



## UNIT-1

### 1.3 EVOLUTION OF STRATEGIC MANAGEMENT

The evolution of strategic management encompasses significant shifts in paradigms, theories, and practices over time. Here's an overview of its evolution:

#### 1. Classical Management Era (Early 20th Century):

- **Focus:** Efficiency and productivity in manufacturing.
- **Key Figures:** Frederick Taylor, Henri Fayol.
- **Key Concepts:** Division of labor, hierarchy of authority, standardized processes.
- **Relevance to Strategic Management:** Foundation for understanding organizational structure and management principles.

#### 2. Planning Era (1930s-1950s):

- **Focus:** Formal planning processes to achieve organizational goals.
- **Key Figures:** Alfred Chandler, Peter Drucker.
- **Key Concepts:** Long-range planning, formalization of objectives, forecasting.
- **Relevance to Strategic Management:** Emphasis on systematic planning as a precursor to strategic decision-making.

#### 3. Modern Strategy Era (1960s-1980s):

- **Focus:** Systematic approach to strategic decision-making.
- **Key Figures:** Igor Ansoff, Michael Porter.
- **Key Concepts:** SWOT analysis, competitive advantage, industry analysis.
- **Relevance to Strategic Management:** Introduction of strategic tools and frameworks to analyze competitive dynamics and formulate strategies.

#### 4. Resource-Based View (1980s-Present):

- **Focus:** Internal capabilities and resources as sources of competitive advantage.
- **Key Figures:** Jay Barney, Birger Wernerfelt.
- **Key Concepts:** Core competencies, resource heterogeneity, resource immobility.
- **Relevance to Strategic Management:** Shift towards internal analysis and leveraging unique resources for sustained competitive advantage.

#### 5. Dynamic Capabilities Perspective (1990s-Present):

- **Focus:** Adaptive and evolutionary aspects of strategic management.



- **Key Figures:** David Teece, Gary Pisano, Amy Shuen.
- **Key Concepts:** Dynamic capabilities, sensing, seizing, and reconfiguring.
- **Relevance to Strategic Management:** Emphasis on agility, innovation, and continuous adaptation in dynamic environments.

#### **6. Strategic Leadership and Complexity (2000s-Present):**

- **Focus:** Integration of leadership, strategy, and organizational complexity.
- **Key Figures:** Henry Mintzberg, Richard Rumelt.
- **Key Concepts:** Emergent strategy, distributed leadership, sense-making.
- **Relevance to Strategic Management:** Recognition of the complex, emergent nature of strategy and the role of leadership in navigating uncertainty.

#### **7. Digital and Globalization Era (21st Century):**

- **Focus:** Digital transformation, globalization, and sustainability.
- **Key Figures:** Rita McGrath, Clayton Christensen.
- **Key Concepts:** Disruptive innovation, digital platforms, sustainability.
- **Relevance to Strategic Management:** Addressing challenges and opportunities posed by rapid technological advancements, global markets, and environmental sustainability.

#### **Conclusion:**

The evolution of strategic management reflects a progression from simplistic approaches focused on efficiency and planning to more dynamic and adaptive frameworks that recognize the complexity and uncertainty of the business environment. As organizations continue to navigate through increasingly turbulent and interconnected markets, strategic management will continue to evolve, incorporating new theories, technologies, and practices to ensure long-term competitiveness and sustainability.