

# Strategic Management: Trends and Best Practices

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## Abstract

Strategic management is an essential discipline in business that involves setting and achieving major goals through the evaluation of internal and external environments. As the global market evolves, staying updated with emerging trends and best practices is crucial for maintaining a competitive edge. This paper explores five key trends and best practices shaping the future of strategic management: digital transformation and innovation, sustainability and corporate social responsibility (CSR), agile strategic planning, data-driven decision making, and globalization with cross-cultural competency. Each of these elements plays a vital role in helping organizations adapt to and thrive in complex business landscapes.

**Keyword:** Strategic Management, Digital Transformation, Innovation, Sustainability

## 1. Introduction

Strategic management is a critical discipline in business that involves the formulation and implementation of major goals and initiatives, guided by the assessment of both internal and external environments. As the global market becomes increasingly dynamic and competitive, organizations must stay abreast of emerging trends and best practices in strategic management to maintain a competitive edge [1]. This field not only encompasses the strategic planning processes but also the continuous monitoring and adaptation required to navigate complex business landscapes effectively. This overview highlights five key trends and best practices that are shaping the future of strategic management.

## 2. Review of Literature

Poister (2010) highlights the urgent need for organizations to evolve their strategic management practices in response to the rapid and continuous changes characterizing today's business environment. He critiques traditional strategic planning methods, which typically involve static, long-term plans that are becoming increasingly inadequate in a landscape defined by volatility and unpredictability. Instead, Poister advocates for a shift towards ongoing strategic agenda management, a more dynamic approach that emphasizes agility and real-time adaptation. This method requires organizations to continuously reassess their strategies, responding promptly to emerging challenges and opportunities. Poister underscores that continuous adaptation and effective implementation are critical for navigating the uncertainties of the modern business world and achieving long-term success. His perspective advocates for a more fluid and responsive strategy development process, allowing organizations to align more effectively with the fast-paced evolution of their operating environments. With adopting such principles, Poister asserts that organizations can enhance their resilience and competitive positioning, ultimately securing their long-term viability and success. This approach enables organizations to remain relevant and effective in a rapidly changing landscape, highlighting the necessity for strategic flexibility and proactive management in ensuring sustainable success.

**Molina-Azorin's 2012** research advocates for the use of mixed methods research in strategic management, presenting a compelling argument for its superiority over monomethod approaches. By analyzing citation rates, Molina-Azorin demonstrates that articles employing mixed methods tend to receive higher citations, reflecting their broader impact and value in the field. His study provides empirical evidence supporting the integration of diverse research methodologies, which allows for a more comprehensive understanding of complex strategic management phenomena. The use of both qualitative and quantitative approaches, Molina-Azorin argues, enriches the research findings and offers a more nuanced perspective on strategic management issues. This mixed methods approach enables researchers to address a wider range of questions and capture a more holistic view of organizational dynamics, thereby enhancing the relevance and applicability of their findings in strategic management studies.

**Guerras-Martin et al. (2014)** provide valuable insights into the evolution of strategic management, emphasizing the dynamic interplay between internal and external factors affecting organizations. Their study highlights a significant shift from macro-level analyses, which focus on broad, external factors, to micro-level analyses that delve into internal organizational dynamics and interactions. This shift reflects a growing recognition of the importance of understanding the intricate details of how internal processes and external pressures interact and shape strategic management practices. The authors discuss the implications of this transition for strategic management research, noting that a more nuanced approach is necessary to capture the complexities of organizational strategy. Their analysis contributes to a deeper understanding of the evolving landscape of strategic management, offering a framework for future research that addresses both internal and external factors influencing organizational success.

**Anthopoulos and Fitsilis (2014)** explore the transformations occurring in e-strategic planning, providing an in-depth analysis of the lifecycle of major e-strategies in the digital era. Their study presents a framework for understanding the patterns and trends shaping the evolution of e-strategies, highlighting the impact of technological advancements on strategic planning processes. By examining how organizations develop, implement, and adapt their e-strategies, the authors offer valuable insights into the dynamic nature of strategic planning in a digital context. Their research sheds light on the critical factors influencing the success of e-strategies and the challenges organizations face in navigating the complexities of the digital landscape. The study's findings underscore the importance of continuously evolving e-strategies to align with technological advancements and market demands, providing a comprehensive understanding of strategic evolution in the digital age.

**White et al. (2016)** present a comprehensive review of international strategic management literature, identifying emerging trends and theories that are shaping the field. Their analysis offers a valuable resource for scholars and practitioners seeking to understand the evolving landscape of strategic management. The study highlights key developments and theoretical advancements in the field, providing insights into how strategic management practices are adapting to new challenges and opportunities. By examining the latest research and trends, White et al. contribute to a deeper understanding of the current state of strategic management and its future directions. Their review serves as a guide for those looking to stay informed about the latest developments in international strategic management and to apply these insights in their own research and practice.

**Punt et al. (2016)** delve into the complexities of management strategy evaluation (MSE), focusing on the critical issue of representing uncertainty in decision-making processes. Their study highlights the importance of incorporating effective methods for dealing with uncertainty in management strategies,

particularly in the context of sustainable fisheries management. By addressing the challenges associated with evaluating strategies under conditions of uncertainty, the authors contribute to the ongoing discourse on improving decision-making processes. Their research offers practical insights and methodologies for enhancing the accuracy and reliability of strategy evaluations, providing valuable guidance for practitioners and researchers working in fields where uncertainty plays a significant role. The study's findings emphasize the need for robust evaluation frameworks that can accommodate and address the inherent uncertainties in strategic decision-making.

**Engert et al. (2016)** explore the integration of corporate sustainability into strategic management, proposing a framework for aligning sustainability with organizational strategic objectives. Their interdisciplinary approach offers valuable insights for organizations seeking to incorporate sustainability into their core strategies. The study examines various methods and practices for integrating sustainability considerations into strategic decision-making processes, highlighting the benefits and challenges associated with this alignment. Engert et al. provide a comprehensive framework that organizations can use to enhance their sustainability efforts while ensuring that these efforts support their overall strategic goals. The study's findings contribute to a better understanding of how sustainability can be effectively integrated into strategic management practices, offering practical guidance for both scholars and practitioners interested in advancing corporate sustainability.

**Cokins (2016)** discusses the evolution of management accounting practices, emphasizing the growing importance of analytics and performance management. His analysis highlights how traditional cost modeling approaches are being supplemented by advanced analytics techniques, which provide more accurate and actionable insights for decision-making. Cokins explores the shifting role of finance professionals, who are increasingly expected to leverage data analytics to drive strategic decisions and improve organizational performance. The study sheds light on emerging trends in management accounting, including the use of performance metrics and data-driven insights to enhance financial planning and control. Cokins' research offers a valuable perspective on the future of management accounting, emphasizing the need for finance professionals to adapt to evolving practices and technologies to remain effective in their roles.

**Zomorrodian (2017)** examines strategic planning in virtual environments, addressing the unique challenges and opportunities presented by technological advancements. His study explores how virtual environments impact strategic planning processes, emphasizing the importance of cooperation and collaboration in navigating these digital contexts. Zomorrodian's research highlights the need for organizations to adapt their strategic planning approaches to account for the complexities and dynamics of virtual environments. By examining the interactions and processes involved in virtual strategic planning, the study provides valuable insights into how organizations can effectively manage and implement strategies in a digital age. Zomorrodian's findings underscore the significance of leveraging technological tools and fostering collaboration to enhance strategic planning and execution in virtual settings.

**Clegg et al. (2018)** advocate for a practice-based approach to project portfolio management (PPM), emphasizing the need to explore the underlying practices that shape strategy implementation. Their research focuses on understanding the dynamic interplay between strategy and practice, highlighting the importance of examining the practical aspects of PPM. By exploring the real-world practices and processes involved in managing project portfolios, Clegg et al. provide a roadmap for future research in this area. Their study underscores the need to bridge the gap between theoretical concepts and practical applications, offering

valuable insights into how organizations can improve their PPM practices and achieve better strategic outcomes. The research contributes to a more comprehensive understanding of how strategy is implemented and managed in practice, providing a foundation for future studies and improvements in project portfolio management.

### **3. Digital Transformation and Innovation**

Organizations are increasingly integrating advanced technologies such as artificial intelligence (AI), machine learning (ML), and blockchain into their strategic management processes. These technologies are revolutionizing how businesses operate by enabling more precise data analysis, predictive analytics, and automation. AI and ML, for instance, can analyse vast amounts of data to identify patterns and trends that would be impossible for humans to discern manually. This capability allows for more informed decision-making and the ability to predict future market behaviours and customer needs accurately [2]. Blockchain technology, on the other hand, enhances transparency and security in transactions, which is crucial for maintaining trust in digital interactions. Embracing digital transformation is essential for staying competitive in today's fast-paced market. Companies that leverage these technologies can streamline operations, reduce costs, and create innovative products and services that meet the evolving needs of customers. Furthermore, digital tools facilitate better communication and collaboration within organizations, leading to more cohesive and agile teams. The integration of these technologies also enables businesses to respond swiftly to market changes and disruptions, ensuring they remain relevant and resilient. In summary, digital transformation and innovation are not just trends but critical components of strategic management that drive efficiency, competitiveness, and long-term success [3-5].

### **4. Sustainability and Corporate Social Responsibility (CSR)**

There is a growing emphasis on sustainability and corporate social responsibility (CSR) within strategic management as businesses recognize the importance of their environmental and social impact. Long-term success is increasingly seen as intertwined with sustainable practices and ethical conduct. Companies are adopting measures to reduce their carbon footprint, conserve natural resources, and ensure fair labour practices throughout their supply chains. By integrating sustainability into their core strategies, organizations not only contribute to the well-being of the planet but also enhance their brand reputation and customer loyalty. Implementing sustainable practices and engaging in socially responsible initiatives can attract investors and customers who prioritize ethical business practices. For instance, consumers today are more likely to support brands that demonstrate a commitment to environmental stewardship and social equity. This shift in consumer preferences drives companies to innovate in ways that align with these values. Moreover, regulatory pressures and global sustainability goals compel businesses to adopt greener practices and transparent reporting. With doing so, companies can mitigate risks associated with environmental degradation and social unrest, ensuring long-term viability and profitability. Ultimately, sustainability and CSR are integral to strategic management, fostering a positive impact on society while securing the future success of the business [6].

### **5. Agile Strategic Planning**

Traditional, long-term strategic plans are being supplemented or replaced by more agile approaches to address the rapidly changing business environment. Agile strategic planning involves shorter planning cycles, continuous feedback loops, and the flexibility to pivot quickly in response to market changes. This methodology is inspired by agile software development practices, emphasizing iterative progress, collaboration, and adaptability. By adopting agile planning, organizations can better respond to unforeseen challenges and seize emerging opportunities, maintaining a competitive edge. Agile strategic planning

allows companies to remain adaptable and responsive to market dynamics. This approach fosters a culture of continuous improvement, where feedback from various stakeholders is regularly integrated into the strategic process. As a result, organizations can make incremental adjustments rather than waiting for long-term plans to unfold, which can be too rigid in a volatile market. Moreover, agile planning promotes cross-functional collaboration, breaking down silos and encouraging diverse perspectives in decision-making. This holistic view enables businesses to align their strategies more closely with market demands and internal capabilities. In essence, agile strategic planning enhances an organization's ability to navigate complexity and change, ensuring sustained success and growth in an unpredictable world [7].

## 6. Data-Driven Decision Making

The importance of data in strategic management cannot be overstated, as leveraging big data and advanced analytics tools allows organizations to make informed decisions based on real-time insights. In the age of information, businesses have access to unprecedented volumes of data from various sources, including customer interactions, market trends, and operational metrics. By harnessing this data, companies can gain a deep understanding of their environment, identifying opportunities for growth and areas needing improvement. Data-driven decision-making ensures that strategies are grounded in empirical evidence rather than intuition or guesswork. Advanced analytics tools enable businesses to perform complex analyses, such as predictive modelling and sentiment analysis, providing a forward-looking perspective on market conditions and consumer behaviour. This capability allows for better market segmentation, customer targeting, and performance tracking, ultimately leading to more effective and efficient strategic initiatives. Furthermore, real-time data analysis facilitates proactive management, enabling organizations to anticipate and mitigate risks before they escalate. By continuously monitoring key performance indicators and adjusting strategies accordingly, companies can maintain agility and responsiveness in a rapidly changing environment. In summary, data-driven decision-making is a cornerstone of modern strategic management, driving precision, efficiency, and competitive advantage [8].

## 7. Globalization and Cross-Cultural Competency

As businesses expand globally, understanding and managing cross-cultural differences becomes crucial in strategic management. In an interconnected world, companies must navigate diverse cultural landscapes, adapting their strategies to resonate with different regional markets. This requires developing cross-cultural competencies, which involve understanding cultural norms, values, and communication styles. Effective cross-cultural management fosters a diverse and inclusive work environment, where employees from various backgrounds can collaborate effectively and contribute unique perspectives. Strategic management practices now often include initiatives to enhance cultural awareness and inclusivity.



**Fig: Cross-cultural management**

Cross-cultural management refers to managing individuals from diverse cultural backgrounds within an organization. It involves understanding cultural differences, encouraging collaboration, and resolving conflicts that arise from these differences. Organizations must recognize the varying needs and perspectives of different cultural groups to create a harmonious work environment. Key steps include acknowledging cultural differences, setting clear expectations, fostering personal connections, and resolving conflicts proactively. Effective cross-cultural management enhances productivity and minimizes misunderstandings by promoting sensitivity to cultural fluctuations and ensuring equitable treatment. This approach is vital in international business, where cultural awareness directly impacts organizational success.

Training programs, diverse hiring practices, and inclusive policies help build a workforce that reflects the global nature of the business. Additionally, tailoring marketing and operational strategies to local preferences ensures that products and services meet the specific needs of different regions. This localized approach can significantly enhance customer satisfaction and brand loyalty. Moreover, understanding cultural nuances is essential for negotiating partnerships and managing international teams. Companies that excel in cross-cultural competency can leverage the strengths of their global presence, fostering innovation and resilience. In essence, globalization and cross-cultural competency are integral to strategic management, enabling businesses to thrive in an increasingly diverse and interconnected world [9-10].

## 8. Conclusion

The field of strategic management is continually evolving, influenced by technological advancements, societal shifts, and globalization. Embracing digital transformation and innovation allows businesses to stay competitive by leveraging AI, ML, and blockchain for more informed decision-making and operational efficiency. Sustainability and CSR are becoming integral to long-term success, driving companies to adopt ethical practices that appeal to environmentally and socially conscious consumers. Agile strategic planning offers the flexibility needed to navigate a rapidly changing market, ensuring that organizations remain responsive and adaptable. Data-driven decision-making enhances strategic initiatives by providing real-time insights and predictive analytics, leading to more precise and effective strategies. Finally, globalization necessitates a deep understanding of cross-cultural differences, fostering inclusive and diverse work environments that can operate successfully on an international scale. With integrating these trends and best practices, businesses can achieve sustained growth and success in today's dynamic and competitive environment.

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