and asks where the order is up to. He says, "*they installed them on Friday, the original broken ones, so as soon as the client send them back to us, we can get them sent off for repair*". She returns to her desk and goes back to the system and searches for the specific order to update the 'remarks' about the status of the complaint and the fix. She then goes back to her emails and responds to the client. She types "It has now been agreed that the quickest solution for you is to send the faulty products back to us and I will send them back to the original distributer for repairs. We will pay for this courier service and I will let you know as soon as we receive them. However, we recognise the inconvenience this has caused you and once the order has been repaired and received back at your premises and is installed to your satisfaction, we will reimburse you the full cost of the product."

- FIELDNOTE SME 8

Similarly, providing honest advice was prioritised over making sales or gaining clients which would increase financial revenue:

Employees are reminded via weekly email updates and with posters around the office to provide "honest" advice, "integrity is worth more than money". Instructed to provide advice to prospective clients even if that advice is to seek services elsewhere.

- FIELDNOTE SME 5

This was further reinforced in the self-reports where the family ethic and client relationships were mentioned:

"*Um, I think that's important to the business because [previous owners] started the business themselves. They were two friends that I think met through work or they knew each other through the industry and within the local area, um and both of their*

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wives have also helped them to you know run the accounts and [employee name] runs the Customer Services. So, it started as that family run business and um I think that's a great ethic to have because um, I've worked in other companies where is has felt very impersonal...it's people who impact the profits; and profits that keep the business ticking over. And our clients see that, they want to work with us, and again, that impacts the profits, so keeping them happy is financially savvy I would say."

<div align="right">**- INTERVIEW EXCERPT SME 8**</div>

Due to this interpretation SMEs frequently prioritized this environment over financial issues. They were observed placing more value in a healthy and happy team over the profit that a project might bring in. Similarly, this was observed in SME 1:

"Within this company because we're still small um it's great that we all know each other. It's just a lovely thing to have you've got the wives that have organised buffet days, barbeques, we do Secret Santa. We dress up as Santa and on Christmas, just before Christmas gives out all of the presents and we have a great laugh, if we were to grow, we wouldn't want to lose that, I wouldn't want to lose that feeling, because I feel it benefits staff in terms of morale in terms of knowing everyone well and people not having a face, so not just being like, oh the Accounts Department or the Warehouse. I feel that's good for business."

<div align="right">**- INTERVIEW EXCERPT SME 1**</div>

Resource Coping

Here, resource coping was influenced by the Meaningful Relationships understanding where the necessary equipment, tools, machinery, break rooms and amenities were a priority, to ensure a good workplace environment for their employees. For example, SME 8 and 1 during observation had both began constructing new break rooms for employees and had begun to supply them with food and drink. Similarly, SME 1 was discussing the opportunity to replace the extraction system:

"*So, we need new extraction for the machinery, because the system is working but it isn't good and the atmosphere... it... the more we put through the worse it's going to get so the investment for that was what? 100 thousand pounds? But I think the benefit is worth it, the human benefit, because the guys will be breathing such clean atmosphere, and if we wouldn't work in there, it's not really fair to make them.*"

<div align="right">**- FIELDNOTE SME 1**</div>

Similarly, external training sessions were sought to provide further professional development to employees.

> OD-O begins composing an email to a university contact who provides training. "Good morning [name], we are looking at sending a good number of colleagues on various training sessions with you over the next few months and we wondered if there are any bulk/group discounts you could offer us. We are looking at sending candidates on the following courses:" - She looks at her management training document that is sat in front of her on her desk "Managing better x1, data driven leadership x2, difficult conversations x2, dynamic leadership x2, stress management, managing personalities x3. Any advice you could provide would be much appreciated."
>
> **- FIELDNOTE SME 8**

> External trainer is present today to deliver a workshop on basic fundamentals of how to do things from a designer point of view, including POV social media impact on SEO, developer skills, and copywriter skills etc. External trainer, "this workshop is to give you the skills to develop the website and also to work on your future development on the skills and capacities you can offer as a designer and your online/technical skills".
>
> **- FIELDNOTE SME 1**

Relational Coping

Here, relationships with stakeholder groups, suppliers, employees, customers, and the extended community, is considered the most important. Creating good employment was the key focus. Being good employers is critical to this understanding to practise strategy, wherein they ensure that employees are treated with respect and are given more than "just a job".

> Every lunchtime throughout the week, everyone plays a table tennis championship. The results are on a white board in the office. Scores are high, from weeks playing the tournament. CD-O says to his senior creative designer, "are you ready to be destroyed at table tennis now then?". They all laugh and go play table tennis on the conference table. During the match they have friendly banter. Some also discuss work troubles and CD-O offers advice on how to handle the difficulties.
>
> **- FIELDNOTE SME 1**

"I found that people reached a level, felt they had hit a ceiling and then they went off and worked for somebody else. But we don't want to lose those skills, we don't want to lose those people with the right attitude, the right… Because there's not that infrastructure in place they've all been given the title of manager nominally because it's vacant not necessarily knowing what it is to manage people or manage systems or have wider knowledge than just their department. So, we are trying to work out future development options to help give them those skills to do the job well and to keep hold of them."

- INTERVIEW EXCERPT SME 1

OD-O emails out a document to all of her employees asking them to fill out where they think they need training development; she explains she is going to book them on courses provided by a local university so that they can get training in that area if it is something they would like. She looks over at the two closest employees who have just received the email and says to them, "*I really think this will help you feel more confident in what you're doing and also provide you skills to make you feel like you are learning and working towards something*".

- FIELDNOTE SME 8

Also, being a good employer is perceived as important in creating a good customer experience. Relational coping is then focused activities revolving creating this experience, such as reaching out to clients, using phone calls as opposed to emails:

"But that family ethos is also important because we know it is good for business and we pride ourselves on that… in terms of it being one of our unique selling points and that we're a personal company. Um, because a lot of our competitors we call them 'Box Shifters' because you just call them all up and say I want ABC and D and they might say like "oh we've not got in stock – so we've taken this off your order". There is no personal like phone call saying, "oh do you want to swap the item?" or something like that or what do you need. So, I'd say a lot of our competitors are like that. Whereas we would look at somebody's order and say of course we're trying to sell more and make as much money as possible but like oh what else would they might need for that job, how can we get them doing more for that customer and we like to get all of our contact within the company to know all of their contacts at their company. So, the Accounts know the Accounts, the processing team knows the

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processing team or the sales team. So, we like to think that a lot of people know us by face because they might have popped in to see us."

This was evidenced in practice:

OD-O is looking at the system to check where orders are up to before attending a production meeting. The mouse hovers over an order that says it is incomplete, due to supplier delisting an item. She looks to see who the customer is. She picks up her phone and dials the number underneath the customer name on the computer screen. *"Hello, it's [OD-O name] at [company name] – how are you doing? I have just seen you have placed an order with us, but unfortunately our supplier isn't actually selling this product anymore, it seems to be delisted, we do actually have an alternative in our warehouse if you would like me to email you the spec over? If it's something that would work for you, let me know by the end of the day and I will tack it onto your existing order, and it will go out for delivery today with the rest of your order."*

They also created forward-facing showrooms to take customers:

OD-O walks down to the warehouse to ask how everyone is getting on. She then goes to what used to be called the 'Trade Counter'. On the previous visit this was unmanned and empty. OD-O says *"we have changed this into almost like your Car Showroom with these desks that customers can sit down at"* she points at the desks where a salesperson is sitting. In the corner there is lots of posters introducing a new brand of cameras. In this area there is a member of the tech team demonstrating them to a customer.

A client calls to say they have arrived for a meeting to discuss an unusual request. MD-O grabs his suit jacket from the office and tells the office he is going to meet the clients at the gate and take them into the conference room, rather than into the office.

Temporal Coping

Temporal coping here was influenced in one significant way; training and development time was heavily focused on. In this way, owner-managers frequently sent their employees on 'away days' or training workshops during their normal working week. This meant that the owner manager frequently did productive work:

> CD-O to employee, "*where are you up to on [client's name] project? If you want to prepare for your workshop tomorrow for the last couple of hours today, send it over to me and I will finish it up for you*." CD-O spends the remainder of the day (1.5 hrs) to finish the project, it involves using photoshop to create a new campaign advert.
>
> - **FIELDNOTE SME 1**

One such incident in SME 8 saw the owner-manager working multiple hours within the processing team, processing orders whilst the processing manager was on a training day.

> Processing administrator arrives at work and finds OD-O sat at the computer next to hers, "*ooh am I blessed with you today?*" OD-O laughs, "*I am indeed your new colleague for the day. [Employee name] is at [university name] doing their stress management course today, so I am going to help you get through all of these invoices*". The processing admin sits down and they OD-O carries on working through the paper copies in a filing cabinet in between them, inputting them into the system.
>
> - **FIELDNOTE SME 8**

Similarly, in the second period of observation, the owner-manager was in the sales department, making calls and helping with client queries for a similar reason. This temporal coping prioritized freeing up time for employees by physically covering the role themselves.

4.2.3 Renowned Reputation

This understanding of practising strategy meant that reputation, image, and product are connected. In this way, reputation is perceived as something that can change the way products are seen. Here, strategy is oriented by concerns around providing a unique sellable product and getting recognition for it. Emphasis is on diversification, reputation, exposure, and branding. For

example, having a diversified product or service is intimately related to the image of being "capable" or a "jack-of-all-trades".

> MD-O is in the early stages of developing some land into individual warehouse units. He walks down to the construction site down the road from his offices. On his way down, a new tenant has bought one of the already completed warehouses. He says hello and MD-O walks over to him and shakes his hand. "This is all coming along quickly isn't it?!" he says. MD-O responds, "Oh I know, they're doing some good work, it's coming along nicely." The tenant says what will you be on with next after this is what I want to know! You're always doing something different." MD-O laughs, "I won't lie to you, but I've already got something new on the cards for extending one of my warehouses and offering a new service" he touches his nose "but that's need to know". They both laugh.
>
> **- FIELDNOTE SME 6**

This was also evident in the self-reports:

> *"We really want to start capturing those expensive marks, I mean we get paid more money, but it's what comes with saying you repair a Mercedes, Land Rover, Jaguars, BMW compared to a less expensive car. We really want to achieve those kinds of customers so that people think of us and think oh yeah, they're a smart company. So, I'm spending a lot of time at the moment speaking to various insurers and manufacturers and fleets to get more of that type of mark. I am really keen to keep doing something with the conversion department we are are we have been busy with dog vehicles we have been doing more and more dog vehicles so we're still working on getting more of that work we've got a contract for [client name] as well as the [company name] you know so we are known as specialist across different platforms, it's massive exposure, if you come in and say can I have my car repaired and then they see we also do x, y and z."*
>
> **- INTERVIEW EXCERPT SME 6**

For SME 4 reputation was highly associated with the strict regulation within the industry. In this way, it was implied that having met compliance would improve their visibility as a reputable supplier.

> FD-O calls the testing body again. Fourth time today. "Hi, yes, [company name] again, we are really wanting to get this fire and security test booked as soon as

possible. We have the product ready; it's just finding a slot. I know you are really busy, but we have clients depending on this product. Is there any chance you could get us in before the end of the month? We can tack on three other types of doors too if a bigger order makes it easier?"

<div align="right">- FIELDNOTE SME 4</div>

"We want to become to the construction industry a leading supplier of fire doors and security doors in … a reliable way, so they know that if the doors come from [COMPANY NAME] there is no question about do they conform, is the certification there etc etc… so and also I think… all the time looking towards new er ways of doing things erm better ways of doing things, so when people think of the product they think of us."

<div align="right">- INTERVIEW EXCERPT SME 4</div>

Financial Coping

The financial coping here does not rely on immediate results. Whilst Firm Frugality-orienting practical concerns orient the practice to maintain finances with immediate effect, Renowned Reputation oriented concerns make it understandable to invest in improvements for the better of the local society and environment, to provide an image of their business to the wider community. Therefore, innovating can occur at the expense of higher profits and can be risky. They were often observed trialling new ideas regardless of their immediate financial success:

MD-O enters the office in the morning. The first thing he does is check his emails. He has a new email with pictures attached of a large caravan unit that has been purpose built and has received damage from an accident. Someone has forwarded it saying no one will do the repair as he is only offering £10,000 to fix it. MD-O says under his breath, "*I mean it's not worth it*", he begins typing and explains that they will do the job as his "guys would love to tinker with this". He calls the conversion warehouse after he sends the email and tells them about the caravan. He says, "*if you can do this proper and have a little fiddle with it, we could start converting our own, but this would be a good time to have a go*".

<div align="right">- FIELDNOTE SME 6</div>

FD-O is called to approve a delivery. She goes downstairs and is told it is the delivery of all the LED lights for the warehouse she ordered. "*Oh brilliant*" she says. Once the delivery driver has left the production manager asks her what she's bought

all of the lights for and is it more expensive? She says, "*a little bit, but it is better for the environment and blah blah blah, you know if anybody ever came, I don't know who would, the environmental agency or whatever, we can at least say well this is actually what we are doing and what we have done and try to do and it looks better on us doesn't it?"*

<div align="right">- **FIELDNOTE SME 4**</div>

Financial expenditure was consistently seen as 'worth it', particularly if stakeholders could see them spending this money:

"*Because we are unusual because we do body building and we build and convert vehicles across in the commercial department as well as in the Body Shop you've got a mixture of skill sets and mixture of attitude as well, attitude of most body shops will say oh we can't do that because they don't know how to do it but if they thought about it they could easily do it but because we have got people who are doing that type of work all day long everything they do their designing it all the time someone comes in and they want guide dog compartments in the back of a van to transport, we put in three kennels in a vehicle for grown up dogs and two for puppies and they want air-con in some and not in others so we can do that but you've got a scratch your head a bit haven't you and whilst it might be only one job, so you probably won't make anything as such on that, because it might take so long, or the guys have to order different parts, we are suddenly known as someone who can convert dog vehicles, you know, and that's how I sort of come to terms with not making money on it. And that comes across to the community you know, they know we are willing to spend a bit of money, figure something out for them, they know we aren't tight."*

<div align="right">- **INTERVIEW EXCERPT SME 6**</div>

Resource Coping

Adopting and developing new technology was evident in resource coping. In this sense, whether they adopted new ideas from others or developed their own, they want to improve and diversify the products they produce through technology. Some ideas were simple, SME 6 acquired his friends' business who made and sold outdoor cooking ovens, giving them workspace and the materials and the SME owner-managers name to operate under. Similarly, SME 6 purchased a new van in the first week of observation and decided he wants to put professional signs down the side of the van that includes contact details. On return to the SME the following was captured:

<div align="center">125</div>

MD-O enters the production office. He walks over to a printer and asks an employee how it's working. The employee explains it is working well, but that it takes a bit of time to get the knack of the format to print it from the computer and how then it prints out. He explains he has wasted a lot of the specialised paper trialling it. MD-O asks whether they have got anything printed off for the new van. Employee says yes. They head downstairs to look at the van. MD-O says, "*that looks flash that, I like that*". He runs his hand over the sign. He turns to the employee and asks if he would be happy to start doing it for customers at a charge and "*now we have the capacity to do this, we can start offering it as a service, you know we have got the printer now, we can do it for other people wanting their details on the side of their vans.*"

- FIELDNOTE SME 6

Renowned Reputation SMEs demonstrated strategy work that was consistently oriented by technology improvement. For example, during one week within SME 4, there were three changes in regulation regarding the certification for how door stripping must be fitted, conversations revolved this topic across the hierarchy as they could now not complete the task with their current equipment, without breaking compliance. The regulation had come in from the certification body that certain pins on a window frame had to go in at a 45-degree angle, otherwise they would not give certification for the product to be sold. At the first week of observation this was practically impossible to be done manually/by hand. In response to this the FD-O contacted an old colleague at a university to see if they could help with designing equipment that could do this, she explains over the phone that if they were to purchase something to do this, it would be far too expensive. The below is an observation made during the second week of observation seven months later:

Production director comes into the office and shows FD-O the widget that has been designed on the university's 3d printer. The engineer that FD-O contacted said he had funding to help them free of charge – he has designed it, printed it and it has now arrived – it will pin the frames at the certified angle easily. "*This change will be for all doors across the country, so now we can start running it, we will be way ahead of the competition.*" FD-O: "*that's amazing, we should look at ways to patent it, then we could get a stipend, or an allowance from the government for businesses in development – not that I know anything about patenting, I should call [accountant] to see if she knows anything about patenting. Then people will come to us because they know we have the technological capabilities!*".

- FIELDNOTE SME 4

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Relational Coping

Renowned Reputation understandings led relational copings into valuing symbiotic relationships with stakeholders. In this sense, they prioritised a networked view of stakeholders where relationships are not built on price negotiations; instead, they are built on trust and respect and by working personally with people:

> MD-O in a meeting with a client about a fleet of cars the client wants some conversions completed. MD-O says: "*look you know what you get with me, I'm not going to give you a price, because to be perfectly honest, I don't know what it's going to be, we are going to have to have a play around with it, but you know we won't have you on*", the client responds, "*listen, yeah, I know you will do a good job and I know your guys will weigh up cost and quality, I'm quite happy you just keeping me in the loop on it, I'm not here for the cheapest job, I'm here for you to be honest*". MD-O laughs and says, "*well that's what I like to hear*".
>
> **- FIELDNOTE SME 6**

Throughout the two weeks at SME 4, meetings, phone calls and other collaborations with stakeholders in the industry oriented their daily practice. In the wake of the Grenfell incident the industry was flooded with regulatory changes and an increased workload, the relational coping here was to collaborate with competitors, suppliers and testing bodies to meet the new standards and share tested and approved specifications in the face of high costs and long wait times for approval.

> Ops Director has just had a meeting with a competitor. He is updating FD-O of the outcome. "*Right well we are waiting to hear back from these about what we are going to do – but basically they will share the costs and do the tests with their products too. So, we have a couple of options of working with them on this*". FD-O "*is this security or fire?*" OD says "*fire*". FD-O says, "*this is confusing, but at least they're happy to work with us and things can start moving*".
>
> **- FIELDNOTE SME 4**

> *"so now there will be a trail from end user that goes to the fitter - is he accredited? Yes, fitter can come to supplier - are they accredited? Yes, and so it goes on down the chain so that if we require an iron monger, we need to know he is accredited so we go back to our supplier for iron monger is it accredited yes, it is is it tested in*

that door yes, it is we are all okay... So to provide the best product that is fully compliant, we need to have access up and down that chain, we speak to them all the time, we are reliant on those chains, some of our testing that we do we have suppliers who will say if you will use our product on your doors in your doors we will help you towards the cost of the test so it is... we do really prioritise collaboration."

<div align="right">

- INTERVIEW EXCERPT SME 4

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4.2.4 Guided Compliance

As previously described, Guided Compliance is so-called because it refers to the activities associated with formal strategy procedures, regulatory requirements, and internal policies to create a company vision with a clear plan on how to achieve this vision. The focus is following traditional strategic management principles. This was evident in observations; meetings were held to discuss compliance with formal procedures:

> MD-O has organised a weekly meeting every Monday morning to discuss how each team is getting on. She holds these meetings with teams separately. The first meeting is with the executive broker team. She tells them she is introducing a reporting system to track the logging of calls they make to check action taken on client leads. The team don't say anything in response. She continues, "this will cover calls made by execs, sales made, cross sales, leads and quotes given and so on".

<div align="right">

- FIELDNOTE SME 9

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Formal hierarchies were being established within the company:

> MD-O has recently restructured teams and the physical layout of the office and desks. MD-O is talking to her husband the Lead insurance broker and owner. He explains to her that people are complaining that the business is too fragmented. MD-O responds, "*it isn't fragmented, they each have their own silos to discuss their work, if it worked for my departments in [previous employer] it will work here, they just need to give it a chance*". He interrupts and says, "*it might look like that on paper, but nobody is talking, they all feel split up and punished for something*".

<div align="right">

- FIELDNOTE SME 9

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"Ever since I started here, well I mean, when I first came in, I did a big analysis and observation, like you're doing, and I noted down all the issues and did a SWOT and all this stuff, I actually made a PowerPoint on it to share with the whole team, to show them what they did wrong and how moving forward I would expect changes, so when I actually started I knew what needed to be fixed. And moving forward, I want to continue that, so having these guidelines and following them, actually instilling policies, we work in a highly regulated sector, we are dealing with financial records you know, so it means your employees know what's required of them when they do the work."

<div align="right">**- INTERVIEW EXCERPT SME 9**</div>

Formal 'strategy planning' activities began taking place:

MD-O attends a director's strategy meeting. They have unfolded on the conference table many A3 pieces of paper cellotaped together. They have begun this at another meeting. The paper is a huge timeline of what the business has already achieved and what they would like it to achieve. Everyone has a pen and they discuss what they want to achieve in the next three years.

<div align="right">**- FIELDNOTE SME 7**</div>

"The business is working towards the company strategy, errr the three-year strategy we put together last January. So that will be looked to implement everything in the three-year strategy document, so vision and values and what goals we wrote down across departments. Errrm part of that is looking to address the issues we have politically, in terms of we don't know what the agriculture market is going to look like post-Brexit, as and when it ever bloody happens. Errrm 'cause it could make a massive errrm impact on our end user and so we are in element…as I said to the bank, we'll tell you how we're dealing with Brexit when you tell me what Brexit looks like. Errrm and the other bit is that we are looking to consolidate… to increase our, our efficiencies to errrm drive down out unit costs per tonne and also looking to increase our profitability by errrm maximising margin opportunities where we can."

<div align="right">**- INTERVIEW EXCERPT SME 7**</div>

Financial Coping

Within Guided Compliance financial coping was guided by tracking, monitoring, and comparing actual figures with their own projections. In addition, compliance costs were considered expensive, but there was an understanding that skimping on compliance would end up costing a lot if regulators caught them out. This rationalised their financial coping in purchasing systems and processes to deal with compliance:

> MD-O is having a third round of meetings to implement a streamlined and accurate process that is enhanced by a computer system they wish to implement. "*It is expensive, but I think in the long term it can help avoid any damage to the business, and erm, reduce our operational costs and it will work towards our competitiveness, which should help see revenue increase*."
>
> **- FIELDNOTE SME 9**

Similarly, in a strategy meeting:

> MD-O: "*I want to get our strategy across, I want the teams to know so that they know what we expect, and will know what we are working towards, so then they will be more motivated, so I think we should get this book printed and then have training days with them all and we can go through it with them.*"
>
> **- FIELDNOTE SME 9**

> Marketing Director: "*I looked into the cost though and it is ridiculous how much it will cost to get over 100 of the booklets printed out – and what about keeping production going how are we supposed to deliver training to everyone… are we going to stunt it*?"
>
> **- FIELDNOTE SME 7**

> MD-O: "*I think it will pay for itself in the long run, I think it's worth the cost, maybe do it in A5 to bring the costs down a bit, but this needs to go out, it will make a huge impact across the business.*"
>
> **- FIELDNOTE SME 7**

Resource Coping

Here, it was clear certain resources were prioritised over others. As previously stated, certain resources were considered long-term investments, such as reporting and compliance systems and formally written 'strategy workbooks'/'employee handbooks', to spread the policies throughout the organisation, and therefore were deemed necessary and acceptable purchases.

> MD-O leaves the office and walks through the site to arrive at the marketing office where the marketing director works. He asks her how she is getting on with putting the information from their strategy meetings into the document. This includes a three-year forecast and a vision and values section. She tells him the document is completed she is just looking to get it printed, but it's expensive. He tells her to order more than they need, maybe get it done in A5 booklets, rather than A4 to save on the cost. He says he still wants a lot printed, so they have extras for new starters to be able to read when they join.
>
> **- FIELDNOTE SME 7**

> MD-O is on an official website at her computer. She is browsing the ISO integrated management systems. She has notes written on her notepad and is considering each package and the cost. She writes down ISO Quality Management and Information Security Management and prices it up. She tries out the websites fee calculator and writes down the price on the paper. She then applies for a quote to purchase the products.
>
> **- FIELDNOTE SME 9**

Yet, these processes were often slow and financial spending had to go through multiple stages before it was approved:

> Senior broker knocks on MD-O's door and pops his head around the door, *"Have we got word on the new printer yet? I can't send out this information pack to my client with half of it chewed or pink"*, he laughs. MD-O responds, *"it's not even ordered yet, I need to speak with [office manager's name] and with FD-O, I want to make sure we get the right one and also to make sure we can't just fix this one."*
>
> **- FIELDNOTE SME 9**

Relational Coping

In this orientation, relational copings were to enforce the hierarchy, bureaucracy, control structures and the notion of 'professionalism'; owner-managers in this orientation engaged significantly less in joking and other bonding activities:

> During a meeting with the senior broker team, MD-O firstly wants to address their behaviour. She says, *"now I want to readdress this boisterous behaviour – I don't think it is appropriate in the office, we aren't here to laugh and joke and f*** this and f*** that. You're making people uncomfortable and it's not professional is it. It's not what I am paying you for to act like you're in the pub."*
>
> **- FIELDNOTE SME 9**

Similarly, there was distinct physical barriers between the employees and the employers, where they had separate working spaces. This was enforced in their daily meetings, where teams would join a meeting and then be asked to leave for the directors to have a separate meeting.

> MD-O is holding an accountability meeting with the middle management: *"we have got to lead by example, they aren't going to follow the behaviour changes we expect if any of us engage in the behaviour. This 'boisterous' behaviour that I've had consistent complaints about from the HR team is never going to get away if any of you are out there laughing and joking and swearing with the senior broker team. We have to remain professional so that they do to."*
>
> **- FIELDNOTE SME 9**

Moreover, employees were frequently lamented for not knocking on the MD-O's door in both SME 7 and 9, which opposed other SME's 'open-door policy':

> Employee opens the MD-O's office door and pokes his head round and says, "anyone want a brew?". MD-O doesn't look away from his desk and sighs, he says, "do you want to try that again?". Employee closes the door and knocks and when the MD-O says come in he opens the door again. Employee says, "sorry boss", the MD-O says, "I could have been on the phone to someone, just think okay."
>
> **- FIELDNOTE SME 7**

> MD-O's husband (principal insurer) leaves his office next door to the MD-O's office and opens her door and walks in. He sits down in one of the armchairs and says,

"bloody hell, what a day, have you got that report we talked about this morning?".
The MD-O looks at him from her desk, she says with a raised voice, *"how are them out there supposed to learn to knock and respect these offices if you just fly in and out as you will."*

<div align="right">

- FIELDNOTE SME 9

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4.3 Practice as Entity

The next stage represents a step in thinking about how performances of the practice of strategy might emerge differently, designed to reveal how practice as entity varies and shapes those performances across time and space. At one level the practice of strategy is universally understood as an entity within the sample businesses, but at another there are many variants of the practice, including where people do strategy (in an office, in a warehouse, in a meeting or work canteen), what they discuss (notions of the proper etiquette are culturally contingent), what constitutes good manners, and so on. Here, focus was on how the strategy practices come to be however broadly or loosely defined. It does so by considering past cases of interventions that have sought to ameliorate problems associated with the specific practice. This is not so much a cause and effect approach as one that seeks to understand how interventions are conceived of and implemented in the context of how the practice of strategy and its associated problems are understood at any given time by the carriers of practice that have the opportunity to diverge. Therefore, in this third stage of analysis the data was coded seeking how local activity is affected, constrained, or enabled by wider constellations of practices. Here, the codes that emerged in the previous two rounds are organised into themes under the theoretical concepts drawn from practice theory. Therefore, each orienting concern will be split into three subsections following the organising principles of practice: rules, general understandings and teleoaffective structures.

4.3.1 Firm Frugality

<u>Rules</u>

Not only is business highly regulated, but each SME offers their own specific sector regulated activity. There was a high presence of 'rules of thumb' and implicit rules of how things should be done. For Firm Frugality, rule following was captured through the internalised rules owner-managers followed, the specific rules their previous experience with practice prescribes. For example, an implicit rule of ambiguity was fundamental to maintain power in customer negotiations:

"*What they don't know won't hurt them.*" This was frequently and implicitly shared through to the employees, the owner-manager had ad hoc conversations with his production manager, whereby the MD-O reiterated multiple times that "*if it's wrong or if they don't like it, we just won't tell them*" and "*they don't know if they need it or not, so we just tell them we do and add it onto the bill*". – SME 2

<div align="right">**- FIELDNOTE SME 2**</div>

Rules guiding the financial copings for Firm Frugality practising of strategy, saw them defy explicit rules, rationalised based on the financial needs of the business. An example of this is regarding the UK Unfair Trading Regulations:

"A massive negative impact on us is that environmental thing so we were seeing a huge loss of sales to people buying compostable cups, we shied against this because we didn't think it was the right thing to do, because once you've finished your drink and you've got your compostable cup there's not actually many places to recycle it so we thought that was bad so we pushed ahead with the PE coated ones which can be recycled but we were still losing sales so then I strategically made the decision I said every single reference there is to our cups add-on 100% recyclable on to the end of the description because I need to do something to rescue our business... So that's why I put 100-percent recyclable on because it is technically getting widely recycled, but when they recycle it, they've got to extract that PE coating, so it is a little grey area and that's why I didn't really want to put a 100-percent recyclable on there because it does have a plastic coating, but I needed to do something to boost sales."

<div align="right">**- INTERVIEW EXCERPT SME 3**</div>

The formal rules that were apparent and implemented in the SME included sales targets and savings. These were captured through excel spreadsheets that were available on every computer, pinned on noticeboards next to workstations and were part of the weekly production meeting:

MD-O in production meeting says, "*right onto you targets and spreadsheets, has everyone filled them in and got them on you*?" [Employee name] says he was off for half the week so he didn't fill it in because he couldn't meet the target. MD-O responds, "*it doesn't matter if you were off or not, it still needs to be filled in so we can monitor where we can minimise waste*".

<div align="right">**- FIELDNOTE SME 2**</div>

<div align="center">134</div>

General Understandings

The guiding general understandings here were notably the concept of "profit-making". The sample were "profit-making" entities and as all the participants were owner-managers they were also the ones responsible for shouldering the benefits and the risk of such a profit-making business. This general understanding considered that as a "profit-making" business their primary purpose is to generate profit and develop products and services that are valuable to consumers. For example:

> *"Fundamentally, we are in business to sell products, get the materials in, put them together and get them out to our clients, where we include the cost of our 'specialist labour' for the purpose of making profits."*
>
> **- INTERVIEW EXCERPT SME 2**

> A conversation between owner-manager and sales director considering financial reports: *"We are currently scraping the barrel of cash flow, I want you to get that barrel half full, get the products out as quickly as we can to raise that back up to something more manageable."*
>
> **- FIELDNOTE SME 3**

Here, it is understood that developing products and services should either solve a problem or increase efficiencies for others, so that they can tap into that revenue stream. Therefore, the measurement of success is on the amount of money made/generated:

> MD-O and FD-O are in the office. FD-O says to MD-O *"have you heard the bad news?"* MD-O walks over to FD-O's desk and looks at her computer as she points and says, *"we didn't hit our projected yearly revenue for the past year."* MD-O sighs and swears under his breath and rubs his hair back, he says *"What's the actual point, if we can't even make proper money."*
>
> **- FIELDNOTE SME 2**

Moreover, "profit-making" was also understood to practitioners as an interdependent relationship with consumers; they needed the product/service and the SME needed the consumer to help generate profit. This relationship for Firm Frugality was interpreted as an imbalance of power, where the consumer had the power:

F-O answers his phone, sales manager is forwarding a call through, she doesn't know what to say to the client. He says hello and they exchange pleasantries. The caller says they need to end their account, they are terribly sorry, but they are moving away from single use paper products at their events. F-O tries to explain how they are compostable and are not single use. The caller explains it is what it looks like to be using paper cups, rather than the actuality of it. They apologise and end the call.

<div align="right">**- FIELDNOTE SME 3**</div>

F-O and operations director are discussing laws in European countries that are prohibiting paper cups at events and the negative impacts on the social aspect of the market and their client base: *"so many event companies are starting the feel the environmental pressures and our usually regular clients are using alternative materials and so we are slowly losing our client base as no one wants to be seen with paper cups anymore, even if they are recyclable and that could completely wipe us out."*

<div align="right">**- FIELDNOTE SME 3**</div>

In these instances, the relational copings saw owner-managers "bending over backwards" to appease clients demands; sending out free stock and giving out huge discounts, to keep business and sustain financial stability.

Teleoaffective Structures

The "profit-making" general understanding in turn affects the teleoaffectivity of their practice, by orienting the practice towards financial concerns and projected ends. For example, when financial coping Firm Frugality SMEs often prioritised the cheapest route to overcome the breakdown, even if this meant lesser quality:

Warehouse employee enters the office and asks F-O to step out to the warehouse. They walk through and he turns to F-O and says, "*that new paper hasn't arrived yet for the cups ordered by [company name] and we haven't got any of that thickness of paper*". F-O responds, "shit, we have to get that order, what is the thickest we have in?" The employee responds, "*about half of what they asked for*". F-O looks tense. He chews on his pen. He says, "*Just do it in that, I don't think they will notice, and I think they'd rather have their order on time.*"

<div align="right">**- FIELDNOTE SME 3**</div>

Across the sample generating revenue by selling products or services to external customers was an important *telos* structuring strategy-related activity. Typically, they themselves stipulated how much revenue they should be attaining and how these were to be achieved, therefore placing a responsibility on themselves:

> MD-O walks into the office on Tuesday morning and greets everyone. He has a notepad in hand, and he walks up to the whiteboard and writes down their target and actual revenues for the week.
>
> **- FIELDNOTE SME 2**

This impacted a number a of SMEs in different ways, for example since clients had a degree of power to impact the revenue, Firm Frugality owner-manager from SME 2 attended every client meeting, regardless if he was on the project. He perceived this as giving himself a level of control over the consequences of the meeting and therefore, allowed him to feel like he was acting on his responsibility of generating revenue. Further, due to the teleoaffective orientation of financial gain as the projected ends, the SMEs oriented their work and activities around the finances and other such business metrics, such as key performance indicators (KPIs). Employees were encouraged to be wise with their billing hours and time spent on projects and were monitored in their activities, in attempts to increase short- and long-term revenue for the company.

The telos of generating revenue structured what was considered appropriate work for an owner-manager. This was overarchingly demonstrated as a "step back from productive work" to "run the business" or the "bigger picture". All participants engaged in 'productive work' where they ad-hoc jumped into roles outside of their capacity, which was considered appropriate as it could impact the revenue in place for that product or service:

> Employee is cutting some fabric and he has hit a snag and the cutter won't cut the material. The material is beginning to bulk up around the cutter. MD-O hears the noise from his computer and jobs over to the employee, he takes the cutter off him and says, "*give me that*", he pulls the cutter out and cuts the ruined material off and starts again.
>
> **- FIELDNOTE SME 2**

There was also significant evidence of an affectivity of fear, that oriented their practise of strategy work. Sources of fear here were oriented around financial security, the ability to continue to fund

the venture and the personal ability to achieve the telos-oriented ends. This drove them in pursuing financial goals, either personal financial security or financial stability within the business:

"You know I have a lot riding of this, mine and my wife's retirement is this business and the house is tied up in it, which just makes me sort of, erm, more aggressive to keep it going."

<div align="right">**- INTERVIEW EXCERPT SME 3**</div>

Affectivities of fear were significant aspects in SME 3 due to the trajectory of the business, where for the first ten years, they experienced steady growth, whilst in the recent year they quite unexpectedly, and suddenly, hit a decline in sales, which left them in a poor cash flow situation. Therefore, their practice was pervaded by uncertainty and fear in unchartered territory, as the owner-manager put it:

"*over these last 2 years it has changed quite dramatically because 2 years ago we had an order in place with a three-year plan and and everything was progressing forwards really nicely, we were continuously growing and so we we had planned growth more people, more machines, more space and all kinds of stuff and then we went into the the recession and suddenly we were in survival mode and survival mode meant that if we could just about achieve what we did the previous year we were doing really really well and then it makes it very difficult to plan for the future… we didn't know what the future look like it was it was very difficult".*

<div align="right">**- INTERVIEW TRANSCRIPT SME 3**</div>

Where fear of financial failure was greater, the SMEs selected either easier, readily achievable objectives that were based in the short-term:

In a meeting with an external b2b sales consultant, owner-manager says: "*we are trying to make a plan for 2019 to see where we are going to go. Thought we could review where we were for 2018*" – He looks at a sheet showing the amount they previously traded on eBay, amazon and web shop – "*we only did 10,000 on the web shop compared to 20,000 on amazon and 380,000 on eBay. So, I thought we could see if we could achieve that again, considering we aren't in a position as good as last year, if that makes sense. So, marketing has put in a flat forecast to only achieve what we did last year".*

<div align="right">**- FIELDNOTE SME 3**</div>

4.3.2 Meaningful Relationships

Rules

There was an abundance of evidence of explicit avoidance/defiance of formal rules and regulations in Meaningful Relationships practising of strategy, as rules were associated with bureaucracy and thus perceived as incompatible for the SME. In this way, they believed that their proximity to the work and their competencies meant they do not need formal rules, instead they can take care of the business themselves and in their own way.

> *"we try to build within the business a very relaxed atmosphere, although it's a serious business, we're in business to make money, essentially what our job is: we're problem solvers. We're there to make the clients' lives as easy as possible as well. And then that sets the ethos then but we can still do that in a relaxed atmosphere. And I think that helps creativity as well, y'know, that the fact that it is a relaxed atmosphere and everybody feels as though... y'know, it's not a nine to five job; people are in early, people are working late. But on the flip side if somebody has got to leave early or come in later they can do that, it makes us much more flexible in our working... and at lunch times this turns into a ping pong championship and we've got table football and air hockey in there as well so there's just little things that just make it a fun place to be as well which I think is important."*
>
> **- INTERVIEW EXCERPT SME 1**

Similarly, on the meso level, rules that were followed were captured through local factors and influences that often characterised or defined the parameters of performance. These were the rules that were understood and applied by all employees of the SME yet not universally across the sample. For example, the rules regarding appearance at work diverged across each SME, whilst some wore business attire (suit, shirt, tie) others wore more casual clothes (t-shirt, jeans, trainers). This was specifically guiding for the Relationships-orienting concerns as it was imperative to promote a casual work environment and avoid bureaucratic rules impeding their creativity:

> *"I mean we've been going 14 years and I'd like to think the success of the business is partly due to certainly the team that we've got but also that people enjoy coming to work, the sort of feedback that we get off the team are that it's not like a job job, it's coming in, you enjoy what you do but you also enjoy the team that you're with which is quite... Part of the process when we're picking the people to work in the*

team have got to be the right person that will fit in with the studio and that. We've had people come in for jobs before, which they were brilliant at what they did, but wouldn't work in the studio – just the dynamics wouldn't work. We've let people like that go because we just know that they wouldn't fit into the studio so we don't want to upset that culture but we obviously want to have the best team possible. So again, yeah, I think it works."

<div align="right">**- INTERVIEW EXCERPT SME 1**</div>

At the start of every day over the course of observation, the researcher noted the clothes employees and owner-managers wore when a uniform was not required:

> Employees and CD-O all dress casually – jeans, t-shirt, trainers. At times employees take trainers off under desk and just walk around in socks. On days when there are face-to-face meetings whilst this is not verbally discussed, they arrive to work dressed smartly.

<div align="right">**- FIELDNOTE SME 1**</div>

Besides national government rules, formal organisation rules also significantly shape the practices of strategy. Here, rules associated with employees have especially come to play an important role in the practical copings. For example, certain training workshops and in-house events "have to be provided":

> CD-O is running through the new on-boarding scheme that his senior designer will be conducting. He has created a formal document that he must sign off each stage of any new starter to "ensure each new starter has the right training and the skills to get on with work really well".

<div align="right">**- FIELDNOTE SME 1**</div>

The rules dedicated to the conditions of the development and training not only demand that the training must be delivered, but also sets a development timeline to be followed:

> The senior designer is sitting with another employee in the conference room, they have her on-boarding workbook open and he has a calendar open on the laptop. They are typing in the development timeline onto the calendar so that she knows when certain training exercises must be complete.

<div align="right">**- FIELDNOTE SME 1**</div>

It is not only necessary to provide personal and professional developments for staff, but also the temporal aspects that significant shape the daily activities undertaken both by the owner-manager and the staff themselves. For example, workload is managed and reassigned to ensure employees can attend each event, or more so, events are held at the offices so that no complications can constrain the attendance:

> [Employee name] calls from her computer to the senior designer and says, *"I have that workshop at [event name] on Friday, but I have the artwork for [client name] due, he sent it me back last week and I said I would make the edits and forward it on."* Before she can finish CD-O without looking up from his screen tells her *"don't worry about that, if you forward it to me, I'll finish it up and send it over for you, you've basically finished it anyway."*
>
> **- FIELDNOTE SME 1**

General Understandings

"Being an employer" as a general understanding emerged as a theme across the activities and self-reports:

> *"For me, because we're a service industry, the only way we bill is the time we spend on jobs so if something can be more efficient there's more profit in a job; if there's more profit in a job, there's more profit for the company, then the team benefit from that as well, that money goes back into the business in order to develop their skills creatively so that they can start working towards being a senior designer and working on bigger and better projects."*
>
> **- INTERVIEW EXCERPT SME 1**

As the above examples suggest, the perceived responsibilities as an employer not only resides in strategy practice bit also permeates other practices and operations within the SMEs. Moreover, this general understanding is permeated within the SME and the staff as:

> Tuesday, 11am. There is a knock-on MD-O's door, an employee puts their head round the door and says, are you ready for my PDR. MD-O stands up and says, "yes of course, shall we go into the conference room". Once in the conference room MD-O asks how the employee has been getting on. The employee discusses his current projects and his progress. She asks him if he thinks he is on target for the objectives he set himself in the previous meeting. He says he might have been slightly

optimistic. They both laugh, "there's nothing wrong with that" she says, "but if you need to amend them, that's something we could work on for next time?"

"Part of the quarterly PDRs is we do quarterly bonuses as well which are linked to objectives, so we'll set objectives – achievable objectives – each quarter. Part of the breakdown of it is financial targets for the company which will be scaled from 1 to 5 and then team input and project control, objectives, setting, whether people got 100% attendance or not. So, there's different criteria which make up a quarterly bonus for everybody so everybody's in control really of a… what they're developing towards but a financial side of it as well. So when something can be run more efficiently and effect the bottom line that's why it's important that people understand that things can be done quicker or in a different way to be more efficient the business and people can benefit from it in their personal and professional development."

In this way, their primary purpose was being a 'good' employer who has a duty of care towards employees. For example, as SME 1 stated:

"a lot of the places I worked previously before starting the business had open spaces where the team works, but then your managers and your directors were in different rooms and hidden away. I didn't get a lot of support and I just felt like I was there to make them money and I didn't get anything out of it. I really see the benefits of having that open space where everyone sits, being subjective to everything that's going on in the studio, knowing your teams, being able to support them, working alongside them."

It was the employees who were the key focus in running a business. This was documented across the *Meaningful Relationships* SMEs in their consistent behaviour towards training staff, protecting staff, managing, and addressing staff misconduct, managing and addressing grievances promptly and in providing adequate equipment required to complete tasks. This impacted the coping activities, which were observable in the daily workings of the business; working patterns were changed, staff were offered flexible working, and their environments were managed to include break spaces, quiet areas, workstation partitions and so on.

Teleoaffective Structures

The general understanding of "being an employer" bared a heavy influence on Meaningful Relationships concerns, coping activities and the logic of strategy. This general understanding was structured around the teleology of being a 'good' employer and having a duty of care telos. This structured the activities to engage with employees, giving them a say over their workload and an opportunity to share ideas. The duty of care for staff and customers telos influenced activities and practice in multiple ways, for example in resource coping owner-managers ensured appropriate first aid provisions and trained staff were available:

> OD-O is reviewing the arrangements for first aid and accidents in the workplace, the previous week she had an advisor come in to discuss this. She is putting together the information pack she wants to give staff. On her desk at the side is a checklist for the first aid provisions required on his site. She has a plastic bag under her desk, she retrieves and starts unpacking the contents. They include plasters, bandages, eye wash and other materials.
>
> **- FIELDNOTE SME 5**

In this way owner-managers perceived their responsibility for not just their own financial fates, but also their employees. This responsibility meant their teleoaffective hierarchical projected ends diverged from simply "profit-making" and at times prioritised what was best for their employees. This meant the business was not constantly viewed as a profit-making entity; instead, the employees were the perceived as the business. This duty of care telos extended to customers also. They considered the role of the business was to provide a suitable and sufficient service or product to their consumers. In trying to provide this service SME 2, 5 and 8 created spaces that were customer facing spaces for customers to visit site to experience the product or service first. This was heavily entwined with the rules of the practice also. In this sense, there are legal obligations towards the safety of individuals on the property, which also shapes the telos being responsible for the safety and care of anyone in contact with the business.

The affectivity of fear was also present here in the form of concern. There was evidence of both concern for their own livelihood and their employees':

> OD-O walks through the warehouse to ask how everyone is getting on. [employee name] tells her he could do with some more shifts. She tells him she will see what she can do.

> Later in the day, she goes over to the administrator and HR desks, she asks how they are doing for allocating the hours. She then says if they can, can they roster [employee name] on a couple of more shifts for the next few weeks, *"I think he is struggling to make ends meet"*.
>
> <div align="right">**- FIELDNNOTE SME 8**</div>

Moreover, the affectivity of fear, in the form of concern, conditioned their coping in ways opposed to the Firm Frugality. Owner-managers when oriented by the affectivity of fear, coped through learning and information seeking, from the repertoire of skills that they employed. For example, SME 5 regularly sought a trusted employee for core knowledge surrounding computer skills. This form of relational coping, seeking help from those employed by the business, was found to be a powerful antidote to fear of failure, by helping to mitigate any doubts by increasing the capabilities.

> *"I have got to educate myself to be the best I can as I am developing the business, especially when I don't really understand what is happening, but that's why it's good to have employees who are literally specialists in what they do, I can ask them, they can be hubs of, sort of knowledge hubs, I can learn just as much from them as they can learn from me."*
>
> <div align="right">**- INTERVIEW EXCERPT SME 5**</div>

4.3.3 Renowned Reputation

Rules

One such example of explicit rules guiding the practice for the Renowned Reputation oriented concerns was captured through staff training. A social media policy had been adopted:

> *"Has everyone signed the social media policy? And just to remind you all, I know you probably think I am droning on, but no comments about us, our competitors or compliance. No keyboard warrioring, because if you go off on one and someone looks at your page and thinks oh, they work at [company name] it will reflect badly on us as a business and me."*
>
> <div align="right">**- FIELDNOTE SME 4**</div>

This rule was hierarchically prioritised as staff training was perceived as necessary, as they represent the SME and therefore the owner-manager:

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"Whether it's online or in person, you should all act in a way which makes people think of it would be good to work at [company name], or they have good values there."

<div align="right">**- FIELDNOTE SME 4**</div>

In addition, implicit rules were noted throughout observation, regarding the importance of the owner-manager. In this way, owner-managers frequently implicitly reinforced that employees should not care about anything other than what owner-managers care about. For example, a conversation between the Finance Director and a Project Manager:

FD-O overhears a project manager on the phone. As soon as the project manager hands up, FD-O walks over to his desk. FD-O asks, *"why have you done that?"* The project manager responds, *"well I thought it was better to let them go, otherwise they would just continue being difficult for us.".* FD-O tells him that he cannot just let clients go because he finds them difficult, *"they've been our client for 3 years and have always, always, brought us business, I'm going to have to call them back and explain your mistake. Next time, ask someone first or at least think something through!"*

<div align="right">**- FIELDNOTE SME 4**</div>

Similarly, owner-managers were observed getting frustrated and irritated when their staff did not seem as dedicated to the business or did not care as much.

MD-O is on his morning walk through the different departments, shop floor, warehouse etc. He says good morning to everyone and asks most how they are getting on. He stops to look at one car in the spraying area of the car garage. He asks what they've been doing to it, he opens the right-side front car door and says do you think you could get this cleaned up a bit – pointing to some inconsistencies in the colour repaint. The employee looks at him a bit blankly and says, *"what do it all again*?" The MD-O says we can't send this out to an employee, not looking like this. The employee sighs and says yeah alright. MD-O begins walking away and mutters *"it's more than his jobs worth apparently, not like I pay him to do it. He's always like this."*

<div align="right">**- FIELDNOTE SME 6**</div>

General Understandings

The general understandings here emerged as "risk-taking", which is perceived as highly associated with the SME industry, as SMEs commonly discuss how they are small, adaptable, flexible, and swift in approaching environmental opportunities. Similarly, it is associated with the owner-manager themselves. Their personal views demonstrated this understanding, for example in the excerpt below where the owner-manager from SME 6 discusses his recent purchase of some land:

> *"we've started extending the workshop on it, I've nearly got there are the plans have been turned down twice but they go through this time, because the flood risk and we had to change it a bit we we managed to negate that risk now so we are ok hopefully it will go through at the end of this month and then well I'm getting the building design at the moment so I'm quite happy, I'm quite optimistic there won't be a problem. I think land is a good investment isn't it, and it's something that is running out, so if it comes up, you should grab it, if if you can buy land, you'll never buy it at the right price because you're always going to think it's too expensive but it's always you know but they're not making any more land are they so."*
>
> **- INTERVIEW EXCERPT SME 4**

This also suggests that the owner-managers beliefs of taking risks on new opportunities as beneficial is infused within the practice. The SMEs approach to financial growth, stability and "profit-making" orientation is an important part in the development of the general understanding of "risk-taking". In particular, the owner-managers rely on good systems to provide reliable data and placing competent employees in relevant positions to implement the owner-managers policies:

> *"Some of my responsibilities were being moved over to the ops manager, so in turn that made his role change and he was overseeing more projects, so there was more project management in his role aswell as running through the training and development."*
>
> **- INTERVIEW EXCERPT SME 6**

This understanding of "risk-taking" was further demonstrated and infused with the projects and tasks employees undertook through lesser disciplinary action for risks taken. Whilst not always the case, owner-managers were less likely to scold or discipline employees who had taken a risk that did not pay off. For example:

MD-O and an employee are leaving a pitch with a potential client. They both climb into his car and he pats her on the back. He says, *"okay, so it didn't work, but you've got the experience now of being in that setting, talking to clients face to face and presenting something, which will help you next time."*

<div align="right">**- FIELDNOTE SME 6**</div>

This in turn facilitates the "risk-taking" atmosphere at an operational level, as employees feel encouraged to try something new and not face negative repercussions if it does not work. Overall, through establishing good systems, placing competent employees, explaining the financial stability rationale of growing the business, participating, and contributing to new ideas, products and markets, having regular contacts and meetings, the general understanding of "risk-taking" is reinforced. In addition, this "risk-taking" was infused with their overall strategy of having no strategy. There was a clear sense of strategy being unnecessary. Having a strategy was seen as mistake, because, so the argument runs, a strategy makes you inflexible to unforeseeable future requirements:

> *"we don't do all those models and things from a book, it's nothing from a book that has got me here. They don't know anything about the actual doing, things happen and change quickly, if I had a big written formal document it wouldn't allow me to react like we can do now, so when a property comes on the market, next door, or down the road, I just buy it, there will always be something I can do with it, the one round the corner I'm going to extend the workshop in."*

<div align="right">**- INTERVIEW EXCERPT SME 6**</div>

MD-O is meeting with an insurance provider and a contractor, they are outside looking at a plot of land they are building on. During the formal chat, they begin discussing MD-O's many tenants. One is a business that is struggling and MD-O says, "well he is too busy having a SWOT and a business model to actually react to problems and do things when they need doing, not when the book tells you to.

<div align="right">**- FIELDNOTE SME 6**</div>

Teleoaffective Structures

The teleology here surrounds brand and reputation as not simply a solution to corporate communication and identity, but it is the normative orientations of strategy practice that seek to establish themselves as authentic business owners. They seek to establish their reputation and

themselves as resources for consumers to draw on in their quest for authenticity as a successful business owner. Here it is understood that trust in the brand and the owner-managers name, will complement price and logistics as the characteristics of a successful business. This is realised in the ambition of everyday working life:

> Every day when MD-O leaves his office to walk to the development down the end of the road on his way out he walks around the warehouse and says hello to everyone. Similarly, he stops and talks to the new warehouse unit owners that he has sold or rented to. On his way back he walks through the business and asks what people are working on and compliments them on their work.
>
> <div align="right">- FIELDNOTE SME 6</div>

Moreover, teleoaffective structures disseminate the "risk-taking" general understandings directly and indirectly through affectivity. The encouragement of taking risks and the trust given, generated an affective sense of "confidence" in their practice ability. This affectivity in turn raised people's attention towards taking risks within their strategy practice and encouraged practising it on a routine basis:

> Employee knocks on MD-O's door and asks whether he can try a new paint on a spray job for a car brough in on insurance, MD-O doesn't look away from his computer when he says, *"what have I told you before, just go for it!"* He then jokes, *"if it's rubbish your sacked",* the employee laughs and leaves.
>
> <div align="right">- FIELDNOTE SME 6</div>

The affective sense that owner-managers are confident in their own risk-taking and their employees further embeds "risk-taking" in daily operations and strategy practices. Further, accounting devices were used flexibly to mitigate people's worry and stress about failing taking the wrong risk. By allowing for mistakes, the owner-managers both preserve and promote "risk-taking" in theirs and their employee's daily strategy practices.

It is in this sense that general understandings affect the design and use of teleological structures and accounting devices through affectivity. This affective element enables a careful balance between holding themselves and people within the business accountable for risk, such as KPIs, whilst ensuring they do not become risk averse or any innovation or creativity is curbed.

> *"The way that they are expressing themselves creatively as well, you don't want to sort of quell that and that so there is that creative licence.. So it's not to say we're*

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always right we can always try things and we're open to suggestions as well because we recognise that people have got ideas so we're open to that side of it. Some things will be very strict on client/brand guidelines that we know is not allowed or we know wouldn't work and that's when we make those changes. So yeah, they do have creative license but it is born from something that they have grown to learn…we then decided last year to bring in quarterly PDRs. So it gave people direction within the business as well and also helped build confidence or a clear path to where they wanted to go."

<div align="right">**- INTERVIEW EXCERPT SME 6**</div>

However, the affective dimension of pride significantly orients work here:

"I mean we had an incident going back a few years now … it was for a hospital and our guy is so knowledgeable so he said to the contractor you can't put those doors on that hospital. And the contractor says but that's what the architect wants, and our guy says but yeah go back and tell your architect he can't have those doors on that hospital. And he came back, and he told us the order was going ahead, 'They're going in' he says. So, we say it's not gonna happen, but it's their money, so more fool them, so we made all these doors, and you see this is where contractors are naughty, he fitted them all and the inspector went round, and he went – those doors aren't right – and he made them take them all out – every single one and we had to make them as we should have done in the beginning. So yeah, we were happy, we got paid twice, but if only they listened to us, because see we were right, we knew what would happen, but you see the problem is, some of these architects are very very erm not prepared to listen. These architects are this snooty 'I am the architect I have designed the building, that is what I want', okay and that's the attitude. They think they are above, and they think, a lot of them again they're not educated, so a big responsibility is going to come now I think for us to educate them."

<div align="right">**- INTERVIEW EXCERPT SME 4**</div>

In this way, their affectivity guided them to tend to think that their decision-making trumps all and asking for another opinion shows weakness. On multiple occasions observations of owner-managers insisting staff not call external stakeholders without having all the information:

"It reflects badly on me, if you don't know your stuff then they'll think neither do I, don't ask them to tell you the answer, we need to be prepared for calls like this."

<div align="right">**- FIELDNOTE SME 6**</div>

Pride as an affectivity, seemed to be inherently linked with becoming successful and being responsible. As they are already predisposed to feel solely responsible for the business, this meant when anything positive occurred, they felt responsible and proud of that achievement. For example, SME 6 received an unusual request by an insurer who had a large custom-built motorhome that has been in an accident and required a repair, which was seemingly very difficult to find a business that could do the repairs necessary. The owner-manager said they would have a look at it and in his body repair shop, he had a team who felt they could do the repairs. Which they did. When interviewing the owner-manager about this later he said:

> "W*ell, I do… I like to attract that type of work, you know, and they usually call me up and say this came up and I thought of you, unusual repairs on unusual vehicles and I get paid better money, I get paid a better rate by insurance companies and they were really pleased with the service I provided*".
>
> **- INTERVIEW EXCERPT SME 4**

The owner-manager demonstrates his pride in not only completing the work, but in the fact that the insurance company contacted his business in the first place. This was similarly noted in how the MD-O encouraged/invited clients, friends, local suppliers, and many stakeholders to come and view his new development:

> MD-O is on the phone with an insurer who provide clients to the body shop when they have accidents. They are discussing that they are coming up to renewing their relationship. MD-O begins talking about how busy he is with the new development. He laughs at something the caller has said. He then says, "*you should come and look at it. It's looking really good, really really good. They're selling so quickly. And I'm thinking about making one unit an office block, seriously, it's working out really well.*"
>
> **- FIELDNOTE SME 6**

4.3.4 Guided Compliance

Rules

Explicit rules orienting practice here were captured through perceived structural, legal, regulatory, and economic external conditions that are beyond the influence of individual organisations or practitioners. Two representative examples from the sample are the Regulatory

Reform (Fire Safety) Order 2005 (RRFSO), the Income and Corporation Taxes Act 1988 (ICTA) and the Financial Reporting Council (FRC). These regulations have some sort of planned goal such as discouraging behaviour, providing protection and establishing some clear legally binding rules and guidelines about how things should be done organisationally and/or socially.

Similarly, for the Guided Compliance practising of strategy, their temporal coping was guided by explicit rules of employment standards, audit requirements and other legal requirements of operating. Here, owner-managers coped by temporally prioritising rules, as such time is provided for robust training on policy and compliance and time is given for "compliance officers" to complete duties outside of their usual role.

> *"we have got two days of compliance training on Thursday and Friday. We will do some in-house sessions on employee behaviour, ethical behaviours and expected behaviours, we will train and educate on policy and so on. And then they will have to apply for the certifications from external bodies, which we will pay for."*
>
> **- FIELDNOTE SME 9**

The formal rules drawn on were commonly seen both an enabler and as a barrier to their practice. Owner-managers were frequently observed feeling assaulted by the ever-changing regulations and restrictions placed on them. For example, when SME 7 wanted to take out a business loan the bank asked for their post-Brexit plan, to which the owner-manager felt that was unfair, because, from their point of view, the government didn't know so how was he supposed to know. Yet at the same time, he submitted a plan, ultimately following the rules, to which in the interview he stated:

> *"You know, without these external forces literally forcing us to follow a certain path or erm way of doing things, I wouldn't have known how to do them, so living and learning for next time, I am better equipped, so as much as I might complain, they are necessary."*
>
> **- INTERVIEW EXCERPT SME 7**

General Understandings

Large organisations and society itself place value on its understanding on strategy. Simply in its definition, strategy is "a plan of action designed to achieve a long-term or overall aim", a valuable tool that provides the capabilities to achieve something valuable. SME owner-managers demonstrated the opposite. SME 7 and 9 were the only SME who claimed to have a formal

strategy plan. For example, SME 7 had created a formal document titled "Company's Strategic Plans for 2019-2022",

It was interesting to note, that SME 7 and 9 were frequently constrained by their general understanding that "strategy is necessary in business" or "business is strategy". For example, SME 7 attempted to align teams by creating and using vision and values. Here, their activities were focused on enforcing their known culture and 'ways of working' onto their new employees:

> MD-O and Operations director are planning their weeks for how they are splitting their time between the new site and current site. MD-O rubs his head and says he can't do Monday, Tuesday or Wednesday as he has to be on the road for a sale. Operations Director can't do them either. MD-O says, *"someone will have to be there, you know what they're like, they don't have the work ethic we have, it's just how [identifying slang] are."*
>
> **- FIELDNOTE SME 7**

Similarly, the general understanding of "business is strategy" maintained the expertise of formal tools and external specialists as the "absolute knowledge", that would provide them with the capabilities to move forward and improve:

> MD-O has arranged for a LinkedIn specialist to attend site and provide a workshop to teach teams how they can use it to gain clients. She also sits in on the meeting and brings her laptop. She is following the instructions that the specialist is giving rather than doing other work, which she stated she was doing initially.
>
> **- FIELDNOTE SME 9**

> MD-O leans over the desk of a senior broker, he is struggling to access some information and explains the system is calculating something wrong. She says to him that this system is designed not to make mistakes, if it has said that is the answer then that is the answer. She jokes, "*it can't lie"*.
>
> **- FIELDNOTE SME 9**

Teleoaffective Structures

Doing things 'right' and being successful was an important *telos* structuring strategy-related activity. In this way, practices and activities were oriented to try and predict the outcome of business ventures, through implementing reporting tools, regular workstream meetings and

workshops. The idea of success was strongly associated to the affective dimension of being responsible with a goal of "being successful". One way success was characterised was the ability to understand the markets they operated in, to be able to navigate and predict how they (the business) needed to act.

However, this produced uncertainty in circumstances and anticipated events triggered an affectivity of anxiety. Sources of anxiety here were oriented around following the rules, the ability to predict the future and the personal ability to achieve the telos-oriented ends. The evidence demonstrates that anxieties concerning the future state of the business, the negative consequences of doing something wrong and incapable were associated with the owner-managers coping, in that it drove them in pursuing increased rules and regulation, the use of "formal strategy tools" and increased reporting to provide further information.

This meant their copings were characterised by nerves such as:

> MD-O is setting up a LinkedIn workshop for her employees. She has organised an external professional to attend to deliver the content. She states the purpose is for the staff to represent the company online more professionally and to use it as a tool to contact potential clients. She has been looking at the content and her own personal LinkedIn for some time. She is making changes to her LinkedIn based on the PowerPoint presentation that has been emailed from the professional advisor. She is biting her nails.
>
> **- FIELDNOTE SME 9**

This began to show an anxiety towards how she came across to her staff and clients or other external professionals:

> The speaker has been discussing what to put in your LinkedIn profile to 'stand out'. All the staff are taking notes. MD-O interrupts and stands up. She says it is also important for staff to note their current employment with her company and the skills they provide. The speaker smiles and says, "good points, I will be talking about that in a later slide, thank you". She sits down.
>
> **- FIELDNOTE SME 9**

Moreover, it guided the practice into states of rumination. In this way in the face of uncertainty, levels of distress were produced in the form of dread over anticipated and uncontrollable events. The copings reflected this where meetings, workshops, informal conversations were frequently

held discussing the possible causes, consequences, and an abundance of solutions, rather than doing the productive work. However, this meant they were frequently 'stuck' by prioritising discussing and trying to predict the future, rather than 'doing'. This was considered acceptable by practitioners as they were following either academic learning:

> MD-O has arranged a strategy meeting with the middle management teams. He has 10 minutes before the meeting starts. He gets a large folder off the shelf behind is desk labelled MBA 2016. He opens it and reads through a few pages. Once he has found the relevant page, he removes it and puts it into his meeting pack.
>
> **- FIELDNOTE SME 7**

> During the strategy meeting he draws a table on a whiteboard with 6 boxes. He writes 'Cultural web' at the top of the board and headings in each box: stories, Rituals and routines, symbols, organisational Structure, control systems and power structures. He begins asking the middle management to come up and write examples in each for what they think the company is and should represent. Before they move, he says, "*the purpose of this, okay is to firstly look at our culture as it is now, and then to look at how we want the culture to be, so that we can align that with the [newly acquired site name]."*
>
> **- FIELDNOTE SME 7**

4.4 Expressions of Practical Intelligibility

There were many different performances of implicit rules, rules of thumb and other implicit norms promoted by the owner-manager, which informs peoples practical understandings of how to perform projects and tasks governed by strategy practice rules. Practical intelligibility (what makes sense); relates to personal goals, training, education and experience, prior knowledge of similar events and all other aspects of previous practice. However, it is practical intelligibility that determines people's strategy practices and actions. It results in practices being practised differently within each SME and across the SMEs as a sample - obeyed by some; modified by others, or even violated.

The activities demonstrated carried out by individuals are guided by practical intelligibility, which is basically what makes sense for the individual person to do. Practical intelligibility is an individual thing and the way it guides certainly does not have to be in the most rational or normatively correct way. When observing to account for what actually happens, followed by interviewing people on how they do strategy, a diverse set of views emerged on what strategy is,

how strategy works and what is good practice and what is bad. Some, for instance, argue that to achieve strategy is a matter of control over employees or using each resource, object, human or otherwise, as a means to an end. And some argue that strategy depends on creativity and collaboration from within a team. The question of whether these ideas in a scientific understanding can be called true is secondary; what matters is that it actually guides individual practices. People do what from their practical intelligibility makes sense for them to do. These sensemaking efforts were regularly triggered by ambiguity and/or uncertainty revolving the practical concerns. To capture the practical intelligibilities, the organising principles of practice-as-entity and the pervading tensions between rationales were compared. Some of these sensemaking activities emerged during the early rounds of coding, as in seeking the practical concerns of the day-to-day activities' insight was gauged into the concerns, ideas, and meanings that practice prescribes. Following the next stages of coding, this developed into insight into the sensemaking that practitioners made in the moment and to reflectively rationalise their own actions.

4.4.1 Achieving Financial Stability

The general understanding and teleoaffectivity of "profit-making" mould the practical intelligibilities that in achieving financial stability employees are resources towards that end and generative monetary value is placed on all aspects. Therefore, finances are perceived hierarchically as more important than the employees:

> F-O has weekly meetings with his business advisor, they are both sat in a private office this morning. He asks what she thinks of last week's performance. She considers a piece of paper in front of her with a spreadsheet of figures. She says, "*at this point we still aren't recovering as well as I would have hoped.*" F-O responds, "*if I have to make more redundancies that's an option, I am willing to make, we've got people milling around the warehouse sometimes with no orders to make, so they'd be the first ones to go to balance the books.*"
>
> **- FIELDNOTE SME 3**

The hierarchies of priorities in relation to business engagement emphasise the paramount importance for business objectives, money, rather than the employees within the company and their well-being. For Firm Frugality, the rationale for this was that the owner is tied to the business financially and that employees are a resource to achieve financial return. This practical intelligibility influences the activities in the hiring of new employees for growth. It has been

demonstrated the concern for retaining and hiring talent and many of the participants demonstrated their view of employees as a human resource to achieve the projected ends.

This is linked with the projected ends that there is a possibility to be financially stable, where they would feel confident about their financial situation. In this situation they would not worry about paying their bills because they know they will have the funds, they are debt free; they have money saved for future goals and have enough saved to cover emergencies:

> *"Our cash flow situation was very stressful, it still is very, very stressful. Knowing whether you're going to have enough money to go from one week to the next because don't forget we are on a 10-day 10 day cycle here so you don't really know what money is going to come in tomorrow you know how much stuff you going to sell tomorrow and that can become quite I think that's very very stressful time, so to be honest we are constantly working towards that stage where it is not stressful, I don't have to worry about paying my staff and instead I can focus my energy on other aspects of the business."*
>
> **- INTERVIEW EXCERPT SME 3**

The projected end of eliminating stress about money structures the practical intelligibility that this is the 'correct' way of strategising to achieve those ends.

4.4.2 Willingness to Trust and Try Things

For the sensemaking for Meaningful Relationships practising strategy, there was strong principles of "willing to try things "and "trusting the judgements", this sensemaking began to transform the rule-based practical understandings, such as requiring owner-manager sign off an any and all projects and avoiding unknown markets or projects that aren't in the usual repertoire of products or services sold. This is through the trust affectivity of goodwill and belief in the competence of another. The duty of care telos structures the affectivity of optimism and others trustworthiness, therefore has an affective way of seeing the one who is trusted. This affectivity explains the willingness of trustors to let those trusted to get close to the things they care about.

> OD-O walks down to the warehouse and says hello to everyone. She says to the production manager, "*how are you getting on today*?" He responds and says that they are doing okay and that they are following up the issues that the pick and pack

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system brought up yesterday where the system says they have stock in, when the warehouse doesn't actually have the product on the shelf and vice versa. He then asks her how he wants to approach it. She says, "*do you have any ideas?*". He says that he has one or two. She tells him that he knows the system better, *"so, whatever you think is best, I'm sure you'll resolve it."*

<div align="right">

- FIELDNOTE SME 8
</div>

Other strategy practice activities also evidence practical intelligibility of "willingness to try things" and "trusting the judgements" changing how risk should be handled under rule-based practical understanding. For example, rule-based practical understanding requires strategy practitioners to rely on to avoid taking on debt. However, the "willingness to try" and "trusting the judgements" has changed this where SME owner-managers are actually taking on debt, to try a new product, to purchase new technology, or even to establish a new working relationship. For example, the owner-manager in SME 2 attended a client pitch, which ultimately did not win their business, however he was happy to spend money on the prospect.

CD-O has a meeting with a potential client at the end of the week at 11am. He spends the first few hours of his morning researching the new client business, their market and competitors, he starts compiling branding, images and ideas into a document. He also watches social media videos related to the industry. Once he has put all this information together, he phones a brochure making company, he asks what their prices are for their brochure packages and places an order for five copies.

11am pitch meeting with client – conference call meeting – they all exchange pleasantries and afterwards CD-O asks if every received their copy of his brochure detailing his research and development for the brand campaign contract.

<div align="right">

- FIELDNOTE SME 2
</div>

Here, the pervading sensemaking to work is that "employees are more than just their labour", they are perceived as a key functioning aspect of the business who will be motivated by various sets of needs and for affiliation, in particular the sense of belonging to a group. This was evident in SME 8 where the general understanding of "profit making" and the affective orientation of being responsible, encouraged the practical intelligibility that the sense of familial relationships and community was integral to achieving it:

"To keep that family um morale and to know how everyone in the business is doing. Um, I think yeah because it's our personal interest and the guys who started the

<div align="center">

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</div>

business it was their baby, but that family ethos is also important because we know it is good for business and we pride ourselves on that… in terms of it being one of our unique selling points and that we're a personal company. Um, because a lot of our competitors we call them 'Box Shifters' because you just call them all up and say I want ABC and D and they might say like "oh we've not got in stock – so we've taken this off your order". There is no personal like phone call saying, "oh do you want to swap the item?" or something like that or what do you need. So, I'd say a lot of our competitors are like that. Whereas we would look at somebody's order and say of course we're trying to sell more and make as much money as possible but like oh what else would they might need for that job, how can we get them doing more for that customer and we like to get all of our contact within the company to know all of their contacts at their company. So, the Accounts know the Accounts, the processing team knows the processing team or the sales team. So, we like to think that a lot of people know us by face because they might have popped in to see us."

- INTERVIEW EXCERPT SME 8

Similarly, the hierarchies of priorities saw frequent actions that prioritized social output over financial gain, which extended from business to personal.

OD-O is doing the rounds of the warehouse to see how everyone is getting on. Most employees tell her everything is okay, but one tells her he is feeling awful because the recent package holiday company crash has meant he can't go on his holiday and it will be ages before he gets his money back. She asks him how much it cost and says that she will give him the loan so he can still go on his holiday and once he gets the money back, he can pay her back then.

- FIELDNOTE SME 8

4.4.3 Knowing Better

"Knowing better" or "being the expert" as a practical intelligibility establishes a sense of "we don't do strategy" that infuses the daily activities in the Renowned Reputation practising of strategy. The Renowned Reputation practising owner-managers demonstrated practical intelligibilities that no one understands their business like they do and therefore, they were the expert:

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MD-O is walking down from his site premises with an insurance agent and a surveyor, they are discussing MD-O's plans to expand his warehouse. Once at the end of the road, MD-O points to the section of land he has purchased and tells the two other men what he wants to do with it and where the warehouse will finish in regard to the main road. The two men are taking down notes. Once they have finished, the insurance agent asks MD-O how the business is and how are his tenants. One of his tenants is another business. MD-O responds "*one of my long term tenants is struggling, he has been in business a long time and has achieved a lot, but he regulates everything he does out of a book or sessions he does with the university and it's just not working for him, it's not malleable for businesses like ours, he's got these models printed all around his office, you know, business models and it just doesn't fit, so I don't think it's looking good for him.*"

- FIELDNOTE SME 6

Practitioners who resisted did so under the assumption that the use of the views collided with successfully running their business, being a good boss and so on. Others who abided (SME 7 and 9) did so thinking that the following of directives was paramount and that having guidance was a good thing.

Owner-managers sensemaking of their proximity to work and the length of time in the role, was that they knew what was best for their business and therefore believe that non-conformity and independence underpin strategy principles. This encouraged owner-managers to devalue external specialisms, an example of such non-conformity was captured in SME 4 where the financial director is discussing some comments made on an audit check to another director:

"*What do they know, the auditors come in or even the health and safety people come in and tell us what we need to do for their checklist, but trust me, I know that warehouse better than anyone. It's not feasible what they want us to change, there is no way we can accommodate it.*"

- FIELDNOTE SME 4

Proximity to work was steadily expressed as root reasons and the rationale for non-conformity and following intuition were often used as arguments for their coping activities. The operational style of Renowned Reputation SME owner-managers saw them having "faith" in their own judgement:

> 10am meeting in owner-managers office. Three employees present. Discussing the research, the production manager has done into purchasing a replacement wagon for their deliveries. He offers all the information, and they begin discussing the advantages and disadvantages of the wagon he has chosen. The operations director asks if it has cameras already installed. Another director asks how much more is it compared to what we will get back on the old wagon. The owner-manager interrupts the men talking. *"Oh, just bloody buy it! It sounds like you've done your homework and it's got most of the bells and whistles and we can sort out what it hasn't got. You've got to try haven't you, let's just do something, pick that truck, you seem to know enough, otherwise you won't know, I have no idea what is going to happen half the time and it's been alright."*
>
> **- FIELDNOTE SME 4**

> *"You know, I've employed these people, I have assessed their abilities and their experience, and I know that they can do this job, they can probably do things better than me, erm, so I have confidence, I trust, yeah I trust them to be able to make the right decisions and choose, err, the best course."*
>
> **- INTERVIEW EXCERPT SME 6**

4.4.4 Being Successful and Being Responsible

As previously discussed, within the SME literature owner-managers of SMEs are frequently difficult to separate from the business. It is not only important to be successful in business, but also to look successful themselves. This means that success is tied between the two. The teleology of "becoming successful" and "being responsible" structured their intelligibilities and organised work activities in various ways. To make a comparison, for the other ways of practising strategy how work was accomplished was irrelevant, what counted were results; the owner-managers were responsible for their career. Whereas for the Guided Compliance what mattered was accomplishing work the right way, following procedures and not taking shortcuts in order to get a better outcome.

> Managers meeting. MD-O, Chief Executive and Account Director (husband), senior broker team and three department managers present. After some chit-chat and pleasantries MD-O addresses the room, *"What I really want to get through to you all today is that management should be doing what is important for the business, whilst individuals should be doing what is important for clients. They should be proactive, engaged, empowered, high performing, erm with a good learning culture,*

where they can achieve their recovery targets, and so on. I want to be clear that this is how we will be able to meet our deliverables, and I want you all, I know you do it, I've seen you do it, to stop getting bogged down in the work that the individuals, the teams should be doing, because you're then putting out one fire and letting your fire burn brighter."

- FIELDNOTE SME 9

Whilst the above examples considered the risk and the responsibility part and parcel of business, and worth the reward, for Guided Compliance the risk and responsibility of success produced affectivities of fear and anxiety. Here, owner-managers worried about the potential of their idea or their personal ability to develop a successful venture, they tended to be affected more negatively and become less proactive. They recursively assessed their performance across multiple platforms, resulting in 'paralysis through analysis'. Coping slowed down as all possible data was sought and the avoidance of making a wrong decision becomes the primary driver. This is not uncommon, previous research acknowledges that risk taking is not the same as in larger organisations, instead heavy responsibility is placed on the owner-manager, with a consequent tendency to be risk averse (Morrison, 2006). Responsibility was therefore a stressor, where owner-managers perceived immense pressure due to their responsibility not just for their business or for their own financial fates, but also their employees. This was captured in moments where the owner-manager frequently took over conversations, interrupted employees, being at times rude or blunt and getting angry or frustrated.

Business Development meeting 10:30am. They are debriefing over two clients. MD-O says these are the two shocking things they have experienced over the last quarter and asks the room why have they not turned out like how we expected? One lead broker begins to speak and explain why he thinks they failed compared to the projections, he then diverts and begins talking about something else – a project he used to work on. MD-O interrupts him, but he doesn't stop talking. She continues talking over him and gets louder, appearing angry. She says, you are not answering the question directly. She stands up and writes down on the whiteboard at the top of the room the projections for the two clients and the loss of losing their business and the actual money coming in over each month to calculate the total. She turns to them and says, "*what I want to know is what did you do, for this to happen?*" She points at the final figure and taps the board loudly. The broker team look embarrassed, they are all looking at their notebooks, looking down.

- FIELDNOTE SME 9

This also means the responsibility for the success of the business and consequently the owner-manager is shouldered by the owner-manager. They avoid placing or transferring ownership for failures and problems to other stakeholders. For example, in SME 7 which is a long-standing family business the owner-manager (MD-O), the operational director and the new marketing director are having a fourth strategy meeting:

> They are discussing their formal strategy for the next three years. MD-O wants to get something concrete down on paper because it will help the employees "buy into the company". He says that they have been really successful with their massive growth and expansion in the last few years and he doesn't want it to stall. He then jokes, "I can't be the only [family name] who messes it all up and makes us go bust!"
>
> **- FIELDNOTE SME 7**

4.5 Unintended Strategy Consequences

This section will detail the findings in regard to the unintended consequences the SMEs underwent as a result of the immediate concerns they faced and their purposive practical coping. As outlined, each way of practising and understanding strategy influenced the SME owner-manager to cope in a plethora of ways. In the very process of strategising and coping their way towards the perceived projected ends, the changes initiated by the owner-managers coping activities generated several positive unintended consequences. Practical coping actions taken to deal with immediate obstacles and predicaments unexpectedly helped contribute to a clearer sense of strategic direction. From the complex combination of these purposive copings, inadvertently a coherent strategy emerged through the unintended consequences. The consequences were mapped out by reading through the data for traceable adaptions and comparing the trajectories between the first and second observation. In this process, the researcher identified how the concerns, copings and the mental organising concepts of practice, dynamically entwined with each other to contribute to the eventual emergence of a coherent strategy. Within this stage of the findings each SME will be organised into the ways of practicing strategy. To document with specific field data how concerns and copings lead to incremental changes and ultimately unintended consequences, a narrative detailing specific examples will be presented, followed by unintended consequences maps that demonstrate how the incremental changes contribute toward a macro pattern in the strategic trajectory of the SME, providing the bigger picture of how each micro doings combined give rise towards strategy emergence.

4.5.1 For Firm Frugality Practising of Strategy

For the Firm Frugality SMEs there was a key concern surrounding retaining financial integrity and viability, in this way strategy was oriented by the understanding and interpretation that the financial viability of the business (and of the owner-manager) was of paramount importance and therefore activities were oriented by frugality.

<u>SME 2</u>

To depict the unintended consequences here, the researcher began with the practical concern. The example chosen is the lack of storage space SME 2 was faced with, where the option to expand was not possible due to the expense.

> Warehouse manager and owner-manager are carrying a finished product to the warehouse storage. They open the doors and it is completely full. Owner-manager says, "*let's just store it in the showroom for now*". They take it to the storeroom and place the product down. The owner-manager says, "*we are going to have to crack down on limiting productivity because we just can't store anything more and I can't afford for anything to get damaged by putting it in random places*".
>
> **- FIELDNOTE SME 2**

The coping activities saw the owner-manager begin to schedule products in their manufacture process, so that when they were completed they could be immediately delivered to the client, rather than having to be stored until delivery was suitable for the client.

> Production meeting between MD-O and employees. He discusses orders with the team and job lots, he says "*we are being cautious about the spread of work, so we don't do all the work and in the slum of business have weeks of nothing to do*". He explains why they are working on job lots in a different order than usual to manage limited space to store furniture, they need to manage their orders wisely. He finishes by allotting each job and then repeats that if someone finishes their job lot to speak to either production manager of himself before they start any other work.
>
> **- FIELDNOTE SME 2**

The incremental changes were captured during the end of the first round of observation, but more specifically across the second round. Here employees were seen having more time to work on individual products without pressures for increased productivity and strict deadlines.

Employee working in the frame workshop only has one ticket to work on. Building the frame for a sofa and a chair. Last visit he usually had 2-3 tickets per day. He uses the whole day to craft the frames and works slower than when previously observed. He does not take extra downtime.

<div align="right">**- FIELDNOTE SME 2**</div>

At this point personalisation had become a collective practice, where employees had the time and the design freedom to improve functionality of the manufacturing process.

Multiple employees have pulled out MD-O from the office to look at their stage of manufacturing. On this occasion, the production manager wants to show MD-O how he has figured out how to get more from the leather when cutting with stencils, *"we can reduce the number of overall parts of leather we could order by at least one sheet per order."*

<div align="right">**- FIELDNOTE SME 2**</div>

This process can be seen in its entirety in the figure overleaf:

Figure 4. SME 2 Unintended Strategy Consequences

Immediate organizational concern

Lack of storage space

Website is awkward to navigate for users

Isolated workspaces

Unusual customer requests

Employees taking too much downtime

No space for staff to have a break

Team motivation low

Employees frequently call in sick

Purposive practical coping

Production line scheduled/stunted so products are made in time for immediate delivery

Meet with a website developer company to improve the existing website

Teams are left to self-manage their work without management presence

Take on the challenge to push the boundaries of their capabilities

Offer a schedule where employees can work their weekly hours over four days to have a long weekend

Shed converted into a canteen

Team activities outside of work; bowling, paint balling etc.

Weekly meetings held to educate staff on their importance to the production line

Unintended strategic consequences

Employees have more time to work on individual products without pressures for increased productivity/strict deadlines

New website allows customers to more easily browse products and services and encourages more diverse orders

Consumer data and trend information becomes more readily accessible to understand buying habits and what the customer values

Employees feel autonomous and accountable for their work

Work is varied and challenges employees to grow their specialist skills and be creative

Team feel rested and valued

Improved camaraderie and sense of pride in working together to accomplish something

Employees feel valued in their contribution to the end product

Personalisation becomes a collective practice

Workforce is highly focused and detail oriented

Employee motivation and pride in their work is cultivated

Quality and bespoke aspect of the business re-centralized

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<u>**SME 3**</u>

Similarly, SME 3 was oriented to keep costs low and to increase revenue. In response to the practical concern of an increasingly poor cash flow, the owner-manager coped in multiple ways. One such way was in relocating the operations director to the main office to work within the sales team:

> Operations director is working at a sales desk. She is currently processing a client order. The team leader from the warehouse comes into the office and stands behind her whilst she is on the phone. He waits for the call to conclude. She spins around on her chair and asks if everything is ok. He says that they have an issue with an order in the warehouse, she says she doesn't have time and has another call in five minutes. She finishes by saying, "you'll just have to get on with it how you see best."
>
> <div align="right">

- FIELDNOTE SME 3</div>

Over time, an incremental change emerges where formal roles are ignored, and teams begin working outside of their usual roles and responsibilities. They collaborate with colleagues that they would not have done previously.

> Operations director is sitting at her desk, asks a question to the sales manager across the office. She asks if she has dealt with [client name] before. Sales manager says it is her client. Operations director says, *"I didn't realise it was your client, but I can process this order if you'd like*?" Sales Manager responds, *"if you have time that would be great because I need to do these meetings in a bit*."
>
> <div align="right">

- FIELDNOTE SME 3</div>

Ultimately, the formal business structure and traditions are no longer adhered to, where employees, owner-manager included, begin activities that span across the business; the IT apprentice is creating and managing web content, the office administrator acts as a salesperson and the marketing assistant acts as a personal assistant to the owner-manager.

This process can be seen in its entirety in the figure overleaf:

Figure 5. SME 3 Unintended Strategy Consequences

Immediate organizational concern

Purposive practical coping

Unintended strategic consequences

Frequent errors on the stock system

Low consumer visits/sales to the online shop

Environmental regulations increasing

Poor cashflow

Owe money that they can not pay back

Dependent on delivery time slots

High debtors

Declining sales

Utilize business consultant experienced in operations

Meet external b2c advisors who run the online shop

Begin producing paper straws to offer as an add on

Operations director relocates to the main office to work in the sales team

MD calls in favours for extensions

Authority is given to team leaders in the warehouse to approve a pickup

Retired finance director moonlights free of charge to help decrease debtors list

Rules are slackened for offers salespeople can make

Better understanding of consumer trends and product sales to increase consumer foot traffic

Encourages team to look outward at environmentally driven social trends that they can cater for

Formal roles are ignored and the whole team collaborate on selling

Other channels of generating cash are stimulated socially, rather than professionally

Power/authority is disseminated through the teams to ensure deadlines are met and efficiency

Employees are inspired and work voluntary overtime to improve productivity

Employees are given their own judgement and autonomy to make deals to guarantee sales

Change is encouraged and becomes a vital part to the daily operations

Formal business structure and traditions are no longer adhered to

Employees are empowered and individual authority becomes a collective practice

Flexibility, responsiveness and company agility improved

4.5.2 For Meaningful Relationships Practising of Strategy

Developing and maintaining human relationships are the main practices for those managers with a Meaningful Relationships understanding of strategy. Their concern for people and their relationships, as evidenced by activities that are more socially inclined, rather than financial.

<u>SME 1</u>

As documented SME 1 had orienting concerns surrounding inexperienced new staff and their training/development, increased prospective clients and high workload. The example of practical copings taken here are the onboarding policies introduced to provide in house mentoring and workshops in response to inexperienced new staff. Incremental changes such as the team gaining experience, confidence and autonomy from their own accomplishments and competencies.

> A client calls asking about using videos in their ad campaign, they want to extend their budget. CD-O, responds, *"who I think you need to speak to is [employee name], she works a lot on the motion side of the the erm the requirements so if you required some of those elements, she would be the best person. She actually has just secured a client with her motion work on a project that I am sure she will tell you about."* [Employee name] smiles at CD-O and gives him a thumbs up and picks up her phone to take over the call.
>
> **- FIELDNOTE SME 1**

And employees feel secure to be bolder with their artwork and ideas without negative consequences if it is not successful. This led to unintended consequences where an open and trusting environment was cultivated within the office.

> 8:43am. Two employees (programmer and senior designer) are sitting at their desks before anyone else has arrived for work. They talk about the work they were doing yesterday and what they plan on doing today. The programmer says, *"I have been looking at the social media of [client name] and it's so bland, there's no brand guidelines they've just put anything – there's no tone or voice – there's no character, their website needs work it looks all stock. I decided to look at Shopify and played around with how their website could look alongside that"*. The senior designer says, *"I don't think we need to do that at this stage, it doesn't need rebuilding – I think it's just the style of it all that needs to changed."* The programmer replies, *"yeah I have probably gone overboard, but take a look later*

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and see what you think." Senior designer responds, *"yeah I will do, I'm interested to see what you came up with."*

Consequently, independent innovation became a collectively shared practice. The more relaxed and focused working atmosphere created in the office, produced subtle changes in the relationships within the team that in turn encouraged experimentation, collaboration and hence new creative achievements that attracted a larger repertoire of clients. Employees could focus more on learning new skills and producing higher quality artwork, which meant they became more willing to accept feedback from the owner-manager, each other and clients, and more prepared to exchange, explore and refine their creative design practices with each other. They grew more confident in their own capabilities and learnt to collaborate with the owner-manager who entrusted them with their own design process around general projects he proposed. This ultimately contributed towards a coherent strategy of independent thinking that encouraged innovation and creativity. A more intimate depiction of this can be seen in the figure overleaf:

Figure 6. SME 1 Unintended Strategy Consequences

Immediate organizational concern

Purposive practical coping

Unintended strategic consequences

Inexperienced new staff

Owner no longer has time to contribute productive work

High workload

Increased prospective clients

Mistake made regarding client billing

Managing director taken off site consistently for external meetings

Small office space

Lack of project structure

Ownership of low priority work is given to new employees

Onboarding policy introduced; mentoring provided and in-house workshops

Employees are given decision making power over their artistic input on their projects

Employees are invited to different pitch meetings outside of their usual roles

Employees are taught how to fix their mistakes rather than punishing disciplinary action

Delegate managerial responsibilities to more experienced employees

Desks are arranged back to back which offers close proximity working arrangement

Decorate with 'fun' posters and include a pool table and sofa

Responsibilities and projects are clearly assigned in new weekly meetings

Team gain experience, confidence and autonomy from their own accomplishments

Employees feel empowered and valued by senior management

Employees are given the platform and opportunity to share their ideas and perspectives

Employees feel secure to be more bold with their artwork and ideas without negative consequences if it is not successful

Encourages employees to use their initiative and take responsibility for their own work

Encourages an environment that is mutually supportive and in socializing employees can share ideas and experiment together

Relaxed environment established to encourage freedom of creativity

Employees have reduced uncertainty on projects

Open and trusting environment cultivated within the office

Team are exposed to working without manager dependency or approval seeking

Creative initiative becomes a collective practice

Independent thinking encouraged for a self-sustaining team

SME 5

Similarly, to SME 1, SME 5 was oriented towards the welfare of their staff, their clients and the local community. One such example began with a practical concern surrounding a new opportunity in the local education sector. After reviewing the opportunity an external advisor told the owner-manager it would not be profitable for her business. However, her practical concern continued as local schools were struggling to handle their accounts. Her practical coping saw her to seek help from a retired partner to set this diversification of her business into place, so that she could provide the services the schools need.

> MD-O is attending a school with her retired business partner. She has written up a plan with him to propose to the school a new relationship. She is discussing her plan of action with the office manager. MD-O says "*they run like businesses really don't they, schools, so you know they really need our help, because they aren't run by businesspeople, they are run by teachers. So hopefully moving forward from today we can get something established permanently between us and the local community of schools.*"
>
> **- FIELDNOTE SME 5**

This coping saw an incremental change where professional support within the local community was much more readily given, without the expectation of an immediate or financial return. In the second week of observation a partnership with a local service provider had been formed to deliver comprehensive and personalised services to educational institutions within the local area. A meeting between the two businesses was observed with the owner-manager of each SME present.

> MD-O is sitting in the conference room with the owner-manager of the firm they have gone into business with for this new school service. They are discussing the operational aspects of the partnership. MD-O says, "*I want this to be as collaborative as possible, I don't want you to think we are pawning your skills off to the local schools and getting all of the credit. Obviously, the service is through us, but you will be providing the bulk of the HR and Payroll services and we want to support you in other ways.*"
>
> **- FIELDNOTE SME 5**

Evidence of the owner-manger's sensemaking of this can be found in the below excerpt from the interview:

> *"Because we deal with people who are in business and I think if we are stable, we can offer stable relationships, it gives the clients a reliable basis in which to get advice, but also it gives other businesses, who aren't clients access to that reliable advice too. When you've got lots of changing advisors' people don't have the knowledge of the history it's a bit like a doctor. When you see your GP, your GP may well know you but if you've got a complicated situation and you've got to see lots of different people it's very difficult to keep re explaining and you don't build the relationship."*
>
> **- INTERVIEW EXCERPT SME 5**

As a result, generalized reciprocity becomes a collective practice, there gift giving without the expectation of an immediate return is established as a norm. In this sense, a high trust culture is established within the SME, with clear evidence of trust and fairness based on mutual respect, where two-way promises and commitments – between employers, employees, clients, and partnerships – are understood and fulfilled. The incremental changes continue to create a coherent strategy of collaboration and transparency, which continue to mould the high trust culture. How each concern and coping feeds into this is documented in the figure overleaf:

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Figure 7. SME 5 Unintended Strategy Consequences

Immediate organizational concern

Purposive practical coping

Unintended strategic consequences

- Technical capabilities underdeveloped in senior management
- Some clients are far away
- Employee has on going medical issues
- Administrative workload (i.e. paperwork) high
- New opportunity in the education sector (but is recognized as not profitable)
- Limited time for principal to meet with clients
- Prospective clients seeking service
- High maintenance clients

- MD-O seeks regular technical support from employees
- MD-O offers to meet with clients on the way to her scheduled meetings, in a face to face setting
- Given time off and offered support - existing workload is shared out amongst employees
- Principal takes home overflow paperwork to sign off
- Seeks help from retired partner who provides ad hoc help/advice
- Principal asks favours for others in the team to pick this work up
- Provides advice to seek help with current service provider
- Spends a high proportion of meetings listening to problems and providing support

- Asking for help is encouraged and is demonstrated as a strength not a weakness
- Clients are prioritized and "going the extra mile" becomes integral to the work they do
- Employees are exposed to support from senior management and are encouraged to provide help to their colleagues
- Professional support/advice/help flows in and out of the business and up and down the hierarchy, fostering an environment whereby professional exchanges can be given without the expectation of an immediate return
- Staff begin to show this behaviour where their professional, truthful and integral opinion is given, despite it compromising new client deals
- Prioritizes client concerns and provides platform for them to communicate this

- Generosity becomes a collective practice
- Generalized reciprocity becomes a collective practice
- Open and honest communication is fostered

- High trust culture established

For SME 8 the Meaningful Relationships orienting concerns were prevalent. In the case of one such concern the owner-manager saw decreasing motivation, in which her guiding understanding of practising strategy influenced her perceived reasons as to why this was. She perceived this was due to lack of praise and success sharing within the business. The coping activities saw her implement a monthly newsletter that shared figures between departments to celebrate employee victories and to install a bell in the office that would be rung every time a salesperson made a sale worth over ten thousand pounds.

> 13:56 the sales manager gets off the phone to a client, he smiles and stands up walking over towards the bell. OD-O looks up and starts smiling. The sales manager rings the bell, and everyone stands up to applaud him. The marketing manager asks him who was the client and how much was the sale. He explains that it was quite a regular client, but he managed to get them to add on some extra service equipment and the order sky rocketed.
>
> **- FIELDNOTE SME 8**

This incremental and seemingly mundane change saw improved transparency between departments. They were sharing more information about their activities with each other and ultimately, knowledge sharing becomes a collective practice.

> Marketing team and Operations team are in a meeting. They are discussing how they can collaborate to make things more "streamlined". The marketing team ask if they can have a workshop one afternoon on how to use the amazon/eBay company seller tools so that they can understand the process, how it works and market it better on the website.
>
> **- FIELDNOTE SME 8**

Ultimately, when considering all the incremental changes occurring as a result of the coping actions taken in SME 8, whilst driven by their Meaningful Relationships understanding of strategy a coherent strategy began to emerge of improved knowledge harnessing and an orientation towards knowledge exploitation. In this regard, knowledge became the commodity that was valued and more importantly shared within teams and across the departments. This can be seen overleaf:

Figure 8. SME 8 Unintended Strategy Consequences

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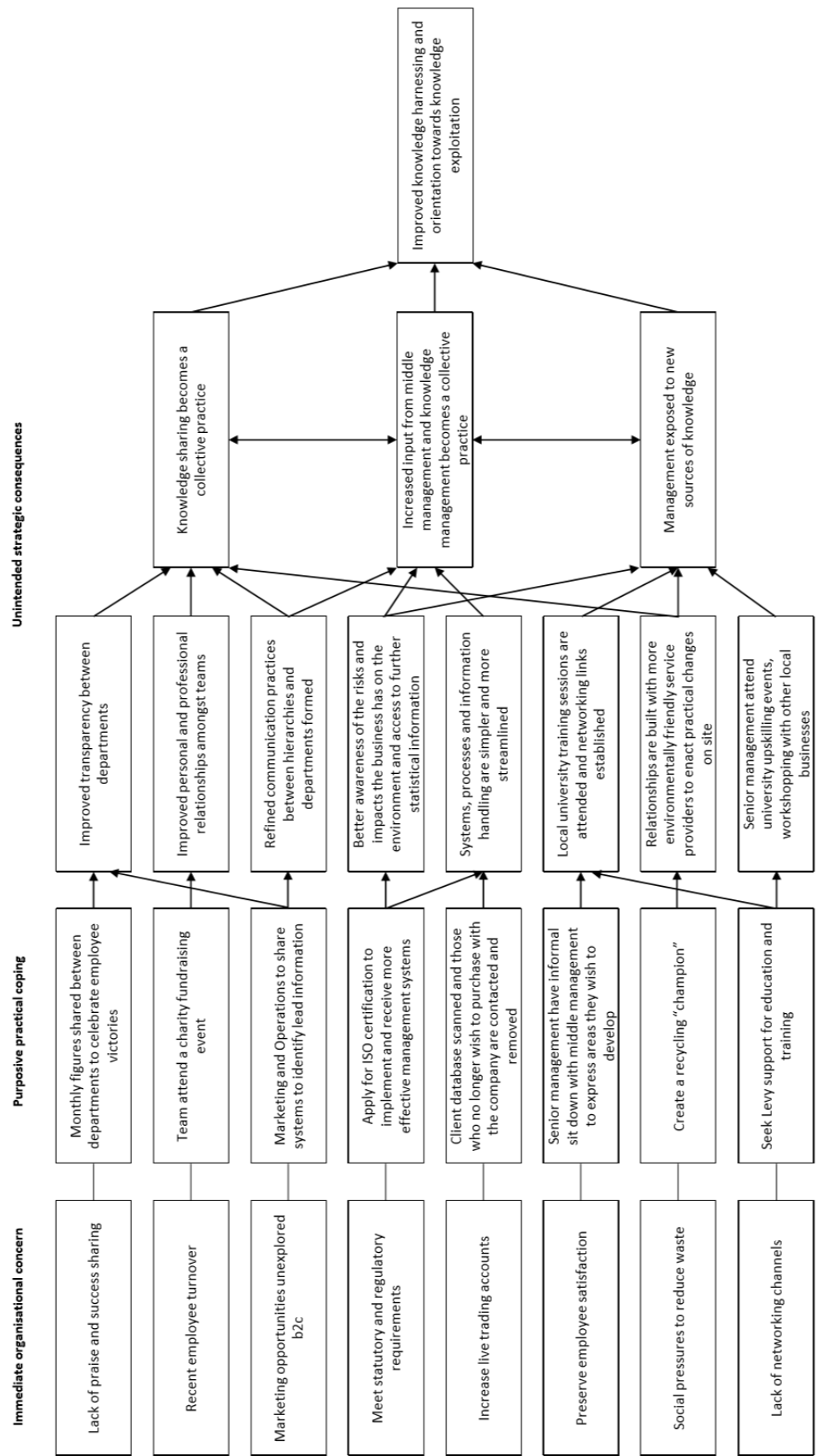
4.5.3 For Renowned Reputation Practising of Strategy

SME 4

For SME 4, the chief practical concerns were due to the knock-on effects of the 2017 Grenfell incident, in three main ways; uncertainty in the industry, higher restrictions and frequently changing regulations and increased demand from councils to meet standards, which contributed to a higher workload. Oriented by the Renowned Reputation practising of strategy, where exposure and reputation of their competences, capabilities and products/services was integral to strategy, they were encouraged to have open lines of communication with stakeholders and their competitors.

In this way, their copings saw the management team have daily check ins with competitors, local councils, and regulators over the phone to try and gauge certainty or clarity over regulations and restriction changes:

> MD-O calls fire testing body - they have some chat about life and small talk – FD-O tells him he is shouting on the phone. MD-O lowers his voice. He says, *"the fire security market is up and down like a yoyo"*, he then explains that they are trying to think ahead for what products will need to be tested in a few weeks to get the certification they need. He asks, "*do you do past 24 hours testing for security doors, so we can do fire and security with you?"* He then repeats the callers answer, "*you are just the fire side, are you? Ok fine, right, that answers one big question then. Is there anyone like yourself other than the two big culprits that I can go to? Thanks [name]…*" he picks up his pen and jots down names the caller gives him. He then says, "*I have had paperwork from them since January all the relevant paperwork has gone to them it's just basically writing it into our scope and I've been waiting since January, it's a nightmare. Well anyway, thanks for your help and we will speak again soon I'm sure."*
>
> **- FIELDNOTE SME 4**

Similarly, they regularly met with competitors to share certification so that they could both benefit from the ability to still continue producing products, regardless if this meant giving their competitor a certificate for free, which may have costed the SME thousands of pounds for.
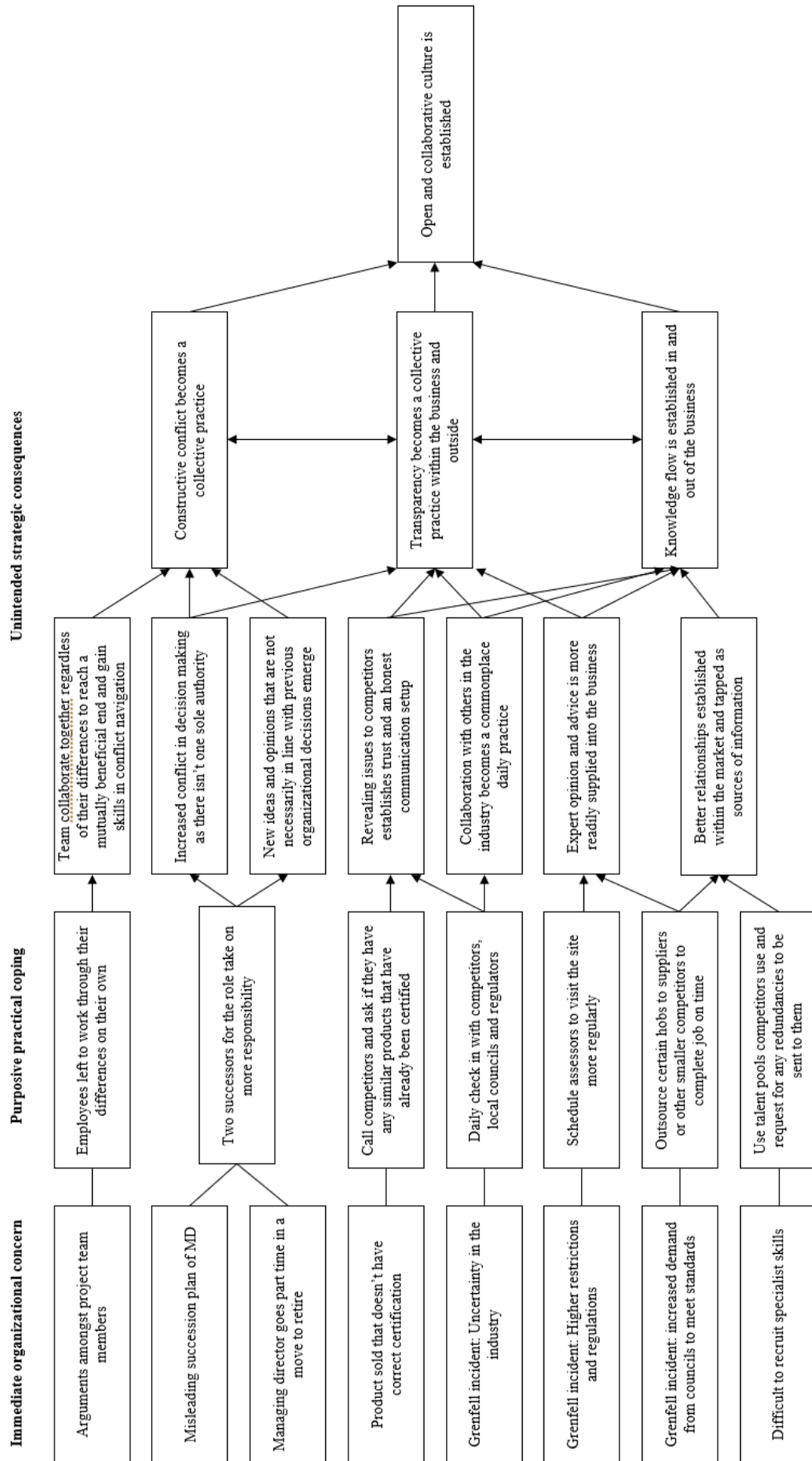
> FD-O, Operations Director, and Technical Manager are in a meeting with a Competitor owner-manager in the conference room. They are discussing

collaboration on getting a test certificate sorted. FD-O says, "so if we did an indic with you, what would we get get from yourselves?" Competitor responds, "well it depends because the letter plate you want, we don't do it – the letterplate test is independent it is different." Operations Director cuts in and says, "this isn't our issue then – we need to get on to [testing body]." The Technical Manager nods and says, "therefore we have to look at another plate – there is no point us doing an SBD test – because we cannot test that letterplate." Operations Director says, "so there is no point testing." In response the Competitor draws an imagine on the back of a document on the desk and explains to the issue with a security test on a letter plate – and asks if they can put a rod through letter plate it fails. FD-O says, "our project manager didn't want the hassle of changing the letter plate", which Operations Director adds, "no well she has no choice now, we will have to, we can't use them full stop." He continues, "we will have to just show [client] all the different letter plates and just let them pick", he turns to the competitor and asks, "can you manufacture inch pads with the holes?" Competitor responds, "in terms of the pads themselves 100 times easier – they are great for us. But it is something we would like to look in to - if you could ask for those to be confirmed – we would look at using your fire rated products in the test".

- FIELDNOTE SME 4

The incremental changes were noticeable, collaboration with others in the industry becomes a commonplace daily practice, better relationships established within the market, and knowledge flow is established in and out of the business. This led to unintended strategy consequences where, structured by the understanding of strategy to retain positive exposure and reputation, an open and collaborative culture is established within the SME and the sector as a whole. This can be viewed in the figure overleaf:

Figure 9. SME 4 Unintended Strategy Consequences

Immediate organizational concern

Purposive practical coping

Unintended strategic consequences

Arguments amongst project team members

Employees left to work through their differences on their own

Team collaborate together regardless of their differences to reach a mutually beneficial end and gain skills in conflict navigation

Misleading succession plan of MD

Managing director goes part time in a move to retire

Two successors for the role take on more responsibility

Increased conflict in decision making as there isn't one sole authority

New ideas and opinions that are not necessarily in line with previous organizational decisions emerge

Product sold that doesn't have correct certification

Call competitors and ask if they have any similar products that have already been certified

Revealing issues to competitors establishes trust and an honest communication setup

Grenfell incident: Uncertainty in the industry

Daily check in with competitors, local councils and regulators

Collaboration with others in the industry becomes a commonplace daily practice

Grenfell incident: Higher restrictions and regulations

Schedule assessors to visit the site more regularly

Expert opinion and advice is more readily supplied into the business

Grenfell incident: increased demand from councils to meet standards

Outsource certain hobs to suppliers or other smaller competitors to complete job on time

Better relationships established within the market and tapped as sources of information

Difficult to recruit specialist skills

Use talent pools competitors use and request for any redundancies to be sent to them

Constructive conflict becomes a collective practice

Transparency becomes a collective practice within the business and outside

Knowledge flow is established in and out of the business

Open and collaborative culture is established

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SME 6

Similarly, for SME 6 the Renowned Reputation understanding of strategy saw many of the concerns surround how the business is represented to its stakeholders and the wider local community. A core concern surrounding this, is that speciality skills are required for the work and they are both in high demand and are hard to retain. The owner-manager copes with this in a number of ways. Firstly, copings were captured by the owner-manager conducting a daily walk through to speak to all employees and to discuss what they are working on, giving them opportunity to discuss ideas and opportunities. Secondly, financial copings saw the owner-manager offering large sign on bonuses and providing employees financial support in personal matters.

The incremental change of these copings saw employees being implicitly educated about risk, in the sense of what risk is acceptable in their work and what risks their employer will take for them. Whilst also creating a culture that encourages employees to have ideas and take risks on opportunities they see.

> Walkthrough day 4. In the spraying booth area of the car shop, MD-O says "*morning [employee name], how are you getting on?*" Employee responds, "*so, I think you are going to like this, look at this*" – he points to the shine on the car – "*can you tell the difference?*". MD-O crouches down and looks at the shine and wipes his hand over the new colour and says "*what have you done differently, it looks so close to the original?*" The employee responds, "*right? I mixed in that new colour we ordered and it's pretty close to what they would produce themselves.*" The MD-O tells him it's brilliant and well done. The employee laughs and says "*I was sweating this morning thinking he'd have my balls if it didn't dry out right*", they both laugh. MD-O "*luckily for you it's paid off!*"
>
> **- FIELDNOTE SME 6**

The unintended consequences, when combined, see opportunistic and discovery risk taking as a collective practice. This is affirmed by the general understanding of risk-taking for Renowned Reputation understandings. Ultimately, diversification and market expansion become centralised practices to the business and emerge as a coherent strategy. As the owner-manager for SME 6 put it:

> "*My wife keeps saying that I have to try everything. Yeah, I just like doing stuff I like doing different things…it's far easier as you get older to, if I've got a few quid, to be*

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able to do different things and I enjoy it more, taking more risk, well I don't call it a risk... I don't see it as a risk because it's a calculated risk, so I always look at something and go ok – let's give that a go. And that's what you see out on the shop floor, trying new things, exploring ways of repairing and improving our service range."

- INTERVIEW EXCERPT SME 6

This can be seen in the figure overleaf:

Figure 10. SME 6 Unintended Strategy Consequences

Immediate organizational concern

Purposive practical coping

Unintended strategic consequences

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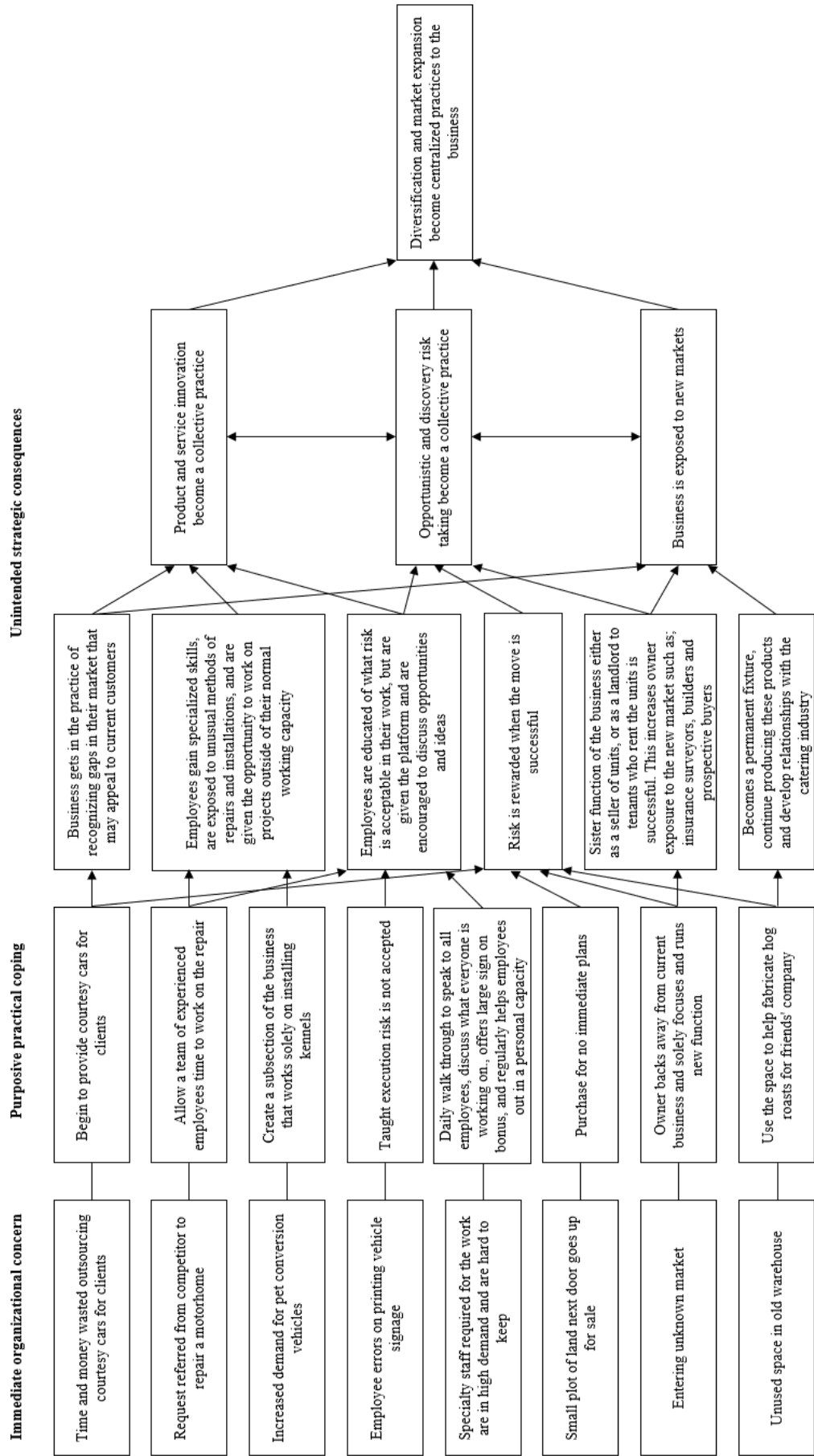
4.5.4 For Guided Compliance Practising of Strategy

<u>SME 7</u>

For SME 7 there was a clash between being compliant with 'the way things had always been done' and being compliant with what formal strategic management practices prescribe. In this way, the owner-manager is concerned by not appearing like a business "should", for example through cultural differences across his sites and using outdated structures, technology, and equipment. His coping activities saw formal structures and tools being implemented, such as creating an employee handbook and company vision and values. This is dispersed throughout the company and highlights new career progression, current structure, aims of the business, vision and values to aid in transparency and to expose the team to expected behaviours, wider business issues and the overall direction.

The incremental changes occurring from this are a taller hierarchy with increased transparency, where employees are made aware of financial information and so on, that they have not been privy to before.

> 11am Operations Director is running a training session with shift workers not scheduled to work. He hands out the new employee handbook and begins a training session to work through each section of the handbook and to take feedback from employees.
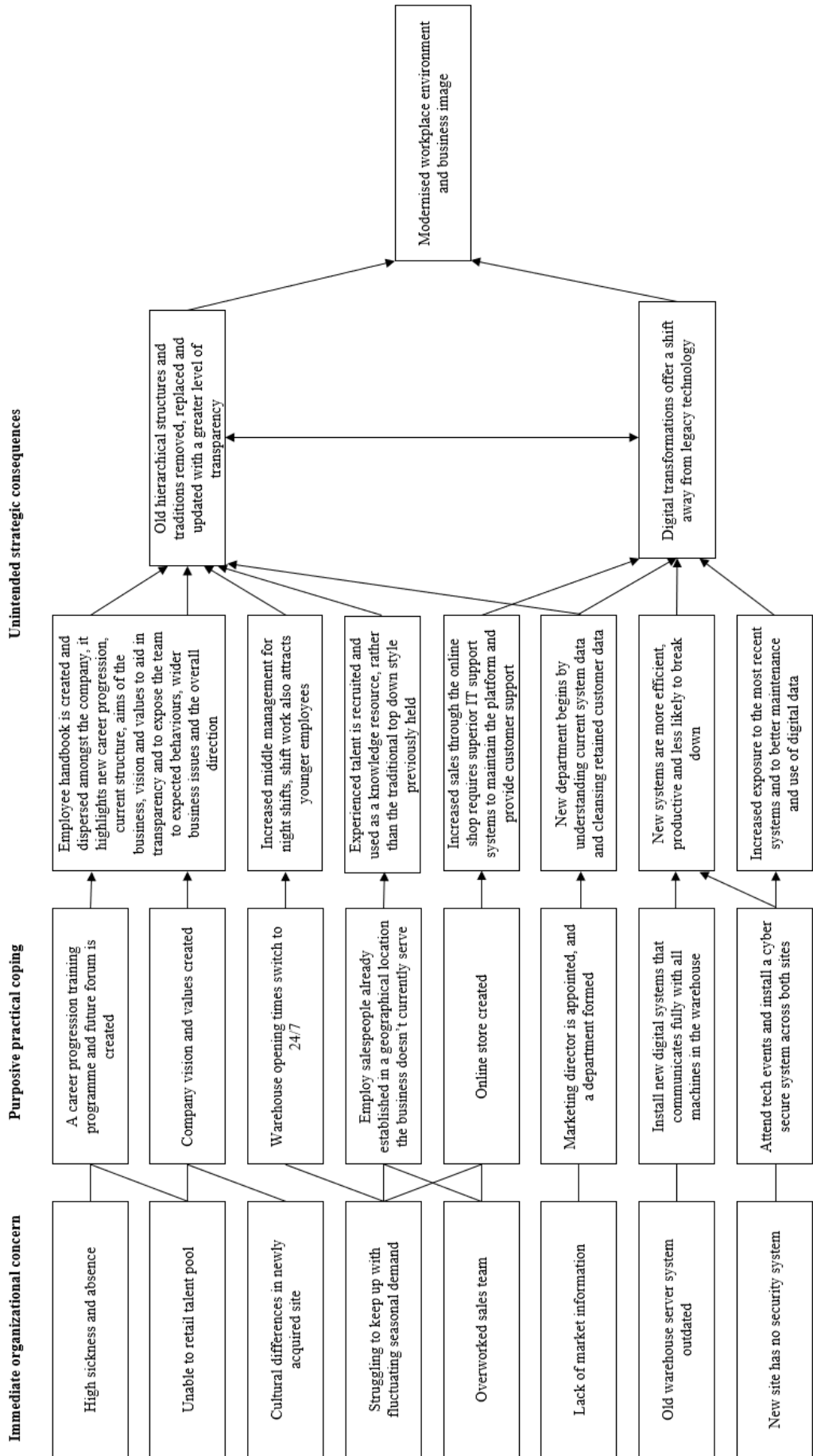>
> **- FIELDNOTE SME 7**

Similarly, with their concerns surrounding how the business should look, they perceive that they have a lack of market information and do not respond well to inconsistencies in the market. The owner-manager copes with this by appointing a new managing director, who consequently begins updating the current technology systems:

> Marketing Director is cleansing the customer data stored on their systems. She is doing this with a new member of her marketing team as a learning process. She explains how once the data is cleansed, they can more readily access client data that is useful in how they market products and for the sales team to go in with a more refined sales pitch to clients about their purchasing activity.
>
> **- FIELDNOTE SME 7**

The incremental digital transformations and changes offer a shift away from legacy technology, which, ultimately contributes towards a coherent strategy that is oriented towards modernisation. This process can be seen in the figure overleaf:

Figure 11. SME 7 Unintended Strategy Consequences

Immediate organizational concern

Purposive practical coping

Unintended strategic consequences

High sickness and absence

Unable to retail talent pool

Cultural differences in newly acquired site

Struggling to keep up with fluctuating seasonal demand

Overworked sales team

Lack of market information

Old warehouse server system outdated

New site has no security system

A career progression training programme and future forum is created

Company vision and values created

Warehouse opening times switch to 24/7

Employ salespeople already established in a geographical location the business doesn't currently serve

Online store created

Marketing director is appointed, and a department formed

Install new digital systems that communicates fully with all machines in the warehouse

Attend tech events and install a cyber secure system across both sites

Employee handbook is created and dispersed amongst the company, it highlights new career progression, current structure, aims of the business, vision and values to aid in transparency and to expose the team to expected behaviours, wider business issues and the overall direction

Increased middle management for night shifts, shift work also attracts younger employees

Experienced talent is recruited and used as a knowledge resource, rather than the traditional top down style previously held

Increased sales through the online shop requires superior IT support systems to maintain the platform and provide customer support

New department begins by understanding current system data and cleansing retained customer data

New systems are more efficient, productive and less likely to break down

Increased exposure to the most recent systems and to better maintenance and use of digital data

Old hierarchical structures and traditions removed, replaced and updated with a greater level of transparency

Digital transformations offer a shift away from legacy technology

Modernised workplace environment and business image
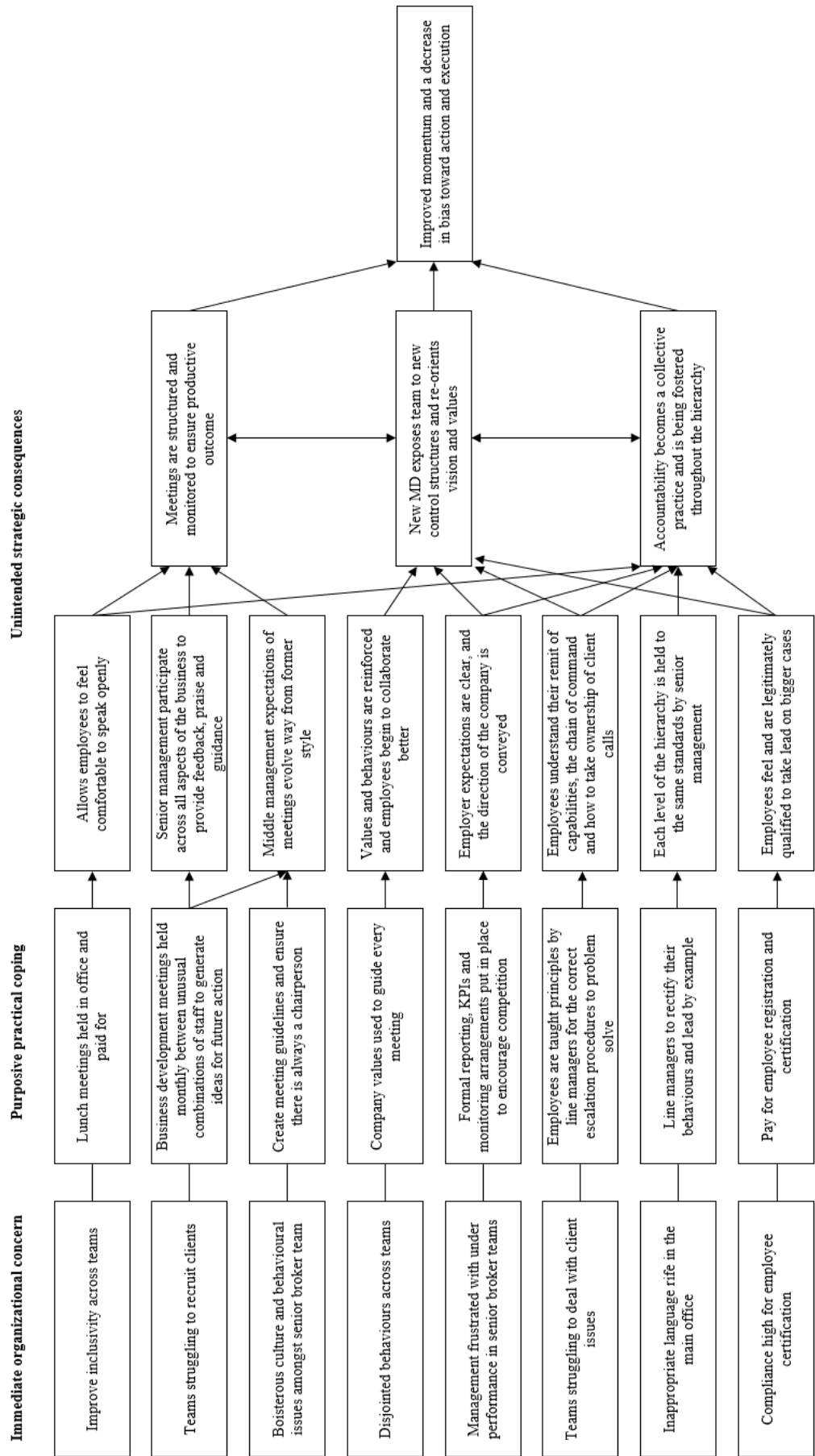
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Originally, when considering the data and low-level activities, there seemed to be evidence of rumination within the coping activities. Here, actions were oriented around talking about what to do and how to report on current performance/success, rather than actual doing, perceived as withdrawal and avoidance. However, in continuing to map out the data, evidence shows that the practical intelligibilities surrounding "being responsible" in tandem with the affectivities of anxiety, produced unintended strategic consequences where persistence became a strategy. In this sense, during the practice breakdowns "threats" resulted in anxiety, however in ruminating on the problem and having a multitude of meetings with each small team and department an action focused coherent strategy began to emerge. The practical intelligibility of "being responsible" meant practitioners were more likely to look at mistakes and anticipate failures throughout the business and learn from them, rather than placing the blame with other stakeholders. For example, an incremental change in regard to the coping where business development meetings were held monthly between unusual combinations of staff, saw senior management participate across all aspects of the business to provide feedback, praise and guidance. The unintended consequence of closely monitoring the teams in this way ensured productive outcome:

> Business Development Meeting (Monday 9am) Senior broker team present. MD-O brings up spreadsheet which tracks what and when things need to be done by for renewals – any mid-term changes that are unexpected – if a client buys a new building or a fleet of cars – they need to be insured. The team have to make 20 calls a week to chase leads out to businesses – that's their target – this is tracked by the spreadsheet. She reiterates this. Whilst the spreadsheet is on the screen they continue discussing where they finished last week with new business, she then says *"we are under considerable pressure now – we have all heard about the bad news, [competitor name] is out to get the group they have acquired and are undercutting business and are trying to take all clients in the market because of the two "heads" of the companies have a personal fallout. So, we will have to chase as much new business as we can."* The senior broker team respond by saying they have already been achieving more than 20 calls on their spreadsheet target and they will just make that the norm amongst themselves and their subordinates. She agrees and they update the spreadsheet.
>
> **- FIELDNOTE SME 9**

The figure overleaf captures this in full:

<u>185</u>

Figure 12. SME 9 Unintended Strategy Consequences

Immediate organizational concern

Purposive practical coping

Unintended strategic consequences

Improve inclusivity across teams → Lunch meetings held in office and paid for → Allows employees to feel comfortable to speak openly

Teams struggling to recruit clients → Business development meetings held monthly between unusual combinations of staff to generate ideas for future action → Senior management participate across all aspects of the business to provide feedback, praise and guidance

Boisterous culture and behavioural issues amongst senior broker team → Create meeting guidelines and ensure there is always a chairperson → Middle management expectations of meetings evolve way from former style

Disjointed behaviours across teams → Company values used to guide every meeting → Values and behaviours are reinforced and employees begin to collaborate better

Management frustrated with under performance in senior broker teams → Formal reporting, KPIs and monitoring arrangements put in place to encourage competition → Employer expectations are clear, and the direction of the company is conveyed

Teams struggling to deal with client issues → Employees are taught principles by line managers for the correct escalation procedures to problem solve → Employees understand their remit of capabilities, the chain of command and how to take ownership of client calls

Inappropriate language rife in the main office → Line managers to rectify their behaviours and lead by example → Each level of the hierarchy is held to the same standards by senior management

Compliance high for employee certification → Pay for employee registration and certification → Employees feel and are legitimately qualified to take lead on bigger cases

Meetings are structured and monitored to ensure productive outcome

New MD exposes team to new control structures and re-orients vision and values

Accountability becomes a collective practice and is being fostered throughout the hierarchy

Improved momentum and a decrease in bias toward action and execution

4.6 Summary

The main findings presented in this chapter clarify how SME owner-managers practise strategy, that is, in four qualitatively different ways of Firm Frugality, Meaningful Relations, Renowned Reputation and Guided Compliance. The variety of practical concerns, coping activities and unintended consequences that orient owner-managers strategy work in their business became the basis for identifying the differences between each way of the performance-of-practice. Each way of practising and understanding strategy was explained in detail using observational data and interview quotes to substantiate the results. The chapter then intimately depicted why they practised strategy the way they did, by exploring the sources that guided actions within the practice-as-entities. This chapter finished by exploring the variations in the performance-of-practice and practice-as-entities and how consequently unintended consequences emerge to form a coherent strategy. Demonstrating that what makes consistency possible in emergent strategy as a pattern realised in the absence of purposeful intent is the immanence of social practices that, through the rules, practical understandings, general understandings, teleoaffectivity and the resulting practical intelligibilities, guide the orienting concerns, the coping action taken and the understanding of the unintended consequences. This is demonstrated in Figure 13 below:
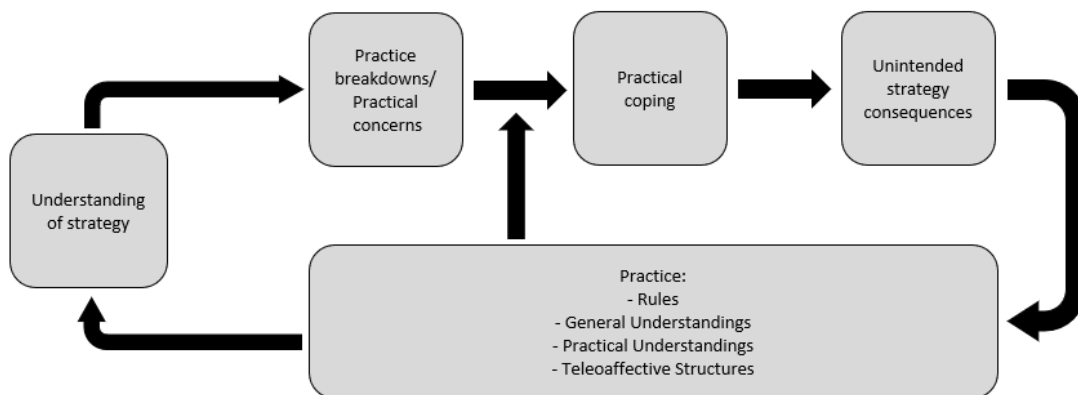
Figure 13. Strategy emergence in SMEs

Even though the sample of SMEs varied across sector and have individually peculiar set of challenges, this sector proved not necessarily unique in the ways managers practise and understand strategy. An overview of the four ways managers practice strategy, provided in Table 6 (overleaf), shows that each understanding is shared, with several participants having alike activities and practices.

Table 6. Research Participants' Placement in the Ways of Practising Strategy

	Four Ways of Practising Strategy			
	Firm Frugality	Meaningful Relationships	Renowned Reputation	Guided Compliance
SME[9]	SME 2 SME 3	SME 1 SME 5 SME 8	SME 4 SME 6	SME 7 SME 9
Total	**2**	**3**	**2**	**2**

CHAPTER FIVE

DISCUSSION

5.1 Introduction

This thesis explores strategy with a sociological eye, using a Schatzki (2001; 2002) inspired practice-based lens to explore practices in small and medium size enterprises in the North West, to appreciate how a coherent strategy emerges through everyday purposive actions and practices. In the previous chapter, findings from the analysis of the data collected through observations and interviews of nine SMEs were presented. The findings present the nature of strategising in SMEs as multitudinous coping actions underpinned by the organising mental components of practice that form four distinct ways of practising strategy.

This chapter interprets and describes the significance of the findings and discusses them in tandem to the current literature. It proceeds in three broad sections. The first section advances the discussion on practical concerns that orient the daily strategy work of the nine SMEs. In doing so, it explores the responding practical, purposive copings that, combined, reveal four different ways of practising and understanding strategy. The second section discusses how the local, spontaneous coping activity is informed, affected, constrained, or enabled by the wider constellation of practice. This explicates how strategy appears as coping activities that are performed in a variety of ways due to the predispositions practice prescribes within the organising mental components of practice. The third section discusses the local and trans-local effects of practice and the unintended consequences that are produced as a consequence of the above elements, which is retrospectively considered as coherent strategy.

5.2 Orienting Practical Concerns and the Responding Practical Coping

This section addresses the first objective of the research; to explore the mundane practical concerns and copings that orient the daily strategy work of SMEs. It advances the discussion on organisational concerns, daily issues and small failures that trigger practical coping actions to adjust and improvise, which occurred repeatedly throughout the observational periods. It does so by uncovering patterns of action that emerged during the day-to-day doing of strategy and organising them into respective themes of similarity. Then the patterns behind the activities were analysed conceptualising them as a repertoire of practical concerns and copings. In this way, the practical understandings came to the fore where glimpses of how strategy is understood were

captured (Sandberg & Tsoukas, 2016; Schatzki, 2012), culminating in four distinct ways that strategy is understood and practised, using the key sets of activities presented in Chapter Four.

The recursive activities which make up each way of practicing strategy revealed the concerns and copings that orient the understandings. The first way of practising strategy is *Firm Frugality*, here, strategy is understood and practised as the long-term financial viability of the business by emphasising efficient use of resources to increase profits. For *Firm Frugality,* associated activities emphasise practices which enhance the efficient use of resources, both material and human, to achieve financial success. The managing of costs is an important feature of the activities within this way of practising strategy. Selecting the lowest cost option for the quality required becomes the basis of decision-making. Other key sets of strategy activities reflect this efficiency mind-set, such as minimising waste due to the high cost of disposal and cutting staff in the face of shrinking revenue. The coping activities are driven by financial concern and therefore are based on whether there is a positive financial benefit to the organisation. This way of practising adheres to the traditional economic paradigm where financial viability and maximising profits are perceived as paramount (Friedman, 1970; Manzaneque-Lizano, Alfaro-Cortés, & de la Cruz, 2019). Financial stability, financial advantage, and cost reduction are key terms associated with the *Firm Frugality* concerns that orient the practising of strategy.

For the second, *Meaningful Relationships*, strategy is understood as developing and maintaining relationships with a variety of stakeholders. *Meaningful Relationships* emphasise activities that include people, relationships and providing safe working environments. Associated with this is the building and nurturing of long-term relationships with key stakeholders, primarily employees, but also the local community and those within the supply chain. The use of humans as resources or a means to an end is thoroughly reviled. Here, transparency, trust, ethical behaviour, and employer integrity are key terms indicative of the *Meaningful Relationships* practising of strategy. As such, practice relates significantly to the social dimension of strategy, emphasising the importance of considering stakeholder groups. This orients the coping activities where the long-term gain of well developed, motivated and happy staff is prioritised over financial cost.

The third way of practising strategy is *Renowned Reputation*. Strategy is understood as being known for what they do, talked about by many, receiving recognition and creating revenue through who they are and what they do. The distinguishing activities of *Renowned Reputation* are associated with promoting themselves as much as they promote the business, employee relations, customer service, intellectual capital, and handling of environmental and social issues. They recognise that reputation is a matter of perception and consider a strong positive reputation of the individual among stakeholders across multiple categories will result in a strong positive

reputation for the company overall. Those with this understanding consider the impact those in the business have on the reputation of the SME and the owner-manager. This reputation and recognition aspect also include 'philanthropic-seeming' activities through providing financial support and volunteering to charitable community events and organisations. This includes activities such as attending local schools to promote apprenticeship opportunities. They consider themselves as providing more value, which allows them to rationalise charging premiums for their services and that their customers will become more loyal and buy broader ranges of products and services.

Finally, *Guided Compliance* understands strategy as following formal strategy procedures, regulatory requirements, and internal policies to create goals and plan how to achieve them. Activities associated with *Guided Compliance* are creating policy manuals, regular reviews, delivering training sessions, training supervisors to correct action, policy and procedure making and enforcing to provide a 'roadmap' for day-to-day operations. They focus on ensuring compliance with laws and regulations, which in turn provide answers to certain problems. They acknowledge that policies and procedures will not do any good until the employees follow them, therefore activities revolve around implementing procedures through recursive team meetings, appraisals, and appointments of compliancy officers. Here, strategy practices are oriented by policies and procedures, in the belief that the SME will use time and resources more efficiently, to enable growth and to achieve goals. In the face of breakdown, they are guided by the same procedures they put into place to quickly identify and address issues.

As such, the practical concerns rely on norms to moralise and rationalise what the definition of problems are, what counts as evidence, the way that evidence is interpreted and the ensuing plausible and possible solutions. Practice underpins what are problems and what are the solutions that are deemed to be plausible and possible. For *Firm Frugality* problems are always entwined with financial cost, *Meaningful Relationships* with the state of the relationships with stakeholders, *Renowned Reputation* with impacts on recognition and exposure, and *Guided Compliance* with following "correct" procedure. Each of the orienting concerns offers a glimpse of the way strategy is practised, as it demonstrates what the practice deems particularly important and orienting. By capturing the concerns through the recursive mundane activities associated the research explicates the variety of ways strategy is practised within SMEs. This joins a number of studies seeking to explain how practitioners make sense of how to 'do' strategy and 'run' a business and what people do when they are strategising (Pye, 2002; Faure & Rouleau, 2011; Rouleau, 2015). The analysis revealed that these ways of practising strategy are what seem appropriate to the cultural and organisational norms of their situation (Diaz Garcia & Welter,

2011) and allowed this research to understand the situated nature and social embeddedness of strategy work within different contexts (Crowley-Henry & Weir, 2007).

Consequently, the four ways of practising strategy impact upon the coping activities that happen daily, in response to the breakdowns in practice which practitioners adjust to (Schatzki, 2015). There is a diversity of coping activities ordered by the different understandings of strategy. To rationalise the seemingly ad hoc array of activities, they were organised into key sets of coping activities: financial coping, resource coping, relational coping and temporal coping. Each key type of coping activity, performed through diverse and distinct activities, relates to the meaning and understanding of the concerns that orient strategy.

Varying financial copings emerged across the ways of practising strategy. For *Firm Frugality* financial coping was oriented to reduce costs and maximise profits. Small savings were important as they accumulated, which revolved copings of tightly controlling finances due to the perceived inherent pressures of "running a business". This saw much of the financial coping include cutting corners and resorting to doing work themselves rather than through external providers. For *Meaningful Relationships* client and employee happiness was prioritised over cost. This saw financial copings of providing extra financial support to suppliers and employees, charitable donations in lieu of payment or prioritising other issues such as environmental sustainability over the financial implications and cost. For *Renowned Reputation,* the financial copings did not rely on immediate results. Whilst *Firm Frugality* oriented financial copings to maintain finances with immediate effect, *Renowned Reputation* makes it understandable to invest in improvements for the better of the local society and environment, to provide an image of their business to the wider community. Therefore, innovating can occur at the expense of higher profits and can be financially risky. They were often observed trialling new ideas regardless of their immediate financial success. With *Guided Compliance,* financial coping involved tracking, monitoring, and comparing actual figures with their own projections. In addition, compliance costs were considered expensive, but there was an understanding that skimping on compliance would end up costing a lot if regulators caught them out. This rationalised their financial coping in purchasing systems and processes to deal with compliance, thereby structuring their hierarchy of financial prioritisations.

Resource coping differed across the ways of practising strategy, for *Firm Frugality* material inputs are judged on their cost and maintaining current assets is prioritised over replacing or upgrading. Whilst *Meaningful Relationships* sought out necessary equipment, tools, machinery, break rooms and amenities, to ensure a good workplace environment for their employees. The benefit of upgrading resources outweighed the cost of such. This was similar for *Renowned*

Reputation, adopting and developing new technology was evident their resource coping. In this sense, whether they adopted new ideas from others or developed their own, they sought to improve and diversify the products they produce through technology, the ends of looking good, for having the best equipment and product, outweighed any expense. Finally, *Guided Compliance* had similar hierarchically organised ends that impacted resource coping, here long-term investments in reporting and compliance systems and formally written 'strategy workbooks'/'employee handbooks', to spread policies throughout the organisation, were acceptable resource copings.

Relational coping for *Firm Frugality* included developing employees only to meet organisational needs, such as in the face of errors and mistakes. Here, training was not formal, instead relational copings emerged in the form of informal instructions and 'telling off' surrounding reducing waste, the wise use of resources and the cost of mistakes. *Meaningful Relationships* evidence of relational coping was oriented by creating good employment and relationships. Being good employers is critical to this understanding to practise strategy, wherein the relational copings are structured around treating employees with respect and are given more than 'just a job', with friendships, bonding and jokes prevalent. *Renowned Reputation* demonstrated similar relational copings where it was evident that they valued symbiotic relationships with stakeholders. In this sense, they prioritised a networked view of stakeholders where relationships are not built on price negotiations; instead, they are built on trust and respect and by working personally with people. Relational copings for *Guided Compliance* shared similarities with *Firm Frugality* where their copings enforced the hierarchy and they engaged significantly less in joking and other bonding activities. Similarly, there was distinct physical barriers between the employees and the employers, where they had separate working spaces. This was enforced in their daily meetings, where teams would join a meeting and then be asked to leave for the directors to have a separate meeting.

The final coping activity, temporal coping, was similarly varied in its performance. This type of coping for *Firm Frugality* saw work taken home, working late, being on call and conducting productive work to help employees catch up. Whilst this was done informed by the ends of saving costs, *Meaningful Relationships* also temporally coped in a similar way, however this was informed by the understanding to allow time for employees to attend away days or in spending more time with a client to establish a better working relationship. This was similar for *Renowned Reputation*, however the ends emerged in the form of having a fully developed team reflected positively on the business.

Accordingly, the concerns orienting strategy work and the coping activities associated with them were combined to create a platform to present multiple ways strategy is practised and understood (see Table 5, p. 104). As the practical concerns and the responding copings were captured, it became evident that strategy practices are pervaded by tensions between rationales across the sample. These rationales in tension can make the performance of practices a mix of continuities and ruptures, in charting what action makes sense for the individuals concerned. This is demonstrated through the variation of performances within each type of practical coping, and even in the case when the ways of practising strategy might include the same coping activities, yet the intent and reason for their inclusion can differ.

Therefore, this research advances understanding in existing mainstream SME literature which shows that actions and decisions in SMEs revolve around the owner-manager (LeCornu, McMahon, Forsaith & Stanger, 1996) such that "its goals are [the owner-manager's] goals, its strategy [the owner-manager's] vision" (Shepherd & Wiklund, 2005, p.6). Whilst some claim that by acting as key resource allocator (Alonso *et al.*, 2014), alongside key executive, and as a vital operational employee (Kelliher & Reinl, 2009) it can become an obstacle to achieving business objectives (Cruz *et al.,* 2012; Gersick *et al*., 1997), where the 'heavy involvement' in the day-to-day operations is considered a constraint on their 'strategic management practice' (Williams, Manley, Aaron, & Daniel, 2018) and on their path "towards endurance and prosperity" (Williams, Smith, Aaron, Manley & McDowell, 2020, p. 2379). When viewed through Schatzki's (2001; 2002) lens of practice the research instead finds that the SME owner-managers daily, mundane, and routine activities, instead of acting as a constraint, are the site for the doing of strategy.

The practical concerns that were experienced as teleoaffective uncertainties challenges current SME literature that attributes this to SME's being less equipped than larger firms to deal with or acclimatise to uncertainty (Johnson *et al*., 2008; Liesch, Welch, & Buckley, 2011; Battisti & Deakins, 2012; Ingirige *et al*., 2008; Verreynne, Williams, Ritchie, Gronum & Betts, 2019). Whilst many claim that in those situations the SME's ability to bounce back from failure is reduced because of a lack of planning for crises (Luthans, 2002), this research expounds that strategy is not experienced as formal planning, rather a practical coping. Here, by overcoming immediate concerns and unanticipated problems strategy is located in the immediate coping responses to deal with the problem. Whilst this is in line with mainstream literature, in the sense that SMEs, in practice, tend to orientate towards short-term operational rather than 'long-term strategic issues', and that the decision-making tends to be reactive rather than proactive (Jones, 1982; Gaskill, van Auken & Manning, 1993; Brouthers, Andriessen & Nicolaes, 1998; Stonehouse & Pemberton, 2002; Mazzarol, 2004), the research challenges the common view that

the absence of long-term planning and formal practices results in the non-existence of strategy within SMEs (e.g. Robinson & Pearce, 1984; Orser, Hogarth-Scott & Riding, 2000; Beaver, 2003; Kraus, Reische & Reschke, 2007; Günther & Menzel, 2012). Consequently, this research builds upon the mainstream contribution by demonstrating that it is in the flow of everyday activities where SME strategists cope with the evolving context that strategy is located. Moreover, it builds upon claims made in the limited practice-based SME strategy literature that recognises "strategising is continually enacted through environmental change that shapes not only practitioners but also praxis and practices" (Kearney *et al.*, 2018, p. 14), by demonstrating how each element of practice is implicated in the practitioners' chosen course of action in how to handle problems, and what value is placed on both the problem and the outcome.

This is in line with an emerging body of work that seeks to understand practical coping as rooted in social practices in the study of strategy (De La Ville & Mounoud, 2015; MacKay *et al.*, 2020). This section has demonstrated the way in which this happens, where mundane practical concerns and copings orient the daily strategy work of SMEs through four ways of practising strategy. Each type provides the understandings to interpret and improvise; they shape the scope and the extent of their activities and initiatives to cope with the ongoing flow of organisational development (Chia & Holt, 2006). However, the research goes further, and the following section will address the findings from the third stage of analysis, which unpacks the organising principles of practice to demonstrate how strategy practices develop differently over time as they adapt to the local situation and the understandings of what "strategy" is.

5.3 Practice as the Determinant of Action

As expressed, in tracing the practical concerns and the responding practical copings, the four ways of practising strategy emerged. As seen through each and the respective differing copings made, general work and strategy practices adapt to the different local cultural peculiarities of the respective SME. This shows a bifurcation of the practice as strategy practices are performed differently across each SME within different cultural settings, yet commonalities were present. In part, this is in line within existing literature which emphasises patterns of interaction between organisational practitioners promote different understanding and integration of disparate strategy practices (Samra-Fredericks, 2003; Balogun & Johnson, 2004; Hoon, 2007; Jarzabkowski & Seidl, 2008). The difference here being that it is not the interaction that promotes the various understandings, but the practice components that are historically experienced. More specifically, it was found that in coping with their environment the owner-manager is influenced by the mental organising principles of practice which act as an internal guide to practically cope in the

uncharted territory. Therefore, a depiction of each way of practising and understanding strategy and their organising components is needed to understand what has guided the practices to bifurcate and adapt to each local cultural setting. The following section works towards establishing how it is these that determine action by discussing the organising components that underpin each way of practising strategy.

5.3.1 Firm Frugality

Viewing the influencing factors through the lens of Schatzki's (2001; 2002; 2005; 2012) theory of practice, they are described as the things which organise and order the owner-manager's actions in practising strategy. The organising principles mould and become expressed through the practical intelligibilities that determine strategising actions. To begin building this picture, the rule formulations that school or enjoin people in particular actions is discussed regarding *Firm Frugality*. While rules shape activities to a degree, the applicability and meaning of a rule is always interpreted (Pohlmann, 2018). In this way, rules influence many aspects of the coping activities. Not only do certain explicit rules extend across each way of practising strategy, through legally enforced rules of the workplace, there are also specific implicit rules that pertain to the specific ways of practising strategy. The meaning of a rule depends on the meaning given to strategy, implicit rules for this way of practising strategy include that organisational members must consistently make savings and operational efficiencies. In this way, it closes down the possibility for action. For example, SME 3 uses a cumbersome and outdated stock system; however, horizons for coping do not include the possibility of replacing and reinstalling a newer version, and thereby prevents them from improving the material artefact that could in the long-term improve resource efficiency.

Moreover, the guiding rules of thumb for *Firm Frugality* are of ambiguity and secrecy. In this way, there was a lack of transparency between teams, hierarchies, and clients. Whilst not explicitly instructed there was a 'closed door policy' where individuals left open offices to hold meetings or conversations in private. Another set of rules influencing the coping activities includes the explicit rules created for the SME. Most of these rules formalise important teleologies. Aims formalised with the rule set have been dominant elements within the teleoaffective structures of the practices. A specific number of weekly revenues generated for employees to fill in demonstrates how the financial concerns are an important teleology that are formalised into a set of rules. The rules that play a role in nearly every activity in this orientation are those surrounding financial gains and savings. The existence of rules here is used as an

argument to interpret and thus organise coping activities. They legitimate the interpretation of practice to be focused on the financial viability of the SME.

The general understandings guiding this understanding was the concept of "profit-making". The SMEs practising strategy in this way considered themselves as "profit-making" entities, where the owner-manager perceived themselves responsible for the benefits and the risk of such a profit-making business. This general understanding considered that as a "profit-making" business their primary purpose is to generate profit and develop products and services that are valuable to consumers, to meet their telos orienting ends - to make money. As such, the "profit-making" general understanding connects and affects the teleoaffectivity of their practice, by orienting the practice towards financial concerns and projected ends. For example, when financial coping *Firm Frugality* SMEs often prioritised the cheapest route to overcome the breakdown, even if this meant lesser quality. This similarly structured the general understanding of "feeling responsible" for these ends, which meant owner-managers sought control over the consequences of the activities within the business, which allowed them to feel like they were acting on their responsibility of generating revenue. The telos of generating revenue structured what was considered appropriate work for an owner-manager, in the sense that if activities impacted directly or indirectly on the revenue they would intercept. The telos of generating revenue therefore structured how they were perceived by their employees and constrained their business activity in two ways; firstly, it meant that they often times shut themselves off from their teams, concerning their activities with financial aspects of the business and employees lacked the guidance when they needed it. Secondly, it oriented their activities to be more concerned with the cost than the quality. This meant employees were encouraged to 'cut corners'.

The telos-oriented ends were also conditioned by the affective texture of action, where affectivity drives how strategy actions matter based on how the owner-manager is affected by any moods experienced (Schatzki, 2002). Here, the hierarchical organised end of financial efficiency supports a sensical course of action, for example both SME 2 and 3 had to make numerous staff redundant due to uncertain financial times. This increased their economies of scale and therefore rationalised their decision to restructure, regardless of the affectivity that is produced from making employees redundant. In this way, the practices and arrangements of strategy interlink with those of management, which require negotiating among a limited range of general understandings about the particular activity and roles of others who are managed; and practical understandings around how to delegate, lead and arrange commodities and people; alongside rules and teleoaffective structures around being responsible managers.

The experience of work in an SME context is saturated with affective experiences (Fodor & Pintea, 2017). For *Firm Frugality*, an affectivity of fear emerged. Sources of fear were oriented around financial security, the ability to continue to fund the venture and the personal ability to achieve the telos-oriented ends. The evidence demonstrates that worries concerning opportunity costs, personal financial security, or ability to obtain funding for the venture were all associated with the owner-managers coping, in that it drove them in pursuing financial goals, either personal financial security or financial stability within the business. In this way, the research builds upon other strategy work that connect Schatzki's general understanding to mattering, where a mutual constitutive relationship between general understandings and affectivity exists whereby people's emotional attachment and sensitivity to certain actions may be driven by their understanding about these actions' importance (e.g., Nama & Lowe, 2014). These are informed through the wider socio-cultural practices that both the owner-managers and the SME were exposed to. In this way, whilst all SME owner-managers were financially dependent on the SME to bring a personal income, the strategy practices bifurcated differently in relation to each context. In this way, it can be understood that SME 3 is pervaded by affectivities of fear due to the trajectory of the business where for the first ten years they experienced steady growth, whilst in the recent year they quite unexpectedly, and suddenly, hit a decline in sales, which left them in a poor cash flow situation. Therefore, their practice was pervaded by uncertainty in unchartered territory.

Whilst it is widely known that financial viability, cost saving projected ends and activities to achieve this are frequently prioritised in strategy work (Berisha, Mustafa & Ismail, 2018), this research extends knowledge on why it becomes prioritised. It presents a more nuanced view of how financial concerns and copings are performed with a multitude of ends in mind, influenced by wider socio-cultural practices of personal stability, general understandings of "profit-making" entities, and affectivities of fear in failing to achieve the telos-oriented ends of being financially secure and successful. The analysis demonstrates that when engaged in practice, actions are conditioned by the affective response of expenditure and failure. This is illustrative of Schatzki's accounts of affectivity where it is experienced when engaged in the practice (Schatzki, 2002) and can therefore organise the projected ends of practice (Schatzki, 2012). In this case, fear for business and personal financial survival became an unwanted potential projected end that stimulated further fear for being solely responsible. This is illustrative of Tsoukas' (2019, p. 332) paper that states "internal goods define a certain conception of what constitutes the good life in pursuing the ends of the practice". In this sense, the affectivities of fear are cultivated and reinforced through a vision of responsibility for realising the "good life". This demonstrates what Schatzki (2010) notes that signals from the goal are necessary at some time to direct activity. There is a continuous feedback from the goal that modifies and guides the actions, purposive coping is directed towards a final perceived and projected condition. The analysis explicates that

the teleological explanation of goal-attainment is what provides an understanding of plausibility of a projected end. With the possibility for multiple goals, there are multiple various hypothetical sets of projected conditions, which shape what is classed as plausible action. Here, the projected goal is financial stability, but there is also the projected and unwanted goal of financial failure, which is tied to the affectivity of fear. This is in line with a study on network organisations that finds the affectivity of fear (of being fired) is connected to a projected future where organisational members consider their employability at risk (Tobias-Miersch, 2017). With this combination, the activities are constrained based on the hypothetical sets of projected conditions, which establish a risk averse affect. Therefore, their coping activities are driven by the safest bet, purchasing the cheapest resources or squashing employee ideas that are 'too outside of the box'.

Consequently, the above components mould the practical intelligibilities of practitioners, that in achieving financial stability employees are resources towards that end and generative monetary value is placed on all aspects. The first, "employees are resources" considers them as a means to a desired projected end; financial achievement/success. Their understanding of "profit-making" and the affectivity of fear, has led them to such sensemaking whereby finances are perceived hierarchically more important than the employees. This is in line with recent literature in Risk Management that advocate the inclusion of teleological structures into the mutually constitutive relationship between general understanding and affectivity, and empirically demonstrate "that end-project-task combinations may be structured to influence individuals' emotions and moods, which in turn shape general understanding" (Bui, Cordery & Wang, 2019, p. 313). The SMEs further rationalised this view and their sensemaking towards the market saw them perceive that they operated in a hyper-competitive environment, with an ever-present threat of competitor offerings, in a race to secure clients and contracts, with customers who are increasingly price conscious. They perceived these 'business threats', as reasonable rationale to view employees as a means to an end, which was confirmed by the general understandings and affectivity of fear, which predisposed them to consider they were solely responsible to "handle" and "cope" with the volatile markets. In this way, practitioners saw employees as a further expense and could cut this cost at any moment if they needed to, rationalised to stay ahead in the race to survive financially.

Therefore, this research demonstrates how the dwelling worldview proposed by Chia and Rasche (2015), can be useful to analyse the doing of strategy by uncovering uncertainties, practical concerns and other immediate problems, to document how the individual agents are so constituted by everyday social practices; the espoused affectivities, teleological projected ends and understandings of each way of practising strategy, that they act and interact, for the most

part, spontaneously and purposively without any conscious deliberation to overcome obstacles of uncertainty. This is dubbed as 'surfing uncertainty' by cognitive scientist Andy Clark (2019), who argues that perceptual uncertainty is largely reduced by unconscious automatic processes. For *Firm Frugality*, the orienting practical concerns of financial stability and viability in the doing of strategy work showed that uncertainties are generally acted upon immediately by the owner-manager in the form of coping to minimise cost and risk of financial loss. From here, actions pass through iterations between the practice and the understanding of strategy that confirm the appropriate course of action. Affectivities of fear and general understandings of "profit making" predispose the practitioner to chase the telos-oriented ends of maintaining financial viability by any means necessary. This is similar to findings that present the fear of losing income to structure activities that chase the projected ends of generating income (Tobias-Miersch, 2017). Therefore, their copings always revolve the efficient use of resources, both material and human and the managing of costs, where the lowest cost option for the quality required becomes the basis of appropriate coping.

In this way, predisposition and practice are complicit with one another and it is this complicity that is strategic; the sense that, in carrying certain practices, a sense of future potential emerges. The practical intelligibilities provide an overall pattern of consistency to such emergence. The findings show that strategy doings in the day-to-day activities take place without the need for purposeful strategic intent or an overall strategic plan. Strategy is immanent in practical coping action because the dispositional character of human activity ensures a degree of consistency of action. Therefore, the research contributes to understanding strategy emergence within an SME context, whereby it involves an appreciation of the manner and mannerisms by which things are done and can be done differently according to the different contexts in which internalized dispositions are called forth. On the basis of the analysis, patterns of consistent action emerged through everyday purposive acts not because actions are directed towards some overall purpose or end goal, but because carriers of practice, as relationally constituted entities, draw mindlessly from their past practice to deal with the novel present. Therefore, the analysis demonstrated that actions may be purposive without there being necessarily an overall purpose in mind (Dreyfus, 1991). This builds upon literature that documents how actors generate a repertoire of coping practices that allow them to face everyday challenges and situations (Jarzabkowski & Wolf, 2015), by demonstrating the particular characteristics of this process, where, to act purposively is to attend to resolving an immediate impediment at hand, to seek relief from an undesirable situation without any presumption that this is directed towards some overall, longer-term outcome. The arrays of coping to such an impediment are thus informed by the rationalised practical concerns orienting strategy work that are guided by the differing practice component underpinnings.

5.3.2 Meaningful Relationships

The second way of practising strategy is Meaningful Relationships. Strikingly, but rather unsurprisingly, there was an abundance of evidence of explicit avoidance/defiance of formal rules and regulations for Meaningful Relationships, as rules were associated with bureaucracy (which was perceived as inefficient and cumbersome) and thus perceived as incompatible for the SME. This finding is in line with the widespread assertion across the sample that SMEs are fundamentally different from more bureaucratic and larger organisations. In this way, they believed that their proximity to the work and their competencies meant they do not need formal rules. Instead, they can take care of the business themselves and in their own way. This was further reinforced through implicit rules within the business in that employees could wear their own casual clothes and in the material set up, office lay outs were fashioned to encourage this rule, funny posters, sofas and pool tables, materials that are not often associated with bureaucracy. As such, this research corroborates existing strategy literature where bundles of practice link with materiality, where artefacts in use matter (Orlikowski, 2007; 2009; Jarzabkowski et al., 2013; Hall et al., 2013; Barratt et al., 2016; de Brito et al., 2020). Whilst this exceeds the scope of the study, it is important to note that the material elements link with the practice and, as demonstrated above, add to the affective texture of the practice.

Besides national government rules, formal organisation rules also significantly shaped the practise of strategy. Rules associated with employees have especially come to play an important role in the practical copings. The analysis shows certain training workshops and in-house events "have to be provided". Providing these development opportunities is a necessity that does not leave much space for questions or negotiations. The existence of the rules dictating the necessity to provide such development has not only severely influenced the teleologies and thereby the practices of the social world of the SME for which is has become a core activity, but also affects the activities of other practices within the SME. The rules dedicated to the conditions of the development and training not only demand that the training must be delivered, but also sets a development timeline to be followed. It is not only necessary to provide personal and professional developments for staff, but also the temporal aspects that significant shape the daily activities undertaken both by the owner-manager and the staff themselves. Drawing on the findings from above, workload is managed and reassigned to ensure employees can attend each event, or more so, events are held at the offices so that no complications can constrain the attendance.

Whilst each general understanding has been tied specifically to a way of practising of strategy, this is not because it does not occur across the range of ways; instead, it is hierarchically

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organised as the most important for that way of practising. The analysis showed "profit-making" a general understanding each SME holds, each recognising they are entities to make money, yet it is hierarchically more guiding to *Firm Frugality*. On the other hand, for *Meaningful Relationships* the ends that are significantly prioritised are the stakeholders and relationships the business holds and therefore, whilst it aims to continue making it profit, it is to benefit those stakeholders and those dependent on the business. Therefore, "being an employer" emerged as a guiding general understanding here. The perceived responsibilities as an employer not only resides in strategy practice but also permeates other practices and operations within the SMEs. In this way, their primary purpose was being a 'good' employer who has a duty of care towards employees. The general understanding of "being an employer" bared a heavy influence on the coping activities and the logic of strategy. This general understanding was structured around the teleology of being a 'good' employer and having a duty of care telos. In this way, responsibility was perceived to not just their own financial fates, but also the employees. This responsibility meant their teleoaffective hierarchical projected ends diverged from simply "profit-making" and at times prioritised what was best for their employees. This meant the business was not constantly viewed as a profit-making entity, instead the employees were the perceived as the business.

This duty of care telos extended not only to employees, but customers also. The role of the business was perceived to provide a suitable and sufficient service or product to their consumers. In trying to provide this service the three SMEs guided by this logic of strategy, created spaces for customers to visit site to experience the product or service first-hand. This was heavily entwined with the rules of the practice also. In this sense, there are legal obligations towards the safety of individuals on the property, which also shapes the telos being responsible for the safety and care of anyone in contact with the business. This guided the sensemaking towards strong principles of "willing to try things "and "trusting the judgements", which began to transform the rule-based practical understandings, such as requiring owner-manager sign off an any and all projects and avoiding unknown markets or projects that aren't in the usual repertoire of products or services sold. This is through the trust affectivity of goodwill and belief in the competence of another. The duty of care telos structures the affectivity of optimism and others trustworthiness, therefore has an affective way of seeing the one who is trusted. This affectivity explains the willingness of trustors to let those trusted to get close to the things they care about.

Even in low level activities employees were witnessed working without specific approval. The practical intelligibilities of "willingness to try things" and "trusting the judgements" has encouraged orchestrations in individuals' understanding of strategy. Such orchestrations in practical intelligibility facilitate multiple interpretations and actions, which form various project and task combinations to realise the teleology of meeting financial and business expectations.

Whilst the affective dimension generates confidence in the activities of practice, this is pervaded throughout the business where employees are more willing to try things without fear of negative consequences. This contributes towards the general understanding of "being an employer" and the ensuing perceived responsibility for those in contact with the business. In this way their sensemaking to work is that "employees are more than just their labour", they are perceived as a key functioning aspect of the business who will be motivated by various sets of needs and for affiliation, in particular the sense of belonging to a group. "Being an employer" being the guiding general understanding as opposed to "being a business owner" which aligns with a "profit-making" understanding of Firm Frugality, sees the SME consider their responsibility to be above and beyond the minimal legal responsibilities for employees and other stakeholders on matters such as promoting a good work-life balance, offering training and development opportunities, protecting employee health and wellbeing, and so on. The analysis demonstrated that these understandings are not created by the agent, but instead are culturally and historically guided by the experiences the practitioners have had within their businesses and consequently the established norms for what is right and what is wrong. This research determines that it is through engaging in practices that consequently predispose the practitioner to make sense of why they do what they do.

Therefore, the schema of components are enjoined and the ensuing practical intelligibilities justify and make sense of the not only their actions, but the world around them. This is illustrative of other studies that highlight how practical intelligibility determines how activities are intermeshed with other practices and how other practices prefigure the situated functionality of activities (Nama & Lowe, 2014). As such, this research points to the important role of analysing activities and their meaning within their specific setting. Whilst also taking the immersion of practitioners in their practices and arrangements as the starting point for understanding such strategy phenomena as performances of practices which contain glimpses of the practice-as-entities, enabling researchers to analyse how practitioners perceive and react to their environment (Ahrens & Chapman, 2007) based on the repertoire of available practices (Loscher, Splitter & Seidl, 2019).

5.3.3 Renowned Reputation

The following way of practising strategy is *Renowned Reputation*. This practising of strategy is similar with existing literature on reputation within the SME sector, which shows that people regularly prioritise and strive to build an image and reputation to overcome their competitors (Berisha, Mustafa & Ismail, 2018). This is, in part, due to the understanding that businesses

should protect their reputation in the face of increasingly growing uncertainty, stemming from environmental threats (Potocki & Wierzbinski, 2014). In this way, reputation is considered connected with brand perception and value. However, the research in hands works towards demonstrating how this is prioritised above other understandings and therefore becomes the orienting understanding that permeates all coping activities.

Amongst the *Renowned Reputation* SMEs there was a clear general understanding that an SME had a particular way of operating, characterised by "risk-taking". Taking chances and trying something new is expected and thus encouraged. Multiple SMEs discussed offering new products without hesitation in response to practical concerns. This spread across the entire sample; during the financial breakdown within SME 3, they spontaneously discussed making a product they don't usually manufacture (straws), but had the capability to, in order to see if this could stimulate their cash flow. Similarly, in SME 2 and 6, accepted orders for products they do not usual make/repair. Correspondingly, SME 5 and 6 were both in the stages of entering a new market. However, for *Renowned Reputation* this "risk-taking" understandings not only resides in strategy practice but also permeates other practices and operations within the SMEs. Due to its widespread and common presence in multiple practices, it can be considered as a general understanding of the strategy practice (Schatzki, 2002). Taking risks on new opportunities is infused with the practice as it is believed to be beneficial, this meant practitioners relied on good systems to provide reliable data and placed competent employees in relevant positions which permeates their comfort for "risk-taking". This was infused with the projects and tasks employees undertook where they received lesser disciplinary action for risks taken. Which in turn facilitates the "risk-taking" atmosphere, as employees feel encouraged to try something new and not face negative repercussions if it does not work.

The teleology here surrounding brand and reputation is not simply a solution to corporate communication and identity, it is the normative orientations of strategy practice that seek to establish themselves as authentic business owners. The normative orientations of strategy practice here are understood as enjoining affective engagements through which individuals seek to achieve authenticity. They seek to establish their reputation and themselves as resources for consumers to draw on in their quest for authenticity as a successful business owner. Here it is understood that trust in the brand and name, will complement price and logistics as the characteristics of a successful business. Their telos to establish themselves as trusted intermediaries of strategy's normative concerns and consequently offer themselves as resources to the economy. This is realised in the ambition of everyday working life; SME 6 owner-manager makes the rounds throughout the business and the local community every day to "show my face".

Not only does this orient his ends to be inherently associated with the business, but for those to trust the authenticity of the business due to his presence.

As alluded to, the teleoaffective structures disseminate the "risk-taking" general understandings directly and indirectly through affectivity. The strong effect of "risk-taking" general understanding on practitioners' practical intelligibility of "willingness to try things", synchronises with a teleological structure comprising several end-project-task combinations. The encouragement of taking risks and the trust given, generated an affective sense of "confidence". Firstly, it generated an affective sense of confidence in their practice ability. This affectivity in turn raised people's attention towards taking risks within their strategy practice and encouraged practising it on a routine basis. The affective sense that owner-managers are confident in their own risk-taking and their employees further embeds "risk-taking" in daily operations and strategy practices. Further, accounting devices were used flexibly to mitigate people's worry and stress about failing taking the wrong risk. By allowing for mistakes, the owner-managers both preserve and promote "risk-taking" in theirs and their employee's daily strategy practices.

The significant affective dimension directing the practice here was pride. For SME 4, due to the current boom in sales following the Grenfell disaster and the ensuing demand for replacement doors, led to a highest grossing revenue year, and was retrospectively considered as competent and successful strategising, this further espoused affectivities of pride. The affective dimension of pride led activities and copings to be more insular, more responsibility was taken on to resolve problems themselves. They saw taking pride in being a self-reliant and successful owner-manager was the appropriate *affectivity* to be espoused in their position within the SME. The work felt important to participants because they are part of the project, they are inherently *involved*. Thus, owner-managers wanted to portray a consistent good mood, as they were seen as responsible for their fate, and the fate of the company, and did not want any stakeholders to see them frustrated or in a particularly bad mood, as it might signal some kind of business failure, which would mean that they were not being successful, both personally and professionally. The espoused affectivities were clear that any frustrations and non-good mood feelings were only allowed to occur behind closed doors. As documented within the findings chapter, a frequent occurrence in SME 4 entailed closing the office door. When one of the directors would enter the office space to discuss a concern, they would close the door behind themselves and then ask the owner-manager if the researcher could leave. Only with the door shut and with the confirmation from the owner-manager that the observer was fine to stay, would he proceed with his concerns. Similarly, in SME 6 there was multiple occasions during employee briefing meetings where an employee would bring up a concern and the owner-manager would tell them to speak to them in privately later. Thus, by largely inhibiting the exhibition of negative affectivities in the public

spaces the SME the affectivity of pride impeded possibilities to openly voice critique about the SME and encourage any sorts of development or idea generating workshops to help improve or solve the problem. Therefore, affect changes the perceptions of the probability, or risk, of uncertain events. When faced with an uncertainty, the affectivity of pride and confidence, guided by a risk-taking general understanding saw SMEs make more optimistic risk assessments. This is in line with practice thinkers (Schatzki, 2002; 2005; Reckwitz, 2017) who conceive affect as an ingredient of practice, where individuals do not intentionally 'choose' which practices they wish to perform. Rather, it is the specific affective and teleological structured motivation of practice which "interpellates" individuals (Reckwitz, 2016, p. 120). The research contributes further empirical grounding to those who address the nature of affect, uncertainty, and risk (Anderson, *et al*., 2019), here, practitioners draw upon affect and emotions that contain information from practice about risk when purposively coping. In sum, affect typically serve as a function to guide action, through offering acceptable ways of participating in a given practice (Schatzki, 2005).

Moreover, the data suggests that affectivity is directly shaped by the teleology, as in, the perceived certainty or success of a situation. In this way, the data demonstrates moments where the affective responses to uncertainty are positive. SMEs gamble by entering new markets, creating new products, investing in their own business all of which the outcomes are uncertain— yet these activities are enjoyed. This substantiates the literature where the experience of crises can over time produce comfort with uncertainty (Storey, 1994; Branicki, Sullivan-Taylor & Livschitz, 2018). In fact, for SME 6 these events would be less pleasant if the outcomes were made certain in advance. This is similar to social sciences findings where uncertainty can bring about a pleasant affect as it causes them to consider more about the possibility of the event which extends their current experience (Anderson *et al.,* 2019). In entering a new market SME 6 changes his craft from the automotive industry to developing warehouse units – in this leap between markets, the possibility that he might succeed or his "gamble pays off" extends the experience of positive affect.

The affectivities were inherently linked with practical intelligibilities of "knowing better". Due to the affective nature of pride, practitioners were predisposed to feel solely responsible for the business, this meant when anything positive occurred, they felt responsible and proud of that achievement. This also curbed their horizons for action, they were less likely to accept outsider opinion as they disregarded their contribution as useful. They considered taking advice from most sources as undignified. As such, "knowing better" or "being the expert" emerged in establishing a sense of "we don't do strategy" that infuses the daily activities. The "we don't do strategy" general understanding in turn further moulds the practical intelligibility of "knowing better" in

two respects: non-conformity and intuition. These intelligibilities came to the fore during observation as something contested. Those that were expressed during the time of observation revealed a tension between the ideas of being a 'business owner' or an 'entrepreneur' and being a 'regular employer'. Doing simply what strategy books, academics or other bureaucratic professionals say is 'best practice' or acceptable behaviour clashed with practical concerns that owner-managers felt specific to SMEs, their business or to them, particularly when owner-managers felt like no-one understood their businesses like they do. In this sense, owner-managers prioritise and rely on their highly valued sense of intuition, rather than any academically created or formal document type of strategy, when it comes to doing their daily activities. This is in part due to their practical intelligibilities surrounding "proximity to work", but also because their affective engagements attribute the current state of the business as their personal success. For the case of proximity to work, there exists a general understanding of expertise that comes in tandem with a competency for something. This approach of "we don't do strategy" forecloses any possibility of a stable image of an ideal type of strategy work, which means to these owner-mangers means there is no possibility of development. They in-fact are as developed as can be, which is further reinforced by their affectivities of confidence and pride.

This is informed by the sensemaking revolving proximity to work and the length of time in the role, it guided their intelligibility that they knew what was best for their business and therefore believe that non-conformity and independence underpin strategy principles. Hence, non-conformity refers to owner-managers reluctance to engage in formal strategy work such as planning or using strategy tools (e.g., models). This is exemplified in their lack of active participation in formal strategy meetings, formal strategic planning, or analysis tools, such as environmental scanning. It also encouraged them to devalue external specialisms. Proximity to work was steadily expressed as root reasons and the rationale for non-conformity and following intuition were often used as arguments for their coping activities. The operational style saw them having "faith" in their own judgement, which was deemed appropriate by the affectivity of pride.

5.3.4 Guided Compliance

Finally, *Guided Compliance* as a way of practising and understanding strategy will be discussed. Here, explicit and formal rules were much more prominent in the workplace. Formal procedures, policies and hierarchies were in place which structured the day-to-day work to comply with the bureaucratic rules of larger organisations, which were perceived as appropriate. Whilst large organisations and society itself places value on its understanding on strategy as "a plan of action designed to achieve a long-term or overall aim", it is here seen as a valuable tool that provides the capabilities to achieve something valuable. Therefore, *Guided Compliance* rely on formal

strategy tools as "rules" for how they complete their doings. Moreover, SME 7 and 9 were the only SMEs who claimed to have a formal strategy plan. For example, SME 7 had created a formal document titled "Company's Strategic Plans for 2019-2022". These rules of business were frequently underpinned by their general understanding that "strategy is necessary in business" or "business is strategy". General understandings here acted as enabling and constraining conditions of the practice and conditioned the way practice was carried out. In valuing formal strategy tools and processes, they applied this to their daily activities, which were not necessarily a good fit. The analysis shows SME 7 relationally coping with the 'culture clash' in their new site. In valuing vision and values as a formal way of aligning employee behaviour, their activities were focused on enforcing their known culture and 'ways of working' onto their new employees. Here, the possibilities for action were constrained, they devalued any benefit from understanding how the new site worked under the previous owners.

This general understanding of valuing formal tools and specialists who they believe have "absolute knowledge" on running a business and conducting strategy means that their horizons of intelligibility are limited. In a way that meant accepting knowledge, ideas, innovation, creativity, or ideas from employees is disregarded as less valuable. As such, doing things 'right' and being successful was an important *telos* structuring strategy-related activity. In this way, practices and activities were oriented to try and predict the outcome of business ventures, through implementing reporting tools, regular workstream meetings, workshops, and external specialist advice. The idea of success was strongly associated to the affective dimension of being responsible, as owner-managers are the at the helm running the company, and not being entirely sure where they are going or how they are going to get there. This made them feel responsible for everything from steering, to making sure the 'ship doesn't sink'.

However, this produced uncertainty in circumstances and anticipated events triggered an affectivity of anxiety that oriented their practise of strategy work. This affectivity prescribes a sense of uncontrollability focused largely on possible future threats or other upcoming potentially negative events. In this way, the affectivity of anxiety includes lingering doubts about "making the right career choice, being a responsible person, maintaining or increasing self-esteem and reputation in the eyes of others" (Thompson, van Gelderen & Keppler, 2020, p. 12). In the breakdowns of practice, when clear indications of situational contingencies are lacking, stress was produced. The uncertainty regarding these situations highlights a lack of control that contributes to the affective orientation of anxiety and orients coping activities to try to predict these contingencies, to feel prepared and in control. Sources of anxiety here were oriented around following the rules, the ability to predict the future and the personal ability to achieve the telos-oriented ends. The evidence demonstrates that anxieties concerning the future state of the business,

the negative consequences of doing something wrong and feeling incapable were associated with the owner-managers coping, in that it drove them in pursuing increased rules and regulation, the use of "formal strategy tools" and increased reporting to provide further information. This meant their copings were characterised by nerves.

The orienting concerns and coping actions are conditioned by an affective response to strategy. Whilst affectivities of fear and anxiety, that are cultivated and reinforced through a collective vision of individual responsibility for realising the projected ends of financial stability or competency in running a business. Affectivities of pride demonstrate the satisfying affective nature of strategy work. Operationalising Schatzki's (2001; 2002) notion of affectivity challenges and advances the strategy agenda to consider the affective texture of actions, as opposed to the internal feelings of individuals (Huy, 2011; Kerosuo, 2011; Kouamé & Liu, 2020). Even though emotions have become a recognised aspect of organisational life (Elfenbein, 2007; Bartunek, Balogun & Do, 2011), they are yet to be fully explored in how they work towards shaping action (Brundin & Liu, 2015). This research demonstrates how to use affect as a component of practice to understand how it may motivate strategic doings, by explaining how practice prescribes what practitioners care for, what they strive for, their attitudes and commitments, and why some "ends become objects of desire" (Schatzki, 2002, p.480) in their daily strategy work. This joins a small number of practice informed studies that attend to the role of affect in the constitution of practice (Reckwitz, 2017; Gherardi, 2017) and more specifically those who discover ways in which teleoaffectivity structures the normativity and directionality of a practice and inform the ways in which practices are socially differentiated (Lindberg & Rantatalo, 2015). Thus, it foregoes "the myth of rationality" (Samra-Fredericks, 2004, p.2) and instead embraces that individuals do not intentionally choose which practices they wish to perform, it is the practices that are organised via affect that deem what is acceptable (Schatzki, 2005). In this way, affects are always embedded in practices which are, in turn, embedded in tacit schemes of interpretation. They are not mental processes, but they constitute an integral part of the practical activities within which human bodies relate to other objects and subjects (Gherardi, 2017; Reckwitz, 2012; 2017). Thus, the findings indicate that variations in affect can impact in complementary or opposing ways on the emergence of new affective attitudes or affective cultures (Reckwitz, 2012), which contribute to the bifurcation of the performance of strategy practice.

The affective anxiety was also linked to the historical dispositions ingrained for both SME 7 and 9. Both had been appointed to their role as owner-manager (managing director) by a family member and therefore there was perceived pressure to do well in their new position. This produced anxiety as their performance would not be inextricably linked to the performance of the SME. This informed the teleology of "becoming successful" and "being responsible". This concern for the future

states of the business structured their intelligibilities and organised work activities in different ways compared to the other three ways of practising strategy. In this sense, for *Firm Frugality* and *Renowned Reputation*, how work was accomplished was irrelevant, what counted were the results; the owner-managers were responsible for these results and therefore they had to be achieved by any means necessary. This illustrates claims made by Tobias-Miersch (2017) where the teleology of self-responsibility can structure activity in ways such as rule avoidance. Whereas for *Guided Compliance* what mattered - and what was appropriate - was accomplishing work the *right way*, following procedures and not taking shortcuts. It was not the telos of succeeding by "achieving financial stability", it was the telos of succeeding by following the appropriate ways of working.

This way of practicing strategy reflects claims made in the literature, where those who partake in formal strategic practices do 'better' (Sandada, 2015), and that that strategic planning enables SMEs to be forward looking and vigilant to be able to cope with these circumstances (Dansoh, 2005). However, the findings challenge this view and further explains that those who practised strategy under the *Guided Compliance* view, were not deliberately and thoughtfully considering their current strategic position and that of the future position. Rather, they were oriented by an affective anxiety of anticipating the unknown and a practical intelligibility that reminded them that they were responsible for the success or failure of projects, or even the business. This informed their practice to follow the advice of experts and academics alike to avoid failure.

5.4 A Practice-Based Account of SME Strategy

Each way of practising strategy that emerged from the data analysed under the practice-based lens show how action is constrained by ways of thinking and interacting, resulting in a barrier to cope in ways that fall outside the scope of this particular way of thinking. It shows how strategy practices develop from practices and systems of practice from the past, which provide understandings of *what* strategy is, which can be used to explain how strategy practices can bifurcate into the four different SME specific strategy understandings. In this way, various versions of practices can co-exist, leading to experimentations and uncertainty on behalf of the actors who participate in a practice (Schatzki, 2013). In practising and understanding strategy in the plethora of ways practitioners cut themselves off from other possible pathways; they become enrolled in certain practices, and not in others. These trajectories have cumulative consequences both for the individuals involved, and for the organisations and institutions of which they are a part, and which they have a part in reproducing/transforming. Each understanding offered a different way of coping in the face of uncertainty. While the actions which constitute strategy as

practical coping for each SME differ, it is these factors which form the 'tangle of sameness and similarities' among the activities which constitute each SME's strategy practice.

This demonstrates that it is through the understanding of strategy that the selection and performance of activities are organised into specific ways of practising strategy. To reiterate, the components of practice influence which activities are performed, the ordering of those activities, and which, if any, key sets of strategy activities dominate. When brought together each owner-manager's interpretation and understanding of the practice of strategy organises the activities and enacts them differently. This practice-based account of strategy advances literature that seeks to explore how managers and others draw on explicit and tacit knowledge when they strategise (Rouleau, 2015). It does so by applying a theory of practice that provides the methods to access the culturally and historically embeddedness, the established norms that provide how they understand what it means to be a business owner or to do strategy, without assigning agency to the actor. Therefore, it offers the possibility to better understand how strategy is made sense of and understood, and how this guides action.

Moreover, this account challenges the implicit understanding deeply embedded in western culture that thinking precedes action, that action serves a purpose, and that the purpose is defined by a set of pre-existing goals. Whilst this remains a challenge for strategy research (Mintzberg, 1990; Mirabeau & Maguire, 2014; Langley & Tsoukas, 2010), this research addresses this by seeking the reality of ordinary organisational life, where people regularly act without having a clear objective, who are preoccupied with the here and-now (Bouty *et al.*, 2019).

In doing so, this research challenges the dominant building view of strategy (e.g., Ingold, 2000; Jarzabkowski, 2004; Balogun, 2007). As the sociological turn (Jarzabkowski & Kaplan, 2015; Whittington, 2007) has encouraged researchers to focus and reflect on individual and collective agency in strategising, placing managers and their strategic agency at the heart of strategy research (Jarzabkowski & Spee, 2009; Vaara & Whittington, 2012), many strategy researchers continue to contribute towards the building mode of strategy, where emphasis is placed on the individual, their purposeful action that is aligned through some form of deliberative weighting (Whittington *et al*., 2011; Nordqvist & Melin, 2008). However, this research instead demonstrates an empirical picture where strategising takes place in a more fundamental dwelling mode, in which strategies emerge through direct engagement with the world, where actions and practices precede individual deliberation and strategic intent. According to this, ways of practicing strategy and strategies themselves arise through the daily purposive practical copings, and strategies, in turn, emanate from the organising components that reflects the practice prescribed predispositions. It addresses and demonstrates the absence of explicit goals and

deliberate plans, and instead re-conceptualising human agency into the plenum of practice. This work joins the existing literature that corroborate the notion of purposive coping in a dwelling mode where strategy is construed as mesh of consistent purposive actions (Chia & Holt, 2006) and builds upon it, to document the mental organising components pervasive influence over action.

This research asserts that in overcoming breakdowns, resolving practical concerns ad hoc within each context is what characterises the everyday life of organisational actors. It has demonstrated a nuanced depiction of how strategy doings are made possible and shaped through the plenum of practices, which frame perceptions and consequently drive action (Schatzki, 2001). Therefore, unlike the deliberate and planned strategies inherent to the SAP perspectives where strategy depends on the autonomous actor's intentions, this perspective underpinned by Schatzki's organising principles of practice recognises that practices can and do serve as the source for the ability, know-how or predispositions to carry out action that results in a coherent strategy, without being the product of a genuine strategic intention (Schatzki, 2001; Bourdieu, 1990). These assertions go against the very grain of the established understanding of what strategy is (Chia & Holt, 2006) and as such contribute how non-deliberate strategising occurs, addressing the fact that it is often overlooked by views that regard strategic decision making as essentially intentional, purposeful and goal-oriented.

In respect to why the SMEs practised strategy in the way they did this research finds that the logic of practice acts as an interpretive, context-specific reinterpretation of previous practices that forces and facilitates an adjustment which in its partial innovativeness represents more than pure reproduction (Reckwitz, 2003). In other words, the research acts as an explanation for how SMEs strategise and why they strategise in the way they do, by describing the patterns and routinised actions surrounding practical concerns, purposive coping, and their relation to practice. Ultimately, when the strategy practice runs 'smoothly' it aligns with the sense of previous practice, however when met with unexpected environmental events, a breakdown in the practice occurred and in those moments the practice acts as an internal guide to practically cope in the uncharted territory. In appreciating this, the research addresses how it might be that a patterned consistency of actions can emerge, despite deliberate intentionality, and might consequently be identifiably called a 'strategy'.

5.5 Emergence of SME Strategy

The effects of practice will be discussed in two broad sections. The positive unintended strategy consequences for each SME that emerged from the data are discussed first. Here, the coping activities that produce a 'knock on' effect, which produces strategic implications, affecting the strategic direction/positioning of the business will be unpacked. The coping activities, when combined and mapped, can capture strategy trajectories that were unintended. In this respect, the research challenges traditional views of strategy where strategy is perceived and enacted as a continuous vision-driven long-term strategy (Pitsis *et al.*, 2003) and instead builds upon a more nuanced understanding of strategy by demonstrating that strategy over time emerges as an aggregated set of loosely related coping activities (Löwstedt & Räisänen, 2012). Secondly, the trans-local effects of practice on practice; when the positive unintended consequences are experienced, the SME retrospectively considers them as a consequence of their actions, therefore the way of practising and understanding strategy is reinforced as the appropriate way of doing strategy.

Tracing these mundane practical coping and the unexpected and strategically important outcomes it produces, has been documented throughout the literature for example in Regnér's (2003) uncovering of local improvisation, in de La Ville's (2006) work on emerging technological strategies, and in Rouleau's (2005) analysis of strategy formation in everyday interactions. These studies point towards the importance of acknowledging how much of strategy formation is rooted in the non-deliberate practical coping that escapes the logic of planned and deliberate action (de La Ville, 2015). This research builds upon these works, by changing the unit analysis away from conversations, routines, and narratives to the practice. In this way, in respect to what do SME owner-managers do when they strategise, the analysis demonstrates how the activities that compose each way of practising when considered in their entirety can contribute towards a coherent strategy. When taken alone they appear to be an eclectic array of actions not clearly aligned with the macro conception of an overarching strategy, yet the research found strategising activities were inconspicuous from other routine business activities. The findings show how traditionally non-strategy related practices such as operational activities that are the functions of a business directly related to providing its goods or services to the market; producing and selling its product, generating revenues, as well as general administrative and maintenance activities are not separate from strategy, challenging the idea that strategy is "the sole prerogative of pre-designated strategy practitioners" (MacKay *et al.,* 2020, p. 11). Consequently, the research contributes to how everyday operational activities connect with the strategic and vice versa, and hence, how an organisation's strategy can emerge from its operational activity, which remains

largely unexamined in SAP research (Jarzabkowski *et al*., 2016; Pettigrew, 2012) despite early work alluding to their intimate connection within strategy emergence (e.g., Burgelman, 1983; Mintzberg & Waters, 1985; Burgelman & Grove, 2007; Pettigrew, 1987; 2012).

Therefore, the research offers a snapshot of the strategic trajectories. For those operating under the guiding understandings of *Firm Frugality*, their telos-oriented projected ends for financial viability, guided by the general understandings of profit making and affectivities of fear, cope with their environment that ultimately led to positive unintended consequences. The maps document how the plethora and diverse coping activities combine to produce unintended consequences of a new bespoke orientation for SME 2 and a more flexible and agile orientation for SME 3. Here, *Firm Frugality* SME's very understanding of strategy is infused with the socio-cultural sensibilities that the "profit-making" business accounts for their own financial income and their future financial sustainability, ingrained with affectivities of fear of financial failure. For SME 2 this manifest through the organisation members collective practice of focusing on improving functionality of the manufacturing process, through the dispersed understanding that cost-cutting was necessary. This produced unintended consequences of personalisation, a highly focused workforce and employee motivation, where ultimately an orientation of bespoke-ness is centralised. Similarly, for SME 3, in coping under a *Firm Frugality* understanding, change becomes a vital part of the daily operations, the formal business structure and traditions are no longer adhered to and employees are accountable for their workload. Unexpectedly, this ultimately contributed towards an unintended shift towards a more flexible and agile SME as they continued to cope within their difficult financial positioning.

The orienting practical concerns for Meaningful Relationships emphasise activities that include people, relationships and providing safe working environments. In tracing the practical concerns to the practical coping, the duty of care telos and the general understandings of "being an employer" meant that the coping activities inadvertently dispersed collective practices such as generosity, generalised reciprocity, trust, creativity, and innovation. The more relaxed working atmospheres created produced subtle changes in the relationships between owner-managers and the employees that, in turn, encouraged experimentation and collaboration. Organisational members were more likely to be exposed to new types of work and support up and down the hierarchies in place, where they gained experience, confidence, and similar perceived responsibilities of duty of care towards clients and colleagues. Employees were more prepared to exchange, explore and refine their working practices with each other. They grew more confident in their own capabilities and learnt to collaborate with each other and the owner-manager who entrusted them with creative licence. As such, the concerns relate to the coherent strategy, where the knock-on effect of the aggregate coping activities produces a coherent

strategy for each SME. For SME 1 independent thinking becomes a core aspect of the SME identity and the way in which organisational members work, and consequently a coherent strategy. Similarly, SME 5 produces a strategy of cooperation, this permeates all aspects of their daily working life and is retrospectively considered their strategy for client satisfaction and retention.

Similarly, the unintended consequences identified for SME 6 within *Renowned Reputation* regard the impact of the coping activities on the opportunities that the business takes. Originally, copings were informed by affectivities of pride and telos-oriented ends of establishing a good reputation. Yet, it unexpectedly offered the owner-manager and the employees an experimental laboratory; it provided opportunities for them to develop new products, consider new markets and their "risk-taking" understandings. For one thing, employees working on new and unusual products gave them greater autonomy, but also exposed the business to new markets, which quickly saw the opportunity for employees to experiment in taking risks through innovation. Therefore, in their daily doings organisational members could express and display their newly acquired skills. Successful new services and products that were trialled to solve immediate problems were subsequently incorporated into the repertoire of formal business offerings such as transforming vehicles into dog vehicles and offering sign printing services for the side of vans. This emergent synergy in turn opened spaces for further developments as the repertoire of clients progressively evolved. Ultimately, diversification and market expansion became centralised practices throughout the organisation, from larger moves in opening a developer aspect of the business, to providing courtesy cars rather than outsourcing.

For *Guided Compliance*, unexpected outcomes for SME 7 saw a much more modernised workplace and business image. The guiding understandings here of procedures and policy necessary and useful in business and in strategy see the SME delegating responsibilities, elongating their hierarchy, and updating systems, machinery, and technology. The impact of each led to the business being able to be open 24/7, to hire a new marketing director and to develop a training scheme for staff called 'future forum'. This enabled them to remove traditions and increase transparency throughout the organisation and to transform their digital presence away from legacy technology. During the second observational visit, not only was the new operating system in place in the warehouse which allowed for a more precise and documented milling process, to meet the telos-oriented ends of compliance, but also, they had been interviewed for their new practices, where the SME could demonstrate their technological transformation. Such a transformation in the daily activities contributed to attracting bigger clients who wanted to work with the latest technology, but also employees were offered modern working arrangements, through shift work and more engagement with IT systems and events. Throughout the SME, from

those in the warehouse, to the in-house sales shop, to logistics these technological novelties progressively modified their daily practices as well as clients' expectation, including fast turn arounds on orders. The spin-offs from the small purposive operational copings and changes made led to an unexpected possibility of modernising the SME infrastructure and business image.

The practice-based approach taken here allows the theoretical and methodological precision to examine emergent strategy phenomena in a way towards bridging the macro-micro divide, by demonstrating how strategy practices lead to desirable organisational outcomes. This challenges the literature that states that there are two primary forces that drive organisational system dynamics and strategy, top-down contextual effects and bottom-up emergent phenomena that are embedded in the organisational system (Rousseau, 1985; Kozlowski & Klein, 2000). To address this the analysis demonstrates that the pervasive influence of social practices is what accounts for the interactions between micro and macro levels and is fundamental to understand how strategy emergence from local purposive coping actions is possible. In that, it contributes to answering the call to better account for the social and collective embeddedness of the strategy practitioner's agency (Elbasha & Wright, 2017; Rasche & Chia, 2009; Rouleau, 2013; Whittington, 2007) and to highlight how "lower-level processes and practices engaged by individuals and groups connect to broader organisational-level processes and outcomes" (Kouamé & Langley, 2018, p. 560).

Consequently, this research demonstrates that emergent strategy is *immanent* in established social practices, predispositions and tendencies which reside within practices that find expression in their actualisation (MacKay *et al.*, 2020). The idea of immanence suggests that these spin-offs from small purposive copings are expressions of practice and this is where strategy emerges. This is akin to literature that acknowledges that organisational strategies are historically constituted and socially embedded (Vaara & Lamberg, 2015). Yet, this is a difficult thing to capture, to map out from the practice itself to the strategic impact on firm-level (Guérard, Langley & Seidl, 2013; Miller, Washburn, & Glick, 2013). The SAP agenda, to address this, focus on measuring performance as proximal indicators more closely attuned to the specific phenomena being studied (Jarzabkowski & Spee, 2009; Johnson, *et al.*, 2007). However, to truly reconcile the macro/micro distinction this research directly addresses "the notoriously difficult-to-justify connection between process, practice and organisational outcomes in strategy emergence" (MacKay *et al.*, 2020, p. 10) by tracing activities, practices and understandings through time to understand the pervading broader practice influences on organisational outcomes.

Moreover, the documented situated, local practical copings ultimately affect the strategic positioning of the firm, including future copings with breakdowns. In the everyday running of

business, when no strategic change is intended, these choices and coping practices determine whether strategies are being maintained or are drifting. In this sense, formal strategies are thus translated into practice insofar as they condition practitioners' making of situated choices and coping with dilemmas. The maps of the activity in the performance-of-practice, the practice-as-entities and the expressions of practical intelligibility show how such coping activities are both enabled and constrained by the preconceived dispositions the constellation of practice prescribes. Many of the coping activities draw upon a wide range of actual work practices alongside strategy practices, which help contribute to strategic repercussions that are unintended. Practice-as-performance demonstrates the strategic dilemmas that practitioners must cope with on an everyday basis and shows the variation in responding coping. Practice-as-entity then draws out the underlying conditions that not only set out the dilemmas, but also the guiding principles of practice that conditions the responses to such. The tendency in the strategic management literature is to insist that the coping activities observed are in fact deliberate strategic choices, but this may misguide practitioners in some of the most strategically significant situations they encounter.

As such, the unintended shifts in strategic positioning are entangled within the organising principles of practice, they are not discrete nor purposeful and deliberate. Neither did they emerge from a single breakdown on a single task. Rather, they emerged cumulatively within the multiple breakdowns and practical concerns and the responding coping actions to handle the uncertainty of specific breakdowns. Practice-arrangement bundles tend to change over time. While in most cases actors can proceed unhampered, as the events may not require a change of the practice or arrangement; in other cases, parts of the practice or material arrangements must be altered in order to continue. For Schatzki (2013), these small alterations of a practice can lead to an evolution of practice-arrangement bundles over time. Therefore, the unintended consequences that are produced from the practical coping, either confirm or refute the practice. In this case, the SMEs retrospectively consider the positive unintended consequences as confirmation that their doings of strategy are indeed appropriate.

Therefore, for *Firm Frugality* SMEs the positive unintended consequences that emerged from coping activities of personalisation, highly focused and detail-oriented workforce, improved employee motivation (SME 2), improved flexibility, empowered employees and company agility (SME 3) reinforced the way of practising strategy. The positive organisational outcomes were retrospectively made sense of as demonstrations that their way 'works'. As such, the rules, "profit-making" general understandings, and the affectivity of fear is reinforced as the right way to think and feel when running a business. Similarly, *Meaningful Relationships* experienced positive unintended consequences of employee trust, higher team exposure to independent

working, creativity (SME 1), generosity and generalised reciprocity amongst stakeholders (SME 5), knowledge sharing, and management and organisational members are exposed to new sources of knowledge (SME 8). This documents that whilst the *Meaningful Relationships* understanding prioritises the relationships between stakeholders, coping activities under this guiding influence can produce consequences that were not initially intended. Consequently, the unexpected positive consequences reinforce that a duty of care telos and "being an employer" practical intelligibility are the correct normalisations of strategy, because it helped attain the desired projected ends for the SME. Therefore, retrospectively, this coping is deemed strategic, as it produces a particular coherence and direction to organisational activity (MacKay *et al.*, 2020; Fenton & Langley, 2011; Carter, *et al.,* 2008).

In comprehending the complex relationships between the different key sets of strategy activities, the different everyday coping activities and the organising principles, the local and trans-local effects produced by assemblages of situated practices can be captured. Seeing local coping activities as representations of practice predispositions exhibits Schatzki's (2002) core notion that it is the primacy of the practice and that the resulting effects are effects of the practice itself. The results further provide the means to expose how coherent strategy can emerge in day-to-day practical copings, without deliberate intent. This allows the present study to theorise the relations between actions in daily strategy work and the role of practices in producing strategy reality. Consequently, this research demonstrates that the emergence of a coherent strategy does not happen in isolation from an SMEs daily and mundane practical concerns and its ways of coping in their wake. Firstly, the practice understandings of strategy orient the practitioner to consider what is a problem and what crises or breakdowns are important to 'face'. This in turn triggers a practical purposive coping period where practitioners, when drawing upon the mental schema of practice components, are guided to consider appropriate responses to the problem. Ultimately, when the milieu of copings are traced, there are two sets of unintended consequences; firstly, they produce unintended strategic consequences for the organisation, and secondly, they either reinforce or begin to transform the owner-manager's understandings of strategy. In this sense, practitioners are either comforted by the perceived success of copings that contribute to a reinforced confidence in their way of practising and understanding strategy and further attribute the unintended strategic consequences to the confirmation of their understanding of strategy. This refutes the claim that the enthusiasm for "a micro-level of activity" and a focus on the details of managerial conduct, distract researchers "from issues with substantive impact on organisational outcomes" (Burgelman, *et al.*, 2018, p. 540).

These findings advance the SME strategising agenda that shows strategising to be emergent and informal (Beaver & Prince, 2002; Rasmussen, 2009; Günther & Menzel, 2012), by capturing

how this occurs, through tracing the activities and practices that consequently lead to both a way of practising strategy and positive unintended strategic consequences. Ultimately, this research finds that the daily doing of strategy also contributes towards a coherent strategic orientation, in the absence of formal strategic planning and practices, by exploring the local and trans-local effects of practice. It builds upon studies that demonstrate how the patterned consistency of actions inadvertently make the emergence of a coherent strategy possible (Bouty *et al.*, 2019; MacKay, Chia & Nair, 2020), by presenting an empirical account of how this happens across multiple SMEs. It does so by demonstrating that it is through the operational activities that strategy doings present themselves that contribute towards strategy emergence and therefore challenges that there are two primary forces that drive organisational system dynamics and strategy, top-down contextual effects and bottom-up emergent phenomena that are embedded in the organisational system (Rousseau, 1985; Kozlowski & Klein, 2000). As such, this research demonstrates how the practice-based approach allows research the theoretical and methodological precision to examine emergent strategy phenomena in a way towards bridging the macro-micro divide.

Moreover, contributing to the scholarly discussion developed by Whittington (1996), Johnson, Melin and Whittington (2003) and Jarzabkowski, Balogun and Seidl (2007), the analysis peels away the layers of the daily activities and their underlying practice presuppositions to give an explanation of the strategy which occurs and emerges as shown in Figure 13 (p. 187). As such, this research deepens understanding of SME strategy and strategy in general from a practice perspective, by going beyond the idea of practice as the simply the 'doings' of strategy *actors* (e.g., Jarzabkowski *et al*., 2016) and consequently proffering a way to reconcile the macro/micro distinction implicit in the above perspectives.

CHAPTER SIX

CONCLUSIONS: CONTRIBUTION, IMPLICATIONS AND FUTURE RESEARCH

6.1 Introduction

This chapter draws together findings from the research to discuss how it has contributed to knowledge. Following this, a critical methodological reflection and discussion on directions for future research will take place. Afterwards, it is necessary to discuss the practical implications of the research for practitioners and the wider economic community. Finally, the chapter is completed with the researcher's concluding remarks.

The overall aim of the research was to explore practices in small and medium size enterprises in the North West, applying a social practice theory to appreciate how a coherent strategy emerges through every day purposive actions and practices, to advance the understanding and facilitation of the types of strategy practices that occur. To achieve this, the findings and discussion chapters addressed the following three research objectives:

   i) To explore the mundane practical concerns and copings that orient the daily strategy work of SMEs.

   ii) To analyse how local, spontaneous coping activity is informed, affected, constrained, or enabled by the wider constellation of practice.

   iii) To explore the local and trans-local effects of practice and the unintended consequences that are retrospectively considered as coherent strategy.

After observing, tracing, and mapping the mundane practical concerns and the responding coping activities within nine North West SMEs in Section 4.2, Section 5.2 documented how the differing practical concerns and copings that emerged within the findings orient varying ways of practising strategy. Therefore, strategy is conceived as occurring in the flow of everyday activity as SME owner-managers seek to cope with their environment. This helped to address the first objective. Sections 4.3 and 4.4 mainly focused upon identifying the culturally and historically shaped dispositions made apparent within the organising mental components of practice and the practical intelligibilities that surrounded them. While Section 5.3 and 5.4 explored the ways in which these

components; rules, understandings and teleoaffective structures, informed and conditioned the practical concerns, the coping activities and ultimately the ways of practising strategy. These sections, when combined, demonstrate how strategic action is constrained by ways of thinking and interacting, resulting in a barrier to cope in ways that fall outside the scope of the particular way of understanding strategy. The second objective is met here. Section 4.5 mapped and documented the incremental changes that occurred as a 'knock on' effect of the coping activities and the unexpected positive unintended consequences. Section 5.5 presented how the positive unintended consequences locally affected the strategic direction/positioning of the business, demonstrating the micro and macro linkage by presenting links between small coping phenomena and larger business outcome phenomena. Finally, it discussed how the spin-offs and outcomes either confirm or refute the way of practicing strategy, having wider trans-local practice implications for what practitioners, operating under a specific way of practising and understanding strategy, consider appropriate future strategic action. This helped to address the third objective.

6.2 Contributions of the Research

The aim of the research was to explore practices in small and medium size enterprises in the North West, applying a social practice theory to appreciate how strategy emerges through everyday practices and actions, to advance the understanding and facilitation of the types of strategy practices that occur. Influential studies of the practice of strategy use actors as units of analysis to comprehensively understand the "doings" of strategy (Jarzabkowski, 2006; Whittington, 1996; Rouleau, 2005; Balogun & Johnson, 2005). In contrast, this research focused on the practice as the unit of analysis to demonstrate how the doing of strategy is shaped by the social practice which provides actors practical intelligibility (Schatzki, 2001). This relatively novel approach allowed for more in-depth exploration of strategy emergence within SMEs that accounted for the flow of spontaneous and non-deliberate aspects of strategy doings. The outcomes of the research contribute to knowledge by advancing understanding of the daily doings of strategy and how local, non-deliberate, mundane coping activities (small phenomena) can cumulatively produce strategic consequences (large phenomena). Specifically, it advances understanding by exploring how coping activities are shaped by systems of practice from the past, in terms of rules, understandings and teleoaffective structures that are embedded within the understanding and practising of strategy.

Therefore, this research contributes to knowledge in three broad categories. Firstly, by addressing the first objective the research provides an intimate depiction of *what* and *how* SMEs "do"

strategy. Sections 4.2 and 5.2 addressed this objective by portraying what daily practical concerns orient SME strategy work and identified the breakdowns in practice. In contrast to existing studies that look at formal strategic practices such as workshops, strategy meetings, committees and formal administration routines (Hodgkinson *et al.*, 2006; Jarzabkowski & Seidl, 2008; Johnson, Prashantham, Floyd, & Bourque, 2010; Seidl, MacLean & MacIntosh, 2011; Wodak, Kwon & Clarke, 2011; Hoon, 2007; Jarzabkowski & Wilson, 2002), this research responded to calls made within the strategy practice field (e.g. Chia & MacKay, 2007; Langley & Tsoukas, 2010) to explore the role of strategy from a dwelling perspective. As such, this research challenges the dominant view that strategy practices are "transcendent property that a priori unifies independently conceived actions and decisions" (Chia & Holt, 2006, p. 637). Instead, they are viewed as immanent in every adaptive action. Here, strategy is viewed as immediate responsive purposive copings to breakdowns and immediate concerns, providing insight into how strategy can transpire as every day, adaptive, localised pattern of coping actions, that are constantly in action.

Secondly, it contributes to knowledge by addressing the second objective. When combined, Sections 4.3, 4.4, 5.3 and 5.4 addressed the second objective by detailing how strategy as practical coping can occur in the absence of deliberate intent, and that the "doing" of strategy is instead ordered by the schema of practice components. Whilst the first two sections offered the findings and themes labelled against the theoretical concepts, the latter two sections demonstrated how strategising in SMEs is a complex social practice which is multifaceted and guided by the schema of practice components. Sections 5.3 and 5.4 contributed to emergent strategy research by empirically pointing to the value of purposiveness of action, the importance of practical intelligibility in predisposing practitioners, and the rules, general understandings and teleoaffective structures that profoundly shape practitioners' action, by acting as enabling and constraining conditions. As such, it builds upon actor-centric strategy research (Johnson *et al.*, 2003; Jarzabkowski *et al.*, 2007), by showing that what makes consistency possible in emergent strategy, in the absence of intentions, is the immanence of social practices that, through the organising mental concepts, irrigate every coping action taken. As such, the research indicates that focusing purely on the micro strategic doings of a strategist who has deliberate strategic aims and plans, who carefully constructs mental models of the world preceding any practical engagement (Horst & Jarventie-Thesleff, 2016), may not fully explain strategy emergence that can arise from non-deliberate activity. Instead, it empirically demonstrates that it is the dynamics of practice that offers a greater understanding of how culturally and historically attained predispositions, produce, transform, constrain, and enable strategy work. By doing so, the research advances current understanding of strategy emergence within SMEs and highlights the importance of practice. It also suggests that the ad-hoc coping to crises and breakdowns with

daily working environments is even more crucial to strategy emergence, where strategy is immanent in those actions.

Accordingly, Chapter 5 is illustrative of Chia and Holt's (2006) conception of strategy as practical coping, where informal and purposive copings, that are made with no specific strategic foresight or deliberation, can have strategy implications. However, whilst their work provides a broad sensitising orientation of strategising by practitioners, this research contributes empirical insight into the various ways of strategising, the practical concerns that orientate the practitioners, and what elements structure these different ways of doing strategy. Moreover, this research further builds upon the concept, by addressing how performances of strategising are shaped by the practice-as-entities which hold the organising practice components, as opposed to Bourdieu's notion of habitus (1990). It contributes by explicating how the ways of strategising are embedded in, and shaped by, rules of thumb; general understandings of "profit-making", "being an employer", "risk-taking", and "business is strategy"; teleoaffective structures of affectivities of fear, pride, anxiety, and duty of care; and finally practical intelligibilities of "achieving financial stability", "willingness to trust and try things", "knowing and appearing better", and "being successful and being responsible". Only when taken cumulatively do these practice properties structure, guide and shape the tacit ways of practical coping. Therefore, the research strengthens claims made Chia and Holt (2006; 2009) and Bouty, Chia and Gomez (2019) as it shows coping action not as deliberate or goal oriented, but rather as an internalized disposition to act in a manner consistent with past actions and experiences with strategic intent being immanent in those actions. Thus, Chapter 5 finds that the "know how" practice prescribes each way of practising strategy, enables organisational members to not only consider what concerns are particularly orienting, but also to perceive the possibilities of action and thus the most appropriate course of action. Therefore, the orienting practical concerns and the practical coping are seen as integral elements of SME strategising practice.

Thirdly, it contributes to knowledge by addressing the third objective. The outcomes of the findings in Section 4.5 laid a meaningful foundation for the analysis and discussion in Section 5.5 to address the third objective. This section built upon existing literature that seeks "the detailed processes and practices which constitute the day-to-day activities of organisational life" (Johnson *et al*., 2003, p. 3; Lê & Jarzabkowski, 2015, p. 440), by answering calls to consider organisational outcomes (Fenton & Langley, 2011; Carter, *et al*., 2008). Section 4.5 depicted the local unexpected organisational outcomes by mapping out the seemingly inconsequential small changes made to purposively cope and overcome a breakdown in usual practice, which when considered in their entirety, produce coherent strategic direction for the SMEs. Section 5.5 furthered this discussion by documenting how the operational is inherently tied to the strategic.

It provided evidence to aid understanding as to how seemingly inconsequential micro actions taken in situ eventuate into a coherent pattern that is retrospectively recognised as strategy. This illustrated how the social embeddedness of actors affects their responses, small changes cumulatively and dynamically lead to unexpected consequences, unanticipated synergies and contribute in an iterative way to shaping the eventual strategic trajectory of the organisation. In this way, the analysis within Section 5.5 demonstrated the emergence of a coherent strategy does not happen in isolation from an organisation's operational concerns and its established ways of dealing with problem situations, instead the two are intimately entwined and develop through time, in possibly unexpected ways. This comprises the entire milieu of practical coping actions taken 'at the coal face' of the organisation on an everyday basis (MacKay *et al*., 2020). The spin-offs from the small purposive operational changes captured within the findings led to an unexpected possibility of action that ultimately contributed towards a coherent strategy. The research thereby contributes towards existing literature that acknowledge how much of strategy formation is rooted in non-deliberate practical coping (Regnér, 2003; Chia & Holt, 2006; Rouleau, 2005; de La Ville, 2006; 2015) by documenting how emergent strategising lies in the locally embedded daily purposive coping with external environments, that crucially rely on practice predispositions towards situations. As such, the research shows how everyday activities feed into strategic priorities, and hence, SME strategy emerges from its operational activity. Altogether, this research suggests that strategy emerges as a dynamic combination of concerns, coping actions and their unexpected consequences, all of which are underpinned by the organising elements that together constitute the practice template, the blueprint that prepares and guides practitioners.

Consequently, this research contributes towards the continuing debates surrounding the distinction between strategic activity and operational activity. There are those who claim that SMEs tend to orientate towards short-term operational rather than long-term strategic issues (Jones 1982; Gaskill, van Auken & Manning 1993; Brouthers, Andriessen & Nicolaes 1998; Stonehouse & Pemberton 2002; Mazzarol 2004), therefore signifying a distinction between the operational and the strategic. To these academic thinkers the difference between a strategy and operational is its time frame; operational objectives are short-term goals, while strategic objectives are longer-term goals. Operational activities are the short-term functions of a business directly related to providing its goods and/or services to the market. Whereas strategic activity is the long-term goals and objectives of a company, the adoptions of actions, and the allocation of necessary resources for the achievement of the objectives (Chandler, 1962; Porter, 1980). However, in an SME context, this research demonstrates how the strategic is inherently operational, as the degree of owner-manager dominance in SMEs is much stronger than in larger organisations, where engaging in vital operational activities in the day-to-day work in the firm

orient and contribute towards strategic direction, making possible a unique melding of the operational and the strategic that is not possible in larger firms. Subsequently, the research elaborates on the relationship between operational and strategic which has insofar been largely unexamined (MacKay *et al.*, 2020).

Section 5.5 further addressed the third objective by depicting the wider trans-local effects of practice, where the concerns, copings and consequences cumulatively reinforce or divert the way strategy is practised and understood, which produces consequences that inadvertently guide future action. It showed that emergent strategising develops through a synergistic intertwinement of practical concerns, coping actions, the understandings practice prescribes and their unintended consequences. As in, practice has trans-local effects where practitioners experience positive unintended consequences and interpret them as reassurance that their strategy practices are appropriate, therefore endows a form of durability to the practice. This responds to calls made by practice scholars who seek to address how trans-local phenomena come into being and persist in time "as effects of the mutual relationships between the local real-time accomplishments of practices", as well as how they then make a difference in the local process of strategising (Nicolini, 2009, p. 3). By exploring strategy phenomena across two time periods, the connections between the here-and-now of the situated practicing and the elsewhere-and-then of other practices, can begin to be talked about, which enable researchers to understand both the conditions of the local accomplishment of the strategy practice and the ways in which the different ways of practising strategy are associated into broader textures of daily organisational life.

Therefore, the research is empirically illustrative of the recent scholarly discussion made by MacKay, Chia and Nair (2020), as it demonstrates that the pervasive influence of social practices is what accounts for the interactions between micro and macro levels which is fundamental to understand how strategy emergence from local purposive coping actions is possible. It does so by addressing the overwhelming focus of research on the micro agency of strategic actors that has led the characterisation of the SAP agenda to be micro-myopic (Seidl & Whittington, 2014; Vaara & Whittington, 2012), by reconciling the conundrum of the macro/micro distinction by depicting strategy as immanent in practice. As such, the research shows it is through practice influences that an immanent strategy is ever present in organisational life, thereby reflecting the lived experience of practitioners strategising at the organisational 'coal-face'. In doing so, it advances understanding of how strategy emergence impacts organisational outcomes, by answering calls for further empirical research into strategy emergence (Bouty *et al.*, 2019). This joins a new stream of literature that is interested in advancing theorising and understanding of

how immanent strategy provides the underlying substrate for the subsequent explication of emergent strategies in acts of strategising (MacKay, Chia & Nair, 2020).

Taken together, Chapters 4 and 5 offer a fresh perspective on how strategy emergence could be studied in the SME context and offer three broad new empirical insights of relevance to research on strategy emergence, discussed above. The outcomes of the research demonstrate the effectiveness of using practice theories to study the local, daily, non-deliberate actions that contribute towards the emergence of a coherent and viable strategy, which was identified as a knowledge gap at the beginning of the research. It illustrates the value of using Schatzki's theory of practice as a philosophical lens and methodological tool to understand the complex interplay between (1) practice breakdowns and concerns, (2) the immediate responsive purposive copings, (3) the underlying organising principles guiding action and (4) the unintended consequences that are produced from the aggregate of each. Only through an appreciation of the interaction between each, can strategy emergence be grasped through everyday absorbed practical coping that is actively shaped by practice. As such, strategy practice in SMEs transcends formal strategy frameworks and the reliance on individual agency or structure, due to a logic of practice (Schatzki, 2001).

6.3 Methodological Reflections and Directions for Future Research

This research indicates three broad areas in which this research can be further developed upon. The first is a deepening of the findings from this research to give it more empirical support. This research offers meaningful insights into how SME owner-managers "do" strategy on a day-to-day basis. By exploring and documenting strategy emergence within SMEs, the research goes some way to open up the "strategically myopic" context of the SME, described by Mazzarol (2004, p.1), who, amongst others, claim SMEs do not do strategy (e.g., Robinson & Pearce 1984; Sexton & van Auken 1985; Berman, Gordon & Sussman 1997; Orser, Hogarth-Scott & Riding 2000; Sandberg, Robinson & Pearce 2001; Beaver 2003). As an exploratory, qualitative study seeking to develop theory, it would be interesting to see future empirical research that continues to explore localised and informal strategy work that occurs within SMEs. This will allow more balanced literature to evolve, where not only formal strategy practices are considered strategy, but the informal practical copings are also studied.

Secondly, in terms of the methods used for this research, the nine longitudinal observations and in-depth interviews with SME owner-managers, provided very rich, in-depth, and meaningful data for the research. To avoid the absence of analytical closure (Thomson & Holland, 2003;

Vogl *et al*., 2017) this research conducted two waves of longitudinal observations, this meant the prospect of new data in subsequent waves potentially rendering previous interpretations redundant or obsolete was minimised. However, in future, it would be beneficial to gather and observe this data over a longer time period with more frequent visits, and further subsequent waves, this could provide further exploration and detail on the unintended consequences coping actions produce. This would shed more light on the strategy practices, their unintended consequences, and the emergence of a coherent strategy through time.

The third way in which this research could be built on is by widening the scope of the study to include issues which were raised by the study but were not pursued in much detail. This research has touched upon the mental organising principles of practice and how they influence action in strategising. Further work would be beneficial in this light to understand the affective texture of actions for practice theory-oriented strategy scholars, to further this conversation beyond what has been done already. This research shows that practitioners care what they strive for and their attitudes/commitments are fundamentally important to why some "ends become objects of desire" (Schatzki, 2002, p.480). However, more needs to be done to understand affects potential to reveal the intensities and forces of everyday organisational experiences that may pass unnoticed or pass in silence because they have been discarded from the orthodoxy of doing research 'as usual' (Gherardi, Mugia, Belle, Miele & Carreri, 2018). Moreover, issues of materiality were briefly touched upon in how strategy practice link with materiality, where artefacts in use *matter* (Orlikowski, 2007; 2009; Jarzabkowski *et al*., 2013; Hall *et al.,* 2013; Barratt *et al*., 2016; de Brito *et al*., 2020), whilst this exceeds the scope of the present study, it is a promising line of future inquiry.

Finally, this research paid attention to the positive unintended consequences of practical coping, to document the impact upon strategy practice. Future research could focus upon the negative unintended consequences, which could provide a further description and understanding of how strategy practices transform and bifurcate the way they do. As "practice organisations are not static. The understandings, rules, and teleoaffective structures that organise integrative practices frequently change. So, too, do the doings and sayings that constitute these practices" (Schatzki, 2002, p. 240). Practices can "converge, coalesce, dissolve, and bifurcate on the basis of their constituent events and movements" (Schatzki, 2002, p. 95).

Strategy practitioners can "alter their purposes, projects, and arrangements in response to breakdowns and setbacks that befall or arise" (Schatzki, 2002, p. 118). By using the findings of this research, specifically drawing upon the depiction of strategy emergence in Figure 13 (p. 187), future research can trace both the positive and negative unintended consequences of coping

to better understand practice evolution and change. When practitioners face breakdowns in their practice and move into practical coping to navigate this, positive unintended consequences can reinforce the understanding of practice, whereas negative unintended consequences may guide the practitioner to differentiate their perceptions on the elements of everyday practices and thus perform them differently. Essentially, not only does this impact the emergence of strategy but also the practices themselves over time. This research provides the first step towards better understanding how "doings and sayings that people perform in carrying on integrative practices continually evolve" (Schatzki, 2002, p. 242) and how continuous change found within dispersed practices occurs.

6.4 Implications of the Research

Having discussed the contributions to knowledge in Section 6.2, this section seeks to explain the implications for practice. This approach to strategising aids in tracing the doings of strategy, identifying, and understanding practice as it happens, to gain an intimate understanding of what people do and why they do it. As the individual and organisation are considered as carriers of practice, rather than autonomous drivers of the actions and events, the research gains an embedded view of strategy and reveals both the mechanisms that produce activities, but also the activities themselves. As such, the findings from this research have practical implications for SME owner-managers, their employees, those entities which support small and medium sized enterprises, and policy makers. One of the important findings of the research shows that it is the day-to-day coping with the environment, which is important for strategising within SMEs. Hence, how to develop and maintain these activities has crucial implications for practice.

Firstly, this research bears implications for SME owner-managers. The findings can assist SME owner-managers to think in a more structured way about what they do, what concerns them, how they respond and handle problems, and why they have done what they have done and continue to do; by simply reflecting on their own practice and becoming more attuned to what certain work entails in differing settings (Geiger, 2009; Barley, 1996). This can lead to a better awareness and a more comprehensive assessment of their needs in terms of knowledge, experience, and desired ends. It should also lead to better understanding that being in the midst of the operational aspects of the business is not to their detriment and instead, it can provide a platform for further input into strategising. This should also lead them to re-examine the ways in which they view their own actions, their business, and their understandings of strategy. It gives them a critical understanding of how they reflect and respond to what they believe are crises. As the research documents, personal interests, that are chased as projected ends, play an important role in how

owner-managers cope and therefore should not be overlooked by the SME owner-manager, or those who seek to support them.

For the entities that focus on supporting SMEs, this research provides rich insight into the factors that the SME owner-manager considers important and highly orienting in their daily work. This means that those who support SMEs by providing skills, knowledge and advice can re-examine the ways they engage with SME owner-managers and the content they present with a view to developing new methods of engagement which will make them attractive to SME owner-managers as knowledge sources. The research also gives insight into what the SME owner-managers consider important in running their business and the concerns they are most oriented by, therefore offering the opportunity to consider how the needs of SMEs differ based on the understandings of strategy held by the owner-manager. This should enable those who support SMEs to provide not only more effective content that is helpful and supportive, but also is something SME owner-managers would consider relevant to their daily working lives.

Finally, the outcomes of the research suggest that by gaining a deeper understanding of the strategising activities and practices that take place, policymakers who have direct and indirect influence over strategy by shaping what are considered legitimate practices (Jarzabkowski & Whittington, 2008), can better target funds and support, by focusing less on the formal 'strategically' oriented support and instead on the less-intensive operational assistance. This could help enhance SME specific activities in the local areas, which could see a growth in SMEs which can have an impact on the regional economy (Pickernell *et al*., 2011; Packham *et al*., 2010; Matlay, 2009; 2006).

6.5 Reflection on the Research Journey

In a qualitative study such as this, the researcher is a research instrument as it is she who gathers analyses and interprets the data. In reporting on the research process, personal history, biases, and peculiarities can and do influence the research process and output. I therefore feel that I am responsible to give a reflective account of my research journey in the hope that it will expose some of my personal biases and peculiarities, thus helping you to assess my awareness of these while conducting this research and writing up this text. Moreover, I hope to provide any and all insights into my thinking along this three-year constantly evolving journey. To do this, I will reflect on my educational background, personal experiences of strategising and the research methods and process.

6.5.1 Reflections on my Education Background

My educational background is varied. I hold a bachelor's degree in English Language, in which I did not achieve a particularly high grade. I was not convinced that academia and I would ever be fated to meet again and so I embarked on a year of travelling and teaching English as a foreign language. Once I had returned, I experienced rejection after rejection for graduate jobs and therefore opted to get any job I could, thinking it would only be for a short time. How wrong I was. I spent the next four years working my way up in a UK Cinema chain from popcorn scooper to manager, where I was ultimately responsible for recruitment, team development and training. It was in this role that I first-hand experienced strategy work and began to consider returning to academia as I had seemingly hit the ceiling for future opportunities. After some deliberation, I applied for a Business Management MSc course at UCLan. A full-time masters and a full-time job, what could go wrong?

Throughout my masters experience I began to realise not only did I enjoy academia in a way I never had before, I was also actually quite good at it. I realised I have a naturally curious, inquisitive, and explorative nature – I have this annoying thirst that is never quenched, to understand how exactly everything I encounter works. During my final semester, I got to draw upon my own personal experience at my place of employment and undertook a dissertation focusing on the field of workplace challenges and gender disparities, which included qualitative primary research. It allowed me to see the techniques that I had learnt academically, being applied to a very important and engaging real-life situation. The aim of the project was to explore the perceptions of challenges and barriers that shape the modern female leader's career progression and position in the workplace, to provide potential resolutions for organisations. This influenced me to have an interest in organisational life and the small, seemingly innocuous actions, that have large consequences. It also taught me to look at the how and why of phenomena. Moreover, it gave me the skills to construct arguments, collect data and draw meaningful conclusions, this has stayed with me and influenced my writing style over the years. Whereas my professional experience gave me all the skills I did not know I would need - the first year of my PhD was heavily oriented around participant recruitment. This involved selling, networking and persuading SMEs to take part in my study. Having spent the previous four years selling and managing various stakeholder interests, I was equipped to relentlessly enter SME spaces, cold call, email, present and attend events to secure my sample. Whilst selling an idea is not the same as upgrading your popcorn from a medium to a large, it did give me the patience and resilience to recognise I would receive over two hundred "no thank you", but I would find the ten who said "yes".

Taking a practice approach in this work and delving into the *how* of SME strategy practices can ultimately find some root in my interest in organisational daily life. However, I must acknowledge this also came from long in-depth conversations about the practice field with my then MSc dissertation supervisor and my current Director of Studies, Dr. Dorota Marsh. These conversations have been at times frustratingly challenging, never quite finding the right 'practice' answer, however they have always been fascinating and have pushed my understanding of social reality, which is why the practice as philosophy approach was taken here.

6.5.2 Reflections on the Process and Being in the Field

Whilst this thesis presents a linear account of the research process, it was indeed far from being linear. I started out with an initial literature review and had the idea to conduct a longitudinal study. However, I had to very quickly deal with complex conceptualisations of the social world in the process of building a conceptual framework, in order to enter the field as soon as possible to allow for a decent time gap between observations. Whilst this was a stressful time, it meant that the first round of observations could act as a pilot study of sorts, which helped inform the literature, my research design and the consequent follow up observations and interviews. The process then became one of iteration between literature and data collection, which unsurprisingly lead me in different directions, sometimes in the direction of pure clarity and other times in the direction of utter obscurity. I cannot explain how many theses I have probably written and then deleted entire chapters. These drifts into obscurity were useful as they helped me refine my research aim, shaped the theoretic framing of the study, enabled me to define the boundaries of the study and bring renewed focus to the phenomena under study. This is evident in the very many unexplored paths this research opens, but which have been left to others to explore.

Having spent over 508 hours observing SMEs in their daily working life, I was relieved at finally leaving the field. Even though I was looking forward to immersing myself in the analysis and writing, there lingered at the back of my mind a strong desire to return to the field. Whilst my primary research with each SME had finished, the cases remained, evolving, and changing, developing new interests, and entering new, interesting, and potentially enlightening relationships. Having now had time to consider these feelings, I realise that my desire to retain close links to the groups served other purposes also. I had a persistent concern that there remained data waiting to be collected in the field. I believed that perhaps another chat with certain actors, or the attendance of a more events, could provide yet another seam of material to further enrich my analysis. It was comforting to know that when I encountered a gap in my knowledge or

understanding, sustained links with the cases would provide opportunities for return to the field, or to at least permit a distant monitor of their activities. A sentiment that it would seem even experienced researchers encounter, which I took great comfort from:

> "*It can therefore be difficult for the researcher to decide finally to leave the organisation, to gather no more information, and to begin the process of analysing and documenting what data have been collected. This can be an awkward psychological leap, as there is always the possibility, usually a strong probability, that vital information has been overlooked.*"
>
> (Buchanan, Boddy & McCalman 1988:64)

I have given a reflective account of my research journey in the hope that in doing so I have exposed some of my personal biases and peculiarities, which while I have tried to be aware of and control, might have impacted on this research. I leave it to you, the reader, to judge if this is the case as you have managed to read through three years' worth of my work.

6.6 Concluding Remarks

This thesis describes a three-year long journey into the wild unknown that is the "doing" of strategy in SMEs. It has achieved the aim of developing a better and richer understanding of the way in which SME's engage in strategy work and how this leads to strategy emergence. The picture created shows strategising in SMEs to be informal and occurring in the flow of everyday activities as they cope with the environment in which they operate. It shows practical coping as an integral part of strategising with the SME owner-managers charting a course of appropriate action based on their understandings of strategy, prescribed by practice. Perceived 'correct' courses of actions are categorized as such based on rules, general understandings and teleoaffective structures that make up the practice. Rules, general understandings and teleoaffective structures are showed to lead owner-managers understandings and their respective coping activities. It is hoped that this understanding of SME strategising, the relationship between practically and operationally coping and the mental ordering of SME owner-managers' strategy practice will be both a premise and a guide for future excursions of this phenomena.

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APPENDICES

Appendix 1 - Participant Profile

SME 1

The owner-manager for SME 1 began in the creative industry as a graphic designer. After a year in this role, he joined another company as a senior designer for four years. At this point he joined another larger company as the creative director. Over this 10-year period, he gained commercial experience in design & brand communication, creating engaging creative & design work for clients. Following this, he left the business and set up his own company in 2006. Where he has specialised in brand creation, brand development, design & marketing communications, graphic design, motion graphics, exhibition design, website design and build, and advertising campaigns. At the time of observation, he employed 8 permanent members of staff. They had just recruited a new member of staff (graphic designer) and were working towards securing a new client.

SME 2

SME 2 was educated in his trade to college level, after leaving education he worked as an upholsterer. After two years in this role, he left the firm and joined a new and much larger manufacturing company as a production manager. After twelve years in this role, he left the firm for a promoted position of general manager at a smaller firm, which he worked in for eleven years. After having a year out of work, he set up his own company in 2009 that specialises in bespoke furniture. As the owner-manager he began by working on his own with his wife. Many of his clients migrated with him from his previous employment and therefore, he began to expand his team. Initially he employed friends and family who either knew the trade or who he taught it to. At the time of observation, he currently had 16 employees, who ranged from experienced tradesmen with over 30 years' experience, to young trainees learning the trade. His son is the production manager and his wife are the financial director. At the time of observation, they were very busy and were just starting their second month in the financial year. They had just recruited two new members of staff.

SME 3

After a successful career as a salesperson in the reusable cup industry for over 20 years, SME 3 founded his own company to manufacture paper cups in 2005. The first three years included outsourcing and selling paper cups made elsewhere. In the third year he employed three members of staff and began manufacturing his products in Asia. During their fifth year in operation, they began exporting to the EU, and they relocated premises from his personal home to a warehouse and office lot, where they employed over 10 members of staff and 3 EU wholesalers. By 2012 they began using their warehouse premises to manufacture the products within the UK themselves. The office is expanded to accommodate new employees and increased demand. They also added new machines to their manufacturing unit to create a new 'speedy' service they offer on products. In 2015 they introduced a further increase on this to a 24-hour turnaround for their customers, this is achieved with further new employees, his team is now 40+. All websites rebranded and relaunched in 2017 to launch the new online shop, this allows them to sell their products business to business and business to consumer.

In 2018, the company began to suffer from poor cash flow. Sales had begun to decline due to the pressures from environmentally conscious activists. As such in 2019 he had to make over 20 people redundant to deal with the cash flow crisis. He currently employs 23 people. His daughter is the operations director and his wife are the retired finance director. Whilst she does not have a formal role within the business, she still reaps her income from the business and occasionally informally works for the business to help the owner-manager. As such, the majority of his office team are focused on sales. The operations director has been moved from the production office into a sales role. This has left the warehouse without management.

SME 4

SME 4 was established in the 1950's as a small shop with a workshop manufacturing doors and other accessories. It was set up by the current managing director's father. The current managing director began working there ten years after the shop was opened and after a further eleven years, his father retired, and the current managing director took over the business with his wife (finance director/owner-manager). By 2006 they employer 8 people and in 2007 the business relocated to a large manufacturing facility enabling rapid growth of the amount of product produced. This was supported by a considerable investment programme which included the acquisition of technology, a factory finishing facility and accreditation. In 2018 they employed 32 project managers and operators in the warehouse. This increased to 50 in 2019. SME 4 still stands as a family run business. The owner-manager is now the finance director since the managing director (her husband) is slowly transitioning into retirement. Their son was made operations director in 2017 and has been primed to take over the business with another experienced director (also appointed in 2017) once the owner-manager retires.

At the time of observation, they were experienced significant increased demand for their product and services, which was due to the impact of the 2017 Grenfell tower fire. Councils were replacing all doors to ensure standards were met and standards and compliance was changing rapidly to ensure the incident would not happen again. This meant that the SME was having to turn down jobs due to their increased workload and had a 24-week waiting list. This meant they had their highest ever revenue for the year, yet also were increasingly struggling with the demands of changing regulations.

SME 5

The owner-manager for SME 5 qualified as an accountant in 1985 whilst working for a medium-sized practice, following three years training at a firm. She entered partnership in 1992 in the practice. During the years as a principal, she has seen several changes in name and partners. In 2006 the current state of the SME was formed following the successful merger of two well-established accountancy practices. After ten years, the other partner retired and now the business is a single holding where the owner-manager is the sole director of the business with 14 employees.

They provide a comprehensive range of consultancy and compliance services both to individual and corporate clients. They specialise in the provision of business advisory services and taxation matters. They work with a wide range of businesses including those operating in the retail, motor, and construction industries. At the time of observation, they were looking into exploring new markets and creating a bigger profile of their payroll services.

SME 6

Following an apprenticeship at a local car dealership, the owner-manager of SME 6 began repairing damaged and salvaged vehicles on his father's farm, establishing a long tradition of automobile repair expertise, which is still a cornerstone of his service offering today. His scale of operations began progressing to the point where he was working on up to 40 cars at any one time, therefore he purchased a field to move his operations to. They still currently operate at this site. He gradually began employing staff and reached out to smaller local businesses who offered similar services and acquired the people and their skills into his team. Today, he employs over 80 staff members across varied sectors.

He continues to diversify his business and at the time of observation offered a full suite of services to individuals, businesses, and fleet operators in both the public and private sector. Whilst the core business remains the same; accident repairs, MOT's and servicing, the company have its own specialist conversion workshops, vehicle livery, sign company, car and van hire, used car sales and more recently, a development side. His recent turn to the role of developer meant that during the observation he had already bought land near his operational site and had completed 30% of the development. He continued working in both roles and sites as managing director of the automobile business and his role as developer.

SME 7

The origins of the business go as far back as 1854 when the land was first purchased. They manufacture feed. In the early 1900's, the business then made the move to an open warehouse and yard next to the station, allowing customers to collect feed in person. By 1916, the original owner retired, and his second son took over the business. The business continued to expand, and the new owner-manager had three sons join the firm. Towards the end of the 70's, the production facility was modernised. In 2000, the owner's youngest son took over the business as the current owner-manager (managing director). He had previously worked for the business and had completed a degree in farming. After he was made managing director, he attended a local university to attain an MBA.

He worked to grow the business and in 2001, the business was producing 35,000 tonnes of feed per year, by 2009 this had grown to 100,000 tonnes. In August 2017, the site was working at 100% capacity and so they acquired a similar business over an hour away, to allow for extra manufacturing capacity. At the time of observation, they were dealing with increased seasonal demand, culture clashing issues at the newly acquired site and were working to align their teams in a formal capacity.

SME 8

SME 8 was founded in 1997 by two friends who had worked in the security and IT industry for over 30 years. Their business began being operated from their personal homes. Within three years their capacity was at 100% and they purchased a property with an office and warehouse to base their business out of. They employed 5 people after this move. In 2011 their current managing director joined the business due to the previous owners wishing to move towards retirement.

After 2 years in this role, the managing director recruited the operations director (owner-manager) to fill the partnership since the original two owners were now retired.

The owner-manager came from another SME where she had gained 3 years' experience as a director, following her graduation. At the time of observation, they were working towards growing the business and it's services and teams further. She was also dealing with a move towards being more environmentally friendly and educating her teams in tandem with university services.

SME 9

SME 9 was founded in 1996 as a local broker by a husband and wife duo. Whilst the wife was a silent partner for the first 10 years, the husband was the managing director, as he was the one with over 30 years' experience in the insurance industry. Over the first 10 years he worked from home with a client base he had built during his time working for another business. Within 5 years he was established enough to purchase a site premises, in which they still work from today. He employed 4 brokers that he had worked with previously. In 2006, the owner-manager's wife moved into the firm as the managing director, having spent over 20 years working in the public service industry as a practitioner and ultimately an associate director. In this role she led the national Transforming Community Services Programme across the North West with a secondment to an Acting Director of Performance position.

She worked as the owner-manager (managing director) at the SME in an active position between 2006 and 2019. Her main role was director of business development and performance, whilst her husband worked as the principal insurer. When she first joined the business, she did an assessment on its performance and created a progression plan for how it needed to improve. This was a continuous process that she was still running at the time of observation. Her main concerns during the observation period were in making the business as attractive as possible for a trade buyout as her and her husband were approaching retirement age.

Appendix 2 – Participant Observation Information Sheet

Dear Sir/Madam,

My current PhD research project; '*"Doing Strategy" – A practice-based study of small- and large-scale phenomena in SMEs'*, aims to understand and explain the type of strategic practices and interactions that occur within SMEs in the North West. This is in order to advance the understanding and facilitation of strategy research. Please take time to read the following information carefully.

By taking part in this project, you and your employees will be observed by the researcher (Helen Eccleston) for a period of one week. The observations will occur in your place of work, Monday to Friday in your normal working hours, concerning your daily working activities. You will then be observed for a second time, again for a week, six months later. Finally, you will be interviewed by the researcher in an informal manner, whereby your workplace practices will be discussed. To have a fair and rounded sample size your views and experiences are important in contributing on this matter.

The data collected will be analysed for the thesis and the results might be included in publication for academic output. All data collection, both written and recorded will have the strictest anonymity and all participants will be given pseudonyms to ensure confidentiality. If any information pertinent to the study, becomes available as the study progresses then participants will be informed immediately and will be reminded that participation is voluntary, and you are free to withdraw at any time. Should you wish to withdraw from the study, all data pertaining to you as an individual or the organisation will be removed from the study and destroyed. If an employee chooses to withdraw or refrain from participating within the study, this will not have an adverse effect on their employee status at work.

If you have any questions regarding this project, please do not hesitate to contact the researcher through the details listed below. If you are happy to participate within this study, please complete the consent form attached.

Kind Regards,

Helen Eccleston   **Dorota Marsh**
PhD Researcher   Director of Studies
University of Central Lancashire   University of Central Lancashire
HAEccleston@uclan.ac.uk   DMarsh@uclan.ac.uk

Appendix 3 – Participant FAQ

Project Title: "Doing Strategy" – A practice-based study of small- and large-scale phenomena in SMEs.

Name of Researcher: Helen Eccleston

Frequently Asked Questions

What is the purpose of the study?

The project will consider 10 North West Small and Medium sized enterprises. The small and medium size enterprise (SME) sector in the North West is an important entity of the economy, the local regional community and are engines to stimulate growth and economic development. SMEs are the backbone of the UK economy, whereby 99.9% of all enterprises in the UK are SMEs, as such they employ around 59% of the workforce. As the number of SMEs in the North West continues to increase, they continue to provide a major portion of employment. As such, it is an area of business that would benefit from further research into strategy, to aid in their understanding of the type of practices and interactions that occur and to stimulate opportunities for applied research into SME specific issues.

Why have I been invited?

The researcher has utilised a sample of convenience, contacting SMEs in the local area and proximity of the researcher, where there is convenient access. SMEs have been contacted via cohorts currently engaged with UCLan's SME Centre for Development and from access to their Mint database. Secondly, participants will be recruited via other sources, namely the North West Chamber of Commerce and local links through BOOST.

Do I have to take part?

It is imperative that both employers and employees are aware that participation is entirely voluntary. Withdrawal or non-participation is accepted at any time, without giving any reason. This decision will not negatively reflect on any individual or their work status in their place of employment. The study may still be completed if the employer/other employees' consent, whereby any employees who have opted for non-participation will not be included in the data collection stage and any data involving them will be struck from the record.

What will happen to me if I take part?

- You will conduct business as usual, going about your usual working activities.
- You will be shadowed and observed throughout the day by the researcher.
- The researcher will be present for an entire week. Monday to Friday, 9am to 5pm (timings may vary due to SMEs usual working hours).
- During this stage the researcher may take photographs/video record certain working activities, this will only happen if consent has first been gained.
- You will be interviewed in an informal manner after the observation stage has been completed, this will take place wherever and whenever is convenient for yourself.
- This interview should be completed within an hour (this may vary).

- The interview will ask questions regarding the working activities observed and your understanding of those actions.
- The interview will be audio recorded.
- This process will then be repeated one year later.

What are the possible benefits of taking part?

The information and results gathered from this study will be available for all participants to read. The researcher will also present findings to the participants or relevant community groups. This may aid in strategic awareness and understanding in the actions that take place within the workplace.

What if there is a problem?

Should you encounter an issue throughout the research process, please contact the researcher (Helen Eccleston) immediately. Alternatively, the Director of Studies on this project (Dorota Marsh) can also be contacted to help resolve any of your concerns. *(For contact details please see footer of page one).*

Will my taking part in the study be kept confidential?

Your identity will be kept confidential and will be safeguarded during and after the study. You will receive a pseudonym (an alternate name), keeping your identity anonymous. The pseudonyms will be given a research code, known only to the researcher, who will be the sole person who has access to a master list identifying participants to the research codes. This will be password protected. All electronic data will be stored on a password protected computer known only by the researcher. Your institutional role within the company may be stated within the thesis, however if this occurs, your consent will be sought before publication.

What will happen if I don't carry on with the study?

If you withdraw from the study all the information and data collected from you, to date, will be destroyed and your name will be removed from all the study files.

What will happen to the results of the research study?

The results may be published in an academic journal and will be made available to all participants in either electronic or hard copy. You will not be identified in any report/publication unless you have given your consent.

Appendix 4 – Sample Considerations

SMEs are defined by the European Commission as having less than 250 persons employed, however in terms of data analysis, this is a wide range of employees. Due to the variety of firm size within the sample, the SMEs were placed into subgroups to enable cross-case considerations, this breakdown by size-class is one of the main sources of data for an analysis of SMEs (Eurostat). Subgroup analysis is a type of analysis done by breaking down study samples into subsets of participants based on a shared characteristic. However, when a study is broken down into many subgroups, the result may be too few participants in each to detect differences, or to ensure differences are not just a matter of chance. Therefore, due to the sample size, to reduce the sample into multiple subgroups based on a plethora of firm characteristics would be detrimental to the study. As such, a singular firm characteristic will be used to break down the sample into meaningful subgroups, namely, size.

To achieve such, the European guidelines will be drawn upon to create the sub-groups. It states that micro enterprises are those with less than 10 persons employed; small enterprises have 10-49 persons employed; and medium-sized enterprises have 50-249 persons employed. As such, the subgroups are detailed below:

Table 7. Sub-group categories

Subgroup 1	Small (10-49 employees)	SME 1 (9)
		SME 2 (16)
		SME 3 (23)
		SME 5 (14)
		SME 8 (30)
		SME 9 (21)
Subgroup 2	Medium (50-249 employees)	SME 4 (50)
		SME 6 (100)
		SME 7 (150)

Here, size of enterprise was used as a proxy, recognising that small enterprises, compared to their medium counterparts might have lesser access to finance, knowledge, and time, which may frame their possibilities for action. However, in response to this the medium sized enterprises and small sized enterprises are represented across the ways of practising strategy and the concerns that orient them. This leads to the conclusion that business size is not a source of variation. An explanation of this result is that it is the practice as entities that guide the practice and their practical intelligibilities make sense of the courses of action, based on these understandings. Size

of enterprise, commonly used as a proxy for organisation resources, does not indicate a particular understanding or alternate orientation of concerns, in which they practically cope to.

Appendix 5 - Data Collection Schedules

Table 8. Observation schedule

SME	Round 1 Observation (5 day)	Time Lapsed	Round 2 Observation (3 day)	Duration (h:m)
1	08.10.2017 – 12.10.2018	11 months	23.10.2019 – 25.10.2019	64:00
2	05.11.2017 – 08.11.2018	n/a	Unable to complete	37:00
3	18.03.2019 – 22.03.2019	7 months	28.10.2019 – 30.10.2019	64:00
4	25.03.2019 – 29.03.2019	7 months	08.10.2019 – 10.10.2019	62:00
5	23.04.2019 – 26.04.2019	8 months	02.12.2019 – 04.12.2019	56:00
6	07.05.2019 – 10.05.2019	5 months	14.10.2019 – 16.10.2019	56:00
7	13.05.2019 – 17.05.2019	7 months	09.12.2019 – 11.12.2019	64:00
8	01.07.2019 – 05.07.2019	4 months	05.11.2019 – 07.11.2019	62:00
9	08.07.2019 – 12.07.2019	n/a	Unable to complete	43:00
				508 hours

Table 9. Interview schedule

SME	Interview Date	Duration (h:m)
1	26.04.2020	00:51:34
2	01.11.2019	00:47:45
3	30.10.2019	01:13:52
4	10.10.2019	01:14:21
5	04.12.2019	00:48:24
6	16.10.2019	00:45:42
7	04.11.2019	00:41:50
8	07.11.2019	00:59:33
9	24.03.2020	00:55:28

Appendix 6 – Interview Guide

The reason behind this interview is to explore some of the activities and practices observed in the week I spent with your business. I would like to first discuss your strategic direction and what you would like to achieve within the business, then I would like to explore certain observed organisational concerns and responsive activities to understand each in depth. Do you understand? During the interview I might make some handwritten notes and it will be audio recorded – is this okay?

Strategic direction:

- To begin with could you give me a brief understanding of what the business is currently working towards – your strategic direction?
- Why is this?
- Why do you think this is important?

Prompt discussion around organisational concerns identified:

> **Org concern 1**
>
> **Org concern 2**
>
> **Org concern 3**
>
> **Org concern 4**
>
> **Org concern 5**

For each specific concern ask prompting questions such as:

> What motivated this?
>
> Why did you do this?
>
> Can you talk me through this?
>
> Do you often do this?
>
> Why do you think this matters?

Prompting questions for each organisational concern if not covered by the interviewee.

- Why does the manager follow certain practices/activities?

  - *Have you done this before?*
  - *How did that work?*
  - *What were the outcomes?*

- What are the perceived benefits?

  - *Do you think this is a helpful practice?*
  - *How is it helpful?*
  - *Why is it helpful?*

- What informs their way of working and how has this shaped what they do/how they work?

  - *Why do you think this is important?*
  - *What do you think it achieves?*
  - *Do you think it is successful?*

The above should allow the respondents time to discuss their working practices and should provide an insight into the below comments which will not be asked directly but will emerge from the responses given.

  - *What they were thinking during the coping actions observed*
  - *How they operate*
  - *Why they operate the way they do*
  - *What guides them at work*
  - *What they want to achieve*
  - *What they think is important to achieve*
  - *What they think a business is and should do*
  - *What qualities a business should have*

Appendix 7 - Coding Examples

Table 10. First round of coding examples

Type of data	Data sample	Code
Fieldnote	Two of the machines are down in the warehouse, the FD-O calls for the Operations Director to come to the office, FD-O says "*how have you got on with the (name of repair company) guys yesterday –do they know that we need these back up and running asap? Can they come tomorrow?*"	Resource failure
Fieldnote	CD-O discussing some web development work employee is tasked with doing. CD-O says, "ca*n we implement those changes – do you need to make notes to remember*?" His employee responds, "n*o I'm okay with that.*" CD-O looks at his notepad and back at the employee "w*ell I was talking about that earlier and it hasn't been implemented and you have done what you suggested, rather than what we had agreed on in our meeting – this isn't the work I wanted – so just make the notes so we aren't repeating anything.*"	Employee mistakes
Fieldnote	An employee comes to the doorway and says we have a problem with a client, we haven't got the right certs for the letterboxes we have provided. FD-O says, "s*o why have we been supplying (client name) something that is not standard? How has that been allowed to happen – that we have been supplying them with non-standard products? If the regulation has changed our products need to also be changed. You need to ring her and ask for that information for today, so we know who has the products we need – and we can go to the client if you want this certain certification then you will have to go and get this other plate – and then they can make the decision if they want our standard or want this other product.*"	Regulation changes
Fieldnote	CD-O addresses the two creative employees who were on the project and asks why time stamps are not on a certain project – the employees stop what they are doing and mumble issues	Financial loss

	they say there has been a communication breakdown. CD-O is visibly annoyed and says that they have lost money because they haven't logged their time stamps correctly as he has already confirmed the PO with the client. He disciplines them in the office in front of everyone telling them they have worked on it and because they haven't got it written down they won't be paid – he informs them they must double check and copy him in on all emails – so that he can invoice it correctly rather than wasting labour hours – "you were basically working for them for free" – he tells them they need to job folder properly in future.	
Fieldnote	The owner-manager observes a client phone call with a project manager, where they mention letting the client go. The owner-manager addresses the project manager as soon as he puts the phone down. FD-O says, *"why have you done that?"* The project manager responds, *"well I thought it was better to let them go, otherwise they would just be difficult for us."* FD-O sighs and throws her hands up in the air, *"you can't just let clients go because they are difficult for you, they've been our client for 3 years and have always, always, brought us business, I'm going to have to call them back and explain your mistake. Next time ask someone first or at least think something through! This is going to look bad on not just you or me, but the whole place if they think we aren't willing to work for their business."*	Reputation damage

Table 11. Second round of coding examples

Type of data	Data sample	Code
Fieldnote	F-O is in a meeting with a business consultant, she asks what sort of ISO systems and certifications the business has as she highly recommends them. F-O responds, "we withdrew from the cert because it said we had 87 issues and it sucked the life out of the business, with all the major and minor flaws it was saying we had and it could go on the internet for everyone to see, so it was ultimately too much pressure, so we withdrew from it. I don't even know where they are to show you. Business consultant responds and says, "I am not a threat, I am a resource". He responds and says so we could use you for your skills and maybe you could come in and do the operations management and you can use it for your university degree to add to your portfolio. She nods her head and says exactly, it's a win win for both of us.	Resource coping
Fieldnote	During a financial meeting with their business accountant MD-O explains that when they began setting up processes and systems they initiated a scheme for employees where they made minimum wage, but they had incentives to get 10% commission, in order for them to manage themselves. He says, *"ultimately that went wrong when we got bigger as there were too many peaks and troughs and sometimes, we would be paying huge salaries, so we scrapped the scheme, it was fine when we were growing, but we are struggling now and can't afford it."*	Financial coping
Fieldnote	09:43am - MD-O is looking at the training and health and safety matrix on an excel spreadsheet with the Finance Director. He hovers the mouse over the empty sections that haven't been completed. He says, "we haven't done any of these training records since [employee name] left and now we are months behind, if the insurance guys come in, we won't have anything to give them."	Temporal coping

	At the end of the working day 5:30pm everyone has left the warehouse/office save for the MD-O he is updating the training records on the spreadsheet from earlier. He is using a folder from the shelf with handouts that employees have signed and dated to update the form. He sighs and mutters, "we are still about 6 months behind".	

Table 12. Third round of coding examples

Theoretical Concept	Code	Example
Rules	Ru	*"we will get fined if this refuse isn't recycled properly"* *"Must meet compliance"* *"This has to be sent to me so I can sign it off"*
General Understandings	Gu	*"Our main goal is to make financial targets"* *"the strategy stuff in a book is inflexible"* *"As an employer of over 30 people, I have to look after them"*
Teleoaffective Structures	Ts	*"not many people can hack what I do"* (pride) *"I don't think we can pull through this period; it will take a lot – I'm not sure we have it in us"* (fear) *"It's my responsibility to make sure I offer them what they need to grow, not just professionally but in all aspects"* (duty of care)
Practical Intelligibility	Pi	*"Without those guys out there [points to sales team], we wouldn't have managed to get back on track"* *"we're beginning to slowly integrate the two sites and that's been all down to us picking the right personnel and getting those handbooks out"* *"The KPIs had really meant a lot for us, everything was a lot clearer in the sense of the goals we wanted to achieve, it was really useful"* *"for years we have relied on a growth model, but when we started dipping we didn't understand what we needed to do, so we turned to a survival model, that*

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		helped us understand our strategy of what we needed to do"

Appendix 8 - Observation Fieldnotes Examples

Firm Frugality orienting concern data examples		
SME	**Type of data**	**Data example**
3	Fieldnote	F-O walks into the office where his finance and hr teamwork. There are three employees working in this team. F-O says good morning to the employees and asks if the finance employee knows anything about a pricing issue someone raised yesterday. She says she is unsure and to check with another employee as she hasn't updated the pricing matrix. F-O then says that they need to talk about an email he received last week, a reference of payment for customers – he says they should schedule ten minutes to discuss this. He asks her if she wants to schedule ten minutes? She responds and tells him yes, and that there is another email with a list of suppliers that F-O needs to have a conversation with, he tells her if she can put all of the payments in one place on a spreadsheet with the dates owed then he will project that forward and sit down and speak with them all asap. She says okay. He stands up as if to leave and then turns around and says, "the dreaded question, how's the bank looking there today?". She replied, "minus 13". He responds, "right I will get sales onto that today we need to get that back in". He turns and leaves.
3	Fieldnote	F-O asks his sales manager how she is getting on. She sighs and says I am alright all things considered. F-O responds, you are still one or two people down aren't you, you keep at it though, and I am sure others will chip in. An administrator sat at the next desk over says to them both "but don't worry I just made a sale of two boxes ha-ha and took payment immediately". F-O goes over to the administrator and high fives her – he tells her "thank you very much for doing that, it's those little ones that make the difference, your first sale! And some money in the bank which takes some of the load of off [sales manager] and I".
3	Fieldnote	The operations manager approaches F-O's desk. She asks if he remembers a heat production unit in the warehouse and tells him it is still sat in the warehouse taking up space. She asks him what they should do with it. F-O tells her to scrap it. The operations manager asks "where do we scrap it and how do we get it there? Man, with a van?". F-O says "that will be expensive though and its big and heavy we can't just do it – can you have a look to see if someone will come down for collections to save money? Do we have any contacts to get rid of it for free? What about the council? If only we could just tie it to the back of my car and take it to the bypass ha-ha." The operations manager responds jokingly "yeah ha-ha, put it on the street and someone will nick it."
2	Fieldnote	MD-O calls everyone over for a weekly production meeting at the far end of the warehouse. The whole production team are in attendance, stood around his computer in the warehouse. He discusses orders with the team and job lots, he says that he is being cautious about the spread of work so that they don't do

		all the work and in the slum of business have weeks of nothing to do. He makes a point of discussing the monetary value of the team being behind on production. He tells them that if they are 2 hours behind on a product that's a couple of hundred quid wasted. He uses physical documents – printed tickets to give to the workers – they pass on the ticket once it has finished in their section. He heavily relies on his computer during this meeting, using the production and planning excel document to show which jobs should be being worked on – they are highlighted orange – red means the job is not being worked on. He reminds them that their priorities right now are the orange ones because they have taken payment for those products and so they need to be the first ones out of production.
2	Fieldnote	MD-O and his marketing executive are both in the main office. MD-O says, "hey no time like the present, if you are free for an hour lets go and brainstorm some ideas and get this website stuff sorted." They leave the office and walk to the customer showroom together as it is empty. They sit down next to each other on a sofa. Marketing executive has brought the iPad with him so they can see the website. They are discussing how they can fix the website to capture more clients, rather than their current problem where they are losing clients in the first stage because the website isn't good enough. FD-O mentions the outside company they sourced to redo the website and social media "what they've done isn't what we wanted, it's messy and doesn't look like we want it to look, so we have just thrown a couple of hundred quid at them and they've pocketed that and done a half-arsed job. Even a client has got in touch and told me the website isn't working for us." MD-O wants to go through the customer experience on the website with the marketing executive so that he can then make the changes to the website. The marketing exec says "do you want me to alter this website they have sent us, or shall I just start again and I could ask that friend of mine maybe to help on it, he is a website developer? I think I could start from scratch and it would look better." MD-O responds "It's not far off its just missing some fundamentals, so I would edit this version." The executive responds "it would only take me a couple of weeks to do it all from the beginning". MD-O tells him "you don't have the time for that, I'm not paying you to do this, I'm paying you to do all the other stuff you have to get on with. Just make the amendments yourself, I'm not paying someone else to cock it all up again. It's already costed me an arm and a leg already, I just want it doing quickly and in-house, not having it working properly is probably losing us potential orders." Marketing executive sighs, he is red in the face and looks frustrated he says, "okay I'll just do it and see what you think". MD-O's phone rings and he says he has to go and speak to a fabric supplier and leaves the office.