

CONCEPTUAL FRAMEWORK FOR THE STRATEGIC MANAGEMENT: A LITERATURE REVIEW

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ABSTRACT

Strategic management is discussed in this essay as a crucial idea in business leadership. In addition to defining strategy, it clarifies the fundamental ideas of strategic management, including strategic vision, objectives, development of strategies, strategy execution, assessment, and taking corrective action. The study additionally concentrates on the board of directors' function in developing and carrying out strategy, as well as the corporate oversight component of strategic management. This study also discusses the organisational, business, functional, and operational layers of pitching strategy. We look at each of these ideas to emphasise how important it is to run corporate organisations effectively and efficiently. Throughout the previous 50 years, the field of strategic management has progressively grown from its relative infancy. During this time, the field has solidified while also broadening the scope of subjects examined and research techniques employed. Many concepts and techniques have been created to address various study issues and explain the factors that contribute to a firm's performance and competitive advantage. Organisations use strategic management, a thorough and continuous process, to develop and put into effect strategies that help them accomplish their long-term goals and objectives. It entails assigning resources, deciding on a strategic course of action, and coordinating internal and external organisational operations. Acquiring a long-term competitive advantage and improving organisational efficiency are the main goals of strategic management. Strategic management is a continuous, ongoing procedure rather than a one-time event. Organisations need to constantly review and modify their strategy to succeed in the long run and remain modest as the business climate changes. Leadership dedication and engagement, good communication throughout the organisation, and a readiness to adjust to changing conditions are all necessary for successful strategic management. In order to guide organisational management, Reviewing the literature on the important ideas is the goal of this effort that determine the approach to strategic strategy formulation, organisational frameworks, and strategic evaluation, while also accounting for the effects that various types of techniques have on an organization's performance.

Keywords: Strategic Management, Literature Review, Conceptual Framework, Strategic Evaluation.

Introduction

The concept of "strategy" has indeed become a central and dominant focus in the contemporary era of management, supplanting traditional activities like "administration" or "planification" (planning). The evolution of management thinking has shifted towards a more dynamic and forward-looking approach that emphasizes adaptability and long-term planning, and "strategy" encapsulates these principles. The term "strategy" has its roots in the military domain, originating from the Greek word "strategos," which means general. In the military context, strategy refers to the art and science of planning and directing large-scale operations to achieve specific objectives. Over time, this military concept has been successfully adapted and utilised in the business and organizational context.

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The adoption of strategic management in business involves making decisions that align with Long-term aims and ambitions of an organisation. It requires a proactive and holistic approach to navigate the complexities of the surroundings outside, leverage internal strengths, and respond to emerging opportunities and challenges. Unlike mere administration or planification, strategic management entails a constant process of strategy development, application, and assessment to ensure sustainable success. Originally, researchers as thought of strategies as static, reductionist approach, and coordinated with just a single instance in time as an addition in the examination of strategies from the mechanical viewpoint. A fresh round of studies that focus on the theory of behaviour and organisation emerged concurrently and these writers emphasise approach is the alignment or adaptive synchronisation of different states and trajectories.

Chiavenato claims that the method consists of four basic components that work together to form a complete. The mission statement provides an explanation of the organisation for the firm which is the organization's stated mission the market in which the business is established, the requirements that its goods and services address, and the company's or organization's reputation. The solution to the issue of what the organisation should look like in the upcoming years is found in the vision. The firm has outlined and defined its desired future state. To attain the desired condition of the organisation, the vision serves to direct, oversee, and motivate the entire organisation. The concepts, opinions, and guidelines that govern the business's administration are defined by its values. The outcomes which are intended to be attained within a given time frame are indicated by broad goals. These components make up the organisational culture's foundation and structural ideology. Having an established foundation that guides and motivates the operations of the company is the fundamental goal of the establishment of corporate values.

There are four components to the present study's literature review. A review is done during the strategy definition phase in Section 1. The approach is described in Section 2. The strategic approaches are defined and described in Section 3. The general traits for formulating the primary strategies are outlined in Section 4, along with the significance of organisational structures in relation to strategy formulation. The concept of employing tactical planning to formulate alternatives and its categorization are defined in Section 5. Questions regarding the tactical assessment, The benefits and drawbacks of the Balanced Score Card (BSC) framework are addressed in Section 6. The study is finally concluded in Section 7.

Methodology

In light regarding what is proposed by, a thorough literature study has been conducted as a suitable technique, in order to develop a trustworthy knowledge inventory. A number of writers have employed a methodical literature study to carry out their research, for example, Crossan and Apaydin suggested combining several viewpoints into a comprehensive, multifaceted framework for innovation within organisations. The present status of the incorporation of variable selection techniques for multidimensional controlled statistical processes was demonstrated by Peres and Fogliatto. Nguyen et al. investigated customer behaviour on the internet and the fulfilment of orders processes; Charband and Navimipour provided a comprehensive and comprehensive evaluation of the state-of-the-art mechanisms of information distribution in the edification arena as well as suggestions for further study; and Up till 2016, Pashazadeh and Navimipour offer a thorough, methodical, and extensive analysis of the most advanced big data techniques pertaining to healthcare applications.

The literature, publications, and proceedings of conferences that have been published utilised in this study from electronic sources primarily scientific data databases, is the only material that was found throughout the search procedure. Industrial organisations, organisational behaviour, strategic methods, strategic administration (SA), and strategic assessment are the terms that are employed. The examined papers include managerial control, strategic planning, organisational structures, and supply chain management.

Strategy Approaches

The term "strategy" has been used very frequently in recent decades. As a result, it is impossible to characterise them from a singular perspective. As a result, there are several general ways that are able to represent various responses on the goals of the strategy and how to achieve them.; These methods were put out in and are implied in the two primary tactics.

- **General Strategy.** It is in charge of formulating the organization's overall strategy. The logical approaches to resource allocation, planning, and profitability constitute the foundation of the

traditional strategic formulation process. The right structure emerges readily if the strategic strategy is stated. Ansoff claims that this strategy lays a lot of reliance on the hierarchy or scorecard and that the executive director is competent and has the intellect and capacity to implement methods that maximise long-term gains. Among the several styles, change management is seen to be the most successful. It consists of four sorts of behaviours that contribute to improved performance: curiosity, inspiration, dedication, and effort. According to Porter, the creation of an aggressive competitive plan involves determining a company's broad formula for competing, including its objectives (mission or aim) and the policies required to achieve those goals. Sloan claims that the traditional method places a great deal of emphasis on the formulation or development of strategies as a means of ensuring the stability and growth of the company. It is acknowledged that every strategy specialisation is important and that each one should stand alone from the execution policies. The creation of coalitions to protect the interests of the organisations is of great interest. Adhering to this strategy, Hamel and Prahalad contend that an organization's greatest unique selling point is its future vision; they assert that companies need to identify and fortify their most established strengths that are challenging for rivals to imitate. Weick, however, believes that organisations are systems that choose incorrect information about their surrounds and that these systems will change in the future as they learn more about the world around them and about themselves.

- **Business Plan.** It is the broad strategy's counterpart. The way it is used depends on the director or leader. The administration of organisational initiatives and the responsibilities of the upper management are crucial to the successful execution of the business plan. This tactic is employed at the directive level to accomplish a number of tasks, including supporting decision-making, executing coordinating procedures, and communicating objectives or the deliberate persistence. According to Galbreath, every business strategy needs to incorporate the concept of corporate social responsibility (CSR) in an efficient manner. Bento et al. assert that social responsibility for businesses is crucial for gaining a competitive advantage in the current environment. CSR, according to Lindgreen, Swaen, Maon, and others, is a strategy for directing companies based on impact management that their operations have on their customers, workers, shareholders, local communities, the environment, and society at large. SM refers to the development and execution of the primary goals and plans that senior management of a business adopt in connection with the owners, taking into account available resources and assessing the competitive outside and inside settings within which the business operates. Therefore, for something to qualify as a business strategy, it must include the following five qualities: (1) it must be quantifiable; (2) the objectives must be clear; (3) it must consume resources; (4) it must assign responsibility; and (5) it must be verifiable. The strategies' adequacy may be determined using a variety of methodologies, each of which represents a distinct set of indicators. These indicators use the profit effect of market planning framework to identify their tactical capability.
- **Strategy Creation:** Any organisational strategy, in the opinion of Peppard and Ward, must specify the company's future state and objectively assess its current state in order to choose the best course of action, taking into consideration all available options, alternatives, resources, and necessary adjustments. When a corporate outpaces its opponents in its field and can command higher prices or lower expenses, it can do so by operating more efficiently or adopting a more strategic approach. A well-thought-out collection of notions, procedures, influences, and activities that address a high-risk situation constitutes a solid strategy, according to Rumelt. Cost-based strategies have been regarded as one of the general types of strategic positioning. Reitzig and Maciejovsky assert that It's not merely the CEOs' job to design a strategy, but rather all organisational hierarchy levels, including heads of business units, products, functional areas within businesses or divisions, administrators, and supervisors, are involved in defining the company strategies and fresh actions to take. Authors like Kral and Kralova generally advise that in order to develop strategies, Analysing the surroundings where the firm works should come first and then pretend to propose action plans that would increase the company's competitiveness. Nikulin and Becker state that the SWOT analysis is the most often used technique for assessing the environment in which a business works. This is because it allows one to identify the company's strengths and opportunities as well as the market's weaknesses and threats that are pertinent to the firm.

- Organizational Structures:** In an effort to satisfy the client, effective organisational structures serve as moderators for leaders' increased influence on the actions, output, and work of their subordinates. Organisational structure has been characterised by a variety of writers. According to Mintzberg, all of these are patterns for structuring an organisation, accounting for all possible ways to split up work and then coordinate it in order to reach the objectives and suggested aims. According to Strategor and Anastassopoulos, an organisational structure is the formal arrangement of duties and relationships that establish the roles that every unit must play along with the channels of communication within each work group. According to Chin's assessment of the roles that men and women play in organisational structures, while men and women's skills become equally legitimate, women's leaders' status, perceived competence, and interpersonal skills decline more than men's do when an organisation fails.
- Corporate Strategy:** The goal of this approach is to increase the firms' business portfolios in order to outperform their rivals. A corporate strategy will be required if an organisation operates in many business sectors (diversify corporation). The opportunities available to an organisation to choose its future posture might be seen as the corporate strategy. The means of announcing this positioning might range from straightforward inspirational statements to rigorous goals and in-depth business details that link the indicators and factors of the organisation using a precise methodical methodology. A few instances of this include the inexpensive significances, which are formed from the operational choices made according to the client's requirements and the corporate plans. Mazzei and Noble claim that the corporate approach plays a crucial role in deciding which data has to be gathered and examined in order to make the right decisions.
- Business Strategy:** Generally speaking, the organization's corporate plan and business strategy are same. Action plan for a small firm with a single mark of occupational or a large company that hasn't expanded into other markets or product lines. In addition to having a first-order effect on the likelihood of a financial accident, company strategies have the power to directly affect the shareholders and owners of the firm financially. The administration developed these strategies, which consist of techniques and measurements, to ensure a good outcome in a particular business line. The main objective of the company plan is how to establish and maintain the company's long-term competitive position in the market. Various writers offer typologies that explain how businesses compete in their particular market settings, In line with Bentley et al. Forming an SBU, unit might help with planning when an organisation is in a new industry. SBU stands for a distinct business or a collection of connected businesses for whom a shared strategy may be developed. Given that SBU will each have a unique goal and distinct rivals, It could come out with a different plan than the other business units.
- Functional Strategy:** This technique, according to Dubey and Ali, is comparable to the description of actions and processes in that it adapts to the way that Resources have to be used consistently, just as responsibilities must be finished. The corporate and commercial strategies must be in harmony with the functional strategy, which is dependent upon them. Production strategies, marketing strategies, human resources strategies, technology strategies, organisational strategies, and financial strategies are the primary categories of functional approaches, based on Fisher and Sharma. The production strategy is going to receive the utmost priority in the years to come as it is believed that it has proven the most effective in the past. In general, the importance of the technological policy and the approach to human resources follows.
- Operation Strategy:** The creation of an agreement of standards for planning, production control, and the formulation of rules to assess how much operation management contributes to the overall objectives of the company are all included in these two roles. In order to determine goals and route plans, the operation strategy begins with an examination of the surroundings outside, the market, competitors, and an assessment of the available resources within the organisation. The operating strategy is planned using the corporate values as a guide. In order to get a competitive edge, this approach has to supply the production goals while concentrating on a standardised decision-making framework for the major production resources. Additionally, to disclose how the business units create or use their production resources.

Formulation of Strategies

Determining if a strategic problem—also known as a strategic GAP—exists is crucial. When the present strategy is insufficient to accomplish the future goals, then exists a tactical gap. The three steps of the SM process are strategy formulation, strategy execution, and strategy assessment, according to Chang and Huang. A prior study of the organisations that assess goal definition, scenario analysis, and planning must be completed in order to provide strategies. Any organisation has to have a procedure that enables the deployment of a technique to design plans, regardless of its size, industry, business sector, or nation of origin. Sadler states that this process starts with the construction of the deliberate proposal, which is a means of identifying and evaluating the company's present competitive position as well as any strategic issues that may be influencing it. Conversely, Mintzberg et al. claim that planning-based techniques overlook the possibility that ideas may originate from within an organisation even in the absence of a written plan. Emergent strategies are those that are started by lower levels of an organisation rather than always being developed by senior management. Mintzberg presents a classification scheme for strategies that highlights planning. These may be particular or broad:

- Approach as a directive for action
- Tactic as an outline
- Policy as a situation
- Strategy as perspective

The implementation, assessment, and control process of formulating a strategy involves several steps. If the administration is unsuccessful, either during the implating process or during the evaluation of the outcomes, then even the most effective tactics will fall short. Strategy formulation can be understand by the following graph.

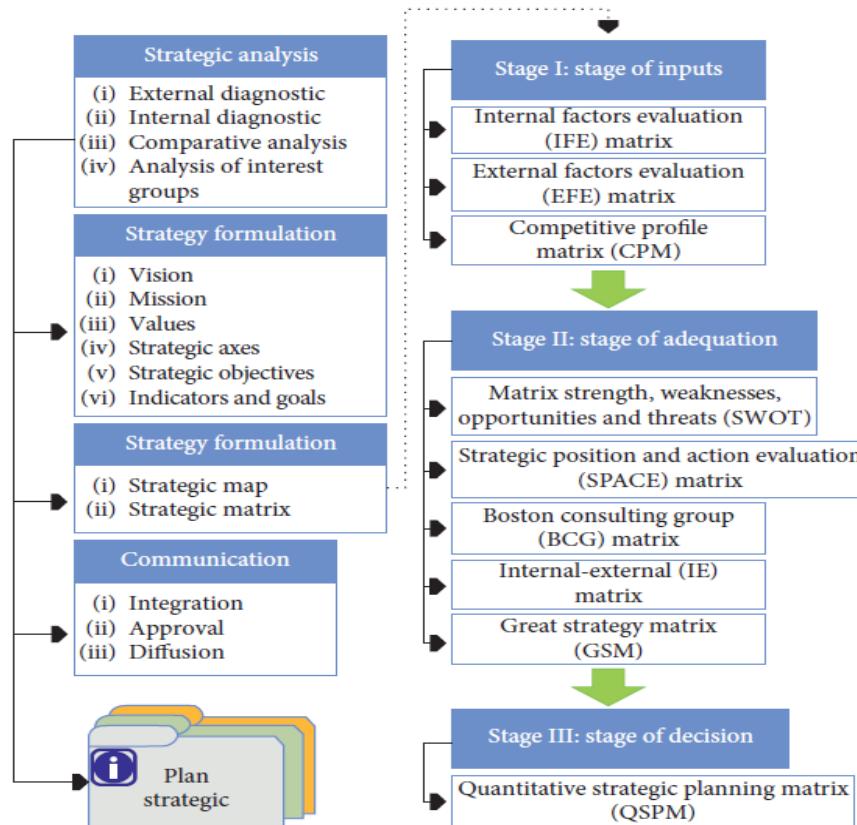


FIGURE 1: Stages of the strategic formulation.

Source: <https://www.hindawi.com/journals/je/2020/6253013/>

Evaluation of Strategies

The strategic evaluation, entails calculating the influence that strategic planning has had in order to provide the opportunity to take the required corrective action. This procedure helps the organisations determine and assess if the suggested courses of action are indeed leading the business in the proper path. Data that is both qualitative as well as numerical are analysed in the strategy evaluation procedures. According to Cokins, any environmental factors—threats or opportunities—that have an immediate impact on how the strategy operates and necessitate a successful reaction must be taken into account for the strategic review. Cooper et al. report that BSC is the primary technique of strategic evaluation in 75% of the organisations with a systematic procedure of gaging recital (46 percent of all the businesses observed). Roughly 60% of large North American corporations and 53% of global corporations utilise BSC. Each strategic goal is attributed to single of the four concert perceptions created for BSC, per the following:

- Financial
- Customer
- Internal Processes
- Innovation & Learning

Conclusion

The strategies outline the effectiveness with which a company achieves its goals and meets consumer expectations, as a significant portion of accountability rests regarding the execution of administrators. Long-term competitive strength maintenance and successful expansion of the organisations are contingent upon the acquisition of high-direction talents. Making crucial choices regarding the allocation of financial and human resources falls under the purview of the senior management; these choices frequently impact the whole industry of the nation. With SM, businesses may find, develop, strengthen, and outperform their competitive position by identifying the steps that need to be taken to get there. Creating strategies enables businesses to distinguish themselves from the competition, outline a course of action for the future, mark a behaviour in time, and define internal management with the goal of putting the business in the best possible competitive environment to succeed. For a business to succeed, it must constantly adjust to its surroundings. The competitiveness turns into the excellence-based economic criterion for directing and assessing performance both within and outside the organisation. A company's ability to succeed in business is largely dependent on the sort of strategy it employs. While it does not ensure success, SA enables organisations to make long-term, effective choices, put those decisions into practice, and initiate corrective action when necessary. Integration of analysis and intuition is essential for a successful strategic review.

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