

Intersection of Strategic Theory and Leadership Application

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The present paper talks about strategic management theories and how they are connected with the leadership action plan that makes use of these theories to make strategic management work towards the goal of achieving what is predefined as a vision, mission, and values, for the organization, and which helps the organization at all levels of functionality to benefit from this action plan, eventually benefitting the targeted users and consumers, and having a lasting impact on the society largely. The study under consideration explains five important strategic theories, namely, Leadership in Action, Functions of the Executive, Corporate Strategy, the Practice of Management, and Habits. These five theories are explained in detail, and are then represented schematically, and the corresponding leadership role is explained that suits the best with the theory under consideration. The paper gives recommendations to use these theories and action plans as per the need of the organization, concerning a specific problem at hand. The study concludes it is limited in its scope as the time constraints of the course, and the restriction to access of online sources only for research purposes, made the study broad and generalized. There is scope for further research on the subject, with a real-life sample group under consideration, in a specific industry, within a specific organization, addressing a specific situation at hand. The study concludes with an optimistic note to assure that combining different strategic theories leads to accentuation of the positives of a problem solving and help in getting the most optimum solution in the least possible time with the most efficient utilization of the available resources, and capital.

1. Introduction

In an ever-dynamic market, it is important for firms to adopt strategic management theories that foster their growth by making their presence worthwhile and allowing the firms to penetrate in the market in a deeper way. The firm should understand that which theory would work in which situation and for how long, when a specific market penetration has reached its saturation level, and to make its mark in a new market, it needs to resort to other strategic theories. An assessment of how much risk every move will prove to be for the firm, needs to be done, to minimize losses, and fallouts wherever possible, and maximize growth, and profits. Market size, and rate, and its fluctuations, along with demand irregularities, need to be taken care of, if a firm wishes to flourish, and sustain itself for long. Moreover, the challenge put forth by the competitors, and rivals, and the international trade vagaries, all need to be addressed while implementing any strategic management theory, as these can have irreversible influence on the growth of the firm. It is essential to do a thorough analysis of the situation at hand, and the goal in mind, and make efforts to bring both in coherence, and alignment with

each other, so that the firm has a strong holding in the market, not just for a short while, but for a long time, irrespective of how the external factors, and other variants behave (Samantha, & Garrie, 2015).

An organization without a leader is like an automobile without an engine, and an action plan is like a fuel that propels the engine, and makes the automobile run, and trace its trajectory of growth. A leader is the one who has certain innate qualities like integrity, discipline, openness, courage, enthusiasm, tolerance, approachability, reliability, sensitivity, empathy, receptiveness, and a vision. All these supplemented by the acquired skill set of how to use these attributes in a real-life situation through the analysis of the situation, and formulation, and implementation of the action plan. A leader is the one who knows people handling, negotiating, risk taking, making the best use of the available resources, motivating the employees, acting as effective change agent, making employees proactive, delivering in practice what ideals he upholds, learning and engaging in the new technology, and always ready to try new things, with the attitude of viewing things as opportunities rather than challenges. When the action plan is formulated, it is essential to monitor it, and reduce errors or glitches as soon as possible, and assess the outcome with respect to the desired one, and evaluate any gaps, and move ahead with the required changes, to eliminate the errors completely. This helps in taking the organization on the growth path in an unprecedented manner. For a leader, the most important responsibility is to create a work culture which is conducive for growth and wellbeing of the organization and the employees who are an integral part of it. If the leader lives up to his words in the form of deeds, it will be followed by the employees too. A sense of belongingness towards the organization and its larger goal needs to be imbibed in the employees, and it is the duty of the leader to do so. A leader who succeeds in bringing out the best from the employees, and keeping them happy too, is the one who will truly succeed in implementing any action plan that is meant to materialize the vision of the organization, and its goals and objectives. The leader should possess the prudence and the acumen to assess which theory suits best the specific problem that an organization is facing and be ready to experiment in a flexible manner with the use of the latest technology and other interventions, to get the best solution to the problem, that benefits both the organization, and the employees (O'Leary et al., 2012).

2. Literature Review

The present study explains what we understand by strategic management, the different theories related to it, the leadership role and its relevance in creating a robust yet flexible action plan. The theories hold immense relevance and profound importance in the manner they have helped organizations achieve their desired goals in the best possible way, and helped organizations address their issues and problems in a more organized, and systematic manner. The first theory is about Leadership in Administration by Selznick. The theory talks about how organizations institutionalize, and how leadership plays a key role in conflict management, focusing on internal and external influences, and the importance of organizational values. The theory calls for a leader who is apt at understanding, judging, assessing, perceiving, and having a vision about the future possibilities. The next theory, that is, Functions of the Executive by Bernard, talks about cooperative systems and the cooperative behavior in an organization, and how

cooperative actions will help organizations achieve the desired objective. The theory Corporate Strategy by Ansoff talks about the four-fold matrix consisting of market penetration, market development, product development, and diversification. The theory of Habits by Covey is a motivational theory as it gives a direction of what habits to inculcate to be highly effective and successful. The last theory being discussed here is the Practice of Management by Drucker, and it talks about what is the nature and structure of management, and how to manage a business and the managers, and finally roles of a manager in managing the workers, and the entire management of the organization (Pisano, 2017).

The study tries to make the theories clearer through schematics that are lucid and self-explanatory and link each schematic with the leadership role requirement for it. The paper ends with a conclusion and recommendation to help other researchers and organizations utilized the study in their area of concern, taking inputs that are relevant to the situation being faced by them in the organization.

Problem of the Study

To establish an interconnectedness between the strategic management theories and the leadership action plan based on those theories.

Purpose of the Study

The study aims to explain what strategic management all is about and considers five famous strategic management theories that have proved to be benchmarks in the history of organizational development, and which continue to help organizations address their issues, not only in the present, but also those that can emerge in the future. The five theories being studied are, namely, Leadership in Administration, Functions of the Executive, Corporate Strategy, the Practice of Management, and Habits. The leadership action plan for them in the form of the leadership role is discussed, and a schematic representation of the theories is provided to make the idea clearer.

3. Different Theories Explained

Leadership in Administration:

Leadership is an inevitable part of any organization, and it is important that the leadership exhibits certain core qualities while exercising its role and responsibilities as a leader. The theory talks about a leader playing a crucial role in administration by integrating people within an organization to achieve a common goal, motivating and guiding the employees, act as

effective and efficient transformative and change agents, creating a cohesive and coordinated work environment, devising a problem-solving technique, that works best in adverse and risky situations, exhibiting not an authoritative but mentoring and guiding role, managing conflicts amicably and with excellent negotiation and bargaining skills, analyzing employee capability, and assigning roles according to individual competencies, providing enough space for a seamless communication to take place, providing opportunities to employees for training and upgrading their skills, acknowledging and rewarding their efforts, and keeping intact the organizational goals, mission, vision, and ethics. The theory talks about a culture where being more policy-oriented leading to a consensus within the organization, rewarding cohesive and

coordinated behavior and action, transferring knowledge and inter-organizational learning, introducing new mental models and assumptions, remolding institutional values, maintaining their status and legitimacy in the entire process, manage internal consistency, developing external supporting mechanism, and engaging in actions to overcome enemies, what is expected out of the leadership. An institutional leader while decision making needs to be facilitative, consultative, delegatory, and flexible. Selznick's analysis goes beyond efficiency and traditional loyalty. He examines the more nuanced variables of effective leadership of organizations in- business, education, government, the military, and labor. Organizational character, values, and statesman-like leadership are central to institutions that want to succeed and avoid drift and opportunism (Terry, 1993).

Functions of the Executive:

The theory was propounded by Chester Barnard in the year 1938. According to this theory, Barnard talks about the need of a cooperative behavior in organizations. HE takes into cognizance the fact that individuals have certain limitations with respect to their biological and environmental factors. Thus, it is important to have a cooperative organization which helps individuals overcome these limitations. The effectiveness and efficiency are the tools of survival for an organization; thus, it is essential that the organizations have elements of communication, willingness to serve, and a common purpose, and can maintain an equilibrium of the system and the total external situation. There is a need to have formal organizations which have specialization as their basis in the form of the place where a task is performed, the time at which it is performed, people with whom it is performed, things on which it is performed, and methodology by which it is performed. Now, how will formal organizations work? When individuals are provided with adequate incentives in the form of rewards, and persuasion, and the negatives incentives are eliminated, the organizations work effortlessly. Existence of a kind of authority is essential for organizations to work. This authority is exhibited in the correct manner through the correct channel in the correct time to all the individuals concerned, uninterrupted, speedily, and authentically. A conducive environment should exist for decision making at the individual and the organizational level. The role of the executive is to keep the organization operating through appropriate communication, sincere efforts, and a sense of purpose (McNally, 2018).

Corporate Strategy:

This theory was propounded by Igor Ansoff. According to this theory, a long-term business requires a detailed and well thought out planning. This is explained by the Ansoff matrix which provides with various alternatives available to a manager who wishes to tap new opportunities for sales growth. In this matrix, the variables are the market in which the firm is going to operate, and the product that is intended to be sold. The marketing managers have two alternatives with respect to the market, either stay in the present market, or enter a new market. In terms of the product also, two options exist, that is, either sell the original product, or develop new products, or versions of the existing product. The element of riskiness increases as the markets change and the products too, that is, out of market penetration, market extension, product development, and diversification, the last one is the riskiest strategy to be adopted. Market penetration is all about increasing one's market share in the existing market. Market extension implies selling an existing product to a new market, either an overseas

market, or a new market segment. Product development is the least risky of all, and it involves taking an existing product and developing it in the existing market. The last one, that is, diversification, is about diversifying the product and the market too. Here, the marketing managers try to sell different kinds of products in several different types of markets. It is important to do market analysis, economic factors, pricing, competitor analysis, target market, sources of fund, product portfolio management, profitability, marketing and sales strategy for different products in different markets, and the product life cycle analysis. All this will help make a prudent and fast decision how and to what extent should the firm go ahead with marketing its products (Martinet, 2010).

The Practice of Management:

This theory was propounded by Peter Drucker. According to this theory, the nature of management involves the role of management, job of management, and challenge to management. Drucker defines business as something where profitability is the test of the validity of the business behavior and business decisions. Business is all about satisfying the customer needs and demands. The business objectives include- market standing, innovation, productivity, physical and financial resources, profitability, manager performance and development, worker performance and attitude, and public responsibility. Each objectives have its own time span to materialize. Next, he talks about managing managers, which implies, existence of a well-defined hierarchical level in management, each having own area of specialization. The managers should know the rationale of the business, should define a clear method to achieve it, and give a strong premise to justify the method being used. The correct use of procedures, reports, rules, and formats should be done by the managers. The manager should be able to manage his job, his responsibilities, his authority, and his relationship with the superiors. Next, the structure of the management handling the business should be well defined. The management should be able to look upon employees as human resources, ones which can be utilized through coordination, integration, judgment, and imagination. The mutual two-way demand analysis of the worker and enterprise should be analyzed well. A good spirit should be maintained, and a motivating environment, where the organizations reach their peak performance effortlessly. The economic dimension should also be taken care of, like the wages, and profit analysis. At last, the manager is the one who defines, and analyzes the problem at hand, has a few alternative solutions ready with him, has the discretion to choose the best possible solution, and convert this decision into an effective action. The manager should be able to take risks, make strategic decisions, build an integrated team, communicate in the most efficient manner, and has a vision to take the business and the enterprise to great heights in the future (Bowman, & Wittmer, 2000).

Habits:

This theory was propounded by Peter Covey and includes seven habits that highly effective people in any domain have. These habits are- be proactive, begin with the end in mind, put first things first, think win-win, seek first to understand and then to be understood, synergize, and sharpen the saw. Being proactive means being in control of how to react to the things that happen in one's life. When things are out of one's circle of influence, then this attribute comes to picture, of how calmly one reacts to things that are out of one's control. The second attribute talks about personal leadership, where one needs to know where one is going, then only one

will be able to know how to reach there. Next, one should learn to put important and relevant things, and not so urgent and unimportant things for later. Always look for a win-win option in any human interaction, as mutual benefit is the best way an individual flourishes, and so does an organization. First, try to understand what the other person is trying to say, and after a selective and attentive listening, try to put forth your side and make others understand you. Learn to understand and appreciate differences that exist between individuals and try to reach a level of synergy as you club the strengths together and do away with the weaknesses altogether. Lastly, sharpen your faculties- the physical, the mental, the social, and the spiritual (Saul, 1995).

Linking Strategic Theories with Leadership Action Plan

1) Leadership in Administration:

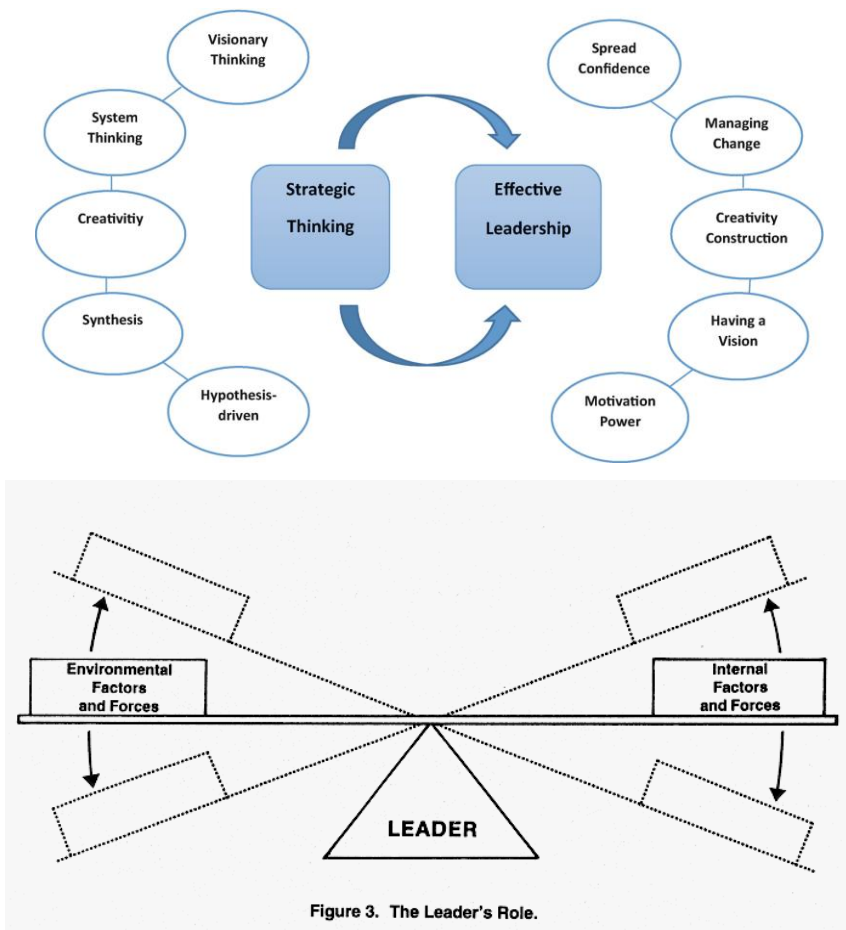
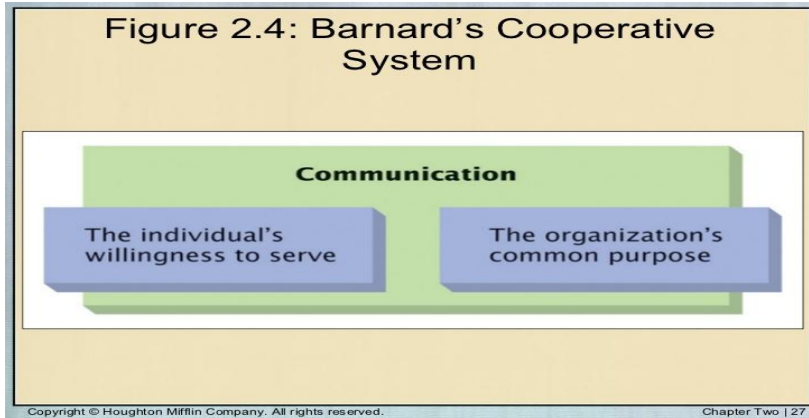


Figure 3. The Leader's Role.

In this theory, we understand that the leader plays a key role in administration within an organization, and it is leader who possessing the above-mentioned attributes, can help the organization go ahead with organizational change, organizational development, and organizational growth, at all levels, and be future ready too. The leadership action plan should be such that the true qualities of a transformative leader come out in the best possible manner

and are implemented to further the growth process of the organization, balancing the impact of internal and external influences, and making strategic management a reality through effective leadership.

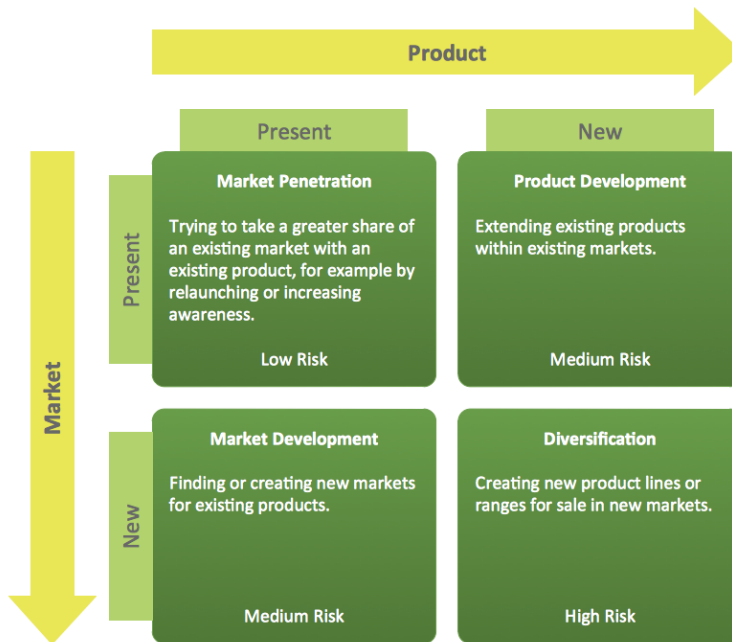
2) Functions of the Executive:



Here, Barnard, talks about leadership as an executive, the one which has roles, and functions of maintaining a communication, securing essential services from individuals, and formulate purpose and objectives. The leadership action plan in this case is the one where the duties, roles, and responsibilities defined for the executive are understood well, and applied to the specific organizational situation at hand, keeping in the mind the core idea of cooperative working as the crux of making an organization flourish and sustain for long in a formal setup.



3) Corporate Strategy:



The leadership role here is more of a prudent marketing manager who understands markets, and products well. The leader should be able to gauge the quantum of risk involved in venturing into existing and new markets, and with existing and new products, eventually defining the business policy for growth and expansion in the best possible way. The leadership action plan in this case involves analyzing several parameters with respect to the organization's resources, capital, product life cycle stage, market share, pricing strategies, competitor analysis, and so on. Such an action plan will help the marketing managers attain the desired business objective efficiently.

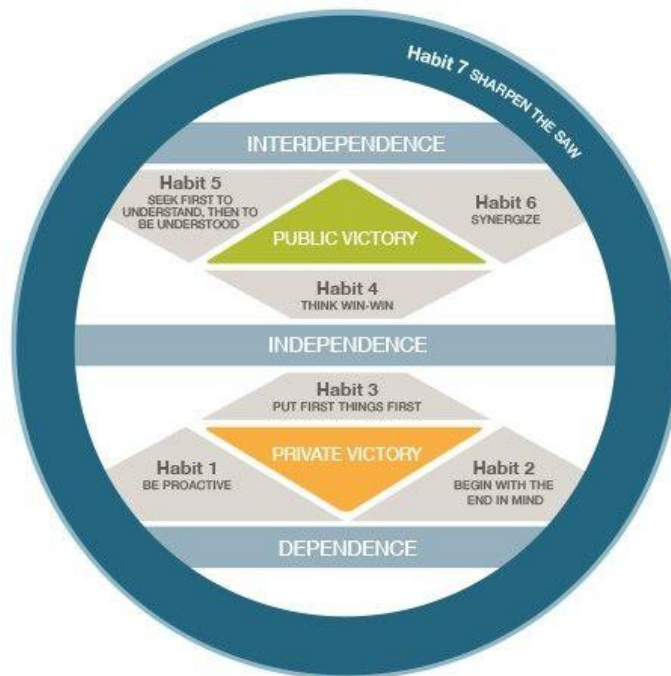
4) The Practice of Management:

Here, the leadership action plan requires an understanding of what is the nature, and structure of management existent within an organization, and what is the role of the manager in managing the workforce, and the business itself. The leader needs to understand how the hierarchy of management works, and how it plays a role in reaching the desired organizational goal, and how the workforce needs to be motivated and aligned to the organizational goal through a balance of costs involved, that is the wages, and incentives, in comparison to the profit attained by the organization. The employee performance analysis, recognition, acknowledgment, and assessment is essential to maintain a sustainable growth and an environment of mutual trust within the organization.

The Five-Step MBO Process



5) Habits:



This theory calls for a leadership action plan that takes into consideration all or the required number of traits in order to lead a workforce to achieve the desired organizational goal. The leader needs to operate at two levels, personal, and public. At the personal level, he needs to be proactive, begin with the end in mind, and put first things first. At the public level, he needs to think of others, and situations which create a win-win scenario, he needs to understand others and then put forth his side, he needs to synergize the differences, and sharpen his

physical, mental, social, and spiritual faculties, in order to create an equilibrium, and a conducive environment for the employees and the organization to grow and flourish.

5. Conclusion and Implications

The need to improve and excel is inherent in every individual and organizations are no exceptions to it. The desire to enhance oneself is motivated by a competitive spirit which helps organizations reach a level of excellence which they achieve through a systemized process which consists of situation analysis, goal definition, planning an action, implementing it, and evaluating it for further enhancement. All this is achieved by strategic management which is a vast domain dealing with the way organizations have a strong leadership in place, who are adept at people management, strategy and planning, negotiating, bargaining, positioning the organization in the market, customer need analysis, and the ensuing satisfaction through a dedicated deliverance of promised products and services, keeping a check on the quality levels, and the efficiency of the different processes, and being flexible enough to face any risks and uncertainties with grit and valor, keeping prudence, and the long termed organizational vision and goals in mind (Bērzins, 2010).

6. Recommendations

The study recommends a deeper analysis of the schematic along with a statistical data in hand, so as to depict the implications of a theory and its practical application in the form of an action plan. The theories so explained can be used as per the needs of the organization which is left to the discretion of the managerial and leadership dealing with the responsibility of strategizing the process of attaining organizational goals by acting as effective change agents, and motivators who create a conducive and progressive work culture within the organization which aims to achieve and sustain a desired position in the market economy.

7. Study Limitation and Scope for Future Research

The study has tried to address the above-mentioned theories in the most appropriate manner and attempted to analyze each theory by explaining the corresponding leadership role associated with it. The study is generalized and is limited in its scope. The reason being online sources as the only mode to conduct the study. The generalized nature of the present study is due to the time and resource constraints of the academic course under which the study is being conducted. There is ample scope for future research on the subject with individual theories or a combination of them being analyzed, and implemented as per the need of the hour, and utilizing statistical metrics and graphs to further enhance the implications and the outcome of the theory implemented through a well-defined leadership action plan.

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