

Strategy: An Overview

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Abstract

As a consequence of a significant increased number of companies, humans are witnessing a war where the main characters are represented by organizations. The relevance of the strategy concept in this competitive business environment can be narrowed down to actions taken by firms in order to survive and grow. Strategy may be perceived a company's move designed to achieve objectives. The aim of this study is to clarify which are the questions that a definition of strategy should answer to in order to facilitate the understanding of the notion, starting for presenting several explanations of the concept provided by pioneers of strategic management. The methodology followed a quantitative approach; therefore it assumed the gathering and analysis of available data. The results present in a briefly manner what strategy and how it may be defined.

Key words: strategy, strategy definition, strategic management, company

J.E.L. classification: L10, L29, M19

1. Introduction

As a practice identified in several studies, a discussion regarding the strategy concept may be initiated by referencing to the famous book written by Sun Tzu. This ancient Chinese military and strategist has become a source of inspiration for the current environmental business. He revealed an important part of a strategy, namely actions based on anticipated knowledge. From his perspective, the strategy concept refers to the significant effort of organization to survive, expand and defeat competitors (Angwin *et al*, 2017, p.xv). Moreover, the term itself has its origins in the military framework (Toma *et al*, 2015a). The term strategy derives from the Greek word “strategos” which is referring to military officers, later alluding to the arrangement that commanders took on in their order of troops (Savolainen, 2016, p.1156).

Nowadays, the concept has been mostly analyzed from a business perspective (Toma *et al*, 2015b). Due to the fact that the number of companies has increased significantly in the past decades, humans are witnessing a war where the main characters are represented by organizations. The relevance of the strategy concept in the actual business environment cannot be narrowed down to actions taken by companies in order to survive and grow as today's business organizations have fully understood the need to successfully compete in the age of incessant risk and high uncertainty (Toma, 2013; Toma *et al*, 2013a; Toma *et al*, 2015c). Moreover, they have identified and implemented numerous strategic tools and methods in their business processes (Marinescu *et al*, 2008; Toma, 2008; Toma *et al*, 2013b).

This article incorporates the fundamental information required to illustrate the idea of what strategy is and how it may be explained, contributing to a better comprehension of the notion. The introduced definitions are examined considering the distinctive and common characteristics associated with the concept. The dimensions of the conceptual framework of strategy is developed

starting from several definitions provided by the pioneers of strategic management and comparing them with some other relative new explanations of the term. The aim of this study is to clarify which are the questions that a definition of strategy should answer to in order to facilitate the understanding of the notion.

2. Literature review

Even though the term has been used since 1954 in the domain of business management, a globally accepted definition has not been provided so far (Bolisani *et al*, 2017). In 2008 were identified more than 91 explanations utilized by academics to describe the term strategy (Ronda *et al*, 2011). Initially, the role of the concept in the business environment has been introduced by Chandler who stated that the term can be associated with an enterprise's objectives, plan designed to achieve these goals and the mean used in this regards (Chandler, 1962, p.159). Subsequently, Kenneth added that the concept can be viewed as the result of decisions taken over time. (Andrews, 1987, p.13). These past decisions represent important lessons for companies and, therefore, considering the consequences of bad or good actions taken, the future directions can be shaped. Consequently, Mintzberg sustained that the strategy represents "the plan of future and the summary of past models" (Xiu-bao Yu, 2021, p.16). Furthermore, Ansoff defined strategy as the results of market trends and opportunities, exploited by organization in order to increase market share (Bracker, 1980, p.220). Moreover, Porter associated the term with the competitive advantage, value and uniqueness constitutes the essence of the term (Porter, 1996, p.64).

Since these pioneers of strategic management have sustained the relevance of strategy in the business environment, a variety of definitions has raised creating confusion among academics and practitioners. Some explanations of the concept are based on a narrow approach, while others focus on a more broad perspective. For instance, strategy is can be correlated with the term of challenges (Rumelt, 2011, p.6). Then again, "strategy, rendered as a cohesive core of guiding decisions, is an entity's evolving theory of winning high-stake challenges through power creating use of resources and opportunities in uncertain environments" (Khalifa, 2020, p.136). Several definitions are framed by investigating past activities and some by investigating choices to shape what is to come. Therefore, strategy may represent a way of determining the future of the organization by achieving objectives based on a proper management of available and attract resources (Barad, 2018, p.3). Thus, considering the individual or collective perspective, strategy may be perceived as an initiative of the top management team to increase the performance of an organization (Hill *et al*, 2016, p.4), a collective effort of the individuals working within a company, translated into decisions and plan of actions (Grant, 2016, p.4), the firm's capability to surpass competitors, grow and survive (Khalifa, 2020, p.134) or it might be defined as employees' and employers' effort put into overcoming challenges (MacIntosh *et al*, 2014, p.3). Concentrating on scope, strategy may reveal the attemptation of firm in winning (Eisenhardt *et al*, 2017, p.246).

3. Research methodology

The current study addresses a quantitative examination including the collection and investigation of secondary data, respectively scientific articles and books. Thus, the first step conducted was to establish the research objectives, namely developing an understanding of what strategy is and how it may be explained, contributing to a better comprehension of the notion. The second step followed in this examination was to consult scientific articles in order to find the relevant ones and develop an understanding of strategy.

The dimensions of the conceptual framework of strategy was developed starting from several definitions provided by the pioneers of strategic management (for instance, Chandler, Kenneth, Ansoff, Mintzberg and Porter) and comparing them with some other relative new explanations of the term (for example, definitions of strategy provided by researchers during 2014 and 2019).

Each of the explanations presented in the paper have been discussed and subjected to content analysis. Furthermore, definitions have been transformed into a list of key words associated with the concept. Afterwards, these key words were grouped into questions. These queries had the role of

clarifying which are the dimensions that a definition of strategy should address in order to facilitate the understanding of the notion.

4. Results and Discussions

Definitions are design to help individuals understand better concepts or terms with which they may operate on daily basis. Findings sustain the need of clarification in regards with the dimensions of the conceptual framework of the strategy concept. Thus, considering the explanations presented in this paper, a proper definition for the strategy notion should provide an answer for the following questions: is the strategy a collective, individual or an organizational effort?; why do firms need to have a strategy?; which are the factors that create the need of a strategy implementation?; how a company plans to address the current business needs?; which is the scope of the strategy? (Table no.1).

Table no.1: Content analysis of definitions provided for the strategic concept

	Author of the definition provided for the strategy concept	Key words identified in the definition provided for the strategy concept	Questions addressed by the definition provided for the strategy concept
Definitions of strategy (pioneers of strategic management perspective)	Chandler (1962)	• Enterprise	• Is the strategy a collective, individual or an organizational effort?
		• Long-term goals • Long-term objectives • Actions • Resources	• How a company plans to address the current business needs?
	Ansoff (1965)	• Decisions/ Rule	• How a company plans to address the current business needs?
		• Product/market scope • Growth vector • Synergy	• Which is the scope of the strategy?
	Andrews (1965)	• Pattern of decisions	• How a company plans to address the current business needs?
		• Objectives • Purpose • Goals • Policies • Future plans	• Which are the factors that create the need of a strategy implementation?
• Intentions (image/reputation)		• Which is the scope of the strategy?	
Mintzberg (1987)	• Future plans • Past models	• How a company plans to address the current business needs?	
Porter (1996)	• Set of activities	• How a company plans to address the current business needs?	
	• Uniqueness • Mix of value	• Which is the scope of the strategy?	
	Khalifa (2019)	• Entity	• Is the strategy a collective, individual or an organizational effort?
		• Decisions • Resources + power creating	• How a company plans to address the current business needs?
		• Win	• Which is the scope of

Relative new definitions for the strategy concept			the strategy?
		<ul style="list-style-type: none"> • Opportunities • Uncertain environment • High stake challenges 	• Which are the factors that create the need of a strategy implementation?
	Eisenhardt <i>et al</i> (2017)	• Firms	• Is the strategy a collective, individual or an organizational effort?
		• Win	• Which is the scope of the strategy?
	Hill <i>et al</i> (2016)	• Managers	• Is the strategy a collective, individual or an organizational effort?
		• Company	
		• Actions	• How a company plans to address the current business needs?
		• Performance	• Which is the scope of the strategy?
	Grant (2016)	• Unifying theme	• How a company plans to address the current business needs?
		• Actions	
	• Decisions		
	• Individual	• Is the strategy a collective, individual or an organizational effort?	
	• Organization		
Relative new definitions for the strategy concept	Wunder (2016)	• Firm	• Is the strategy a collective, individual or an organizational effort?
		• Competition	• Which is the scope of the strategy?
		• Survival	• Which are the factors that create the need of a strategy implementation?
	MacIntosh <i>et al</i> (2014)	• Collective	• Is the strategy a collective, individual or an organizational effort?
		• Challenge	• Which are the factors that create the need of a strategy implementation?

Source: Author's proposed analysis for the conceptual framework of strategy based on literature review

From Chandler's point of view the concept of strategy may be correlated with the long-term objectives and the set of actions taken by companies in order to achieve the stated goals. Considering the applicability of the definition in the current business environment, firms operate not only with long-term objectives, but also with medium and short-term objectives. Additionally, goals may be perceived as the base of the strategy due to the fact that the efforts made by firms have the intention to support the achievement of them.

Andrew's explanation of the strategy notion is similar with Chandler's. Both are referring to objectives as an essential component of the conceptual framework of the term. Thus, the authors considered that goals derive from strategy and companies are responsible with designing the strategy. On the other hand, Andrew describes actions as plans and policies meant to shape an organization's success. Thus, an important characteristic of the strategy concept has been revealed in this definition, respectively the future perspective. Strategies are design to guide companies in their process of achieving results. Both Chandler's and Andrew's explanations establish the essence of the strategy concept, namely the development of a plan of actions projected with the intention of sustaining

objectives and the level of action, respectively the determination of who should formulate and implement the strategy (enterprises).

On the other hand, Mintzberg summarizes the term of strategy as a combination of past experiences and future models. A business model describes how a firm creates, provides, and captures value. Considering the explanation provided by Mintzberg, strategies may be perceived as proposed solutions based on learnings, for current and future issues of a firm. The researcher captures through the definition provided the purpose of strategy, respectively the design of value oriented solutions.

Another revolutionary approach which increased the importance of strategy in the business world was revealed by Ansoff through the association created between the concept and the opportunity of growth through markets and products. In his provided definition regarding the strategy, Ansoff, presented the term as a determining factor for creating synergy. Therefore, through the use of strategies firms may be able to associate different elements and make them work together in orders to achieve stated goals.

Porter's definition captures the uniqueness and flexibility of the term. Strategies are usually used as tools that may help the company differentiate itself in the market. Therefore, these may address certain needs and depend on different factors. Considering the nature of the factor (internal or external for the firm), strategies are formulated and adopted. Each organization has to find a proper solution for the issues, opportunities or challenges it may face. Uniqueness relays in creating and choosing the model that suits best the firm's interest.

Moreover, findings show that the conceptual framework of strategy nowadays is usually built around an idea presented by well-known authors in the field of strategic management. Considering this perspective two problems have been identified when researchers try to define the strategy concept. Firstly, most of the relative new definitions sustain the same idea and associate the strategy concept with others presented already by the pioneers of strategic management. Few of them try to come up also with something new, adapted to the current business environment. Therefore, an important problem remains the fact that authors use synonyms (for instances, some utilize the term of resources, while others are referring to resources as available means), but, practically, they express the same thing using other words. Thus, a strategy may be perceived as a decision/ a plan of actions/ a set of actions/ a model that reveals how companies manage to exploit opportunities thought a collective or an individual effort, use resources, achieve objectives and survive. Secondly, some researchers in their attempt to explain the concept become subjective and choose to extend the dimensions of strategy (or associate) with elements that are not necessarily proven to be connected with the term itself. This result of the study is in agreement with other existing papers, for exemple Yu Xiu-Bao (2021) and Khalifa (2019).

5. Conclusions

Strategy represents one of the most important drivers for any successful company all over the world. The concept is difficult to define in an academic manner due to its complexity. Strategy can be found not only in the business environment, but also in the daily life of individuals. Whenever someone has set an objective for himself, the strategy process begins, a plan has been made and resources (existing or acquired) are used in this scope. Most of the times, this plan needs to be adjust or changed based on unexpected or initially not considered factors that might affect our goals achievement focus. It may be perceived as a constant effort to adapt to life or business changes in order to survive. Therefore, strategy may be considered a multifaceted concept.

As shown in this paper, strategy has an impressive evolution over time especially in the business environment. The pioneers of strategic management have an important contribution in capturing this concept's characteristics and utility in the business world even nowadays. They represent a source of inspiration for currently researchers. The later most often try to apply the theory or explain it based on the new reality of the business environment in their own words. Not having a common definition for the concept of strategy may create confusion among individuals. The outcome of this study concurred with other theoretical approach on defining the strategy concept such as Bolisani *et al*, 2017. Thus, this paper presented a proposal of the dimensions that a definition of the strategy concept

should address. This proposal scope is to create a common ground for the definition process of the notion, namely which questions should an explanation of the strategy term should respond to in order to facilitate its comprehension by individuals.

6. References

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