

STRATEGIC MANAGEMENT: FROM ANTIQUITY UNTIL TODAY

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"Those who cannot remember the past are condemned to repeat it."

George Santayana, The Life of Reason

Abstract: The strategic management is a relatively new discipline in its own right, whose foundations were laid since antiquity. Many concepts borrowed from various areas had an outstanding contribution in the formation and evolution of strategic management until nowadays. The dual pendulum metaphor reflects the existing tensions over time between internal and external factors of the organization and the relationships that exist between the two types of factors, the strategic management being outlined also by the simultaneous movement of the two pendulums.

Keywords: strategy, strategic management, dual pendulum, evolution, antiquity, concept, consolidation.

JEL classification: N 01

1. Introduction

Strategic management originates from antiquity, events which occurred then, being relevant for studying the implementation of modern strategies in economic organizations. Several such dating of strategic management in ancient times can be seen in Egypt, Greece, Roman and British Empire, as follows in the figure below:



Figure 1: Strategy in ancient times

Strategic Management continues its improvement and evolution by adopting certain concepts from military strategy. The examples can be seen starting from the 15th-16th centuries and continuing with the Second World War to the present. The borrow of several examples of military concepts are detailed in the figure below:



Figure 2: Classic military strategy

Although dating from ancient times, the concept of accepted and studied strategic management is a relatively youthful discipline which has developed very quickly, being taken and successfully implemented by most modern organizations. The origins of strategic management discipline are found mainly in the publications of Chandler (1962), Ansoff (1965) and Andrews (1971), that being basically the beginning of consolidation and progress toward maturity.

2. Factors that have influenced the progress of strategic management

There are some factors that have influenced the progress of strategic management. First, it was a marked increase in the range of topics addressed (Hoskisson et al., 1999). The study of "best practices" in 1960 analyzed many topics as internationalization, cooperation between firms, strategies and competition in the markets for products and factors and strategic leadership. Another factor is the significant growth in the range of research methods used, these becoming steadily more sophisticated (Hoskisson et al., 1999; Ketchen et al., 2008). Also, another indicator of the strategic management maturity is the growing consensus in some basic notions, like the definition of strategy or strategic management. Ronda-Pupo and Guerras-Martin (2012) shows how consensus around the concept of strategy has been building up and spreading over time in a slow manner. On the other hand, the academic community interested in strategy research has been developing.

Based on the above arguments, next will follow an analyze of the past and current trends in strategic management research. There will be put together the theoretical perspectives informing this research by using the image of a double pendulum swinging in unison (Guerras-Martin et al., 2014). This involves identifying and analyzing the tension between

the internal and external domains of strategic management research and also the tension between the macro and micro levels of analysis.

Strategic management is that fundamental issue that explains the success or failure of firms (Rumelt et al., 1994). This involves identifying the factors of success. Largely, on the other hand, many researchers have tended to focus their attention on a firm's internal factors, such as its strengths and weaknesses. On the other hand, the reasons for success have been sought in the environment opportunities and threats.

According to this, Guerras-Martín (2014) identifies in his paper two types of tensions throughout the development of the strategic management field: one between internal and external factors and one between macro and micro level considerations. This situation is similar to a dual pendulum, according to the metaphor used by Hoskisson et al. (1999), where the focal thrust is on internal or external factors or on macro or micro level issues. The two pendulums have been moving simultaneously over the course of the discipline's history, and their overall movements have defined the strategic management evolution. Figure no. 4 shows the arrangement of the main approaches and theories involved in strategic management according to these two classification criteria.

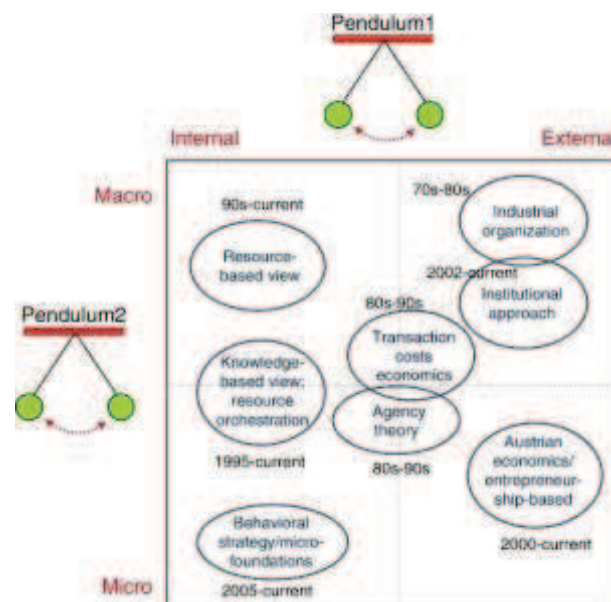


Figure 3: Evolution of strategic management research

The pendulum theory started in 1960, when the focus was on identifying the factors from the inside of successful firms that lead to performance. This was based on analyzing the strengths and weaknesses. Also, the external aspects were considered very important, so the SWOT analysis was considered a good option to study both internal and external aspects.

At the end of the 1970s and in the 1980s, the search for the success keys gravitated toward the external environment, with research on the industry structure becoming paramount (Porter, 1980). The economics of organizations, through the contributions made by agency theory (Jensen and Meckling, 1976) and transactions cost theory (Williamson, 1975, 1985), moved the pendulum toward more of a middle position that addressed to the internal and external aspects in the same way. Finally, the appearance and rise of the resource-based view (RBV), stimulated by the works of Wernerfelt (1984) and Barney (1991), once again swung the pendulum into the interior of firms, to some extent going

back to the beginning (Guerras-Martin, 2014). Although this metaphor of the pendulum is very illustrative of the development of strategic management, with its focus on some groups of factors that explain the success of firms, its strict application would be somewhat simplistic. It is a different thing to reduce a research analysis to internal or external factors, for reasons of methodology, from assuming that the reality consists solely of one or the other. Clearly, both aspects are very important. On the other hand, it is true that research in strategy has paid more attention in the last years to internal rather than external factors, the latter have not in any way disappeared from the research priority lines. Furrer et al. (2008) show how, over 26 years of research into strategy (1980-2005), the research stream linked to resources has been growing on a slow but steady basis.

Many researchers of strategy have for some time wondered whether the resource-based view or paradigm has been exhausted, and whether the pendulum will once again swing to the outside of firms or whether it will remain much longer on the internal side.

3. Conclusions

Strategic management during its evolution, has borrowed many concepts from different areas, which contributed to its formation and development.

Currently, strategic management, has become a discipline in its own right and a field where research concerning its improvement and evolution are continuing. It is also successfully implemented in most organizations, the results of its implementation being viable and relevant in achieving goals and implicitly in the success of organizations.

Dual pendulum metaphor was used to highlight the shift of focus from internal to external environment and then back to internal to show the evolution of strategic management. Both dimensions used in research are relevant today. The dual pendulum reflects the complexity of strategic management as an academic discipline, in which the research continues, without knowing its limits.

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