On Non-Governmental Organizations in India

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Abstract – Strategic management techniques can be viewed as bottom-up, top-down or collaborative processes. In the bottom-up approach, employees submit proposals to their managers who, in turn, funnel the best ideas further up the organization. This is often accomplished by a capital budgeting process. Proposals are assessed using financial criteria such as return on investment or cost-benefit analysis. Cost underestimation and benefit overestimation are major sources of error. The proposals that are approved form the substance of a new strategy, all of which is done without a grand strategic design or a strategic architect. The top-down approach is the most common by far. In it, the CEO, possibly with the assistance of a strategic planning team, decides on the overall direction the company should take. Some organizations are starting to experiment with collaborative strategic planning techniques that recognize the emergent nature of strategic decisions.

Key Words; Strategic, Management Techniques, Bottom-Up, Top-Down, Collaborative.

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INTRODUCTION

Strategic decisions should focus on Outcome, Time remaining, and current Value/priority. The outcome comprises both the desired ending goal and the plan designed to reach that goal. Managing strategically requires paying attention to the time remaining to reach a particular level or goal and adjusting the pace and options accordingly. Value/priority relates to the shifting, relative concept of value-add. Strategic decisions should be based on the understanding that the value-add of whatever you are managing is a constantly changing reference point. An objective that begins with a high level of value-add may change due to influence of internal and external factors. Strategic management by definition is managing with a heads-up approach to outcome, time and relative value, and actively making course corrections as needed.

Simulation strategies are also used by managers in an industry. The purpose of simulation gaming is to prepare managers make well rounded decisions. There are two main focuses of the different simulation games, generalized games and functional games. Generalized games are those that are designed to provide participants with new forms of how to adapt to an unfamiliar environment and make business decisions when in doubt. On the other hand, functional games are designed to make participants more aware of being able to deal with situations that bring about one or more problems that are encountered in a corporate function within an industry.

REVIEW OF LITERATURE

In most (large) corporations there are several levels of management. Corporate strategy is the highest of these levels in the sense that it is the broadest – applying to all parts of the firm – while also incorporating the longest time horizon. It gives direction to corporate values, corporate culture, corporate goals, and corporate missions. Under this broad corporate strategy there are typically business-level competitive strategies and functional unit strategies.

Corporate strategy refers to the overarching strategy of the diversified firm. Such a corporate strategy answers the questions of "which businesses should we be in?" and "how does being in these businesses create synergy and/or add to the competitive advantage of the corporation as a whole?" Business strategyrefers to the aggregated strategies of single business firm or a strategic business unit (SBU) in a diversified corporation. According to Michael Porter, a firm must formulate a business strategy that incorporates either cost leadership, differentiation, or focus to achieve a sustainable competitive advantage and long-term success. These three rules are also known as Porter's three generic Strategies; this concept can be applied to any size or form of business. Porter considered this concept as tradeoff strategy and argued that a person or company must only choose ONE strategy or risk having no strategy at all. Alternatively, according to W. Chan Kim and Renée Mauborgne, an organization can achieve high growth and profits by creating a Blue Ocean Strategy that breaks the previous value-cost trade off by simultaneously pursuing both differentiation and low cost.

Functional strategies include marketing strategies, new product development strategies, human resource strategies, financial strategies, legal strategies, supply-chain strategies, and information technology management strategies. The emphasis is on short and medium term plans and is limited to the domain of each department's functional responsibility. Each functional department attempts to do its part in meeting overall corporate objectives, and hence to some extent their strategies are derived from broader corporate strategies.

Many companies feel that a functional organizational structure is not an efficient way to organize activities so they have reengineered according to processes or SBUs. A strategic business unit is a semi-autonomous unit that is usually responsible for its own budgeting, new product decisions, hiring decisions, and price setting. An SBU is treated as an internal profit centre by corporate headquarters. A technology strategy, for example, although it is focused on technology as a means of achieving an organization's overall objective(s), may include dimensions that are beyond the scope of a single business unit, engineering organization or IT department.

An additional level of strategy called operational strategy was encouraged by Peter Drucker in his theory of management by objectives (MBO). It is very narrow in focus and deals with day-to-day operational activities such as scheduling criteria. It must operate within a budget but is not at liberty to adjust or create that budget. Operational level strategies are informed by business level strategies which, in turn, are informed by corporate level strategies.

MATERIAL AND METHOD

Since the turn of the millennium, some firms have reverted to a simpler strategic structure driven by advances in information technology. It is felt that knowledge management systems should be used to share information and create common goals. Strategic divisions are thought to hamper this process. This notion of strategy has been captured under the rubric of dynamic strategy, popularized by Carpenter and Sanders's textbook . This work builds on that of Brown and Eisenhart as well as Christensen and portrays firm strategy, both business and corporate, as necessarily embracing ongoing strategic change, and the seamless integration of strategy formulation and implementation. Such change and implementation are usually built into the strategy through the staging and pacing facets.

HISTORICAL DEVELOPMENT OF STRATEGIC MANAGEMENT

BIRTH OF STRATEGIC MANAGEMENT

The Strategic management discipline is originated in the 1950s and 60s. Although there were numerous early contributors to the literature, the most influential pioneers were Alfred D. Chandler, Philip Selznick, Igor Ansoff, and Peter Drucker. The discipline draws from earlier thinking and texts on 'strategy' dating back thousands of years.

Alfred Chandler recognized the importance of coordinating the various aspects of management under one all-encompassing strategy. Prior to this time the various functions of management were separate with little overall coordination or strategy. Interactions between functions or between departments were typically handled by a boundary position, that is, there were one or two managers that relayed information back and forth between two departments. Chandler also stressed the importance of taking a long term perspective when looking to the future. In his 1962 ground breaking work Strategy and Structure, Chandler showed that a long-term coordinated strategy was necessary to give a company structure, direction, and focus. He says it concisely, "structure follows strategy."

In 1957, Philip Selznick introduced the idea of matching the organization's internal factors with external environmental circumstances. This core idea was developed into what we now call SWOT analysis by Learned, Andrews, and others at the Harvard Business School General Management Group. Strengths and weaknesses of the firm are assessed in light of the opportunities and threats from the business environment.

Igor Ansoff built on Chandler's work by adding a range of strategic concepts and inventing a whole new vocabulary. He developed a strategy grid that compared market penetration strategies, product development strategies, market development strategies and horizontal and vertical integration and diversification strategies. He felt that management could use these strategies to systematically prepare for future opportunities and challenges. In his 1965 classic Corporate Strategy, he developed the gap analysis still used today in which we must understand the gap between where we are currently and where we would like to be, then develop what he called "gap reducing actions".

Peter Drucker was a prolific strategy theorist, author of dozens of management books, with a career spanning five decades. His contributions to strategic management were many but two are most important. Firstly, he stressed the importance of objectives. An organization without clear objectives is like a ship without a rudder. As early as 1954 he was developing a theory of management based on objectives. This evolved into his theory of management by objectives (MBO). According to Drucker, the procedure of setting objectives and monitoring your progress towards them should permeate the entire organization, top to bottom. His other seminal contribution was in predicting the importance of what today we would call intellectual capital. He predicted the rise of what he called the “knowledge worker” and explained the consequences of this for management. He said that knowledge work is non-hierarchical. Work would be carried out in teams with the person most knowledgeable in the task at hand being the temporary leader.

In 1985, Ellen-Earle Chaffee summarized what she thought were the main elements of strategic management theory by the 1970s.

Strategic management involves adapting the organization to its business environment.

Strategic management is fluid and complex. Change creates novel combinations of circumstances requiring unstructured non-repetitive responses.

Strategic management affects the entire organization by providing direction.

Strategic management involves both strategy formation (she called it content) and also strategy implementation (she called it process).

Strategic management is partially planned and partially unplanned.

Strategic management is done at several levels: overall corporate strategy, and individual business strategies.

Strategic management involves both conceptual and analytical thought processes.

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