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Redefining Strategic Management: The Alignment and Implementation Perspective

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Abstract

This article discusses strategic management from the perspectives of various experts in the area as well as from the perspectives of foundational strategic management theories and tools. Current issues are discussed which require strategists to expand their thinking about items which are relevant to the strategic management of their respective organizations. Part of this article is descriptive based on research relating to strategic management experts, theories, and tools. The rest of the article explains in detail the 5P's leadership model (which was created by one of the authors) so that it can be used by both academicians and organizational leaders. The 5P's strategic leadership model is introduced as complementary to many of the foundational theories of strategic management. It positively contributes to the strategic management academic discipline because it includes required organizational elements which must be aligned to ensure successful strategic management of an organization. We observe that the 5P's strategic leadership model positively contributes to the strategic management academic discipline and to the practitioners' need for assistance in the execution of strategic plans.

Keywords: 5P's strategic leadership model, strategic management, strategic plans, strategic issues.

I. INTRODUCTION

Academicians continue to debate the definitions of, and theories associated with, strategic management. Correspondingly, organizational practitioners bemoan the extent to which they are overwhelmed with requirements for developing, updating and executing strategic plans. Still, there is no substitute for the strategic management of an organization. It involves internal and external environmental analyses, the establishment of strategic direction, the formulation and execution of specific strategic plans, the measurement of accomplishment, and adjustments as needed. While often considered the job of top executives, strategic management includes the deployment of strategic plans vertically and horizontally throughout an organization. Thus, to some extent, it involves all employees.

This article discusses strategic management from the perspectives of various experts in the area as well as from the perspectives of strategic management theories and tools. Next, current issues are discussed which require strategists to expand their thinking about items which are relevant to the strategic management of their respective organizations. Finally, a relatively new strategic management model, the Five P's strategic

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leadership model which is depicted in Figure 2 is discussed. The 5P's strategic leadership model positively contributes to the strategic management academic discipline and to the practitioners' need for assistance in the execution of strategic plans.

II. LITERATURE REVIEW

2.1. Strategic Management Experts and Theories

As a field, strategic management is relatively young, evolving from an academic discipline known as business policy (Schendel & Hofer, 1979). As strategic management evolved as an academic discipline, it became an integral part of the management of organizations.   Major contributors to the reconceptualization and development of the field of strategic management include Porter (1979; 2008), Miles and Snow (1978), Mintzberg (1987) and Barney (1991). The contributions of these strategic management experts are relevant to business practitioners as well as to academicians and researchers.

2.1.1. Michael Porter

Michael Porter developed much of the foundational material of strategic management that has made it a recognized academic discipline with rigorous theories. "Porter competitive analysis model (also known as the 5 forces model, or the Porter diamond model) is the result of the study of several sources: management, strategic management, diagnostic analysis, business management". (Ghicajanu, 2021, p. 170) More importantly, strategic management is accessible and useful to organizational leaders. Over the years, Porter (1979; 2008, etc.) has been one of the most prolific in terms of his contributions to strategic management research as well as to the implementation of strategic management by practicing managers.   To supplement Porter's strategic management theories, more needs to be done in terms of internal organizational elements that strengthen strategy development and execution.

2.1.2. Miles and Snow

Strategic management theories developed by Miles and Snow (1978) involve the classifications of organizations as prospectors (innovative and first to market), defenders (competing on value and/or cost), and analyzers (using 'imitate and improve' strategies). While Miles and Snow (1978) made significant contributions to the foundational theories of the field of strategic management and continued to contribute to the field (Miles et al., 2010, etc.), we feel that some essential elements were missing in terms of internal organizational capabilities and more specifically, the alignment thereof.

2.1.3. Mintzberg

Instead of presenting different approaches to strategy, Mintzberg (1987) offered terms (plan, ploy, pattern, position, and perspective) as different definitions of strategy. Mintzberg continued to raise issues about strategic planning, strategic management, and the strategy process. Mintzberg also analyzed the impact of various items on the strategic management of organizations. While Mintzberg's definitions and other contributions added to the early research and foundational work on strategic management, they did not significantly contribute to the much-needed focus on internal development and alignment of strategic elements necessary for strategy implementation.

2.1.4. Jay Barney

In his resource-based view of strategic management, Barney (1991) noted that the four indicators of the potential of firm resources to generate sustained competitive advantage are value, rareness, imitability, and substitutability. Subsequently, Barney further clarified and added to his initial theories, and resource-based theory became a powerful, prominent strategic management theory. However, there were many criticisms and challenges to Barney's resource-based theory as strategists needed to simultaneously

deal with demand issues as well as resource issues. In fact, Barney et al. (2011) questioned whether the future of resource-based theory would be revitalization or decline. Barney also proposed that "resource- based theory model of profit appropriate must incorporate a stakeholder perspective" (Barney, 2018, p. 3305). We offer our theory and model of strategic management that supplements, and perhaps overcomes, some of the limitations of Barney's and various other theories of strategic management.

III. RESEARCH METHODOLOGY

3.1. Current Issues

Organizational leaders face an increasing number and variety of issues that can either positively or negatively impact their organization's competitive posture. Also, many of those issues are increasing in complexity and potential severity of impact. Therefore, those issues must be considered and integrated into the strategic management of organizations. Some of the most impactful issues addressed in this article are: 1) technology, 2) globalization, 3) diversity, 4) ethics, 5) innovation, 6) security, 7) terrorism, and 8) violence in the workplace.

3.1.1. Technology

The sustainable use of natural, human, or technological resources has become significant to businesses and the local community in which they operate. (Abdelraraq et al., 2021). Technological changes dramatically impact the strategic management of organizations since technology is an integral part of how organizations operate internally and externally (e.g., how employees interact with each other as well as customers, suppliers, et al.). It is important that organizations have effective systems for managing technology and its integrated processes. This is especially true in today's era of rapid change that Taneja et al. (2013) describe as "paradigmatic chaos" where eras are defined by chaotic, disruptive change.

3.1.2. Globalization

Leaders of organizations must consider global issues when developing and executing strategic plans for their respective organizations. In addition to direct competition, the potential impact of globalization can be in many forms, including products, services and processes that can decrease the value of an organization and its products and services.

Changing organizational dynamics and economic forces influence organizations towards increased globalization for the purpose of organizational sustainability and survivability in the increasingly competitive environment and industries (Chen & Miller, 2014). The rise of globalization poses challenges for organizations (Rahman & Chen, 2022) in terms of creating strategies to manage competitive practices, where much of the emphasis previously has been on rivalry, head-on competition, attack, and response among players within an industry. In order for companies to maintain their respective positions in the global environment, leaders must adopt a variety of business strategies.

3.1.3. Security

Information security for nations and organizations must first be viewed from the strategic perspective and be included as an integral part of the strategic management scenario. At the strategic level, information is aggregated which, when analyzed, helps organizational leaders make strategic level decisions. However, information security must be managed at the tactical and operational levels as well as at the strategic level.

In addition to information security, organizational leaders must prepare strategically and tactically so that people, facilities, and resources are as secure as possible

when confronted by harmful people or things. This could include employees, biological or chemical agents, even weather-related problems.

3.1.4. Terrorism

Since September 11, 2001, terrorism has been a potential or actual concern for leaders of nations and organizations as well as individuals and society in general. The names change, but the intent is the same – to terrorize and destroy. Therefore, strategic plans (and the capability and specific actions needed to execute them) have to include how to deal with the threat, and perhaps actuality, of terroristic actions. In fact, the number, scope, and complexity of terrorism problems are increasing. Therefore, organizational leaders must ensure that their organizational system strategically and tactically delivers the right people and resources at the right places at the right time to reduce the potential negative impact of any terroristic threat. Through strategic management of their organizations, leaders can help invent a relatively terrorism-free future as well as prepare for potential terror attacks.

3.1.5. Diversity

Strategically and tactically, a more diverse workforce has a positive impact on organizations. Globalization has provided opportunities for a more diverse workforce and for more diverse leaders. Organizational leaders must be strategically proactive to keep their organizations competitive and successful for the long term and not simply function as survivors in increasingly competitive markets. This is especially true in terms of top management team diversity. According to Talke et al. (2011), Top management team diversity in terms of educational, functional, industry, and organizational background has a strong positive effect on a firm's innovation orientation and is a precursor for innovation strategy and innovation outcomes.

3.1.6. Ethics

Strategic management has traditionally included the development and support of ethical principles and the cultivation of a core level of integrity within and beyond the boundaries of organizations. However, the recent lack of ethical reasoning in the strategic decision processes of executives has severely damaged the integrity of some organizations and their governance systems. Therefore, it is essential that academicians and researchers find a way to integrate ethics and ethical sensitivity into the culture and strategic management of an organization. It is possible by analyzing several action scenarios, evaluating the cases and consequences of those actions (Muslicah et al., 2022).

Robertson (2008) noted that strategy and ethics traditionally have had a symbiotic relationship, but they have begun to coalesce. Pryor et al. (2014) support the concept of strategy and ethics coalescence and note that it is management's job to ensure that their respective organizations have ethical foundations (i.e., core values, ethical cultures and work environments, ethical decision making and ethical actions). We suggest that leaders need to adopt a strategic leadership model that explicitly includes ethics as one of its elements that must be aligned in order for the organizational system to thrive.

3.1.7. Innovation

Pryor et al. (2010) indicate that appropriate systems are needed to nurture and increase creativity in organizations, and it is the job of organizational leaders to strategically and tactically ensure that those systems exist. They offer the 4R's model (Figure 1) which requires that the right components – strategies, structure, culture and values, and accountabilities for performance – be developed and aligned (Pryor et al., 2010).

Figure 1
Nurturing Creative Talent
A Systems Approach to Creativity - The 4R's Creativity Model
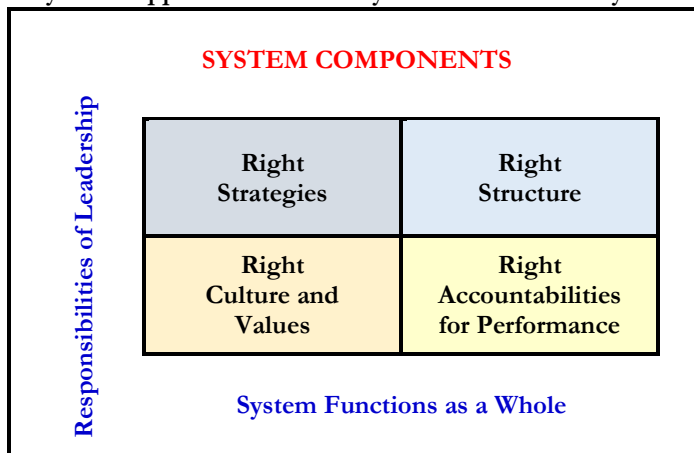
Those components should be a fundamental, foundational part of any organizational strategic management system. This is especially true in an era when leaders of nations and organizations are coping with, and/or anticipating the potential need for coping with, increasingly chaotic scenarios.

3.1.8. Violence in the workplace

A major organizational challenge is the capability to strategically and tactically address the issue of workplace violence. In order to ensure workplace safety and strategic crisis management, organizational leaders must establish a workplace violence prevention and management system. Workplace violence presents very challenging strategic and tactical problems for organizational leaders, including the safety of employees as well as the impact on overall productivity in terms of efficiency and effectiveness. An anti-violence strategy requires an integrated approach to the development of policies, structures, and practices that will help prevent inappropriate behaviors at work.

It is the responsibility of organizational leaders to develop and implement a prevention and response system that has the right structure and consistency for handling covert and overt behaviors and circumstances that could jeopardize worker safety. When possible, organizational leaders should utilize identification of best practices, instead of reinvention, in the establishment of workplace violence prevention and response management systems and subsequent integration into the strategic and tactical management of organizations.

IV. RESULTS AND DISCUSSIONS

## 4.1. The 5P's Strategic Leadership Model

Pryor et al. (1998; 2007) introduced the 5P's model, now known as the 5P's strategic leadership model and depicted in Figure 2, as an approach that is complementary to other strategic management theories and models, including those discussed in this article. The elements of the 5P's strategic leadership model are purpose, principles, processes, people and performance and are further explained below (adapted from Pryor et al., 1998; 2007).

1) Purpose – strategic direction (i.e., mission, vision, goals, objectives, strategies) of a person, team, or organization (e.g., business, healthcare organization, university, governmental unit or nation).

2) Principles – core values – what individuals, teams, organizational leaders care about passionately. Operating guidelines are based on core values.
3) Processes – the way (steps) by which individuals and team perform work or achieve personal and professional accomplishments.
4) People – the individuals and/or team members who perform work and achieve accomplishments.
5) Performance – measurement and results in people's personal and professional lives.

Figure 2
The 5P's Strategic Leadership Model
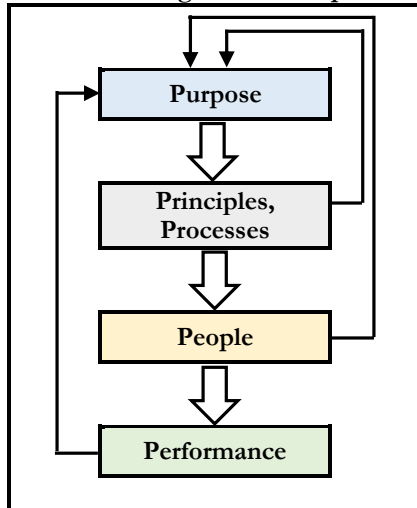
In addition to the requirement for each of the elements of the 5P's to be completely developed, purpose, principles, processes, people and performance must also be aligned.

The required alignment of the five elements (i.e., the 5P's) is one of the most beneficial aspects of this strategic management model. For example, if organizational leaders decide to utilize teams, then they will have to make decisions about 1) the performance review process if it is based only on sole contributions, and 2) the suggestion award process if it does not accommodate team rewards. This example of alignment is very simplistic. However, it demonstrates the value of alignment in the implementation of strategies. We offer the 5P's strategic leadership model as a redefinition of strategic management from the alignment and implementation perspective. The use of this model and its accompanying theories will be beneficial to academicians and practitioners alike.

V. CONCLUSION

The 5P's strategic leadership model is not offered to replace foundational theories of strategic management. Instead, it is introduced as being complementary to many of them. Porter's Five Forces can still be utilized to address forces that shape industry competition. The experts whom we have discussed as major contributors to the foundational theories of strategic management (Miles & Snow, 1978; Porter, 1979; Mintzberg, 1987; and Barney, 1991) have continued to refine their theories and/or introduce additional theories. In their respective articles, they also address the impact, or potential impact, of various changes that exist or should exist in terms of the organizations, their leadership, and their environments.

The 5P's strategic leadership model is introduced as complementary to many of the foundational theories of strategic management. However, the 5P's strategic leadership model is unique. It positively contributes to the strategic management academic discipline because it includes required organizational elements which must be aligned in order to ensure successful strategic management of an organization. This model also assists practitioners who need assistance in the execution of strategic plans.

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