

Translating productivity – the role of concepts

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Concepts express a cohesive set of ideas that provide the intellectual architecture of a discourse. The meanings of a discourse may be deliberately or unintentionally transformed when concepts are translated or reinterpreted. Discourse translation should not be understood as a neutral act of decoding or deciphering texts; it is an inherently subjective, often political, act of interpretation and explanation. In this paper the term ‘translation’ is adopted because it connotes the notion that concepts may be translated in order to shift, change, intersect, traverse and transfer meanings across discourse boundaries. Questions about the intended/potential audience and the reasons why discourses are being translated or reinterpreted draw our attention to the contextualised nature of discourse translations and the importance of understanding how certain concepts are deployed as ‘strategic resources’ (Hardy et al, 2000). At the heart of this approach is an interrogation of the modes of translating discourse. Callon (1986: 223) explained that “To translate is also to express in one’s own language what others say and want, why they act in the way they do and how they associate with each other: it is to establish oneself as a spokesman.” Translation, then, is a practice of interpreting one discourse through and into another discourse. Thus discourses are interdiscursive in nature drawing upon, referencing, or seeking to usurp existing discourses. The challenge is to determine how translations take place and why certain concepts come to dominate. Within this paper we examine how a government-driven productivity discourse has been translated at the level of the firm, focusing on the key concepts that are deployed by organizational managers. We focus in particular, on the concept of ‘niche’ and explore how it is used within a productivity discourse. Our aim is to offer insights into the role of organizationally-derived concepts that are deployed to translate, recontextualize or transform discourses.

Discourse and Productivity

Discourses may be understood as coherent sets of statements or systems of thought that form objects, concepts, subjects and strategies (Foucault, 1972;

Fairclough, 1992; Hardy and Phillips, 1999). In doing so, discourses function as meaning creation systems, usually originating from institutions, that constitute power in society and determine what can be said, who can speak, the positions from which they can speak, the viewpoints that can be presented, and the interests, stakes and institutional domains that are represented (Foucault, 1972).

For Foucault(1991: 56), transformation of discourse is marked by ‘changes which affect its objects, operations, concepts and theoretical options’. Such changes may be detected, Foucault (1991) suggests, by identifying displacements in discourse boundaries, new positions and roles of the speaking subject, a new mode and function of language and modifications in how the discourse is localized and circulated. In addition, a shift in the hierarchy or status of the discourse dimensions, the rationale or directing principle and the role of the discourse indicate a discourse mutation or transformation.

Contestation and resistance also mean that discourses are rarely immutable. Instead, multiple discourses may simultaneously exist and dynamically interact. One such example is the productivity discourse. A macro analysis of the productivity reports from New Zealand, Australia, the United Kingdom and Canada was conducted to understand how productivity discourses are played out across nations (Davenport, et al., 2010). Although definitions of productivity varied, there seem to be common concerns at a national level in improving levels of productivity which was most often equated with notions of growth. The four key rhetorical strategies identified within the reports were persuasive and intended to invoke action: aspiration, fear of failure, national threat, and exhortation to action. Productivity functioned as a ubiquitous concept with considerable semantic instability and ambiguity.

Research approach

The research outlined in this paper is part of a larger funded programme that aims to explore the ways in which firms from the New Zealand food and beverage sector help to build productivity, therefore a qualitative, exploratory methodology was deemed appropriate (Eisenhardt & Graebner, 2007). The findings are based on interviews with key informants, typically organizational

managers, CEOs and/or owners, from 15 food and beverage case organisations in New Zealand. New Zealand's food and beverage firms provide a valuable arena for exploring productivity because statistics suggest that this sector is vital to the nation's economic performance. The food and beverage sector employs one in five New Zealanders, contributes half of the total exports and comprises 10% of gross domestic product ('Backing our strengths', 2008; Evans, 2007; Winger, 2005). The political and cultural context of New Zealand discussions about productivity are based on a 'free market' approach within global productivity discourses (Davenport, et al., 2010). In order to understand how the productivity discourse is translated at the level of the firm we developed the following research questions:

RQ1: How is the government economic discourse of productivity translated or operationalized by firm managers?

RQ2: How do concepts function within the discourse translation and which concepts come to dominate and why?

Interviews were taped and transcribed. Transcripts were analysed in N-vivo to identify key themes. In order to maintain the anonymity of firms, conceptual network themes were developed across the data set of cases. Within the next section we outline how productivity discourses were translated by the managers we interviewed.

The concept of niche

The economic discourse of productivity was not prevalent within the interviews, except when prompted by the interviewers. Instead, the managers drew upon a marketing discourse to talk about 'niche' as a dominant strategy. Niches are often described as small markets, with limited resources, customers and competition, where firms offer significantly different products or processes that enhance survival and allow for premium pricing (Dalgic & Leeuw, 1994; Echols & Tsai, 2005; Noy, 2010). The use of the concept 'niche' indicates that the position adopted is relative to others in the market (Butler & Collins, 1996; Echols & Tsai, 2005). Relationships, and the corresponding power dynamics that ensue from relationships, are important in the success of a niche strategy and may offer competitive advantage (Butler & Collins, 1996).

While such descriptions of niche seem clear, on closer examination there is a greater complexity.

Defining a firm as a niche player can be difficult. Niche markets may be small but the players do not have to be. Niche strategies have been particularly associated with small to medium sized enterprises (SMEs), organisations with small profits or numbers of employees (Dobrev, Kim & Carroll, 2002). Dobrev et al. (2002) argue that very small organisations with a diverse product and customer range (like 'mom and pop' stores) must be specialists on some dimension (like location) or they would not have survived competition. This argument suggests that very small organisations are niche players. Yet large organisations could be niche players offering a niche, or multiple niche, product, process or service (Dalgic & Leeuw, 1994). Noy (2010) suggests that Marriot, American express and Campbell Soup Company are all examples of firms adopting a multi-niche approach. The common aspect in this discussion of niche players seems to be the ways in which firms specialize or differentiate themselves from other players and develop competitive advantage. Thus competitive advantage is a concept that is related to niche within firm-level discourse and both concepts are inherently comparative and relative, although exactly what the comparative referent is tends not to be specified.

Niche has also been understood in terms of the size of the market rather than the players (Dalgic & Leeuw, 1994). Focusing on the size of the market shifts niche from being defined in terms of the characteristics of the firm to a more external focus on the customer and resources of the marketplace (Dalgic & Leeuw, 1994). This external focus introduces notions of place to understanding niche. Increasing international business suggests that small markets within the global marketplace offer niche markets in different geographic locations. For example, there is an implication that some countries, like New Zealand, due to their small size, represent a niche market, within the global market place (Riege & Perry, 2000). Yet it is not clear what the implication of operating in small, niche markets is for the positioning of organisations. For example, is a firm that has mass appeal in a small national market considered a niche player in the global marketplace? Alternately, can a large organisation be a niche player if they dominate lots of small markets?

In order to understand what niche means in the context of New Zealand food and beverage firms, their positioning strategies were analysed. New Zealand food and beverage firms positioned themselves as niche players which are small and differentiated by quality, innovation, or philosophy. Notions of niche seemed to combine both the size of the firm and the size of the market. Niche positions of New Zealand food and beverage firms represent an identity that interweaves the rhetoric of organisation and country. Definitions of the niche position that such firms occupy are concerned with organisational attributes (size in terms of resources available and competitive strategy) and country attributes (the size of the New Zealand market). The concept of niche incorporates multiple dimensions including organisation and country (Schot & Geels, 2008). New Zealand firms positioned themselves as small, with limited resources in relation to large multinational corporations. As one interviewee commented, "And that's the frustrating part because we're competing with all these multi-nationals with massive budgets and massive resources and we're just a little New Zealand company trying to do the best with what we've got." Size is a key dimension of the concept of niche. The size of the New Zealand population and market and the volume that can be produced compared to other countries are used to explain some of the factors that limit productivity and therefore justify the use of niche as a key strategic approach. Firms from New Zealand adopting niche positions in the global marketplace struggle with the limited power that accompanies such a position. Niche positions bring some advantages that provide niche firms with the power to negotiate the global marketplace. Small firms may offer greater flexibility. One informant notes *...the fact that we are a smaller company, we run smaller drives; we can be a bit nimble so if somebody wants a hundred tonne of this or that, we'll change specification for them*. Flexibility, then, is a key aspect of the size dimension of niche that presents possibilities for productivity. Small size also gives firms the opportunity to be selective in their choice of markets, providing a reason for choosing only the most profitable international markets or customers. Firms may have the ability to slide under the competitive radar, avoiding direct competition. Through diversifying their product range, some of which are

branded products, players avoid direct competition over market share. One informant explains,

And we become more meaningful to our customers by adding products to our portfolio than fighting to the death to get incremental market share which they're never going to allow you to do anyway.

In operating within the global market firms face financial challenges with the capacity of their small operations, the limited resources that accompany small firms, and ultimately survival. These organisational financial challenges are negotiated within a global context. The New Zealand market is vulnerable to exchange rates, creating additional financial vulnerability for export firms. An informant comments,

The dollar goes up, the dollars comes down. This country is too small for the dollar. It can't control it. We're at the mercy of other overseas operators and the like and we have to be resilient enough to still have free ball with the highs and enjoy the lows when they come.

Yet, despite some financial strain for firms the global financial crisis did not pose a long-term challenge. This may suggest that niche positions can be resilient to economic challenges. As one informant explained,

We probably felt it more in 2008. We sort of felt a lot of our key accounts because our supermarkets and large department stores, their budgets were all cut back on what they could spend on seasonal gifting, which is our main area where we specialise. So we felt the cut backs in 2008. But we rebounded strongly in 2009 with incremental sales growth which has been exciting, coupled with some outstanding export success which we've been aiming at for years and finally we got it.

Further, the crisis provided the opportunity for firms to re-evaluate stakeholder relationships and focus on relationships and markets most effective for the firm. One informant commented,

We're at the end of this global financial crisis and the one thing that's taken everybody by surprised is how well Asia has performed and the fact that Asia is dragging us out of it.

In this instance, the emergence of Asia as a strong market offered a signal for that a market discourse might be the dominant aspect of productivity for New

Zealand firms and indicated a shift from the government driven labour strategy. Niche is not only an explanatory concept; it is also a contextualised and justificatory concept that explains why the productivity practices of firms differ from the government discourse. The small New Zealand market limited the product line options available, the potential sales/volume, the supply of ingredients and increased risks (through the limited number of distributors). However, for some firms the size of the New Zealand market also provided the impetus to export. The size of niches, whether in terms of the size of players or markets, operates on a continuum. In the range of food and beverage firms within the New Zealand market the firms that were interviewed identified positions within the industry that were very niche or boutique in comparison to them. In some cases this referred to the size of players: "They are all boutique, piddly players, right." In other cases this referred to the size of particular market segments,

... more of a growth through recognition of coeliacs. Doctors being more willing to diagnose that at a much younger age, so the market is just a bigger market and there is more demand for those types of products. It is an area where we will have a few products. It's very niche and it will never be massive but it's a good area to be in.

Niche here functions as a diversification strategy that allows a firm to differentiate and specialize. Strategies that do not lead directly to growth or productivity but offer potential in terms of being a market leader or perceived as an innovative firm may be adopted in order to increase value and wealth.

Discussions of innovation were clearly linked to the productivity discourse and ambiguities about the concept of innovation mean that it has the potential to be deployed as a useful defence against the productivity exhortation to grow. Niche firms actively create success and improve the power of their position through innovative problem solving. Overcoming initial constraints provides competitive advantage opportunities. For example, extending shelf life for fresh produce provides access to more markets as the product is more likely to survive transportation. *The next thing we did was we cracked year round supply. There's normally a seasonality and you would have it much more compact.* Further, firms use overseas markets for strategic supply and distribution. As one informant explains, *You can plug into*

their off season market and largely that's what we've done in Korea but the States, Europe, we're really developing the product.

Innovation also offers sustainability options and brings the concept of sustainability into discursive play: for example, firms generate new products or opportunities out of the waste or by-products generated from their product,

We do have a waste issue in the sense that we are using a third, 40% of the product ... so we started doing some tests ... and so now we are looking at it as creating fertilizer.

Quality was an important differentiating concept. Firms differentiated on the quality of the products and production so that they could charge premium prices, particularly overseas. This positioning on quality emerges not only in descriptions of high quality products or production processes adopted by the firm but also in comments about the inferior products offered by competitors, which is used to confirm the position of leadership regarding quality. Quality, then, is also a type of niche position. In some cases the differentiation on quality stemmed from another form of differentiation - the values or philosophy of the firm, such as organic, fair trade or health benefits. These approaches offered an alternative to the notion that growth results in increased productivity. Quality and innovation are key concepts within the firm translation of the productivity discourse. The governmental productivity discourse was thus translated from economics into a firm based marketing discourse and practice where positioning became a prime concern and the concepts of niche, quality, competitive advantage and innovation were invoked as a counter to the productivity emphasis on growth. These concepts thus served as descriptive explanatory devices for the strategies and positioning adopted but were also affirmative concepts.

The concept of niche was also deployed as a justificatory device to defend or mitigate vulnerability. Organisationally, firms are financially vulnerable because of their small capacity and limited resources. These limited resources and expertise create challenges for the internationalisation strategies sought within productivity discourses. However, New Zealand food and beverage firms overcame internationalisation limitations through collaborative relationships that mitigated risks, and identified international distribution and retail options. Internationalisation offset the small New

Zealand market for firms: *Even if you get a small niche in those markets, in a factory like ours, it would be actually big volume.* Here the concept of niche aligns with the productivity emphasis on export – although often in a more restricted way. Yet, a niche position is not powerless. To address financial challenges firms strategically choose contract and brand work. Contract work, where firms sell products to distributors as unbranded products to bring in cash, helps to weather financial difficulties like the global financial crisis. However, too much contract work helps build other players and reduces the amount of profit that can be generated from branded products and support long term performance. Consequently, firms have to balance the amount of contract and brand work they undertake.

As we get a lot more capacity, I mean at the moment probably 30% of our business is unbranded. Strategically I don't want it to get any more than that. So to take on more we've got to drop something off or grow the branded side of the business.

Additionally, some firms use, or are in the process of developing co-branding to increase awareness and volume of sales. In this way, niche firms can leverage social capital within the domestic market to decrease vulnerabilities internationally.

Firms in a niche position struggle with the discourses of different international markets. Industry standards could be interpreted as representing the discourse of the market. Industry standards, both domestically and internationally, are increasingly stringent and bring accompanying costs in compliance, adding to financial vulnerability.

It's also I'm not sure that the other processors understand what their compliance costs are because the UK supermarkets typically require you to do a whole lot of things on your plant back in New Zealand...that make you less efficient.

Even international markets that may be considered 'close' to New Zealand both culturally and geographically presented challenges because of different market discourses. As one informant explained, *...and so basically the whole episode in Australia was a waste of time except we made money on the land and the building but it was a very costly exercise.*

Thus value and wealth were created for the firm but not as an outcome of business productivity - the capital gain was a by-product. Although niche is a dominant concept in the discourse, it is underpinned by a continual focus on creating and protecting value and wealth.

Conclusion

This paper sought to explore how the discourse of productivity is translated at a firm level. The analysis identified gaps between government discourses of productivity and firm level discourse and practice. Managers responded to questions about productivity by invoking the concept of niche to both explain and justify the positioning strategies they have implemented. These niche firms appeared to be active in creating the boundaries of their niche discourse suggesting that such positions may be quite dynamic. This emerged in the way they deliberately positioned themselves as quality firms. Additionally, firms were active in the way they accepted niche positions. This was evident from firms' capacity to translate possible vulnerabilities or challenges into opportunities. For example, the global financial crisis created some temporary financial hardship but firms were also able to generate opportunities. Through this exploration findings emphasize the inter-relationship of organisation and country rhetoric in understanding niche positions. Limited organisational and country resources provided some challenges for niche firms, limiting the power a niche position occupies in negotiating with other players. However, firms used the power of networks, innovative problem solving, flexibility and positive country of origin association to dynamically construct niche positions that allow for some success and resilience over time.

Niche functioned as a contextualizing concept that offered multiple explanatory and justificatory options, providing an alternative to the government emphasis on productivity growth. This preliminary discussion of how concepts interact within a discourse highlights the importance of understanding the ideas that are used to translate discourse into practice and potentially counter hegemonic discourses. The government discourse of productivity focuses at a macro-economic level whereas the concept of niche

was invoked at a practice level to explain the capture of value and wealth. Thus, in this instance, the alternative concept of niche was articulated with those of the legacy productivity discourse to explain market practice. It is possible to map a shift in the hierarchy of concepts between government and firm discourses— the concepts of growth and labour are translated into marketing practices associated with the concept of niche. The directing principle of firm discourses is not about national effort - firm level effort and challenges dominate. The concept of niche played multiple roles; it was contextual, ideational and strategic. Niche was invoked to serve as a reminder of the constraints and challenges of the New Zealand context. Productivity is a generalized discourse of economic growth whereas the marketing discourse concept of niche offered a more nuanced mode of interpreting market possibilities and constraints. Niche conveyed notions of size, innovation, quality, competition and economic wealth. Invoking the concept of niche also served strategic purposes – it focused attention on productivity in the market. Concepts are a central foundation of discourse and cannot be considered in isolation – the conceptual network that underpins a discourse needs to be teased out and analysed so that complex questions about discourse as knowledge, discourse as practice and associated translation processes may be examined.

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