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The duality of strategic managerial work in SMEs: A structuration perspective

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INTRODUCTION

The intellectual foundations of research in the managerial work tradition date from the heyday of scientific management and administrative rationalization in the early twentieth century (e.g. Taylor, 1911). A distinguishing characteristic of several later pioneering studies is their instrumental perspective on managerial work. One such study is Carlson's classic study (1951) of executive behaviour. When Carlson conducted his empirical study, the role of the scientist was 'to study work behaviour and to determine whether that was effective or not' (Tengblad, 2003: 99). Such an instrumental perspective tends to be associated with the practical question: *Does it serve?* (Law, 1996: 286).

Later studies, including the highly influential work of Henry Mintzberg (1973), have a strong empirical orientation with more interest in answering the question: *Is it true?* The title of Mintzberg's famous book on executive behaviour, *The Nature of Managerial Work* (emphasis added), illustrates his ambition to report adequately on what is out there from an empiricist perspective (Law, 1996: 286f.). Regardless of which of the two perspectives taken, one common trait of most research on managerial work is its orientation towards the large firm (e.g. Carlson, 1951; Mintzberg, 1973; Tengblad, 2002) and its orientation towards detailed descriptions of managerial work life (Barley and Kunda, 2001: 84). Often inspired by the Carlson (1951) study, research in this tradition tends to concern the important question of which activities are most conspicuous on the executive agenda, the stimuli that cause managers to respond to their environment through their activities, and the extent to which these activities change over time (e.g. Tengblad, 2006).

This chapter differs in two important respects from the managerial work tradition referred to above. First, we adopt a structuration perspective (Giddens, 1976, 1979, 1984) rather than an instrumental or empiricist one. From this point of view, our interest is in contributing to the knowledge about the dualistic features of managerial work where managers act on the basis of cognitive frames of reference, existing control mechanisms, and moral considerations, and where their actions and such structural circumstances co-evolve over time, in a dynamic

interplay (e.g. Law, 1996: 286f.). Our intent is mainly to supplement and enrich the traditional literature on managerial work rather than to criticize it. Like the strategy-as-practice perspective that Brundin and Melin (this book, Chapter 15) apply, our orientation allows us to focus more on the subtleties of the processes in which strategizing actors are involved than on the visible and countable aspects of managerial work. Second, like Brundin and Melin and Florén and Tell (this book, Chapter 13), we aspire to extend the research on managerial work to the domain of small and medium-sized enterprises ('SMEs'). SMEs are an important part of our economy and deserve greater recognition in the research on managerial work.

Conceptually, we draw on the rich tradition of approaching strategy from a behavioural point of view (e.g. Pettigrew, 1977; Quinn, 1980; Mintzberg, 1987). A main point of departure in this chapter is that we regard strategic managerial work in SMEs as a social practice with symbolic, power-related, and emotional dimensions. The visualization of this multifaceted practice requires the adoption of an alternative theoretical framework, which to our knowledge has not been employed previously in the managerial work literature. In applying Giddens' structuration theory (1976, 1979, 1984), we empirically highlight the multifaceted nature of work among SME managers when they strategize in social situations. In doing so, we aspire to contribute to a broader understanding of the emotional, symbolic, and political aspects of strategic managerial work than provided by conventional approaches, while illustrating how managerial work in SMEs is dualistic in the sense that it consists of an interplay between reactions to environmental stimuli and proactive design (Boland and Collopy, 2004).

Compared to large firms, SMEs as a group are more cautious in certain respects, for example, in the matter of ownership. To preserve the organization, SMEs – family-owned SMEs especially – typically take fewer risks than large firms (Gómez-Mejía et al., 2007). On the other hand, SMEs are characterized by a stronger entrepreneurial influence that involves discovering, evaluating, and exploiting opportunities through proactiveness, risk taking, and innovation (Covin and Slevin, 1991). Thus, the notion of duality in the structuration framework in which actors can both draw upon established structures (i.e. be conservative) and produce new structures (i.e. be entrepreneurial) is central (Giddens, 1976). Furthermore, social interaction is an important means for maintaining as well as changing structures in SMEs (see Ekanem and Smallbone, 2007). As structuration theory is largely a social process theory, it should fit well with strategic managerial work in SMEs.

Even if structuration theory seems unconventional when compared with previous studies in research on managerial work, it is receiving increasing attention in the SME and entrepreneurship literature. Responding to Gorton's call (2000) for overcoming the agency–structure divide, researchers are using structuration theory to examine such issues as owner-manager learning (Down, 1999), entrepreneurial learning more broadly (Taylor and Thorpe, 2004), the embeddedness of the entrepreneurial process (Jack and Anderson, 2002), and autocratic management in small firms (Jones, 2003). More recently, Sarason et al. (2006) offer three reasons, beyond those offered in the traditional entrepreneurship literature, that explain why structuration theory may offer new insights on entrepreneurial processes. First, while the traditional view is that the entrepreneur fills market gaps, structuration theory suggests that the entrepreneur and the social system

co-evolve. Second, the traditional view is that the entrepreneur creates ventures *ex ante*, whereas the structuration view is that ventures evolve through processes where the entrepreneur engages with sources of opportunity. Third, the traditional view distinguishes between the entrepreneur and opportunity, whereas structuration theory considers these as interdependent. Accordingly, while agreeing with Sarason et al. (2006) that structuration theory offers a largely untested opportunity to take processual dynamics into consideration, we extend their argument into the domain of strategic managerial work in SMEs.

This chapter synthesizes key findings from our empirical studies of strategic managerial work in SMEs. We draw mainly upon our empirical evidence (see Häckner, 1985, 1988; Nilsson, 1998, 2008; Westerberg, 1998, 2001) where we studied strategy development, managerial information use, and management behaviour in turbulent SME situations.

THEORETICAL FRAME OF REFERENCE

The concept of the institution, with its origins in sociological theory (Parsons, 1951; Selznick, 1957), has proven useful for organization research (Meyer and Rowan, 1977; Zucker, 1977, 1983; DiMaggio and Powell, 1983; Powell and DiMaggio, 1991; Scott, 1995). Institutional theory, in its relevance to cultural influences on actions and formal structures, emphasizes values, norms, beliefs, assumptions, habits, and scripts that are taken-for-granted by the individuals who construct and enact them (Barley and Tolbert, 1997). In this chapter, we understand institutions as the shared normative and taken-for-granted assumptions that identify categories of human actors and their relevant activities and relationships (Burns and Scapens, 2000: 8). Thus, we accept Hamilton's definition (1932: 84) of the institution:

A way of thought or action of some prevalence and permanence which is embedded in the habits of a group or the custom of a people.

Institutional studies have so far provided rather little evidence in the analysis of how institutions are created, altered, and reproduced. However, Giddens's notion (1984) of 'structure' resembles the concept 'institution' as defined above, and Barley and Tolbert (1997) conclude that institutionalization can be considered a structuration process. Giddens discusses three key characteristics for institutional orders, namely (A): systems for (a) signification, (b) domination, and (c) legitimation. These institutional characteristics correspond to 'the realm of action' in the real world of practice with its day-to-day interactions, namely (B): (a) communication, (b) power, and (c) sanctions. Furthermore, Giddens specifies three 'modalities' – that is, the dimensions of the rules and resources individual actors draw upon in linking A to B through 'interpretive acts' (Boland, 1993). First, signification in institutions (i.e. signs, signals, and symbols) is mediated by cognitive, 'interpretive schemes' as bases for communication and sensemaking (Weick, 1995). Second, systems for domination in institutions translate to power in social relations by control of 'facilities' (i.e. resources). Third, norms are the modalities that link legitimation in the institutional realm to sanctions in the

realm of action. Norms that articulate how tasks should be addressed and performed define the legitimate means to reach goals.

Based on the above, it is possible to discern three ways in which the use of structuration theory (Giddens, 1976, 1979, 1984) contributes to a more complete understanding of the multifaceted social practice of strategic managerial work. First, the semantic dimension provides insights into the symbolic aspects of managerial work. Second, the power dimension assists in capturing its political aspects. Third, the moral dimension concerning 'what is right and what is wrong' is useful for understanding deeply held values, which are indicative of the emotional characteristics of managerial work (see Table 14.1).

Our conception of strategic managerial work, therefore, emphasizes strategy as patterns of thought and action, where power matters and sensemaking are facilitated by stories and legends that signal what is important (Pettigrew, 1977). Strategizing may be more or less deliberate and emergent (Mintzberg, 1987). The processes involved are often continuous and incremental (Quinn, 1980), although radical paradigm shifts will occur from time to time (Hedberg and Jönsson, 1977).

From a structuration and entrepreneurship perspective, we draw on Sarason et al. (2006) when we relate strategic managerial work, in SMEs in particular, strongly to the discovery, evaluation, and exploitation of opportunities. Individuals can use domination and legitimation to exercise social control when they rely on the social mechanisms that regulate individual and group behaviour. From a business point of view, the strategic goal is to create vision, motivation, trust, a

Table 14.1 Structure and agency in the strategic managerial work of SMEs (Macintosh and Scapens, 1990, elaborated)

Dimensions of structuration	Structural properties	Modes of mediation	Agency	Outcomes
Semantic	Signification	Interpretive schemes	Communication and discourse	Meaning
	Abstract cognitive dimension of social life whereby agents communicate	Cognitive means by which each actor makes sense of what others say and do	Speech acts	Sensemaking
Moral	Legitimation The moral constitution of social action	Norms How to operationalize the values of what is a virtue, what is important, what ought (not) to happen	Sanctions Rewards and punishments	Morality Morally meaningful action
Power	Domination A social system's capacity to achieve outcomes, produce power	Resources Allocative: The rights to hold command over material objects and knowledge about those rights of some agents to command others	Power Facilities brought to and mobilized in interaction for purposes of influence	Influence Coordination and control

business culture and business policies, as well as maintain *conformity* and compliance with the rules, norms, and scripts of the organization (e.g. Simons, 1995). *Norms* and *values* are internalized by positive and negative reinforcements (i.e. sanctions) that can be either positive (*rewards*) or negative (*punishments*).

THREE EPISODES

This section presents three strategic managerial cases featuring episodes derived from our empirical findings (see also Häckner, 1985, 1988; Nilsson, 1998, 2008; Westerberg, 1998, 2001). We selected the episodes from these three cases to illustrate supplementary aspects of the complex social practice of strategic managerial work by presenting very different situations under which such work is conducted (Lukka, 2005). The episode in our first case, GRAFAB, illustrates a financial crisis situation where new survival measures are critical. The episode in the second case, Smalltown House, illustrates a situation where the company is under no immediate financial threat. The focus in this episode is on the exploitation of the current business idea, despite a challenging market situation. The episode in the third case, CRAFT, involves a company neither under direct threat nor in a steady exploitative mode. This episode illustrates the management team's evaluation of a potential business opportunity. In each episode, we use the following coding scheme: Aspects that relate to structural properties are coded in **bold**, aspects that concern modes of mediation are coded in *bold italics*, and features linked to agency are underlined. For each episode, we present relevant case background material to set the scene.

Episode 1. GRAFAB: Negotiations with union representatives in a financial crisis

GRAFAB is a Swedish, medium-sized printing company. The company had been very successful for many years due to a clear niche strategy that was based on very close specialization (i.e. differentiation). Another important reason for the company's success was its charismatic CEO – Adam, a true entrepreneur. Adam started the company, but after some years sold it to a silent partner, Bertil. Later, Bertil decided to take a leadership position in the company. By then the company had become a group with several operating entities, including the main unit on the Swedish West Coast and a branch in Stockholm. Bertil made changes in organizational and authority structures as well as changes in strategy. The ramifications of these measures were unfortunate. Key actors, including Adam, left the company and profitability declined severely. After a couple of years, the company was in severe financial distress. Faced with the threat of bankruptcy, Bertil agreed to sell the company to Cesar, a key actor who had left the company. A radical turnaround process was needed, but at the time of this episode, it was still very uncertain if the new management could save the company. The episode concerns the negotiations with the local unions for the main unit and for the

branch unit. Management wants the unions to accept a drastic turnaround programme, including considerable cuts in salaries and wages. Cesar represents the company management during the two separate negotiations with the union teams.

Cesar opens both negotiations with a description of the company's distressed financial situation by referring to financial accounting figures as well as the next year's budget. His intention is clearly to activate *interpretive schemes* by the union teams through signifying the severe extent of the crisis situation and the necessity to reduce the labour force as well as cut wages and salaries in order to survive. At the same time, an objective of this discourse is to legitimate the suggested turnaround programme with implicit references to morality and *norms*, such as loyalty to the company. The threat of job losses can be interpreted as *sanctions* if the suggested measures are turned down. It is clear that Cesar is trying to de-emphasize aspects of power and authority. Nevertheless, management's capacity for domination through control of *resources* is implicit in the negotiations and undoubtedly influences their outcome. Both union teams try to exercise domination by drawing on power since they can force management into a situation where bankruptcy and loss of *resources* are inevitable. Both union teams legitimate their positions by reference to union *norms*, traditions, and loyalties. They claim that many union employees will be unable to pay their bills if wages are cut, some key employees may leave, and still others may lose the motivation to do good work (sanctions). Consequently, the union teams argue, on moral grounds, it is unacceptable to cut wages and salaries. The intentions of the union teams' discourses are clearly to activate Cesar's *interpretive schemes* through signifying the meaning of social responsibility. Both sides in the negotiations hold to the discursive level of consciousness. However, the two union teams act a bit differently in the two negotiations. The union team for the branch unit is tougher in the negotiations than the union team for the main unit. At first, the branch unit team rejects the general cuts in salaries and wages while the main unit team accepts them. Yet the branch unit team eventually accepts some salary/wage cuts as well as other measures (e.g. reduced working hours with reduced overtime compensation) under the condition that lay-offs should be fewer than recommended by the management plan.

The outcome of the negotiations saves the company and allows Cesar to change strategies. Parts of the differentiation strategy (specialization) from the start-up phase of the company are reintroduced. In addition, the company takes a step forward technologically by implementing advanced production computer hardware and software. As a result, delivery to customers is now faster and more reliable. With the success of these strategic actions, the company's financial position is secured.

The episode illustrates a situation characterized by a very severe crisis that jeopardizes the company's survival and requires drastic changes in institutions and structures. In this situation, the CEO has a rather weak power base. Furthermore, as structures must be drastically changed, it is difficult for the CEO to rely on the existing structures. Since management and the unions have different and, initially, opposing expectations of the negotiations, each side is very sensitive to the other's intentions and partially hidden agenda. Thus, the negotiations are very emotional. The episode illustrates how strategic managerial work in such situations involves skilful persuasion in discourse if the preferred action is to be approved. Management's arguments are not only practical and calculative (financial and accounting figures) but also moral and normative.

Management strategies changed profoundly at GRAFAB in two instances. The first instance was when Bertil abandoned the original specialization strategy. The second was when Cesar reintroduced specialization and implemented advanced computer-aided production equipment. The first change occurred gradually as an emergent strategy. The second, and more dramatic, change occurred under the time pressure of the severe financial crisis. The GRAFAB case illustrates how strategic managerial work depends on an acquired repertoire of recipes that may result in the (partial) reactivation of structures created in the past.

Episode 2. CRAFT: Deliberations concerning the introduction of a new product and a strategic investment

CRAFT is a small Swedish manufacturing company in the eyewear industry. The CEO founded the company in 1979 as an entity in a family-controlled company group with foreign subsidiaries and international joint ventures. The CEO has a creative background as a designer and is known for his innovative and unconventional ideas for growing the company. After the company's considerable expansion in the 1980s, competition had intensified considerably. The episode concerns a management team meeting in the early phase of planning for the introduction of a new, patented product that the CEO had designed.

After discussions about the composition of the project group, the discussion turns to capital investment financing and human resources related to the adoption of new CAD/CAM production technology. The highly influential CEO emphasizes – in strongly emotional tones – that 'this mustn't be like Northtown' (signification, communication, intentionality, *norm*). The management team members nod in agreement and seem to understand this statement (meaning, reflexivity). Subsequent interviews reveal that the interpretations of 'Northtown' by the management team are rather uniform, have a sequential character, and concern events that the actors relate to the case of 'Northtown' (*interpretive schemes*). Although there are small differences in the actors' interpretations of Northtown concerning the level of detail in those interpretations, the Northtown reference cues cognitive scripts among them. The team members reach a general understanding of what is important and what must not be allowed to occur (*legitimation, norm*) given the experience referred to in the script. A long and common history of events and occurrences produces numerous shared experiences on which to base analogies (*interpretive schemes*). The team's response to the Northtown reference is also positive because of the CEO's influential position in the company (*authoritative resources, power*). The actors suggest that the advantages of making analogies (*discursive practice*) include smoothness in work and a reduced distance between thinking and acting (rationalization). However, because of a taken-for-granted attitude, the possibility of seeing issues from new and different perspectives may be limited.

This episode concerns a situation in which the degree of change in institutions and structures is moderate. While a change in production technology is underway, the company's fundamental values are stable with no change in the CEO leadership. The episode reveals that in a small firm setting, where management team members have an extensive stock of implicit knowledge to draw upon for sensemaking

purposes and where the CEO is charismatic and powerful, strategic managerial work may consist of activating the 'right' interpretive schemes in the team. Because of these schemes, it is unnecessary for the CEO to explicitly communicate the norms he considers desirable in the situation under discussion. Rather, those norms are part of the interpretive schemes activated. In turn, the activation of interpretive schemes contributes to their reproduction. Hence, the episode illustrates how a powerful CEO can control sensemaking processes through argumentation (speech acts) rather than by rational calculation. Another interesting feature of this episode is that the strategic managerial work focuses more on the intentional reproduction of existing structures than on the creation of new ones.

Episode 3. Smalltown House: Handling a market downturn and changing industry regulations

Smalltown House originated as a joinery factory in Sweden, founded by the present CEO's father and a friend some sixty years ago. In the early 1960s, the joinery factory became a manufacturer of prefabricated wooden houses. Through cooperation with other companies, Smalltown House could sell to customers using a turnkey concept with its houses in ready-to-use condition. From the beginning, the company's vision was clear – to maintain low manufacturing costs in which the company would control every step from 'log to cabin' and as much work as possible would be finished indoors. The present CEO and chief owner succeeded his father in 1979 and continued with the same basic vision. Today, Smalltown House designs, produces, and markets one-family, prefabricated wooden houses that are sold directly to the individual homebuyer. The production is based on an assembly line. The episode begins with a description of the present CEO and then deals with how he acted when the company was faced with a drastic downturn in sales following new regulations in the industry.

When Stan, the present CEO, began in the company, under his father's supervision, he wanted to master every task better than anyone else (*legitimation*). Over the years, as he worked at every station in production and at every position in management, he became a master of just about everything at the company. He acquired a comprehensive knowledge of the business that no one else at the company could match. Based on this knowledge, he installed systems to ensure that employees would perform their tasks efficiently (*domination*). For instance, most production tasks were on piece rate contracts (*resources*), the sales people were mostly independent (yet closely controlled) entrepreneurs, and all managers had stringent targets. Stan's management style was 'management by exception', and if targets were not met, sometimes he would be very critical (sanctions). His philosophy was that the employees should always prioritize the company's best interests (*legitimation, norm*). Since the company was prosperous, he was confident in his role as CEO, and others perceived him to be effective. Then a crisis occurred in the housing industry although it did not come out of the blue. There were many warning signs of a collapse in the industry that Stan had noted. For instance, he communicated frequently with a government minister who alerted him to the impending crisis (signification). To control the crisis, Stan decided to lower production and work with longer delivery times. However, houses that had once 'sold themselves', without any real marketing, no longer did. Reluctantly, he saw the need for change and so brought in a professional marketing

manager. Since marketing was an area that Stan never had focused on, the marketing manager was the first manager who had a competence that Stan did not (*resources*). To handle the situation, Stan directed the marketing manager to devise a plan for marketing and sales. The plan was later discussed, but mainly in terms of desired outcomes (signification), and then the plan was formalized as a 'contract' (domination) between the marketing manager and Stan – if the manager delivered according to plan, he would be rewarded; if not, he would be dismissed (domination, legitimization, sanctions). The result was that the marketing manager made significant changes in the way Smalltown House worked with customers and made the company a market leader.

In the Smalltown House case, the change in structures and institutions is modest. We can see, in its general terms, that Stan has an impressive system for controlling the work force. The company has strong domination structures in which resources are distributed such that Stan has full control over events (even when he does not understand the means). These domination structures are supported by legitimization structures indicating what is right at Smalltown House (i.e. a strong work ethic and a norm that prioritizes work). Communication is downplayed since systems of legitimization and domination set the rules of the game. The needed change in the marketing function is accomplished with little alteration to these systems. Even in a rapidly changing market, the marketing manager has to conform to the overall system. This case exemplifies strategic managerial work where the manager (mainly acting as he has in the past) restricts actions of others substantially while still producing desired and needed change. Strategic managerial work is shown to be effective when based on power, fundamental managerial values, and efficient control mechanisms.

INTERPRETATIONS OF THE THREE EPISODES

In this section, we present the patterns of strategic managerial work derived from the three episodes. Specifically, the patterns concern (a) structural properties of strategic managerial work, (b) strategic intensity as a contingency factor for strategic managerial work, and (c) strategic managerial work as a multifaceted social practice.

Structural properties of strategic managerial work

Despite the different conditions for the SME managers in our three episodes (discovery in GRAFAB, evaluation in CRAFT, and exploitation in Smalltown House), as a whole the episodes show that managerial work is characterized by significant elements of power and influence, symbolic and occasionally political features, and emotional aspects that are important for persuasion and commitment. Although the importance of the semantic, power, and moral dimensions varies in the episodes, to some extent all dimensions are at play in each episode. These three dimensions seem to work in a *figure/ground* relationship (Baland and

Table 14.2 Structural properties of strategic managerial work in SMEs

	Discovery (GRAFAB)	Evaluation (CRAFT)	Exploitation (Smalltown House)
Signification	Discourse (often symbolic) aimed at the break up of existing structures and the discovery of new ones	Speech acts convey norms and values, thus reflexively activating interpretive schemes	Means for formulating and monitoring authoritative contract with subordinate(s)
Legitimation	Normative beliefs concerning why it is justified to break up existing structures and replace them with new ones	Norms and values (often emotionally charged) used to influence interpretations of what is (un)desirable	Norms and values as basis for rewards and punishments with respect to contract fulfillment
Domination	Power dimension downplayed although implicitly present in communication	Control of sensemaking processes	Allocative and authoritative resources used to control the process of value capture (absence of politics)

Pondy, 1983) where one dimension dominates in one situation but is background in another. When oriented towards discovery, strategic managerial work appears to be highly discursive and symbolic, with power and emotion as background parameters. When concerned with evaluation, strategic managerial work draws heavily on emotionally charged norms and values. As far as exploitation is concerned, strategic managerial work appears dominated by the power dimension that directs resources in the appropriate direction (see Table 14.2).

Strategic intensity as a contingency factor for strategic managerial work

The environments in the three episodes differ significantly. GRAFAB is in a financial crisis with the possibility of bankruptcy. The problem must be dealt with immediately. CRAFT and Smalltown House are not faced with such severe crises. However, Smalltown House has to deal with environmental hostility due to changes in industry regulations. The situation at CRAFT is more stable.

There are also differences with respect to the viability of the business idea in the three episodes. At GRAFAB, the company must consider new opportunities; not even basic beliefs can be taken-for-granted (Hedberg and Jönsson, 1977). At Smalltown House, the company is considering the exploitation of the pre-existing business concept. At CRAFT, the company is considering the evaluation of a capital investment opportunity.

Based on this discussion, the three episodes can be mapped in two dimensions that (a) denote the perceived viability of the business idea among the companies' actors and (b) denote the threat level from their environments. Although the environment at Smalltown House is quite hostile, the company still operates in a

Figure 14.1 Strategic intensity as a result of environmental conditions and belief in the business idea

strongly exploitative mode. There is little overall debate on strategic issues because of the strong belief in the company's business idea. At GRAFAB, while the environment is less hostile, nevertheless the company's actors have little faith in their current business idea. Therefore, there is an intense strategic discourse about the future. At CRAFT, where the belief in the business idea and the threat from the environment are both moderate, a situation results where strategic issues are discussed but not debated.

Figure 14.1 displays the three cases. We suggest that the strategic intensity is relatively low in the area below the curved line. In this area, a company will make no attempt to radically change its business idea. In the area above the curved line a company will test, and probably change, its business idea. We suggest that the perceived viability of the business idea is the dominant dimension. If there is a strong belief in the business idea, the nature of the environment may be quite hostile without causing high strategic intensity (as evidenced at Smalltown House). If, however, the belief in the business idea is weak, high strategic intensity may result even if the environment is far from hostile (as evidenced at GRAFAB).

Strategic managerial work as a multifaceted social practice

Although our results show how power, influence, symbolism, and emotion are present in strategic managerial work, the varying dimensions of structuration in the episodes illustrate how multifaceted and complex the social practice is. One such dimension that has a varied effect is power. At GRAFAB, since the CEO is new and does not have a strong power base, instead of using power as a main management tool, he tries to persuade his opponents through discourse. At CRAFT, and even more so at Smalltown House, the CEOs have strong power bases. They manage the action (or non-action) without using persuasion – the actors understand and follow the CEOs' directions even in the absence of explicit orders. The CEOs have set domination and legitimization structures (Giddens, 1979) firmly in place in earlier time periods. Signification, then, becomes an

especially important managerial tool for building legitimation and domination for the future when the power base may weaken. When the power base is strong, signification can assist in directing action (or non-action); however, in such situations, the predominant features of strategic managerial work in SMEs appear to be legitimation and domination.

A second factor characterizing strategic managerial work is the duality between structure and action. Existing structures are of less value at GRAFAB than they are at CRAFT and Smalltown House. Since larger changes are necessary at GRAFAB, the actors question the reliance on existing structures. At CRAFT and Smalltown House, the CEOs use existing structures, the actors accept the strong institutions, and the processes operate without any strong agency component. The actors monitor their own and others' social behaviour by implicitly following their knowledge of how to act and how to interpret events and the actions of others (Macintosh, 1994: 171). In contrast, at GRAFAB, where the processes rely heavily on agency, the actors can rationalize their actions and explain how situations should be interpreted (*ibid.*).

A third factor characterizing managerial work is the element of politics. At CRAFT and Smalltown House, managerial agendas are transparent. At GRAFAB, such agendas are implicit and/or partially hidden. A game-like situation results. For example, the unions see the negotiations as a zero-sum game, while the management, using discourse, tries to create a common understanding of the situation as a potential win-win opportunity. Thus, there is a stronger political dimension to managerial work at GRAFAB than at CRAFT and Smalltown House. Such a political emphasis calls for discourse.

A fourth factor characterizing managerial work is that the processes that rely less on agency tend to exhibit traits of strategic managerial work as a craft (Mintzberg, 1987). At Smalltown House, mastery of detail and quality of performance resulting from intimate familiarity with every aspect of the company are highly valued. At CRAFT, it is evident that the CEO, acting as a 'pattern recognizer', is attuned to stories from the past and their relationship to the company's current situation. When strategic managerial work in SMEs relies heavily on structure, it appears that it is the owner/manager's experientially acquired frames of reference that most strongly influence action.

PROPOSITIONS ABOUT STRATEGIC MANAGERIAL WORK IN SMEs

In this section, taking a structuration viewpoint based on the interpretations of our findings, we offer eleven propositions on strategic managerial work in SMEs. These propositions concern the structural properties of strategic managerial work, strategic intensity as a contingency factor for strategic managerial work, and strategic managerial work as a multifaceted social practice.

As illustrated in our episodes, strategic managerial work has symbolic, emotional, and power-related characteristics. Yet the relative importance of these characteristics may differ from one managerial work situation to another.

evaluation, or exploitation is likely to be an influential component in the composition of such a 'mix'. Thus, we propose:

- P1: When discovery-oriented, strategic managerial work in SMEs is predominantly discursive and symbolic, while power and emotion have less influence.
- P2: When evaluation-oriented, strategic managerial work is predominantly based on norms and values with an emotional content, while symbolism and power have less influence.
- P3: When exploitation-oriented, strategic managerial work is predominantly power based, while symbolism and emotion have less influence.

As the episodes in our three cases suggest, the level of strategic intensity may relate to the use of different structural properties. In situations of high strategic intensity, the reliance on signification is greater since it is a tool for making sense of an ambiguous situation. When strategic intensity is lower, sensemaking is not the main issue. Instead, domination and legitimization are used to coordinate, control, and create meaningful action. Thus, we propose:

- P4: The higher the strategic intensity, the greater the extent to which strategic managerial work in SMEs relies on signification.
- P5: The lower the strategic intensity, the greater the extent to which strategic managerial work in SMEs relies on domination and legitimization.

Regarding the link between strategic intensity and managerial work with opportunities, it seems clear that the more intense situations require discovery, while less intense situations relate more to evaluation and exploitation of opportunities. Thus, we propose:

- P6: The higher the strategic intensity, the greater the extent to which strategic managerial work in SMEs is oriented towards discovery of opportunities.
- P7: The lower the strategic intensity, the greater the extent to which strategic managerial work in SMEs is oriented towards exploitation and evaluation of opportunities.

While previous research offers important contributions to knowledge about managerial work (e.g. Carlson, 1951; Mintzberg, 1973), such research offers little guidance on its structural and agency properties. Our use of structuration theory sheds some light on the dualistic nature of managerial work. The agency properties are especially apparent at GRAFAB (i.e. when the strategic intensity is high). Our findings suggest that processes to a large extent are agency based when the current situation is not deemed viable and changes of structures and institutions are necessary. In contrast, at Smalltown House, where the strategic intensity is low, we see that the structural properties dominate. Thus, we propose:

- P8: The higher the strategic intensity, the greater the extent to which strategic managerial work in SMEs relies on agency.
- P9: The lower the strategic intensity, the greater the extent to which strategic managerial work in SMEs relies on structure.

Finally, we suggest that the extent to which a CEO is firmly established as a company leader is likely to affect the extent to which managerial work draws on

posit that there are fewer demands for political and democratic processes in SMEs since their CEOs generally have ownership positions. Therefore, the latter two structural properties (i.e. legitimization and domination) are especially pronounced in the strategic work of SMEs. Thus, we propose:

- P10: The more firmly established that the CEO is in the company, the greater the extent to which strategic managerial work is based on domination and legitimization.
- P11: Domination and legitimization are more influential components of strategic managerial work in SMEs than in large corporations.

CONCLUDING REMARKS

We conclude this chapter with some comments on our theoretical contributions to a richer understanding of strategic managerial work in SMEs. Our contributions concern the following themes: (a) the understanding of strategic managerial work in SMEs as a social practice that is ingrained with symbolism, emotions, and power, and is thus multifaceted and complex; (b) strategic intensity as a contingency factor for strategic managerial work; and (c) the non-sequential nature of strategic managerial work in SMEs as evidenced by the duality of structure and action.

Related to our first theme, our findings suggest that strategic managerial work in SMEs contains symbolic, emotional, and power-related aspects that tend to overlap. Although our propositions suggest that one or two of these aspects dominate in certain situations, all are present to some extent. The impact of symbolism, emotion, and power, which may be subtle and difficult for outside observers to discern, makes strategic managerial work in SMEs both multifaceted and complex. As a result, a successful manager may require a broad action repertoire. In addition, management education may need to take this requirement into consideration.

Related to our second theme, our findings suggest that strategic intensity may be crucial to an understanding of important aspects of strategic managerial work in SMEs. The intensity level seems to act as a contingency factor since the content of work varies sharply depending on the level of intensity. Thus, an accurate perception of the firm's internal and external environments may be important for managers so that they can fit their actions to the situations. Also, it is important for researchers to acknowledge this contingency factor if they are to understand strategic managerial work.

Related to our third theme, our findings suggest that strategic managerial work in SMEs can be understood as a duality involving structure and action. Structure sometimes drives the way forward while action takes a back seat. This pattern clearly contradicts the traditional sequential management models (plan, implement, and follow-up) since structural elements constrain what is possible. This path dependency constrains current actions based on the organization's history while the current situation constrains future actions (Kimberly and Bouchikhi, 1995).

In sum, we conclude that structuration theory, as a frame of reference for understanding strategic managerial work in SMEs, is a promising research avenue. We claim that structuration theory has the requisite variety (Ashby, 1958) needed to understand the subtle complexities of strategic managerial work. Therefore, studies of managerial work from a structuration perspective can supplement and enrich more instrumental or empirical approaches. Our hope is that this study will provide a starting point for such work.

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