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Strategic Thinking and Its Approaches

Feyzollah Zabihnia emran[1], Saeid Emamgholizadeh[2*]

[1]Department of Management, Ayatollah Amoli Branch, Islamic Azad University, Amol, Iran
[2]Department of Management, Shomal University, Amol, Iran

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ABSTRACT

Strategic thinking deals with the analysis of opportunities and problems from a comprehensive look and considers the possible consequences of your actions on others. Strategic thinkers depict the future image and they have a pragmatic approach for challenges and daily issues. They do this through an ongoing process and do not consider it as an action. When you think strategically, you are upon the daily works and you will consider the larger environment, in which you work. You challenge the hypothesis of doing works in the company and industry. You collect and analyze complex and often vague information. You use the results of analyzes to determine the main issues and appropriate actions. Recognizing that strategic thinking should be emphasized at both individual and organizational levels will enable individuals, especially senior managers to depict a wider range of possible strategies to improve the strategic thinking in their organization. Whereas, if senior managers consider the strategic thinking only in the form of an individual thinking style, such cases do not occur. Organizations that are successful on two levels in emphasizing on thestrategic thinking will create a major capability which facilitates the organizational interaction and learning across strategic business units and functional areas. Imitation of this main capability will be difficult for competitors and this capability makes the organization more flexible and adaptable to change and assists the organization to survive and be successful in the turbulent environment of the twenty-first century.

KEYWORDS: Strategic thinking, planning, systemic approach.

1. INTRODUCTION

Strategic management is a tool for introducing concepts and approaches, but, the introduction of "strategic thinking" by its definition is difficult because of the conceptual complexity in this approach. The numerous definitions which are presented for strategic thinking have paid attention to every aspect of this approach. Although, none of them contain all dimensions. In such circumstances, it is better to address the nature and characteristics of strategic thinking in order to introduce instead of definitions. Therefore, it should be tried to depict a correct view of this approach. Strategic thinking analyzes the opportunities and problems from a comprehensive view and considers the possible consequences of your actions on others. Strategic thinkers depict the future image and they have a pragmatic approach for challenges and daily issues. They do this through an ongoing process and do not consider it as an action.

Like other managers, you are always faced with difficult situations, problems or challenging decisions. Your task is to do things better as much as possible using available information. In the ideal world, you have access to all the information you need to overcome the challenges. But undoubtedly, in the real world only a part of the information is available to you and since, you work in a part of an organization, you have limited information from the forces outside of your sphere. "Strategic thinking helps you overcome these limitations"(Ghafarian, Ali Ahmadi, 2002: p. 28). When you think strategically, you are upon the daily works and you will consider the larger environment, in which you work. You challenge the hypothesis of doing works in the company and industry. You collect and analyze complex and often vague information. You use the results of analyzes to determine the main issues and appropriate actions. All the mentioned affairs are pursued with the view that it achieves the best possible results for businesses. Strategic thinking is to analyze the opportunities and problems with an extensive view and understanding the potential impact that actions could have on each other. "Strategic thinkers depict what could be and they have a comprehensive view at the challenges and everyday issues" (Ghafarian, Kiani, 130, p 157).

2. The Approach of Strategic Planning and Strategic Thinking

These two approaches (strategic planning and thinking) are related to the ends of the 10 schools of thought of strategy which belongs to a recognizable and "planning" environment. Strategic planning is defined as a part of this

[*]**Corresponding Author:** Saeid Emamgholizadeh, Department of Management, Shomal University, Amol, Iran
Gholizadehsaeid@gmail.com

school which is effective for predictable "learning" and strategic thinking is appropriate with the school in "strategic thinking" environment and the incomprehensible and unpredictable environment. Thus, it is counted as an organization. Today's high-evolution and unpredictable "pilotage" is the suitable approach of the approach that can advantage the organization than its rivals and writes a greater share of the market benefits: gives "value migration" to it. Adrian Slutsky in his book entitled most of the time, a small new company with an innovative and effective strategy, owns himself all the benefits of a critical skill of management in the new millennium "Strategic Thinking" of an industry.

Strategic thinking enables a manager to find out what factors are effective in the achievement of objectives and which do not work and why, and how factors create value for the customer? This insight into the effective factors in creating value creates recognizing power. Without this recognition, merely organizational resources (material and immaterial) will be useless to achieve success. (Emamgholi born, 2013, p. 201).

Kenichi Ohmae says in his book entitled "Strategic Thinking" that if you do not recognize the fundamental issues, whatever you impose physical and psychological pressure to yourself and your employees, the result will not be except confusion and defeat (Kenichi Ohmae, 1992, p. 29). Strategic thinking is the timely recognition of the characteristics of the competition field and seeing opportunities that competitors are unaware of them. Jeff Bezos, one of the founders of Amazon while discovering the ability to sell books on the Internet in 1995 recognized that book distribution on the Internet not only reduces costs, but also creates features for customers who do not meet the traditional distribution system (creating value for the customer). Today, this company has achieved $ 3 billion with its short life that this amount shows the preciousness of insight to the value-creating factors of market compared with more than 10.7 billion dollars sales\annual sales of a big company such as John Wiley 5 with 200 years of experience in this field.

Strategic thinking creates competitive advantage through recognizing and strengthening activities that create unique values for the customer. This work is done through understanding the rules of the market and creatively accountability. This issue is a unique approach in the unstable and evolving environment of business. These rules have created a particular mental model "simple and profound" in the form of rules and this will be the basis for making daily decisions to general orientation in the organization. Strategic thinking creates motivation and commitment for the organization and its stakeholders. This motivation and commitment comes through the power that is simple and fascinating.

"Henry Mintzberg" considers strategic thinking as an integrated view of business in the mind (Amiran, 2014: p.71). "Gary Hamel" describes it as the artistic architecture of strategy based on the creativity and understanding of business. "Ralph Stacey" knows it as planning on the basis of learning (Khan Buiki, 2009, p. 119). Each of these interpretations provides an overview of this approach, although no one claims for expressing all this approach. "Hamel and Prahalad" consider strategic thinking as a particular method for thinking that can also be considered as a strategy architectural skill. "Mintzberg" notes strategic thinking as a basis for creating rule-breaking strategies; a work that planning processes are not able to do it. Strategic thinking can be considered as the basis for creating new strategies which are able to change the rules of competition and provide a quite different vision of the present situation. "Liedtka" knows strategic planning for implementing the created strategies through strategic thinking and facilitating strategic thinking and it is responsible for the work process facilitating planning and implementing its results. "Liedtka" has considered five features for strategic thinking:

1. Systemic approach: Strategic thinking is formed based on a systemic attitude. A strategic thinker should create a complete system of values in his mind and understand the relationship between its components. Porter believes in this regard that strategy is a holistic and integrated attitude; although, there are many different and separated activities. Optimization is not possible without a systematic approach. Because, maximizing a section may lead to losing the important and vital properties of another section of the system.
2. Focus on the goal: Strategic thinking specifies the orientation of the organization and puts it on the spotlight of the organization. This focus allows the organization and individuals to spend all their energy in this direction.
3. Intellectual opportunism: Discovering opportunities and taking advantage of them is an important principle in strategic thinking. This feature means welcoming new issues and experiences and prepares the organization to adopt new strategies for new opportunities. Strategic thinking listens to the inharmonious voice of specific individuals to understand new opportunities and it has the ability to understand the appropriate conditions to change the strategy.
4. Thinking in Time: Strategic thinking is a thinking in the organization that links the past, present and future to each other. Strategy is also a bridge between the present (current situation) and future (ideal situation). In strategic thinking, the future should be created based on today's capabilities (which are the organization's past achievements).

5. Hypothesizing: Hypothesizing is a connecting loop between creative and analytical characteristics of a strategic thinking. Strategic thinking is creative. It also takes advantage of analytic tools. This integration takes place through hypothesizing (creativity) and hypothesis testing (analysis). Hypothesizing raises a novel question. "What if ...?" and then, the answer is supplied. Through hypothesis testing by an analytical method (Daft, 1998: 38).

This paper supports this view that strategic thinking and strategic planning are two different concepts and strategic planning is a process that occurs after strategic thinking. The author's analysis in the following discussions shows that strategic thinking manifests itself at two different levels: individual level and organizational level. This approach integrates the micro focus on individuals and groups with a macro focus on organizations and their fields. In other words, this approach shows the impact of individual characteristics and actions on the organizational field and reversely, the impact of the organizational field on the individual thinking and behavior. As "Chatman" (1998) argues that: When we look at the behavior of people in organizations; actually we see two phenomena: the individual as himself and the individual as an organizational representative… Therefore, the individual not only activate as on behalf of the organization but also, it operates as the organization when it has the values, beliefs and goals of the collection. Therefore, understanding the strategic thinking requires a two-pronged approach which both surveys the characteristics of an individual with strategic thinking and also, dynamics and processes that occur within the organizational field of the individual's activity place.

3. Strategic thinking at the organizational level

Organizational level provides a field, in which the individual strategic thinking can be possessed. Organizations require creating structures, processes, and systems that:

1. Create continuous strategic dialogue between the senior management team;
2. Exploit the advantage of the ingenuity and creativity of all employees.

Strategic dialogue means that the strategic thinking requires time to reflect and explore. As "Hanford" (1995) has pointed out: Certainly, it can be said at the strategic level that high speed means not to be strategic. For example, very short timetables for thinking about key issues and opportunities or for learning a new thing or modifying and clarifying organizational roles are examples of rushed affairs which banished us from being strategic and strategic thinking. It should be noted that all these strategic challenges take time. Time urgency in these cases is considered to be unproductive.

In the following, some notes are briefly presented about learning (managers should participate directly in the process of learning) from the environment and patterns which are provided by management scholars.

3-1. Strategy Innovation Model of "Gary Hamel"

Strategy innovation model has five basic recommendations for managers and emphasizes that applying these recommendations creates contexts for the formation of the organization's transformational strategy.

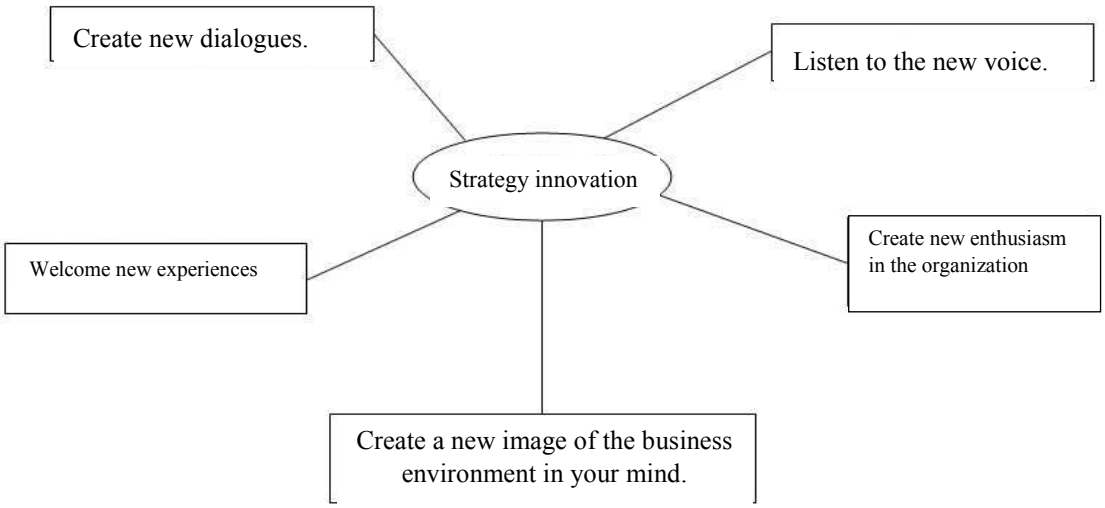

Figure 1. Strategy Innovation Model (Gary Hamel)

3-2. Elements of strategic thinking

This model is related to "Gean Liedtka". This model is based on the theories of "Henry Mintzberg" and recommends five factors as the main components of strategic thinking:

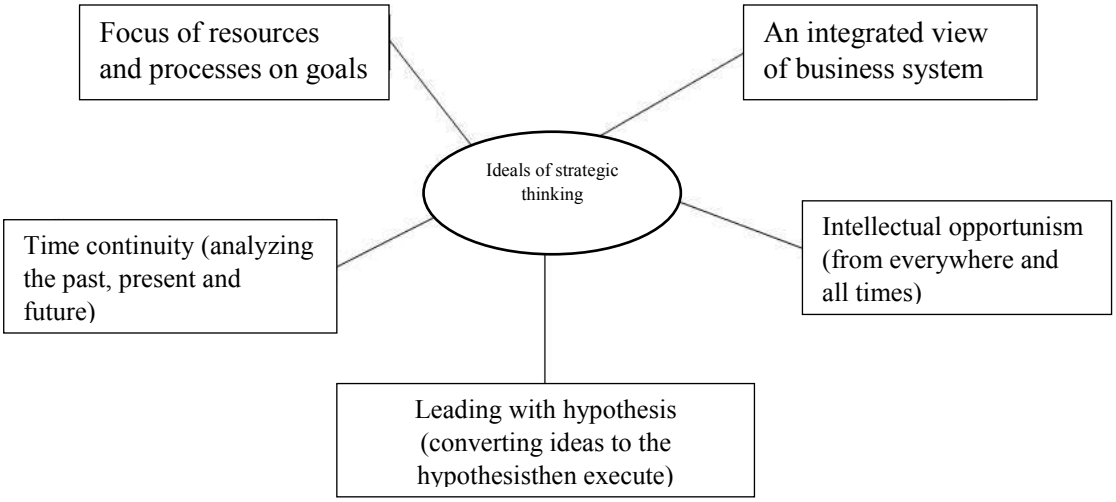

Figure 2. The main elements of strategic thinking (Gean Liedtka)

3-3. Five commands for strategic thinking

First Commandment: Seek to "learn" from the business environment more than getting information.

Second Commandment: Seek to discover non-responded needs more than responding discovered needs.

The Third Commandment: Have ultimate goals more than intermediate goals.

The Fourth Commandment: Seek to create the capability for competition more than creating the capability for production. The Fifth Commandment: Think about shortcut ways in the movement toward the goal more than speed.

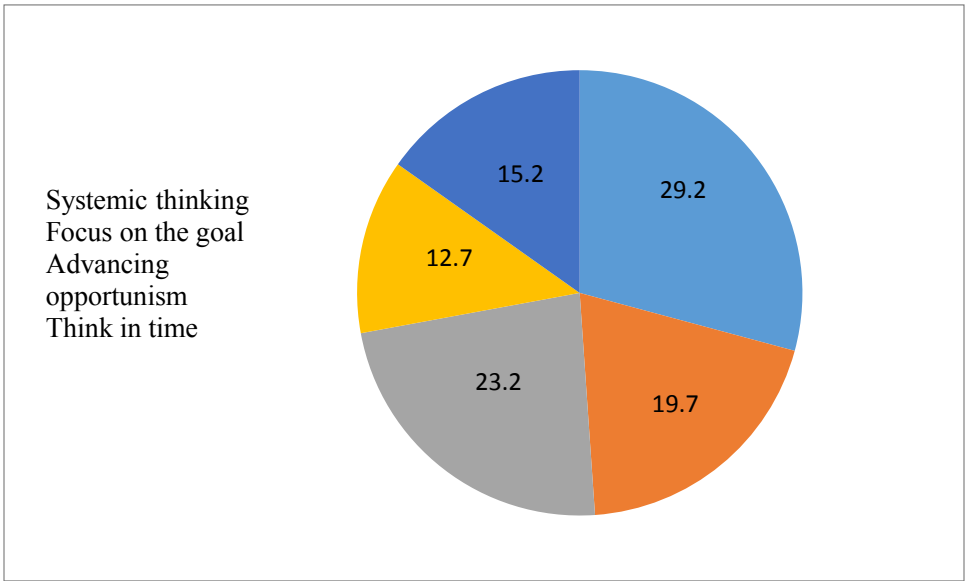

Figure 3. The five commandments for strategic thinking

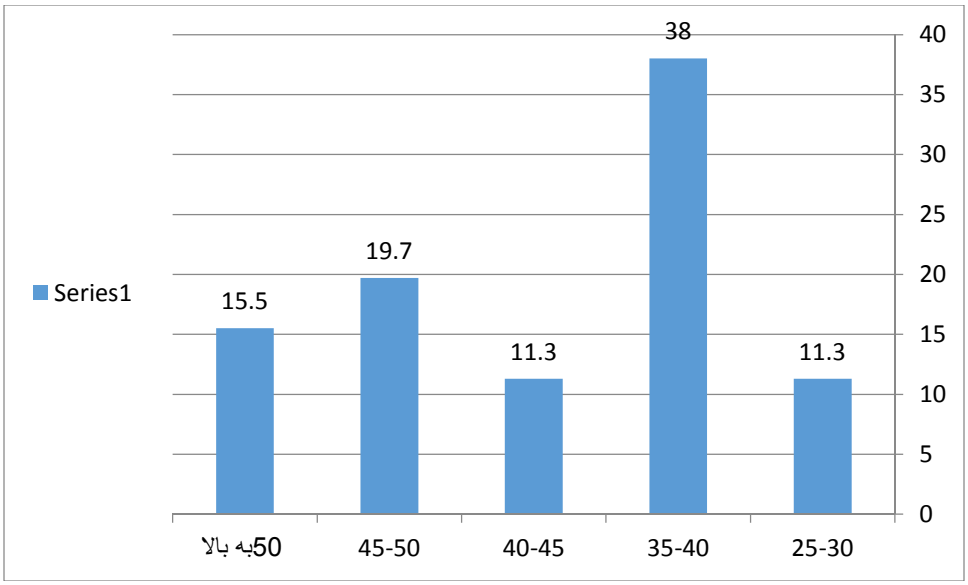

Figure 4. The statistical population age

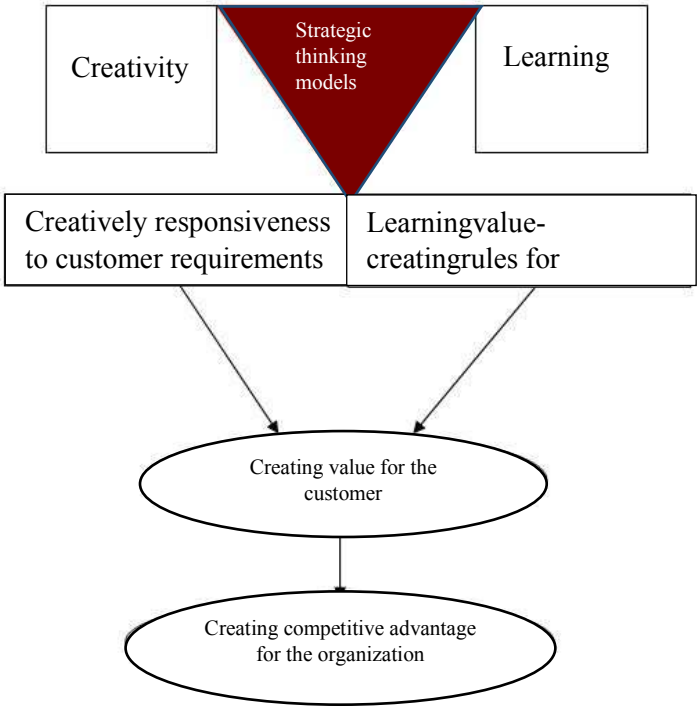

Figure 5. Strategic thinking models

Conclusion

I recommend organizations to establish strategic thinking council in order to achieve a new input for strategic dialogue between senior managers. Such a council should compare managers from different fields and levels who meet each other in a reasonable time period. Choosing these managers should be based on their successful track records as line managers, innovative ideas, and being outspoken. Activities of strategic thinking council should focus on exploring discussions which will have strategic importance for the organization in the next 5 to 10 years. For example, strategic thinking council members can have activities such as the following: creating scenarios about the future clients of the organization, discussing and debating about issues such as restructuring and transition and transformation, or investigating the implications of the latest thinking in the strategic management of their organization. The proposed ideas and comments of the strategic thinking council members should be presented

during the retreat time of the management to senior management of the organization. The purpose of this retreat is to provide new ideas for senior managers, helping them to see the strategic issues from a different perspective, and challenging prevailing mental models throughout the organization. There are fields that future researches should emphasize on them about strategic thinking. First, there is a need to test the ability of senior managers to think strategically. Also, there are some tests which refer the aspects of strategic thinking. For example, creativity or branched thinking tests and more comprehensive measures that need improving. Such a research should lead to identifying the selected criterion that predicts the long-term strategic thinking ability in the best way. Second, the question that whether education can increase the strategic thinking ability of senior managers or not, requires further research. As discussed in the previous section and finally, the presented conceptual framework in this paper should be validated through experimental researches. Such a research should have a qualitative nature and include depth case studies so that it can evaluate enterprises with strategic thinking against a control group of enterprises without strategic thinking.

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