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The concept of strategy

The strategy is a means of establishing the organisation's purpose in terms of priorities for resource allocation, action programs and long term objectives (Grant 2005). Chandler (1962) defines strategy as determining the primary long-term goals of an organisation, the adoption of courses of action, and the allocation of necessary resources. Besides, the strategy also focuses on allocating resources in relation to the organisation and its environment (Schendel & Hatten 1972). The strategy also pertains to the top management's decisions pertaining to its scope and the future direction. Such strategy covers an action plan on the organisation's future, commitments to specific products, services, and the markets.

Elements of the strategic management process

The strategic management process's main elements are situation analysis, strategy formulation, strategy implementation, and strategy evaluation (Sa, 2013). The situational analysis offers the information needed to establish the mission statement of a firm. The situational analysis also entails the scanning and assessing the organisational context, the organisational environment and the external environment (Coulter 2005).

Formulation of strategy entails the design and development of the strategies of an organisation. This is undertaken through the use of the strengths of the organisation. Formulation of strategy is usually undertaken at the corporate, competitive and operational levels of the organisation. Corporate strategies tend to be long-term and are linked to decisions on the optimal mix of business and the firm's overall direction (Coulter 2005). On the other hand, operational strategies are short term and are linked to operational departments of the firm. Moreover, competitive strategies are linked to methods of competing in particular industries or businesses. This is because knowledge

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of competitors is needed to formulate a competitive strategy and can be used to develop a strategy that allows a company to gain a competitive advantage over competitors (Porter 1985).

Values, vision and mission statements in strategic management of organisations

Vision is part of the strategic planning and entails looking at the future of the organisation. The vision looks at setting the direction-setting underlying the concept of strategic vision. The strategic vision is a perception of the kind of position in the environment that an organisation aspires to achieve within a broad timeframe (Schuler, Jackson & Storey 2001). A mission statement tends to be derived from the organisation's vision and purpose and often considers the benefits a firm can offer its customers. The values of the organisation outline what the organisation views as necessary. As such, the values, mission and vision statements offer the direction that the organisation wants to take and the goals, as well as objectives that it sees to achieve (Hill & McShane 2008). All these are a crucial part of the strategic management of organisations.

The different approaches to formulating strategy

According to Mishra & Mohanty (2020), there are six separate approaches used in strategy formulation. The approaches are positioning approach, planning approach, stakeholders' approach, fit approach, resource-based approach and emergent approach. The stakeholders' approach is used to protect the interest of stakeholders, whereas planning approach pertains to long-term planning and execution to attain the organisation's goals. The resource-based approach entails the identification and utilisation of essential resources in an efficient manner. The fit approach is concerned with matching internal strengths and weaknesses with external opportunities and threats. On the other hand, the emergent approach is an approach to strategy formulation entails adaption of the organisation to change as needed. The positioning approach involves putting an

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organisation in a position that allows it to get maximum advantages against its competitors (Mishra & Mohanty 2020).

Influence the external environment has on strategy formulation

Analysis of the external environment influences the formulation of strategy by offering an understanding of what is happening in the external environment. The external environment is continually changing, and thus, an understanding of the external environment allows for the formulation of a flexible and adaptable strategy. Besides, analysis of the external environment allows for the identification of threats and opportunities to the organisation and as such allows for the formulation of a strategy that takes advantage of opportunities in the environment while coming up with measures to deal with threats.

Organisation's general, competitive and internal environments

An organisation's general competitive environment entails the identification of risks and opportunities, whereas internal environment entails the analysis of the core competencies, resources and capabilities. Besides, the general competitive environment is part of the external business environment. The competitive environment is comprised of immediate competitors of a business. The general competitive environment is also looked at from an economic perspective which consists of a whole series of various industrial environments. The general competitive environment is divided into technical, legal, demographic, social, political, and economic (White 2004). The competitive environment is understood through the use of Porter's five forces model. In contrast, the internal environment is assessed through the use of strengths and weaknesses portion of the SWOT analysis. In addition, the internal environment is also assessed through the resource-based view (White 2004).

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Tools for the analysis of the general, competitive and internal environment

The general and competitive environments are analysed through a PESTEL analysis that focuses on the external business environment's political, economic, social, technological factors. Pestle analysis is a useful analytical tool for comprehending market growth or decline, potential and directions for operations and business strategy positions. The competitive environment is assessed using Porter's five forces model, which looks at the threat posed by new entrants, buyers' bargaining power, suppliers' bargaining power, the rivalry among existing firms, and the threat of substitute services and products. These forces affect the ability of an organisation to compete within a given market. When these forces work together, they have the capacity to determine the potential for a particular industry. In addition, the Porter's five forces analysis also allows for the assessment of the future position of the business in an industry. It informs decision on whether to increase or decrease the resource commitments in the future. Porter's five forces analysis also allows for an organisation's strategic position to be understood, thus allows the organisation to maximise value to customers at the lowest cost possible.

A SWOT analysis looks into the internal environment of an organisation. SWOT analysis offers an analysis of internal organisational capabilities through weaknesses and strengths, and the general business environment is assessed through looking and opportunities and challenges of the business (Mullins 2010).

Porter's five forces of competitive position analysis are used to assess and evaluate the competitive strength and position of an organisation. The tool focuses on the competitive intensity and attractiveness of a market. It is useful in the identification of where power lies in the business environment. Porter's five forces are useful in understanding the potential profitability of products

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and services (Boody 2008). Porter's five forces focus on the power of suppliers, the power of buyers, competitive rivalry in the industry, the threat of substitution, and the threat of new entrants (Grundy 2006). The threat of substitution focuses on aspects such as product differentiation and buyer switching cost. Rivalry focuses on the number of competitors, the size of competitors, and the industry's rate of growth. Supplier power focuses on aspects such as the importance of volume to suppliers and supplier concentration. Buyer power focuses on aspects such as volume and information that buyers have and the bargaining leverages buyers have. The threat of new entrants affects the competitive environment since it looks at the required capital requirements, cost of switching, patents, and economies of scale.

Different approaches to formulating organisational strategy

There are six main approaches used in the formulation of organisational strategy, which is stakeholders' approach, emergent approach, fit approach, positioning approach, planning approach and resource-based approach (Mishra & Mohanty 2020). The planning approach pertains to planning and execution that is long term in the attainment of organisational goals. This means that the strategies formulated to focus on the long-term goals of the organisation. On the other hand, a positioning strategy focuses on placing the company in a position where it can maximise its competitive advantage. The stakeholders' approach focuses on protecting stakeholders' interests, whereas the resource-based approach is used in the identification and utilisation of critical resources in an efficient manner. The fit approach focuses on internal strengths and weaknesses, as well as external threats and opportunities. The emergent approach focuses on the formulation of a strategy that is adaptive to change. The resource-based approach and fit approach focuses on the internal business environment, whereas the positioning strategy, stakeholders' approach focuses on the external environment. The planning approach and the emergent approach focus on

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the strategy formulation and adapting to change and the organisation's future success (Mishra & Mohanty 2020).

Role of organisational strategy in achieving competitive advantage

Organisation strategy is essential in gaining and maintaining competitive advantage in the market and maintaining a competitive advantage in the future. The organisation's strategy is geared towards ensuring the organisation's survival by serving the customer groups and providing value to customers through the proper satisfaction of the needs. Organisational strategy can allow for competitive advantage by ensuring that the firm's products are easily identifiable, the target market is easily identified, and the organisation understands the competitive landscape (CFI n.d).

Tools to analyse the actual organisational environments

An organisational environment is always changing, and in order to ensure that organisations are not taken by surprised, managers regularly undertake environmental scanning. Environmental scanning is a broad-based and high level used in the gathering, assessment, and dispensation of information to develop tactics or strategies. Some of the useful tools in assessing the actual organisational environments are PESTEL analysis, Porter's five forces, and SWOT analysis.

A SWOT analysis focuses on the internal weaknesses and strengths of an organisation and external threats and opportunities, which are part of the organisational environment and determine the firm's success (Williams & Figueiredo 2014). Strengths offer a competitive edge to an organisation over its competitors, thus defines its success. The strengths of an organisation take into consideration the resources, existing marketing goals, management and workforce. In addition, strengths also allow for sound decision making, which allows for the formulation of long-term objectives. Weaknesses affect the internal organisational environment, including its performance

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and are vital in locating and recognising the problems and implementing changes that positively impact the internal organisational environment. Opportunities look into the organisation's external environment by sizing up the competition, assessing the market trends, and evaluating technology's implications on the organisation's performance (Corporate Financial Institute n.d). On the other hand, threats look into factors that may prevent the organisation from succeeding in a competitive environment.

Organisational processes in the implementation of organisational strategy

Some of the organisation's main organisational processes include customer service, product development, resource allocation, decision-making, and order fulfilment. These processes can be instrumental in supporting organisational strategy. For instance, customer service plays a crucial role in meeting consumers' needs as stakeholders in an organisation. Order fulfilment also allows for the implementation of organisational strategy since it ensures that goods reach the customers in a timeline manner. Furthermore, management's decision-making capabilities within an organisation also play an instrumental role in offering the direction that should be taken in the implementation of organisational strategy. The allocation of resources also determines the degree of success that is experienced in the implementation of the organisational strategy.

Different approaches to strategic change

Different strategies can be used in strategic change. Lockitt (2004) recommends using five approaches to strategic change: expert strategies, directive strategies, educative strategies, negotiating strategies, and participative strategies. Negotiating strategies focus on senior managers' willingness to negotiate and bargain to achieve strategic change. This means that for strategic change to occur senior management must accept concessions and adjustments in the

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implementation of strategic change. On the other hand, Participative strategies emphasise the involvement of stakeholders and anticipated changes in strategic change. This approach is less dominated by management and more driven by groups within the organisation. The educative strategy entails changing the values and beliefs of individuals with the goal of getting them to support changes made entirely. Expert strategies entail the management of change as a process of solving a process that an expert needs to resolve. As such, the approach is mainly geared towards addressing technical problems in strategic change.

Place of strategic control and reward system in the implementation of organisational strategy

Strategic control is essential in the implementation of the organisational strategy since it is vital when environmental factors experience significant change. This is important in organisational change since the strategy formulation, and implementation is based on assumptions which change over time. Therefore, strategy control allows for the implementation of a strategy that is best suited to the organisation and able to adapt to change (Burnes 2004). Strategy control entails taking note of changes in strategy assumptions as a result of new changes in environmental factors and continually evaluating the strategy as it is under implementation. Furthermore, the strategy also entails taking the needed control actions to adjust the strategy to meet the new requirements as posed by changes in the business environment.

Organisations often experience difficulty carrying out strategies due to the executive compensation systems that measure and reward performance for ignoring strategic planning, thinking, and action. Furthermore, reward systems tend not to emphasise the long run in an adequate manner. The reward systems are not well coordinated with the objectives and goals of other management systems. Nevertheless, the reward can be matched to the organisation's strategic goals through the

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weighted-factor method, long-term evaluation method, and strategic funds deferral method (Stonich 1981). Weighted factor method weighs the performances measurements in regard to the strategic objectives, whereas the strategic fund's deferral method goes beyond performance. On the other hand, long-term evaluation method ties compensation to goals achieved over a multi-year period. The reward system thus facilitates better implementation of organisational strategy.

Role of administrative managers in designing and implementing organisational strategy

Administrative managers play the most critical function in translating the strategic vision into tangible steps that aid an organisation in the implementation of strategies. Good administration is vital for all organisations' success, and the successful implementation of the strategy relies on the interpersonal skills of administrative managers and the manner the job gets done (Reinhardt & Stavins 2010). The administrative manager has the duty of being a strategy implementer by establishing suitable action plans and taking the appropriate approach to push the change through a firm. Administrative managers tend to be responsible for determining the necessary leadership styles based on the organisation's context (Mullins, 2010). Implementation of strategy requires firms to go through significant changes in the manner it operates. Administrative managers are responsible for managing and leading change in the organisation by designing job responsibilities, linking people with business processes and coming up with policies and ideologies that reflect a clear picture of the management of the workforce's expectations. Administrative managers are also responsible for establishing liaison, which is essential in the implementation of the organisational strategy. This ensures that the organisation's policies and ideologies reflect the values, vision, and beliefs of the organisation.

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Administrative management in the implementation of strategy across the functional areas of organisations

Administrative management is the process of running and maintaining an organisation. Administrative management is geared towards the creation of a formal structure for the success of the organisation. As such, the implementation of the strategy is closely impacted by administrative management since it is crucial for the organisation's success across various areas. Administrative management can focus on the organisation's functional areas, which are sales and marketing, research and development, production and distribution, finance, and human resource. According to Fayol's principles of administrative management, administrative management focuses on the division of labour, discipline, unity of direction and command, as well as stability (McLean 2011). Administrative management allows for the implementation of strategy across functional areas in an organisation since it allows for the division of work, which means that work is assigned to employees based on what they are best suited for. In addition, administrative management also allows for the unity of direction, which means that the process of implementing strategy in an organisation is undertaken by employees who have a shared vision and goal. In addition, unity of command also facilitates the selection of team under the executive branch, which means that clear communication lines are established, which allow for the implementation of the strategy (Schimmoeller 2012). In addition, administrative management also allows for personnel stability, which ensures the long-term relationship between the employer and employees, which allows for proper implementation of strategy as they work towards a common objective. Administrative management also allows for order and equity, which means that there is clear communication of expectations and instructions in regard to the implementation of the strategy. Furthermore, there is a clear prioritisation of dealings pertaining to the implementation of the strategy.

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