

Ringtone: Exploring the rise and fall of Nokia in mobile phones

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Yves Doz and Keeley Wilson's book on Nokia Corporation's rise to success and fall from a market leadership position in mobile phones joins some classical narrative accounts on similar themes (see, e.g., Burgelman, 1994; Danneels, 2011). Narrative is a key word here, as, despite the theoretical framework that Doz and Wilson use, the book is mainly a description of the history of Nokia. As in all good stories, the book presents dramatic events and heroic managers affecting the company's evolution at critical turning points. The conclusions of the book are various. Organized around the four critical factors (cognition, organization, relationships, and emotions), which comprise their framework, the main messages concern the difficulties of renewal and change after the initial success factors are imprinted in all parts and activities of the organization.

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Doz and Wilson establish their narrative as a theoretical version of the 'whodunit': what best explains Nokia's failure to remain competitive in the mobile phone market? After reaching over 40% market share in mobile phones, Nokia somehow lost its ability to defend its position against new entrants, iPhones and Android phones, and lost its competitiveness in less than 2 years after 2007. Nokia tried to revitalize, first, by building on its assets and Symbian operating system, and, later, by negotiating an alliance with Microsoft and its Windows operating system. The Windows phones never attained enough

popularity, and, finally, Nokia sold its mobile phone business to Microsoft in 2013. Doz and Wilson's key point is that all of this was not just a result of evolutionary forces or a historical accident but was instead catalyzed by 'managerial volition', that is, the succession of top management decisions over time. Although they acknowledge that a combination of factors was at work, the authors offer eroding cohesion in the executive team as the strongest explanation for Nokia's difficulties.

For scholars of strategy, international management, and business history, the central themes, especially strategic stasis in the face of fast-paced industry change, of the book are well known – not least because of Yves Doz's own role in promoting an evolutionary process view of multinational strategy since the late 1980s (e.g., Doz, 2015). The book represents a systemic worldview (or rather a grand theory of how things work in the business) in which the organization coevolves in complex ways with its global industry environment over time. Overall, the book and its key messages are close to organizational practices and some central themes in organization theory, as influenced by the Carnegie School (March, 1994). Doz and Wilson's book contributes to this body of knowledge, especially because of the first author's intimate knowledge of Nokia's top management team and their social dynamics: Yves Doz has done fieldwork in and consulted with Nokia since the 1990s, and has had a role in or has observed many essential turning points in Nokia's history. Although the conflicts and tensions at the upper echelon level are treated politely, the readers of the book have a rare opportunity to witness how and why large systemic and technological processes culminate in difficult interpersonal relationships and emotions among the leaders of the corporation. Doz and Wilson paint the psychological profiles of the central dramatis personae with a broad and colorful brush (flamboyant managers fighting with introverts for power and prestige, etc.), which makes the book a rich source of examples and ideas.

The difficulties and dramatic turns of Nokia Corporation have catalyzed an abnormal volume of publications, which, elsewhere, we have labeled a discursive battle (Laamanen, Lamberg, & Vaara, 2016). Most of the central Nokia executives have been involved in this battle either by writing autobiographies, being involved in research projects, or providing access to information. Against this backdrop, Doz and Wilson's book is undoubtedly the most even-handed account of what happened, how, and why. Trying to be neutral and write a lively

narrative at the same time, however, is difficult. The whole setting – starting with Nokia’s failure – calls for a narrative structure and with that comes the urge for a strong causal conclusion. Being done in situ or using historical materials would have resulted in a very different account, and even the material used in the book would provide tools for many alternative interpretations. Perhaps the right question for the book would not be to ask why and how Nokia failed, but what were the ex-ante logics of the central actors at the critical points of the corporation’s history?

Doz and Wilson have interviewed practically all the central executives working in Nokia Corporation’s headquarters in Finland. The insights these executives offer are simultaneously the greatest strength and weakness of the book. Informants speaking with their names and expertise on the record make the book a fascinating read. It is also clear, however, that Yves Doz writes about acquaintances: the leading tone of the book is empathetic, and it takes energy and time to read between the lines to find the more critical statements. In this sense, Doz and Wilson’s book reflects some of the methodological problems inherent in “casual ethnography”: they are rather unreflective about the sources used and see the whole organization as a reflection of the executive suite (Westney & Van Maanen, 2011). However, despite this sympathetic treatment, the Nokia leaders appear as emotionally sensitive and sometimes small-minded individuals.

Another concern is the narrative structure. Critical organization theorists have conclusively demonstrated that practically any series of events can be presented in the format of a classic narrative with a plot and *dramatis personae* (Boje, Oswick, & Ford, 2004). This is slightly alarming when writing about an organization of over 100,000 individuals managing, designing, producing, and maintaining. As a result of this plot structure, the top management team appears as though they were acting out a classic drama. Were they, or is this a function of the narrative structure that Doz and Wilson chose and which then dictated the events to fit this and other classic tragedies?

There would be many alternative stories and ways to report these stories. It is also worth asking whether a book or article is even the right format to tell the history of Nokia, given that such a complex, multidivisional and geographically dispersed organization represents many stories, rather than a unitary narrative. For example, a recent documentary film, “Nokia Mobile – We Were Connecting

People” (<http://catalogue.ses.fi/movies/the-story-of-a-mobile-phone/>), offers a different and more heterogeneous picture of Nokia – paradoxically with less reliance on the narrative structure. Likewise, the various social media sites memorializing Nokia Mobile Phones offer thousands of memories and ante-narratives for interested readers, without a need to find the villains and heroes so crucial for classic narratives. The genre of popular management books certainly needs such stories, but, for theory development and causal reasoning, the answer is less clear.

Another question – and a critical one for the readers of this journal – concerns the degree of internationalization. Doz and Wilson’s book is firmly centered on Finland and Finnish individuals, taking into consideration the scale of Nokia’s global business activities. Does this reflect the slowly evolving hierarchies in multinational corporations, or is it the result of the study design? Doz and Wilson do refer in passing to Nokia remaining too ‘parochial’ (i.e., too Finnish) for too long (p. 152). However, this theme is not explored in depth; a somewhat surprising omission for someone such as Doz who has been such a longstanding and astute observer of the dilemmas of leading multinational organizations. However, Nokia’s rapid international growth represented another strain on the organization and its top management, coinciding as it did with the industry forces of ‘creative destruction’ unleashed by the rapid technological change. The book focuses almost exclusively on the latter rather than the former, perhaps reflecting more recent trends in strategy, which have been preoccupied with the question of how industry incumbents can best respond to the threat of rapid technological advances. Seen more from the perspective of international management, Nokia could have been a case study of the challenges that rapid growth poses to an ‘adolescent’ multinational, that is, an organization that has yet to establish a coordinated and cohesive global network.

Finally, Nokia did not fall, in that its new leadership (especially Risto Siilasmaa) sold the mobile phone business to Microsoft early enough that it still had some value (over US\$5 billion) but late enough that experts in the company understood that the game was lost to Apple and Android. Divesting a legacy business (Feldman, 2013) successfully is a ‘black swan’ and would require additional studies; however, potential cases are few, although the implications are important for our understanding of strategy and international business.

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