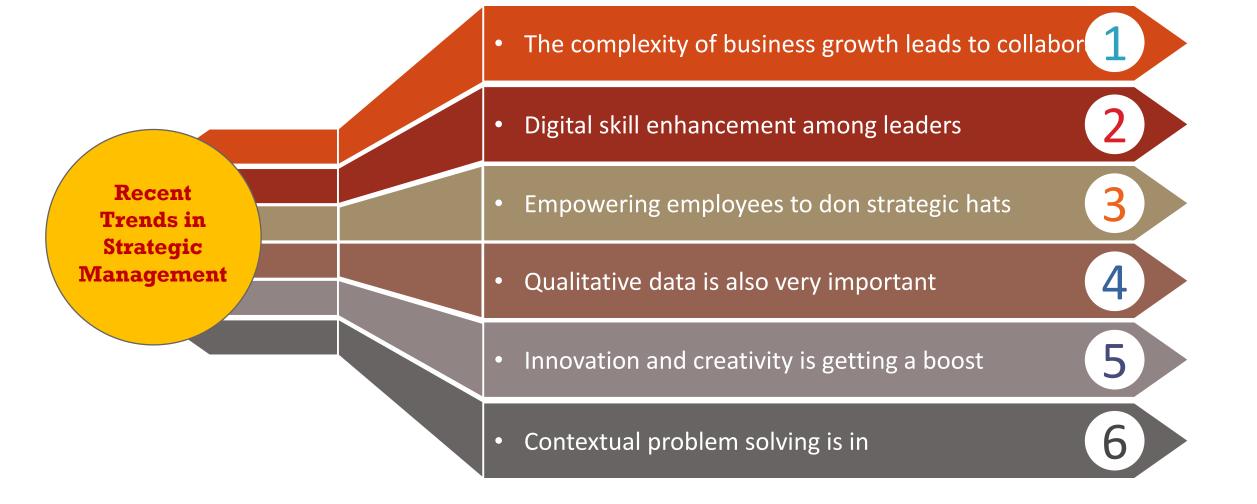
RECENT TRENDS IN STRATEGIC MANAGEMENT – UNIT V

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TRENDS IN STRATEGIC MANAGEMENT EXPLAINED

- The complexity of business growth leads to collaboration : Business was never an island for any company. More so in the current scenario where so many things are interlinked increasing interdependence, number of stakeholders and information sources. With leaders being unable to handle a mix of all these on their own coupled with political and economic changes; they seek collaboration with the best minds in their organization.
- Digitization to manage information overload : Leaders in today's organizations are boggled by the mind numbing amount of information. Hence, a key trend is complete digitization of the office space with in-built analytics software which cull data results and present them in the format usable by leaders. This is an important move towards making better and more timely decisions.
- Empowering employees to don strategic hats : Just as hierarchical boundaries are blurring so are the typical roles in an organization. Also, with an increase in the operations magnitude of today's global companies as well as the need for employee experience, leaders are providing project based strategic responsibilities to an increasing number of employees. This is a strategic move to develop and hone leaders for tomorrow.



TRENDS IN STRATEGIC MANAGEMENT EXPLAINED

- Qualitative data is also very important : Though traditionally number crunching has been extremely instrumental in making key business decisions, more leaders are now paying attention to qualitative data. Since customer and employee experience is now a priority, leaders are employing qualitative data analysis to enforce positive changes.
- Innovation and creativity is getting a boost : Leaders are realizing the challenges of the complex business environment. They are therefore encouraging strategic collaborations across teams and different business units in their company to provide a boost to creativity and come out with innovative solutions to complex business problems.
- Contextual problem solving is in: Another emerging trend for 2019 would be contextual problem solving. External environment can create situations which may need adaptation of a business's internal environment. Leaders are understanding this need and paying a lot of attention to the entire business ecosystem.



WHAT IS STRATEGIC THINKING

- Strategic thinking is simply an intentional and rational thought process that focuses on the analysis of critical factors and variables that will influence the long-term success of a business, a team, or an individual.
- Strategic thinking includes careful and deliberate anticipation of threats and vulnerabilities to guard against and opportunities to pursue. Ultimately strategic thinking leads to a clear set of goals, plans, and new ideas required to survive and thrive in a competitive, changing environment. This sort of thinking must account for economic realities, market forces, and available resources.
- Strategic thinking requires research, analytical thinking, innovation, problem-solving skills, communication and leadership skills, and decisiveness.

WHY IS STRATEGIC THINKING IMPORTANT?

- The competitive landscape can change quickly for any organization. New trends may emerge quickly and require you to take advantage of them or fall behind. By incorporating everyday strategic thinking into your work and life routines, you will become more skilled at anticipating, forecasting, and capitalizing on opportunities.
- On an individual level, thinking strategically allows you to make a greater contribution in your role, become more essential to your organization, and prove that you're ready to control greater resources.



MEANING OF ORGANISATIONAL CULTURE

- To understand the meaning of organisational culture, we must first understand the meaning of culture. "Culture is the set of important understandings that members of a community share in common." It consists of a basic set of values, ideas, perceptions, preferences, concept of morality, code of conduct etc. which create a distinctiveness among human groups.
- When we talk about culture, we typically refer to the pattern of development reflected in a society's system of knowledge, ideology, values, laws, social norms and day to day rituals.
 Depending upon the pattern and stage of development, culture differs from society to society.
 Moreover, culture is passed on from generation to generation.



IMPORTANCE OF ORGANIZATION CULTURE





WHAT IS ORGANISATIONAL DEVELOPMENT

- Organisation Development is an objectives based approach to systems change within an organisation. Organisation Development enables organisations to build and sustain a new desired state for the entire organisation.
- Organisation development can be achieved through either a change communication process or supported by software applications. Employee behavioural patterns will allow organisational development professionals to observe and examine situations and contemplate modifications, which may then be put into place to achieve effective organisational change.
- A large factor for a successful organisation is the organisation culture. This includes executives, managers and employees. In order to understand the organisation culture and to evaluate the positives and negatives of the working environment an evaluation method is required. This can include employee reviews, 360 degree feedback, and training assessments to establish if the training provided is producing the required objectives.



PRINCIPLES OF CHANGE MANAGEMENT



- 1. Address the "human side" systematically
- 2. Start at the top level

3. Involve every layer of the organization

4. Make the formal case

5. Create ownership

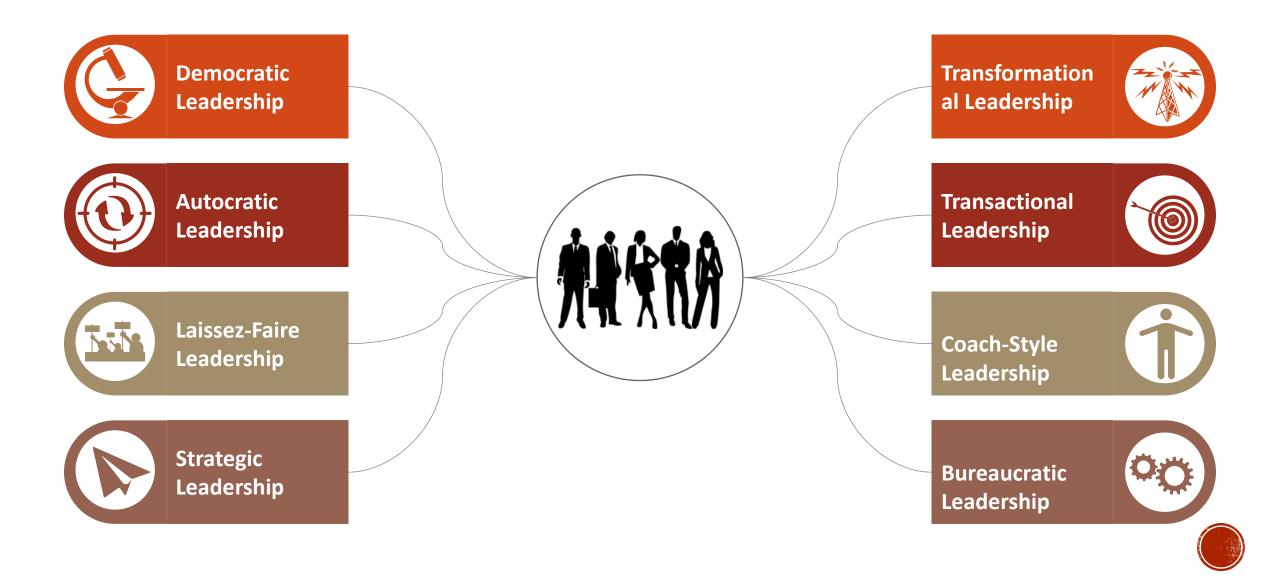
- 6. Communicate the message clearly
- 7. Assess the cultural landscape
- 8. Address culture explicitly



- 9. Prepare for the unexpected
- 10. Speak to the individual



DIFFERENT LEADERSHIP STYLES



Democratic Leadership (Commonly Effective)

- Democratic leadership is exactly what it sounds like -- the leader makes decisions based on the input of each team member. Although he or she makes the final call, each employee has an equal say on a project's direction.
- Democratic leadership is one of the most effective leadership styles because it allows lower-level employees to exercise authority they'll need to use wisely in future positions they might hold. It also resembles how decisions can be made in company board meetings.
- For example, in a company board meeting, a democratic leader might give the team a few decision-related options. They could then open a discussion about each option. After a discussion, this leader might take the board's thoughts and feedback into consideration, or they might open this decision up to a vote.

Autocratic Leadership (Rarely Effective)

- Autocratic leadership is the inverse of democratic leadership. In this leadership style, the leader makes decisions without taking input from anyone who reports to them. Employees are neither considered nor consulted prior to a direction, and are expected to adhere to the decision at a time and pace stipulated by the leader.
- An example of this could be when a manager changes the hours of work shifts for multiple employees without consulting anyone -- especially the effected employees.



Laissez-Faire Leadership (Sometimes Effective)

- The French term "laissez faire" literally translates to "let them do," and leaders who embrace it afford nearly all authority to their employees.
- In a young start-up, for example, you might see a laissez-faire company founder who makes no major office policies around work hours or deadlines. They might put full trust into their employees while they focus on the overall workings of running the company.
- Although laissez-faire leadership can empower employees by trusting them to work however they'd like, it can limit their development and overlook critical company growth opportunities. Therefore, it's important that this leadership style is kept in check.

Strategic Leadership (Commonly Effective)

- Strategic leaders sit at the intersection between a company's main operations and its growth opportunities. He or she accepts the burden of executive interests while ensuring that current working conditions remain stable for everyone else.
- This is a desirable leadership style in many companies because strategic thinking supports multiple types of employees at once. However, leaders who operate this way can set a dangerous precedent with respect to how many people they can support at once, and what the best direction for the company really is if everyone is getting their way at all times.



Transformational Leadership (Sometimes Effective)

- Transformational leadership is always "transforming" and improving upon the company's conventions. Employees might have a
 basic set of tasks and goals that they complete every week or month, but the leader is constantly pushing them outside of their
 comfort zone.
- When starting a job with this type of leader, all employees might get a list of goals to reach, as well as deadlines for reaching them. While the goals might seem simple at first, this manager might pick up the pace of deadlines or give you more and more challenging goals as you grow with the company.
- This is a highly encouraged form of leadership among growth-minded companies because it motivates employees to see what they're capable of. But transformational leaders can risk losing sight of everyone's individual learning curves if direct reports don't receive the right coaching to guide them through new responsibilities.

Transactional Leadership (Sometimes Effective)

- Transactional leaders are fairly common today. These managers reward their employees for precisely the work they do. A
 marketing team that receives a scheduled bonus for helping generate a certain number of leads by the end of the quarter is a
 common example of transactional leadership.
- When starting a job with a transactional boss, you might receive an incentive plan that motivates you to quickly master your regular job duties. For example, if you work in marketing, you might receive a bonus for sending 10 marketing emails. On the other hand, a transformational leader might only offer you a bonus if your work results in a large amount of newsletter subscriptions.
- Transactional leadership helps establish roles and responsibilities for each employee, but it can also encourage bare-minimum
 work if employees know how much their effort is worth all the time. This leadership style can use incentive programs to metivate
 employees, but they should be consistent with the company's goals and used in addition to unscheduled gestures of appreciation.

Coach-Style Leadership (Commonly Effective)

- Similarly to a sports team's coach, this leader focuses on identifying and nurturing the individual strengths of each member on
 his or her team. They also focus on strategies that will enable their team work better together. This style offers strong
 similarities to strategic and democratic leadership, but puts more emphasis on the growth and success of individual employees.
- Rather than forcing all employees to focus on similar skills and goals, this leader might build a team where each employee has an expertise or skillset in something different. In the long run, this leader focuses on creating strong teams that can communicate well and embrace each other's unique skillsets in order to get work done.
- A manager with this leadership style might help employees improve on their strengths by giving them new tasks to try, offering them guidance, or meeting to discuss constructive feedback. They might also encourage one or more team members to expand on their strengths by learning new skills from other teammates.

Bureaucratic Leadership (Rarely Effective)

- Bureaucratic leaders go by the books. This style of leadership might listen and consider the input of employees -- unlike autocratic leadership -- but the leader tends to reject an employee's input if it conflicts with company policy or past practices.
- You may run into a bureaucratic leader at a larger, older, or traditional company. At these companies, when a colleague or employee proposes a strong strategy that seems new or non-traditional, bureaucratic leaders may reject it. Their resistance might be because the company has already been successful with current processes and trying something new could waste time or resources if it doesn't work.
- Employees under this leadership style might not feel as controlled as they would under autocratic leadership, but there is still a
 lack of freedom in how much people are able to do in their roles. This can quickly shut down innovation, and is definitely pet
 encouraged for companies who are chasing ambitious goals and quick growth.

CONCEPT OF GLOBAL STRATEGIC MANAGEMENT

The mixed set of economies

Global strategic management requires companies operating in a mixed set of economies to design a business strategy that encompasses all of them. That means the business goals will need to reflect the growth rates and market potential that these economies have, but at the same time be aligned to the overall corporate vision.

Diverse Talent Pool

A global strategy needs to incorporate a varied and diverse pool of talent. All markets are showing the influx of new talent in the form of returnee mothers, re-employment of older workers, millennials and so on. The management of such talent is what will need to be defined the global strategy so that it comprises approaches which of harness the potential as well as leverage the strengths that arise from such different sets of people working together.

Bigger and better competitors

globalization With and open markets comes the threat of competition from across the global. That is of the biggest one challenges facing firms that are defining their global strategies and how to implement them. Understanding the nuances of such a complex range of competition and working a strategy that deals with all of them is part of global strategic management.



Technology and Digitalization Wave

A huge of wave technological disruption and digitization has impacted our world. It has shattered our traditional beliefs of what technology can do and give us a glimpse of where we are moving. All processes are undergoing a change and new tools are entering the corporate space. Our global strategy management rests on this core trend as it gets into the next decade.



CONCEPT OF GLOBAL STRATEGIC MANAGEMENT CONT

Integrating Management Styles

Different countries and different leaders have management styles. This is personality as well as culture linked. To achieve overall business goals, there is a need to combine the styles or provide a environment conducive where each can be fostered so that leaders can perform well. That will also result in positive teams and high performing individuals.



Process Efficiencies

Maintaining qlobal standards of excellence. quality levels and efficiencies are absolutely important. But alongside that, understanding which aspects need to be reassessed and decentralized for it to yield better results is also a part of global strategic management. Balancing between the actual delegation of process implementation and maintaining control to ensure quality is what the strategy comprises of...



Cost Effectiveness

With a shift in overall business strategy, many organizations have used the opportunity to increase the cost-effectiveness of their businesses by giving better opportunities of talent mobility, office relocations, factory and back-office operations, to more affordable locations. There has also been a reverse shift into the developed markets. for talent. since many global entities are recognizing now the diverse talent that can be groomed for bigger roles.



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