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A TAXONOMIC STUDY OF STRATEGY APPROACHES

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ABSTRACT

Authors offered many methods to strategy development, and instead of the word "approach," they used terms like "schools of thought," "perspectives," "frameworks," and "models." Planned strategy, emergent strategy, positioning strategy, and other mutually incompatible categories have been used to classify strategy, resulting in ambiguities in the taxonomy. The goal of this research is to see whether author groups are completely distinct or if they can be condensed into a few dominating methods, and the analysis relies heavily on Mintzberg's terminology. This research discovered that there are about six methods into which most of the groupings may be condensed after analyzing the categorization system provided by 13 renowned writers. Fit approach, Planning approach, Emergent approach, Positioning approach, Resource based approach, and Stakeholder approach are the methods. The act of collapsing reduces the number of groups, allowing for a more focused knowledge of strategy while also making the term more manageable from a researcher's perspective.

KEYWORDS: *Emergent Approach, Planning Approach, Positioning Approach, Stakeholder Approaches, Strategic Approach.*

INTRODUCTION

Any organization's success is largely determined by the strategy it has chosen. As a result, organizations, consultants, researchers, and planners are always on the hunt for the right approach to help them succeed. Despite its apparent significance and the fact that it is one of the most studied and thought-about concepts, strategy is simultaneously one of the most misunderstood. The underlying discipline of Strategic Management may also be blamed for the increased complexity of the strategy idea. This is due to the fact that, on the one hand, the roots of the Strategic Management area are varied and can be linked to a variety of disciplines, while,

on the other hand, the literature on the topic has grown at an exponential pace. Various methods to strategy development have been suggested by researchers at various times in the history of Strategic Management[1]. The availability of literature expressing differing points of view has resulted in a wide range of opinions on strategy among various writers. There has been an ongoing attempt to identify distinct schools of thought on strategy formed around different sets of beliefs and assumptions held by such groupings throughout the development of the theory of strategy. The fundamental concepts of certain author categories are the same, according to this article, even if the nomenclatures are different[2]. On the one hand, variety among schools of thought enriches research within the area of study, but on the other hand, it indicates a lack of consistency and coherence. However, they noted that each school's feature explains a particular contribution to the strategic management area, referring to 10 schools of thought. They went on to say that each of the schools represents a distinct perspective or approach to strategy development. Several academics have tried to organize concepts in the same way as Mintzberg did. It implies that academics have also recognized strategic methods, such as those used in their classifications. Authors have traditionally offered various views on the nature and conduct of strategy via categories, which are sometimes known as schools of thought, perspectives, methods, or models[3]. However, since strategy relies on a variety of perspectives and disciplines by its very nature, no one school of thought has been able to offer a full or final explanation. The Mintzberg categorization of 10 schools of thought is believed to be more thorough and generally recognized. Nine of these ten schools of thought address various elements of strategy development, with the tenth not being a strategy in the traditional sense. Many other writers have attempted to describe the idea of strategy in a similar manner, although many have used different terminology. The following categories demonstrate that the development of strategy research is closely linked to the creation of a wide range of paradigms[4]. Each of the categories, which include terms like schools of thought, perspectives, models, and methods, reflects the breadth of the study and the variety of viewpoints on the notion of strategy. The first and second goals of this article are to figure out what the fundamental topic of strategy is in each of the many classifications established by different writers and to find out which points of view are similar. In order to discover the tactics used by businesses, 25 Indian companies were examined[5]. The research found that, in order to thrive, businesses use a variety of strategies throughout the course of their existence. However, the authors found that the majority of businesses choose one of the six most common methods. Because the authors' approach for understanding the nature of strategy differed from the thirteen research included in this article, they were not classified in this analysis. However, as will be shown later in this research, there are six main methods to strategy development that are comparable to the ones. As previously mentioned, this article methodically examines many schools of thinking based on a categorization established by the author. His 10 schools of strategy were selected first because they were more complex or complete. Furthermore, it is based on results from over 30 years of research. Second, each school of thought is created from the spectrum of ideas of a particular set of scholars in the area of Strategic Management, as stated by. The authors claimed that the substance, method, and environment of strategy development are clearly distinct from the characteristics of each school. Finally, each of the nine schools reflects a unique perspective or approach to strategy development[6]. The fundamental subject of the strategy process in each of the nine schools of thought is identified, and each school of thinking is assigned to a particular strategic approach. After the strategic approaches

have been identified, classifications by other writers are interpreted. The viewpoints that are comparable to the previously selected strategic approaches are then put together. It may be deduced that if a certain strategy is backed by a large number of research or academics, that strategy is deemed dominant.The views comparable to the core topic of each of the strategic approaches are discovered and grouped in the following part in order to identify similarities in approaches[7].

Design school's primary slogan is "establish fit," which means that strategy making aims to achieve a match, or fit, between internal capabilities and external possibilities. In this school of thinking, strategy is concerned with assessing the organization's strengths and weaknesses in light of opportunities and dangers in its environment (SWOT). As a result, the fundamental concept of strategy in this method is to match or fit internal company variables like strengths and weaknesses with external ones like opportunities and threats, which is why it's called the fit approach to strategy. Below are some more writers that have discovered this element of strategy development in their research[8]. The fit elements of strategy were described using the ‘adaptive' paradigm. According to her concept, the primary aim of strategy is to create a feasible match between the external environment's possibilities and dangers and the organization's skills and resources for exploiting such opportunities. Successful strategies seem to have adapted themselves to the environment, according to the evolutionary perspective, and the job of managers in this approach is to create strategy that best matches the volatility in the environment. As a result, he was alluding to the strategic fit. Similarly, the Harvard policy framework has addressed the issue of fit. They regarded strategy to be concerned with a systematic evaluation of the strengths, weaknesses, opportunities, and threats (known as the SWOT analysis) and it is relevant to both profit and non-profit organizations under a framework they called Harvard policy framework. In his 'prescriptive method,' he seems to have incorporated both planning and fit elements. His strategy emphasizes long-term planning to achieve a ‘fit' between an organization and its surroundings. The suggested ‘planning' school of thinking examines methods emerging from a regulated, deliberate, and sequential process of formal planning in which goals, budgets, programs, and operation plans are given close consideration. Furthermore, the planning school views strategy as a planned and logical process that falls primarily within the purview of senior management. In the ‘linear' paradigm, the planning process emphasizes systematic, sequential, and directed action, suggesting a logical decision-making process, and senior management plays a prominent role. As a result, planning school and Chaffee's linear model have a lot in common[9].

The ‘8Ps plus Environment' framework was created to describe the many stages of the strategy development. He addressed the planning process in his first ‘P,' which he called ‘process of decision making.' The strategy in this approach stressed a sequential, linear decision-making process that included senior management. The function of an analysis-driven strategy process and implementation procedure with full dependence on organized action plans, budgets, and balanced scorecards in the ‘planning' method. As a result, his method stresses the need of planning. Similar viewpoints may be found in the rational' school of thought's ‘planning process approach' and ‘planning process framework'. Porter is a member of Mintzberg's "positioning school," which supports strategy development as an analytic process that situates the company in its industry. Porter, the primary proponent of this school of thinking, believed that a company must evaluate both the attractiveness of an industry and its competitive position within that

industry using the five forces framework in order to thrive. As a result, he shifted the focus of rivalry from the business to the industry. In his positioning school of thinking, Mintzberg addressed this issue. Porter developed four basic strategies that aim to put a company in a well-defined ‘position' in the economic market-place, dubbed the ‘Positioning Approach' to strategy.In the ‘strategy as position' viewpoint, the positioning method has been the key concept. According to him, the goal of the company is to acquire a competitive advantage by occupying an appealing and productive position in its surroundings. The study of the competitive environment using Porter's five-force framework is at the heart of the "competitive positioning method." This method aids businesses in determining an industry's potential profitability and selecting a general approach for gaining a competitive edge. As a result, Mintzberg's positioning school of thinking was backed in his competitive positioning strategy[10].

One of the primary responsibilities of the strategist in a competitive setting is to choose an appealing market and maintain a winning position in the marketplace. This element has been explored in the context of "market attractiveness/strategic position," which views a good strategy to be one that allows a company to identify its place in the industry. As a result, he was referring to the process of determining an acceptable industry position or the positioning approach to strategy. Strategies may emerge in all sorts of odd locations and in unique ways in the "leaning school," thus they can't be planned. Managers, according to this school of thinking, incorporate their organization's "lessons learnt" into their overall strategy. Managers launch modest projects based on their organizational experiences and pay careful attention over time to what works and what doesn't. Managerial successes generate streams of experiences that may converge into patterns and emerge as emerging strategies. Thus, in contrast to the planned method, which focuses on future activities, ‘emergent strategies' reflect previous patterns. In the context of the discussion of emergent elements of strategy. According to this viewpoint, strategy is the result of a steady modification of regular operations in the organization in response to changes in the environment. As a result, strategy is often not pre-planned, but rather develops through time as a result of a variety of forces inside the organization. As a result, the primary concept of this method corresponds to Mintzberg's learning school.

DISCUSSION ON STRATEGY TAXONOMY

A recognizable pattern emerges as a result of comparable effective methods combining to form a pattern of activity. In his ‘strategy as pattern' approach, he included this emergent element of strategy. The ‘emergent (or learning) approach' has represented the emergent element. In reaction to changes in the environment, he proposed that strategy develop and evolve gradually through time. In their classifications, all of the aforementioned scholars have addressed the emergent element of strategy. Considered strategy is formed in the ‘power school' by a process of negotiation between business power holders and/or between the company and its external stakeholders. He highlighted that certain key stakeholders may influence or negotiate plans in their favor via the use of power and politics. As a result, the method in this form is known as a "Stakeholder's approach." Stakeholders are defined as "any group or person who is impacted by or has the potential to influence an organization's goals." Managers should design and execute procedures that satisfy all and only those parties that have a stake in the company, according to the stakeholder approach. They also said that the primary job in this strategy is to manage and integrate stakeholder relationships and interests, which is critical for the firm's long-term

performance. The stakeholder method is linked to a ‘power' school of thinking, where he argued that strong stakeholders may influence organizational activities and can also use their power to decide what the company will do. According to this school of thinking, strategy necessitates expertise in stakeholder analysis and the creation of a good political bargaining process that will entice stakeholders to contribute to the organization's growth. That approach, according to her "interpretive" concept, is aimed at motivating stakeholders to behave in the organization's best interests. In this approach, strategy is created via a process of consensus among stakeholders' interests and organizational goals. In this paradigm, she was referring to a stakeholder approach to strategy.How many clusters should be used? This is one of the most important issues in cluster analysis. The research used the dendogram and agglomeration coefficient to estimate the number of clusters, despite the fact that there were only a few companies examined, and the Lehmann's rule (n/30 and n/60) was obviously inapplicable. A significant rise in the agglomeration coefficient, expressed as a percentage change, suggests a suitable cutoff point. From three to two clusters and two to one cluster, the coefficients indicate a significant rise. Three clusters had the greatest disparity in percentages of change. The companies were clearly divided into three categories based on their production strategies, according to a visual examination of the hierarchical dendogram. The proper number of clusters was eventually determined to be three based on the dendogram and the change in agglomeration coefficients. The k-means clustering algorithm was used to fine-tune the findings from the hierarchical process after setting the number of clusters as three.

When the non-hierarchical and hierarchical cluster solutions were compared, it was discovered that both techniques put 100% of the cases in the same cluster. This demonstrated the cluster solution's dependability and stability. This cluster differentiation strategy's connection is very apparent. This cluster's methods and levels of capabilities are aimed at meeting customer requirements via product and market differentiation, with a strong focus on service, quality, delivery, and flexibility. Differentiators was the name given to the first cluster. They also have some similarities to Sum et al. (2004)'s differentiator group in terms of cluster means, but not in terms of relative rankings. Seven companies make up the third cluster, which accounts for the lowest proportion of the total sample (22.5%). With the exception of cheap pricing, this cluster has the lowest significance meaning of the three clusters. For all of the capabilities, it varies from at least one of the other two clusters. In terms of cheap price, there is no statistical difference between this cluster and the other two. Even while cheap pricing seems to be the most important capacity for this cluster, quality capabilities are quite near to it in terms of significance. Within the cluster, performance and compliance characteristics are ranked second and third, respectively. After-sales service ranks 5 with a mean of 3.00 and delivery speed (rank 6) with a mean of 2.85 are both somewhat important to this cluster. They also put a disproportionately low value on capability-based flexibility.The researchers utilized a cut-off value of 0.30 to determine which skills provided the most value to each canonical discriminant function. Although there are no hard and fast rules regarding how excellent these values are, cut-off values over 0.30 are generally regarded as adequate and sufficient. The multiple discriminant analysis' normalized discriminant function coefficients, discriminant loadings, and group centroids. Vectors were used to show the high structural loadings of variables (more than 0.30), as well as the group centroids. The features of the three strategic kinds are shown in this graphical representation of structural loadings and group centroids. Both discriminant functions offer excellent separation between the

three groups, as shown by the Wilks Lambda value and comparison of the group centroids. Two independent variables, I after-sales service and (ii) delivery speed, have a strong positive association with the first function. This function distinguished the manufacturing strategy groups based on the relative significance of service and speed. Figure 2 shows that the tight correlation between the service and speed vectors and the first function suggests that the first discriminant function emphasizes after-sales service and delivery speed. This dimension is the same as the third dimension discovered in the data from Western Europe. Depending on the competitive skills highlighted, the writers regarded this function as "after-sales service/delivery." As a result, the research will be dubbed "market dependability." The first function is the main source of difference between clusters 1 and 2 vs cluster 3 when the centroids at the plot are examined. High positive coefficients for after-sales service and delivery speed indicate that clusters putting a greater priority on these skills will be allocated to the “market reliability” dimension's high end (positive side). Clusters that place a lesser emphasis on service and speed, on the other hand, will be allocated to the negative side of the dimension. High-end companies strive to compete by providing better after-sales support and closer client relationships, as well as timely delivery of their goods, in order to set themselves apart from their competitors.The second discriminant function showed only a highly significant connection on low price capabilities, implying that it differentiated manufacturing strategy groups based on their relative significance placed on price. While this dimension has a high price coefficient, there is no statistically meaningful connection with any of the other capacities.

As a result, the second function may be understood as the dimension of "market price leadership." This function is used to split clusters. Clusters that put a high value on low prices will likely to be on the high end of the market price leadership dimension, whereas clusters that place a lower value on low prices will be on the low end. The clusters on the figure represent the clustering procedure's manufacturing strategy group assignment. A closer look at the group centroids reveals that differentiators and intermediaries place a premium on client orders and quick answers to their after-sales requests, putting them at the top of the market dependability scale. Intermediators are positioned at the upper end of the market price leadership due to their significant focus on pricing. In other words, inter-mediators fight for market price leadership as well as market dependability. The “lowers” place a lower value on service and quickness due to their position at the bottom of the market dependability. Price, on the other hand, is given less weight due to their position on the bottom end of the market price leadership. Despite the fact that the "lowers" have no significant manufacturing plan, it is clear that pricing capabilities is valued more than differentiators. It has been noted that the Turkish automobile sector has a large number of joint venture and foreign-owned companies. When the distribution of businesses by ownership structure was examined, it was apparent that the overall percentage of firms in the sample with foreign ownership and joint ventures was 51.6 percent. Only 48.4 percent of the companies in the study are Turkish-owned. Tests were conducted to see whether there was a substantial variation in company ownership structure across strategic kinds. It's conceivable that comparable profitability among groups is due to variations in the quality of the execution of the highlighted competitive skills. However, in this view, the lowers put a greater focus on activities such as marketing and finance than on production, and therefore differentiators and intermediators reach a comparable degree of profitability. The reason for this is because the growth record of differentiators and intermediators is statistically better than that of the lowers,

despite the fact that the Turkish economy suffered a market contraction due to instabilities unique to the economy soon before the survey period. Total sales in the Turkish automobile industry fell by approximately 25% in the second half of 2006 as a consequence of the recession (TAYSAD, 2009). Despite this reduction, manufacturing may explain the increase of their market share and sales of differentiator and intermediator companies.

CONCLUSION AND IMPLICATION

The strategy formulation process has developed in a variety of ways, and as a result, academics have represented the strategy process in a variety of ways. Several academics have tried to organize their views on strategy development into a unified paradigm, or school system. Different views on strategy development or strategic methods have been detected by these schools of thought or comparable categories.Researchers looked at Minzberg's 10 schools of thought and concluded that each one offered unique approaches to strategy development. Mintzberg went into great detail on the 10 schools of thinking, which served as a great beginning point for deciphering the strategic approaches' ideas. Mintzberg's categorization was used to determine the various approaches to strategy in this research. The basic principles of the strategic approaches acquired from Mintzberg's classifications were compared to those given by other writers, and six approaches to strategy were discovered. Fit approach, Planning approach, Emergent approach, Positioning approach, Resource based, and lastly Stakeholder approach are the methods. Each of these strategic approaches to strategic management has its own features and focuses.It was also discovered that planning, positioning, and emergent methods featured in the majority of the classifications, and these techniques may be called dominant strategic approaches. This conclusion, however, needs to be experimentally verified.

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