

Building not Dwelling:
Purposive Managerial Action in an Uncertain World

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This paper introduces a cognitive perspective on strategising drawing on the phenomenology of Alfred Schutz in complement to the analytic and behavioural perspectives. Developing from recent post-processual perspectives that take a phenomenological approach that emphasises dwelling, we propose a more cognitive approach that suggests that purposive managerial action is more like building in deploying future-perfect-thinking to orientate purposive managerial action. We then use secondary data from the Channel Fixed Link project to identify some of the actual practices used by actors to imagine and then create a future to take the project through to a successful conclusion.

Introduction

The strategy-as-practice perspective (Johnson et al 2007) on organisational strategising has been gaining considerable traction in recent years as a critique of both the prevailing analytic approach of strategy-as-planning, and the strategy-as-process response to the pretensions of strategic planning. More recently, some strategy scholars have begun to articulate a “post-processual” approach that draws directly on Heidegger’s phenomenology (Chia and MacKay 2007) of being-in-the-world, or “dwelling”. Our aim in this paper is to suggest the limitations of the all these approaches – which collectively we dub as behavioural - because they tend to underplay human intentionality, and hence the possibility of purposive managerial action. Our critique draws heavily on the more sociological phenomenology associated with the work of Schutz, and suggests that, contra Heidegger, dwelling and building are distinctive human activities.

The paper will first briefly review the strategy literature in order to position our contribution. We will then focus on the differences between the phenomenology of Schutz and Heidegger and their implications for strategising. This will identify the importance of future-perfect-thinking which clearly distinguishes Schutz’ from Heidegger’s phenomenology. An empirical exploration of a sustained act of strategising – the Channel Fixed Link project – will hopefully then indicate how the cognitive approach can add value to the analytic and behavioural approaches. Discussion of the broader implications of this approach and conclusions follow.

Strategising

The development of expected utility theory during the 1940s and its incorporation into neoclassical economics provided the basis for the development of the decision theory that underlay strategic planning, even though it was acknowledged that the estimates of both amount of investment required and the expected returns on that investment were subjective (Schoemaker 1982). Thus purposive managerial action was seen as the outcome of extensive analysis and the careful evaluation of options before the optimal choice is made (Ansoff 1968). However, beliefs about the future are not the same as the actual future when it arrives, and the pretensions of strategic planning have been roundly criticised by Mintzberg (1994) and many others. An important input to this critique is the focus on the actual processes of managerial choice which appear neither to follow the tenets of expected utility theory, nor to reach the standards espoused of the fully rational manager supported by the “competent management scientist” (Ansoff 1968: 156).

The empirical work of Mintzberg has been deeply concerned with actual *processes* within organisations, developing a sustained critique of the pretensions of those from the analytic perspective to be able to provide robust normative models of strategic decisions (Mintzberg 1994). In his empirical work (e.g. Mintzberg *et al* 1976) he has followed managerial and decision processes through time noting their apparently unstructured character and concludes that “a strategic decision process is characterized by novelty, complexity, and open-endedness, but the fact that the organization usually begins with little understanding of the decision situation it faces or the route to its solution, and only a vague idea of what that solution might be and

how it will be evaluated when it is developed” (ibid: 250). In a similar vein, Cohen and his colleagues use a simulation approach to develop an “anarchic” view of strategic decision-making. They characterise it as a “garbage can... in which problems, solutions, and participants move from one choice opportunity to another in such a way that the nature of the choice, the time it takes, and the problems it solves all depend on a relatively complicated intermeshing of elements” (1972: 16).

This concern for processes of strategising has been criticised (e.g. Whittington 1996) because of its tendency to generate abstract typologies of strategising such as the seven “structures” of unstructured decision-making (Mintzberg *et al* 1976 or the garbage model (Cohen *et al* 1972). It has also been criticised for its difficulty in understanding purposive managerial action (Kaplan 2008). Advocates of a *practice* rather than process approach (e.g. Jarzabkowski 2004; Johnson *et al* 2007) are concerned with the actual activities of managers in crafting strategy rather than generic models of how they do that crafting an insight that is now entering the mainstream of strategy discourse (e.g. Bungay 2011). However, the practice approach is not mere ethnomethodology because it retains a concern to link micro-activities with larger processes through notions of praxis (Whittington 2006).

The post-processual critique (Chia and Holt 2006; Chia and MacKay 2007) argues that the strategy-as-practice literature retains an empirical focus on action rather than on practices which means that it cannot fully break with the body of process research on strategy. Most importantly, it retains an implicit methodological individualism which means that it gives analytic primacy to the actions of individuals rather than to the inherent regularities which shape behaviour which can be called “styles”, or “practices”. These are distinguished from the holistic claims for the process approach by emphasising relationalism as the sites of practice are constructed. Thus in the post-processual approach, “ontological priority is accorded to an immanent logic of practice rather than to actors and agents” (Chia and MackKay 2007: 219). Unless strategy-as-practice takes this methodological step, it is argued, it will remain trapped in methodological individualism.

Thus the strategy field can now be divided into the analytic perspective which focuses on developing the tools of decision theory, and a behavioural perspective which focuses on what managers actually do when they strategise. The earlier work in the behavioural perspective examined organisational processes, while more recently attention has turned to managerial practices of strategising. This in turn has been criticised because of its methodological individualism and hence its emphasis upon action rather than a true focus on practices. We group the three non-analytic approaches – process, practice and post-process – together as behavioural because they all share a focus on what managers can actually be observed doing when strategising. The critique of expected utility theory and strategic planning is well established since at least Simon’s classic article (1955) on bounded rationality and need not detain us further here. We will focus, therefore, on the approaches within the behavioural perspective which address *how* managers strategise.

In so doing we will extend Kaplan’s (2008) critique of the process approach to the practice and post-processual approaches and suggest that they all have a difficulty in comprehending purposive managerial action. She identifies the importance of “framing” the arguments in support of particular options in a way that chimes with the

culture of the particular organisation and thereby begins to address a potential weakness in the behavioural perspective of the lack of concern to relate process and practice to outcomes. This lack of concern with outcomes is a weakness of constructivist approaches to decision-making more generally (Winch and Maytorena 2009) which become merely descriptive unless we understand what decision-makers are trying to do and when they are making good sense and when they are not. We are concerned here, therefore, with purposive practice towards identified ends, rather than aimless practising when we attempt to articulate a cognitive perspective on strategising. In order to make this argument on the importance of intentionality in action without flipping into a strategy-as-planning perspective, we need to address the phenomenology underlying the post-processual critique and to articulate a rather different phenomenology from that espoused by the followers of Heidegger.

The Cognitive Perspective: Insights from Phenomenology

The post-processual critique places significant emphasis on Heidegger's discussion of "dwelling" and "building" (1971). The notion of "dwelling" is of fundamental importance to Heidegger's phenomenology. Heidegger wanted to place ontology as the primary problem of philosophy and focused on the nature of "being-in-the-world" and *Dasein* as reflective being-in-the-world, "therefore *fundamental ontology*, from which all other ontologies take their rise, *must be sought in the existential analytic of Dasein*" (Heidegger 1962: 34 emphasis in the original). This is achieved by focusing on the phenomenon, clearing away the clutter of appearances which merely announce the phenomenon, and following the injunction "to the things themselves!" (ibid: 50). Heidegger elaborates the concept of *Dasein* by using the metaphor of dwelling as being in a specific place with both a familiarity with and care for that place – "being-in is thus the formal existential expression for the Being of *Dasein*, which has Being-in-the-world as its essential state" (ibid: 80).

In a much later (a lecture in 1951; *Sein und Zeit* was first published in 1927) piece entitled *Building Dwelling Thinking* Heidegger is concerned to explore the relationship of the concept of building to that of dwelling (Heidegger 1971). It is not clear what prompted him to write this piece, but it would appear that it is a defence to the obvious point that dwellings get built, and that building is a different process from dwelling. Against that view he argues that "building is not merely a means and a way toward dwelling – to build is in itself already to dwell" (ibid: 146). He supports this position with an etymological argument, showing that the Old English word "buan" means both to build and to dwell, and that the modern German word "bauen" has obscured this meaning. Thus "the old word buan not only tells us that *bauen*, to build, is really to dwell; it also gives us a clue as to how we have to think about the dwelling it signifies" (ibid: 147), and dwelling also means to care, to tend, to cultivate and that building in this sense is preserving and nurturing, not making¹.

Heidegger recognises that building also means making, but argues that this has obscured its original meaning of dwelling, so, if we "listen to what the language says"

¹ "Bauern", which presumably shares the same root, means farmer in German; however despite the clear link to the English verb "to build" it is not clear that this etymological analysis works for either modern English or French.

.... “Building as dwelling unfolds into the building that cultivates growing things, and the building that erects buildings” (ibid: 148). The argument now becomes more metaphysical invoking the fourfold of earth, sky, mortals, divinities and building as the location of dwelling. Thus a bridge “*gathers* to itself in *its own* way earth and sky, divinities and mortals” (ibid: 153). It does this by defining the landscape as banks of a stream and a thing (in the Old English sense of meeting place) for people crossing the river. He similarly discusses the building of a farmhouse as emerging from dwelling on that farm and the argument concludes in stating that “only if we are capable of dwelling, only then can we build” (ibid: 60).

Heidegger’s work attempts to move beyond Husserl’s phenomenology which, for him, retains both notions of intentionality and a Cartesian separation of consciousness and reality (Kenny 2007); however, we wish retain these two elements of Husserl’s thought. Our point is starkly made by Schutz’ deliberate mis-citation of Heidegger that “an action always has the nature of the project” (1967: 59) where the noun translated into “project” is “*Entwurfcharakter*” which usually means “construction drawings”. Heidegger is at pains to emphasise that “projecting has nothing to do with comporting oneself towards a plan that has been thought out” (1962: 185) thereby stimulating a lengthy translator’s note and Schutz’ note of clarification. For Schutz, we suggest, projects are the very essence of human action where “action” means “human conduct devised by the actor in advance, that is, conduct based upon a preconceived project.” (1973: 19) Without a project, without this intentionality and preconception of the results of that conduct, there would be no action, only reactive behaviour. The project is a visualization of “the state of affairs to be brought about by my future action ...” (1973: 68). When actors decide to implement such projects they become equipped with ‘in-order-to-motives’, i.e. action is designed and taken in order to realize the projected future state of affairs.

While Schutz’ principal aim in developing his phenomenology of everyday life is methodological, showing how sociology can actually achieve Weber’s aim of providing explanations adequate at the level of meaning as well as cause, he develops an ontology that offers much insight for organisational theorists. Schutz argues that all purposive action, as opposed to reactive behaviour, has the nature of a “protention” or a completed future state which gives meaning to that subsequent action which will bring forth the future state. Thus while the protention is cognitive in that it exists as a perceived state, it is qualitatively different from a “retention” which is inherently a perception about the past. However, because the protention, like retention, is perceived as completed, “the planned act has the temporal character of pastness” (1967: 61) and is therefore thought of in the future perfect tense².

The distinction between *action* and *behaviour* is crucial for Schutz. He defines behaviour not just as an instinctual, non reflective, activity, but as a conscious, social activity in a way that is similar to Heidegger’s being-in-the-world. However, behaviour is distinguished from action because of the absence of protention giving meaning to the activity. As Schutz argues in clarifying the differences between himself and Weber

² This is formulated as “will have been” in English. French and German have analogous tenses.

Any conscious experiences arising from spontaneous activity and directed towards another self are, by our definition, social behavior. If this social behavior is antecedently projected, it is social action (1967: 146).

He further emphasises in critique of Weber that in this perspective, the 'act' is distinguished from the 'action' which is motivated by the perception of the accomplished act.

The term 'action' shall designate human conduct as an ongoing process which is devised by the actor in advance. The term 'act' shall designate the outcome of this ongoing process, that is, the accomplished action (1973: 67).

In developing this perspective, Schutz emphasises the motivational aspect of future-perfect thinking, showing how it provides the future-orientated "in-order-to" motive for an action, rather than the past-orientated "because" motive for action. He is also careful to distinguish future-perfect-thinking from pure fantasy by the criterion of the practicality of the act.

The possibility of executing the project requires.... that only ends and means believed by me to be within my actual or potential reach may be taken into account by my projecting.... that all the chances and risks have been weighed in accordance with my present knowledge of possible occurrences of this kind in the real world (1973: 73).

As Schutz began to engage with the American pragmatist school of philosophy upon his arrival there in 1939, he drew from Dewey the role of the imagination in future-perfect thinking as well as insights into its deliberative nature. He also drew from Thomas the power of beliefs as elements of shared social reality. However, one thing he did not appear to draw from Dewey was the role of impulse in action (Dewey 2002). According to Schutz acts vary in their motivational power as a function of their perceived value to the actor. In this sense, Schutz shares with the Carnegie school a "coolly cognitive" (Adler and Obstfeld 2007) approach to action and leaves open the question as to what makes the stimuli of projects and future-perfect thinking strong or weak.

Recent research on major projects has started to draw out the full implications of Schutz' work in a managerial context (Clegg et al 2002; Clegg et al 2006; Pitsis et al 2003) and begins to suggest how the perspective might be applied to understanding organisational strategising. Their empirical case is one of the projects associated with the 2000 Sydney Olympics which therefore had an immovable deadline with a relatively flexible budget. The project mission was improvement of the water quality in Sydney Harbour. Three distinctive conceptual frames were deployed in the analysis of the ethnographic data from the case.

- Future perfect thinking (Pitsis *et al* 2003; Clegg *et al* 2006) was explicitly deployed by the project leadership. The research team coded all schedule-related comments as expressions of future-perfect thinking, and provided numerous examples of its expression. They argued that the collaborative team collectively envisioned the future perfect strategy, which was envisaged through "end games" specifying what was expected to happen, when.

- Governmentality (Clegg *et al* 2002) is the condition of reflexive self-control where management normalises behaviours and does not have to deploy overt disciplinary formations. In a project context, governmentality is used to replace the correspondence model of how order is created on the project through legalistic means by a coherence model. This is done through a future perfect strategy operationalised by motivation through clear and transparent project KPIs.
- Designer culture (Clegg *et al* 2002) is a particular organisational culture that deliberately places stress on artefacts to create culture. Thus the co-located project team offices were open-plan and displayed large banners articulating the nine alliance principles. Trend lines for the project KPIs were clearly displayed, and a large, strategically placed fish-tank symbolised the project mission – clean water in the Harbour.

The research on the Sydney Waste Water project is, we submit, a major advance in our understanding of how projects get done, but in Schutz' terms, it focuses more on "filling in" than "protection". We are, for instance, not offered any data on why anybody thought that cleaning up Sydney Harbour for the 2000 Olympics was a priority – the Games surely would have been perfectly viable without the project's achievements. There must have been some interesting discussions between potential funders of the project and its promoters, and there will surely have been competing projects which their promoters will have thought to be equally worth funding yet were not selected. Thus we suggest that although the argument is cast in terms of future-perfect strategy, the papers offer us little insight into strategizing on the project.

Time and Practice: A Summary Review

This review of the literature allows us to propose a synthetic characterisation of the different modes of strategising embodied in the three approaches we have identified. Figure 1 shows the time-frame of strategising for the analytic perspective in which multiple objective paths of activity are analysed to produce an optimal future path. While the development of real options may give more than one future path, the single arrow remains probabilistically optimal.

Figure 2 presents the behavioural perspective – whether in its process stream at the level of organisational activity or its practice stream at the level of managerial action, or the post-processual stream with its tighter focus on practice itself. It shows how sense made of the present and past entails enactments which evolve through time by selection and retention (Weick 1979) as managers construct their futures through strategising. Figure 3 presents the cognitive perspective in which strategists preconceive the completed act and then orientate their managerial activity to "filling in" this act, choosing between multiple paths as they do. It is the practical action of filling in that we wish to present empirically in this paper by identifying various practices orientated towards the preconceived completed act.

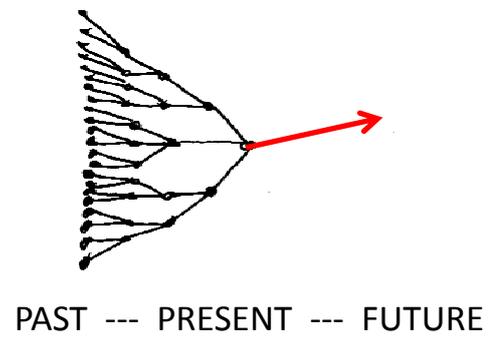


Figure 1 The Analytic Perspective

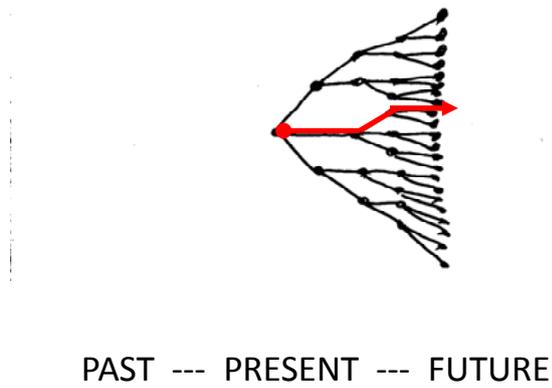
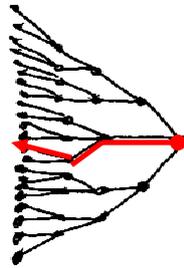


Figure 2 The Behavioural Perspective



PAST --- PRESENT --- FUTURE

Figure 3 The Cognitive Perspective

Strategising and Future-perfect Thinking

In preparation for our analysis of how future-perfect thinking can provide insights into strategising, we now briefly highlight a few premises that stem from our understanding of Schutz' discussion of human action. We will present these in the context of projects because the selection and implementation of projects is one of the most important strategic activities of an organisation.

Projects are goal-focused. Acts, i.e. accomplished action, are the focus of attention and deliberation. We conceptualize projects using achievement words more than task words. It is some desired future state of affairs that fuels projects.

Projects are realistic and familiar. Projections rest on imaginations believed in honesty to be possible. Fantasy does not suffice. Thus, only acts considered achievable on the basis of present knowledge form projects. Fantasy entertains, but cannot motivate or legitimate action. Imagination can! Because there is a strong sense of familiarity and realism about the projected future concerns about the necessary steps in implementing the project can be referred to be resolved in real time, i.e. when the need to take action arises.

Projects are fragile. All projects carry along *empty horizons* yet to be filled in by actual action. Action is motivated, guided and rendered meaningful by the chosen act with each anticipated result. But action is conducted in real time and in contexts that are necessarily anticipated. Therefore, projects are fragile and action is possibly disrupted by external events. Such external events may take routine ends and means out of reach of the actor and stall any progress towards accomplishing the projected act. External events may also supplement the results anticipated with a range of

consequences not conceived as part of the project – and which may, on balance, render the achieved results worthless or illegitimate.

Projecting and filling in empty horizons are fundamentally different processes and phenomena that should not be confused with each other. There is no way in which actual consequences and outcomes can be explained by the protention. It always implies specific contexts and situationally adapted action. There is therefore no causal link between people's cognitive efforts and eventual state of affairs. The link is purely motivational.

In our perspective, projects as a model for strategising are important in terms of motivation, purpose, sense-making and attention-focusing. They are less important in terms of giving exact direction and operational criteria for acting. They are also less important in terms of explicit coordination of effort across projects and individuals, except in the form of management of meaning and shared cultures. Being convinced about the protention is absolutely essential for actors to let future-perfect-thinking guide managerial action. The strategy for ensuring convincing protentions is to act within areas of familiarity and prior knowledge. Knowing we can do it allows us to think in terms of the act, in terms of achieved action, and to postpone any concern about the actual implementation until some later stage.

Projects of all sorts build on imaginations about the future. As we shall see below, the managerial action is constituted by the anticipation of future results that subsequently guide and give sense to conduct. Formal projects are designed with explicit and negotiated goals and purposes. The futures in relation to projects are aspects of the present, however. They are protentions in the sense that the actor imagines the future state of affairs to have arisen already, enabling him or her look back on the present situation and the steps connecting the present with the future. The imagination of a particular future, and the imagination that it has already materialized, are supposed to be the foundation for acting in the present and we propose that this imagination entails four complementary and intertwined processes.

Convincing oneself. The actor's willingness to let present acting be guided and determined by protentions depends on his or her acceptance of the projected future as realistic and relevant. Actors have to convince themselves about the achievability of the act. If not convinced, it would be foolish to base current acting on such an imagined, fantasized future. The need to distance oneself from pure fantasy, i.e. to convince oneself of the achievability of the act, puts, according to Alfred Schutz, narrow limits on the kinds of acts that can be projected.

Convincing each other. As soon as we change the context from individual human action to formal projects we encounter new requirements. The project team has to adopt and subscribe to the same protention if they are to coordinate their efforts and collaborate on the same project. The protention of some actor (say project manager) has to be believed by the other parties in the project. Thus, the project participants have to convince each other about the achievability of the projected acts constituting the project. If some participants in the project team are not convinced about the achievability of the projected act it is not likely that they will let their current action be guided and directed by the espoused protention. When that is the case, the project

team disintegrates. We see *designer culture* as part of the process of convincing each other.

Convincing others. Project teams do not operate in isolation. They owe their existences and resources to important stakeholders in their context of operation. Public, political and financial support must be obtained and maintained to get any project going. It is no longer sufficient to convince oneself or the other members of the project team. It is also necessary to convince external stakeholders, particularly financiers. Since such external stakeholders are not held responsible for achieving the projected act, their criteria for accepting propositions may be highly individual and egoistic. We see *governmentality* as part of the process of convincing stakeholders.

Endgaming. While conviction is generated through rhetorics, the processes of filling in also require the mobilisation and motivation of large resources which are ordered through the endgaming process. In a very practical sense, endgaming is what drives the arrow of action from right to left in figure 3 even though time's arrow necessarily flies from left to right.

The ways in which these four processes are intimately intertwined is well summarised by this comment from the champion of the Eden Project, a very successful environmental visitor experience in Cornwall:

There comes a time in all great ventures when the talking has to stop. We'd created the constituencies, we'd talked the hind legs off donkeys, we'd been snake-oil salesmen with attitude and a dream to peddle, but turning a dream into a reality needs iron in the soul, money in the bank, and military organization (Smit 2001:117).

We now turn to identifying the practices which enabled these four processes.

Research Method

The focus on practices has a natural affinity with deep qualitative research, particularly with ethnographic methods (Johnson *et al* 2007). However, the practical realities of labour-intensive research methods which require deep access to an organisation's decision-making processes mean that larger dynamics of strategising are difficult to capture. As the advocates of strategy as practice often emphasise, strategising is not the preserve of a dedicated cadre of strategic planners, yet this also implies that if many parts of the organisation are involved in strategising, resource-intensive research methods will find it difficult to capture the various inter-connected elements of strategising practice. Standard quantitative methods are also limited in this respect (*ibid*) and so we propose reliance on largely secondary sources for our insights into the practice of animal spirits on a major project. Thus, in common with other established researchers who have chosen to research major projects using secondary sources to generate theoretical insights (e.g. Ross and Staw 1986; 1993; Shapira and Berndt 1997), we have chosen to tell the story of a major project while highlighting particular strategic episodes (*ibid*) that provide particular insight into future-perfect thinking in a project context.

Our sources vary from high quality accounts from journalists (e.g. Byrd 1994; Fetherston 1997) who were “inside” the projects at key moments; memoirs of participants (e.g. Freud 2006; Henderson 1987); field research conducted by ourselves towards the end of the project life-cycle which deployed an organisational assessment methodology (Van de Ven and Ferry 1980); and press reports of particular incidents. These are inevitably partial in the account they can give of practices of future-perfect-thinking, but arguably no more partial for understanding how purposive action is created and sustained over time than a deep ethnography of one particular incident in that time-period. Our method, in the end, can only be justified by the new insights it brings to the practice of strategising, but at this stage of the argument we hope that it at least meets the call of Johnson and his colleagues (2007) for innovation in strategy research.

Our case is the well-known Channel Fixed Link (CFL). The project that finally delivered a usable facility in 1994 was the third attempt at construction that had actually started digging; earlier ones had been abandoned in 1975 and 1883). While our practice data refers to this third, successful, attempt, we will also indicate how that practice is embedded in a much longer tradition of fantasy and future-perfect-thinking over a 200 year period. Prospective concessionaires for the CFL were invited to bid in April 1985, and the Anglo-French consortium of 5 banks and 10 construction companies dubbed Eurotunnel provided the most attractive offer to the two governments represented by the Intergovernmental Commission (IGC) that had been established by the Treaty of Canterbury between France and the UK in February 1986. Eurotunnel was awarded a concession to operate the Channel Fixed Link in April 1986. The same 10 construction companies then formed the Transmanche-Link (TML) consortium and were duly awarded the construction contract by Eurotunnel in August 1986. Thus Eurotunnel was the promoter/client for the project as concessionaire, and TML was the contractor supplying construction services. TML chose to undertake the tunnelling work itself, while it let subcontracts for the supply of services related to fitting out the tunnels and the terminals. It also acted as an agent for Eurotunnel for the procurement of the locomotives and rolling stock to provide the car (now branded as Le Shuttle) and heavy goods vehicle shuttles from the loose Euroshuttle consortium. Eurostar is a separate operation established by a consortium of Belgian, British and French rail interests to provide through passenger services and purchases a proportion of the CFL capacity, as do rail freight operators. After much delay to schedule and escalation of budget, the facility was opened by the respective heads of state in May 1994. A high speed rail line connecting the CFL to London opened in 2007. The journey from the first published image of a tunnel under the English Channel in 1802 to rail travel between London and continental Europe being a normal part of life is a remarkable story of sustained strategising.

Convincing Oneself

The history of the CFL has been characterised by true believers who put as much of their own money as they could afford and as much of other people’s money as they could obtain into the project. For instance, d’Erlanger, a leading banker and businessman long involved in the CFL, told Fetherston (1997:53) that “I was brought up in a home where the Channel Tunnel was a religion”. Henderson (1987: 15), the first chair of the UK promoter company, argued that

If I was to sum up the overriding ethos which governed the directors... it was the unarticulated faith, difficult to define or explain, but an abiding faith that we would get there in the end.

A respondent to our survey in 1993 put it this way :

L'achèvement du Projet tient du miracle compte tenu des différences culturelles linguistiques, morales et sociales. La réussite résulte probablement dans l'adhésion d'une majorité à un objectif commun (source: response to questionnaire, October 1993).

The role of faith amongst true believers in a link across the Channel was vital in sustaining it between the various attempts at actual digging. Yet, much of this was what Schutz would call fantasy – wildly optimistic visions of a linked future which had no chance of realisation. Yet out of this continual fantasising viable projects sedimented as fantasy turned to future-perfect-thinking as opportunities to obtain finance aligned. Our point here is that this continual fantasising was a necessary but not sufficient condition for the final construction of the link. Clearly, convincing oneself that an act is worthwhile is a necessary, but not sufficient condition for action. Convincing others is vital.

Convincing Others

Over the years a large number of wild and wonderful fantasies have been promulgated for the link (Lemoine 1994), but crucial to sustained action is the establishment of an agency which can undertake the practice of convincing others. Thus the Channel Tunnel Study Group was established in 1957 which lobbied for a licence to tunnel (which it obtained in 1963) and articulated the completed act in the form of an engineering concept. Figure 4 shows the 1985 version of the 3-tunnel concept originally developed by the CTSG. The importance for practice of the work of the CTSG is that it slowly worked up the basic principles upon which the two subsequent attempts to construct the CFL were derived including:

- Private rather than public finance
- The three-bore concept with two running and one service tunnel
- Shuttle trains to transport road traffic rather than through-running

Although various competing frames (Kaplan 2008) were articulated in subsequent years, such as the single-track “mousehole” rail only proposal of the late 1970s and the competing bridge/tunnel (“brunnel”) combinations which were put forward as competitors to the Eurotunnel proposals in the mid 1980s, the existence of a fully developed engineering concept which was also supported by extensive geological surveys and economic appraisals years played a very important role in convincing a growing number of others that the fixed linked (“chunnel”) was not a fantasy.

But engineering concepts have no agency – rather we suggest that they serve as representations around which agency can focus. In this case, agency was focused on creating them through promotion by self-appointed groups that then used the concepts to convince others of a particular view of the future. Thus the CTSG was largely financed by Morgan Grenfell money and promoted by prominent New Yorkers with

strong French connections who “launched the tunnel project over lunch” (Fetherston 1997: 57). Their status allowed them to draw in key players including the shareholders in the moribund companies which had financed the 1880 effort through a series of dinners, lunches, and other meetings which expanded the network of the faithful.

The principal achievement of the work of the CTSG was to convince many others that the project was viable and the next attempt began to move forwards in 1970. This raised enough capital to start digging, but failed to convince political stakeholders in the UK in a context where the government guaranteed the bonds raised for the finance, and the project was cancelled in early 1975. Thus convincing others is necessary, but not sufficient, and convincing stakeholders - principally those who will finance the project and support it politically is also vital.

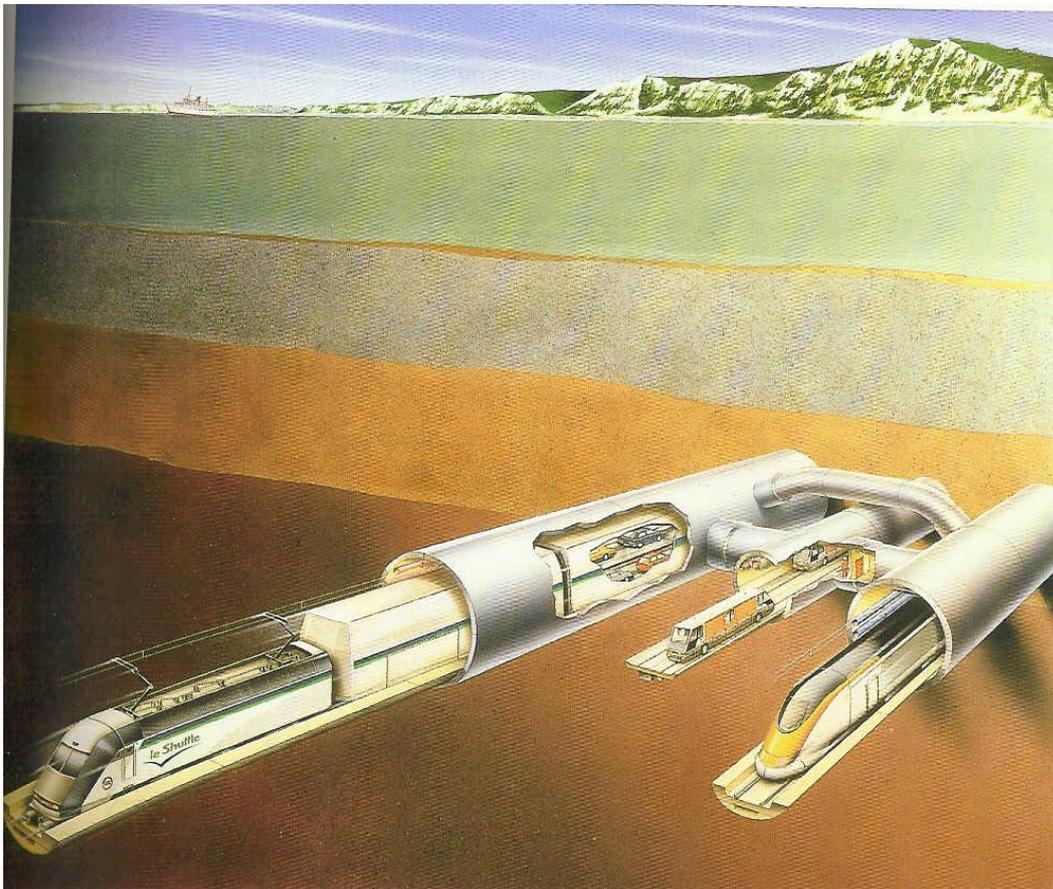


Figure 4 Eurotunnel Concept 1985

Convincing Stakeholders

The challenge for those who started promoting the tunnel in the early 1980s was finance and political support. Mrs Thatcher supported the project because it provided an opportunity for the private sector to prove what was believed to be a public sector responsibility – provide infrastructure. For her French counterpart, President Mitterand, the project provided an opportunity for economic regeneration in a deprived area of France. British and French banks – working *gratis* – provided updated economic appraisals which fed into a groundswell of political support.

Finance remained crucial – the banks which had given their services for free hoped to gain their rewards through the fees they would charge to raise the billions the project would need. Financing worked in stages and involved both loans and equity. Loans from a larger consortium of banks beyond those employing the faithful were difficult to raise at first and required political support:

It was horrific. We were told to go to the war-room and wait by the phone. We weren't required to join the Bank [of England] team in contacting the institutions. In fact, we never found out who from the Bank was doing the rounds. Someone clearly was, because every fifteen minutes or so the telephone would ring and one of the institutions, which had point-blank refused to invest up till then would say through gritted teeth, 'Put me down for £1m' then, and slam down the phone (Freud 2006: 88).

Further, more imaginative, means of convincing stakeholders were also required:

Nick said.....“We'll need a model railway.”
What?” said Bob and I, aghast.
“A big one. Showing how the tunnel will operate. Trains and shuttles whizzing round. People love that kind of thing. We'll put it in an office in the middle of the City and invite the [financial] institutions for meetings and dinners. They'll all come to see a model railway” (Freud 2006: 97).

The model was duly built and were dinners duly held which effectively moved the financing forwards to the next stage (Fetherston 1997). Once stakeholders are convinced the action moves more into a delivery mode and endgaming becomes important.

Endgaming

The orientation towards the completed act produces a particular orientation to observed action in which practices are shaped by the articulated act and choice subsumed to filling in the “empty horizons” between the present and the future. This is easily observed in project scheduling where the practice is to work back from a defined end date and to generate both the critical path to the future and the areas of slack in the path to that future by a “backward pass” through the network from the future in the form of the completed act to the present. We will focus here upon some of the other ways in which endgaming shaped practice on the project.

An interesting aspect of strategising on major projects is “strategic misrepresentation” (Flyvbjerg *et al* 2002) in which financial appraisal is not the means to select the most appropriate project, but the means to justify the project already selected to stakeholders. At one level this is a function of optimism bias. As one of the co-directors of Transmanche-Link put it:

Optimists and enthusiasts...they will always look on the bright side, minimize the risk and concerns and go on, because that's what makes the world go round (cited Fetherston 1997: 92).

Other evidence suggests a more serious misrepresentation of the economics of the project. As a senior executive of Taylor Woodrow, one of the TML member firms, argued,

The project price was put together to convince the governments, it was a viable price, a promoter's price. What it was not was a contract price. We should never have undertaken to do the work for anything like the sums that were in the submission to the governments (cited Byrd 1994: 27).

These dynamics continued through much of the life of the project because, in effect, the investment appraisal was redone every six months. As one banker explained to Fetherston:

A cover ratio is a present-value relationship between a flow of income and a flow of costs. If the flow of income is greater than the flow of cost, you have a positive cover ratio.....The revenue forecasts were reported on and updated every six months or so months and [so were] the costs.. So every six months, effectively you got a new series of project economics. You fed them into the computer and you came out with a different number and you kept your fingers crossed (1997: 257).

If the cover ratio fell below 1.2 Eurotunnel could not draw down its loans; if it fell below parity Eurotunnel would default on its loans. The temptation to misrepresent traffic forecasts in the face of escalating costs was therefore overwhelming (Anguera 2006).

The Broader Implications of the CFL Story

Our case is obviously an idiosyncratic one, but we suggest that it is a very good example of an extreme case that more obviously exposes practices which have much wider relevance. We have only been able to provide some hints at the range of management practices on the CFL project. While the underlying tools of management such as investment appraisal were heavily deployed on the project, we suggest that they were not used analytically as indicated in figure 1 to select a course of action, but used retrospectively to support a chosen course of action. However practice on the CFL was not, we suggest, emergent behaviour around enactment and retention as indicated in figure 2, but action driven by a protention of a future-perfect act as indicated in figure 3 held by a growing band as an article of faith. It would be difficult to understand the faith of those who sustained the idea of the project over decades as emerging sense made – rather they were advocates who believed in the project and then worked out how to get it financed and built. Sense-making, as Weick insists, is inherently retrospective; future-perfect thinking is inherently prospective rather than a means of making sense as suggested by Weick (1979). The emergent behaviour lay in the filling-in which given meaning by the projected act of a functioning transportation link.

Faith played a crucial role – convincing oneself is the first step. As the promoter of the Eden project put it, Tinker Bell (the fairy in Peter Pan who only exists if you believe in her) built Eden. His faith grew out of a late-night whisky-drinking session in the summer of 1994 (Smit 2001). Similarly, “a few meetings over drinks in clubs”

(Fetherston 1997: 55) spread the faith in the CFL. Entrepreneurs - over drinks, or on the golf course, or by chance meeting – feed off each other in the generation of ideas. Of course, formal strategising events are also important, but this analysis suggests first, that such meetings may merely serve the purpose of justifying ideas generated elsewhere and second that our research methods need to capture the informal as well as the formal in strategising.

Convincing others is both an informal and formal process. Here, the more formal strategy meeting plays an important role, and, as suggested by the practice literature (e.g. Molloy and Whittington 2006) artefacts play crucial roles therein. However, we suggest from the cognitive perspective we are developing here that they are tools of advocacy by managers rather than actors in their own right. In Kaplan's (2008) terms, they are the weapons of "framing contests" forming part of the "dump trucking" of data by those advocating future-perfect acts. For purposive action, the support of a net present value calculation is vital for convincing others, and the "artist's impression" of the finally perfected future as in figure 4 gives the NPV calculations meaning and hence weight in discourse. However that weight also tempts strategists to distort the NPV analysis in favour of their preferred future, and so we as researchers need to develop better means of identifying when decision-makers are actually making good sense (Winch and Maytorena 2009) and when they are knowingly distorting the sense-made in their own favour. This means that we cannot necessarily take what managers say at face value in the way much ethnographic research tends to.

Convincing stakeholders is the most difficult step of all. Convincing stakeholders such as financiers and politicians to actively support a particular view of the future is more difficult. The project may also have opponents who need to be neutralised. Kaplan (2008) suggests, for rather different reasons, that management researchers need to learn more from political scientists who's subtler understanding of the play of power, advocacy, and idea can provide insight and we would support this. We would also suggest that sources and methods more familiar to political science such as memoirs, press reports, journalistic accounts and the like are required to complement ethnographic fieldwork. Intensive case methods are simply unable to capture the extent and range of management practices involved in pushing forward ideas through to reality.

The Theoretical Implications of a Cognitive Perspective on Strategising

If we speak frankly, we have to admit that our basis of knowledge for estimating the yield ten years hence of a railway, a copper mine, a textile factory, the goodwill of a patent medicine, an Atlantic liner, a building in the City of London amounts to little and sometimes nothing (1961: 149).

John Maynard Keynes thus posed the essence of the strategic decision-making problem. Business leaders need to allocate the resources at their disposal to the uses that generate the most beneficial returns, yet the realisation of those returns lies at some point in the future when environmental conditions might have changed significantly. They, therefore, suffer from a fundamental cognitive constraint in strategising. Keynes' solution to this dilemma was to suggest, rather unhelpfully, that successful entrepreneurs possessed "animal spirits" which enabled them to make choices under uncertainty. It took the neo-classical revolution in economics to make

the move from animal spirits to strategic planning. Knight is a little less mysterious when it comes to the source of managerial decision-making when he argues that “we do not react to a past stimulus but to the ‘image’ of a future state of affairs” (2002: 201) in a formulation that anticipates Schutz and is aligned with the pragmatism that also influenced Dewey. However, for Knight and Keynes purposive managerial action remained a black box to which only entrepreneurs had the key. We propose that the cognitive approach developed here which places future-perfect-thinking at its heart can allow us to understand better the content of this black box and thereby gain a deeper understanding of purposive managerial action. In so doing, we move beyond the thesis of the analytic approach which over-emphasised intentionality and its antithesis in the behavioural approach which in our view under-emphasises intentionality to articulate a more nuanced position that argues that managers are capable of intentionality through future-perfect-thinking and thereby acting-on-the-world as well as being-in-the-world.

Conclusions

We have suggested that the behavioural approach to strategising is limited because of its implicit assumption – which becomes explicit in the post-processual approach – that managers are not capable of purposive action. Heidegger’s metaphor of “dwelling” is used in the post-processual approach to articulate the essential practices of strategising, yet we argue, with Schutz, that Heidegger’s conflation of “building” into “dwelling” loses the important dimension of proactivity associated with the “building” or any other project activity. While the behavioural approach is clear in rejecting the analytic approach identified in figure 1, it loses the notion of intentionality embodied in that approach in the manner shown in figure 2. We then reviewed the behavioural literature on strategising and suggested it needed to be complemented by a cognitive approach which incorporated Schutz’ phenomenology which distinguishes between action and behaviour (building and dwelling) with the former driven by future-perfect-thinking. Here, clearly articulated future-perfect states give meaning to the current situation and order managerial activity through time. We are not here suggesting that all strategising is future-perfect thinking; very often decision-makers are behavioural in the sense that they are “muddling through” reactively rather than boldly moving proactively. However, we do suggest that some strategising looks more like figure 3 rather than figure 2.

We then went on to identify some practices used on the CFL to push the project forwards – setting up working groups, preparing proposals, networking over drinks and meals, and shaping analytic tools to suit the desired outcomes. This was done essentially from secondary sources – a depth case study could not cover the range of practices that mutually reinforce each other as the project is developed. We draw from this the need to use a wide range of methods in practice research in line with the recommendations of Johnson and his colleagues (2007).

Our concern throughout this paper has been to gain a deeper understanding into the practice of purposive managerial action when that action is sustained over long periods of time. Animal spirits, as Keynes noted, are vital to the effective functioning of a capitalist economy yet there is little research into how such entrepreneurial impulses create infrastructure assets such as factories and railways. Keynes dismissed the analytic approach long before Mintzberg, yet the behavioural approaches which

have challenged it have difficulty in accounting for purposive action and can slip into a passive, evolutionary view of managerial action. Influenced by the work of Clegg, Pitsis and their colleagues we turned to Schutz to give us new insights into purposive managerial action. Our method has been rather eccentric from a practice perspective, but we believe that it allows us to range over a broader field of inter-connected practice than a more ethnographic approach would do.

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