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Strategic management is a vital element in achieving success within the corporate sector

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Abstract

This paper explores how strategic management leads to success in the corporate sector. Today's economy experiences a great deal of dynamism and challenges. The achievement of a successful corporate sector will depend on management's recognition of essential functions, such as analyzing changes in the environment, selecting strategists, encouraging creativity, setting goals, devising strategies, assigning responsibilities and responsibilities, implementing the strategy, evaluating progress, and measuring outcomes. Additionally, by comparing Eastern and Western corporate sectors, this essay delves into how culture and environment play a crucial role in creating effective business strategies. The paper also highlights how proper implementation of strategic management in a business organization can effectively address the issues of ailing corporate firms. Based on the case study of PTCL, we can see how a genuine application of strategic management greatly impacts the betterment of corporate firms.

Keywords: Vital element, corporate sector, achieving success

Introductions

Initially, the skill of strategic management was largely associated with military history. Throughout history, there have been numerous examples where the effective planning and execution of offensives and counter-offensives led to resounding victories. It wasn't until after the Second World War, with the rapid growth of major economies such as the USA, Japan, and China, that the corporate world began to recognize the need for strategic management. As multinational organizations flourished, the highly competitive environment made it increasingly challenging to sustain success without adapting to changing business requirements and devising sound plans to navigate the shifting landscape.

Strategic management is a methodical method that employs management principles and processes to establish a corporate goal or mission for any business. It identifies a suitable target to fulfill the goal, acknowledges the current opportunities and limitations in the surrounding environment, and devises a plan to achieve the objective. The success of a business organization in a competitive economy largely hinges on the effectiveness of its management team in implementing strategic management.

Aim

The objective of this research paper is to investigate the Art of Strategic Management and its significance in achieving success in the Corporate Sector.

Literature Review

The ongoing debate in literature surrounds the essentiality of strategic management for organizations. It has been observed that the strategic management process is a powerful tool that can assist troubled companies in preparing for future challenges and improving long-term performance. By adopting better analytical techniques and improving data collection within the organization, efficiency and plan success rates can be significantly improved. According to the Journal of Business Strategy, strategic management is a process that involves the development of an organization's strategies, starting with tangible missions and visions that are transformed into firm-wide goals and objectives. This process comprises strategic analysis and planning, plan formulation, implementation, and final evaluation of past results.

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During the process of strategic management, conducting an analysis of environmental scanning is a crucial stage. This research directly impacts the development of strategies, as more challenging environmental conditions require innovative and dynamic approaches. Business strategists have developed various environmental scanning models that assist organizations in critically observing changing dynamics within the corporate sector. Comparing the Eastern and Western corporate sectors has demonstrated the profound influence of environmental and economic factors on the design of strategic management processes. Experiences have revealed that China is currently in its early stages of adopting Western culture, evidenced by the absence of environmental consciousness. On the other hand, Australian businesses are more focused on monitoring environmental changes.

The examination of existing literature also uncovered the significance of strategy formulation as a crucial phase, emphasizing the necessity for a struggling corporate firm to enlist imaginative and courageous strategists capable of crafting innovative and daring strategies. These strategies serve as theoretical remedies for addressing organizational challenges, while their successful execution represents the practical solution to these problems. Consequently, organizational excellence can only be attained through a combination of effective strategy formulation and implementation. The test outcomes further validate the connection between strategic planning performance and factors such as the organization's environmental turbulence, structure, firm size.

The literature strongly emphasizes the significance of the three levels of strategic management. The various levels, including corporate strategy, business strategy, and functional strategy, play a crucial role in enhancing firm performance. Corporate strategy contributes to the organization's capacity-building by enhancing its culture, improving internal efficiency, prioritizing customer satisfaction, and ultimately boosting financial performance through increased profitability, revenue, and cost reduction. In today's dynamic environment, the organization's ability to transform in response to economic changes has emerged as a critical success factor. Competing in a competitive landscape requires firms to continuously adapt their strategies to the prevailing circumstances. Failure to do so not only hamper their competitive advantage but also results in a loss of market share.

Furthermore, in this ever-changing world, corporations must also consider aspects such as corporate governance, social responsibility, and business ethics when formulating business strategies. These additional considerations are vital for ensuring responsible and ethical business practices alongside strategic decision-making.

Elements of Strategic Management

The strategic management process does not engage in the day-to-day operations of the organization but rather focuses on developing strategies to achieve long-term objectives.

There are four key elements to Strategic Management.

- a) Environmental Scanning
- b) Strategy Formulation
- c) Strategy Implementation
- d) Evaluation and Control

A. Environmental scanning

Environmental scanning entails assessing both macro and micro-level environmental factors to identify potential threats and opportunities for the organization.

External scanning

External environmental scanning holds significant importance for all organizations. Occasionally, abrupt shifts in the corporate environment or economic crises can have catastrophic implications for an organization. Throughout the years, several models have been developed to analyze the external environment

Stlept Analysis: Social, Legal, Economic, Political and Technological analysis.

Pestel Analysis: Political, Economic, Social, Technological, Environmental and Legal factors.

Internal environmental scanning

Recognizing one's own capabilities and weaknesses holds equal importance to scanning the external environment. The following model is frequently utilized to examine both internal and external environmental factors.

Swot Analysis: Strengths, Weaknesses, Opportunities and Threat analysis.

B. Strategy Formulation

Strategy formulation entails the systematic determination of the optimal approach to accomplish organizational goals and objectives. This process encompasses three distinct stages.

- a) Generation of option
- b) Evaluation of option
- c) Selection of strategy

Generation of options

Following the analysis of environmental conditions, the subsequent phase in the strategic management model involves generating alternative options that align with the organization's objectives and values. This stage emphasizes the significance of creativity, as strategists must explore unconventional possibilities and even consider seemingly impractical ideas that can be modified to become viable alternatives.

Evaluation of options

Once the options have been generated, they need to undergo evaluation. This assessment process should consider factors such as the probability of success, cost implications, risk factors, and time considerations. After analyzing these elements, the strategist can determine the most favorable option to pursue.

Selection of strategy

After evaluating all the options, the most favored choice must be selected. However, before proceeding with implementation, it is crucial to present the chosen option to the Board of Directors for their approval.

C. Strategy implementation

Strategy implementation involves the effective execution of the chosen strategy, ensuring that it is put into action as intended. This process encompasses various components,

including designing the organizational structure, allocating resources, establishing decision-making processes, and managing human resources.

D. Evaluation and control

Strategy evaluation represents the concluding phase of the strategy management process. It encompasses essential activities such as examining the impact of internal and external factors on current strategies, measuring performance, and implementing necessary remedial or corrective actions. Evaluation guarantees that both the organizational strategy and its implementation align with the organizational objectives.

Levels of strategic planning

To facilitate the strategic management process, strategies are formulated and implemented through a three-tiered approach to strategic planning. These hierarchical levels aid organizations in accomplishing both short-term annual objectives and long-term objectives.

Corporate strategy

At the pinnacle of the organizational strategy-making process lies the highest level, known as corporate strategy. This level focuses on the holistic advancement of businesses within the organization. Corporate strategies establish the direction for the firm, determining the types of businesses in which it should invest. The formulation of corporate strategy is based on a comprehensive understanding of:

- Where your organization is today.
- Where you want it to be.
- How you want to get there.

Strategic decisions typically possess a value-oriented and conceptual nature, differing from the more tangible and concrete decisions made at the business or functional level.

Telecom Revenues

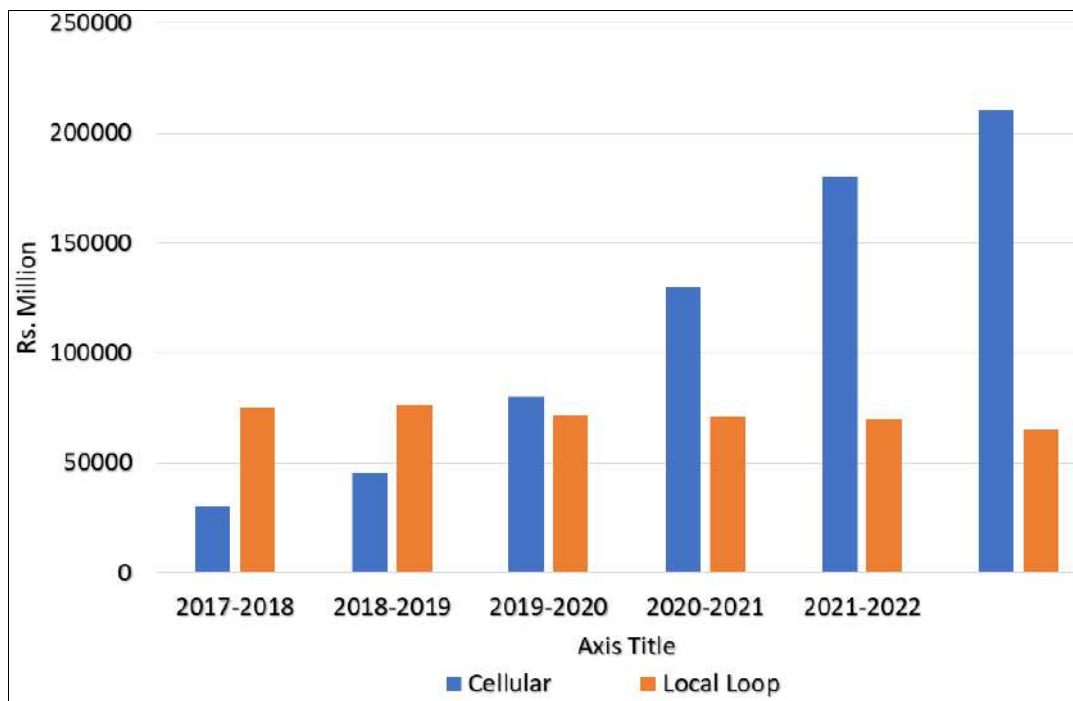


Fig 1: Telecom Revenues

Business strategy

Business strategies are designed for firms that operate multiple businesses, with each business necessitating its own distinct strategy. While these strategies may vary, they all fall within the overarching mission, vision, and goals of the organization. The objective of business strategy is to achieve a competitive advantage in specific markets.

Functional strategy

Functional strategy involves the execution of corporate and business strategies. These strategies serve as the means or steps taken to effectively implement higher-level strategies. Functional strategy focuses on specific functions within the organization and provides objectives within a relatively narrow scope. These objectives can range from non-quantifiable actions like customer satisfaction to quantifiable actions such as the number of orders placed or delivered in a single day.

A strong strategic management: A solution to ailing corporate firm

Effective strategic management is driven by visionary and innovative strategists who imprint their personal touch on the entire process, including people management. This groundbreaking approach has the potential to address the challenges faced by struggling corporate firms. Strategists must tackle problems systematically, beginning with the creation of a corporate-level strategy and then aligning business and functional level strategies with the organization's mission and vision statements.

Case Study- Bharti Airtel Services Limited

It is the major phone company in India. Bharti Airtel is a leading and most trusted provider of ICT services in India. It had a monopoly on all phone services, but since the beginning of 21st century the introduction of cellular networks created a huge competitive environment.

The graph indicates that the implementation of cellular networks has led to a decrease in revenue from the local loop network. This outcome emphasizes the necessity for a

more flexible corporate strategy to compensate for this decline in revenue.

Annual Fixed Local Line Subscribers

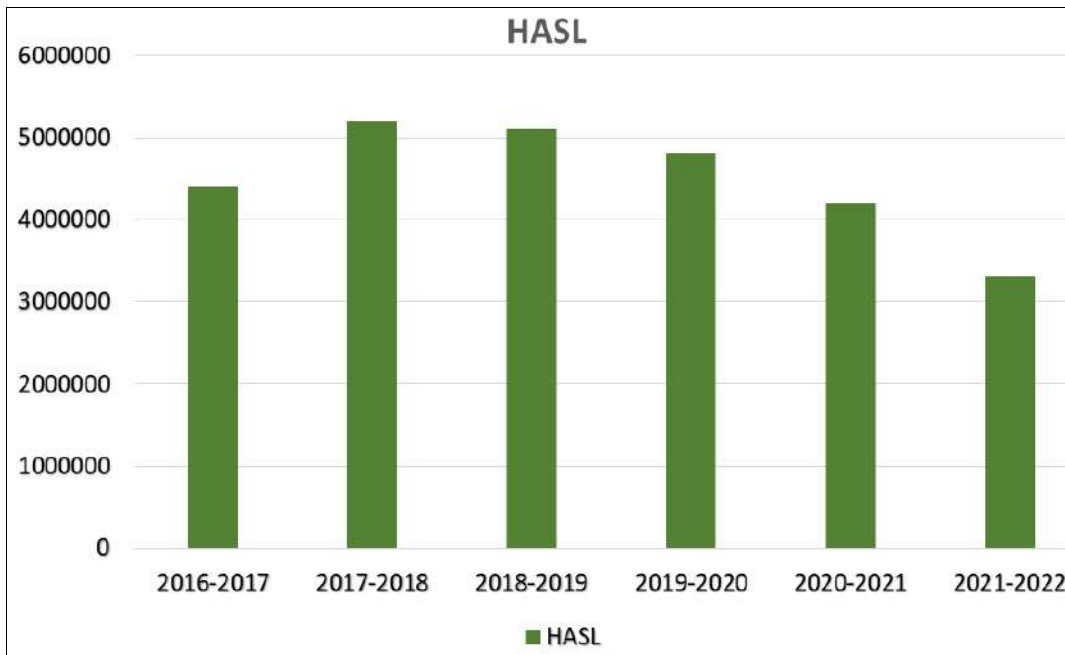


Fig 2: Annual Fixed Local Line Subscribers

The graph illustrates an annual decrease in the number of subscribers to fixed local lines. This outcome highlights the urgency for businesses to seek innovative strategies by expanding into areas such as cellular networks and wireless local loop networks.

Corporate strategy

The privatization of BASL took place in 2019, involving the strategic transfer of 26% of the company's shares. This change brought a revitalizing impact on the company and transformed its approach towards emerging challenges. Under the new administration, BASL underwent a

modernization of its vision and mission, and a strong emphasis was placed on delivering quality customer service.

**Business strategy
Wireless local loop**

The WLL segment of HASL has demonstrated significant growth, albeit at a slower pace than anticipated. Nevertheless, this strategy has proven to be a successful alternative to the Fixed Local Line service. In this sector, HASL has encountered fierce competition from World call and Wateen. However, due to its extensive network coverage and robust infrastructure throughout India, HASL has successfully surpassed its competitors in this domain.

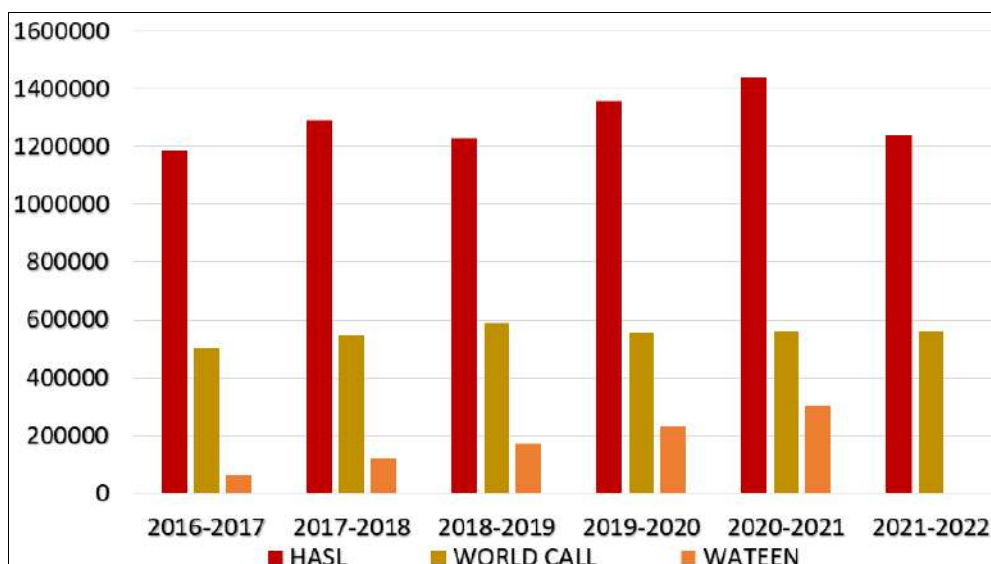


Fig 3: Shows the HASL world call and its wateen

The graph indicates a gradual growth in the annual number of subscribers for HASL in this particular segment. While Wateen experiences a faster rate of increase compared to HASL, there is a significant disparity in the subscriber counts between the two companies.

The implementation of DSL (Digital Subscriber Line) Broadband services in major cities has expanded HASL's revenue base. Despite facing strong competition from other cable-based broadband service providers and local cable operators, HASL has gained a competitive edge in this segment thanks to its extensive network coverage.

Broadband and Value-added services

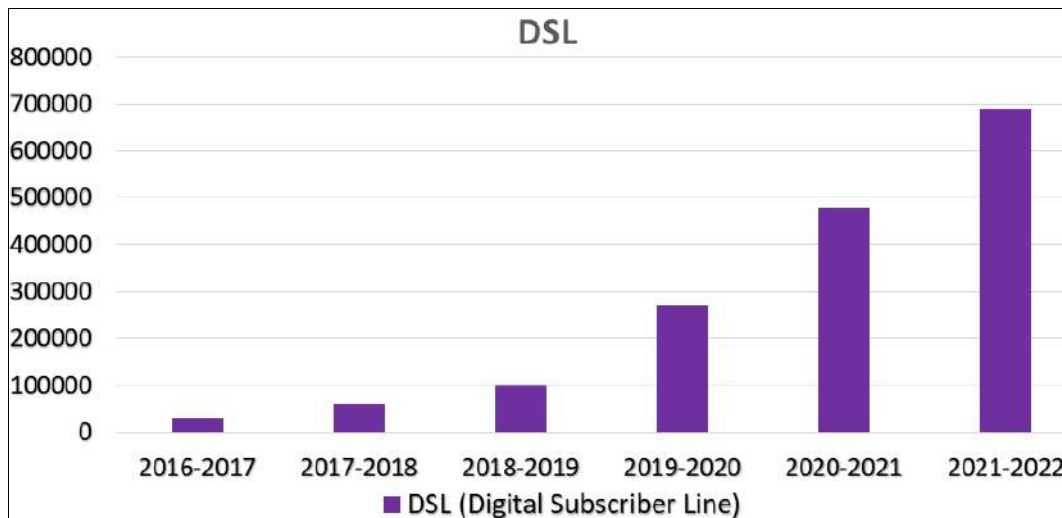


Fig 4: Digital subscriber line

The graph illustrates a substantial rise in the yearly count of DSL (Digital Subscriber Line) subscribers between 2018 and 2022. These figures serve as evidence of a triumphant business strategy within this particular sector.

enhancing the organization's reputation and contributing to higher levels of customer satisfaction.

**Functional strategy
HR Development**

A key goal of this new strategy was to enhance workforce optimization, achieved by introducing a voluntary retirement option with financial compensation for HASL employees. Approximately 29, 920 employees chose this option. As a result, HASL welcomed energetic, motivated, and creative individuals who played a significant role in

A comparison between strategic management of eastern and western corporate sector
The strategic management process varies for each firm due to distinct requirements. Factors such as corporate culture, economic conditions, and labor force statistics determine the specific model of strategic management process needed. When comparing Eastern and Western corporate sectors, the strategic management process differs in the following aspects;

Eastern	Western
The possibility of sequential strategic changes exists.	The possibility of radical strategy changes exists.
Both short-term and long-term financial objectives are given equal importance.	Short-term financial objectives are highly prioritized to enhance shareholder value.
Certain powers of the CEO are delegated to the managerial level.	The CEO holds significant power and authority.
Decision making occurs through top-down, bottom-up, and lateral approaches.	Decision making follows a clear top-down approach.
There are multiple hierarchical layers within the organization.	Hierarchies are relatively flat.
Strategies are focused on behavior-oriented approaches.	Strategies focus on achieving concrete results.
A people-oriented approach is followed.	An approach that emphasizes job orientation is followed.
Consumer relations are influenced by both marketing and product-driven factors.	Consumer relations are primarily driven by marketing efforts.
Evaluation processes are subjective in nature.	Evaluation processes are objective in nature.

Recommendations

Strategic management is a complex and non-linear process that is far from being easy or step-by-step. It is an interactive and intricate process that demands considerable effort and commitment from individuals across the organization to propel it towards the future. It signifies a shift in focus towards a compelling vision of what lies ahead. These recommendations can prove valuable for organizations seeking to establish an effective strategic management process that drives efficiency and success.

Know your mission, vision and goals

Throughout the strategic management process, it is crucial to maintain alignment with the organization's mission, vision, and goals, as they form the fundamental pillars of any organization. Having a clear comprehension of these aspects assists strategists in devising an effective strategic management process. Any step taken that deviates from the company's mission statement not only risks damaging the company's reputation but also has the potential to demoralize its workforce.

Innovative strategists as leaders

The task of strategically managing the organization falls on the shoulders of senior leadership. Strategic management is an ongoing process that requires continuous attention, rather than being a one-time event. Consequently, senior leaders must adopt the roles of strategic thinkers and leaders, influencing both the organization and its culture. To achieve optimal success, leaders must act as facilitators, coaches, consultants, and consensus builders.

Developing these leadership qualities necessitates hard work, dedication, a willingness to take risks, and internalizing the organization's vision and guiding principles.

Pre-planning activities

The organization's strategic management team must start its work by conducting the pre-planning activities to prepare for strategic planning. It outlines a process whereby the senior leaders of an organization can envision its future and begin to develop the necessary procedures and operations to achieve that future through goals, strategies, and objectives. After the completion of the pre-planning activities, the senior leadership team can begin the strategic planning process. An initial strategic planning workshop can help in carrying out these pre planning activities.

Developing the plan

To ensure alignment with the company's vision and mission statement, it is imperative to develop a purposeful strategic plan. A well-executed plan should encompass the following elements for success:

- Allocate roles and responsibilities to individuals within the organization.
- Set clear priorities to guide decision-making and resource allocation.
- Engage mid-level management as active participants in the strategic planning process.
- Determine an effective approach for managing the implementation of the strategic plan.
- Entrust mid-level management with the task of aligning lower-level plans with the overall strategy.
- Exercise caution in selecting the contents and format of the plan, making deliberate choices.

Communicating the plan

When information and clear communication are absent, rumors begin to circulate, causing individuals at the functional strategy level to speculate negatively. Often, strategies are only shared with top executives, leaving the rest of the team uninformed and excluded. This lack of transparency leads to significant mistrust and confusion among team members, ultimately impacting their effectiveness in problem-solving. Therefore, when formulating any strategy, it is essential for strategists at all three levels to communicate the general framework of their strategy to the individuals responsible for executing the plan.

Winning the commitment of the people

The workforce serves as the foundation of any organization, and the emergence of new success factors generates enthusiasm among them. It is crucial for the CEO and management to establish a sense of trust with the workforce. They should clearly communicate how the new strategic

management process can restore profitability to the organization and positively impact the employees. Gaining their trust and commitment can rally all key players within the organization and ensure a collaborative effort toward transforming the company from failure to success.

Conclusion

Every organization approaches its strategic management efforts in a unique manner. Leadership style, organizational maturity, structure, and morale all play a role in determining the approach taken. However, the crucial aspect of any process lies in the implementation of the strategy and its ongoing evaluation. These factors enable the assessment of a plan's practicality and contribute to the company's success and progress.

"The best plan remains mere good intentions unless it is translated into action. The true measure of an effective plan lies in the commitment of key individuals to execute specific tasks. A plan is tested by whether management actually dedicates resources to actions that will yield future results. Without such commitment, there are only promises and hopes, but no tangible plan."

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