International Journal of Commerce and Management Research
ISSN: 2455-1627; Impact Factor: RJIF 5.22
Received: 10-01-2019; Accepted: 13-02-2019
www.managejournal.com
Volume 5; Issue 2; March 2019; Page No. 21-27

Theoretical and practical strategy development for improvement of performance of an organisation

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Abstract
Thomas Mweetwa, Caroline Mulenga and Changa Katati who are co-authors of this article were in agreement with the other authors above that more than ever, businesses need to get their strategy right. Part of achieving this is the approach to strategy making that is chosen. Strategic business experts have argued that putting a strategy into place and getting the organisation to execute it well calls for a different set of managerial tasks and skills. Whereas crafting strategy is largely a market-driven entrepreneurial activity, implementing strategy is primarily an operations-driven activity revolving around the management of people and business processes. Whereas successful strategy-making depends on business vision, shrewd industry and competitive analysis and entrepreneurial creativity, successful strategy implementation depends on leading, motivating, and working with and through others to create strong "fits" between how the organisation performs its core business activities and the requirements for good strategy execution. Implementing strategy is an action-oriented, make-things-happen task that tests a manager's ability to direct organisational change, design and supervise business processes, motivate people and achieve performance targets. The purpose of this article is to describe how to develop a strategy model that explains what organisations should focus on in their strategy work, both in terms of the environment and implementation of the strategy and how this can influence and improve the organisation's performance.

Keywords: conceptualisation, theory, performance, vision and mission statement, strategy

1. Introduction

The vision and mission statements are the reason for an organisation's existence and they set an organisation apart from others in its industry and gives identity, character and path for development. Vision and mission statements for organisations answer questions about who they are, what they value and where they are going. Without this a manager cannot function effectively as either a leader or strategy-maker. Moreover, organisations with clearly communicated, widely understood and collectively shared mission and vision have shown to perform better than those organisations without them. The essence of these tasks cannot be overemphasized because a company strategy is management's game plan for growing the business, competing successfully and conducting operations necessary for achieving targeted objectives. Therefore, the success of any organisation depends on how well the three strategy-making tasks are implemented.

2. Developing a Strategic Vision and Mission

In order to arrive at the destination, one needs to know where she or he is going. Secondly, knowing the destination alone is not enough, but, there should be also the means to enable one reach the desired destination. In the same context, the vision and mission statement of an organization works as the route and desired destination for an organization. The vision and mission statements encompasses the firm's identity and describes its work and informs both the managers and employees of the direction of the company and provides the foundation for developing a comprehensive statement (Marson, Carpenter and Gerard, 2009) [13]. Whereas the vision statement should answer the basic question, "What do we want to become?" the mission statement answers the question, "what is our business?" (David, 2011) [4] It is especially important for managers and executives in any organization to agree on the basic vision that the firm strives to achieve in the long term. Many organizations have both vision and mission statements but the vision statement should be precise. Preferably one sentence and as many mangers as possible should have input into the developing the statements. A strategic vision is a road map showing the route a company intends to take in developing and strengthening its business. The strategic vision is forward looking and its chief concern is about where the company is going and identifying the firm's desired long term status (Stickland and John, 2005) [19]. A strategic vision can also be thought of in terms of a car's headlights which, even in the dark, where the driver cannot manage to use his or her naked eyes to see in front properly, the headlights will make it possible. In the same way, strategic vision shows some kind of a picture of the future even before an organization reaches there. A clear vision states the commitments of management's aspirations to stakeholders and can help steer the engines of a company's personnel in a common direction. A clear vision provides for development of a comprehensive mission statement (David, 2011) [4].

Scarborough (2014) [16] points out that a clearly defined vision helps a company in four ways; that is

1. Provides direction,
2. Determines decisions,
3. Inspires people,
4. Allows for perseverance in the face of adversity.

On the other hand, the mission statement of an organization is a declaration of what a firm stands for in relationship to the key organization's stakeholders such as employees, customers, investors, government and the environment (Marson, Carpenter and Gerard, 2009) [13]. Drucker (1993) [7] states that asking the question "What is our business is synonymous with asking the question "What is our mission".

In addition, David (2011) [4] states that a mission statement is a declaration of an organizations "reason for being". It is a generalized statement of the over-riding purpose and it clarifies the main intentions of and aspirations of the organization. The mission statement should clarify the main intentions and the aspirations of the company and the reason why the organization exists. It reveals what an organization wants to be and whom it wants to serve. It describes the main activity and the position an organization wishes to attain in its industry, (Gerry and Kevan, 1999) [10]. According to David, (2011) [4] a business mission statement is the foundation for priorities, strategies, plans and work assignments. It is the starting point for the design of managerial jobs and above all for the design of management structures. The answer to the question "what is our business is the first responsibility of strategist. David further argues that some companies develop mission statements, simply because it is fashionable, rather than out of any real commitment. However, firms that develop and systematically revisit their vision statements, treat them as living documents, and consider them to be an integral part of the firm's culture, realize great benefits. A clear mission statement is essential for effectively establishing objectives and formulating strategies.

In developing a mission, management should take into considerations such events of the past, which may include objectives, policies and or mistakes. Distinctive competencies, those things which give an organization an advantage, and the environment, which dictates the opportunities, constraints and threats must be identified before a mission statement is developed. These considerations can contribute to the development of an effective mission. A mission statement is a useful tool for getting everyone involved and headed in the same direction. As such developing a business mission statement may not be an easy task as it may seem. Therefore, the following tips are considered when developing a business statement (Ken, 1998) [12].

- Keep it short
- Keep it simple
- Know what makes your company different
- Take a broad view but not too broad
- Get everyone involved
- Keep it current
- It should reflect the values and beliefs that you hold dear
- It should include a concern of the future
- Keep the tone of the statement positive
- Ensure the mission statement is appropriate for company's culture
- Revise it when necessary
- Use it.

It is therefore important that the strategic vision and mission statements should be something achievable and realistic. Of course, it should stretch the organization towards effective performance and not to lead the company into unrealistic ventures far beyond its capacities and competences, which can lead to perishing of the organization.

3. Understanding and Defining the Business

According to Schlais, Davis, & Schlais (2011) [18] "business is an economic activity which provides society (or others) needed goods and services at a profit". However, Ibid (2011) [18] further note that it is also important when defining a business to pose the following questions before the standard definition is accepted;

- The definition above states that a business engages in selling "needed" goods to society.
- What about illegal goods? Society in general doesn't want marijuana to exist yet we have people that sell it at a profit to a segment or target group in our society who desire it. Is something not a business because it sells illegal goods?
- Is business always conducted to turn a profit? Some entities sell but not with the objective of earning a monetary profit. For example, the Democratic and Republican parties in the United States sell candidates to the American public. The objective is not an immediate monetary profit but a gain of power and influence with a monetary gain at the end.
- What about non-profit organizations? Some organizations are designed to provide goods and services to members of society but not for a profit. When a local restaurant opens and makes a profit, it pays taxes and retains part or all of the after-tax profits in the business. The increase in the firm's assets (such as cash or restaurant equipment) is listed on the books of the company as having come from retained earnings. The firm will often reward those who made the business successful with higher salaries or bonuses in addition to retaining some of the profits to expand the firm. If a local non-profit hospital makes excess money, it doesn't pay taxes on the profit, it simply retains the entire amount as a surplus. Similar to the successful restaurant, the hospital will also reward the people that made it a success with higher salaries or bonuses, and/or use its surplus retained money to expand its services.

It can be stated therefore that the only difference between achieving a profit in a business and achieving surplus earnings in a non-profit business is that one pays income tax and the other does not. Another important difference between profit seeking firms and non-profit organizations such as political parties or community-sponsored hospitals is that profit seeking firms have owners while non-profit firms have a governing body so no one "owns" the firm. In this case, ownership is of key importance in many aspects of a for-profit business. Of course, for-profit and non-profit businesses have much in common. Both profit and non-profit businesses must seek start-up capital (money to buy inventory, machinery, ambulances, fixtures, etc.). Both types of organizations are held accountable to the individuals or groups that provided the start-up money. Both must accrue continual revenues to stay in business. All profit firms must find a service or product that the market will purchase. Non-profit businesses must do the same and/or appeal to donors in order to stay in business.

Therefore, in defining "What is a Business" a distinction should be made between for-profit and for non-profit businesses. In order for managers to inspire an organization to higher heights, they must be able to understand and define the business. This is important because only if managers understand the business, are they likely to record success. Lack of understanding and definition of the business is an ingredient for failure. Business is about the production of goods or services which are meant to satisfy an identified customer need. Unless a company is able to satisfy its customers than its competitors, it is difficult for an organization to succeed. Therefore, managers should be able to understand the line of business of their organization if they

are to contribute to the positive success of their organization.

4. Mission Statements for Functional Departments

Whilst the overall strategy of an organization may range from five to ten years, each department or section of an organization will be required to have short term plans ranging mostly from one year**.** Key departments of an organization are required to set their specific statements to accomplish desired outcomes. For an organization to produce effective results, it is essential that all the departmental statements are integrated into the main organization statements.

Guven (2011:1888) [11] provides more insight

Strategic planning consists of the four components of vision, mission, strategy, and action (Aktan, 2003) [2]. One of the most important steps in strategic planning is the formulation of mission and vision statements. The success of strategic planning depends on the correct identification and formulation of vision and mission statements. Mission and vision statements also contribute to the institutional identity of an organization (DPT, 2006) [5]. Strategic management and strategic planning aim to create a permanent loyalty to the mission and vision of the organization, and to nurture a culture that defines and supports mission and vision statements (Durna & Eren, 2002) [8]. Mission and vision statements guide all activities of organizations and businesses. Thus, these decisions need to be made after careful consideration so that they can contribute to the planning and implementation of other activities of the organization (Akgemci, 2007) [1]. The function of mission statements is to guide the whole process of strategic planning. A mission states what the organization wants to be and whom it serves. Mission statements express the raison d'être of an organization, and aim to bring together various components of the organization around a common cause, to provide a strategic orientation for the organization, and to make sure resources are used within this framework (David, 2001 cited in Erkan, 2008) [9]. DPT's (State Planning Organization) (2006) [5] Guide for Preparing a Strategic Plan" emphasizes that mission statements need to include the reason for being of an organization, whom the organization serves, the field it operates in, the needs it addresses, and the legal duties of the organization (DPT, 2006) [5].

5. Communicating the Strategic Vision

Management of the organization has the responsibility of communicating the vision and mission of the organization to the rest of the employees (Chaneta, 2015) [3]. This is because organizations are built on a foundation of communication and that in the absence of communication, employees in an organization will not be able to coordinate their efforts and they will also be unable to receive feedback from their managers. Communication of the strategic vision enables employees internalize the core ideals of the organization upon which they are guided in their decisions and actions. Employees also feel worthwhile or considered when they are effectively communicated to by their superiors and can contribute to the high morale or increased productivity in an organization.

6. Setting Objectives

This is the second task in the strategy making process. Objectives are derived from the vision of the organization and will clearly spell out the targets and performance indicators. Objectives according to Scarborough (2014), [16] are more specific targets. This involves conducting of continuous research and decision making in addition to having knowledge about one's company. Research is important because it provides the organization with numbers to use as the starting points against which a company can measure how much progress has been made. The following is what to put into consideration when setting objective.

6.1 Managerial Value of Setting Objectives

These objectives are a representation of the commitment managers have to achieving the targets and must be specific and measurable over a certain period of time. For example, one of the objectives of a Micro finance institution might be "By 2022 (by when), to increase by 15% (how much) loan recoveries (of what). This is important because it eliminates aimless targeting and confusion of what needs to be achieved. Managers will need to develop objectives for both themselves, their departments and the organization at large and these are to be used for appraising performance. This is what is referred to as results based leadership. Managers must preoccupy themselves with objectives that feed into the overall objectives set by the board of directors.
According to Drucker (2006) [6] states a manager's job should be based on a task to be performed in order to attain the company's objectives and should be directed and controlled by the objectives of performance rather than by his boss," Wheelen, Hunger, Hoffman, and Kathryn, (2012) [22] further add that setting the right objectives will help the organization achieve the right results. Targeting therefore needs to be given the right attention and particular attention must be paid to ensuring that the targets match with the financial allocation. There is a danger for example to have high targets without enough finances or manpower to achieving those targets.

6.2 What Kind of Objectives to Set

For any manager to prove their relevance to the company, objectives that contribute to the company's success must be set. Objectives are needed for each key area that the organization considers important for its success. These objectives are categorized into two key areas namely; financial and strategic objectives.

1. **Financial Objectives:** This is important for both profit and nonprofit making organizations. For nonprofit making organizations, they are important for survival and for profit making organizations, they show commitment to higher cash flows, return on investment and profit growth.
2. **Strategic Objectives:** These are relevant because they focus on the organization or company's need to sustain its operations in the long term. For profit making firms, they also show how the business will remain competitive on the market in the midst various threats. Examples of some issues the objectives might address are promotion of innovation, building a strong customer base, promotion of quality products and penetration to other markets.

However, it is important to note that some of these objectives might conflict with one another, as such managers should establish priorities. Which objectives are more important? Which are the least important? Arranging objectives in hierarchy according to their priority can help a manager to resolve a conflict when it arises Scarborough (2014). [16]

6.3 Nature of Objectives- Long Range Vs Short Range

It is key to consider the SMART model whenever an organization is setting objectives. This looks at the following;

- **Specific:** Objectives must be quantifiable and precise. An organization must make very clear what they want to be good at. A figure of speech "Jack of all trades" will not apply here. Also to consider is the scale i.e. do you want to be the best company in your area or in the world?
- **Measurable:** Managers should be able to plot the organizations progress towards its objectives, this requires a well-defined reference point from which to start and scale for measuring progress. The organization needs to have in mind how they will know when they have achieved their outcomes.
- **Attainable:** Is this objective achievable given your resources? What are the obstacles that you are going to encounter and can you get past the hurdles?
- **Relevant:** How relevant is this objective to the company and its employees? Will it benefit your organization?
- **Time bound:** When do you want to achieve this objective by? Objectives must specify not only what is to be accomplished. A timeframe for achievement is important.

Written down- setting objectives does not have to be complex; in fact, managers should keep the number of objectives relatively small (5 to 10). Writing down objectives makes them more concrete and makes them more concrete and makes it easy to communicate them to everyone in a company. The strategic planning process works best when managers and employees work together to set goals and objectives. Developing a plan is top managements responsibility, but executing it falls to managers and employees; therefore, encouraging them to participate broadens the plans perspective and increases the motivation to make the plan work.

Any organization or firm requires to have long and short range objectives. Long term objectives are derived from the organization's mission statement which is the basis of all other activities. Long term objectives have a time frame of 3 to 5 years for example the companies cooperate responsibility objective can only be implemented after the company has realized enough profits. Short term objectives on the other hand are important to help the organization move towards its long term objectives and these have a time frame of one year. If the short term objectives do not feed into the long term objectives, employees will see their involvement not to be valuable. Once the objectives are set, the organization is ready to move to the next step of developing the strategy that will make these objectives a reality. Key to note is that these objectives must be communicated to both the people in the organization and even those outside.

7. Crafting A Strategy

By this point in the strategic management process, managers have a clear picture of what their business does best and what their competitive advantages are. A strategy specifies how the objective will be achieved, it is the mean of getting an activity done. Objectives specify how the mission will be pursued. Scarborough (2014) [16] defines a strategy as a "road map of the actions managers draws up to accomplish a company's mission, goals, and objectives". Strategy is nothing but a fit between internal and external environment. The task of stitching a strategy together entails addressing a series of how's; how to reach performance targets, how to compete rivals, how to seek and maintain competitive advantage, how to strengthen the enterprise's long – term business position, how to please customers, how to develop needed capabilities and how to achieve strategic and financial objectives. In forging a strategy, managers should respond to market change, seek new opportunities and produce different approaches taken at various times in various parts of the organization. Strategy making is all levels of management although the senior manager retains responsibility. When the company's business environment is changing fast, the more the managers should be creative in finding the direction the company is growing. It is important for managers to consider the many levels of strategies which are; corporate strategy, business strategy, functional strategy and operating strategy.

8. Strategy Making Pyramid

Strategy making is not just a task for top management, it involves middle and low level managers too must take part in the strategic planning process referred to as the strategy making pyramid. It is important to note that all persons responsible for strategic planning at the various levels ideally participate and understand the strategies at the other organizational levels to help ensure coordination, facilitation, and commitment while avoiding inconsistency, inefficiency, and miscommunication. Plant managers, for example, need to understand and be supportive of the overall corporate strategic plan (game plan) while the president and the Chief Executive Officer (CEO) need to be knowledgeable of strategies being employed in various sales territories and manufacturing plants. There are three levels of strategies as illustrated below:

Levels of Strategies

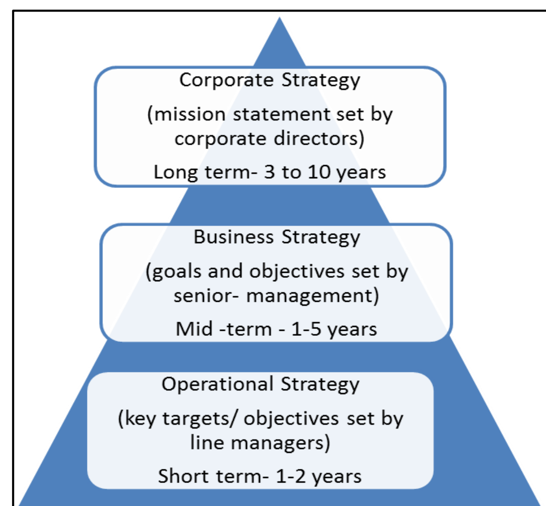

Fig 1

i) Corporate Strategy

Corporate strategy is the overall managerial game plan which sets the broad boundaries for, and the tone, the other goals and objectives (Chaneta, 2015) [3]. Supporting the mission statement are the principle policies of the organization i.e. the rules of conduct that both reflect and contribute to, its culture or value system. It concerns how to boost the combined performance of the set of business the company has diversified into and the means of capturing cross business cooperation and turning them into competitive advantage. It examines the question of what business to hold or divest, which new market to enter, and what model of entry to

employ. At this level the goals and objectives are long term ranging between 3- 10 years. The participants include the Chief Executive Officers, other key executives and decisions made by these groups are typically reviewed and approved by the Board of Directors.

ii) Business Strategy

Competing and resourcing goals are set at this level drawn from the overall mission and culture of the organization. The goals and objectives at this level are mid-term which may cover a period of 1-5 years. The key players include, the general manager, head of business units and decisions are reviewed and approved by a senior executive or a board of directors.

iii) Functional / Operational Strategy

This is the base level in the pyramid where strategic business unit goals and objectives are put into effect. At this level specific targets, usually prescribed in the budget form, are agreed by strategic business unit managers at operating unit level. This refers to a particular department in a business organization. Crafting moves and approaches to support business strategy and to achieve functional, departmental performance, objectives and targets. Reviewing, revising, unifying strategy related moves and approaches proposed by lower- level managers. Coordinating functional strategies like marketing strategy, production strategy, production strategy, finance strategy and human resources strategy for the overall business strategy.

iv) Harmonizing the Different Strategies

The overall focus is to achieve the business strategy in all these levels of strategies. It requires everyone in an organization to participant from top to bottom. This can be achieved by team work at all levels of strategies, though very difficult because each level has to realize how important their level is to the achievement of the overall business objective.

9. Translate Strategic Plans into Action Plans

It has been noted that no strategic plan is complete until it is put into action. Planning a company strategy and implementing it go hand in hand. Managers must convert strategic plans into operating plans that guide their companies on a daily basis and become a visible, active part of the business. No business can benefit from a strategic plan sitting on a shelf collecting dust. Unfortunately, failure to implement a strategy effectively is a common problem. Therefore, strategy and execution, complement each other. Neither one works without the other. As such implementing a strategy successfully requires both a process that fits a company's culture and people committed to making the process work. Getting the right people for the job starts with the selection process but includes every other aspect of the human resources function starting from job design and training to motivational methods and compensation.

10. Establish Accurate Controls

Planning without control has little operational value. Therefore, a sound planning programme requires a practical control process. The plans and objectives created in the strategic planning process become the standard against which actual performance is measured. It is important for everyone in the organization to understand, and to be involved in the planning and controlling process. Unless managers measure progress against the goals and objectives established in the planning process, their companies make little progress towards achieving them. Controlling plans and projects and keeping them on schedule means that managers must identify and tract key performance indicators. The most commonly used indicators of a company's performance are financial measures although this can sometimes be misleading. Thus, to judge the effectiveness of their strategies, many companies are developing balanced scorecards (Scarbourough, 2014) [16].

11. Factors that Shape a Company's Strategy

There are many factors that influence the way a firm or organization is to formulate its strategy, these factors include an interaction between internal and external factors of the organization. It is therefore prudent that the company analyses its external and internal environment to develop a well-positioned strategy.

12. Internal Factors

The internal factors that affect the strategy of the organization and may include positive internal factors (strengths) and negative internal factors (weakness). These can be divided into three categories:

- **The organization strengths, weaknesses and competitive capabilities**: strategy framers should be able to devise a strategy that will capitalize on the strengths of the organization and not the weaknesses. For example if a firm has the personnel who can develop the best mobile phone applications and not hardware its strategy should amplify their strengths in application software development. i.e. Blackberry Plc
- **Personal Ambitions, business philosophies and Ethical beliefs of managers**: Strategy will be affected by the personal ambitions of the management. Therefore managers will not effectively implement a strategy that they do not believe in.
- **Influence of shared values and company culture on strategy**: the organizational culture has an influence on the strategy of the organization. The organizational values and beliefs will have a bearing on the strategy of the business.

13. External Factors

These factors can be looked at into three dimensions which includes the following:

- **Societal, Political, regulatory and citizenship considerations**: A company's strategy in terms of how far it can go will be limited by:
  - Legal factors
  - Being in the right books with government policies and regulations
  - What is acceptable to the society
  - Whether it leads to community citizenship
  - Societal concerns will have a greater impact on the organization's strategy. For example a few years ago Zambeef was accused of embalming its meat products which negatively affected the company, such that it had to change its strategy in order to stay afloat.
- **Industry's Attractiveness and competitive conditions**: has a huge bearing on strategy of the company or organization. A good strategy will be influenced by the identified opportunities and threats present in the market or industry in which the firm is operating. It is only after

the threats have been identified, that a strategy can be formulated on how the organization enter the new market and compete favorably.

- **Specific Company opportunities and threats**: the business opportunities of a company and threats to its position in the industry are key influences on strategy. Therefore, a strategy should be able to capitalize on the firm's opportunities and guard against competitors attempting to capitalize on its weaknesses.

14. Linking Strategy with Ethics

A company has ethical obligations to all its stakeholders who include the following:

- **Owners/shareholders:** Who expect a return on their investment
- **Employees:** who should be valued and respected for giving their time to the firm
- **Customers**-deserves a reliable, safe product or service
- Suppliers**:** the firm should not exploit small suppliers rather they should treat them as worthy partners.
- **Community:** it is expected that a business should be a good citizen of the community.

15. Tests of a Winning Strategy

There are three main tests that can be used to assess the suitability of a strategy in an organization, these include;

- **The Goodness test fit:** according to this technique a good strategy is one that should be well matched to the company's position, its aspirations, capabilities and both internal and external factors'
- **Competitive advantage test:** this test assumes that a good strategy is one that brings about a sustainable competitive advantage. If a strategy leads to a bigger competitive edge for the company, then it is very effective.
- **Performance test:** this test will assess the performance of the company in terms of profitability and competitiveness. If a strategy is able to increase profits, strengths and competitiveness of the business then it is effective.

A strategy that has a better mix of the three tests, that is one that is able to bring positive results on all the above three tests, is adopted as the best strategy for the organization

16. Approaches to performing the strategy making tasks

The Four basic strategy making styles that managers use are:

1. The Master Strategist Approach - Manager becomes the chief architect of a strategy and wields a proactive hand in shaping some or all the major pieces of strategy.
2. The Delegate –It to – Others Approach – Manager delegates the process to the planning team.
3. The Collaborative Approach – Manager enlists the help of his key subordinates in hammering out a consensus strategy.
4. The Champion Approach – Manager is neither interested in big personal stake nor going through participative brain storming.

17. Implications

Mckinsey & Company (2011) [14] highlights that a good strategy does more than urge the business forward toward a goal or vision. Thompson, Strickland, and Gamble, (2007) [21] hold similar views that a good strategy honestly acknowledges the challenges faced by a business and the approaches to face them. The strategy of a business can be likened to a roadmap or a campus that the organization needs in order to know 'where to go'. Hence, the formulation of such an important tool is an indispensable piece of armory in the battle field of the business environment where each firm needs a game plan in order to ensure not just survival but sustainability of its operations at a profit. Root III (2019) [15] (in his article '*what happens when an organization has no strategy',* actually describes a strategy as a set of guidelines created to reach a specific business goal. He further adds that without a coherent strategy a small business has no road map to follow when pursuing opportunities and daily running operations. His findings were supported as well by Thompson, and Strickland (1987) [20]

Below are some of what Root (2019) [15] outlined to be the implications of a business or organization lacking a strategy:

17.1 Lack of Objectives

The preceding paragraphs that expounded on the second strategy making task, which is setting of objectives made emphasis on the importance of this stage. This is because objectives are drawn from the mission of the business which asks the question '*where do we want to go'*, objectives answer this by directing *'how we will get there*' through measurable and objective means.

A lack of objectives means that the company does not have a clear vision for the future, this is because objectives are used to develop long term growth and productivity plans that are essential for an organization.

17.2 Misallocation of resources

Corporate resources are allocated into projects and operations that need them via a business plan and strategies formulated by the organization itself. It is difficult, if not impossible to budget for specific projects and ensure a reliable supply of funding necessary to launch new products and ultimately grow a company without planning. This holds true, because planning is a series of processes whose genesis will not neglect consideration of the set objectives.

17.3 Unclear organizational structure

The organizational structure shows the layout of members in an organization, how they are related-in terms of hierarchy and who is responsible for doing what. Part of planning involves identifying people in charge of running with certain activities. The organization structure thus establishes responsibility for the success of each department and helps staff know who to report to for clarifications of job duties or questions. An unclear organizational structure can wreak havoc in an organization as there would be no order on how activities would take place and there would be a lack of accountability for decisions made. Bad decision making in any business can lead to its collapse.

17.4 Incoherent flow of communication

Lines of communication are established through a business strategy whose formulation relies on the three strategy making task and as such places emphasis on their importance. The business strategy allows employees to understand priority, the flow of information in and out of the company and how information is distributed internally. A lack of strategy creates a situation where there is no formal structure for communication and important information can get lost

because each employee will naturally focus on what he believes is important.

A good flow of information will guarantee that any new developments that can affect the organization are well known in advance to help prepare management in steering the business in the right direction in response to the same. This means that the need to change strategy by changing the mission can be more easily facilitated than when taken by surprise. The business environment is a dynamic environment where industry advancements and technological changes might dictate that a business revises its mission to set a new path for achievement of its objective and generally remain competitive.

18. Conclusion

Having discussed what, the three strategy making tasks are and how important they are to a business, a safe conclusion of the matter can be said that strategy making is not a matter of choice for businesses to reluctantly choose or overlook. Strategy making, can be likened to the essence the eyes play to the human body. Without the eyes one is likely to fall into a ditch and the consequences can be devastating or fatal. Hence, strategy formulation is an indispensable process that every organization that wishes to ensure its longevity should embark on.

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