

Schools of thought on Strategy and Strategic Management

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Aspects of Strategy

According to Macmillan and Tampoe (Oxford University Press 2000) strategy is characterised by:

- Statement of ends, purposes and intent
- High level plan (vision and big picture)
- Elements of leadership
- Positioning for the future
- Building capability
- Fit between capabilities and opportunities
- Result of deep involvement with business
- Pattern of behaviour resulting from embedded culture
- An emerging pattern of successful behaviour

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Different Perspectives of Strategy & SM

- Whittington
 - 4 Generic approaches
- Mintzberg, Ahlstrand and Lampel
 - 3 Prescriptive Schools
 - 7 Descriptive Schools

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Whittington's 4 Generic Approaches to Strategy

| <i>Indicators</i> | Classical | Processual | Evolutionary | Systemic |
|-------------------------------------|------------------|-------------------|---------------------|-----------------|
| <i>Deterministic - Emergent</i> | Deterministic | Deterministic | Emergent | Emergent |
| <i>Single goal or Pluralistic</i> | Single | Plural | Single | Plural |
| <i>Strategy style</i> | Formal | Crafted | Efficient | Embedded |
| <i>Influences</i> | Economics | Psychology | Economics/Biology | Sociology |
| <i>Period (decade of influence)</i> | 1960s | 1970s | 1980s | 1990s |

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Source: Adapted from R. Whittington *What is Strategy - and Does it Matter?* (Routledge 1993)

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More on Approachers.....

Classical:

Top-down approach and strongly conditioned by great man leadership

Processual:

As a processing, it is sequential and logical (autocratic leadership)

Evolutionary:

Emphasis on developing, emerging and entrepreneurship

Systemic:

Linking and integrating : seeing the company in a much wider and cob-webbed order

Mintzberg, Ahlstrand and Lampel

Prescriptive Schools

The prescriptive schools look at the way strategy should be

Descriptive Schools

The descriptive schools look at the way strategy is and seen i.e. in a explanatory fashion

The Three Prescriptive Schools

| <u>School</u> | <u>Nature of Process</u> | <u>Example</u> |
|---------------|--------------------------|----------------|
| ■ Design | Conception | Apple |
| ■ Planning | Formal Planning | Apollo |
| ■ Positioning | Analysis | Pizza hut |

Source: Adapted from Mintzberg, Ahlstrand and Lampel *Strategy Safari* Prentice Hall (1998)

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The Seven Descriptive schools.....

| <u>School</u> | <u>Nature of Process</u> | <u>Example</u> |
|-------------------|--------------------------|----------------|
| ■ Entrepreneurial | Visionary | Edison |
| ■ Cognitive | Mental Process | Post-it |
| ■ Learning | Emergent | Virgin |
| ■ Power | Negotiation | Sky |
| ■ Cultural | Collective process | Volvo |
| ■ Environmental | Reactive process | Kyoto |
| ■ Configuration | Transformational | Post Office |

Source: Adapted from Mintzberg, Ahlstrand and Lampel *Strategy Safari* Prentice Hall (1998)

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