

Strategic Management Theory Evolution and Development Trend

Jianglin Han^a

School of Nanjing University of Science and Technology, Nanjing 210000, China

^a18251956804@163.com

Keywords: Strategic Management, Theory Evolution, Development Trend

Abstract: This paper introduces the concept of strategic management of the system is defined and its characteristics, starting from the evolution process of enterprise strategic management theory, the origin and development of enterprise strategy management theory is divided into early strategic theory, traditional strategy theory, competitive strategy theory of three stages, and expounds the theory and characteristics of each stage, and then analyzes the problems existing in the research of strategic management, and discusses the future development trend.

1. Introduction

Management science has three levels: management basis, functional management and strategic management. Obviously, strategic management is the highest level and the primary task of modern enterprise management, which plays a guiding role in the operation process of enterprises. In the changing times, enterprises are faced with various challenges, which will inevitably lead to the change of management thinking. At present, management has a relatively consistent view on this change in four aspects: from process management to strategic management, from inward management to outward management, from product market management to value management, and from behavior management to cultural management. There is no doubt that enterprise strategic management will be the center of this change, it will emerge many new trends. In today's unpredictable market environment, competition is increasingly fierce, how to formulate the right strategy and effectively implement and control, in order to obtain sustained competitive advantage, is a serious problem in front of every enterprise. In order to deal with this problem, people need to have a systematic and comprehensive understanding of the evolution process of strategic theory and the current situation, and have a clear understanding of its development direction. Based on this purpose, this paper systematically reviews the evolution process of strategic management theory research, and discusses its existing problems and future development trends.

2. Concept and Characteristics of Strategic Management

To understand the evolution and development of strategic management theory, it is necessary to define the concept of strategic management. For decades, different scholars have put forward different views on the concept of strategic management. Barnard, an American economist, as a representative of the school of social systems, first introduced the idea of strategy into the enterprise economy. He believed that enterprises are a comprehensive system composed of individuals cooperating with each other, in which managers play the role of contact center. In 1962, Chandler, an American business operator, defined strategic business as determining the long-term goals of the enterprise, choosing the ways to achieve the goals, and allocating resources to achieve the goals and ways. Ansoff, an American scholar, defined strategic elements as product market scope, growth vector, competitive advantage and cooperative effect, and pushed forward the study of strategic theory.

Chinese scholar NiYifang believes that strategic management has a broad sense and a narrow sense. The broad sense of strategic management refers to the use of strategic management thoughts to manage the whole enterprise, while the narrow sense of strategic management refers to the formulation, implementation and control of enterprise strategy. Chinese scholar JianZhaoquan

believes that strategic management is the highest level and the primary task of modern enterprise management and plays a guiding role in the operation process of enterprises. In addition to the following concept description: refers to the enterprise strategic management determine its mission, according to the external environment and internal conditions set the enterprise strategic target, the correct implementation and realization of the goal in order to ensure the progress plan, and to rely on the planning and decision making enterprise internal ability to put into action, and to control in the process of implementing a dynamic management process. Strategic management is the process of realizing the enterprise's vision in the process of dealing with itself and environment. Strategic management is the activity that the enterprise formulates long-term strategy and carries out this kind of strategy.

3. Early Strategic Theory

Although there is no complete strategic theory system in the early stage, it has produced wonderful strategic thoughts. Professor Michael porter of Harvard University made an incisive summary and summarized three views of the early stage of strategic thinking. The first point: now the beginning of the 20th century, fayol integrate management of the enterprise internal activity, the industrial enterprises in various activities divided into six categories: technical activities, business activities, financial activities, safety activities, accounting and management activities, and put forward the management of the five functions: planning, organization, command, coordination and control, including planning function is the first function of enterprise management. This can be said to be the earliest emergence of corporate strategic thinking. Second situation: in 1938, American economist Chester Barnard separated the organization theory from management theory and strategy theory for the first time in his book the functions of managers, believing that management and strategy are mainly related to the work of leaders. Third view: in the 1860s, Andrew Andrews of Harvard University divided strategy into four components: market opportunity, corporate strength, personal values and aspirations, and social responsibility.

4. Traditional Strategic Theory

In 1965, Ansoff published his first book on strategy, enterprise strategy, which became the starting point of modern enterprise strategy theory research. Since then, many scholars have actively participated in the study of enterprise strategy theory, and a variety of different theoretical schools have emerged in this period.

(1) Design School. Design school believes that the formation of enterprise strategy is a carefully designed process, it is not a process of intuitive thinking, it should be clear, concise, easy to understand and implement. (2) Planning School. The planning school believes that the formation of strategy is a controlled, conscious and standardized process. (3) Positioning School. The positioning school believes that enterprises must do two things well in the process of formulating strategies: one is the analysis of the structure of the industry they are in; the other is the analysis of their relative competitive position in the industry. (4) Creative School. The creative school believes that the process of strategy formation is a process of intuitive thinking and seeking inspiration. (5) Learning School. Learning school believes that strategy is formed through gradual learning and natural selection. (6) Power School. The power school believes that strategic formulation should not only pay attention to economic factors such as industry environment and competitive forces, but also pay attention to political factors such as interest groups and power sharing. (7) Cognitive School. According to the cognitive school, the formation of strategy is based on the cognitive process of processing information, acquiring knowledge and establishing concepts -- the latter is the most direct and important factor for the generation of strategy, and it is not important at what stage progress is made. (8) Cultural School. The cultural school believes that the enterprise strategy is rooted in the enterprise culture and the social values behind it, and its formation process is a process of integrating various beneficial factors in the enterprise organization to play a role. (9) Environmental School. The environmental school emphasizes how enterprises and organizations can survive and develop in the

environment they are in, which only plays a role in drawing people's attention to environmental factors. (10) Structural School. The structural school sees an organization as a structure-an organism composed of a series of behaviors and characteristics, and strategy formulation as an integration-a system synthesized from the views of various other schools.

5. Competitive Strategy Theory

With the development of enterprise strategy theory and enterprise operation practice, the research focus of enterprise strategy theory has gradually shifted to the enterprise competition. Reviewing the development process in the past 20 years, three major strategic schools have emerged in enterprise competitive strategy theory: industry structure school, core competence school and strategic resources school.

(1) Industry Structure School. The founder and representative of the school of industry structure is professor Michael porter. Porter believes that the most critical part of the enterprise environment is the one or several industries in which the enterprise competes, and the industry structure greatly affects the establishment of competition rules and competitive strategies for the enterprise to choose. Therefore, the analysis of industry structure is the cornerstone to establish the competitive strategy, and the understanding of industry structure is always the starting point of strategy formulation. Porter proposes three basic strategies to win competitive advantage: total cost leadership strategy, differentiation strategy and concentration strategy.

(2) Core Competence School. The so-called core competence is the most fundamental part of all abilities. Core competence has the following characteristics: core competence can enable enterprises to have a certain degree of competitive advantage; core competencies should not be easily imitated by competitors. According to the school of core competence, modern market competition is not so much competition based on products as competition based on core competence.

(3) Strategic Resources School. Strategic resources school of thought, the choice of the enterprise competition strategy must maximize is conducive to cultivating and development of the enterprise strategic resources, and strategic management of the main job is to cultivating and developing the enterprise strategic resources of its own unique skills, namely core competence, only after reaching a certain level, the core competence can enterprise through a series of combination and integration formed its own unique and not easy to be imitated strategic resources, to achieve and maintain sustainable competitive advantage.

6. Problems in Strategic Management Research

(1) Emphasis is placed on theory rather than practice, and there is a serious disconnect between theory and practice. Inadequate research into environmental change has led to a lack of "foresight" and a flexible and rapid response mechanism. In enterprise practice, the traditional strategic planning or the "rigidity" of the plan cannot solve the contradiction between the long-term strategy and the rapid and changeable enterprise competitive environment.

(2) Strategic thinking is linear, ignoring human initiative. Previous strategic studies were basically a linear way of thinking, ignoring the chaos and unpredictability of environmental changes and the non-linear development of things, and failing to study people's ability to actively use or even create changes and control situations.

(3) Most of the strategic studies are based on the analytical framework of industrial organization, and cannot answer how the competitive advantage is generated and maintained.

7. Development Trend of Strategic Management Research

(1) The change of strategic thinking mode. In order to improve the guiding function of strategic theory research to practice, we must change from linear strategic thinking mode to nonlinear strategic thinking mode. Fully study the chaos and unpredictability of environmental changes and the nonlinearity of the development of things to enhance the ability of strategic foresight and strain.

(2) Strategic research approaches tend to integrate multiple theories. The future strategic management must study the predictable and unpredictable changes of the enterprise's adaptation environment, and then put forward the countermeasures or rules for the game in various states. In order to achieve this goal, we must seek a breakthrough in methods, and combine macro analysis with micro analysis, rational analysis with irrational analysis.

(3) Research object refinement. Enterprises are no longer regarded as an abstract concept to study strategic management problems, but many forms of enterprises, such as small and medium-sized enterprises, multinational enterprises, manufacturing companies, service companies, public sectors, government departments, according to their different characteristics, put forward more specific strategic management ideas and methods.

(4) More emphasis on competition and cooperation, that is, the development of competition orientation from competition and confrontation to more competition and cooperation. This is because modern competition only depends on the strength of an enterprise itself is weak, to maintain the long-term competitive advantage must cooperate with people, only in the cooperation, to obtain lasting competitive advantage and sustainable survival and development. The rapid development of information network technology also provides strong technical support for the competition and cooperation among enterprises and creates objective conditions.

(5) Emphasize the great influence of information technology on strategic management. We have entered the information age, information technology, all aspects of society, economy, military produced extensive and profound influence, the influence of the value of the enterprise as the national economic cell especially profound, also inevitably affect the strategic management, such as designed by the closed and static strategy, the establishment of the strategic plan to more open and dynamic in the transition of the strategic management and the environment interaction, a specific strategic process from formulation to implementation cycle shorter, the requirement for strategic strain improvement. In the final analysis, these characteristics are the improvement of enterprises' requirements for information acquisition and processing capacity, that is, the enhancement of their requirements for the application of IT, which leads to the strengthening of the combination of strategic research and IT, forming the upsurge of it-based strategic management research.

8. Conclusion

After defining the concept of strategic management, this paper systematically reviews and expounds the evolution process and development trend of strategic management theory. The evolution of strategic management is divided into three stages: early strategy theory, traditional strategy theory and competitive strategy theory. The existing problems in strategic management research are: emphasizing theory over practice; Strategic thinking is linearized and human initiative is ignored. Most of the strategic studies are based on the analytical framework of industrial organization and cannot answer how competitive advantage is generated and maintained. The research trend of strategic management mainly includes: change the thinking mode of strategic research, research methods tend to integrate multiple theories, refine research objects, emphasize more on competition and cooperation, and emphasize the great influence of information technology on strategic management.

References

- [1] Xia Qinghua. 2002. From resources to capabilities: a theoretical review of competitive advantage strategy. *Management world*, Vol.4 (109-114).
- [2] Zhou Wenyan. 2004. Chen huihua, liu weiming. Development of enterprise strategic management theory. *Journal of jishou university*, Vol.25.
- [3] Wu Weiku. 2002. Corporate competitiveness promotion strategy. *Beijing: Tsinghua University Press*.
- [4] Dan Schendel. 1996. Evolutionary perspectives on strategy. *Strategic Management Journal*,

Vol. 17.

- [5] B. Wernerfelt.1984. A resource- based view of the firm. *Strategic Management Journal*, Vol. 5.
- [6] Mowery D.C., J.E. Oxley, B.S. Silverman.1996. Strategic alliances and interfirm knowledge transfer. *Strategic Management Journal*, Vol. 17.
- [7] Wang Tao, Wan Jianjian.2002. The development, evolution and future trend of western strategic management theory. *Foreign economy and management*, Vol. 24.
- [8] Wu Yajun.1999. Development and research trend of enterprise strategic management theory in the 1990s. *Nankai management review*, Vol. 2 (4-10)