



## Strategy and the Research Process: A Reply

Cynthia A. Montgomery; Birger Wernerfelt; Srinivasan Balakrishnan

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## RESEARCH NOTES AND COMMUNICATIONS

### STRATEGY AND THE RESEARCH PROCESS: A REPLY

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In writing "Strategy content and the research process: A critique and commentary" (Montgomery, Wernerfelt, and Balakrishnan, 1989; hereafter referred to as MWB) we had hoped to focus attention on questions relating to the quality of strategy content research. Seth and Zinkhan disagree with some points in our paper, but they do so without providing their perspective on the field. The reader does not know if they find the current state of affairs acceptable or if, like us, they fear that the area is facing serious legitimacy problems that ultimately may threaten its survival. Lacking this context it is difficult to interpret their remarks, or to evaluate the potency of their recommendations. With respect to our worldview, we are concerned that they underestimate the seriousness of the issues before us and the challenges strategy departments increasingly face.

Our original paper was motivated by three concerns, reflected in Assertions 1–3 (MWB, 1989: 192–193). (1) In strategy content research we are uneasy about the abundance of large sample data-driven empirical research, including that couched sophisticatedly as 'exploratory' work. (2) We feel that much 'interdisciplinary' work is hurt by low levels of rigor, relative to that in the disciplines. (3) We believe important strategy content research could be obstructed if journals and referees persist in requiring that all articles include direct managerial implications.

To support our views on these issues, we began our paper with a selective review of literature on the philosophy of science (MWB, 1989: 140–141).

Seth and Zinkhan take issue with our paper on a number of counts. Although we differ from them in our positions on some specific details, on more fundamental, larger issues we find ourselves in rather close agreement. Let us examine the purported points of difference.

#### *Both inductive and deductive methods are valid ways of generating theory*

Seth and Zinkhan describe a continuum of theory generation, running from inductive to deductive methods. They argue that both inductive and deductive methods are valid ways of generating theory. We agree. Unfortunately, Seth and Zinkhan attempt to argue that MWB implied 'that all theory generation should be based on the pure inductive method.' This is clearly not the case.

Propositions 1 and 2 (MWB, 1989: 190) address exactly this point. They argue that the two extremes of pure induction and pure deduction are not feasible. Both should be abandoned as doomed *ex-ante*. The discussion following the propositions restates this point: 'Together, Propositions 1 and 2 argue against the view that data "speak for themselves" and that *a priori*

theory—theory arising from no basis in experience—is possible. The challenge at this point is how best to unite theory and experience’ (1989: 190).

*The falsificationist perspective provides an inadequate model for the process of theory testing*

Seth and Zinkhan claim that MWB espouse ‘wholeheartedly an extreme version of the falsificationist view of Karl Popper.’ This assertion is simply not accurate.

Our Proposition 3 contains two parts: ‘A theory is better, *ceteris paribus*, (a) if it is refutable and (b) if it is consistent with a body of existing theories.’ These words were chosen carefully to avoid unnecessary disagreement. Note that the proposition states that *ceteris paribus* a theory is better if it is refutable. (We cannot imagine that Seth and Zinkhan would disagree.) We do not say that theories cannot be helpful if they cannot be refuted. Further, point (b), which argues that a theory is better if it is ‘consistent with a body of existing theories’, diverges significantly from Popperian falsificationism and, in fact, would not be supported by Popper.

Seth and Zinkhan are correct in saying that our appeal to strategy researchers to employ the principle of falsificationism failed to acknowledge the limitations of the approach. In that section of the paper we were tackling the pervasive problem of data-mining in strategy content research. Falsificationism seemed to be an appropriate blunt instrument for attacking the problem at hand. However, we agree with Seth and Zinkhan that an expanded discussion would have been more helpful.

In their discussion of falsificationism, Seth and Zinkhan undermine themselves, as they did earlier to us, by flirting with an extreme position. Their comment that ‘it is not clear what strategy researchers have to gain by adopting a falsification perspective’ is, we hope, not a true reflection of their position. In any case, by the time they reach Proposition 3 they adopt a position which appears to be not too far from ours: ‘Tests which discriminate between alternative explanations of the phenomenon under question are, *ceteris paribus*, better than unspecified null hypotheses.’

*Managers and extended publics play important roles in developing knowledge*

We, of course, share this view and expect that most people would. Raising it to consciousness is a credit to Seth and Zinkhan.

## CONCLUSION

In summary, Seth and Zinkhan chose to couch their paper in adversarial terms. Assigning us extreme positions facilitated this approach. However, their strategy is hazardous in that it runs the risk of discrediting principles we all may value. More effort in carefully locating that common ground and exploring the specific implications of our differences would have been helpful.

As a final note, we do differ from Seth and Zinkhan in our view that strategy students should specialize in one other discipline to facilitate cross-disciplinary work. Their recommendation that strategy students should be ‘conversant with multiple disciplines of organization science’ is, we believe, a high-risk proposal. As we argued in our original paper, students face real time constraints, and choices among subfields are usually a necessity. In the absence of in-depth knowledge of any one discipline, strategy students run the risk of being dilettantes. While we recognize the importance of breadth, it often comes at the expense of an acceptable level of depth. At this time, and considering the challenges the field now faces, we feel that strategy content research would benefit from the rigors imposed by the disciplines.

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- Montgomery, C. A., B. Wernerfelt and S. Balakrishnan. ‘Strategy content and the research process: A critique and commentary’, *Strategic Management Journal*, **10**, 1989, pp. 189–197.
- Seth, A. and G. Zinkhan. ‘Strategy and the research process: A comment’, *Strategic Management Journal*, **12**, 1991, pp. 75–82.

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