

1: Ten Schools of Thought on Strategic Management (PowerPoint)

Ten Schools of Thought on Strategic Management 1. Crowdsourced Business Presentation Design Service Ten Schools of Thought Mintzberg's Ten Schools of Thought in Strategic Management May 30, Developed by Henry Mintzberg, the Ten Schools of Thought framework breaks down the field of Strategic Management into 10 categories, from Positioning to Entrepreneurial to Configuration.

Nabil Iqbal Executive Summary The purpose of this assignment is to learn about strategy, strategic management, the levels of strategy and the considerations that should be made before crafting the perfect strategy. In order to learn about these topics, various perceptions of authors such as Richard Whittington and Henry Mintzberg has been analyzed critically in order to check its synchronization with contemporary strategic issues. This assignment includes comparisons between the ten schools of strategic formulation recommended by Mintzberg which consist of three prescriptive and seven descriptive schools. Four perspectives towards strategy suggested by Richard Whittington is also included in this assignments. Analysis has shown that review of these topics is necessary in order to craft a perfect strategy as diverse ideas might emerge from the employees of an organisation, and one of them could be the one that would completely change the future of the company and take it to a very high level. Table of Contents Page 1. In other words, the basic plan which a company establishes as their mean of achieving their objectives can be described as strategy. The steps a company follows in order to achieve their desired position is known as strategic management, which Strickland and Thompson Many strategies have been crafted, which forecasted success to the employees of the company but failed due to poor strategic management. Unfortunately, when people thought Fritos, "thirst-quenching" is not an adjective that comes to mind. Hence, we can see the significance of strategic management. There are different levels of strategy that exists within an organisation. Johnson, Scholes and Whittington , p. Johnson, Scholes and Whittington ,p. An example of a business level strategy, according to Han ,p. According to Svoboda ,p. Various authors have written about the formulation of strategy such as Richard Whittington and Henry Mintzberg. Mintzberg suggests that there are ten schools of thought about strategy formulation. The ten schools consist of three prescriptive The positioning, design and planning school and seven descriptive schools The entrepreneurial, cultural, power, configuration, learning, environmental and cognition school. These are schools of thought that suggest how strategies should be formulated. In other words, these schools of thought discuss about the methods that businesses should use in order to devise a strategy. According to Mintzberg, Lampel and Ahlstrand ,p. The companies who would follow this concept should carry out a SWOT analysis and discover their strengths, weaknesses, opportunities and threats and then formulate a strategy. The analysis of the internal and external factors is done by the SWOT analysis, and hence based on that, according to Mintzberg , strategy should be made. This strategy is influenced by architecture, in other words , the foundation through which strategy should be formulated according to this concept are SWOT analysis and Ashridge Mission Model. This is useful in situations where the environment is stable and this helps the company to evaluate their strengths and weaknesses as well as their opportunities and threats. This concept is useful but has drawbacks as well. This concept avoids external changes and as we all know, that, if there is anything constant, it is change, and hence keeping track of external changes is very important in contemporary business issues, and it is ignored in this concept. This concept also focuses more on the organisation than on its employees. In other words, this concept suggests that an organisation should analyse the current business situation, like the external factors, the position of the business, contemporary issues, etc and then craft a strategy and focus more on implementation. This concept encourages brainstorming, innovation, establishes goals and objectives and helps the company to allocate resources according to their needs. This ideology resembles the five tasks of strategic management process and hence it is most useful in contemporary business environment. This concept is influenced by Urban planning and the room for innovation in this particular concept is vast. However, this concept is better than the design school as it has room for innovation and focuses on external environment as well as implementation but this concept also has some drawbacks. This concept can create conflict between managers during

groupthink, making predictions while crafting a strategy is difficult as it is purely based on instincts and not on facts and the execution of the strategy is the toughest part because the managers have to monitor each and every action that is carried out while implementation of the strategy. For example Clear shampoo used famous footballer Cristiano Ronaldo as their model for Clear Men, the strategy of using a popular male icon for football lovers was a strategy well implemented by the good communication channels. A company producing small cars has the image and position of a manufacturing small cars ranging from to cc in the industry as well as the minds of the consumer and if they plan to build sports cars, their current image would not assist customers to purchase them. This concept suggests that companies should craft strategies that would change their position. This concept does not resemble any of the other two prescriptive schools and is completely different. The small car manufacturing can raise the price or start a luxury division with high priced cars, which would help them to change their strategic positioning. This concept is influenced by military strategy. It is useful for large firms but not useful for small firms, because large firms can invest heavily and change position but small firms are unable to do so and hence it is not a universally acceptable strategy formulation process. This concept also avoids external factors such as political, cultural, technological and social factors and concentrates more on profit. For example Toyota followed this strategy, by producing luxury cars under the brand name of Lexus. These are the concepts that suggest how strategies are actually made. In other words, these concepts talk about how organisations actually formulate their strategies. This concept is influenced by biology. This concept is useful because the strategy formulation is centralized and hence the responsibility of devising up a strategy completely depends on the visionary leader. This concept has some limitations as well, since the other employees of the company might also disagree with the strategy due to lack of involvement during the formulation of the strategy. The employees might not effectively respond to the strategy due to the negligence during the strategy formulation process. The best example of this kind of strategy formulation is Microsoft which follows the strategies originally formulated by Bill Gates. In other words, these organisations focus on the needs and wants of the customers; they analyze the reason behind the behavior of individuals and their response to certain situations. The organisations use these factors to craft a strategy after carrying out a vast research. This concept is influenced by psychology and sounds very useful but futile in the contemporary business environment because it will be very time consuming and expensive to carry out a research about the psychology of the customers. Moreover, this concept is also based on many assumptions, which may be wrong because the strategy formulation might be done on the basis of the psychology of the strategy makers and hence fail due to mismatch with customers. For example the audio controls in the steering wheel of the Toyota Premio , was done after the analysis that customers had to reach all the way to the audio set in order to manipulate the audio setting of the car. The strategy formulation in this particular concept is very slow as managers learn and slowly formulate a strategy. This concept is influenced by Education. This concept sounds very useful and the process of strategy formulation is like the cognitive school, but has the same problem as being time consuming and might happen that organisations are left with formulating no strategy at all. This concept is also very expensive because research has to be carried out in order to formulate a strategy. For example Coke launched New Coke, which failed to appeal to the American market as the Americans believed Coke to be a part of their culture and then coke launched the older version of Coke with the name classic coke. The power of a company may be used to formulate a strategy, which may be brand image, or huge amount of capital. The strategy usually exerts some power over the customers. This concept is influenced by political science. This concept resembles a little bit to the entrepreneurial school as there are some visionary leaders who have the vision of exerting power. This is usually done by organisations that have a monopoly. This is expensive as organisations have to invest heavily in order to make a statement, and the delusion of being powerful may also lead organisations to formulate a wrong strategy. For example, Lancome perfumes, have fragrances that appeal to many individuals and people tend to buy the same perfume as it becomes their signature. Lancome uses this power and charge a premium price for their products. This concept encourages employee involvement and hence the formulation of the strategy concerns the cooperation of the employees. This concept is influenced by anthropology. This resembles entrepreneurial school as well since, the organization is usually influenced by some visionary leader. This helps in guiding companies on how to deal

with mergers and acquisitions, but ignores the external environment and might cause conflicts between the employees of the organisation due to brainstorming. The organisations check all the political, social, economical and technological factors and devises up a strategy in order to tackle the predicaments they are facing. This is a reactive process and is influenced by biology. This resembles the design school as it somewhat uses the external factors as a determinant while formulating a strategy. This is useful because it analyses the external environment and then formulates a strategy, but at the same time ignores the internal environment which may create a problem in implementing the strategy. The external environment is also very unstable in contemporary business environment and hence in order to craft a compound strategy, organisations must evaluate both internal and external factors before crafting a strategy and always leave room for innovation. For example Nager suggests that Dell made low-priced computer during the global recession which appealed to many corporations as well as consumer. According to Mintzberg, Lampel and Ahlstrand , p. It is influenced by context. This concept is theoretically very innovative as it keeps up with change and hence the strategy is supposed to be compound, however it is not practical as establishing this kind of strategic formulation process would require a very flexible organizational structure and flexible employees who will be able to adjust with change very rapidly. Richard Whittington classifies strategy into four different perspectives. They are classical, processual, evolutionary and systemic: According to Whittington these strategies are formulated very formally with the objective of profit-maximization. These are usually influenced by Economics and military and strategic formulation is done on the basis of the internal factors of an organisation. The strategies compiled under this perspective follow cost leadership and hence try to produce their goods at the lowest possible cost. The Design, entrepreneurial and positioning school of strategic formulation suggested by Mintzberg can fall under the classical perspective towards strategy. These strategies are formulated with unclear objectives. This classification is influenced by psychology and strategic formulation in done on the basis of the internal factors, mainly politics and perception. The strategies which fall in this category are very risky and the organisations following these strategies are very risk oriented. These organisations establish a strategy to check whether it is right or not and then improvise on it if it is unsuccessful. The cognitive and the learning school of strategic formulation suggested by Mintzberg fall under the processual perspective towards strategy. According to Whittington these strategies are formulated with survival as their objectives. This classification is influenced by economics and biology and strategic formulation in done on the basis of the external factors, mainly the market. The strategies which fall in this category are short-term strategies which are crafted in order to survive in the market and not to sustain in the long run. The organisations which follow these strategies are very short sighted and only look at the present and not the future. The environmental school of strategic formulation suggested by Mintzberg falls under the evolutionary perspective towards strategy. According to Whittington these strategies are formulated with local adoption as their objectives.

2: 10 school of thoughts by Mintzberg for strategy formulation

Entrepreneurial School of Thought This school sees strategy formation as a visionary process and is fell under the descriptive school of strategic management. The chief architect of the strategy is the CEO of a company.

Comparison and Contrast of Strategic Management Schools of Thought Introduction Institutional or strategic management involves formulation, implementation and evaluation of decisions which should enable an organization to attain its long-term aims and objectives. Through the process of strategic management an organization is able to define its vision, mission, objectives and make up plans and policies for its projects and programs. The process also involves resource allocation that is meant to assign resources for implementing the formulated plans and policies for the programs and projects involved. There are various narrower concepts that define guidelines used in strategy formulation for organizations. These include the earlier planning and design school models to more current environmental, learning and cultural schools. Though consultants and academicians focus on these narrow perspectives it would be wiser for business managers to have a bigger picture of the situation in the organization and market. There should exist a wide systematic perspective and best practice rather than neater, narrow theory or technique. These differences can be attributed to the differences that exist in the disciplines that different organizations deal with in their projects or programs. Thus, approaches may differ along the line of disciplines which include biology, economy, politics and philosophy-just to mention but a few. Mintzberg a management professor at MontrealMcGillUniversity explores the narrower concepts used in strategic management. There exists ten schools with the first three being prescriptive, whereas; the rest are descriptive in nature. Prescriptive schools highlight more the issue about how strategies should be designed. On the other hand, the descriptive schools are more concerned with certain aspects in the strategy management process. Thus, the descriptive schools do more of describing how the strategies are made. The tenth school seeks to integrate all schools in strategic management processes. Thus, any strategy is only valued if it can help an organization attain its goals and objectives in the long-run. In this paper I will review two of these schools of thought-one of them will prescriptive, whereas; the other school will be descriptive. The positioning School of thought Prescriptive school. The design school of thought views strategy formulation as a process that is analytical in nature. The central approach to improvement as per this school of thought depends on strategic the positioning of the organization in the context of its industry Mintzberg, The method is based on militaristic strategizing that aims at the taking of the highest most advantageous position in order to out-compete its competitors. This is because analysts have to first calculate, analyse and then offer their results to managers that thereafter use it to make decisions in formulating strategies. As a result, this school of thought emphasizes nothing more than being factual in the strategy analysis. It largely depends on analysis of collected that portrays the state of the industry in question. Thereafter, decisions are made based on inferred information that results from data analysis. This school of thought focuses on hard facts and provides information in a systematic manner to the existent mode of looking at strategization. This because it is usually at this times that data analysis is done on data that relates to the organization. The application of this strategy to strategic management neglects other factors that may influence or affect the strategy made. There are various external factors that indeed may affect the strategy formulated and these include culture, politics, power, weather and social elements. It is thus biased towards that may be larger in terms of operations. Thus, the market determines the deliberate positional strategies reached Simon, The Learning School of thought descriptive school of thought This school of thought views strategy formulation as a process that is emergent in nature-a dynamic process that depends on the trends of times that come and go. The method actually relies on the history of the organization and the industry in which it lies in the formulation of its strategies Mintzberg et al, Therefore, the method is analytical to some extent. The lessons learned out of the experience and monitoring are incorporated into the plan of action. The methods argument is that the world is to intricately complicate for strategies to develop in a pop up mode and have them implemented as visions and plans with clarity. Therefore, according to this school of thought strategies must emerge gradually in bits over time and tasting which will allow organizations to learn and

adapt. Thus, organizations are advised to learn and apply and if they do not succeed they could re-try the same or something else. This school of thought offers a process and opportunity via which all people in the organization can learn a process without making it exclusively for the management, and thus; an omnipotent leader is unnecessary. The process intertwines activities with learning and strategy formulation. Additionally it gives solutions for complex and unpredictable situations in strategy formulation. Thus, the method is efficient for continuously changing and complex scenario. As a result, it can be used well in combinations with emergent views that need experimentation especially in organizations of a professional nature. Amidst the merits of this school of thought lie limitations that may make the attainment of a strategy elusive, expensive and time consuming. The learning school of thought could lead to no yielding of a strategy as the organization goes around in cycles trying to figure what works and what works not. Secondly, it could lead to a constant strategic drift with the management never able to agree as to what works or not. The method cannot yield a solution promptly, and thus; is least useful in situations of crises where a quick strategy formulation is desired. Additionally, the step by step approach that builds up the all strategy may not result in a total sound strategy. Finally, the method could prove to be expensive over time because there are expenses that are linked to the learning process. It is totally unnecessary to cross a chasm by small steps.

Comparison and contrast of the two methods in terms of risk Risk can be defined as the measurable probability of incurring losses or misfortune. In this case I will assess the potential risk level elements that can be associated with the two schools of thought. The positioning school of thought has an element of risk in its strategy formulation that is attributed to the fact that it does not take into consideration other exterior influencing factors. The fact that an organization does not take into account issues such as politics, culture and social set ups means that the organization is increasing its chances of encountering un-anticipated risks. These risks that may be of political or cultural origin are not catered for in the assessment of strategy formulation under the positioning school. However, this does not mean that they will not occur, but; the sad fact is that an organization that uses this school of thought may find itself disadvantaged when these risks present actual problems. According to Cyert and March the positioning school may also encounter unpredictable risks in very dynamic industries with high environment changeability. In these instances the positioning school of thought puts the organization at high risk. This is because the projected estimates from analyzed data may only be relevant for a very short within which fresh changes in the environment of the industry will come up. These new unaccounted for changes put the organization at a high risk because it operates in uncertainty. On the other hand, the learning school poses a risk that arises due to the turbulence in the market. The making of small incremental reactive steps may see an organization easily overtaken by rivals Quinn, This is because while other organizations consciously strategize based on facts and the environment the learning organization makes reaction to what others have already done to influence the market. Similarly, the time taken for a company to learn from an experience may be too long for the company to react and counter losses that may have already occurred. Thus, the slow response due to the learning process may mean an organization is too much into trouble to ever recover.

Comparison and contrast in terms of uncertainty Uncertainty can be defined as the element of not being sure about the strategy formulated. The school of learning has a high level of certainty than the school of planning. This is because the school of learning is based on experience and trial and error. This mode of strategy formulation is also more certain because it takes into account all the interplaying factors that influence an organization over time. In such cases decisions made based on past experience may hold no water because the environment will have changed greatly for a short time before the experience is analyzed and decisions are made upon it. On the other hand the positioning school has high uncertainty in contrast to the learning school. This is firstly attributed to the fact that it does not take into account the effects of the surrounding environment in which it operates. This is because the environment in which it intends to deploy its strategy is idealized and not actual. However, there is similarity in terms of the level of uncertainty that arises in cases of very dynamic environments.

Comparison and contrast in terms of effective resource allocation Resource allocation in the school of learning prioritizes the potential areas where trial is anticipated to yield a new, beneficial hint or idea that can be applied in strategy formulation. This may prove futile in cases where nothing positive is learned because these resources will already be wasted. On the other hand, the positioning school of thought allocates

more of its resources at strategy formulation to the gathering and analyzing of data and information by analysts and managers. After analysis the organizations using this school of thought then prioritize resource allocation meant for positioning in the identified market niche. Therefore, both schools allocate resources to the acquisition of knowledge first then followed by allocation to identified positive areas of strategizing. Comparison and contrast in terms of Market structure influence The learning school of thought plays a passive role in the influence of the market in which it operates. This is because the organization lies back and maintains a keen eye on the market to observe experience and learn its trends in order to apply the learned knowledge later. They instead learn from the market before formulating a strategy for action. On the other hand, the positioning school plays an active role in the market because its strategy is based on discovering new ideas that will be implemented so as to position the company high up in the market. The companies using the positioning school of thought use past and present information and data to analyze trends and come up with new formulated strategies. These new strategies may indeed influence the trends in the market, and thus; this school of thought actively influences the market. Comparison in terms of fast moving environment approach The influence that a fast moving environment has on these two schools of thought is similar. This is because both schools of thought widely base their decisions on observing the past and present market trend learning school and using information and data-both present and past-to analyze the environment positioning school before coming up with strategies. Therefore, both methods make an organizations strategies relevant in the short while because of the dynamism existent in a fast moving environment. Conclusively, both methods are disadvantageous in fast moving environments Dess et al, Grant and Romanelli states that contrastingly, the school of positioning could employ the statistical skills of projection and extrapolation to predict trends in a fast environment-a skill which the school of learning cannot use. This is because its principles are based waiting to experience before deciding and implementing Eisenhardt, However, the school of positioning can overcome this shortcoming by use of statistical extrapolation and projection. The learning school of thought could be best for situations that are very complex to analyze or comprehend. Thus, if statistical inference fails to show concrete applicable inferences then the learning school of thought would be the best option. A Behavioral Theory of the Firm. The Living Company, Boston: M and Romanelli, E. The top management team: The Psychology of Commitment:

3: Foundation for Global Education and Research | Strategic Management School of Thought

Here are the 10 school of thoughts of Strategy formulation. 1) The design school. In this thought process of strategy formulation, the focus is on conception of ideas and to design new ideas.

Schools of Thought in Strategic Management by Deanna Murray Replay this video Schools of Thought in Strategic Management Schools of thought in strategic management will vary wildly depending on where you were trained. Find out about schools of thought in strategic management with help from an award-winning journalist who has made a career of defining and establishing content and promotion guidelines for some of the largest media companies in North America in this free video clip. You will need to do some research on each to find out what is right for you. Just as you are an individual and go about your management duties, employee interactions and professional growth in your own way, so does the way in which you develop strategy and growth plans. The first is the design school. It sees strategy formation as a process of conception. Secondly the planning schools sees strategy formation as a formal process. Using an analytical process is a key component of the third school which is entitled The Positioning School. The entrepreneurial school sees strategy formation as a visionary process. In the cognitive school strategy formation is seen as a mental process. In the learning school as the name implies, the learning school sees strategy forming through emergent processes. Within the power school strategy is seen as a process of negotiation. Within the cultural school strategy is derived from a collective process. In the environmental school strategy is created through a reactive process. And lastly the configuration school sees strategy as a process of transformation. It really boils down to you and your personality, your ethics and your business goals. The selection of a strategic management process that works for you and your company is as individual as you are and will ebb and flow and grow as you do. I sure hope this information helps. Leave a comment or question. I would love to hear from you and if you get a chance, check out my weekly blog on Buildautomate. This is Deanna Murray saying see you and we will talk again soon. Show More Info About the Author Deanna Murray is an award-winning journalist who has made a career of defining and establishing content and promotion guidelines for some of the largest media companies in North America.

4: The 10 schools of strategic planning

Schools of thought in strategic management will vary wildly depending on where you were trained. Find out about schools of thought in strategic management with help from an award-winning.

Every business has some specific purposes a reasonable of a business is to create customers and to build a profit generating market. A customer is the foundation of the business. Survival ability is a kind of competence function of the management and nature of the business, nature of ownership, and the financial strength of the enterprises are interested. A stable enterprise always struggles to minimize the managerial tensions of the business. It is the strategy of assistance in an external environment. He drew three groups of strategic management which are customer, Corporation and competitors. The generator also described the importance of theme by moving from abstract idea of strategy to the concrete strategic planning of its implementation. There are different ideas and arguments among many people having interest in the strategic management but their arguments and ideas are remarkably inconclusive. Over the years the studies show that the aim and objectives specify the quantity and targets and goals towards the leadership and the effort, the investment of the resources, the abilities to be directed such that the aims and strategic intent is achieved. The strategy has a specific role in the enterprise management but the concept of enterprise indicated that the company has vision, mission and culture and it does not look possible that any one create a future statement on the development of company or organization. Hence the plans are created for the short term future to sustain and struggle against on coming challenges. So strategy is not a set of acts to achieve the future objectives but it is concentration which is gazed upon the created plans. The contributions of ideas have been included by the schools in the followings. Cognitive School This school is about the process of strategic decision making which is based on the concept and their frameworks already exist. Concept of business, definition of plan or action and formation of strategies are the processes of the enterprise. The cognitive school as compared to school of learning is much different it presents the mind of strategies and drawing field of cognitive psychology. The large body of research that informs the individual about the decision making and to support evidences and the abilities to adopt the same criteria in the similar situation. The more recent event having the greater influence then the past events. Design School Design school is what that perceives the strategy formation as achieving getting fixed between the internal strengths and the outer threats and opportunities. The planning and design schools are emerged from the same academic years and had so many features. Difference that are mentioned between the design and planning schools are required an implicitly imaginative steps to devise candidate strategies. Therefore the strategic businesses theories which lie behind the planning school are really wanted for business to work more efficiently and work like a machine and it leave no room for the creativity. The planning and design schools use SWOT style and these become so formalized and detailed. In practice the planning begins with an objective covered by the strategy. Entrepreneurial School The principal aspects of an enterprise are considered here as a vision. The unique figure of future is defined with a team leader who is utilized as the source of vision and mission. The vision sets as the motivation and courage of the employees of an organization. One of the advocates named Peter Drucker identifies the entrepreneurial with the management. The entrepreneurial act is the act of economic risk taking and business enterprise institution. The domination of strategic forming by the new search opportunities. It leading to the decision making on the large scale on the face of uncertainty and its power is centralized in the hands of the chief executive. The vision of strategy is deliberated in its broad view and flexible to attain the aim or objectives. Cultural School It defines the importance of culture as an enabler of strategic formulation. The organizational culture can be a thought of shared value beliefs and norms which are held by the people who work on it and the organizations from other organizations. The framework of the organizational culture includes the team work, control, honesty, conflicts, decision making power and rewards. It is categorized to the other aspects like dress code or as shown on the other member of the staff and consumers. In some of the cases the rules which are governing the conduct of the business are known as unwritten grounded rules. The focuses of cultural school are the social interaction of involving the others within the organization for the purpose of strategy formation and the

reflection of strategy which emerges the understandings and beliefs of those within the organization.

Positioning School The positioning school is the school which provides the strategic approach to the planning of analytical approach and aims to define the common place through the industry situation. The positioning school is driven like both the programmatic and consultancy driven as well and it looks like the design school. Actually the numbers of things in this paragraph are not to draw conclusion for the school and everything is implicit or assumed. It is the knowledge view that is not in circular flow or the expected development has no long term value attached to this kind of knowledge the required data is being saved and kept by the consultants and The Gurus. Now it is just relying on the long term condition of predictability that has nothing to say about the implementation and the competitors and company itself had a broadly shared determined world view. This theme was originally create by the consultants for their personal benefits. Mintzberg has drawn an explanation for the production of performance, attendance and the constant cycle of rehearsal. By reviewing the ideology of this school it seems like that we can make better characterized entrepreneurial ideology in two parts. Based on Dialectic but crucially world view Based on the investment into specific uncertainty From the given prescription of Mintzberg we might be getting few numbers of misgivings about the positioning school of strategy.

Planning School Planning school contributes with the structural planning process with many levels of decision making. The different levels allow the people who make decisions to analyze many aspects of strategy as corporate. This school is meant to be the bridge between the business practice and theory of traditional business old world and the risk management new world. The way of doing remains unspecified despite the claimed formality of the proceeding stage. The objective toward the goal remains under discussion and it is formed by the tricky process between them by the act of negotiations. Mintzberg discussed about the planning theories. It was initially considered that the planning school of strategy is different from the idea of strategies being a form of knowledge probably these are inherited uncertainly. While capturing the business form of objectives and programmatic goals assumed that all other things are different that is the place where strategy formula is disappeared. Thus the Strategic School of Planning rejects the existence of uncertainty in any of the form and it is almost a meta strategy of placing truth in the formal planning process. The planning school marks points where the business modeling has been taken off by the effect of risk management techniques to make a statistical model of the market or company. Until now the Mintzberg keeping the sides of both of the fallacy of predetermination and the fallacy of detachment. The legacy of business strategic planning school is that business plan and business model that had formed the degraded liberatory emancipatory language of ghetto poverty. Its discredited certainties of a positive business theory against the life tsunami of un certainties. All the situation looks like same that was arguably the high point of rational approach to strategic management.

Power School The school which focuses on the strategy making pillared of power. Numbers of two approaches power exist in a company where the organization uses the power on its suppliers or customers. The culture to elaborate principles and polices that leads to the relationship among people is called Micro Power. The combination of power with the other strategy groups id that is beyond the economic terms because the influence of the power for one organization will affect the politics of the firm. It started in the early s. The roles of this school are some times to negotiate the implicit contracts to build the power base and building a larger and powerful department. The political action or continuing process can be the internal persuasion and in few cases confrontation with the shifting interests.

Learning School The learning school exploits the strategy model like a learning process where the competencies and capabilities are important parts of the process and strategies that are underpin. In an enterprise concept the core competence is the concept that is supposed to be used. The perspectives of learning school are that the workers inside the organization get ideologies that how can them respond to adopt the situation in the positive manner. The premises of this school are described as the many number of individuals in an organization are involved with the formation and learning of strategy. The formation and the implementation of the strategy cannot be separated and this whole process occurs over a long time. The strategic school learning of raises the question that who is the architect of strategy.

Environment School This believes that the strategies and the companies have a life cycle and it rotates continually. So it seems important to understand the demand and supply of the products that are being used under the policies of the organization or a company and there is a viable strategy

to exist is needed. The individuals acquire the organizations beliefs by a process of socialization reinforce by the formal training session. The environmental strategy making is a process that reflects the patterns of actions. The beginning of environmental school was from the s. It viewed as the forces working outside the organization are active and the organization itself it trying to obtain the energy from outside to merge it or gain it to compete in the strategic environment. The basic participation of the Environmental school is to bring the overall view of strategy to maintain the balance. The strategic school is of the point of view is that the one company or enterprise is sole responsible for the formation of strategy. The school had premises outside the environmental forces are the central person in the making of a strategy plan. Configuration School The transformation process viewed as the strategy for the company in order to undertake such revolutionary alteration. The strategy is one of the most important aspects of the enterprise. Most of the enterprises state it as stable like adopting a particular structure for a number of strategies. The purpose of strategic management is to control the process of change by not effecting the negative way on the company. The configuration school of strategy and other schools of strategic management are employed at different times. The key is to elect a relevant school of choice to complete the project by depending on the circumstances on other side a particular process for development of strategy can be suggested over there.

5: Henry Mintzberg's 10 Schools of Strategic Thought

A school of thought is understood to be the range of thought of a specific group of researchers, which has crystallized within the field of strategic management (Brown,).

Here are the 10 school of thoughts of Strategy formulation. The company does an internal analysis with the help of SWOT analysis The company then tries to match its internal strength with the market strength which is required. However, we have to understand that conducting an internal analysis of the firm depends on the firms own knowledge about itself. Similarly, matching the firms internal abilities to the external market, requires external market knowlege. Ultimately, knowledge is a limitation to the Design school of thought of strategy formulation. If proper knowledge is not used, this school of thought will fail. The complete process and the plan which the company will implement is documented from the start to finish. At all times the plan is referred to whenever the management wants to take new decisions. With the plan in hand, the management gets a clear direction to move in, helping the company to move forward unanimously. The issue arises in the planning school of thoughts when anything happens out of plan. If you have planned for years in advance, and any new competitor pops up, or any external business variable is changed, then the complete plan gets affected. Hence, proper prediction is most essential when using the planning school of thought. The management has to determine the competition already present in the market, and where is their own company positioned It can use tools like Five forces , Value chain , BCG matrix and others to position its products Once the market has been analysed, the right strategy is needed to improve the positioning of the product. Again, in the positioning school of thought, the strategy assumes the market as it is, and does not take into consideration future entrants or change in business environment. Like the planning strategy, the positioning of school of thought can also fail if there are major changes in the business environment. Most observed in small businesses which want to make it large, or even large corporations which trust their leaders Steve jobs, Mark zuckerberg , in this strategic process, the company follows whatever the CEO says. In this case, the CEO needs to be visionary, needs strong leadership skill, and has to have the right judgement and direction. This strategy has been proven right in very few cases over the years where the leaders were legendary by themselves. Steve jobs, Bill gates, Mark Zuckerberg are all examples of people who have grown companies to astounding proportions due to their leadership skills. The problem with this management school of thought is a single one – How do you find such a leader? If you want to design your marketing strategy based on the recommendations by the leader of the company, then this leader can be wrong as well. And you need someone who is very very strong on the business front and is dynamic to make the necessary changes. One of the best examples of cognitive studies is the Johari window. Wherein, you can better your business by understanding your customers. It is a mental and psychological process to find out what is in the minds of the consumer and how do we improve on that or use that information. Once you know customers perception and thought process about you, you can change the same with strategy. You can either improve or you can communicate better so that your customers have more information about you. The problem with the cognitive model is that it is not practical beyond a certain point. A top company cannot rely on surveys alone to find new ideas or to make connections with their customers, because it has become a mass company by that time. Cognitive reasoning cannot be done at a mass stage. Moreover, innovations are brought when you think of products which the customers have not thought of – which is not possible in the cognitive school of thought. Because you are only improving on the things which your customers perceive. It might not necessarily look at its own past. It might look at the way things worked for some other company, or how some other company failed. And then decide on which strategy to implement and which one to ignore. The company looks at things that worked and tries to implement the same thing over time with the assumption that it will work again. More than a strategy, the learning school of thought looks like manouevring or guiding the company on the basis of the previous road that has gone by. We all know its not a good decision because the road can change at any time. Hence this thought process is not at all useful at time of crisis, nor does it help in creating something outstanding. This strategy can be used when the firm is stable, and wants to work on auto mode while it develops

something else in the meantime. These people can be your customers, they can be your stakeholders, they can also be certain people from within the management. This ensures that there is lesser resistance for the strategy to be implemented. It is a very realistic thought process, because in corporates, there are so many people that power should reside in few hands. The problem with the power school happens when the powerful people stop listening to feedback or stop implementing measures of improvement, and only focus on minor improvements. At such times, the power needs to change hands so that the company keeps moving forward. A positive culture in the firm can give a proper direction to the firm. The cultural school tries to involve many different departments within a company. It is most useful during mergers and acquisitions. It emphasizes the role of social values, beliefs and culture in decision making. There can be resistance to the cultural school as the same people whom we are trying to unite, might not like the idea of change, due to which they become united and the company moves in the opposite direction. Moreover, even if you have got the people united, and have built a strong culture, your direction still remains unclear. For example – In a paper industry, wood plays a major role. And if the wood is scarce, the strategy formulation will have to be done on the basis of wherever the wood is available. Major emphasis is on the environment – which can be a raw material or a major factor in the strategy of the company. Situational analysis is the most used tool in the environmental school. Obviously, this thought process depends on the situation, and is used when there is total dependence on environmental factors. It basically says, that the strategy needs to be configured. The strategy allows the firm to move from one position to another, hence a simple set of values will not help this movement. As per the configuration school, strategy needs to consider a lot of things which can go wrong, and cannot be derived from simple set of values. Over a period of time, an organization forms various sets of values which have to be transformed so that the organization reaches the point that it desires. To do this, the organization's stable business might need to be disrupted, and the organization has to be configured so that it reaches the success it was looking for. Hence, the name configuration school, so that the organization is configured over and over again unless it reaches the desired result. This school of thought tries to attain stability via various ways, and keeps transforming as long as needed. However, one firm can follow a single strategy only. And hence, deciding where your firm stands, the influencers in the firm, its dependency on environment and culture, and in general looking at your own firm, you can decide which of the 10 schools of thoughts of management are suitable for you.

6: Mintzberg's 10 Schools of Thought - Knowledge Center

The levels of strategic management can be formulated through several schools of thought. The schools of thought include the planning school, positioning school and the resource based school. The planning school of thought is a formulation that strives to make a fit between the strategy that a business has and the environment in which it is.

Description The Ten Schools of Thought model from Mintzberg is a framework that can be used to categorize the field of Strategic Management. This school sees strategy formation as a process of conception. Clear and unique strategies are formulated in a deliberate process. In this process, the internal situation of the organization is matched to the external situation of the environment. Architecture as a metaphor. Useful in relatively stable environments. It supports strong, visionary leadership. Simplification may distort reality. Strategy has many variables and is inherently complex. Weak in fast changing environment. There is the risk of resistance not-invented-here behavior. This school sees strategy formation as a formal process. A rigorous set of steps are taken, from the analysis of the situation to the execution of the strategy. Urban planning, system theory, cybernetics. Enables firm resource allocation. Analysts can pre-screen the facts and they can judge the crafted strategies. Strategy can become too static. The risk exists of Groupthink. Top managers must create the strategy from an ivory tower. Strategy is partly an art. This school sees strategy formation as an analytical process. It places the business within the context its industry, and looks at how the organization can improve its strategic positioning within that industry. Industrial organization economics and military strategy. This school made Strategic Management into a science, enabling future progress. Provides content in a systematic way to the existing way of looking at strategy. Focus on hard economic facts. Particularly useful in early stages of strategy development, when data is analyzed. Neglects power, politics, culture, social elements. Is biased towards large firms. This school sees strategy formation as a visionary process. The visionary process takes place within the mind of the charismatic founder or leader of an organization. The school stresses the most innate of mental states and processes – intuition, judgment, wisdom, experience, and insight. A sound vision and a visionary CEO can help organizations to sail cohesively through muddy waters. Especially in early or very difficult years for the organization. Deliberate in the broad lines. Flexible and emergent in the details. Sailing a predefined course can blind someone for potential unexpected dangers or developments. How can you find the right leader, with all of the many needed qualities? Entrepreneurial, visionary leaders have a tendency to go too far. Being CEO is an extremely demanding job in this perspective. This school sees strategy formation as a mental process. It analyzes how people perceive patterns and process information. It concentrates on what is happening in the mind of the strategist, and how it processes the information. Sees strategy as a cognitive process in the mind of the strategist. Strategies emerge as concepts, maps, schemas and frames of reality. Stresses the creative side of the strategy process. Strong at the level of an individual strategist. Not very practical beyond the conceptual stage. Not very practical to conceive great ideas or strategies. Currently not very useful to guide collective strategy processes. This school sees strategy formation as an emergent process. The world is too complex to allow strategies to be developed all at once. As clear plans or visions. Offers a solution to deal with complexity and unpredictability in strategy formation. More people can learn than just the leader. No need for omnipotent leader. Can be combined with the emergent view. Strong in complex conditions with continuous change. Strong in professional organizations. This school could lead to having no strategy or just doing some tactical maneuvering muddling through. Or to strategic drift. Not useful at all during crises. Not very useful in stable conditions. Taking many sensible small steps does not necessarily add up to a sound total strategy. You should not cross a chasm by taking small steps. There are costs associated with learning. This school sees strategy formation as a process of negotiation. Can help to let the strongest people survive in the corporate jungle. Can help to ensure that all sides of an issue is fully debated. Can help to break through obstacles to necessary change. Can help to decrease resistance after a decision is made. Politics can be divisive, uses a lot of energy, causes wastage and distortion and is costly. Can lead to aberrations. Can lead to having no strategy or just doing some tactical maneuvering muddling through. Overstates the role of power in strategy formation. This school sees strategy formation as a collective

process. Tries to involve the various groups and departments within the company. Strategy formation is viewed as a fundamentally collective and cooperative process. The strategy that is developed is a reflection of the corporate culture of the organization. Emphasizes the crucial role that social processes, beliefs and values are playing in decision-making and in strategy formation. Explains resistance to strategic change and helps to deal with dominant values in organizations or in regions, and helps to deal with mergers and acquisitions. Vague, can feed resistance to change and can be misused to justify the status-quo. Gives few clues on how things should become. This school sees strategy formation as a reactive process. The strategy is a response to the challenges imposed by the external environment. Where other schools see the environment as a factor, the environmental school sees it as an actor – indeed the actor. Gives a central role to the environment in strategy formation. The dimensions of the environment are often vague and aggregated. This renders it less useful for strategy formation. Denies real strategic choice for organizations. This school sees strategy formation as a process of transformation. Strategy formation is a process of transforming the organization from one type of decision-making structure into another. Strategy and organizational shape organizational development are closely integrated and should be reconciled. An organization can be described in terms of some stable configuration of its characteristics, which it adopts for a period of time in a particular type of context. This causes it to behave in particular ways, that give rise to a particular set of strategies. The periods of stability are interrupted occasionally by some process of transformation. Key to strategic management is most of the time: But periodically there is a need for transformation. And to be able to manage that disruptive process without destroying the organization.

7: Business Framework: Ten Schools of Thought

The Ten Schools of Thought model from Mintzberg is a framework that can be used to categorize the field of Strategic Management. The Design School. This school sees strategy formation as a process of conception.

The 10 schools of strategic planning Manas Chakravarty September 01, Some of the most interesting questions in business management centre around issues of strategy. Should a company diversify or stick to its knitting? Should it try to gain market share, or focus on return on capital? Is there a right time to adopt a specific strategy? Why do some strategies succeed while others fail? The problem, however, is that management strategists tend to see strategy in the same way the six blind men saw the elephant -- one looked at the tusk and believed the elephant was like a spear, another grabbed the trunk and thought it was like a snake, another touched the ear and thought the animal was like a fan, and so on. The authors identify 10 approaches to the subject. The design school, which sees strategic management as a process of attaining a fit between the internal capabilities and external possibilities of an organisation. The planning school, which extols the virtues of formal strategic planning and arms itself with SWOT analyses and checklists. The positioning school, heavily influenced by the ideas of Michael Porter, which stresses that strategy depends on the positioning of the firm in the market and within its industry. The entrepreneurial school, which emphasises the central role played by the leader. The cognitive school, which looks inwards into the minds of strategists. The power school, which views strategy emerging out of power games within the organisation and outside it. The cultural school, which views strategy formation as a process rooted in the social force of culture. The authors deal with each one of these approaches, placing them in the context of their background, mentioning the seminal papers that inspired each genre, and carrying out a thorough critique of each school of thought. Can anyone possibly imagine strategy making in any serious organisation without mental and social aspects, without the demands of the environment, the energy of leadership, and the forces of organisation, without tradeoffs between the incrementals and the revolutionary? And can any strategy process be realistically pursued as purely deliberate or purely emergent? To deny learning is as silly as to deny control. The authors are experts in the field, and have made outstanding contributions to it. Best of all, unlike a lot of management tomes, this book is refreshingly free from jargon, and can be easily understood by a lay person. At the same time, the wealth of examples -- ranging from the introduction of Honda motorcycles into the US to American strategy in Vietnam -- not only breathe life into the subject, but are also helpful to the practising manager. Read what others have to say: Number of User Comments: Conflicting ideas Book seems to be of conflicting ideas.. This will lead business Posted by Jatin Bhatt Sub: Useless book The definition of any word is unique. Giving 10 schools is like giving 10 definitions, or in other words, shows the authors are not clear

8: Strategic Management Definition | Investopedia

The Strategic Management Overview shows the major elements of the Ansoff strategic management school of thought that will be discussed in this paper. C - Environment The term "Environment" as used here includes all of the economic, political, sociological, psychological, technological and geophysical forces in the segment of the world in.

Password If you do not know your login credentials or are having issues logging in, please email us at support pptlab. Members who had active subscriptions on May 30, can download this presentation. Sorry, you cannot download this presentation! If you are not a member, you can purchase this individual document here. You can subscribe today to begin downloading our future presentations. The Ten Schools of Thought model from Mintzberg is a framework that can be used to categorize the field of Strategic Management. This school sees strategy formation as a process of conception. Clear and unique strategies are formulated in a deliberate process. In this process, the internal situation of the organization is matched to the external situation of the environment. Architecture as a metaphor. Useful in relatively stable environments. It supports strong, visionary leadership. Simplification may distort reality. Strategy has many variables and is inherently complex. Weak in fast changing environment. There is the risk of resistance not-invented-here behavior. This school sees strategy formation as a formal process. A rigorous set of steps are taken, from the analysis of the situation to the execution of the strategy. Urban planning, system theory, cybernetics. Enables firm resource allocation. Analysts can pre-screen the facts and they can judge the crafted strategies. Strategy can become too static. The risk exists of Groupthink. Top managers must create the strategy from an ivory tower. Strategy is partly an art. This school sees strategy formation as an analytical process. It places the business within the context its industry, and looks at how the organization can improve its strategic positioning within that industry. Industrial organization economics and military strategy. This school made Strategic Management into a science, enabling future progress. Provides content in a systematic way to the existing way of looking at strategy. Focus on hard economic facts. Particularly useful in early stages of strategy development, when data is analyzed. Neglects power, politics, culture, social elements. Is biased towards large firms. This school sees strategy formation as a visionary process. The visionary process takes place within the mind of the charismatic founder or leader of an organization. A sound vision and a visionary CEO can help organizations to sail cohesively through muddy waters. Especially in early or very difficult years for the organization. Deliberate in the broad lines. Flexible and emergent in the details. Sailing a predefined course can blind someone for potential unexpected dangers or developments. How can you find the right leader, with all of the many needed qualities? Entrepreneurial, visionary leaders have a tendency to go too far. Being CEO is an extremely demanding job in this perspective. This school sees strategy formation as a mental process. It analyzes how people perceive patterns and process information. It concentrates on what is happening in the mind of the strategist, and how it processes the information. Sees strategy as a cognitive process in the mind of the strategist. Strategies emerge as concepts, maps, schemas and frames of reality. Stresses the creative side of the strategy process. Strong at the level of an individual strategist. Not very practical beyond the conceptual stage. Not very practical to conceive great ideas or strategies. Currently not very useful to guide collective strategy processes. This school sees strategy formation as an emergent process. The world is too complex to allow strategies to be developed all at once. As clear plans or visions. Offers a solution to deal with complexity and unpredictability in strategy formation. More people can learn than just the leader. No need for omnipotent leader. Can be combined with the emergent view. Strong in complex conditions with continuous change. Strong in professional organizations. This school could lead to having no strategy or just doing some tactical maneuvering muddling through. Or to strategic drift. Not useful at all during crises. Not very useful in stable conditions. Taking many sensible small steps does not necessarily add up to a sound total strategy. You should not cross a chasm by taking small steps. There are costs associated with learning. This school sees strategy formation as a process of negotiation. Can help to let the strongest people survive in the corporate jungle. Can help to ensure that all sides of an issue is fully debated. Can help to break through obstacles to necessary change. Can help to decrease resistance after a decision is made. Politics can be divisive, uses a lot of energy,

causes wastage and distortion and is costly. Can lead to aberrations. Can lead to having no strategy or just doing some tactical maneuvering muddling through. Overstates the role of power in strategy formation. This school sees strategy formation as a collective process. Tries to involve the various groups and departments within the company. Strategy formation is viewed as a fundamentally collective and cooperative process. The strategy that is developed is a reflection of the corporate culture of the organization. Emphasizes the crucial role that social processes, beliefs and values are playing in decision-making and in strategy formation. Explains resistance to strategic change and helps to deal with dominant values in organizations or in regions, and helps to deal with mergers and acquisitions. Vague, can feed resistance to change and can be misused to justify the status-quo. Gives few clues on how things should become. This school sees strategy formation as a reactive process. The strategy is a response to the challenges imposed by the external environment. Gives a central role to the environment in strategy formation. The dimensions of the environment are often vague and aggregated. This renders it less useful for strategy formation. Denies real strategic choice for organizations. This school sees strategy formation as a process of transformation. Strategy formation is a process of transforming the organization from one type of decision-making structure into another. Strategy and organizational shape organizational development are closely integrated and should be reconciled. An organization can be described in terms of some stable configuration of its characteristics, which it adopts for a period of time in a particular type of context. This causes it to behave in particular ways, that give rise to a particular set of strategies. The periods of stability are interrupted occasionally by some process of transformation.

9: Different schools of thought on Strategy | Nabil Iqbal - www.enganchecubano.com

Ten Schools Of Strategy Environment is the central factor for any strategy of an organization Organization must respond to the external environmental forces. Leadership is passive for reading and adapting to the environment.

In strategic management the Ten Schools of Thought model by Henry Mintzeberg is a framework that can be used to categorize the field of Strategic Management. Henry Mintzberg is an internationally acclaimed academician and author on business and management. The model describes each school in strategic perspective and provides a critical viewpoint, thus, it acts as a very good overview to the entire field of Strategic Management. While academicians and consultants focus on narrow perspectives of strategies, the business managers are able to see the larger picture. One fact about strategies is they fail when they are seen very narrowly. It is a fit between internal capabilities and external potentials. The CEO is the key strategist who develops the strategy and controls its execution. The Critical View of Design School: It assesses strengths and weaknesses bypassing the learning. Structure follows strategy, which makes strategy explicit. Under design schools thought formulation of strategy gets separated from implementation of strategy which detaches thinking from acting. Here, strategy formation is considered a formal process. Also, the thought process runs towards planning the entire strategy in a rigorous manner, so that the firm advances forward. The complete process and the plan which the company implements is documented from the start to finish. In short the strategy planning is treated as distinctive processes. In planning school thought of strategy the plan is given more importance whenever the management wants to take new decisions. With the plan in hand, the management gets a clear direction to move ahead, helping the company to move forward steadily. The Critical View of Planning Schools: Criticality arises when something happens out of plan. This typically happens when plans are made years in advance, and changes takes place either in the industry or in the organization. When an internal or external variable changes, then the complete plan gets affected. Hence, proper prediction is most essential when using the planning school of thought. The management of firms decide that they want to position the product at the top of the mind and make decisions accordingly. In this case firms need to determine the competition already present in the market, and how the firm is positioned. The Critical View of Positioning School: Like the planning strategy, the positioning school of thought can also fail if there are major changes in the business environment. This school of thought considers strategy formation as visionary process. The process of strategy formation occurs in a rather unconscious way. It is deep rooted in the experience of the leader. The leader promotes the vision by maintaining close personal control of the implementation in order to be able to reformulate specific aspects as and when necessary. The best examples Entrepreneurial school are examples in small businesses which want to make it large, or even large corporations which trust their leaders such as Apple Inc employees trusted Steve jobs, and the trust enjoyed by Mark Zuckerberg from his employees is explicit. The entrepreneurial school organizations follow whatever the CEO says. Leadership pipeline models and situational leadership model are best tools to keep searching for good leadership in organizations. The Critical View of Entrepreneurial School: The problem with this management school of thought is only one question: Where to find a mature, experienced, talented and honest leader? If organization designs its strategies based on the recommendations by the leader of the company, the leader has to be a visionary and the one who takes responsibilities of success as well as failure of strategies. One of the best examples of cognitive studies is the Johari window. Wherein, organizations can do better business by understanding of their employees, suppliers and customers. This is where corporate communication plays an important role. Once the organization knows what their customers demand and want sending the right signals becomes easy for them. Even Howard-Sheth buyer behavior model is a good example of the cognitive school of thought. It attempts to explain the rationality of choice of the product by the consumer under conditions of incomplete information and reduced processing capability. It analyses the external symptoms of behavior, reactions and thought processes that cannot be subject to direct observation. The Critical View of Cognitive School: The problem with the cognitive model is that it is not practical beyond a certain point. A top company cannot rely on surveys and marketing research reports alone to find new ideas

or to make connections with their customers. Fact is that every day some new product get introduced in the market and keeping a tab on each movement in market is not possible in the cognitive school of thought. Organizations which follow this thought process, depend a lot on their experiences and market happenings. The complex and unpredictable nature of business environment, coupled with a decentralized distribution of knowledge inside the organization, rules out deliberate control. Organizations following learning school model make strategies looking at the past; not necessarily their own past. They take cues from strategies in market which became successful or failed. Organizations following this school of thought look at things that worked in market and try to implement the same thing over time with the assumption that it will work again. Such organizations discard strategies that dint work for others. The Critical View of Learning School: More than a strategy, the learning school of thought looks like steering or guiding the company on the basis of the previous road maps that have gone by. It is not advisable to depend on decisions of past because change is constant in the market. This strategy can be used when the firm is stable, and wants to work on auto mode while it develops something else in the meantime. This school of thought is power centered. The people who are in power take the decisions. Strategy formation is shaped by using power and politics. Anyone who is known to have power over the company drives the company forward. The power center ensures that there is lesser resistance for implementing the strategy. Macro power sees strategy making as the interplay of stakeholders through persuasion, bargaining, negotiating and at times with direct confrontation. Power school revolves around political games and shifting coalitions. Politics are a system of influence can act in a Darwinian way to ensure that the strongest members of an organization are brought into positions of leadership. Politics can ensure that all sides of an issue are fully debated, whereas the other systems of influence may promote only one. The problem with the power school happens when the powerful people stop listening to feedback from others and stop implementing measures of improvement, and only focus on minor improvements. At such times, the power needs to change hands so that the company keeps moving forward. The cultural school of thought says that human capital is most important in organizations. A positive culture in the firm harnesses innovations and entrepreneurial culture in organizations. Strategy formation is a process of social interaction which is based on the beliefs and understandings shared by the members of an organization. An individual acquires these beliefs through a process of socialization within the organization. Strategy takes the form of perspective, rooted in collective intentions and which is reflected in the patterns by which the embedded resources or capabilities of the organization are protected and used for competitive advantage. The cultural school believes in involving as many departments possible within a company. This becomes very useful during mergers and acquisitions. Cultural school organizations emphasizes the role of social values, beliefs and culture in decision making. The Critical View of Cultural School: Especially during any changes taking place in organization, people resist it because they get used to a typical culture. Politics in organizations plays an important role. It is difficult to unite people in organizations, there are several groups with variety of ideologies. To get the people in organization united, herculean efforts are required and direction remains unclear. But, this is the only school of thought which introduces a collectivist dimension of social process in strategy formation. The environmental school of thought is more of situationally related. The environmental school gives most importance to the environment. For example in Information Technology industry expertise of people matters and the knowledge of people needs regular up gradation. When expert knowledge become scares, the strategy formulation needs a change on the basis of available expertise of people. Under the given dimension, environment plays a major role. Therefore, situational analysis is the most used tool in the environmental school. Obviously, this thought process depends on the situation, and is used when there is total dependence on environmental factors. The Critical View of Environmental School: Under this school of thought, process entirely depends on the environment which constantly changes. It is difficult for organizations to keep changing their strategies constantly. One of the most preferred amongst the 10 School of thoughts is the configuration school because the basic premise in this is that the strategy needs to be configured. The strategy allows the firm to move from one position to another, hence simple set of values will not help this movement. As per the configuration school, strategy needs to consider a lot of facts and cannot be derived from simple statistical data and values. An organization stands on the basis of a stable

configuration of its characteristics. Strategy adopts a particular structure which matches to a particular type of context. Organizations undergo cycles of stable phases, disturbed phases and transitional phases.

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