

Whittingtons four generic approaches to strategy commerce essay



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Figure 1 illustrates the two processes of strategy formulation; the deliberate and the emergent. The deliberate process produces the intended strategy while the emergent process produces an evolved strategy from unplanned changes in either the organization or the environment (Mintzberg & Waters, 1985 cited in Batamuriza et al, 2006). Each of the four approaches gives differing views of how strategy is formulated.

Classical approach

The classical approach is the most prominent of the four approaches to strategy. It is a rational and deliberate approach to strategy formulation with a unitary objective of profit maximization (Whittington, 2001). The classical approach assumes the business environment to be predictable and so designs a rational and logical approach that will enable the organization to achieve its goals and objectives.

The classical approach uses rational planning methodology such as PESTLE analysis to craft strategy (Mullins, 2007).

A limitation of this approach is the uncertainty of events may occur in the macro environment that may render the approach obsolete (Wright, 2000).

The classical and evolutionary approaches share a similarity as they both agree on the unitary goal of profit maximization as the outcome of strategy, however the evolutionary takes a different position as it relies on the ability of the market to secure profit maximization (Whittington 2001).

While the classical approach is similar to Gareth Morgan's machine metaphor which connotes efficiency, in the context of Mintzberg's schools of thought it

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is synonymous with designing, planning and positioning schools of thought which is line with Frederick Taylor's Scientific school (Mintzberg, 1998).

Evolutionary approach to strategy

The evolutionary is an emergent approach to strategy formulation, it relies on the ability of the market to secure a unitary goal of profit maximization. It believes that ' evolution is nature's cost benefit analysis' (Einhorn & Hogath 1988: 114 cited in Whittington 2001, p. 16) and so it does not matter whatever the strategy the manager puts in place, it is the market that will decide the best.

While the evolutionary and the processual approaches share the same view on the unsuitability of the classical approach to cope with an unpredictable environment, the evolutionary believe in allowing the market to determine the choice strategy, while the processual require the organization to maintain the status quo and work with it (Whittington, 2001).

A limitation of this approach is to ask if it is realistic to base a strategy only on the needs of the environment irrespective of the resources of the organization (Batamuriza et al, 2006). What happens if an organization operates in an unstable environment?, how often will such an organization need to develop its strategy?

While this approach share a similarity with Gareth Morgan's metaphor of organism and its ability to adapt to its environment (Morgan, 2006), it is also synonymous with Mintzberg's school environment as the determinant of strategy which is in line with the Contingency Theory (Mintzberg, 1998)

Processual approach to Strategy

In contrast with the classical and evolutionary approaches, the processual pursue pluralist goals as it seeks more than profit maximization as the expected outcome of strategy. This is a messy approach which places emphasis on bottom-up approach in which strategy emerge from individuals in the organization seeking to include their personnel objectives as part of the organizational goals (Batamuriza et al, 2006).

The processual and the systemic approaches share a similarity in pluralist goals as the outcome of strategy but differ in their approaches, while the processual favours the emergent process, the systemic is goes with the deliberate (Whittington, 2001).

The processual and the classical approaches also share a similarity as they both rely on an organization's micro environment as the determinant of strategy formulation (Batamuriza et al, 2006).

A limitation of this approach is the challenge in the choice of strategy to be adopted and the insecurity of what job functions the managers perform if strategy formulation is a bottom-up approach (Batamuriza et al, 2006).

The processual shares a relationship with Mintzberg's learning and power schools where uncertainty and politicking rules. The Mintzberg school of learning is in line with the theory of organizational learning while the power which relates to power distance theory (Mintzberg, 1998).

The processual also shares a similarity with Gareth Morgan's metaphor on psychic and political images of repression and conflict processes of strategy formulation respectively (Morgan, 2006).

Systemic approach to Strategy

The systemic is a deliberate approach to strategy which favours pluralist goals as the outcome of strategy. It not only seeks an approach to strategy formulation based on the socio-economic systems of the environment, but also organization goals that depends on the local rules in which the organization operates (Whittington, 2001). In this approach both the process and the outcome of strategy must align with the cultural rules of the local society.

The systemic and the classical approaches share the same perspective on long-term planning but however differ on expected outcome of strategy. While the classical seek a unitary outcome of profit maximization, the systemic seeks a pluralist outcome which is dependent on the social context in which the organization is operating. For example, while the Americans seek unitary goal of profit maximization, the Koreans prefer pluralistic goals of growth and market share.(Whittington 2001).

It also shares a similarity with evolutionary approach as they both favour the macro environment as the determinant of strategy formulation.

A limitation of this approach is the process of strategy formulation which is in alignment with its social context, this then gives the impression of a strategy formulation that is according to itself (Batamuriza et al, 2006).

Systemic approach is identical to Mintzberg's cultural school (Mintzberg, 1998) which is line with cultural intelligence theory and Gareth Morgan's metaphor of culture as an image organization (Morgan, 2006).

Conclusion

Every organization and individual exist and operate in an ever changing environment with the aim of achieving one aim or the other from time to time with different objectives, subject to different conditions, thereby rendering irrelevant some known approaches in favour of alternatives and more relevant methodology.

Whittington has no doubt made very valid contribution to strategy crafting that will stand the test of time, as it condemns rigidity to embrace flexibility in strategy crafting, as well as being responsive to changes within business environmental variables, that necessitate modification as the need arises.

Strategy does matter as it gives meaning to an organization which enables the employees and the outside world indentify with that organization. There are different approaches to strategy, but they fall under two processes; deliberate or emergent. It is not enough for organizations to have a strategy, the formulation and implementation must flow together through the process of crafting. It has been said that strategy that is formulated by the top hierarchy of organizations, far removed from daily operations have been responsible for the fall of many of such organizations (Mintzberg 1987)

From the above discussion, it is evident that there is no single definition for strategy, rather it is what an individual or organization makes it to be. An

organization can survive without a strategy, for such an organization having no strategy could also be a strategy!

‘ Effective strategies can show up in the strangest places and develop through the most unexpected means. There is no one best way to make strategy’ (Mintzberg 1987, pp70).