

Interview

After 15 editions, the authors of a strategic management textbook reflect

Stan Abraham and Brian Leavy

Stan Abraham is a Professor of Strategy and Entrepreneurship at Cal Poly Pomona (scabraham@csupomona.edu).
Brian Leavy is AIB Professor of Strategic Management at Dublin City University Business School (brianleavy@dcu.ie).

A 15th edition of a strategic management textbook is a notable milestone and we wondered if the editors who reached it would have a unique perspective about how our field has been changing over the years and who or what might drive change in the future. So *Strategy & Leadership* interviewed Arthur A. Thompson, Jr, A.J. Strickland III and John E. Gamble, the authors of the widely-used textbook *Crafting and Executing Strategy: Text and Readings*, 15th edition (McGraw-Hill/Irwin, 2006), to find out how they adapted the book to keep up with developments in the field.

Arthur Thompson is professor emeritus of business administration at The University of Alabama, A.J. (Lonnie) Strickland professor of strategic management at the College of Business of The University of Alabama and John E. Gamble professor and associate dean at the Mitchell College of Business of the University of South Alabama.

The interviewers, Stan Abraham and Brian Leavy, are contributing editors of *Strategy & Leadership*. Stan Abraham is a professor of strategy and entrepreneurship at Cal Poly Pomona (scabraham@csupomona.edu) and author of *Strategic Planning: A Practical Guide for Competitive Success* (Thomson South-Western, 2006). Brian Leavy is AIB professor of strategic management at Dublin City University Business School (brian.leavy@dcu.ie) and the author of three books – *Strategy and Leadership*, co-written with David Wilson, *Strategy and General Management*, co-edited with James S. Walsh and *Key Processes in Strategy*.

The field of strategic management and how it is changing

S&L: From your experience co-authoring 15 editions of a well-known textbook on strategic management, in what ways do you think the field is changing?

Arthur A. Thompson, Jr: I see it changing in a number of ways: (1) academic researchers periodically come up with new analytical tools and ways of looking at strategy issues that merit coverage in textbooks like ours; (2) new concepts and terms appear in the literature – as, for instance, strategic intent, business model (a term that has come into wide use in the last five to seven years), the balanced scorecard and blue-ocean strategy – which have to be weaved into the chapter treatments of new editions; (3) companies encounter new or different kinds of strategic issues – such as increasing globalization and widespread use of the Internet – that have forced numerous companies to reexamine and revise their strategies in the last decade; and (4) each new edition has to include the latest and best examples of “strategy in action” (such as the trend among diversified companies to retrench to a narrower business base with greater cross-business strategic fit) and thereby establish a tighter link between theory and practice.

A. J. Strickland III: I spend about 50-60 percent of my time either serving on corporate boards, involved in my own companies or investing in start-ups. The largest change that I have seen is the shortening of the time cycle within which the outcomes of the strategic-planning process have to take place. For the first edition, we wrote about

“Daniel Pink, in his book, *The Whole Mind*, argues that the ability to socialize a strategy is the real test for successful implementation.”

long-range plans with a 10-15 year planning horizon. Today we characterize the long run to be closer to 3-5 years.

S&L: How do you go about keeping the content of your book as relevant as possible to the most pressing concerns of corporate leaders?

Thompson: We draw heavily upon our ongoing personal experiences in working with companies and continually review the views and opinions of corporate leaders as expressed in the business press. For example, my own consulting and corporate-training experiences in the electric-utility industry have brought me into close contact with scores of high-ranking executives. Seeing firsthand what these executives had to wrestle with as the industry transitioned from local geographic monopolies into intense competition for generating electricity helped to give me invaluable insights into this type of strategic challenge.

S&L: Beyond the well-established figures like Porter, Hamel, Mintzberg and Prahalad, whom do you see as the rising stars in the strategy field? Which of the more recent contributors to the field have you found exciting and why?

Thompson: I have to confess that while there is a continuing stream of useful contributions to the literature of strategic management these days, I believe that the field has been shaped and defined largely by the research and thinking of the “founding fathers” you mentioned and a select few others like Costas Markides, James Brian Quinn, Yves Doz, Ian C. McMillan, Jay Barney, Rosabeth Moss Kanter, Pankaj Ghemawat, Sumantra Ghosal and Jim Collins. Thomas Dunfee, Thomas Donaldson and Archie Carroll have helped illuminate the value and importance of tight linkages between strategy and ethics. And Ram Charan, Jeffrey Pfeffer, Terrence Deal and Allen Kennedy have added greatly to our understanding of the mechanics of good strategy execution. Other noteworthy recent contributors to the field include W. Chan Kim and Renee Mauborgne, authors of *Blue Ocean Strategy* and George Stalk, author of *Hardball*. But in the last ten years, the best contributions have come in refining and enhancing the core understanding that emerged during the 1980-1995 period.

John E. Gamble: For me, Costas Markides’ strategy-innovation work is very exciting, particularly his contention that strategy makers should not necessarily abandon tried and true strategy elements or established markets, but be alert to new opportunities peripheral to the company’s core business. Radical innovations that create markets and that disrupt customer or incumbent activities prevent erosion in established markets and place firms in leadership positions in those markets. We are also impressed with Clayton Christensen’s research on disruptive innovation and with some of work being done in the area of complexity theory and its potential application to strategic management.

S&L: Have the theories, concepts and tools of strategic management been adopted by a majority of organizations because they have fully proved themselves in practice, or do you believe that academics, authors and consultants are still struggling to find out what really works and why?

Thompson: I contend that the best or most valid theories, concepts and tools of strategic management are those that have proven themselves in practice. Otherwise they merit little attention in a textbook like ours, which is mainly for senior-level and MBA students who are going to be future practitioners. Of course, the exceptions are some new ideas, not yet fully validated, that appear to be promising and worth discussing, which we would want to include if we are to stay at the cutting edge.



Strickland: Strategic management – and especially the huge challenge of implementing strategies – is heavily influenced by the interpersonal and social skills of those involved. Daniel Pink, in his book, *The Whole Mind*, argues that the ability to socialize a strategy is the real test for successful implementation. In my analysis of the vast majority of business schools, including The University of Alabama, all the focus is on left-brain or quantitative activities such as accounting, finance, economics, etc. while right-brain activities such as innovation, design and social skills are overlooked as key success factors. Right-brain activities are much harder to teach and get across to students. Our textbook comes up short on really driving home the crucial importance of right-brain activities as they pertain to the strategic-management process. This is something we need to do better – if only we could figure out how!

S&L: How do you react to the recent argument by Warren Bennis and James O'Toole that our business schools have "lost their way," and the widely publicized reservations of Henry Mintzberg about the effectiveness of the MBA (and the case-study approach) in the education of managers?

Thompson: Bennis and O'Toole make some valid points. A case can be made that a disproportionate amount of the research being published in today's "top tier" journals makes little difference to the practice of strategic management, and this disconnect carries over to what is taught in the classroom. I have always felt that the best research in the discipline of strategic management has come from careful, penetrating analysis of industry and competitive conditions, competitive behavior in the marketplace and the ins and outs of how executives tackle the tasks of crafting and executing strategies as opposed to using the high-powered quantitative techniques to crunch the numbers in suspect databases. To restore relevancy, business-school deans and faculty must begin to place far higher scholarly value on research that truly advances the practice of management and we must keep our courses and programs of study focused squarely on equipping students with the knowledge, skills and leadership qualities essential to successful careers in business.

However, I do not share Mintzberg's reservations about the effectiveness of MBA programs or his skepticism about the merits of the case-study approach. While most would agree that there is plenty of room to enhance the effectiveness of MBA programs, I do not accept that the MBA, as a concept, is "past its sell-by date," or that curtailing use of the case-study method would improve the effectiveness of management education or the caliber of business-school graduates. Case analysis is an invaluable technique for linking theory and practical application, for teaching students how to use analytical techniques to guide business decision making and for helping students to properly apply core concepts and principles. Without case studies and simulations, we are left with relatively weak ways to help students cross the bridge from theory to practice.

The challenges of teaching strategy to different audiences

S&L: How have your own views on the teaching of strategy to executive audiences evolved over the last two decades? Which concepts tend to have the most immediate impact with such audiences and which approaches to working with them have you found to be most effective?

Gamble: Managers are looking for solutions to problems. In addition, executives wish that their managers learn to distinguish from among a host of issues that merit a strategic response. Case-based or simulation-based executive training are ideal approaches to

“To restore relevancy, business-school deans and faculty must begin to place far higher scholarly value on research that truly advances the practice of management.”



developing these skills. Executive training participants or working managers have little trouble applying theory-based solutions to issues presented in a case or the simulation.

Strickland: Executive audiences are looking for a “tool box” of techniques to help them make defensible strategic decisions, and thus find the full package of industry and competitive analyses very appealing. The key issue for executive audiences is: How can top managers persuade the organization to embrace the new strategy and then implement it with brilliance?

S&L: If we are giving our corporate executives the right tools, why, in your view, is turnover at the CEO level becoming more rapid all the time? Are our main strategy tools not up to the current challenges facing corporate leaders or are our corporate leaders not effective enough at using them?

Thompson: There are several factors causing shorter tenure among CEOs. I think the job of CEO is getting tougher because of the enormous – and sometimes irrational – pressures on top management to meet investor expectations and short-term (quarterly) earnings targets. A second factor is that excessively lucrative golden-parachute packages make it easy for CEOs to leave early or to under perform and still be handsomely rewarded. A third factor is that boards have not always done a good job of choosing CEOs. And some CEOs have demonstrated a lack of good strategic-leadership skills and business acumen. I do not attribute the shorter tenure of CEOs to a general absence of good strategy tools – our current strategy tools are really potent when effectively used.

S&L: Why do you think it's important to include readings with your text?

Gamble: We like to supplement the chapters we've written with timely and insightful articles addressing business problems or issues high on top-management agendas and we find that articles of this nature tend to be found in practitioner as opposed to academic journals.

Thompson: Our main text (the text-with-cases version) is used for both MBA students and for senior-level undergraduates. We also offer a version that combines text with readings to appeal to those professors who prefer to use their own selection of cases. The idea behind the readings is to expose students to the literature of strategic management. We make a point of choosing articles that (1) are easily read and understood by the target audience and (2) elaborate or extend topics covered in the text chapters. We studiously avoid including highly technical research articles focused on narrow topics and of interest mainly to academics and doctoral students.

The evolution of the strategy textbook “value proposition” over the years

S&L: Looking back, how would you characterize the changes your textbook has undergone over the years and what have you learned in the process that benefits students and executive readers? How do you see those trends evolving in the next few years?

Thompson: Our latest editions have far stronger conceptual and analytical underpinnings that our early editions. When we first started doing textbooks in strategy in the 1970s, the course was typically titled “Business Policy” and the literature of strategic management was in its infancy. The standard pedagogy relied very heavily on the case method and the inclusion of text chapters as a major part of the course was something of a novelty. But as the literature of strategic management matured, covering basic concepts and analytical tools became a more and more valuable prelude to case analysis.

A second major change in our text package has been the addition of two state-of-the-art strategy simulations (The Business Strategy Game and GLO-BUS). We believe that a well-designed strategy simulation is the single most powerful pedagogical tool available for getting students emotionally involved in the subject matter.

I think we are now seeing a new trend, where more and more of the younger faculty lack training in the case method and are uncomfortable using it – this is especially true of those who have received their PhD degrees within the last five years. As a result, we are seeing far greater emphasis on covering the text chapters, via the traditional lecture-discussion method, along with the use of strategy simulations and the assignment of projects of various kinds. As best as we can tell, the majority of faculty assign fewer than ten cases per term (six

“I think we are now seeing a new trend, where more and more of the younger faculty lack training in the case method and are uncomfortable using it.”

to eight cases seems to be fairly typical) and many of these assignments are in the form of oral team presentations rather than instructor-led class discussions.

As to content evolution, we are fairly confident that next-generation texts will have to put increasing emphasis on the global marketplace and the range of strategic issues that globalization presents.

S&L: What feedback do you solicit on your books and from whom?

Thompson: We receive numerous comments and suggestions from adopters at professional meetings and via e-mail and telephone – which we welcome. Our publisher has each edition of our text formally reviewed chapter-by-chapter by six to 12 carefully chosen professors.

S&L: What exactly do you look for in a good teaching case? And how, beyond your own case-writing contributions, do you go about sourcing them?

Strickland: To find cases for each new edition, we contact the people who contributed cases to previous editions, search all the case databases, particularly those of European Case Clearing House (ECCH), Ivey and Harvard Business School, make a point of encouraging members of the North American Case Research Association to send us fresh cases and get a number of unsolicited cases from case researchers familiar with our text.

Gamble: A good teaching case must clearly illustrate the main concepts featured in our text and do so in an interesting and effective manner. It should also include sufficient data for students to analyze in some depth and must be written in an engaging style.

Today, a number of changes are taking place in higher education and publishing that will shape the future of textbooks. First, the emergence of the Internet as an information portal is changing the nature of classroom assignments, student behavior and approaches to content delivery. The ease with which up-to-date information can be retrieved by instructors and students makes it possible to supplement older editions with new exercises. I think students and instructors alike also expect texts to include end-of-chapter exercises that exploit the capability of the Internet.

Finally, textbook authors must take into account the changing skills and experience of college students. Non-traditional students make up a higher percentage of college students and tend to have useful experiences in the business world while still at school. Working students tend to understand more easily the application of management theory and enjoy exercises that are transferable to their current jobs. In some ways, they are similar to management-training participants – they gravitate toward exercises such as case studies that demand both problem-finding and problem-solving skills.

Corresponding author

Stan Abraham is a Professor of Strategy and Entrepreneurship at Cal Poly Pomona (scabraham@csupomona.edu). To correspond with Arthur A. Thompson, Jr, A.J. Strickland III or John E. Gamble, the authors of *Crafting and Executing Strategy: Text and Readings*, 15th edition (McGraw-Hill/Irwin, 2006), e-mail: athomps@cba.ua.edu (Thompson, Art).

To purchase reprints of this article please e-mail: reprints@emeraldinsight.com
Or visit our web site for further details: www.emeraldinsight.com/reprints



Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.