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**BUSINESS STRATEGIC MANAGEMENT  
PROCESSES AND PRACTICES: AN ANALYTICAL  
STUDY WITH REFERENCE TO INDIA**

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# Business Strategic Management Processes and Practices: An Analytical Study with Reference to India

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**Abstract – Strategy is thought to be a nitty gritty arrangement for a business in making progress. Administrators utilize strategy to accomplish result. Key management practices and organization execution in private venture undertakings {SBEs} goes together, however most Small business endeavors put less accentuation on making powerful technique for enhanced execution. Corporate methodology questions identifying with the proper measures of execution, the rate of development and degree of expansion, and the approaches to activate assets and create essential abilities are of present and high significance to Indian organizations. In the coming decade, they have to receive thorough and suitable corporate strategy approaches as they confront an unpredictable, quick changing, and globalizing business condition. In view of an evaluation of the strategies, corporate methodology is considered as a reaction to objectives in the transformative and rising settings and the point of view of the coming decade is taken to investigate the Indian business circumstance. In the accompanying paper vital management of different Indian organizations has been clarified.**

**Keywords: Strategy, Business, and Practices**

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## 1. INTRODUCTION

In old Greek, the word strategic implied the specialty of doing a military battle. On the off chance that we split the word, stratus (from Greek  $\sigma\tau\rho\alpha\varsigma$ ) implies „army“ or "war" and prior would signify "to oversee". There are many books composed investigating the craft of war management amid the antiquated and medieval circumstances and scientists of today discover couple of comparable standards in key arranging these days and in prior history. However, vital arranging as we probably am aware it these days is thought to be created beginning the mid 1950ies when initially books on current vital arranging and vital believing were distributed. Among the main writers, the fathers of vital arranging a few are to be named – Alfred Chandler (1918 – 2007), teacher of business history in Harvard Business School in United States, Philip Selznick (1919 – 2010), educator of law and society at the University of California in United States, Igor Ansoff (1918 – 2002), Russian American connected mathematician and business chief, and Peter Drucker (1909 – 2005), teacher at the New York University in United States. Alfred Chandler distributed his great business book "Procedure and Structure" in 1962 in which he contended that all fruitful organizations must have a structure that matches their technique instead of the other path round the same number of had accepted until at that point. He construct his

hypothesis in light of a broad investigation of extensive American companies between the years 1850 and 1920 – organizations, for example, Du Pont, General Motors and Sears, Roebuck. It was a period when organizations were creating from single-unit, midway oversaw operations into umbrella-sort structures where various relatively self-governing units shared certain overheads, specifically the key arranging capacity (The Economist, 2009). Philip Selznick started the thought regarding interrelation of organization's inner components with components of outside condition that was depicted in his work „Foundations of the Theory of organization" (Selznick, 1948). The quintessence of this thought these days is framed as entirely imprescriptibly component of vital arranging – the SWOT examinations (qualities, shortcomings, openings and dangers), where the organization's qualities and shortcomings are broke down inside the setting of organization's openings and dangers of outside business condition (Selznick, 1957). At the point when these two focuses are unmistakably set and defined an arrangement of the crevice decrease can be produced (Ansoff, 1969; The Economist 2008). Peter Drucker underscored the need of organization's targets and objectives. An organization without the target he contrasted with a ship without directing wheel. In 1954 he distributed the book „Practice of Management" which later ended up forming the hypothesis of target management MBT

"management by goals". The pith of MBO is participative objective setting and as per Drucker the objective setting inside the organization must be essential and boundless over all levels of organization's chain of importance. In a perfect world, when workers themselves have been included with the objective setting and picking the game-plan to be trailed by them, they will probably satisfy their duties. The other real commitment from Drucker that is ending up noticeably more critical in these days hierarchical management is the part of scholarly capital. He upheld that scholarly work is not progressive; inside the cooperation more proficient colleague for a particular errand will dependably be a casual interval pioneer, paying little heed to the structure of the chain of command (Drucker, 1954). Later, in the second 50% of twentieth century, another outstanding scholastic showed up who expounds on strategy and authoritative management Henry Mintzberg (conceived in 1939), educator of Management Studies McGill University in Montreal, Canada. He started a few pundits towards key arranging contending that the name „strategic arranging" ought to be dropped in light of the fact that vital arranging has obstructed key considering (Planning Skills, 2012). He infers that key arranging frequently comes up short since it is not the same as key considering. Arranging is about investigation – about breaking an objective into steps, formalizing those means, and articulating the normal outcomes. Key considering, interestingly, is about synthesis. According to a joint activity of the Organization for Economic Cooperation and Development (OECD) and the European Union (EU) the vital arranging framework at focal open organization level these days comprises of two principle parts – management segment and spending segment. The key management part by and large comprises of command (explanation of mission), vision, values, inward and outer condition examination, medium term needs, and headings of exercises, checking, and assessment, announcing, while the spending segment comprises of current circumstance investigation, goals, results and execution markers of the spending programs, subsidizing programs. A key arrangement of state foundation is management and a budgetary arranging archive which guarantee medium term anticipating focal open organization establishments. It alludes to people in general strategies under the ability of the foundation and it offers a reasonable picture of arrangements, duties and measures that will be advanced at the establishment level, yet it is not an open strategy archive itself. A vital arrangement of state establishment underpins the move from an assets situated management to an outcomes based management (Dinu, 2007). Scholars and professionals have been keen on vital arranging and management in people in general part for well more than two decades (Bryson, 1988; Eadie, 1983; Ring, Perry, 1985). Concentrates found that connecting the key arrangement to the monetary allowance, utilizing the vital arrangement to drive the organization's general execution management framework (Poister, Streib, 2005; Poister, Van Slyke, 2002), and utilizing

execution measures to screen the advance of key activities (Hendrick, 2003; Poister Streib, 2005) prompts better results (Poister, Pitts, Edwards, 2010). Despite the fact that vital arranging has been utilized as a part of different open area offices for over 20 years, very little is thought about its viability (Poister, Streib, 2004).

## 2. REVIEW OF LITERATURE

Barney (1991) brought up that organizations could create key capacity and for achieving this, the key objective will be to make firms, which are more wise and adaptable than their rivals. The human asset management work has developed as one which go about as differentiator among different firms.

Hendry and Pettigrew (1990) recommended that various interior elements, for example, the authoritative culture, structure (situating of HR), initiative, level of innovation utilized and business yield specifically add to shaping the substance of HRM.

Snell and Dean (1992) concurred that Human Resource Practices were the essential means by which firms put resources into their workers. Human Resource Management has moved its worry from household center to multi-national concentration, all the more heightening worry for issues like environmental, medicinal services, and absence of education. They likewise exhibited that Human Resource Practices to be representative driven and should be business driven too.

Kochan and Dyer (1993); Walker (1993); and Cusworth and Franks (1993) proposed that a firm should go for creating different HR hones as correlative to each other.

Loveday (1994) in his doctoral theory titled —A Study of HRM with uncommon reference to enrollment, choice and preparing of administrative and non-administrative staff in the Nigerian Banks expressed that, —The most essential of all elements of creation in business is the human element not at all like the segment some portion of a machine, the general population who contain a human living being, are something more than just parts of that organization. Substance men and ladies with conclusions, desire and needs of their own going are past the bounds of the organization. The degree, to which these individuals serve the requirements of the organization eagerly, energetically relies on the degree to which the organization serves their necessities as trying human beings. He likewise included that, the HRM techniques incorporate occupation investigation, human asset arranging and anticipating. Proficient HRM guarantees that efficient strides are utilized to enlist, select, prepare representatives to demonstrate to them the stepping stool by which they can accomplish their coveted objectives. Huselid (1995) specified in one of his examinations that the work force choice, execution evaluation motivating force state of

mind appraisal remuneration, work plan, grievance techniques, data sharing, work management interest enrollment endeavors, representative preparing, and advancement criteria are the major HRM hones which win in an organization.

Pfeffer (1998), in his examination, specified about work of the different HR practices, for example, security, particular procuring of new staff, self-guided groups, decentralization of basic leadership as the essential standards of hierarchical plan, broad preparing, relatively high pay dependent upon authoritative execution, decreased status qualifications and obstructions, including dress dialect, office courses of action, and wage contrasts crosswise over levels, and broad sharing of money related and execution data, pay phones all through the organization, position works on, preparing rehearses, worker grievance methodology, execution assessment hones, advancement hones. Every single such practice are required for development of the organizations. He reasoned that having great HRM is probably going to produce much devotion, responsibility or ability to consume additional exertion for the organization's targets.

Stone (1998) commented that HRM is either part of the issue or part of the arrangement in picking up the beneficial commitment of individuals. The above quotes propose that organizations need to viably deal with their HR in the event that they are to get the top level input from their representatives.

Wright and Snell (1998) mentioned an imperative objective fact that a large portion of the Human Resource Management Models comprised of —fitll segments, which included Human Resource Management Practices, worker's aptitudes and conduct and adaptability. The —fitll segments centered towards reacting to an assortment of aggressive needs required for key and nonstrategic contemplations.

Kay (1999) likewise bolstered this by including that the Human Resource Strategy must be a necessary to organization's vital procedures contributing towards organization's general execution. It was investigated that the organizations organization with condition could be dealt with the assistance of reasonable methodologies.

### 3. STRATEGIC MANAGEMENT FOR COMPETITIVE ADVANTAGE

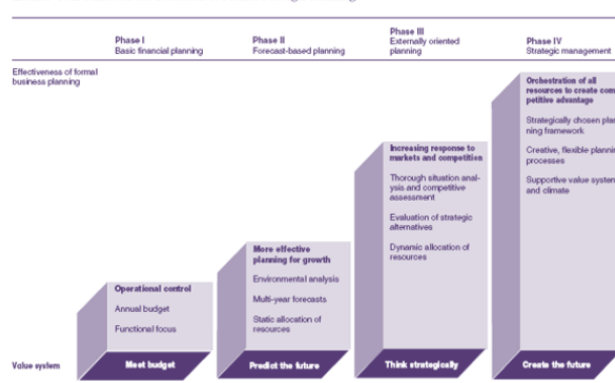
For the better part of a decade, strategy has been a business buzzword. Top executives ponder strategic objectives and missions. Managers down the line rough out product/market strategies.

Functional chiefs lay out “strategies” for everything from R&D to raw materials sourcing and distributor

relations. Mere planning has lost its glamor; the planners have all turned into strategists. All this may have blurred the concept of strategy, but it has also helped to shift the attention of managers from the technicalities of the planning process to substantive issues affecting the long-term well-being of their enterprises. Signs that a real change has been taking place in business's planning focus have been visible for some time in the performance of some large, complex multinational corporations—General Electric, Northern Telecom, Mitsubishi Heavy Industries, and Siemens A.G., to name four.

The four-phase model evolution we shall be describing has already proved useful in evaluating corporate planning systems and processes and for indicating ways of improving their effectiveness.

EXHIBIT Four Phases in the Evolution of Formal Strategic Planning



#### Exhibit Four Phases in the Evolution of Formal Strategic Planning

**Stage I: Basic Financial Planning** Most organizations follow the causes of a formal arranging framework to the yearly planning process where everything is diminished to a money related issue. Strategies create to conjecture income, expenses, and capital needs and as far as possible for cost spending plans on a yearly premise. Data frameworks provide details regarding useful execution as contrasted and budgetary targets. Organizations in Phase I regularly show intense business methodologies, yet they are once in a while formalized. Rather, they exist. The main solid sign that a business technique exists might be an anticipated income development rate, every so often qualified by certain obligation/value targets or other unequivocal money related destinations..

**Stage II: Forecast-based Planning** The complexities of most huge endeavors, in any case, request more express documentation of the verifiably comprehended procedures of Phase I. The quantity of items and markets served, the level of mechanical modernity required, and the complex financial frameworks required far surpass the scholarly handle of any one supervisor. The shoe as a rule squeezes first in monetary arranging. As treasurers battle to



evaluate capital needs and exchange off option financing arrangements, they and their staffs extrapolate past patterns and attempt to predict the future effect of political, monetary, and social powers. In this manner starts a moment stage, figure based arranging. Most long-go or key arranging today is a Phase II framework.

**Stage III: Externally Oriente Planning** In a domain of quick change, occasions can render showcase figures old overnight. Having more than once experienced such disappointments, organizers start to lose their confidence in anticipating and rather attempt to comprehend the fundamental commercial center marvels driving change. The outcome is regularly another grip of the key determinants of business achievement and another level of arranging adequacy, Phase III. In this stage, asset designation is both dynamic and innovative. The Phase III organizers now search for chances to "move the spot" of a business on a portfolio framework into a more alluring segment, either by growing new business capacities or by rethinking the market to better fit their organizations' qualities. A Japanese combination with an underutilized steel-creating limit in its shipyard and a vacillating skyscraper solid smokestack business joined them into a fruitful contamination control wander.

**Stage IV: Strategic Management Phase IV** joins vital arranging and management in a solitary procedure. Just a couple of organizations that we considered are plainly overseen deliberately, and every one of them are multinational, enhanced assembling companies. The test of anticipating the requirements of many diverse and quickly developing organizations, serving a large number of item/advertises in many unmistakable national conditions, has pushed them to create modern, exceptionally viable arranging methods. Be that as it may, it is less arranging procedure that separates these organizations, yet rather the careful quality with which management joins vital wanting to operational basic leadership.

#### 4. INDIA: IN MANAGEMENT STRATEGY

At the point when Renault India's head of promoting, Gerald Porcario, finished his three-year spell in India a long time prior, he didn't recover the standard presenting on Paris or some Euro-zone showcase. Rather, he's set out toward another non-European creating nation on the particular understanding that he use the learnings from the "super-complexities" of the Indian market in his new bailiwick. More than 2004 and 2005, Pune based Bharat Forge, one of the India's biggest makers and exporters of car parts, procured organizations in such bastions of advanced designing as Germany, Sweden, and the United States.

It may have been normal that the Indian unit would draw on assembling skill from the abroad organizations it gained and not the other way around. In Bharat Forge's case, notwithstanding, it was an

upkeep management rehearse created in India that was actualized in its abroad units.

Till as of late, the stream of management and procedure ability was one-way; it was India that retained plans of action, innovation and management frameworks from remote partnerships and organizations.

As India Inc dashed to globalize and worldwide organizations tried to misuse the nation's minimal effort ability pool, such industrialized-economy ideas as Kaizen, The Toyota Way, Six Sigma et cetera picked up currency.

Today, India is not anymore only a goal for assembling, managements and research in which companies lever bring down cost into an upper hand - it is likewise picking up footing as a wellspring of best practices in management and methodology.

Unexpectedly, this quality streams from the complexities of working together in India, both as far as the administrative condition and rare resources.

"The showcase in India is quick moving and not especially steady; so you require a quick and adaptable way to deal with management, and Indians are accustomed to managing ambiguities," says Arindam Bhattacharya, overseeing executive, The Boston Consulting Group (BCG), and co-writer of the book *Globality: Competing with Everyone from Everywhere to everything*.

#### MANAGING AMBIGUITY

An a valid example is the issues with the Logan, created and delivered by a 51:49 for every penny joint wander between Mahindra and Mahindra (M&M) and Renault. When it was propelled in 2007, the Logan was situated as an ease moderate sized auto that was required to offer around 2,500 units every month. By October 2009, it was offering under 500 a month. As officials in Renault, which left the joint wander recently, conceded, the central issue was valuing. One, the Logan's cost was barely lower than contending items like the Tata Indigo, Maruti Swift Dzire or Ford Ikon in light of the generally high import content. Two, the Logan endured when the management presented a double extract obligation structure not long after the auto was propelled. Autos up to 4 meters since quite a while ago pulled in a 12 for each penny obligation; those that were longer pulled in 24 for every penny (the rates have since changed to 10 and 22 for every penny). The conspicuous arrangement was to diminish the wheel base to underneath 4 meters to exploit the lower obligation, yet as Sylvain Bilaine, at that point nation head and overseeing executive of Renault India, concedes, the French auto producer "was not able to do quick basic leadership".

Interestingly, Tata Motors could show the sort of quick and versatile approach that most Indian companies

underestimate and lessened the length of the Indigo to profit by the obligation differential. Bilaine, who spent about a quarter-century in the vehicle business, has been struck by Indian management's adaptable reaction to dynamic economic situations. To such an extent that he is parlaying the lessons he learnt in his five years of relationship with India by means of SyB Consulting, which gives consultancy to organizations inspired by putting resources into India. "M&M showed us to be snappy in our reactions," he says. He brings up that western organizations commonly take after strict assembling rehearses with a specific end goal to accomplish Six Sigma principles. In this way, the generation and dispatch plans have a tendency to be taken after with however much exactitude as could reasonably be expected. Indian organizations, then again, have a tendency to be less unbending in their approach, which empowers them to respond to advancements more quickly. "The credit showcase in Mumbai totally gone away between October 2008 and March 2009 and spreads were crooked," he reviews, "However organizations like M&M and Bajaj Auto moved truly quick to diminish stocks and adjust working capital management - to such an extent that M&M really had the money to purchase Satyam a few months after the fact!"

The most detectable effect of such adaptability, in any case, lies in economical building, an approach that is making India all around one of a kind since it yields preferences for organizations that rise above simply work costs.

Bilaine alludes to it as "Indovation" however lean towards the regular Hindi term *jugaad* which he says is a striking component of the Indian business scene.

Indian organizations have a method for making things in an unexpected way, he says, possibly in light of the fact that as a poor nation India has needed to adapt to negligible assets. For example, curved guards made in India can be 75 for each penny less expensive than anyplace else on the planet basically by utilizing reused elastic. It is a similar approach that supported Indian auto producers like Tata Motors and M&M to source second-hand sequential construction strategies from the West and re-design them in India for their auto extends a move that brought down expenses by as much as 30 for every penny.

In reality, multinationals are progressively taking a gander at India as methods for drawing lessons on asset boost. For example, Renault-Nissan's initially green-field plant in Chennai spread more than 760 sections of land and with a possible yearly limit of 400,000 autos was finished in 21 months against a normal time of 36 months for plants of similar limit.

The experience has urged the partnership to analyze the sort of "safe alternate routes" that can convey a tremendous jump forward regarding time and cost for

future ventures, says Ashish Sinha, Renault India's representative. "It's an issue of unraveling the cost issue however keeping quality constant," he includes.

Renault-Nissan, a relative latecomer to India, is attempting to infer business learnings with its multiple cooperations: With Bajaj Auto, to build up a minimal effort auto, and Ashok Leyland for light business vehicles. This "cross fertilization" of thoughts is being reached out to the organization together's outline studio in Mumbai where ability is being contracted locally.

## INTEGRATING BEST PRACTICE:

Some of these learning's may appear basic or low-tech, but Indian firms are finding that their unique approach to lean manufacturing may well have global applicability in higher technology as well. Bharat Forge's maintenance management strategy is a case in point. Developed over 15 to 18 years in Bharat Forge's Indian factories, it is an extremely mechanized process that focuses on minimizing downtime, or the time scheduled for machine maintenance. Obviously, lower downtime means higher plant profitability. Equally, scheduled downtime is preferable to unscheduled downtime caused by machine failure. The strategy that Bharat Forge developed in India and that was implemented by its best practices group in plants it acquired overseas entailed creating a robust information strategy that anticipates problems before they occur. "We feed into the computer, every day and every hour, every piece of data that tells you what you have to do during the manufacturing process, instead of making you deal with the problem during the downtime," says Baba N Kalyani, chairman and managing director, Bharat Forge. As a result, Bharat Forge plants worldwide have an average down time of less than 10 per cent, the norm for efficient plants worldwide. The critical point about the **Bharat Forge** experience, again, is the flexibility. Asked about implementing indigenously developed technology in overseas units it has acquired, Kalyani said, "There's nothing hard and fast about our approach." He said the company has established a "best practices group" that comprises two or three people from each of its plants worldwide to focus on improving all-round performance and implementing the maintenance management strategy was part of that exercise.

## 'SOFT INTEGRATION'

Like Bharat Forge, other Indian companies acquiring corporations overseas have opted for distinctive organisational structures that enable them to maximise global competitiveness. BCG's Bhattacharya describes it as "soft integration". For example, **Tata Chemicals** acquired UK-based Brunner Mond Group and its Kenyan subsidiary,

Magadi Soda Company, in 2006 and US-based soda ash producer General Chemical and Industrial Products (GCIP) in 2008 to expand its chemicals business which accounts for roughly half its sales. Instead of opting for the "hard integration" process that typically follows mergers and acquisitions, Tata Chemicals allowed each entity to retain its local identity but created a structure to leverage global strengths.

## CONCLUSION

As an organization development tool as we know it nowadays started to be outlined in mid 1950ies and for more than 30 years was mainly used in private business sector while the concept and performing culture of public administration was developing entirely on the basis of national constitutions and laws. The first trends of using strategic planning and strategic management principles in public administration appeared in late 1980ies. Efficiency's prevalence of private sector over the public administration was proved more than 200 years ago by the father of nowadays' economic theory, Adam Smith, who clearly formulated that "it is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own self-interest." (Smith, 1776). There are strengths and weaknesses on both sides. Customer relationship and effective strategic planning is remarkably topical and still improvable process that is being recognized as good practice of management and at the same time it also makes healthy competition in public administration and private business sector. In conclusion, the three viable and effective corporate strategies for Indian organizations in the coming decade are — "Being honest + Being world-class + India focused,"

"Being honest + Being world-class + India diversified," and "Being honest + Being worldclass + Global focused." To be successful, the agenda of an organization is to achieve and sustain consistency among the various components and with the requirements of 'root' and chosen 'branch' or strategic direction. And the agenda will need to be translated into and be implemented through a well-calibrated sequence of business and organizational initiatives.

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