

Mobilizing Identities

Uncertainty and Control in Strategy

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IN 2007, with the imminent commercial launch of the A380 and the 787 Dreamliner by Airbus and Boeing respectively, the two aircraft manufacturers were caught up in a dance seen by newspapers as a contest of strategy, but which was also experienced by each as exigencies of sustaining a suitable identity. Each identity emerged in the struggle for some footing amidst chaos, struggles for control that settled out over time into locations within networks of ties – cross-stream with other plane makers, up-stream with endless suppliers and down-stream with as many airlines as possible. These networks and the accompanying disciplines of actual production get encrusted into institutions, here an aircraft industry that marshals producer firms – ones that have survived thus far – within rhetorics, variously of delivery, service and innovation, along with tax-paying and subsidy-receiving.

Strategy and rhetoric are figure and ground for one another, here as in all social life, their fadings and emergences correlative with slidings into and out of unchartable turbulence, true uncertainty, against manageable, insurable risk. Airbus, like Boeing, uses turbulence strategically for re-energizing its identity, while it re-crafts some network ties and production disciplines. Thus each firm can regenerate meanings – the sets of stories and narratives marking networks and disciplines that also get eroded in the endless posturings that implement rhetorics.

In the present article we explore some aspects of these problematics. We make theoretical hay out of the common-sense truism that organizations have identities. Our focus is how identities reshape as they take up strategies. We work on how network and institutional infrastructures impact the viabilities of strategic stances, along with rhetorics, and point out nestings

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of levels. We will bracket discussion of industries with two special realms, military and fashion.

Contexts and Histories

Any industry is shaped by context in technology and so on, but also through the history of shifts in strategy and rhetorics; and yet each firm, in order to survive, needs current agreement on distinctive terms for its transaction flows. Uncertainty in this can be mitigated by keying its niche relative to other producers in an ordering on quality: such a signaling mechanism has been modeled explicitly as profile of prices by volume (White, 2002a; White and Godart, 2007), describing a market institution for that industry. The present dance of Airbus and Boeing, however, concerns a deeply uncertain future of contingent and competitive sales of hypothesized aircraft yet to be produced. To sustain an acceptable identity is not only to gain market share but also to sustain local production and thus relations with more dispersed supply sources. Each identity thus in fact depends on the other's sustaining acceptable identity, which indeed acts as envelope for own identity, within their interwoven networks.

Partial analogues are offered by chess (Leifer, 1991) and by the Asian board game Go (Boorman, 1969). Chess pieces are distinctive, much like firms subsidiary to the two giants. Yet the identical Go pieces (black or white) acquire enormously different influence in capturing, depending on the evolving configuration of all pieces across the 19×19 -square board, which apes the great importance of tactical moves by the numerous players of the aircraft industry (e.g. Brazilian and Canadian medium-distance planes can have ricochet impacts on this long-haul industry).

The military offers a more tangible analogue to this dance. Like Boeing and Airbus, armies in combat are locked into a polarized regime where each is controlled by its necessity to counter and thus adapt its rhythm to moves of the other (White, forthcoming). In fashion, strategies such as brand extension, designed to reduce risk and cope with uncertainty, generate unintended consequences and new stochastic disturbances.

Anticipating deviations from established routine is the basis of any leadership, whose principal raw material is deviation from merely extrapolated social process. Aspiring leaders in complex settings thereby are garnering some control. We label this overall process *mobilizing*, which requires attending both to how actors anticipate, report or conceal changes, as well as large-scale exigencies. Mobilizing therefore consists of disciplining ties and mobilizing identities, in seeking the effective implementation of a strategy. An overall identity, however, can only subsist out of interactions among many identities and then only as triggered by the erratic and unexpected – an organization in calm seas is no organization. Mobilizing invokes some change in identities, which becomes therefore a signal of mobilizing and an indicator of strategy.

Rhetorical deployments may be sited both in local contexts (e.g. for business a factional division on a board of directors) and in a more global

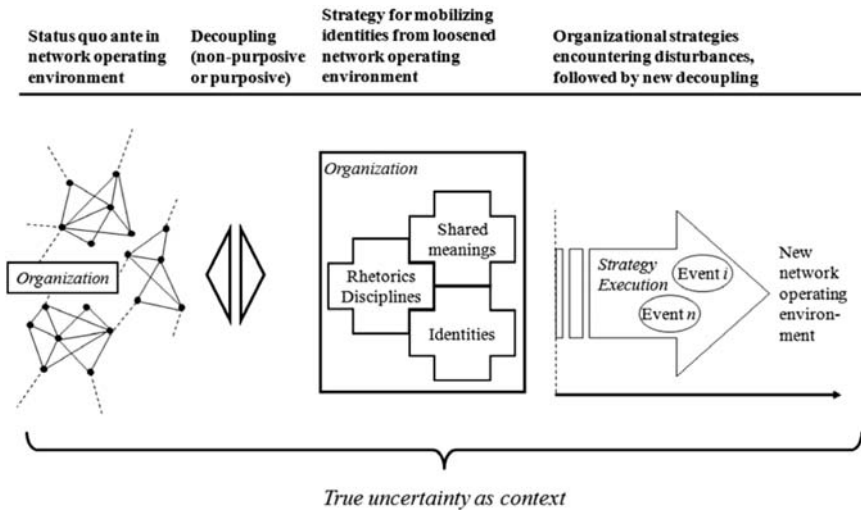


Figure 1 Organizational strategy in a context of true uncertainty

sense (e.g. a niche in a national product market). But these rhetorics may prove to be of little use to organizational leaders if subordinate personnel are not rewarded for at least taking heed of their currency. So, some mechanism must exist for disciplining ties among identities. Indeed, business and public administration schools, weekend management seminars, leadership self-help books and other media are filled with advice on how to discipline what appear to be unruly and chaotic organizational processes.

Based on a broader view of social action, strategy may be viewed as an attempt to subsume other identities' control efforts within a strategist's mobilization. Anticipations can, but need not, stand for 'intentions' elicited from particular actors or attributed by them to others. Anticipation can be construed for any actors from patterns in social intercourse and structure. Figure 1 displays the overall framework presented here.

First, several aspects of theory are specified. Then come applications to business contexts. Our first extended example will be the military, followed by fashion, but mobilizing and rhetorical deployments are processes common to all the examples. The special realms of the military and fashion introduce extensions that highlight particular aspects of theory.

Theory

We begin by contrasting our usage of terms like 'strategy' and 'rhetoric' with that in other literatures, particularly in business and social studies. This requires expanding on our views of network process.

Paradoxes of Strategic 'Planning'

Organizations often initiate elaborate rhetorics for the development and execution of plans, which they call strategies, assumed to guide organizational

activity, in business contexts and beyond (Porter, 1985, 1987). Strategic development then appears to be guided by the primacy of the executives' 'view from the top' (De Kluyver and Pearce, 2005). Such accounts of strategy neglect the complex relationship between, on the one hand, goal formulation by top authorities and, on the other, organization members' cognitive features and idiosyncratic objectives (March and Simon, 1958). Even with this assumption, stochastic disturbances and unintended consequences of organizational practices commonly derail efforts at strategy implementation, as in dealing with a product launch or advertising campaigns, for example. This remains true even for military contexts in which 'battleplans do not survive first contact with the enemy', as well as for government scientific agencies (Vaughan, 1996, 1999).

A huge normative literature imputes to strategy formation elaborate and stately planning necessarily assisted by many agents. Most usually, strategy is portrayed as themes of planning by some great executive, themes which characterize subsequent efforts of subordinate agents. In standard accounts of business, for example, an executive is seen as responsive to shifts in and among its markets, as well as being responsible for actions by the firm's management, so that executives reflect on and plan for the 'big picture.' An example would be the case of Jack Welch as chairman of General Electric (GE) and successful moves of this firm in finance, electronics and entertainment in the last decades of the 20th century.

The smooth, familiar account of strategy framed in terms of rational choice is not only attributed to, but often also claimed by, top authorities in organizations. The strategic plan may therefore be understood as the mobilization of network resources, both formal and informal, according to projected events. These network resources may include identities, for example, particular personnel assigned to a given project or who have special expertise, or material resources such as budgets, patents, logos or specialized equipment.

We instead emphasize clashes as well as convergences among strategies as they contribute to subsequent reshapings of social formations. These reshapings are interpretive and can stabilize in terms of specific sitings, both cultural and social, for discourse. The mobilization of resources is triggered by a perturbation of a *status quo ante* and the organization's decision to decouple from this state of affairs. We have pointed to analysis of strategy deployment in concrete market settings (White, 1992, 1995, 2002a, 2002b), in which strategies must manage decoupling from a *status quo ante* as well as match resources to posited ends. Coordinators of planning exercises cannot avoid accounting for the frictions inherent in interactions among identities in organizational networks.

Relevant timeframes for the organizational strategist label events of various sorts, each of which may result in further unexpected events. So strategic planning also requires a look at the distribution of alternative futures that may, or may not, be realized, as well as a priori positing of a goal considered necessary or beneficial to an organization. Defining a goal

is often characterized by the mobilization of a rhetoric deemed salient for a given social context. This rhetoric will often include appeals to a larger set of meanings that justifies the organization's existence. A firm, for example, may emphasize the maintenance of a long tradition of quality. A political strategist, especially during a campaign season, will argue for the candidate's commitment to certain values resonant with a targeted voter population.

Managing Risk and Coping with Uncertainty

The central assertion is that social process is in fact a tissue of constant switchings of settings, which is to say of network locales as to both actor and domain. This is why any network exists and is perceived, and thus can extend itself further transitively, only in flashes. Sets of stories are thus requisite to rescue meaning from oblivion, although strategy must also thread from such stories a bank of plausible narratives. Along with commentators and aides, general managers do speak of their strategic planning, yet observational studies of managements (Mintzberg et al., 1976) find that even the chief executive officers are immersed in very staccato interactions across large networks of diverse persons on topics of immediacy.

What should be emphasized in organizational process are the actual intersections of multiple sets of ties and bases for attributing meaning, what has been called a network-domain, or *netdom* (see White, 1992, forthcoming) and the dramatic capacity for these framings to change over time. Along with these shifts in netdoms and identities, risk (and its corollary, insurance) exists when the exact outcome is unknown but the distribution of possible outcomes is known, *whereas with true uncertainty even the set of possible outcomes is unknown* (Knight, 1921). Practitioners have recognized that some situations are characterized by a 'true ambiguity' where there is no basis to forecast the future (Courtney et al., 1997), but they have insisted on the 'transitory nature' of this true ambiguity and fail to recognize this as the rule rather than the exception. While analytic tools can be used to tackle risk (e.g. McAfee, 2002), true uncertainty (sometimes called 'Knightian uncertainty') requires more complex approaches. This is why strategy attempts to go beyond general rhetorical devices such as 'company vision and mission'. Strategies are sustained by routinized agency that deals with short-term issues. Organizations' planning as control efforts assert rhetorics that attempt to actualize long-term visions in short-term actions. But strategy is both being prepared for the expected and being ready for the unexpected.

Forms of Identity Seeking Control

Distinct identities are triggered by disjunctions in social interactions or disruptions in the environment. Identities generate social action as they thereby seek control. Organization is a process that comes from clashes among identities as they seek control in an environment suffused with uncertainty. Identity relates insides to a whole, the whole to its insides, and

both to the outside context, but all such parts and boundaries remain involved in further control processes. Identities can in turn be compounded onto higher levels.

Identities may be interpreted in four different manners:

- (1) Identity emerges from persistent efforts to seek control in immediate surroundings. This search for some stability is the expression in a social context of the same urge for a secure footing which also leads to habits of posture in physical settings. Individual and collective identities emerge and evolve according to positions and movements among networks of social ties, which imply access to different sets of meanings, earlier labeled as *netdoms*. Identities become impregnated with meaning in their networks; they are continually generating and modifying ties by attaching meanings to other identities and objects. Human identity and behavior, both in everyday life and in highly bounded organizations, are thus fundamentally social phenomena. Strategies can therefore be viewed as attempts to secure a lasting footing in an organization's operating environment while simultaneously reconfiguring organizational identities in line with strategic ends.
- (2) A second, quite distinct sense of identity is as 'face'. This is identity achieved and expressed or operationalized as part of a distinct social *discipline*, which is aimed at accomplishing concrete tasks. In this array of ties, each member has face just because it is a social face, one of a set of faces together making up that discipline. It follows that identity always implies levels and induces distinct levels of activity. One's own identity is achieved only as dual to, as part of and induction to a larger identity of which it is a reflection. Identity in this second sense is sufficient base for acting a role, which stipulates stable preferences. This second sense of identity locks one into a discipline. Strategists need to achieve tasks by coordinating roles in an organization thus constituting that organization's 'face' as presented to the world amidst competing and alternative organizations.
- (3) An additional, third, sense of identity, comes from frictions and errors across different social settings and disciplines. This third sense of identity, arises exactly from contradictions across disciplines and, at larger scales, takes the form of *regimes* that attempt to ease and neutralize tensions and conflicts. The mistakes, errors and social noise in life are what open up identity in this third sense, achieved even as a child, and which subsumes the first two senses. Burt (1992) develops this Simmelian inheritance. This third sense of identity is beyond any specific role that guides an actor toward particular goals and strategic action. As conscious efforts to couple and integrate mismatches in new developments, strategies necessarily manage deviations from posited ends.
- (4) One can speak of a fourth layer of identity, a *rhetoric*, a sense which is close to what is usually meant by identity in ordinary talk. This is identity

as more-or-less coherent accounts, like biographies such as résumés examined by corporate recruiters. This is identity after the fact, as presented in an account as some unique set of narratives. Organizations are replete with often competing rhetorics, sited according to functional subgroups, for example, but also emerging especially in times of crisis. Rhetorics become the veneer for control efforts among rivals deploying strategies to assume further control over each other's organizational activity, or in reaction to what becomes perceived as failed organizational strategies. Such identity is built from and stored in sets of stories held in common, thus recording the social ties that are constitutive of networks. Each story is internally sensible while those sets are mutually intelligible across networks. Strategists are concerned with developing or changing a distinct vision and mission for a firm, a 'strategic plan' that is aimed at organizational identities and external stakeholders alike.

Levels as Contexts

We also claim that emergence of further levels can be viewed as fabric of network construction and rhetorical deployment. Such ostensibly higher levels can be embedded down within perceptions of actors previously mobilized. It follows that paradoxes are built in, and thus decoupling invoked on a par with attention. It also follows that culture is not some separate reification but instead is collation by observers of tangible social process and the interpretations that fuel them.

Organization, whether codified or customary, grows through deposits from repetitive and interlocking solutions by and among leaders. Individual anecdotes express colloquial understanding of organizational complexity. Depending on the sorts of organization, some sets of actors are referred to as officers, committees, departments and so on. Each such actor is held together and embodied as an identity on a further level by some discipline, which comes out of mutual efforts at control of local scope. These actors settle into relations of middle scope with one another. In so doing they are maintaining ties in networks which reflect the balance of control.

Business Applications

Attending to concerns of identity is important to any manager, not in its own right but because of its connection to strategy. In the context of an organization's mobilization of strategic resources, observed topological properties may result from the cumulation of continued strategic initiatives by upper managers. But such conjectures about impacts from strategic initiatives depend upon their consistency with how control is sought at middle scope by managers below each executive.

Identities and their structures constrain strategy – and constrain how managers view it. Any statement about an executive 'strategy' becomes itself part of the interacting processes. This public stance explains the ritualistic, elaborate nature of most statements of strategy. Inferences of strategy depend upon the institutional context and nuances of timing. Generality can

get lost in a maze of subtleties and specificities, exacerbated by the slipperiness of strategy itself as an outcome.

An executive does have a hand in managing any overall identity of his or her organization through constraining others' independent actions and enabling some related actions. This shows some of why the executive or the officer focuses on the erratic and idiosyncratic, not despite but because of concerns with a 'big picture'. Barnard (1938) early underlined identity especially for a large, long-lived organization, but failed to note its dependence upon erratic happenstance, and he confounded it with goals. Strategies are current introjections to contend with detritus from past strategy.

Strategy in the upper reaches of organizations may and should depend on the larger social context, including other institutional realms. In business, this includes market networks, the organization of competitors, cultural definitions of justice or fairness, and regulation. When large companies face slow-growing markets and have few options for consolidation in their existing businesses, opportunities for changing the growth trajectory are limited (Smit et al., 2005). Disciplining identities through rhetorics, similar to execution, is therefore only one side of strategy. Its other side is the relation of the company to a set of markets, a positioning on these markets. Strategy is thus about choosing where to compete (corporate strategy) and how to compete (business strategy) (Porter, 1987). A firm's selection of where to compete contributes to its identity, along with other elements like the original vision of its founders or past successes and failures. *How* the firm competes in its operating environment is defined by its mobilization of identities and resources.

Strategic Action and Organizational Unit Structure

A contrast can be drawn, in a given organization, between parallel departments and functionally specialized departments, as ideal-typical and alternative organizational partitions just below the chief executive. Parallel departments are similar yet dispersed, while specialized departments are characterized by a distinctive competence related to either the coverage of a specific product or the mastery of a set of technical skills. As a first approximation, parallel sub-units furnish more control to the upper level of the organization, or the corporate center, whereas specialized sub-units tend to keep more control lower down. The issue centers on how various strategic anticipations, from and near the top, are likely to interact and cumulate differently according to the larger context of that unit as a whole.

A parallel internal structure may be found within a weaker and smaller unit or within an interacting network of such units. For example, in a production economy represented as input–output network, only within a weaker or smaller industry are agreed market shares and reputations enforced, whereas stronger industries are oligopolistic and prone to exploration of opportunities.

Within a larger system, the most active leaders of a weaker unit are likely to use the strategic claim that they are constrained in negotiations by

their rigidly balanced internal partition. In larger or stronger units within such a system, specialization is observed as a partition into units which are complementary and coordinated. Distinct strategies held by various upper managers of a unit yield here a different concrete outcome. Strength translates into advantageous positions in system process for that unit, and one might think it could be exploited best by conceding central control, that is, by parallel rather than specialist sub-units. However, other top managers of the strong unit wish to more vigorously guard autonomy from greater threat. In other words, stronger units tend to perceive opportunities where weaker units only perceive threats.

Marriage Contexts and Multidivisional Firms

A look at overall patterns of interaction can reveal tracks of strategic action. An important early formulation of network in a context of strategic choices is by Bott (1957). She considers a married couple as a unit but one in which each has separate ties and thus may embed into quite distinct networks. Bott distinguished marriages of companionship, in which couples relate to couples, from more traditional marriages, common in the working class, in which husband and wife relate separately in a segregated way. Figure 2 represents these two marriage contexts.

Bott's companionate and segregate types of network topology can be translated to general social organization, for example to an economy where firms are in the 'group marriage' of a production market. What is the minimal degree of conjugal-parallelism in partners' networks (here for multiple partners) that is needed to sustain an input-output system of product markets on the basis of firms' (i.e. partners') transactions? Then turn to the opposite extreme of conjugal independence among partners' networks, which induces random interconnections among markets of pure exchange, bazaars that do not fit as segregate units into a definitely structured larger field.

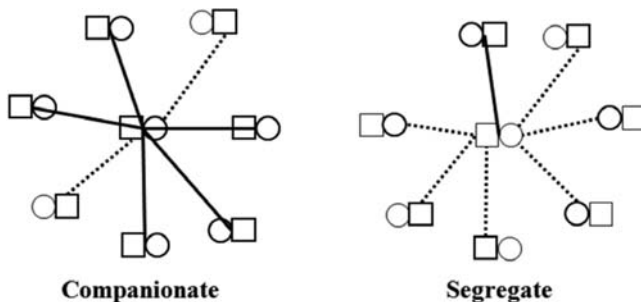


Figure 2 Two network configurations, illustrated by ties to other marital couples. Code: solid line from couple to couple; dotted line from one spouse to one spouse. Companionate ties go from a couple's juncture to other junctures; segregate ties go from a spouse to another
 Source: Bott (1957)

This latter avenue brings us to the ‘multidivisional’ giant firm which has not one but many independent major products, so that the firm can be seen as having multiple ‘marriages’, each with its regularized ties to suppliers and buyers who do not, however, transpose to the other markets in which the firm’s other divisions are active. The familiar input–output networks obtain only among product markets, which form a segregate-marriage network only among corresponding divisions from such multidivisional firms. For example, the American conglomerate GE competes against the Dutch conglomerate Philips in the medical systems business, but not in the financial services market because Philips does not operate in this industry whereas GE does. The big firms as wholes interrelate in networks on another level, networks which are not segregate input–output ones. Suitable rhetorics are adduced to overcome confusion among units, such as the use of a common management tool across the different divisions, for example the Six Sigma quality management approach during the Jack Welch years at GE.

This distinction between companionate and segregate topologies of network context resonates with the insights of business practitioners. Bossidy et al. (2002) explain why a perfectly crafted strategy can fail if it is not supported by a good execution. They define execution as the ‘discipline of getting things done’. Getting things done implies that an organization must mobilize all its relevant resources in order to deal with a turbulent business world. This mobilization process requires an understanding of the relationship between corporate centers and business units. While corporate centers depend on the business units’ market knowledge to achieve their higher-level corporate goals, business units benefit from the higher perspective offered by corporate centers. Therefore, on the one hand, a corporate center, through its different business units, is in a companionate relationship with the different markets in which the firm is competing. Its role is to share common resources among business units. On the other hand, each business unit develops specific relationships with its market, thus generating a segregate topology. This idea of several interconnected organizational contexts impacting strategies and their execution is the frame of a theory of generalized exchange (White, 2002a). Strategy is an art that relies on quick decisions to achieve its long-term rational goals.

Extensions: Strategy, Organizational Units and the Operating Environment

We now turn to the military and fashion cases characterized by peculiar and extreme conditions of uncertainty emerging from organizations’ interactions with their operating environments. In these terrains claims of discernment must be made by organizational strategists. Mobilizing internal organizational identities and meanings is made even more complex as these claims of discernment compete for resources and a role, or ‘face’, in strategy development.

Military – Defense ‘Transformation’ as Mirroring Rhetorics and Disciplines

Consider a case in the US defense community regarding the need to restructure in response to perceived threats – in a sense, to ‘mirror’ such threats in order to overcome them. Since its creation in 1947, the US Department of Defense has been the site for centralized efforts to analyze and plan security strategy writ large and organizational mechanisms for deployments around the world. Defense operations require the coordination of a complex set of distinct personnel, logistical and procurement-related tasks alongside internal coordination of relationships among often rivalrous organizational identities, that is, each respective military service (Army, Navy, Air Force and Marine Corps), each of which is subject to its own internally contentious processes. Strategic planning, including considerable resources devoted to research and development, increased in importance throughout the 20th century and became a persistent preoccupation of military managers. Such planning has been guided by both battle-tested command expertise and seminal tomes in strategy, for example Von Clausewitz’s (1976) work on the relationship between political objectives and a nation’s mobilization of resources for war.

Organizational leadership, in this case a civilian defense secretary and military advisors from each service, faces competing pressures on its execution of internally oriented restructuring efforts, comparable to those of executives balancing demands of directors, shareholders, immediate staff and subordinate personnel. Defense secretaries must carefully manage staff relationships with individual service chiefs and in some cases restrain their prerogatives. These chiefs, in turn, must balance the individual needs of their respective services with the organizational imperative of ‘jointness’, that is, acting in concert to achieve what the military establishment as a whole deems necessary. One early historian described the department’s set of management challenges as follows:

As with any organization, control of the Defense Department is determined by how tightly the Secretary is able to control three things: the money, the people, and the communications. The first is the fuel that runs the second, the third the steering seat that gives direction to the other two. (Borklund, 1966: 6)

Military managers must therefore build strategies to mitigate differences among potentially competing identities and instead orient them toward ends considered valuable, such as grand strategic aims. As with our other cases, mobilizing both within organizational boundaries and within broader operating environments necessitates rhetorical deployments to guide identities in their pursuit of alignments with these newly posited ends.

A recent broad-reaching and ongoing change in defense strategy, originating in the early 1990s, deals with re-aligning matchings of resources within combat units as made possible by newly available technologies and

newly perceived threats. Senior military officers and strategic analysts began to identify a status quo in US defense capabilities that they perceived as inadequate to meet projected needs. During the Cold War, the US and European allies had prepared primarily for a large-scale land-based confrontation with Warsaw Pact forces, yielding a military that was able to quickly and decisively defeat Iraqi conventional forces in the first and second Gulf Wars. Some, however, believed these forces to be ill-matched for ‘low-intensity’ or counter-insurgency missions like the 1992 intervention in Somalia and asymmetric threats from decentralized terrorist networks.

From this identification of an unsatisfactory status quo emerged a series of organizational reforms, tied to technological innovations, known commonly as ‘Transformation’. Since then, significant defense community research has been conducted on how network-based concepts and interactive technologies can be brought to bear on warfare, resulting in the formulation of so-called ‘network-centric’ theories of warfare. The desired end-state is posited as lighter forces whose battlespace advantage is predicated on an increase in inter-unit connectivity, better sharing and accessibility of information, and more authority devolved to subordinate units.

Given the emphasis on connectivity, the current expression of Transformation-associated organizational change is often referred to as ‘network-centric warfare’ or ‘network-enabled operations.’ Theorists emphasize connectivity as an enabler of desired kinds of social action, stating:

[Network-centric warfare] is built around the concept of sharing information and assets. Networking enables this. . . . Nodes do things (sense, decide, act) and information, both as inputs to decisions and in the form of decisions themselves, is passed over links from one battlespace entity, or node, to another. (Alberts et al., 2000: 94)

Strategy here consists of reconfiguring relationships among and capacities of identities in order to anticipate and respond to perceived enemy threats, which involves transition to a distinct set of rhetorics emphasizing ‘connectivity’ and ‘distributed’ operations. Figure 3 sketches the contours of this Transformation effort.

The Transformation case is but a more recent instance where defense leaders have posited the need to decouple routine from policies and structures no longer considered viable. This required a decoupling through shifting of budgetary priorities, surveys of enlisted soldiers and officers, numerous ongoing research efforts, conferences and consultations with NATO allies, and briefings to various segments of the defense community, including contractors and academics. Clearly, these changes implied a dramatic realignment of assets, personnel, training programs and research priorities. Although Donald Rumsfeld, as the 21st US Secretary of Defense from 2001 to 2006, is considered to have been a driving force behind several ongoing Transformation programs, it should be noted that the initiative is

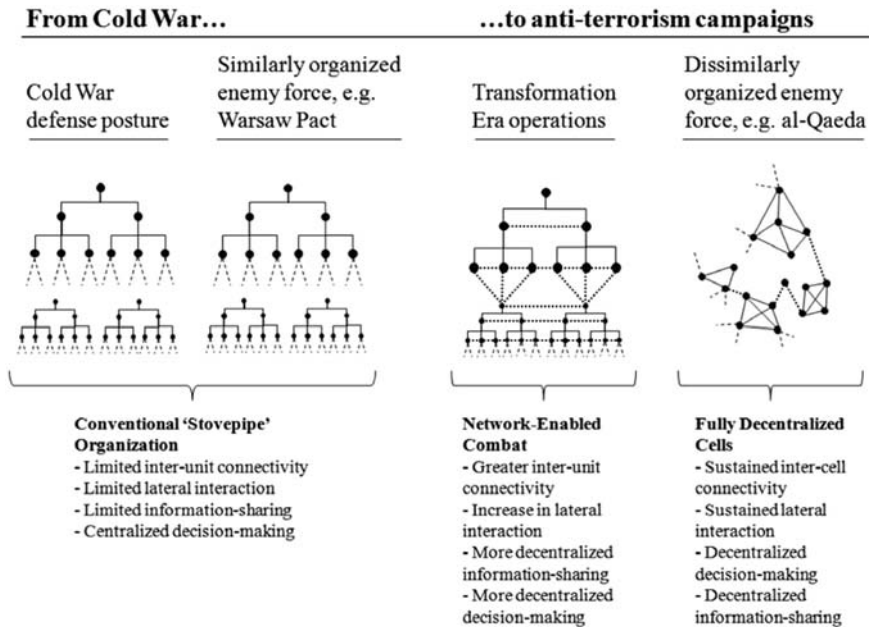


Figure 3 Mirroring rhetorics and disciplines in defense

generally considered non-partisan in its formulation and found early support in the Clinton administration (1992–2000).

Defense leaders were willing to match considerable resources to the strategic ends they posited for the organization, including ‘enhanced information systems and space-based assets for force networking’, ‘interoperable allied forces for multilateral operations’ and ‘decisive close combat operations and deep maneuver for ground assets’ (Binnendijk, 2002: 84). Nonetheless, unintended consequences emerged from these coupling efforts as organizational leaders struggled to reconfigure identities in line with their efforts. As one US Army engineer in Afghanistan, stated: ‘As our Army becomes more technologically advanced, I see more individuals who are incredibly adept at these systems but struggle with basic soldier and people skills. The leadership challenge is to bridge the gap’ (Personal correspondence, May 2006). Other potential issues involved in these transformative rhetorics and reshaped identities involve the creation of trust in social relationships increasingly mediated by digital technologies, the reliability of electronic networks as means of exchanging highly sensitive information and, paradoxically, the possibilities for even further command centralization afforded by interactive technologies.

But the ultimate adequacy of this attempted ‘mirroring’ of an enemy threat may founder on asymmetry like that in our initial example. Airbus strategy must stabilize network formations of identity that sustain multinational identity. Boeing faces no such constraint. The strategic positioning

and orientation of guerrillas in military confrontation plays a role analogous to that of Boeing in the arena of aircraft manufacturing, whereas the US Army side must sustain singular national identity with its network formations.

Fashion – Brand Extension and the ‘Fog of Fashion’

No overriding polarization into sides characterizes the fashion realm. Constant changes in fashion trends, triggered by both fashion designers’ innovations and the evolution of customers’ tastes, are a source of true uncertainty for fashion houses, obliged to reinterpret their brand identity twice a year for spring/summer and fall/winter collections around the contradiction of a continuity of style and changing tastes. Despite this ‘fog of fashion’, fashion houses seek to expand their customer base in order to increase their resilience to adverse events. Most strategies, such as expansion to new geographic markets, are not specific to fashion and are deployed by producers in different markets.

Some strategies are more specific to fashion and raise industry-specific issues. The brand – or the label, the ‘griffe’ of the designer – is the origin site of premium market value of a fashion house (Bourdieu and Delsaut, 1975). Therefore any branding strategy in fashion is very perilous because it can threaten the symbolic capital accumulated in the brand. This is particularly true for brand extension strategies, in which the meaning of a brand is willingly manipulated to enter new markets or access new customers in existing markets, not by introducing a new brand, but by using an established brand (Aaker and Keller, 1990).

Brand extension is considered by marketing scholars and practitioners as being less expensive and less risky than the introduction of a new brand and is therefore widespread (Aaker, 1997, 2004). There are two main approaches to brand extension. The first approach is to reposition the whole brand in upscale or downscale segments of the same market, or to enter new markets with the established brand. The second approach is centered on the development of sub-brands and is sometimes called ‘line extension’ or ‘multibranding’. The power of the sub-brands created in order to reach out to new niches of customers is based on the customers’ ability to relate the new brands to the main fashion house. However, the addition of new brands can destabilize the overall meaning of the established (or ‘parent’) brand and trigger complex and unexpected perturbations in different netdoms, threatening the main asset of the fashion house. In sum, while brand extension strategies are considered less risky than alternative strategies such as brand creation, they can have unexpected ricochet impacts on parent brands and are therefore very risky. Moreover, factors of success for a brand extension remain unclear and research about how to conduct a brand extension struggles with statistical intricacies and the ‘failing of adequate theoretical development’ (Echambadi et al., 2006).

Considering the different forms of identity at play in brand dynamics can offer fresh theoretical ground. Strategies in fashion are mainly

concerned with the fourth form of identity, rhetorics, because designs are official statements that signal an organizational identity and seek consumers' attachment to related lifestyle narratives, in sartorial forms or in journalistic accounts. But other forms of identity are also relevant, such as the first form, since each new collection is a renewed attempt at finding footing in the fashion system, and the third form because the creative side of fashion is always conflicting with its 'business' side. Conflicts need to be resolved for a fashion house to survive. Finally, the second form, about achieving tasks, is present in fashion like in any other realm.

The importance of the '*griffe*' in fashion makes it difficult for fashion houses to adopt a multidivisional structure. They might themselves become divisions of a luxury group such as the French groups PPR or LVMH, but at a house level the creation of new affiliated brands highlights the necessity in fashion to sustain a structure that is at the same time 'companionate' and 'segregate'. The case of the Italian fashion house Giorgio Armani will illustrate this assertion.

Giorgio Armani designed his first menswear collection under his own label in 1974, expanding to women's wear in 1975. Armani was in its early days a single brand targeting high-end fashion customers and has developed several sub-brands over the years. The corporate rhetoric tells a story of increasing customer base and reduced uncertainty: 'we effectively closed the circle on our unique multi-brand approach, so that we are now able to reach all levels of the marketplace with carefully differentiated lifestyle fashion collections under the Armani master brand' (Armani Group, 2006: 2). But a closer look at the past tells a different story – a story of failed sub-brands (Mani, Borgonuovo 21) that disappeared from the official Armani corporate history (Vergani, 2003) and very messy beginnings, notably for A|X Armani Exchange (Aaker, 1997). The brand extension was both vertical and horizontal. Vertically, the *haute couture* Armani Privé label is aimed at a very exclusive clientele, while the ready-to-wear collections spread from the high-end Giorgio Armani to the lower-end A|X Armani Exchange (designed for 'young urban' consumers) and Armani Jeans, with Emporio Armani as an intermediary. Horizontally, Armani has expanded into home furnishing through Armani Casa. Each sub-brand has its own pricing and distribution strategies, but the label Armani is heavily used, especially for A|X Armani Exchange, the less expensive sub-brand, in order to recall the affiliation with the prestigious designer and extract a price premium from customers.

Figure 4 illustrates the transition of the Armani fashion house from a single brand to a family of eight brands (including the original Giorgio Armani brand). The Armani family of brands is simultaneously companionate and segregate since it relates to its customers both as a whole and at a sub-brand level. However, it remains unclear whether the different sub-brands are parallel or specialized sub-units. There is a tendency for them to be parallel because their customer bases are rarely clearly delineated, such as in the case of A|X Armani Exchange vs. Armani Jeans.

From one brand in 1975...

...to a companionate / segregate family of brands in 2006

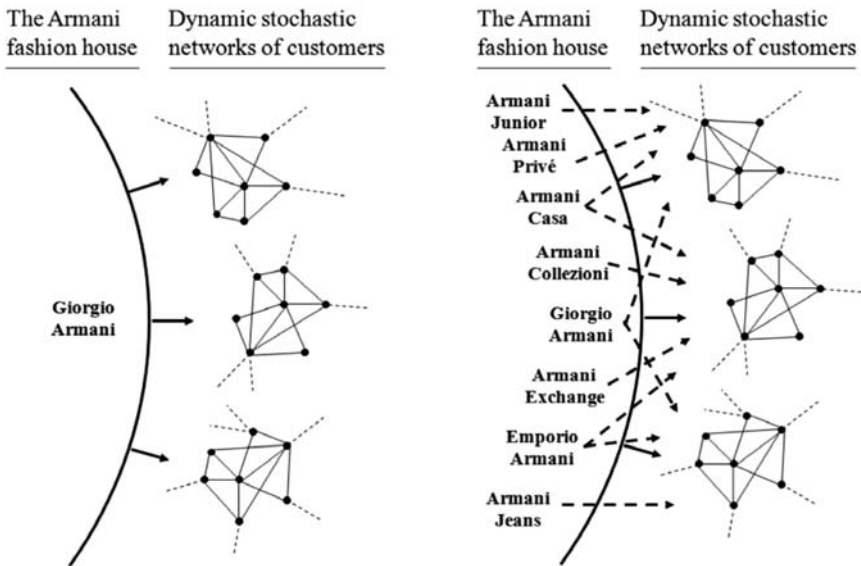


Figure 4 The evolution of the Armani fashion house from a single brand to a family of brands. Solid arrows between the fashion house and the customers represent companionate relationships while dotted arrows represent segregate relationships of a single sub-brand

Sources: Armani corporate website and annual reports; newspapers

Nevertheless, the Armani example also demonstrates the attempt by fashion houses to create specialized sub-brands, each targeting a specific ‘socio-style’ (Crane, 2000). In any case, while brand extension strategies are designed to reduce risk by using established brands and to cope with uncertainty by making fashion houses more resilient through the enlargement of their customer base, they create new risks and novel uncertainty.

In fashion, there seems to be a convergence around the multi-brand strategy. Fashion houses tend to create hybrids of existing brands rather than new brands – the creation of Old Navy by Gap being an exception (Aaker, 1997) – whereas car manufacturers, for example, tend to create new brands (e.g. Toyota’s Lexus brand). This may appear to be in line with the central intuition of the neo-institutionalist school in economic sociology for which organizational forms and practices tend to converge (Meyer and Rowan, 1977; Powell and DiMaggio, 1991). However, this perspective cannot fully account for the continuous development of new strategies trying to deal with shifting consumer preferences or other environmental changes. With the creation of sub-brands, the original identity of the fashion house is partially preserved, even if irremediably transformed. This suggests another form of identity.

Deeper understanding of this present world fashion industry requires us to reconstrue it as an ongoing process that somehow continues its rhythm and harmony despite stochastic variance in particular notes and phrases. It plays a crucial but unrecognized role in social dynamics, and in fact we label this generic stochastic process by ‘style’ (White, forthcoming).

A *style* may be labeled as a fifth, more sophisticated, sort of identity. For either an individual or an organization, style may be conceived of as either a sensibility or interpretive tone that ties together disparate identities at other levels. It is a dynamic and self-reproducing amalgam of profiles of switchings among distinct network-domains. Persons as constructs are realized through this type of identity. Organizational style may become robust and even inert over the course of time, so strategists may choose to either match elements of this style to their posited ends or instead seek to decouple from such a style if it is deemed detrimental to new strategies. In fashion, rhetorics hold only if they fit with styles. Styles define the array of design possibilities for a given fashion house. In the development process of Armani sub-brands, Armani remains Armani and a rhetoric that would be too far from the Armani style would create uncontrollable disruptions in this fashion house’s environment.

This can lead us back to a deeper understanding also of Airbus vis-à-vis Boeing: there too identity is in play, is labile.

Discussion

The challenge is estimating how contending strategies and efforts at control guide each other and interpenetrate, thereby laying down tracks of determinate sorts of socio-political organization. In emerging economic contexts characterized by dramatic change, for example, research has uncovered how organizations recombine diverse kinds of resources and incorporate potentially rivalrous rhetorics in order to benefit from ambiguity in their operating environments, as in post-socialist Eastern Europe (Stark, 1996; Stark and Bruszt, 1998) or in the Internet design firms of the digital era (Girard and Stark, 2003). In addition, the logics at play in the strategy of assembling and binding together distinct organizational identities has also been explored in the context of ‘business groups’, such as those operating in France, Japan and South Korea (Granovetter, 2005; Smångs, 2006). In the current economic context, exchange markets are on a different and dominating level of strategic action from ordinary production markets and provide the proper basis for the General Equilibrium Theory sought by economics.

The multidivisional, or multinational, firms exhibit companionate network topology in which there are no neat nestings. In the context of a national economy, production markets are very much specialized mutually, whereas exchange markets are parallel divisions, so that, for example, a national financial elite of bankers should prefer the latter. This suggests a macro-level explanation for the shift to big multinational firms as replacing mere production markets (each with specific product) as the nexus of investment activity, a conjecture on a new level of strategy. Adding a new

layer of parallel units – as with multidivisional firms cross-cutting input–output networks of production markets – enhances potential control and mobilization of that economy by some smaller set of financial and/or government actors. Multidivisional firms are the crux to understand strategic moves in complex operating environments. There is a need to model the relationship between the different divisions of this type of firms and their surroundings.

Environmental contingency is the solution for, not the problem of, strategy – as is shown by the mid-20th century switch to multidivisional firms, and thereafter by recurrent waves of mergers and takeovers. Perturbations can be catalysts for effective and positive decoupling if adequate strategic matching of resources to ends is achieved. Only the specific but as yet unaccountable is promising material for getting action above and beyond the ongoing and self-reproducing. The latter is what routine organization is about. Yet the legacies of fresh strategies are ultimately limited topologies of overall organization.

All organizations are embedded and energized as products of tangible actings toward control by identities, with all identities facing reshaping. Disciplines of identities come from the enormous energies of actors living their own situations, which engender laws of social perspective as stringent and cogent as the behavioral laws implicit in human cognition. ‘Strategy’ as conventionally formulated in staff terms is caught up in these necessary perceptual constructions, thereby becoming subject to their myopia.

Devising strategy is most difficult for top managers when there is the least environmental contingency. Stable environments engender little structural complexity and little energy in the social processes embedding work. So uncertainty and others’ commitments to their own local concerns are unquestionably the two prime groundings of effective maneuvering by top managers.

What may seem generally palatable in a certain timeframe and socio-cultural environment may become gradually less important, for example in business as consumer bases and available technologies change. Consider the demise of the AT&T ‘Ma Bell’ system in 1984 and its state-mandated fragmentation into seven regional companies plus a smaller AT&T. Over the course of the next decade and a half, the eight companies gradually began merging with one another, such that, as of 2007, the old Bell system companies have virtually reintegrated themselves, forming three telecommunications giants: AT&T, Verizon and Qwest. Similarly, in a European context, the deregulation of national telecommunications markets led, first, to a multiplication of national firms that eventually became, or were integrated into, Europe-wide players (such as Vodafone, Orange or T-Mobile for the mobile market) as customer-bases evolved from a national to European scope (Berhin et al., 2005).

A further complexity barely touched on here is allowing for different impetuses from the quite distinct institutional realms which are being summarized in networks across a population. For example, when are military

tactics reframed because of religious infrastructure of opponents? And when are international trade pressures offset by security considerations? When do copyright-patent infringements control intra-market relations? And given human memories, several and joint, other timeframes intrude, for instance career considerations may be prominent in what seem to be immediate matters of control and strategy.

Conclusion

We have discussed organizations as not merely arrays of individual actors within some homogeneous social space, but rather as non-homogeneous collations of levels across embedded identities. Furthermore, organizations can themselves be embedded in still-larger contexts in diverse ways. ‘Organization’ as depicted in scholarly or industry documents should instead be thought of as the trace left behind by strategies of identities for mobilizing *among other identities*, at any level. Managerial strategy in an organization begins to make sense as exactly a second-order process and at a level where ‘goals’ can be a rhetorical distraction from the actual kinds of strategic action under way.

Our focus has been how identity and strategy interpenetrate and inform each other in contexts of true uncertainty. We began with a vivid confrontation of air giants presented at first as a sort of duel – and we showed how a duel is mirrored in a new form of American military tactics vis-à-vis guerrilla and insurgent opposition. But our main thrust has been uncovering levels and depth in network process among identities amidst uncertain contexts generated in part by their own actions.

One theme was induction of different overlays of network structuring of organizational units generated around compound identities as foci – be they marriages or rank orderings. Multidivisional firms were analogized to network contexts of marriages. The contemporary fashion industry revealed further depth of influence dynamic between identity and strategy. Institutional forms and rhetorics do get deposited in this dynamic, but the master trope is the ongoing regeneration of a dance, a stochastic style, which points to intertwined dependences of identity with strategy dynamics. This is the paradigm we perceive as the best guide to the Airbus–Boeing encounter with which we began.

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