

# Prescriptive and descriptive schools of strategy business essay



## **Introduction:**

Strategic management has become well established in all the sectors of the economies especially in the large organizations. 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. Ohmae's definition of strategic management is quite different. 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. In this assignment you will find the schools of strategy briefly.

## **Role of Strategic Management and competitive analysis:**

The major requirement of the role of the strategic analysis is the understanding of competitive situation and appraisal which directs the enterprise in the sector or market. The strategic choice is flourished by the <https://assignbuster.com/prescriptive-and-descriptive-schools-of-strategy-business-essay/>

competitive forces against the organization or enterprise. The enterprise always makes a transparent and clear activities and identities of its competitors. It is important particularly when the selected proposals are supposed to enter in the market to operate in the international market. In early 1993 Mr. Kay discussed the basic or core enterprise in which the capability of the firm or company provides the more competitive advantage in the local market and international as well. The reason of it is because the competitive advantage is relative and the firms can facilitate themselves by the applying the strategic role to other suppliers in the same market. A firm is supposed to understand and define the competitive strategic advantage arena. The strategic competitive policy of the Japanese and South Korean competition was pillared on the encouragement of "Competitive Oligopoly" among the companies within the frame work of the national protection acts.

### **Contemporary Strategic Issues:**

Issue is an un solved problem or question which is need to be solved and to give a result to take a future decision but when it is strategic issue then it has major impact on the direction of the business. The strategic issues are involved in the deep simplifying strategic planning. There are many strategic issues are hidden behind the curtain in one organization which just needed to be taken out to get tackle against them. Actually a team will generate bigger list of the strategic issues then they will have time to solve it. All the strategic issues are queued in an order and the priority is given to the much serious ones. While solving the issues the team staff is permitted to discuss the terms and then it defines the scope of the issues before the discussion get into heated. Then the discussion is derived until the decision is taken

placed and solutions are provided to the member or represented people of the organizations. Some of the strategic issues lead to the later strategic planning steps.

### **Schools of the Strategy:**

Mintzberg and Lampel in 1999 reviewed ten schools of strategy formulation and declared that any type of business must be driven by the strategy. 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 than the past events. In addition the individuals have the cognitive style including the followings;  
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The strategic formation is a cognitive process that takes place in the strategies stage. Strategies emerge as frames, maps and concepts.

### **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 SWOT (Strengths, Weakness, Threats, opportunities) has been importance to make help of the vision and mission of the organization. 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 Ducker identifies the entrepreneurial with the management. The entrepreneurial act is the act of economic risk taking and business enterprise institution. Entrepreneurial in the larger business or organization includes

Richard Barson of Virgin and Jack Welsh as well. 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 industry analysis is based on the Porter's five forces analysis. 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 <https://assignbuster.com/prescriptive-and-descriptive-schools-of-strategy-business-essay/>

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). In order to make it functional it is important to take it in one's notice that how the business runs and the running figures being utilized in the scenario. The way of doing remains unspecified despite the claimed formality of the <https://assignbuster.com/prescriptive-and-descriptive-schools-of-strategy-business-essay/>

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. The parts that are eliminated from the theory are creative imagination except for the Porter's five Planning Schools Scenario. 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 1990s. 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. In budget: to govern more resources playing with in clearly defined rules. 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 <https://assignbuster.com/prescriptive-and-descriptive-schools-of-strategy-business-essay/>

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 1990s. 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 stability time durations are like a life cycle in the organization or company. 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.

All these school had considered to define the frame work for the organization.

### **Strategy Formulation in the large company or organization:**

The formulation can be divided into two inter related components and parts to get better understand. These are corporate strategy and Business strategy. The corporate strategy is related with the issues of strategic management at the level of the enterprise. There are few directions that should develop its activity in which it can develop the nature of its internal architecture and the nature of the relationship with its sector. The Business strategy is what in which the enterprises establishes the strategies for the organizational business activities and the specific division or business units operations can be allocated.

Strategy formulation in SME:

The formation of strategy in the SME small to medium sized enterprises it is unluckily to differentiate to make difference between the business and corporate strategy. You will be amazed to know that the strategy of the enterprise is its business strategy until the SME flourishes to an efficient size to think about issues of corporate development and the external relationship. In the well known series of Mintzberg and colleagues (1985b, 1987b) the basis of strategy are categorized under the following headings

Self imposed

The requirement

The deliberate

Rationalistic

Logically incremental

The emergent

## **Conclusion:**

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.

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