

การบริหารเชิงกลยุทธ์ ความหมาย นิยาม และการอธิบาย Strategic Management Meaning, Definition, and Explanation

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บทคัดย่อ

บทความวิชาการนี้มีวัตถุประสงค์เพื่ออธิบายความหมายและนิยามของการจัดการเชิงกลยุทธ์ การวางแผนเชิงกลยุทธ์ กลยุทธ์ และยุทธวิธี เพื่อต้องการให้เกิดความเข้าใจในความแตกต่างของแต่ละความหมายโดยผู้เขียนได้ทำการทบทวนจากตำราที่เป็นต้นฉบับ สรุพออกมาจากหลายๆ เล่ม และได้สรุปเพิ่มเติมตามมุมมองของผู้เขียนเอง ซึ่งสามารถสรุพออกมาได้ดังต่อไปนี้ การบริหารเชิงกลยุทธ์ที่สมบูรณ์นั้นต้องมีองค์ประกอบที่สำคัญอยู่ด้วยกันสามส่วนคือ การกำหนดกลยุทธ์ การดำเนินกลยุทธ์ และการประเมินกลยุทธ์ การกำหนดกลยุทธ์นั้นยังสามารถที่จะแบ่งออกได้เป็นสี่องค์ประกอบด้วยกันคือ การวิเคราะห์เชิงกลยุทธ์ การกำหนดภารกิจและวิสัยทัศน์องค์กร การกำหนดวัตถุประสงค์เชิงกลยุทธ์ การสร้างและการเลือกกลยุทธ์ที่เหมาะสมกับองค์กร ซึ่งส่วนแรกนี้ก็คือส่วนของการวางแผนเชิงกลยุทธ์ ส่วนการดำเนินกลยุทธ์คือกระบวนการที่ต้องนำแผนเชิงกลยุทธ์ที่วางเอาไว้แล้วในขั้นตอนแรกลงสู่ภาคปฏิบัติอย่างเป็นรูปธรรมเพื่อให้บรรลุในจุดมุ่งหมายที่องค์กรได้กำหนดเอาไว้ และเมื่อมีการนำแผนลงสู่การปฏิบัติแล้วองค์กรก็ต้องมีการประเมินกลยุทธ์คือขั้นตอนสุดท้าย เพื่อให้เกิดการพัฒนาปรับปรุงแผนต่อไป จึงจะเสร็จสมบูรณ์ในวัฏจักรของการจัดการเชิงกลยุทธ์ที่จะขาดส่วนใดส่วนหนึ่งไม่ได้ ซึ่งต้องดำเนินการโดยผู้บริหารระดับสูงขององค์กร เพื่อที่จะได้ประเมินกระบวนการทั้งหมดในภาพรวมของการจัดการเชิงกลยุทธ์ว่าสามารถบรรลุในเป้าหมายที่ได้วางเอาไว้หรือไม่

คำสำคัญ: การจัดการเชิงกลยุทธ์ การวางแผนเชิงกลยุทธ์ การนำกลยุทธ์ลงสู่ภาคปฏิบัติ

การวิเคราะห์เชิงกลยุทธ์ การกำหนดกลยุทธ์

Abstract

This academic article aims to explain the definitions and concepts of strategic management, strategic planning, strategy and tactic in order to provide better understanding among the differences of each term. The author has compiled and concluded these definitions and concepts based on several textbooks. According to the strategic management, there are three essential elements: strategic formulation, strategic implementation, and strategic evaluation. Strategic formulation can be divided into four elements: strategic analysis, strategic objectives, vision and mission statements, and strategic generation and selection.

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Strategic implementation is the process where the strategic planning has to be converted into the concrete forms, so the organization will be able to achieve the goals anticipating with the managerial leaders' capabilities. Strategic evaluation, the final process of strategic management, can be done by the top managerial leaders of the organizations in order to evaluate the whole process of strategic management whether this can meet the goals or not.

Keywords: Strategic management, Strategic planning, Strategic implementation, Strategic analysis, Strategic formulation

Introduction

Currently entrepreneurs have been well aware of the fast changing business world in the 21st century. Not only does business situation change, but social, political, technological and cultural situations also abruptly change resulting from three factors: globalization, technological development and international business deregulation. Due to changes and factors, most countries have to expand their trades, investments and markets all over the world. These activities allow joint-venture businesses to be done around the world (Tepapan, 2008).

Recently strategy has been used vigorously with other activities, such as strategic communication, strategic digital management, or strategic information. However, the definitions of strategic managements may be varied. Therefore, Chatreewisit (2010) have stated that strategic management, which is essential for business situation, has been widely utilized in world class organizations whose business activities have been integrated with well-defined strategic management in order to maintain their competitive advantages among the chaos of business situations. As well as this, the differences and strategic applications, tactic, strategic management and strategic planning have to be explored respectively.

Literature Review

Nowadays, the business environment has been completely changed. Pakapaswiat (2005) has characterized these changes into three types: gradual change, speedy change, and complex change. Thus, it is inevitable for the organizational leaders to apply the right strategic management. They need to analyze the internal and external situations in order to reap benefits from the upcoming opportunities. This will help maintain their competitive advantages over their competitors. Besides, to apply right human resource strategies is crucial for the organizations as well.

Strategic Management

Number of academic professors (Schermerhorn, 1999: 159; Lawrence & William, 1988: 5; Dess & Lumpkin, 2003: 3) defined the meaning of strategic management as procedures to formulate and implement companies' strategic plans into the concrete forms in order to achieve determined goals and sustain competitive advantages. Apart from strategic formulation and implementation, David (2001); Wheelen & Hunger (2003) also included the evaluation process into strategic management. Furthermore, Wheelen & Hunger (2003) have asserted an environmental scanning system of internal and external organizations and an evaluation and control process. By adding two extra elements into actual strategic management, this will help organizations to determine their opportunities and threats based on their strengths and weaknesses. Peace & Robinson (2000) have generated nine elements of strategic management as follows. 1) Objective determination including the overall description of organizational objectives, philosophy and goals. 2) Environmental analysis which aims to determine the strengths and weaknesses of the organizations. 3) External evaluation which helps organization to seek the opportunities and avoid unpleasant situations in order to maintain their competitive advantage. 4) Organizational alternative analysis which helps organizations to allocate the available resources appropriately anticipating the external environment. 5) Determination the optimum implementation plan for the organizations. 6) Setting up the long term goals and master strategic plans for the organizations. 7) Short term goal development anticipating to the long term goals and strategic master plans. 8) Implementation the selected strategies anticipating to resource availability, human resources, organizational structures and technology. 9) Evaluation the success of strategic implementation in every level in order that this can be a partial element for further decision for the organizations. Moreover, Thompson & Strickland (1999: 3) have classified the strategic management into five steps relating to strategic making and strategic implementation. 1) Forming strategic vision. 2) Setting the objectives. 3) Crafting strategy. 4) Implementing the designated strategy. 5) Adapting the problematic strategy and restarting implementation. Bowman & Asch (1978) also put an interest assertion about strategic management that this can include the process of strategic alternation as well.

Hence, it can be concluded that strategic management is decision making relating to organizational management with determined objectives in order to survive from the threats. These strategies, anticipated with internal and external business environments, are consisted of strategic formulation, strategic implementation and strategic evaluation as can be seen from Figure 1: strategic management stages.



Figure 1 Strategic Management Stages

Strategic Formulation

Strategic formulation is concerning about the art of selection of the most appropriate actions associating with the organizational goals within the given frameworks leading to determined results. However, the companies need to introduce these formulated strategies, companies' missions and objectives to the employees. Besides, the companies have to be well aware of changing situations and prepare themselves for the unexpected events. The fine strategic formulation will help the companies be able to conduct an evaluation and budget allocation, and to define the optimum plan in order to maximize the favorable results (The Saylor Foundation, 2017). Similarly, David (2001) also agreed that development of companies' visions and missions and identification of long-term goal should be included into the plan along with SWOT analysis in order to exhibit the proper strategies. Moreover, Dess & Lumpkin (2003: 13) have classified the levels of strategic formulation as follows: business level strategy which helps company to compete in given business environments in order to attain competitive advantage. Corporate-level strategies can be generated into two focuses. 1) What to compete and 2) How to create more value on business synergy. International strategies have to be developed beyond national boundaries. The companies need to make the decision whether they will respond foreign market demand by their original home products or service, or by their different ones. Finally, internet of thing (IOT) is fast growing technology

which helps the companies to explore the new strategic platforms in order to expand their e-business strategies. Harrison (2003: 18-19) has portrayed the functions of strategy formulation as a pattern in a sequence of decision over time and as an organizational plan that drives companies to achieve their fundamental objectives.

Additionally, strategic formulation can be divided into three levels: corporate, business, and functional strategies. Corporate-level strategic formulation includes the art of selection which business areas to compete and the emphasis by carrying out the proper corporate level strategy. Business level strategic formulation is belonged to domain direction and navigation concerning the method of competition in the selected business areas. Functional level strategic formulation has to be managed through the available company's resources: marketing plan, operations, and financial support in order to achieve competitive advantage. Carpenter & Sanders (2007: 10) have defined that strategy formulation is a decision making which is resulted from rational and methodical planning process based on an analysis of own company resources and capabilities and external environments.

Therefore, strategic formulation, which is to frame the direction of the organizations, can be done with following elements: organizational mission, vision and objective identification, business environmental analysis, proper strategic selection anticipating internal and external business environment.

Strategic Implementation

Before implementing the designated plan, the companies need to examine the internal and external components in order to deliver the successful strategic plans. David (2001); Dess & Lumpkin (2003: 15); Harrison (2003: 20) have given an interesting insight about strategic implementation process that, in order to deploy the successful process, the companies should look into some factors, namely, well defined objectives, resource allocation and motivational plans and policies. These factors have to be integrated on various departments and employees along with the budgeting plan. Moreover, leadership plays an important role to drive the implemented plans anticipated with suppliers, stake holders, customers and alliance partners. This strategic implementation can be managed in various levels of the company, as well. Schermerhorn (1999: 160) also added that every organizational and management system must be mobilized to support and reinforce the strategic accomplishment. Carpenter & Sanders (2007: 15) have declared the two crucial processes of

implementation. 1) To clearly inform the comprehensive strategy formulation. 2) To transform the ideas into actions.

Therefore, it could be implied that strategic implementation is the process that converts the idea into the strategic formulation. Alternatively, strategic planning is converted into the concrete forms. To optimize the intended results, the organizations should scaffold the structure of operation and management anticipating the target strategies. Furthermore, leadership is an important element to direct the organization towards the goals with the art of management and motivation.

Strategic Evaluation

David (2001) has sequenced strategic evaluation as a final stage in strategic management which helps the companies to spot where the failure takes place in the plan. All strategies are subject to modify since both external and internal factors are constantly changing. Strategic evaluation is needed because today's success does not guarantee tomorrow's success. Stoner & Freeman (1992: 194) stressed that people in charge must check the progress of the plan periodically or at some critical stages. MSG management study guide (2017) also pointed some critical points to be aware whether the implemented strategy runs as planned or whether the strategy leads to intended results. The managers can also assess the appropriateness of the current strategy in today's dynamic world with the knowledge of socio-economy, political situation and technological innovations. The processes of strategic evaluation are consists of the following steps; 1) fixing benchmark of performance, 2) measuring of performance, 3) analyzing variance, and 4) taking corrective action. Hence, in the light of strategic evaluation, the desired result can be achieved with efficiency and effectiveness.

Therefore, it could be concluded that strategic evaluation is performed to assess the whole operational process as a final stage of strategic management by top leaders of the company. To holistically evaluate, the actual results achieved from the operation must be compared with the desired results which have been previously determined. If the results are failed to achieve, the top leaders have to improve the plan. This is called 'control' process which consisted of (1) reviewing external and internal factors based on current strategies, (2) measuring the performance, and (3) taking corrective actions.

Strategic Planning

After the definition and elements of strategic management have been explained, the term of strategic planning needs to be described whether both of them share similar definitions or not.

Several academic professors have coiled the meaning of strategic planning as a set of framework designed by top and middle managerial leaders to enhance the companies' performance and to meet the desired goals with available resource and time. Olsen (2012: 12), Stoner & Freeman (1992: 188) also portrayed the components of strategic planning as follows. 1) A mission and vision statements. 2) Companies' long term goals and objectives. 3) Strategies to be used to achieve the goals and objectives. 4) Implementation plans. Additionally, Hill & Jones (2007: 11) have illustrated five steps to accomplish the target goals. 1) Targeting company's missions and goals. 2) Analysing an external environment to identify opportunities and threats. 3) Analysing an internal environment to identify strengths and weaknesses. 4) Selecting optimum strategies to eliminate the weaknesses and threats and to boost up opportunities and strengths. 5) Implementing the strategies. Furthermore, Katsioloudes (2006: 8) has defined strategic planning as dynamic process including strategic formulation, strategic implementation and strategic evaluation.

Therefore, according to the uncertain situations, strategic planning has to be adapted all the time by the companies' leaders. However, sometimes the plan might not need to change so often. According to the Figure 2, the major components of strategic planning can be rolled out as follows. 1) Articulating plan where the company has to identify the clear missions, visions, and objectives. 2) Selecting the optimum strategies. 3) Setting organizational engagement which involves everyone to achieve the target goals and missions. This can be done by job allocating and goal cascading to the departments. 4) Transforming organization when in need to revise the business strategies.

It can be concluded that strategic planning and strategic management have share some similar definitions depending on the researchers mentioned above. In terms of strategic planning, its definition, sometimes, may cover strategic implementation. If strategic planning definition is included companies' missions, visions and strategic formation, this means strategic planning is only a partial element of strategic formulation. However, if strategic implementation does not exist, this process cannot be called as strategic management which constitutes strategic formulation, strategic implementation and strategic evaluation.

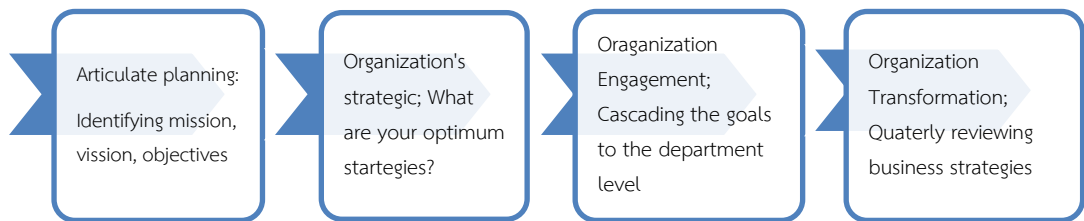


Figure 2 Strategic Planning Process

Strategies

David (2001) has defined business strategies as the potential actions designed by the companies' leaders based on the amount of the companies' resources. To achieve long-term goals, business strategies should be included geographic expansion, diversification, acquisition, product development, market penetration, retrenchment, divestiture, liquidation, and joint ventures. Typically, as soon as launching new strategies, this will affect an organization's financial status at least five years ahead. Thus, to initiate some strategies is considered to be future-oriented and can cause multifunctional or multidivisional consequences that require careful consideration upon both the external and internal factors. Olsen (2012: 10) also asserted that the companies have to consciously select the appropriate strategies based on companies' directions related to the upcoming incidents in the dynamic environment.

Strategic Utilization by Organizations

Organizations have used different levels and types of strategies: corporate, business, and functional level strategies. Corporate level strategy directs the organizations holistically towards sustainable competitive advantages. It could be stated that four alternative master strategies. 1) Growth strategies that expand size of the organizations and their operations. 2) Retrenchment strategies that reduce the size of the organizations or scope of operations. 3) Stability strategies that try to maintain existing operations. 4) Combination strategies that can utilize two or more strategies at the same time. Hill & Jones (2007) identified business level strategy as the method used by divisions or strategic business units to compete their rivals by their products or services. A strategic business unit (SBU) is operated in a major business area by some managerial leaders. A functional strategy is a leading activity within one specific area of operations (Schermerhorn, 1999: 164-165).

Tactics

A tactic is a conceptual set of activities aiming to achieve the organizational goals. They can be implemented as one or more specific tasks at a time. Strategy is an alternative collection which can be appropriately selected to accomplish the goals while tactics are the specific actions used incorporating with particular strategies which can be utilized as planned or ad hoc timing depending on the requirement of the situations. McKee & Meneghella (2013: 210) stated that strategy acts as a method utilized by companies to achieve the goals whereas tactic acts as a repeated method which can be used to re-achieve the goals in the future. In an organization, strategy is decided and controlled by the board of directors, but tactics are implemented by the department heads, junior officers and employees (BD Business Dictionary, 2006).

Apparently, it could be concluded that strategy is the systematic flows of thinking relating to internal and external business environment. This can be utilized as a framework of decision making and organizational direction from the current actual point to the possible future achievement. On the other hand, tactic is classified as marginal activities which can be selected to anticipate the actual strategies at that time.

Summary

It can be concluded that strategic management is consisted of three elements: strategic formulation, strategic implementation and strategic evaluation. If the scope of strategic planning does not involve strategic implementation and evaluation, this cannot be labeled as strategic management. In contrast, if the strategic planning has comprised the methods and elements of strategic implementation and evaluation, this strategic planning can be identified as strategic management. With these elements, strategic management will be able to convert their desired plans into the concrete forms that may take place in the future.

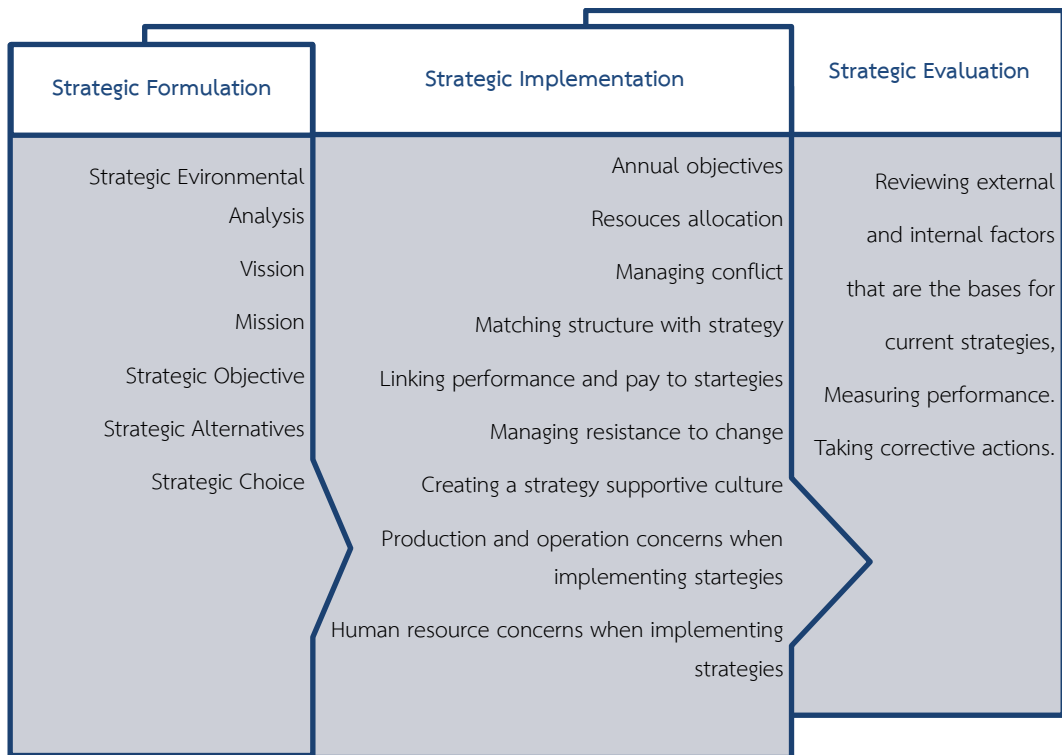


Figure 3 Strategic Management Elements

The leaders of the company have to take a deep understanding in strategic environment which helps them to foresee the favorable factors and unexpected incidents. Besides, it is essential for those leaders to have enough information related to the competitors and industrial environment. Without these strategies and information, it is likely for the company to encounter the failures in the upcoming future. Kaplan & Norton (2001). According to the details in Figure 3, in strategic formulation, it is crucial for the company to analyze their internal and external factors which can assist the companies to scaffold the missions, objectives and effective strategies. This can be called strategic planning. Regarding to strategic implementation, the companies have to align their structures with the intended strategies by assigning the short-term goals and allocating their responsibilities to the department levels. Meanwhile, leadership has also played an important role as some leadership styles can motivate the staff to work towards the plan together with promising incentive. Last but not least, it is inevitable for the leaders to employ strategic evaluation whether the laid out procedures have been operated as planned with the successful results or not. Those results from the actual performance can be evaluated by comparing with the intended results which have been previously set before the plan started. If the results fail to

meet the objectives, the plan has to be revised. This revising process can be called as control process which controls the company's operation in order to meet the objectives. All these strategic managements can be utilized and adapted depending on the situations.

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