

# Comment on “Toward a Behavioral Theory of Strategy”

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## 1. The Limits of My Language

When one firm moves in a new direction, why do other firms not follow? Perhaps it is because they do not want to follow, because they think that the firm has made a bad choice. Perhaps they do want to follow but cannot. Or perhaps they would want to follow, and could follow, but they do not fully grasp the choice that the firm has just made.

In the first case, the story is one of differing opinions. In the second case, it is one of differing abilities. But what is behind the third case?

In his 2012 perspective “Toward a Behavioral Theory of Strategy,” Giovanni Gavetti offers a very intriguing answer. Some firms are endowed with better ways of representing the world around them than others. Superior representations lead to superior choices that are not easy for other firms to understand and copy.

“The limits of my language mean the limits of my world” (Wittgenstein 1921, Proposition 5.6 in the 1922 translated edition): We read Gavetti as something of a Wittgensteinian among business strategists. We suspect that his notion of a representation of the world is not fully captured by language, but language is surely an important part of any such representation. In this commentary, we will focus on language as representation, and see where this association takes us.

## 2. Organizational Language

Does a firm speak a language? Certainly, words spoken in meetings or written in communications and presentations, diagrams depicting marketing plans or competitive analyses, and much else of a similar nature occupy a large part of corporate life. (Within the notion of language, we include diagrams, symbols, etc., used in accordance with various customs or rules. This is very much along the lines of the logician’s idea of language.)

Do different firms then speak different languages? Clearly, they do, in the very obvious sense that one firm may speak predominantly English, another Mandarin, another Hindi, etc. However, we also have in mind the

more subtle aspects of organizational language. Within the same natural language, one firm may use terms from sports to talk about business, whereas another firm uses words from the military, and so on.

Naturally, a finer-grained analysis could look more closely at the existence of different languages within a single organization. Keisler and Keisler (2011) develop a mathematical framework that can be used to study how agents in an organization who speak different languages (or, stated formally, have different but overlapping vocabularies in first-order logic) can communicate to perform certain tasks. This is an exciting direction, but here, we shall stay with the simpler assumption that a given firm possesses a single language.

Our question is then this: Could differences in firms’ languages cause differences in how firms think about and understand the world around them? If so, then organizational language could literally be a source of competitive advantage or disadvantage.

## 3. Linguistic Determinism

The hypothesis that language shapes cognition—at least, on an individual level—has a name in linguistics. It is called the *Sapir–Whorf hypothesis*, named after the two linguists who suggested it. It states that the language one speaks has a significant influence on how one thinks (Swoyer 2010). The hypothesis has waxed and waned in acceptance over the decades but, at least in limited form, has garnered some empirical support.

For example, in support of the hypothesis, Boroditsky (2011, p. 65) reports, “[B]ecause the number words in some languages reveal the underlying base-10 structure more transparently than do the number words in English (there are no troublesome teens like 11 or 13 in Mandarin, for instance), kids learning those languages are able to learn the base-10 insight sooner.” Boroditsky (2011, p. 65) also refers to studies that control for reverse causation: “Teaching people new color words, for instance, changes their ability to discriminate colors.”

#### 4. Organizational Linguistics?

It is very tempting to take these ideas to the domain of business strategy. How do the languages spoken in different firms shape how those firms think? Perhaps, Gavetti's (2012) article will spur work in what might be called "organizational linguistics." We can envisage studies of how the languages associated with different organizations shape how those organizations think about themselves, their customers, suppliers, competitors, etc.

Analogous to introducing new color words, one might look for an effect of introducing a new business word into the conversation within an organization. In fact, business strategists, with their habit of coining neologisms, already operate on the assumption that there is such an effect.<sup>1</sup> Conducting careful studies of this presumed effect would seem very worthwhile.

#### 5. Mobilizing Language

On the occasion of awarding honorary U.S. citizenship to Winston Churchill in 1963, John F. Kennedy praised Churchill for having, through his famous World War II speeches, "mobilized the English language and sent it into battle."<sup>2</sup>

The picture that we take away from Gavetti's (2012) paper is a similarly dramatic one. Different languages equip different firms with different cognitive tools. The firms use these tools to battle it out on the business landscape. (Of course, there are often cooperative as well as competitive interactions among firms. We must be careful that the words we use do not convey a one-sided picture.)

Other readers may come away with somewhat different pictures, based on different interpretations of the concept of representation that Gavetti advances. Still, we are very confident that the idea of a link from a representation of the world to business strategy will be at least as stimulating for other readers as it was for us.

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#### Endnotes

<sup>1</sup>One of us brought the term "complementor" to business strategy (Brandenburger and Nalebuff 1996, pp. 18–19). Strictly speaking, this was not creating a neologism but a new sense of an existing word; see <http://www.oed.com>.

<sup>2</sup>In fact, it was the journalist Edward R. Murrow who coined this phrase (Clarke 2004, p. 68).

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