

## CONSIDERATIONS REGARDING THE STRATEGIC MANAGEMENT OF STRUCTURES AND ACTIVITIES

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**Abstract:** *This article presents the necessity of an integrator approach of strategic management within the organizations as an essential demand of their performance obtaining.*

**Keywords:** *activities, management, organization, strategy, structure.*

### 1. INTRODUCTION

One of the defining features of the contemporary society is the change, generally speaking, expressed in any plan of human activity. It affects directly the activities performance of the organizations, which are forced to reorganize themselves frequently, to adapt themselves continuously in order to cope with the changes produced inside them and in their action environment and which are mainly established by the present scientific and technical progress, by the acute competition manifested at the national and worldwide level, by the change of people's needs and tastes but also by the trends in economy and society.

The strategic management is one of modern forms of leadership, centered on the changes and modifications that must be operated within the organization and its interactions with the environment it functions in, in order to avoid such situations when goods and services offered by the organization, their manufacturing and sale, the whole activity become obsolete, in chronic discordance with the changes produced.

### 2. SOME CONCEPTUAL DELIMITATIONS

The strategy is defined by the specialists in different ways but the essence remains the same. Thus, the strategy is:

- “establishing the organization long-term goals and objectives and supplying the necessary resources in order to reach them” (Chandler, 1962);

- “the system of goals and objectives, of politics and plans necessary to reach these objectives, expressed in a way that contributes to the definition of the activity sector where the firm is or where it accepts to enter, as well as the type of firm it wants to become” (Andrews, 1971);

- “way of fundament the current performance and to foresee the resources and to interaction with the environment, showing the way the organization shall reach its goals” (Hofer and Schendel, 1978);

- “the way by which the organization objectives are reached” (Hatten, 1988);

- “a model or plan that integrates in a coherent whole unit, the major goals of the organization, the politics and steps of action” (Quinn, 1980) [1].

Based on the above mentioned things, we can say that the *strategy is due to describe the image that the organization wants to have in the future and it is orientated to what it wants to do, not to the way it wants to action.*

The strategy is an example or model of behavior in a given context. According to this definition, the strategy, with or without any intention, represents a behavior consistence. The consistence settles, in fact, the strategy, the lack of consistence implying the contrary, that is the lack of strategy.

The strategy is a perspective, a way of organization to reflect, through its “character” the external world. The notion is defined as the “big strategy” by the military, the “culture” by the anthropologists or the “ideology” by the sociologists. The management theoreticians name this notion in terms as “business theory” or “leadership power”.

These become strategic objectives only if they are clearly formulated, quantitatively expressed, well specified in time (using initial terms, stressing the idea of the organization value generated by the amount of its members and not by a specific person or by a leader having a special personality.

The value is in the “collective minds” – individuals united by a common thinking and/or behavior. In fact, strategy is a concept, an abstraction that is only in somebody’s mind.

The ways of defining strategy by Mintzberg are compatible among them and they allow avoiding the confusion generated by a too rigid definition, which contradicts the practice. For each of them, we find pros and cons, but what it remains important is the multidirectional approach, in the spirit of postulating the inexistence of a singular optimal solution for each theoretical management problem.

As in the case of the term “strategy”, for the “strategic management” there is a variety of definitions, which suggests the respective author’s interest direction. In most of cases, they refer, under an explicit or implicit way, to a process and to a strategy.

The strategic management is:

- “the process by which the leaders establish the organization long-term direction and its performances, assuring a careful wording, a correct implementation and a continuous strategy evaluation.” (Rue and Holland, 1986);

- “the wording, implementation and evaluation art and science of correlated functional decisions, which allow an organization to reach its goals” (David, 1989);

- “the process of simultaneous examination of the environment present and future, of the organization objectives wording, as well as of implementing the decisions control, focused

on these objectives in the present and future environment” (Higgins, 1983) [1].

Consequently, after having explained the term “strategic”, we can define the *strategic management as being the managerial process of a strategy wording and implementation.*

The strategic management comprises also activities associated to decisions, such as planning, including goals and objectives establishment, as well as phasing their achievement in time.

### 3. DEVELOPMENT STRATEGY

Within the different types of strategies, the development strategy has a primordial role, due to its complexity and importance for the economic activity.

The complexity of a development strategy is given by the following characteristics of this one:

- to insure the achievements of the proposed objectives, based on its production factors and especially based on the highest technologies and elements of technical progress.

- creating a development strategy must be based not only on the internal and international context where the economic unit operates but also on the products, markets and technologies evolution.

The basis of the development strategy elaboration is formed of three elements:

- the environment;
- the internal situation;
- the goal of the economic unit.

The development strategy represents a result of a strategic leadership process and it has a lot of particularities, according to the strategic leadership process approach.

There are three ways of approach:

- entrepreneurial;
- adaptive;
- planned.

The entrepreneurial approach supposes the fact that the strategic leadership depends, in a great extend, on the entrepreneur.

The adaptive approach supposes the action of the leadership members’ adaptation to the changes that occur within the activity of the economic unit.

The planned approach supposes the fact that the strategic leadership process becomes manifest at the superior level of leadership organization.

The development strategies can be applied through:

- penetration of new markets; it is not very difficult to obtain an increase of market quota in the context of a rising market, which allows a growth of the absolute level of sales. The development of low market quota competitors on a matured market is handicapped by the advantageous structure of the cost of leading firms, whereas the penetration of a market on the decline is incumbent upon the firms that are leaving it;

- development of new products; this being a costly, risky and potentially unprofitable alternative, the firms have been opting lately on either technology transfers or various forms of co-operations in order to obtain new products.

As a matter of fact, the leadership of the various internal activities is part of modern management. The external environment of an organization enforces a different set of challenging agents: the immediate external group of competitors, suppliers, clients, whose inexplicable preferences have to be anticipated or governmental agents that monitor the application of the law.

An important contributor to the development of a business is the more remote external environment, which contains economic, social and cultural conditions existing technology, political, environmental and legal priorities all of which have to be anticipated, monitored and incorporated into the decision-making process. This process is subjected to the multiple impacts that originate from the various interests within the business: owners, shareholders, management, personnel, banks, trade unions, and administrations.

Such interests affect the ability of the company to develop profitably and to plan its actions of strategic management in a way that allows a suitable position among the competitors.

Theoretically, any position is possible since strategic management processes allow an accurate anticipation of changes and an

adequate position for the study of unexpected or competitor demand as well as reactions to these [3]. Strategic management is in many ways an enhancement of the concept of strategic planning. Strategic management is a way to administer a firm by maintaining a close link between strategy and production (Ansoff, 1965). Any decision, except the operational ones, is assessed through the scope of strategic consequences. While strategic reflection in strategic planning implies merely the closer environment of the firm, strategic management implies internal organization, culture, and power.

Strategic management keenly reflects any change generated by an important event, as opposed to strategic planning which doesn't have the same flexible nature. What is more, strategic management involves not only high-level management but also lower, operational level personnel who are responsible with implementing strategies. The decision-making process is relatively decentralized and it differs from the action plan imposed by the decision-makers in the form of a rigid, top to bottom hierarchical scale.

The evolution of strategic management starts with the development of an operational basis supplied by the budget and it evolves towards a four-phase, long-term plan:

1. Basic financial planning rests upon the use of yearly budgets focusing on the aim of establishing operational control.

2. Planning based on foreseeing employs an environment analysis in order to achieve a static distribution of resources on a time span of a few years. Foreseeing is guided by the aim of implementing a growth plan as efficiently as possible.

3. Externally oriented planning provides an active response to the challenges of a more aggressive competitive environment. The process based on "strategic thinking" involves the creation of strategic alternatives that result from a complete analysis of market and competitors. Its flexibility is generated by a dynamic distribution of resources.

4. Strategic management is the highest step in dealing with the relationship between organization and environment. An organization prepares for the future through

directing all resources towards the achievement of competitive advantage and structure flexibility as well as planning procedures.

5. The stability of the organization is achieved through a system of values favorable to a creative approach.

The quality leap carried out from strategic planning to strategic management is a result and, at the same time, a response to the increase of uncertainty and complexity, which creates the environment of present organizations, especially firms. The globalization of economy enhances this aspect and causes the rapid growth in the number of interdependencies, which have an important effect in the world of management. The organization fights by the means strategic management that employs the greatest threat of the end of the XXth century: change.

The change is perceptible not only in the immediate environment of the organization but also within the internal environment, manifesting itself through pressure that affects its stability and continuity. These pressures manifest differently in ways of form, intensity and time, within each organization, yet, their occurrence is paramount.

In such a context there are a few major arguments in applying this method of management:

- it enables the organization to adapt to the rapid shifts in the environment, to anticipate these, or even, generate them;
- it creates a long-term direction of organization activity;

- it allows a consistent correlation and coherence of all activities in order to achieve a fixed goal;

- it grants advantages in a competition that involves high risks;

- the organization receives its own identity;

- the organization becomes more efficient.

#### 4. ONE CONCLUSION

Knowledge of the strategic concepts and their accurate adaptation to each situation generates distinguishable differences in an organization with effective management as opposed to one with a faulty approach.

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