Abstract: The present work takes into account the consistency of five reference points considered as highly significant for the current strategic management: the strategy, the competitive advantage, the five forces model, the VRIO framework and the generic strategies. They have been selected by taking into account both the frequency of their use in the textbooks, and also the consequences they have generated in the field theory and research. The study starts by considering the main reference points which assume the role of defining the selected concepts, in order to develop an analysis by highlighting their debatable features. The relation between concepts and virtual implications of the current stage in their development represents an implicit aim of this work. The methodological framework approached considers, as preliminary elements, the works referring the concepts in question and the significant milestones related to their approval. The next step is to take into account some critical references, assuming positions that contradict those promoted by the previous works. They enjoy a fairly limited popularity, which makes them more interesting for the development of an approach which counterbalances the standardized textbooks, characterized by a lush amount of bibliography that complies with the official trend. The methodology used is of qualitative type. At the first stage, an analysis of concept definitions and proximate elements is developed. Afterwards the results of certain empirical studies validating the concepts discussed are taken into account. Their results relate to the critical positions assumed by studies which raise an amount of relevant points of discussion. A logical filter has been used in order to mitigate the groupthink oriented effect caused by the appraisal of concepts in the American textbooks. In an absolutely predictable manner, the analysis results are able to temper the academic conformism involved in the dissemination of strategic management. One can infer there is enough evidence available for questioning the reliability of the whole field structure involved in the economic sector. An extreme frailty can be distinguished for a great amount of concepts and connected elements, a frailty able to generate insurmountable dilemmas for the practical use. The discussion dealing with the weak points of the researched concepts questions the reliability of the results acquired by empirical research, considered as relevant by the supporters of the current situation in the theory development. In practice, the problem of utilizing the tools derived from the studied concepts will be addressed, due to the fact that the results will be influenced by the problems identified as results of the present study. The topic selection relates this study to the category of works attempting at a more realistic approach of the “made in USA” theory. The author has selected the key concepts to be analyzed, identifying the most sensitive points involved in the theoretic elements network, developed on the basis of these concepts.

Keywords: strategy, competitive advantage, five forces model, VRIO framework, generic strategies

JEL classification: M19.
1. Introduction
Each topic related to academic study or research in the field of strategic management refers to and relies on a limited number of key concepts. They have the value of “corner stones”, being developed in form of a network associated with the concept of strategy. This term has been borrowed from the military use, but nowadays applies mostly to a commercial type organization.

After a more careful examination, a critic could generate the hypothesis according to which the respective network of concepts is similar to a house of cards. Lack of precision in a definition or its vague formulation may create the first “gap”, in order to generate a chain reaction when other concepts are defined. In order to counterbalance this type of definitions, some concepts are defined by using lists providing a set of alternatives. As an example from the first category, the definition of Porter (1985) for competitive advantage could be mentioned, and from the second category the definitions of Mintzberg (1987) for strategy.

The feeling of inconsistency or imprecision still exists within the framework of empirical studies or works considered as referential for the edification of this field. The concepts affected by these shortcomings are then reinforced by their use as reference elements for other studies and works, in order to, eventually, turn into dogmas made available by certain textbooks.

There are two categories of elements which suggest that a more careful examination is needed for the manner certain concepts have been turned into “corner stones” of a certain theory. On the one hand, there is the category of theoretical elements associated to common sense and to the Cartesian rationalism which may be associated to the formal discussion of these concepts. On the other hand, there is an impressive number of cases when important corporations deal with catastrophic failures: even if they conformed to the current principles related to strategy, being acknowledged by strategy experts and publicly acclaimed for their performance, at a certain moment, without no strategic alert, they collapsed in a spectacular manner: bankruptcy, acquisitions or some form of governmental help.

2. Methodology
The present study focuses on five major concepts related to the current strategic management. The selection has been considered in order to acquire a mimetic effect for the title formulation, similar to a significant number of current models, definitions or methodologies related to the field.

The starting point is the concept of strategy, defined not only by using a set of five alternatives, but also by referring it to the concept of competitive advantage. The competitive advantage is analyzed due to its association with the firm performance. At its turn, the firm becomes a final system of reference for each element of strategic management which involves the manifestation of certain option. For instance, a firm chooses a strategy from an existing strategies family, hoping that it will acquire a better performance than if using another option from the same family.

As two different parties of theoreticians already exist – one claiming that performance is induced by the industry within which it operates, as the other claims performance depends on the resources owned by the firm – the research on their emblematic elements falls naturally into place. These elements represent the five force model and, respectively, the VRIO framework.

The fifth element consists of the concept of generic strategies. The analysis of these strategies refers, as it was expected, to performance and competitive advantage.
The analysis of concepts will be developed separately and starts for each and every one of them with definitions or models related to the most renowned bibliographic references. Their debatable features are detached by referring them to the logic specific to the practice. The qualitative features of supporting bibliographic references are taken into account, as well as the critical positions.

Then, for each and every concept are discussed the empirical studies which can be taken into account as points of interest for their validation.

In this form, the research assumes a mainly theoretical and documentary character. The revision of relevant literature will focus on taking into account the elements related to the concept, but it becomes obvious that in the majority of its sources the direction of the present study hasn’t been yet developed.

The findings acquired for each concept analyzed will be noted separately in order to develop the synthesis of their composite correlation. What matters is the underlining of possible consequences of their accumulated effect on the current theory “standards”.

3. Relevant literature and findings

3.1. Defining strategy

A reasonable approach of defining strategy involves the study of historical roots of the concept, the semantic point of view included. This approach is developed only by few authors of western textbooks, Quinn (1980) and Desreumaux (1993) being the most renowned. The semantic discussion is related to the ancient Greek words strata, ego, stratego, with their equivalents army, general and plan to destroy the enemies respectively, synthesized in strategos with the equivalent “the art of the general”. From the content point of view, the concept was related to the preparing and carrying out war. In military practice and in the related theory, this concept has been preserved and perpetuated in a fairly unaltered manner until the present moment.

This concept has permeated the theory of the firm only during the last half of century. Each author of management textbooks has formulated his own definition, related in a direct or indirect manner to the concept of plan. In this concert of voices, Porter (1985), differs by stating that strategy is defined as a means to use a competitive advantage, as Barney (1986) considers that strategy represents the theory involved in acquiring a superior performance.

Contrasting these authors, Mintzberg (1987) defines strategy by discussing five alternatives: plan, ploy, position, perspective and pattern. He claims that strategy may assume each of these forms of manifestation or even a combination of them. Using a similar approach, Johnson et al (2011) provide a set of four “lenses” for the definition of strategy, which represent according to them various approaches on the concept at the organization level.

In order to render more complex the problem of definition, Mintzberg (1985) also claims that the strategy formation can be deliberate, as a result of a planning approach, but also emergent, as a result of behavior consistency.

By comparing all these approaches, one can ascertain that the resulting idea related to the definition alienates from the initial concept, at least by diluting the synthetic character and by the involvement of the organization’s leader. The involvement of more synthetically formulated organization aims, such as advantage or performance, generates a further shortcoming due to the difficulty supposed by their formulation.

If performance definition has been developed by management, the attempt is open to interpretation, even on short term and even if only the involved firm is taken into account. As strategy is involved, the concept of performance becomes ambiguous, as his relevance becomes questionable. Reference to competitive advantage becomes more
and more problematic, as its definition within the strategic management field is formulated after defining the strategy. The definition approach, according to Mintzberg (1985; 1987), induces the idea that rationality does not represent a sine qua non condition for strategy and that development may be attempted from the periphery without involving “the general”, in a rather incidental manner, but yielding positive effects.

Even if they seem to have a consistent support generated by the organization practice, Mintzberg’s statements cannot stand critical analysis. One can identify extremely few cases in the military field and also in the field of current companies, which are able to support the thesis of successful stories generated from the bottom up and concatenated for an extended timespan. The direct consequence of the divergence related to modern definition, and to its relinquishment from the original concept is the confusion involving the necessity, the content, the manner of formation, and the effects of a strategy.

3.2. Competitive advantage
The concept of competitive advantage represents the key element of the strategy definition developed by Porter (1985). Afterwards, the career of this concept has become explosive, as it has become a symbol of management strategy and the corner stone for the so called "positioning school of strategy". The quest for the Porter’s original definition or for certain elements able to clarify this concept has yielded only negative results. The statements „competitive advantage is at the heart of a firm’s performance in competitive markets” (Porter, 1985:XV), and, „competitive advantage grows fundamentally out of the value a firm is able to create for its buyers that exceeds the firm’s cost of creating it” (Porter, 1985:3), in fact the only to be considered as close to a definition, represent an amount of vague and difficult to operationalize formulas, both in order to develop further coherent constructs, and also for generating management tools. Reporting the advantage to the organization’s performance, without discussing the induced position of strategy within an exclusively competition oriented context, generates criticism and questioning from certain analysts (Aktouf et al., 2005; Klein, 2001, Powel, 2001) who are not at all persuaded by concept and author marketing. They ascertain an obvious circularity in the definition of the advantage acquired due to performance, which generates the impossibility of an exact knowledge of advantage generating elements. That’s why the company management cannot assume an anticipative character. Turning advantage into a reference concept with sociopolitical implications related to strategy definition of certain states represents, according to critics, an extreme pressure point for the limits of the “balloon” utilized in strategic management. As references related to the concept are discussed, one can realize that their number is at the rank of tens of thousands, a fact that proves that this concept has become a common place of field terminology. The assumption that this concept is used with no critical limitations is supported by whatever quota from the wide range of references. However, the strength in numbers cannot surpass either its definition ambiguities or the critics’ expertise.

The essential background issue is that, due to the manner of defining the concept, all constructs involving it in this form are marked by inconsistency. At its best, the operational value of the concept may be considered as highly problematic.

3.3. Porter’s five forces model
The named analysis model is known after the name of its creator, Michael Porter. Porter (1980) promoted a tool designed to estimate the impact of external factors on the firm profitability, assuming renowned ideas of the industrial economics (IE).
The new perspective of the model, which has determined its surprising popularity, involves the relative integration in the accumulate effect appraisal of influence factors, and also the coding in an approachable and seemingly intuitive language of relations involving the firm profitability. The fact that this tool allows the development of high speed “sentences”, available in a seductive form and involving a small amount of resources, basic economics knowledge included, seems to explain the large scale promotion in the textbooks. Made visible by the increasing number of related citations and by the space allowed in the textbooks, this model is an absolute champion and seems to be an undisputed reference.

An amount of formal features generate the first queries related to its consistency. The reader may immediately learn that, even if principles of IE are synthesized, the bibliography which should be associated with them is actually inexistent. Afterwards, the delimitation of competitive environment and the division into five categories of “forces” associated with the model, with the allowance of a relative independence status interfere with the idea of strategy as an integrative undertaking. They also interfere with the idea of integrating forces into a unitary model. The concept of industry also displays a series of problems at the definition level, which are highlighted by its use in the regulators’ practice.

Beyond these rather formal perspectives, a commonplace analysis of the manner the forces compose, in order to state an appraisal with a predictive character, demonstrate that its logic is debatable. Even the post factum estimations relying on the named model demonstrate the same character. By comparison, what IE proposes are models focused on separated factors with a distinguishable impact on performance, as the effects are estimated with a more complex tool, a fact that adds consistency to the results.

The queries mentioned above are justified by the prescriptive claims of the model. In other words, if this model is used, one can infer the type of industry recommended in order to acquire an above the average profit. Starting from this point, a series of studies have researched the degree to which “industry matters”, namely if there is a correlation between industry and the performance level. Paradoxically, the number of studies is rather limited, as the results are rather negative as implicitly or explicitly points out.

At the moment of developing certain applications the operationalization difficulties begin to emerge. The more application differs from the academic exercise format, the more obvious problems and dilemmas become. Finally, even for a partial and rather perfunctory analysis of the model, a significant query emerges in relation with the tool effectiveness on the target, whatever that target should be.

The consequence of this result is that, however the pattern is used and marketed, one cannot avoid the appeal to IE tools. The separate pattern use in order to provide post factum explanations or to develop studies with a predictive character represents a significantly problematic undertaking.

3.4. VRIO Framework

The analysis model going under the label “VRIO framework” was initiated by Barney (1991), and represents a counterbalance for the approach centered on external causality related to firm performance. The so called “resource based view” (RBV) has developed around this model, in a relative opposition with the “positioning school”. The key idea of RBV is that performance is caused by internal environment, mainly by resources available for the firm.

Before discussing VRIO, it should be mentioned that RBV uses as “corner stones” the concepts of resource, competence and capability. For their definitions, there is a series of available bibliographic references, even if Mintzberg (2004) highlights the differences between the authors’ opinions. To this initial issue the problem related to the terms reflected by the VRIO acronym is added: value, rarity, inimitability and organization. After
analyzing the definition consistency of these terms, Foss (1998) argues that so far the theory reflects a “terminological soup”. Even if the most significant ambiguities are related to value and rarity, the reciprocal relations are not at all out of debate. Actually, beyond the theory claims assumed by the RBV approach, the VRIO framework essentially explains a relation between a combination of VRIO resource attributes and the competition position, estimated by referring the “size” of competitive advantage, which also presupposes a “size” of the performance.

A critical observation focused on the network of possible attribute combinations according to Barney and Hesterley (2006) proves to be rather indecisive: certain possible combinations are not at all taken into account, a fact that may be supported by the manner the attributes are defined. The integration of concepts of value, advantage and performance has also proved to be rather indecisive. One can distinguish the fact that VRIO has missed the opportunity to clarify the competitive advantage definition. The previous integration has been obviously impacted by the ambiguity distinguishable in concept definition and also in the manner the organization is referred, a fact that justifies the concern that a questionable “entry definition” affects the logic concatenation of the explanatory undertaking, and also reduces at a significant degree the prescriptive effect.

Similar to the case dealing with the hypothesis “industry matters”, the empirical studies focused on resources have generated several controversies related to the managerial utility of the RBV, both pro (Barney, 2001) and against (Priem and Butler, 2001) opinions being made available. Even if some empirical studies, as Rumelt (1984), have proved that the impact of the resources on performance is more significant than the impact of industry, this fact improves neither the predictive character of VRIO, nor its intrinsic logic.

To sum up, the VRIO framework does not clarify the problem of competitive advantage to which it refers, as the introduction of other conceptual reference points from the category of resource and value turn the named framework into an instrument difficult to use in the conditions of reasonable claims in what its predictive effectiveness is concerned.

3.5. The generic strategies coined by Porter
Even if the attribute “generic” refers to a whole category of components, at the moment, as the strategy families in the American literature are taken into account, the named attribute seems to represent an exclusive brand for a typology initiated by Porter (1980). Ansoff (1965) was the first to use a similar typology format, but without reaching the quoting popularity of Porter’s theory.

The key problem of this type of generic family is the degree to which it reflects a real state of facts. As a consequence of a pertinent generalization, it would appear the possibility to choose a strategy able to provide the desired results.

Particularly, from the category of Porter’s generic strategies, both the differentiation and the low cost strategies have a particular significance for the subsequent theoretical constructs. Both the manner of definition and the relation between these strategies are relevant, as they were explained by Porter and critically estimated by other authors of the field.

The differentiation, as it was explained by Porter, would depend on the perception of uniqueness related to a certain product, based on a number of features considered as relevant by the consumer. These features, which differ from those provided by the competitor, would allow a premium price and the acquirement of more substantial profits. The basis for differentiation would consist of better quality similar with technical performance, which would involve superior costs.

However, critics distinguish certain errors of logic in this judgment, and then debunk the assumption involved in the development of theory using empirical studies that prove the inconsistency of Porter’s statements. For the first category of critics, one can quote Deming (1986), who claims that costs may be reduced due to quality, as from the
empirical studies category one can exemplify with studies of Ries (1996) or Datta (1997). Allaire and Fisirotu (1998) points out in deference, in the guise of an impartial opinion, that confusion between differentiation and segmentation strategy has been made.

In the case of “overall cost leadership” strategy (with its various label alternatives), the amount of dilemmas and ambiguities revealed after a more precise analysis becomes significant. If one accepts the idea that a strategy targets financial performance, then the relation between cost and profitability is to be demonstrated, as the cost related leadership has no impact on the final result involving the profitability. With no attempt at questioning overtly Porter’s idea, Mintzberg (1988) and Johnson et al (2011) consider that this strategy is in fact a low price strategy.

The most controversial part of the topic is, however, the issue of integrating both strategies. Porter claims that such a combination is unsustainable and leads to be “stuck in the middle”, as other authors (Murray, 1988; Miller and Dess, 1993) claim that such a combination is possible and able to generate a positive effect. However, a limited number of studies (Hambrick, 1983; Robinson and Pearce, 1988) claim that the respective strategies are observable and valid as constructs. On the contrary, Bowman (2008) claims that, taking into account that topic represents a “substitute for thinking”, it has a negative effect on the rationality of strategic decision making.

One should also point out that a discussion of generic strategies is associated with the acquirement of a competitive advantage, and so the ends meet both by defining the strategy and also by describing the advantage.

4. Discussion on crossed effect findings and conclusion

The analysis of each concept from the selected list has disclosed the same generic problems. The first problem is related to definition, which is characterized by imprecision and by using concepts which are difficult to identify or operationalize. A relative exception to the rule is represented by strategy definition, distinguishable due to a set of enunciations and options, whose common feature is the alienation from the meaning associated with the original concept.

The concept analysis shows that, in spite of the definition problems, they enjoy a highly noticeable popularity and an exceptional diffusion capacity, embodied for each concept into thousands or tens of thousands of citations. Actually, this represented the feature which has made them the object of the present research. However, assuming these concepts seem to be rather a result of the popularity related rather to the sound of this term than to its effects for the field, as the number of studies which acknowledge directly or indirectly either the validity of concepts or the success of their utilization in practice is highly limited. We should also point out that the number of positive opinions and entries to be found in textbooks does not provide an acknowledgement able to counterbalance the problems associated with definition, or the frailty of empirical validation studies.

On the contrary, even if the number of contradictory positions is highly limited and the respective positions are unpopular, with an impeded diffusion or interfered with immediately after they have been formulated, their reliability cannot be affected. The consistency and reliability of these positions are determined by the situation of the respective concepts, both in theory and in practice. They are not at all influenced by the number of appreciative votes. Finally, their implicit warning is real, even if is not at all taken into account.

These findings suggest that instead of concepts able to be considered as “corner stones” of the field, merely “glass bones” concepts have been chosen in order to be used. The parallel study of the chosen concepts prove the existence of a series of crossed definitions related to them, and also of operating structures including de facto definitions of the other concepts. For instance, the competitive advantage is to be found as a
construction element in the case of VRIO framework, in the five forces model, in the case of generic strategies and also in Porter’s strategy definition. In this manner, the frailty of a concept propagates into the whole field.

The general motivation for studying the basic concepts of management strategy using the suggested methodology is generated by the discrepancy between the current state of economy and the manner these concepts are used in order to develop a theory. The reputation and publicity associated with these concepts and the manner of promoting them via textbooks and standardized “official” approaches have proved to be relevant signals which characterize a presumable state of facts defined by significant shortcomings.

The implicit assumption that a first principle query lies in the very initial definitions has proved to be true. The study of definitions or of what could have been taken into account as such, and also the study of explanations associated with the topic have proved that these concepts are far from the reliability associated with the role associated with their placing as cornerstones of current theory. The critical judgments, even if made available in an insignificant number by literature, point out in an unequivocal manner the weaknesses of the concepts in discussion.

The shortcomings in definitions are not at all addressed by the limited number of empirical studies acknowledging these concepts, or by their propagation via thousands of citations. If one takes into account that first critics belong to the North American space of English expression, then the concepts transfer into the European rationalist context dissipates in a more vertiginous manner their mythical aura. The style assumed by the present work, characterized by an East-European skeptic stance which is impervious to the American slang constructs, has allowed the highlighting of the real consistency of the concepts.

The effect of both parallel and crossed treatment of concepts has aggravated the frail aspect associated with the construction of the theoretical “network” associated with the concepts, foreshadowing the same snowball effect for the entire theory.

On the basis of these observations it can be inferred that tools derived from these concepts should be treated with maximum care, as the expectations should be considered in a realistic manner, according to the findings of the present study.

Another consequence could be that opportunities to use the named concepts in predictive constructs are indeed questionable, due to the frailty of this type of judgments, which rely on rather ambiguous definitions. In parallel, the prescriptive character associated to the concepts is also a subject of query.

Due to these facts, it becomes obvious that these concepts should be acquired in a critical and constructive manner, and used with maximum care and moderation.

References