

# Critical analysis on minztbergs ten schools of thought business essay



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Henry Mintzberg has classified strategic management into ten schools of thought. The first three are the classical schools of thought which adopt a conventional view towards strategic management. These schools insist that strategic management should consist of a series of standard rules and regulations. The remaining seven schools are the modern theories which consider strategic management to be a mobile and dynamic process. It should be applied by taking into account various variables. This report will critically analyze and assess the theories. It will seek to identify the strengths and limitations of the approach.

## **Introduction**

Henry Mintzberg has been a well known researcher who has written a number of books on strategic management. The author has classified strategic management into ten schools of thought. The first three are the classical schools of thought which adopt a conventional view towards strategic management. These schools insist that strategic management should consist of a series of standard rules and regulations. This helps to create high levels of order and stability in the organizational environment.

The remaining seven schools are the modern theories which consider strategic management to be a mobile and dynamic process. It should be applied by taking into account various variables. An organization needs to be dynamic and innovative as it responds to external threats and opportunities. In addition, the success of organizations is usually dependent upon their ability to leverage their resources for optimum use. Strategic management is a proactive process in which various variables need to be taken into account. A multifaceted approach can help to rectify various problems and obstacles. It can lead to the success of different strategies which increase productivity and output. Mintzberg's classification has been considered to have strengths and limitations. The classification helps managers to use a combination of different approaches for resolving business problems. A major limitation is that other schools are not mentioned. This research paper will seek to analyze and assess the ten schools of thought.

## **Classical School of Thoughts**

Mintzberg defines the classical school of thoughts by focusing on traditional management principles and strategies.

The Design school believes that strategic management can be implemented through the presence of novel ideas and outlooks (Mintzberg & Ahlstrand, 2002). The organization needs to formulate innovative and ingenious approaches in order to resolve business problems. The external and internal variables are used as a means of dominating the market.

This school of thought leads to the creation of a stable and cohesive management structure. It creates a steady and constant environment with <https://assignbuster.com/critical-analysis-on-minztbergs-ten-schools-of-thought-business-essay/>

the presence of dynamic and proactive management. However the model is limited in the sense that it adopts simple notions and presuppositions. It uses tested and proven approaches for resolving new problems which can be a risky venture (Johnson, Scholes, & Whittington, 2008). The process of risk management is very flawed in the process due to several reasons. Strategic management is a dynamic process that needs to take into account various variables. This approach utilizes a linear and sequential approach towards management problems. This process can become rigid and inflexible with the passage of time as new problems emerge.

The Planning school uses standard operating procedures as a means of implementing strategic management in the work environment (Mintzberg & Ahlstrand, 2002). It uses a step by step strategy in which every variable is calculated in an efficient and effective manner. This approach helps to provide clear vision and mission statement for the organization.

Goals and objectives can be determined in a predictable manner by the upper management. It relies on facts as a means of attaining excellence in the fluctuating business environment. However the planning school is hindered by its inability to adopt a mobile and dynamic approach towards problems.

The process of strategic management can become reactionary since there might be no provisions to respond to unforeseeable circumstances. It places an over reliance on goals and objectives because it does not consider strategic management to play a critical role in the development of knowledge for the business organization.

The third classical school is the positioning approach in which managers conduct frequent assessments of the surrounding environment. Industry trends, market position, product demand, and consumer desires are recorded in a logical and practical manner (Probst & Raub, 1999). Market research can be used as an instrument to enhance the strategic edge of business organizations.

The positioning school is hindered by its inability to take into account political, social, and cultural attributes. This can be detrimental for the success of organizations in a multifaceted business environment. The school focuses on large corporations that have the ability to conduct effective market research in the environment.

## **Modern Schools of Thought**

Strategic management in the modern era has been divided into seven categories according to researchers.

The Entrepreneurial school stresses the importance of charismatic leadership in formulating business policies and processes (Mintzberg & Ahlstrand, 2002).

Management can effectively implement strategic processes by a combination of perception, opinion, understanding, and awareness.

Charismatic leadership helps the organization to withstand problems in the business environment. This approach is successful if the organization is facing critical emergencies. However the school of thought is limited in the sense that it can lead to unforeseeable dangers and obstacles.

Charismatic leadership might adopt aggressive policies that are risky for the entire business venture. They are successful during uncertain economic environments where there is little or no regulation. This approach might not be successful in an environment with a set of predefined rules and regulations.

The Cognitive school applies strategic management by using psychological and mental approaches. It studies consumer behaviors in an efficient and effective manner (Mintzberg & Ahlstrand, 2002). It attempts to analyze the competitors' behaviors and actions.

Managers can apply mental models as a means of enhancing existing business strategies. New opportunities or threats can be detected in a logical and practical manner. A sound strategy can be implemented based upon the past experiences of managers. The school of thought is hindered in its ability to implement practical approaches towards strategic management.

The entire process is unable to develop innovative and critical ideas which are needed to change the fortunes of business organizations working in a cut-throat environment. Social constructs are used as a means formulating strategic management. However this can be only relevant in theoretical perspective since it ignores other variables present in the business environment. It focuses on laws and theories rather than use a scientific methodology for strategic management. Such a methodology uses empirical data and observation as a means of resolving problems. It also vigorously tests hypotheses in an efficient and effective manner.

The Learning school argues that strategic management is developed through knowledge acquisition by the business organization. An experienced firm has created a reservoir of knowledge and expertise (Mintzberg & Ahlstrand, 2002). These resources enable it to execute a strategic management approach in a proficient and competent manner. The lessons learned from past experiences can be used to combat new threats and obstacles in the business environment.

The school of thought is insufficient to combat the threats faced during emergencies. It might lead to confusion in the long term due to the absence of clear and crystal goals.

The Power school believes that strategic management can be accomplished through the practice of concession and compromise. The vital stakeholders need to be unified by creating common ground that is beneficial for the business organization (David, 2006).

The balance of power between various interest groups should be maintained in order to ensure the success of strategic management. This approach is limited by its focus on politics which can be a chaotic and confusing process. It can focus on trivial issues through the process of negotiations and compromise. The organization might fail to reconcile the different interests of the stakeholders.

The Cultural School is based upon the premise that strategic management should be applied in a shared and combined manner. Every department in the organization must coordinate business activities to achieve long term

and short term goals (Mintzberg & Ahlstrand, 2002). A consensus should be developed by taking the counsel and advice of various groups.

The overall consensus should be used for creating an effective and effective strategy for the business organization (David, 2006). This theory has helped organizations in using social values and norms to make smart decisions. Such attitudes and norms help the organization to make effective usage of limited resources. The organization can coordinate and integrate its activities by using different methodologies and tools. The dominant values in the organization are promoted by using a methodical and logical approach. However the theory is limited in the sense that it can ignite opposition to change in the organizational environment.

The dominant group might abuse its powers and privileges in order to maintain its clout and authority. The cultural theory can be used to legitimize existing values, norms, and attitudes. It can use the consensus of the majority as an excuse to resist change. It can also lead to ambiguities in the entire process which might lead to problems and obstacles.

The Environmental school believes that strategic management should be reactionary in nature (Mintzberg & Ahlstrand, 2002). This means that management should respond only when they are faced with obstacles in the external environment. The constraints imposed by the environment can become a catalyst for change.

The external environment is the major indicator of strategy for organizations. This means that other variables need to be sidelined in order to formulate an effective and efficient strategy. A major limitation of the theory is that it <https://assignbuster.com/critical-analysis-on-minztbergs-ten-schools-of-thought-business-essay/>



cannot adopt realistic and accurate approaches towards strategic management. This is due to the fact that it ignores or sidelines the internal variables that can enhance the overall performance of business organizations.

Finally it is an anathema of proactive management that anticipates changes in the external environment. It does not allow the application of contingency plans which can be used to attain excellence in the business environment.

The Configuration school believes that organizations must rejuvenate and restructure their basic structures in order to achieve success in the business environment (Mintzberg & Ahlstrand, 2002). The transformation of organizations should occur by using a slow and gradual approach.

The organization needs to have mechanisms which can be used as the catalyst for change and innovation (Moore, 2003). In addition, there is the need for innovative and creative processes which can be used for attaining excellence in the cutthroat environment. This theory allows organizations to withstand periods of instability that can wreck havoc in the environment. It can use a smart and innovative strategy which is based upon ground realities.

However the theory is limited in the sense that some organizational structures might not be appropriate. The definition of restructuring and rejuvenation is based upon the perception of managers.

## **Conclusion**

Managers can apply mental models as a means of enhancing existing business strategies. New opportunities or threats can be detected in a logical and practical manner. A sound strategy can be implemented based upon the past experiences of managers. The school of thought is hindered in its ability to implement practical approaches towards strategic management. Strategic management is a dynamic process that needs to take into account various variables. This approach utilizes a linear and sequential approach towards management problems. This process can become rigid and inflexible with the passage of time as new problems emerge.