

## **Lesson eight SCHOOLS OF THOUGHT IN STRATEGIC MANAGEMENT**

Having researched the literature thoroughly, Mintzberg, Ahlstrand and Lampel (1998) identified 10 key schools of thought, which they then classified into three groupings. The first they call *Prescriptive Schools*, ones that are 'more concerned with how strategies should be formulated than with how they necessarily do form'. This grouping comprises the *Design, Planning* and *Positioning Schools*. They then describe a second main group, which are termed *Descriptive Schools*, comprising *Entrepreneurial, Cognitive, Learning, Power, Cultural* and *Environmental Schools*. These set out not to prescribe how strategy should be made but rather to describe how it is made in practice. The final group comprises just one school, the *Configurational*.

### **The Prescriptive Schools**

#### ***The Design School***

This approach sees strategy formulation as a conceptual process. It has been generally associated with the Harvard Business School. One of the earliest works was Selznick's *Leadership in Administration*(1957). Selznick introduced the notion of distinctive competencies. This school's basic text is *Business Policy: Text and cases* (1965) by Learned *et al.* Better known today is Alfred Chandler's *Strategy and Structure* (1962). More recently this approach has been represented in the SWOT model (Strengths, Weaknesses, Opportunities, Threats), which effectively marks the position of this school in spanning the process of strategic management, from the recognition of environmental influences on the business in the form of opportunities and threats, and the need for an objective appraisal of the strengths and weaknesses of the business compared to competitors. Mintzberg, Ahlstrand and Lampel (1998) offer a number of critical comments on this approach:

- \_ It ignores the process of incremental learning and the 'emergence' of strategy.
- \_ It ignores the influence of the existing structure and culture of the organization.
- \_ The role of the chief executive is overemphasized.
- \_ It is questionable how far an organization can determine its own strengths and weaknesses.
- \_ It leads to inflexibility and cannot cope with environmental turbulence.
- \_ It creates an artificial separation between strategy formulation and implementation.