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# **GIVING A THEORETICAL CONTEXT TO MOST FRAMEWORK OF STRATEGIC MANAGEMENT: A LITERATURE REVIEW**

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**Abstract:** The purpose of this paper is to exploit the available literature to propose and support the MOST framework of strategic management. A literature review approach is employed which reviews the current states of the strategic management discipline to provide the theoretical bases to support the argument for the applicability and validity of the MOST framework of strategic management. A MOST framework is proposed which illuminates a holistic approach to strategic management, standing on a platform of behavioral theory of firm, social cognitive theory, structural theory, resource-based view (RBV) and advantage theory, theory of organizational learning, attention-based view (ABV), CSR theory, etc. This paper should lead to research on how to advance the field of strategic management, towards a unified structure for strategic management. The seemingly non-empirical limitation is delimited by the comprehensive arguments of the published works and theoretical explanations in supporting the subtle dynamics of the MOST framework. This paper is the first to extend the MOST framework comprehensively, yet in parsimonious manner to put the strategic management reality into systematic and observable manner. The MOST structure is thus a holistic framework that can help the strategists, organizations, profits or nonprofits, to improve their strategic planning, performance management and organizational learning processes, and is a theory within theories, which guides how the organizations go about their strategic issues. While theory is a result of observing the reality, theory also shapes the reality, as the theory formation eventually leads to a dominant structure of thoughts (known as schools of thoughts) which guides and dictates the perceptions and interpretations of the realities.

**Keywords:** MOST Framework, Strategy Management, RBV, Attention Based View, CSR (Corporate Social Responsibility), Organizational Learning, Behavioral Theory Of Firm, Institutional Theory, Value Co-Creation.

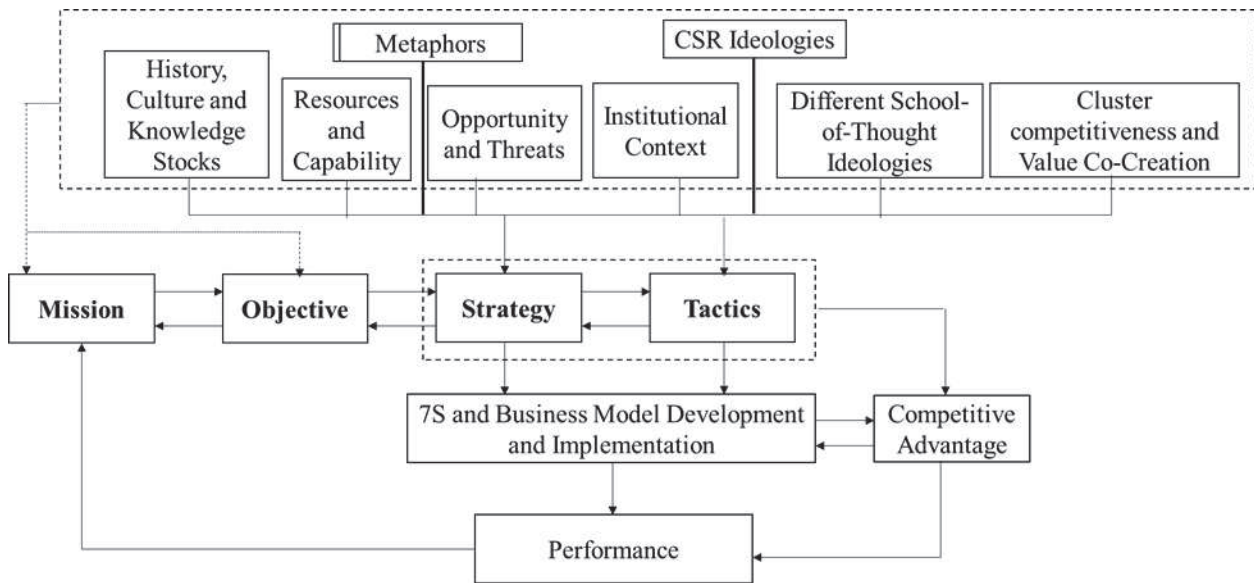
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## **Introduction:**

**MOST Framework of Strategic Management:** MOST is an acronym standing for mission, objective, strategy and tactics, and is a well-structured framework, shown in Figure 1, that captures the feedforward and feedback sequences, as well as the two-way communications, of strategic management. In a literal sense, MOST is management by objective (MOB) in nature (Alam, Lawrence, and Nandan, 2004), but is flexible in that it provides a robust platform to embrace various theories of organization and strategies. MOST is missioned to perform the assigned tasks in ways that can gain competitive advantage and sustained performance. By competitive advantage, Peteraf and Barney (2003, p. 314) offer a definition in that a firm has a “competitive advantage if it is able to create more economic value than the marginal (breakeven) competitor in its product market”, and by economic value, it means the difference between perceived benefits to the purchaser and the economic cost to the firm (ibid, p. 318). Thus, puts it in Chandler’s (1962, p. 13) context, MOST framework highlights the “determination of the basic long-term goals and objectives of an enterprise, and the adoption of course of action and the allocation of resources necessary for carrying out these goals”. For instance, while in neo-classical theory the ownership group determines the objectives of the firm, the behavioral approach to firms argues that “the formulation of objectives in large organizations occurs as a result of complex process of organizational bargaining and that with respect to the motivation of individuals acting within their roles in the organization” (Pass and Lowes, 1978, p. 10). Although there is always a feedback mechanism in work, but organizational strategy depends on a well-defined mission or set of objectives to help direct organization toward a desired outcome (Rangan, 2004).

As shown in Figure 1, the ability of organizational strategy to fulfil the organizational mission is often limited or driven by resource availability (Nimwegen et al. 2008), environmental conditions and institutional context. Mission is particularly important for nonprofits, which rally under the banner of a particular cause, i.e. “fight homelessness”, or “end hunger” (Rangan, 2004). To fulfil the mission, any given related opportunities that are supportive of the mission – even tangentially – should be targeted. For the nonprofits, many of the strategies are resource allocation and program management (Rangan, 2004). Thus, for both profits and nonprofits, it is

important to create a broad, inspiring mission statement (Rangan, 2004), including a mission to accomplish the vision. In this sense, the vision is embedded in the “Mission” of the MOST structure. The MOST framework can be reckoned as Lewin’s (1989) organizational change framework which is depicted by three steps in succeeding to organizational change, namely, (1) unfreezing, as indicated in the top dotted box which serves to trigger change through the strategic inquiries into the pressing strategic issues and which also influences the worldviews, cognitive frames and mindsets of managers (Campbell, 2007), to (2) moving (MOST), and (3) refreezing (i.e. the need for stability). The MOST framework can also be interpreted as an aspirational and organizational learning system, in that, when inferred from the argument of Pass and Lowes (1978, p. 11), “when performance falls short of the level of aspiration, search behavior (particularly search for new alternatives of action) is induced.” This is in alignment with Argyris’s (1977, 1982, 1991, 1993, 1993) and Argyris and Schon’s (1974; 1978; 1996) single-loop and double-loop learning. By the nature of learning, as shown in Figure 1, MOST, which manifests both strategic and organizational capabilities, becomes dynamic (cf. Teece, Pisano, and Shuen, 1997; Teece, 2007). As there is always an imperfect matching between real organizations and their business environment (Cyert and March, 1963), organizational learning is thus needed, as shown in Figure 1.



**Figure 1: MOST Structure of Strategic Management**  
 Source: Developed for this Research

The top dotted box provides the context or ideologies for strategic analysis, representing the organization’s information-processing competence (Huber, 1991), or organizational level screening functions (Augier and Knudsen, 2004) or sense-making process (Parry, 2003), which is a key feature of strategic management (Andersen, 2010), embracing the aspects for considering the internal factors in terms of resources and capabilities (Barney, 1991), opportunities and threats from the industry and market analysis and Porter’s (1980) five forces framework and market structures. In sense making, organizations involve “processes of perceiving, believing, interpreting, explaining, predicting and acting both individually and collectively in a given organization” (Cecez-Kecmanovic and Dalmaris, 2000). Being an organizational level screening function, the upper dotted box is predominantly an issue of people competence. As stated in Sveiby’s (2001) knowledge-based theory of the firm, in guiding strategy formulation, “people are seen as the only true agents in businesses; all tangible physical products, assets as well as the intangible relations, are results of human action and depend ultimately on people for their continued existence.” Thus, to improve the information-processing capability of organization, it is necessary to focus on creating and maintaining the people and technological competencies, so that people in the organizations can use their competence to create value both externally (i.e. products as tangibles, and customer relationships and new experiences as in intangible structures) and internally (create tangible structures such as machinery and tools, and intangible structures such as better processes and new designs for products) (Sveiby, 2001, p. 346).

The term “resources” was conceived broadly as “anything that can be thought of as a strength or a weakness” of the firm (Wernerfelt, 1984, p. 172). Penrose (1959) was one of the first researchers to address the importance of the firm’s resources with respect to the firm’s competitive position – thus intercepting resources and

opportunities and threats. Other researchers (de Vasconcellos and Hambrick, 1989; Snow and Hrebiniak, 1980) address the match between industry key success factors (synthesized from the patterns of opportunities and threats) and firm strengths. The interconnection between RBV and market positioning theory of Porter (1980) is actually tightly intertwined. For instance, as illustrated in Fahy (2000), the value of resource is demonstrated in its enacting as the barrier to duplication and appropriability. By appropriability, it states that the “resource will only be a key resource if its value can be captured within the firm rather than by potential claimants such as employees, clients, or suppliers”, and by barriers to duplication, “key resources must be unable to be duplicated by rivals and barriers exist when the resource is inimitable, immobile, and non-substitutable”, and by value, “key resources enable strategies to be implemented to satisfy the needs of customers and thereby improve firm performance” (Fahy, 2000; Clulow, Gerstman, and Barry, 2003, pp. 222). Value of resources includes the ability to result in reputation and client trust (Clulow et al. 2003), physical, organizational, financial, human intellectual, and technological (Amit and Schoemaker, 1993).

Figure 1 also includes the cluster competitiveness and value co-creation paradigm in the consideration of strategic analysis. For instance, de Oliveira Wilk and Fensterseifer (2003) study the role of a cluster of firms, whose competitiveness depends not only on their individual resources and capabilities but also on those shared by the cluster as a whole, paralleling the Diamond concept of Michael Porter (Waverman, 2005). To have cluster-induced competitiveness, it is important a system of determinants (i.e., factor conditions, demand conditions, related and supporting industries, firm strategy, structure and rivalry) work together as a cluster, which can trigger growth (Waverman, 2005). The interconnection between the institutionalization stages of change at the societal level and the changes needed in the organization is also unarguable (Alas, 2004), for instance, the radical and quick economic reforms in post-socialist countries created new requirements for organizations (Svetlik, Kaarelson, Alas, and Kohont, 2007), and the influence of national culture and national institutional features on organizational strategy (Geppert and Matten, 2006).

Corporate Social Responsibility (CSR) is an effective aspirational mechanism (Tan, 2016), which is a central theme in the behavioral theory of the firm (Cyert and March, 1963). It is widely acknowledged that organizations are expected to be more open to exploration when performance is below aspirations (Greeve, 1998), since decision makers are more likely to act on threats than opportunities (Kahneman and Tversky, 1979). In other words, aspirations and deviation from the aspirations provide a value co-creation thrust for the firm, leading to possible extended RBV (Xu, Huo and Sun, 2014). For instance, Chun (2016) argues that “In the event of the loss of a firm resource’s value or rarity, the organization will seek to form a new group of similar others, and adjust firm aspirations accordingly; and After a Schumpeterian shock, in an environment in which the resources and capabilities of the firm are no longer valuable or rare, the firm will be more willing to include organizations from different cultures as similar others” (p. 211).

The commitment and actions taken to close the aspiration that may jeopardize the resource or competitive advantage position of the firm is considered as serving the interests of the shareholders, customers and other stakeholders, and thus is issue of CSR (Tan, 2016) and broader societal expectation (Fahy, 2000). In this way, firms remain steadfastly clear that the values of the advantage-creating resources (Barney, 1991) are aimed to create and deliver values to customers (Clulow, Barry, and Gerstman, 2007) and the needed (Tan, 2016). Thus, the transformation of key resources into value experienced and understood by customers (Srivastava, Fahey, and Christensen, 2001) should be the central aspiration of firm (Tan, 2016). In sustainability movement, CSR carries a multidisciplinary flavor, which Barbier (1987) describes sustainability as the concept of simultaneously maximizing biological system goals, economic system goals, and social system goals. Rather creatively, Tainter (2005) describes sustainability from the viewpoint of social complexity which entails and requires the creation of resources, rather than merely relying upon the existing ones – that is, the creation and maintenance of the resources not only for the current generation but also for the future generations (Brundtland commission, 1987). On a regenerative sense, sustainability also resolves around recouping the probable losses in the system especially with regard to resources (Kumar and Dholakia, 2016) – which shares resiliency (2014) that denotes an attempt to recoup the losses.

A key block of activities that needed to move MOST to successful is the 7S (Superordinate goals and cultural system or shared value, strategy, system, structure, skills, staff, and style of leadership) development and implementation. The “7S” is the area where people in the organization are continually expanding their capabilities to shape their future (Senge, 1990). The intangible parts of the “7S” are, in particular, important, and Meso and Smith (2000) consider the intangible resources and capabilities as candidates for strategic asset,

that is, rare, valuable, imperfectly imitable and non-substitutable. Meso and Smith (2000) argue that tangible assets are not strategic because they can be acquired or imitated easily. Based on a meta review, Kristandl and Bontis (2007, p. 1518) states of the intangible resource advantage:

“Intangibles are strategic firm resources that enable an organization to create sustainable value, but are not available to a large number of firms (rarity). They lead to potential future benefits which cannot be taken by others (appropriability), and are not imitable by competitors, or substitutable using other resources. They are not tradeable or transferable on factor markets (immobility) due to corporate control. Because of their intangible nature, they are non-physical, non-financial, are not included in financial statements, and have a finite life. In order to become an intangible asset included in financial statements, these resources need to be clearly linked to a company’s products and services, identifiable from other resources, and become a traceable result of past transactions.”

The “7S” can become the capability resulted from the uses of the unique resources available to the firm, and firms require an extended learning process (Alas and Sun, 2007), as shown in Figure 1. The execution of this “7S” may best exploit the psychological empowerment of employees – that is, employees perceive that they are allowed to use their own initiative and judgment in performing their jobs (Thomas and Velthouse, 1990), which leads to an empowered state of mind experiencing the feelings of “control over the job to be performed, awareness of the context in which work is performed, accountability for personal work output, shared responsibility for unit organizational performance, and equity in the awards based on individual and collective performance” (Gautam and Chimire, 2017). Further in Gautam and Chimire (2017), it is stated that psychologically empowered employees possess perceived control, perceived competence and goal internalization, acting as the internal drivers and the power motives for executing the strategies to success:

- Perceived control – is taken as an internal urge or drive to influence and control others.
- Perceived competence – refers to self-efficacy as beliefs in ones’ capabilities to mobilize the motivation, cognitive resources and course of action needed to meet given situational demands (Wood and Bandura, 1989)
- Goal internalization – which indicates the successful leadership in transforming the beliefs and attitudes of employees in line with the organization’s mission and objectives (Menon, 2001).

In sum, through psychological empowerment, which forms the basis of cognition that affects employees’ intrinsic motivation, namely, meaning, competence, self-determination and impact (Thomas and Velthouse, 1990), the “7S” can be executed successfully, leading to competitive advantage, which is an organizational capability to perform in one or many ways that competitors find difficult to imitate now and in the future (Kotler, 2000). In Figure 1, there is a two-way relationship between competitive advantage and the “7S and business model,” which indicates that competitive advantage can be seen as an ability to produce products or offer services different to what competitors do, but also competitive advantage is contributed by the investments of the business models to add value in a way that competitors find it difficult to imitate (Gautam and Ghimire, 2017).

In Figure 1, tactics are the functional and operational strategies that follow the business strategy. Examples include the division of labor and specialization that is productive (Stea, Linder, and Foss, 2015), system transformation process (Yolles, 2004), management processes, intangible assets and tangible assets management, and operations (Freiling, Gersch, Goeke, and Sanchez, 2015), knowledge management for strategic management (SubbaNarasimha, 2001), customer experience shaping (Tan, 2017), brand management (Tan, Anomasiri, and Sitikarn, 2017), and TQM (Yunis, Jung, and Chen, 2013). Based on the interaction between the explorative and exploitative nature of tactics, strategic management thus embeds also exploratory and exploitative types, i.e. to enhance novelty in exploratory stage versus to decrease performance variability in the exploitative manner. Various tactical initiatives have been studied and shown as source of competitive advantage (Abdi, Awan, and Bhatti, 2008), manifested as either cost-leadership or differentiation (Yunis et al. 2013), which leads to performance, i.e. market performance, sales performance, and financial performance (Fahy, 2000), and entrepreneurial growth (Julienti, Bakar, and Ahmad, 2010), and variety-generation (SubaNarasimha, 2001). Functional strategies such as marketing strategies and human resource strategies (Andersen, 2010) are the necessary tactics, in which the integration of HRM and marketing practices with strategic management is essential in order to develop and sustain competitive advantage. Thus, strategy and tactics are integrative in nature for firms to be able to develop and sustain competitive advantage. Continuous

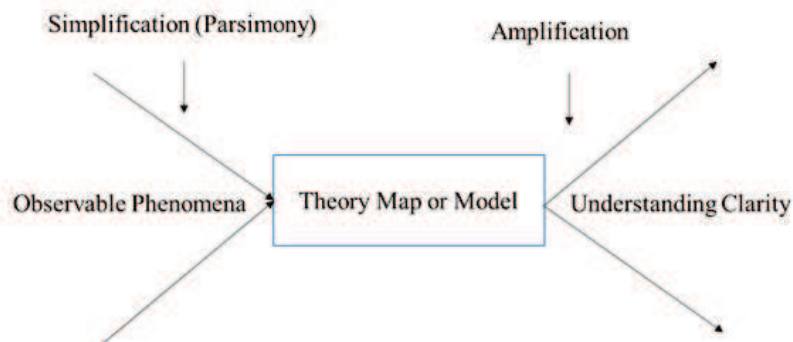
feedback, as shown in Figure 1, is needed to continue to develop the strategic resources needed to intercept the opportunities and neutralize threats or risks.

For resource and capability, as shown in Figure 1, McGuinness and Hutchinson (2013) identify some of the important and unique resources that are invaluable resource that can lead to competitive advantage and performances of the retail businesses, such as the unique knowledge of the procurement of ingredients and products, the relationship of the retailers formed with the local suppliers, and the way the retailers display their products which enhance the customers' overall shopping experiences. In essence, resource advantages form the core concepts of resource-based view (RBV).

RBV posits that a firm is a collection of productive resources (Penrose, 1959), i.e., "assets, capabilities, organizational processes, firm attributes, information, and knowledge" (Barney, 1991, p. 108) at its disposal, and when applied correctly, such as demonstrating the VRIN characteristics (valuable, rare, imperfectly imitable, and non-substitutable, Barney, 1991), can lead to sustained competitive advantage (Barney, 1991; Wernerfelt, 1984). Resources can be tacit or explicit in nature. Traditional RBV advocates the tacit role of resources, driven for instance by socially complex process that is specific to the firm and not widely shared or distributed amongst firms (Teece, Pisano and Shuen, 1997). This tacit reinforcement, indirectly, puts a break to the recent concept of value co-creation. In reality, the exploitation of natural (biophysical) resources demand a dynamic and interconnected initiative in succeeding in product stewardship, pollution prevention and sustainable development (Hart, 1995). Through spanning across the boundaries, capabilities of firm become dynamic which demonstrate the ability to integrate, build and reconfigure internal and external processes to address rapidly changing environments (Helfat and Peteraf, 2009; Miemczyk, Howard, and Johnsen, 2016).

RBV takes a prominent role in strategy management as firms are fundamentally composition of resources that are heterogeneous in nature and with strategic thinking, firms can offer distinctive or superior performances relative to those of rivals (de Oliveira Wilk and Fensterseifer, 2003), demonstrated by intrinsically differential levels of efficiency across firms (Peteraf, 1993). As a result of better performance over the rivals, firm resources become the core competencies (Peteraf, 1993), and should be strategically invested (Espino-Rodriguez and Padron-Robaina, 2006). Nevertheless, a word of caution is provided by Powell (2001) and West and deCastro (2001), who argues that firms may simultaneously have competitive advantages and disadvantages, which add to the explanatory and predictive power of theories related to competitive advantage.

**Theoretical Underpinning of MOST Framework:** The contextual logics which underpin the strategic analysis, as shown in the upper dotted box, including the MOST framework, are rooted in rigorous empirical tests, which result in theory formation. Grounding research in theory is "vital for academic credibility" (Liao-Troth, Thomas, and Fawcett, 2012, p. 24). The rigor and validity of theory lie in the insights the theory brings to the connection and interplay between cognition and empirical realities. As discussed in Key (1999, p. 317), a theory is "a systematic attempt to understand what is observable in the world." To be precise, theory creates order and logic from observable facts (Mills, 1959), presented in the causal models of "reality", under a given context, which has both explanatory and predictive values (Key, 1999). Nevertheless, through the theory formation process, certain complexity may be lost in the tradeoff of simplifying in order to achieve clarity and understanding (Key, 1999). While theory is a result of observing the reality, theory also shapes the reality, as the theory formation eventually leads to a dominant structure of thoughts (known as schools of thoughts) which guides and dictates the perceptions and interpretations of the realities (cf. Olsen, 2010), shown also in the dotted box in Figure 1. To improve the higher degree of explanation of theory for reality, the "integrative" nature of concepts and efforts is recommended. This "scholarship of integration" (Boyer, 1990) is shown in the upper dotted box in Figure 1.



**Figure 2: The Role of Theory**

Source: Key, 1999

Numerous theories of business are “outside-in” in the approach and angle of examination, such as in the Institutional Theories (DiMaggio and Powell, 1983) and Freeman’s (1984) stakeholder theory of firms, which investigate the impact of the firm’s external environment on the firm’s structure, success and survival (Key, 1999). From the stakeholder perspective, when firms are attuned to their stakeholders by devoting the necessary resources to manage them, they are usually rewarded financially and socially for their behaviors (Miles, 1987). On the other hand, firms have an inherent social contract to meet, either through corporate laws, agency regulations, or social norms about what duties to be fulfilled (Donaldson and Dunfee, 1984). As a Gestalt and systems theory approach, Figure 1 captures both outside-in and inside-out approach in the exploitation of the different theories of firms and strategies for strategy development and effective implementation. In other words, Figure 1 recognizes that both external and internal factors contribute to fast-growth firm performance (Johnson and Bishop, 2015).

MOST framework can be interpreted or explained under various theoretical reasonings. From the angle of leadership discipline, it is important leaders articulate visions and missions to their followers so that the employees and other relevant stakeholders can co-create to craft and decide on strategies, structure and systems of the firm. Thus, missioning in the MOST framework, is a fundamental attribute of effective leadership, which forms a basis of the leader’s power to lead and a force field leader can use (Kantabutra, 2009) to influence strategic analysis, strategic planning and design, and strategic implementation. As such, well-articulated vision and mission form the basis for sustained competitive advantage (Hamel and Prahalad, 1989).

As a mission to meet the vision, in its abstracted context, according to Kantabutra (2009), organization “increases the prospect of improvements in organizational performance, because such an abstract vision suggests a longer-lasting organization that is desirable to followers, and encourages effective group formation to carry out the vision” (p. 326). In addition, as already discussed earlier, mission and vision are aspirational reference points from which the deviation from the status quo would challenge the followers to do their best within their roles and responsibilities to achieve superior organizational outcomes (Kantabutra, 2009). Behaviorally, well-articulated vision and mission can raise the self-esteem of the followers in their attempt to achieve the vision (Fecas and Seff, 1990). MOST framework initiates and stresses the mission and vision, as visionary leadership is effective only if followers become committed to the vision and mission promoted by the leader (Avery, 2004).

In addition to the leadership and behavioral theory of MOST framework of Figure 1, as it is just explained, the upper dotted box provides numerous theoretical underpinnings. For instance, rooted in RBV, the MOST framework connotes an evolutionary and competence-based theory of firm (cf. Hodgson, 1998). Numerous pillars of theoretical foundations can be exploited to enrich the understanding of resource-induced MOST framework studies, namely RBV (Grant, 1991), resource-advantage theory (Hunt, 2000), resource-endowment view (Mahoney, 1991), core competence, competence-based strategic management, dynamic capability approach, and knowledge-based view (Freiling, Fersch, Goeke, and Sanchez, 2015).

The upper dotted box also provides the problematic context from which the firm aims to organize a discovery procedure within a predefined MOST-led productive area. In this sense, firms, under the MOST framework, are seen as problem-solving institutions (Loasby, 1976, 1991), specializing in problem solving. The upper dotted box can be seen as the knowledge repertoires or knowledge stocks of the organization, which underpins on the

notion of knowledge as an important source of superior performance in turbulent environments (SubbaNarasimha, 2001). According to Winter (1987), it can be inferred that the upper dotted context is consisted of mostly “tacit” knowledge, in which the “tacitness” thus makes organizational knowledge a strategic asset because rivals are unable to understand, absorb, and use crucial knowledge.

Rooted in institutional and stakeholder requirement, MOST framework can exploit agency theory for the explanation of the strategy formation and implementation, which involves contractual relationship under which the principle engages the agent to perform some service on their behalf (Jensen and Meckling, 1976), such as in productive ways i.e. functional or value-enhancing from the principle’s perspective (Foss and Klein, 2012). Thus, the mission and vision can be known as proxy for the principle under the lens of agency theory, and also, they provide the base for the attention-based view (ABV) of the firm which highlights the role of decision makers’ attention in firm behavior (Ocasio, 1997; Simon, 1947). MOST framework, in the lens of ABV, gives the organization, the leader and the followers, a focus and a platform for organizational learning and understanding that is situated in an organization’s strategic management, procedural and communication channels (Stea, Linder and Foss, 2015, p. 277). From the lens of organizational learning, MOST framework thus depicts organizational learning and strategic management that occurs through “shared insights, knowledge, and mental models” (Stata, 1989), which encodes inferences from “history (Levitt and March, 1988), the strategic management experiences (March and Olsen, 1975), the opportunistic learning and problem-solving (Arygris, 1977; 1982), into routines that guide behavior (Levitt and March, 1988). Clearly, organizational learning is social cognitive in nature, in that learning is influenced by contextual factors such as organizational culture and history, strategy, market structure, and systems (Fiol and Lyles, 1985), which leads to both cognitive and behavioral changes in the organizations (Crossan, Lane, White, and Djurfeldt, 1995), and performance improvement (Cangelosi and Dill, 1965), and that organizations preserve knowledge, behaviors, mental maps, norms, and values over time (Daft and Weick, 1984), in for instance “action-outcome relationships” (Duncan and Weiss, 1979), as shown in the “history, culture and knowledge stocks” box in Figure 1.

The MOST framework, supplemented by the upper dotted box, to drive competitive advantage and induce performance, captures also the three key components of structure that is applicable to managing strategy formation and implementation, sharing the core concepts of structural theory and social theory of organization (Giddens, 1979; Harris, Northcott, Elmassri, and Huikku, 2016), namely:

- Signification – communication, which may be informed by organizational artefacts such as mission statements or strategic plans: the MOST signification, in Figure 1
- Domination – the exercise of power i.e. the industry structure, resource-advantage, and the principal-agent relationships, as shown in the dotted box of Figure 1.
- Legitimation – shared norms, CSR, the institutional theory, as shown in the dotted box of Figure 1.

These structural alignments and co-creation, coupled with organizational sense-making, essentially define and redefine how organizations act and interpret the environment, leading to the formation of firm image (Weick, 2001) and reputation – a key intangible asset within a firm (Lange, Lee and Dai, 2011) and thus, tangible shareholder benefits (Ma and Osiyevskyy, 2017). In this way, the firm identity, leading to corporate reputation as a result of stakeholders’ favorable evaluation toward the company, is aligned with the operative functions of the organization which provides the viability of organizations i.e. the ability to maintain a separate existence and to survive as an identifiable entity through appropriate self-regulation and self-organization (Beer, 1979). In other words, both the system and metasystem operate together systemically with coherence (Beer, 1979, p. 120), in synergy and wholeness (Ackoff, 1971):

- System: A first-order cybernetic system composed of interactive operational objects that together form a whole.
- Metasystem: A second-order cybernetic system that operate through concepts, thinking and beliefs, from which knowledge derives (Yolles, 2004, p. 732).

Lastly, as noted in Ridley (2003), “metaphor” is the lifeblood of good science. For instance, an evolutionary approach to the theory of firm often invokes “the biological metaphor of natural selection” (Hodgson, 1993). Metaphorical usage and competence often grounds the “experience” of the strategists for better strategy formulation (Llewelyn, 2003). As reasoned in Ahrne (1990, p. 22-27), a metaphor is an effective cognitive means to help understand “emergence” and “discontinuity” in the social landscape, and by “emergence,” it facilitates

the “conditions of possibility” (Foucault, 1980, p. 243) in social landscapes. In other words, metaphorical creation and skillful usages provides the cognitive seeds that shape our futures and the comprehension of the current social landscapes, including strategic management landscapes.

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