

STRATEGY

Topic: Drawing on Grant and Mintzberg & Quinn, consider different definitions of strategy and argue a case for the definition you feel most comfortable with.

'Business is never so healthy as when, like a chicken, it must do a certain amount of scratching for what it gets.'

Henry Ford

The term strategy has found a limited definition arising, principally, from military origins. This definition has been expanded into the business context where many authors have argued strategy in terms of quantitative and qualitative processes. However, it continues to defy a singular, definitive definition. In order to understand strategy, we must look beyond its military antecedents and identify strategy as a life process. It is from this premise that this paper will argue in support of defining strategy in terms of a qualitative (descriptive) process.

Strategy is about survival — in business, on the battleground, during a game or through life in general. Quinn defines strategy as a pattern or plan that aligns goals, policies and actions into a cohesive whole. A good strategy enhances outcomes through marshalling of resources, unique posturing, leverage off competencies, an awareness of environment and cognizance of intelligent opponents (Mintzberg & Quinn: 1996, p.3). In an analysis of three distinct case studies, Grant contends that success requires a strategy which provides *'... a consistency of direction based on a clear understanding of the "game" being played and an acute awareness of how to maneuver into a position of advantage'* (Grant: 2002 P10). However, Mintzberg contends that the term strategy is implicit and, as

such, can be defined under five broad headings — as plan, ploy, pattern position or perspective. (Mintzberg & Quinn: 1996, pp10-13). According to Mintzberg, '*...strategy is not just a notion of how to deal with an enemy or set of competitors or a market...It draws us into some of the most fundamental issues about organizations as instruments for collective perception and action*' (Mintzberg & Quinn: 1996, p16)

From these definitions we can conclude that strategy is a way of reconciling the ends with the means and uniting collective perceptions and actions. It is adversarial in its construct and is either designed or emerges as a framework from which one can manage adversity (those things that stand in our way requiring, for example, a survival strategy) or seek advantage over an adversary (e.g. military or business strategy). Although differing in their views on strategy formulation, the authors (Grant, Mintzberg & Quinn) generally agree that both the presence and effective implementation of a strategy greatly enhances the prospects of success in whatever the endeavour.

There appears to be two broad views on strategy development. The first is a traditional (design school) quantitative view of strategy with a narrow definition as a plan. It has a structure that considers the firm in relation to its Strategic Fit into its environment and uses quantitative tools for measuring effectiveness of this fit (decision, communication, target) (Grant: 2002, pp. 25-31). Although Grant utilizes this construct for the teaching purposes of his text, he notes '*Such a picture is mostly fiction: the real process is less structured, more diffused, and the dichotomization of formulation and implementation is less apparent* (Grant: 2002, p25).

Grant further pursues this issue when discussing strategic analysis. He notes that: *'Unlike mathematics, chemistry or even economics, strategic management lacks an agreed, internally consistent and empirically validated body of theory. Though it employs theory and theoretical concepts, these drawn mainly from economics, psychology, ecology and sociology, principally on an ad hoc basis'* (Grant: 2002, p25). Mintzberg dismissed the Science/Professional basis of management practice asking *'If we do not even know what procedures managers use, how can we prescribe them by scientific analysis?'* (Mintzberg & Quinn: 1996, p22). Based on the difficulties described, conventional approaches to business strategy analysis are considerably flawed. However, Grant urges the development of more rigorous scientific analysis tools in order to encourage innovation, flexibility and opportunism (Grant: 2002, pp31-32).

The same Art / Science debate is evident in many other applied discipline such as Medicine and Nursing. From this authors experience, in medicine/nursing there is a strong desire to develop prescriptive theory drawn from the 'pure' sciences. Yet there is often imprecision in the management of the patient based on the individual and unpredictable experience of illness. This results in health managers developing mental models (strategies) based on values, experience, competencies and knowledge. According to Mintzberg, these are the characteristics that determine the manager's style (Mintzberg & Quinn: 1996, p23). This author argues that these characteristics are not only the basis of management style, but are the broad principles used in the strategic decisions of life.

The alternative view of strategy is a non-traditionalist definition as a qualitative process, inherently amorphous in nature in order to respond to the complexities of the environment. Hamel and Prahalad argue that in order to achieve success, a company must reconcile its end to its means through Strategic Intent. Where the ends is at odds with the means there is level of stretch requiring the company to incorporate innovation and creativity in the efficient use of resources (Mintzberg & Quinn: 1996, pp.41-42). This equates somewhat to the chicken scratching referred to by Henry Ford in the opening quote (making the most of limited resources).

As identified earlier, Mintzberg contends that types of strategy can be defined under five headings — as plan, ploy, pattern position or perspective. Here, strategy as a singular concept remains undefined. It is situational and presents in a variety of forms from the rare Deliberate (planned) strategy to the more frequent Emergent (circumstantial) strategy (Mintzberg & Quinn: 1996, p10). Whatever the descriptor (this will always be subject of debate), the key here is that strategy is derived through a number of methodologies which provide a diversity of approaches to situations of adversity.

If we accept that strategy is a method of both reconciling ends and means, and uniting perceptions and actions, in the face of adversity, then it may assist us in the interpretation and management our lives. This could be by:

- a) Confirming our sense of self,
- b) Providing a measure of context,
- c) Constructing a framework to identify and manage adversity, and
- d) Defining our response options.

Inability to reconcile these items may require the individual/group to change either the means (moving from hunter/gatherer to agrarian society) or the ends (individual's decision on suicide / euthanasia).

We may equate these life characteristics to Grant's three characteristics of a firm: goals and values (self), resources and capabilities (context), and organizational structure and systems (framework and options) (Grant: 2002, pp15-16). This is further evident in Quinn's dimensions of strategy that include: goals (objectives), policies, action sequences, key concepts and thrusts, an ability to manage the unpredicted and unknowable, and the organization of an number of hierarchies (Mintzberg & Quinn: 1996, pp.8-9).

The ability to manage the unpredictable and the unknowable (forms of adversity) is both a key reason for, and function of, strategy. Otherwise we could consider the process of reconciling ends and means as predictable as an algorithm. This dimension of strategic analysis cannot be quantified. However, Grant contends that application of quantitative models may be a starting point to the analysis of complex problems rather than providing a solution. They may provide '*...simple frameworks to identify, classify and understand the principle factors that influence strategic decisions*' (Grant: 2002, p32).

Although this author agrees with the elements represented in both Grant and Quinn's concepts, there is a discrepancy in the order of precedence. Goals, whether short or long term, equate to the ends and are the subject of strategies not a component. Strategy is hierarchical and as Mintzberg cites Rumelt "*one person's strategies are another's*

tactics—that what is strategic depends on where you sit” (Mintzberg & Quinn: 1996, p.13). Therefore, my end state may be one of your goals, which is, in itself, an end state. Even in life, some goals and their respective strategies may take priority over others with consequent outcomes. In considering the success of many high profile achievers, Grant makes the observation that that ‘*...such success may be matched by dismal failure in other areas of life.*’ (Grant: 2002, pp.12-13).

Strategy is hierarchical. It is evident in workers (life strategy), union’s (employment strategy), suppliers, customers and internally within the firm. Grant identifies three levels of hierarchy within a firm with a net strategy of generating profit. Corporate strategy determines scope of the firm within an industry while Business strategy determines the basis of competition in the industry. Functional strategies are defined as the implementation of business strategies at the individual function level (Grant: 2002, pp23-25). Yet within organizations, strategies at all levels may compete as much as they complement each other. Hamel and Prahalad contend that ‘*...strategy hierarchy undermines competitiveness by fostering elitist views of management that tends to disenfranchise most of the organization*’ (Mintzberg & Quinn: 1996, p.44).

Unlike Grant’s profit strategy, Hamel and Prahalad suggests that Strategic Intent should capture the essence of winning, be stable over time and set a target that is worthy of personal effort and commitment. This is achieved through processes that focus the organisation, motivates its people, communicates the intent, retains flexibility for individual and team contributions, provides changeable operations definitions and uses the Strategic Intent to guide resource allocation (Mintzberg & Quinn: 1996, p.41). They

offer the goal of global market leader as a common example of how top management expresses strategic intent. In order to realize strategic intent (global market leader) they see the challenge for top management as being *'Developing faith in the organizations ability to deliver on tough goals, motivating it to do so and focussing long enough to internalize new capabilities...'* (Mintzberg & Quinn: 1996, p.45).

This author agrees with Grant that the conventional Corporate-Business-Functional strategy hierarchy is an effective means of organizing for the long-term success of businesses. However, this author contends that moving the profits within the corporate structure in order to generate wealth is the focus of the corporate strategy. As identified by Grant, it does this by determining the scope of the firm within an industry (Grant: 2002, pp23-24). But its key function is somewhat like that of commerce, creating value (wealth) by repositioning profits in space and time (Grant: 2002, p38). In positioning businesses, the corporate strategy builds profits, which are redistribution as wealth to vested interests out of business environment. The resultant cash flows benefit other strategies (society, individuals, and other companies) and may be used as indicators of the value of the business (Grant: 2002, pp 44-47).

The hierarchy shortfalls highlighted by Hamel and Prahalad are where Mintzberg's strategy concept of uniting perceptions and actions becomes self-evident. As with most disparate groups, achieving consensus is highly unlikely. This author views the challenge for top management as the generation of synergies. This is done through the communication of the understanding that the corporate strategy levers off the symbiotic relationship between the different strategy hierarchies. Here the end states may be vastly

different but the benefits of achieving each level of strategy allows the progression of each individual or group to meet its survival, profit or actualization goal. This then begs the question as to how long the company expects to survive. Corporate strategies that are shortsighted can see remarkable success followed by catastrophic failure and the collateral damage that follows. Finally, strategies that fall short of whole of life outcomes (determining the longevity of the firm) have limitations on success which must be understood and articulated (e.g. Bond Corp/Quintex successful up until they failed).

This author contends that in the reading of Grant and Mintzberg & Quinn, there is not enough evidence to support a concept of strategy as a deliberate quantitative process, subject to predictive formula's or analytical tools. Strategy is a qualitative process of life that has been incorporated into military and business practice. However, analytical tools may assist in strategic decision making but do not provide solutions to the diversity of strategic considerations. Strategies are conceived, planned or emerge through vastly different methodologies but are always about the mitigation of adversity or the defeat of an adversary. They are implicitly hierarchical with the vigorous pursuit of a singular strategy credited with the achievement success, but often at the expense of other life strategies. Finally, top management is required to develop a strategy that generates synergies through the communication of a symbiotic relationship between the different strategic hierarchies. This is required in order to generate and redistribute profit as wealth to environments external to the business/firm.

In conclusion, military and business strategies are constructs drawn from life process in order to mitigate adversity. As there is no science to describe the diversity of life, there is no science of strategy or its approach to managing adversity.

REFERENCE LIST

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