

Strategy formation as a visionary process



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This school of thought has been described by Mintzberg as the visionary process for strategy formation. To explain this school of thought Mintzberg has taken help from the Peter's book in which he describes how the constant rehearsal, attendance and performance create good results. Hence he has defined some visualization to describe this school according to his theory in ideology of studies. .

(a) The entrepreneurial school says that the strategy must be based on dialectic and worldwide view.

(b) it is based on specific uncertainties.

According to Mintzberg study we have all been familiar to the past present and future while developing these strategies. In entrepreneurial study based on the recent studies are based on myths stories and are from dialectic knowledge.

The dialectic knowledge that we are talking about depends on the adapting uncertainties after negotiating new certainties. Hence that's why the entrepreneur is all about taking risks and playing with uncertainties. These entrepreneurs have a lot of knowledge about the surroundings and they keep it dear to them to have uncertainties. Entrepreneurial knowledge is mre about the dialectic knowledge and they develop their position as a result of they are so fast and more likely to keep up to date about more and more new behaviors and then to make there ways in some creative way.

The ideology in the entrepreneurial school of thought is that we must have value for the investments in the uncertainties. So while keeping this school

of thought at an higher prestige we can say that this one has all the quality of design, principal and the positioning school of thought. Moreover the other six school of thought are not that much relied on uncertainties than this one and it holds a key position in the minds of intellects to make the school of thought a good option to adapt.

THE COGNITIVE SCHOOL

“ Strategy Formation as a Mental Process”

This school of thought has a good future oriented approach in it but it is supposed to be the least developed school of thought because it involves a lot of thinking and mental exercise. There is a very little text on this school of thought due to its uniqueness. Still when we talk about the Mintzberg idea of this school of thought we can easily understand the basis of his theory. As one of the writers says that “ the strategies are cam in to being due to the perspectives, they may be in the form of schemes, concepts r maps which make it clear that how people make the inputs from environment work for them.”

The reality is meaningful for this school of thought as this addresses both the social aspect of reality and the implicit in knowledge in process for the strategic perspective. This school of thought helps the strategists to make what decision to make for the different themes. There are set of theories to adapt in the context of this school of thought and these finally spring out in the form of scientific construction of reality. This school keeps a view that whatever the explanation files the need becomes the strategy. In the form of the ideology it is a type of process of the symptoms and explanation in which the scientific facts are decomposed. When we talk about the different

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schools of thoughts this one is the least appreciated but it has its own significance and it helps in gaining the best possible strategy or some certain process.

THE LEARNING SCHOOL

“ Strategy Formation as an Emergent Process”

As it is obvious from the name that it is the learning school in which it provides us an incremental approach. According to it strategy is developed in response to some unusual thing. Moreover, strategy is a network of knowledge or the ideology is deemed to be the strategy. Moreover, the company is tending to have a controlled ideology. This emphasizes on the acting learning loop rather than the strategy formulation or implementation loop, So the loop is yet to be defined and it has to be controlled but there is no hard and fast rule to control the loop.

This school has a lot of thinking and knowledge involved in it but still it lacks a lot of things in it and this makes the idealist to believe that the rational planner is best to decide for the organization to choose its strategy for itself. It is just an assumption that the emergent strategy for the organization would be optimal. As we know that as in every school of thought there are many positive notes as well as negative ones and same is the case with the Learning school. It usually confuses the globalized strategy with the local ones and the response of unusual dimensions of happening. Many Arthurs argue that the basic concept of this school is the working in the organization and between resources like Human Resource and the Organizational Resource. It is also strongly dialectic and holds very little capacity for the self assessment.

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When we compare it with other schools of thoughts then we say that the Cognitive schools anti scientific was not only the unusual thing it is also one of the ant judgment and non scientific approach.

THE POWER SCHOOL

“ Strategy Formation as a Process of Negotiation”

This school defines the reality of the most of the organizations like this school mainly focuses on the power interests with in the organizations or the institutions for the power school of companies. This school of thought says that firms laws and ideas are simply those that are allowed by the internal power institutions. And the strategies are also those that are being negotiated in these power groups. Three primary power interests are social Capital, Political capital and the Human capital and the Cultural capital aligns itself with the set of modern knowledge. Overall this defines how the three power interests collide with the cultural capital and the whole scenario is very tricky one. This usually happens in the R&D and the Marketing interface.

This school of thought as I have earlier defined is the school of thought that helps in the making of the more than 50% organizations structure and strategy. It is usually based on the three different powers that influence the strategy and the progress of the organization. Many think that it plays a vital role when we have to discuss the first three schools of thought. My thinking is that the organizations which have a democratic setup are usually based on this school of thought.

THE CULTURAL SCHOOL

“ Strategy Formation as a Collective Process”

Mintzberg has discussed this school as the aftermath of the power school and relates these two in such a way that both are power driven but this one is the social power school. While very few agree with his concept as the rich culture (the term he used to define this school), as a common perception the culture is a strong set of belief shared by its members. As Terry Eagleton(1991) says ideology is closer to implicit which is embedded by power within a discourse and is in contrast with the Mintzberg belief where he focuses on the implicit language and practice.

Those who argue against the Mintzberg idea that Cultural School is a power oriented school they say that the organizations are resources in which the theorists develop clean hand i. e apolitical are some of the pictures in which they function. Hence its surrounds most of the troubled real world aspects in which the politics and complicity are well defined. The two researchers Kogut & Zander's (1996) give it a term “ social community” and “ moral order”, and moreover said it as “ communities of practice” and the last thing “ democracy”.

Now while talking about the inter link of these school of thought and the main purpose of us to do this study is that the bothe power school and the learning school are connected with this culture school. But still there is a gap of knowledge which was the primary point for the learning school is not in cultural driven school. Meanwhile the social capital and human capital dominates in it over political capital because later it comes to halt due to the cultural influence. According to Mintzberg the cultural school is closely linked <https://assignbuster.com/strategy-formation-as-a-visionary-process/>

with the Resource based theory in which the knowledge is the main aspect which produces te main aspect. But the views are not in accordance with the strategy.

THE ENVIRONMENTAL SCHOOL

“ Strategy Formation as a Reactive Process”

As the name suggest this school of thought has been affected by the environment. According to the writer the environment and the ecological aspects make there influence in the development of companies strategy. The school of thought focuses on the niches which have been effected by the environment and companies shape their strategies to influence them.. Two well known theorist Hannan & Freeman(1977) says ” it is a doubtful impact that the major impacts in the organizations come from learning and adaptation.” This seems to be some very different approach when talk about the cultural school.

According to Mintzberg this school is not in accordance with the strategy.: The strategies may be developed by the choices of the different alternatives. If there would not be any choices then strategies would be just forced in to action. To develop a good strategy one must have some uncertainties because the uncertainties increases knowledge and if this school is driven by just environment after effects then this school would have no knowledge in it and it would be anti management in turn.

Hence if we relate these schools then this school and Design school has some thing very common in them and that is SWOT. Like Haberburg (2000) says SWOT is not appropriate for today’s companies. further he gives

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example of Amazon. com that if one do SWOT of Amazon. com then it would not be very helpful for him. Then he explains it as “ by classification of a firm’s attributes according to its strengths and weaknesses, while not keeping an eye on the other issues then we are ignoring some important information. About the areas where it can be more helpful if the development was made a little further.” Hence this school of thought loses many just due to ignorance and it lacks behind the other school of thought due to knowledge and similar aspects.

THE CONFIGURATION SCHOOL

“ Strategy Formation as a Process of Transformation”

The configurational school is a type of Meta school that is the school selection of school. It defines that according to the current position of the organization which most appropriate of these schools which must be adopted then the preceding school. Thus this is all about the configuration of the circumstances. According to Charles “ I imagine of nothing, in science, religion or philosophy which tells me that which one is more then proper to have in a while. While talking about the practicality of this school of thought this yields more questions then answers. This is due to the fact that when the school does becomes appropriate and when does the organization is in the transition stage.

The period of stability are interrupted occasionally by some process of transformation. Key to strategic management is most of the time: to sustain stability, or at least adaptable strategic change, but periodically there is a need for transformation and to be able to manage that disruptive process without destroying the organization.

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The way of strategy formation must adapt to its own time and context, while it takes one or more of the 10 mentioned forms. Hence strategy formation itself has configurations.