ISSN: 2235 -767X

PRESENTING THE THREE-DIMENSIONAL MODEL OF STRATEGIC MANAGEMENT, FORESIGHT, AND THE EXTERNAL ENVIRONMENT OF THE ORGANIZATION

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ABSTRACT

oday's complex and changing environment has challenged most of the organizations in maintain their survival and development of their competitive ability. Given the increasing environmental changes, the only way for the organization to survive, is to pay attention to examining the changes in the present and the future in order to develop senior managers' opinions in the field of strategic management and this is crucial for organizations in today's competitions. In this article, after reviewing the existing literature, the concepts of strategic management, foresight, and the external environment of organization are explained and finally the necessity of the relationship between these concepts is addressed and a conceptual model is presented in this regard. The results of this study clearly represent pushing the organization toward a learning organization.

Keywords: strategic management, foresight, external environment, learning organization.

ISSN: 2235 -767X

1- Introduction

The organization could be likened to a large ship and today's changing environment to a raging and jumpy sea with the rudder of the ship being in the hands of senior executives. If these managers just rely on predefined maps, meaning the same current strategic plan of the organization, and make your way in the sea, sooner or later will be caught in a whirlpool or storm and are undoubtedly doomed to destruction. But if they can reinforce their scout forces, meaning the foresight experts in existing organization who play their important role, in order to better identify opportunities and threats ahead and every moment report on the information regarding the current and likely situation of the ship at sea for the present and future time as well as atmospheric conditions of the sea in coming days, not only the occurrence of events that lead to the destruction of the ship is prevented, but also, by better and timely identification of the position, the opportunities which facilitate and speed up the movement of the ship can be discovered. One can even take a step beyond this and certainly acknowledge that with the detailed and exact study of the information received from their Scout, the senior managers of the organization will be able to draw a new road map based on the predictions made about the environmental situation and move forward ahead of their competitors.

2- Research literature

2-1- Strategic management

Strategic management is a process which involves analyzing, deciding and committed proceedings of the organization for establishing and maintaining the comparative advantage with a long-run attitude and the approach of organization's objective determination. Implementing this process in an organization requires carrying out three stages: analyzing the factors and selecting among choices, taking decisions and actions and finally controlling the achievements of the process. Factor analysis includes studying the vacation and the current objectives of the organization and also external and internal environment of the organization. In the decision-making process, questions will obsess the managers' minds as who are our rivals? Or how would we like to compete in the market (moving in front or following behind)? In the final stage of this process, the organization should not take necessary measures for applying the strategies. This requires leadership in proper allocating of the resources in practice according the plan proposed (Dess, Lumpkin, Marilyn, 2005). Of course, if the strategy control process might be considered part of a stage of the mentioned process, then the whole process could be outlined as following (figure 1).

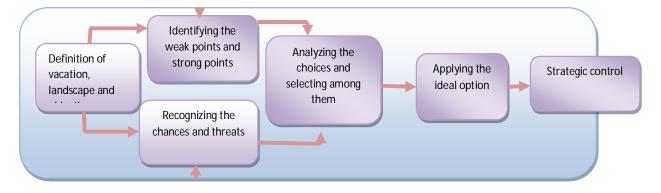


Figure 1: The process of strategic managenet (Pollard, 2006)

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Any of the scholars in this field has explained this concept from different aspects and different theories have been proposed with this regard. Here, for clarifying its dimensions, a brief description of each theory is given in table 1:

table 1: Strategic management theories

	Strategic theory	brief description	source
1	based on competition	In this attitude, the basic goal is to maximize the income profit in the long-run and develop solutions for comparative advantage against rivals and market	(C.R, U, A, I.I, 2009, P. 3)
2	based on the industrial organization	This attitude is based on external factors and somewhat field theory in which the industry structure is important. The features of the industry structure are the existence and the height of obstacles to entrance, the number of agencies and their relative size, existence and the dgree of product grade in industry.	(C.R, U, A, I.I, 2009, p.3) (Leite, Galan Robert C, 2012) (Normann, Ruffle 2011)
3	Resource- based	in this attitude, special attention is paid on internal resources and capabilities of the organization and preventing inconsistencies within organization resources and the competitive status which involves physical resources, human resource and organizational resources, intelligent knowledge, organizational fame and which is valuable and rare and its replacement and imitation is costing.	(Williamson and Associates, 2012) (Raduan, 2009) (Tywoniak,2007)
4	based on the organization survival	In this attitude, organization is regarded as a live creature which for its survival just needs to adapt its conditions to the conditions in which it is acting.	(C.R, U, A, I.I, 2009, p.3)
5	based on the dynamicity and probability	In this attitude, the factors of organizational strategic management and their probability should be identified at first. The point in this attitude is that factors should be identified so that they could be assessed in simulated tests.	(C.R, U, A, I.I, 2009, p.3) (Chew, Gottschalk,2009)

Source: researchers' compilation

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2-2- Foresight

Almost is important future management for all fields of study, . However, this concept has different meanings in management. This concept is widely used in decision making that According to the type and amount of information is available to decision makers. Deciding are in three branches Which includes (1) decide making under certainty, (2) decide under the risk, and (3) Deciding under uncertain conditions. In The first case is describes the situation in which the decision maker knows that it does can predict exactly what will happen in the future. In the second case, the decision maker can not see future enhancements but he is aware of the possible developments and knows how this development possible, In this case, Future as open concept but only defined in a certain range. In the third case, Decision maker only is knows that possible future developments but possibility is beyond the scope the second case. In this case, purpose decision makers will create relationships between the organization's current status and future developments (Seidl, Aaken, 2004). The third case, study is about the foresight. Foresight Concept entered in the late 1980s, management sciences, social sciences and was used for the organization (Anderson,1997). Foresight experts tend to be is formed from three distinct perspectives and result confluence these three areas the foresight. These three areas are: a) strategic planning, b) Futurist, and c) Networking (Miles, CRIC, 2002), is visible in Figure 2.

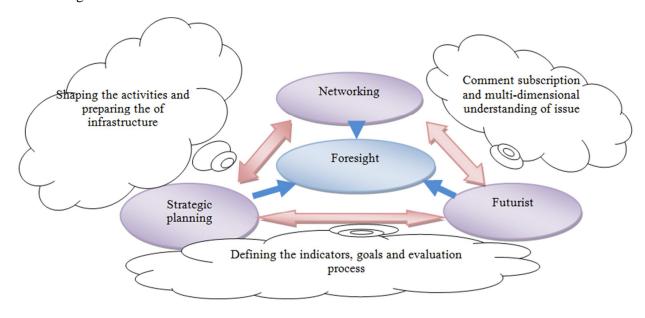


Figure 2: Origins of foresight (Miles, CRIC, 2002)

This process has specific focus on cognitive mechanisms Senior Managers, Deciding to respectively through, Network, Achieve the collective understanding of the relative dimensions the topic, Reconstruction of the impact of each of these factors on each other and on the other main issue in the next and ultimately will facilitate the modeling. Based on offered model is done Strategic planning and steps necessary determined to implement the correct program in the time horizon (Bootz,2010).

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- Networking

Output foresight process is anticipate better and shape the future the long-term. In between Is achieved the wide range of opinions and perspectives of experts in about each dimension the problem at hand review (Apšvalka, Donina, Kirikova, 2008). Networking component necessary prologue is the foresight process. The team begin their activities at this time, responsible to create and better manage network as for effectiveness communication among members is the the work. Members of the network can be divided into two groups that they each have a significant impact on the decision. Industry experts which members of the, academics, craftsmen, government officials and senior scientific consultant. Is selected and The second group were consists of stakeholders and external policy makers which indirectly influence the decisions made by the the first group (Anderson, 1997). There is no explicit legislation on how to choose the number of participants in the Network foresight Process and their number depends on the factors: the purpose size the project or plan, decision quality, time of data collection and resources are available. With the arrival of information technology in recent decades, the creation been networks among members of the development witness, Using this technology increases the speed of decision-making,

increased effectiveness of communication and information exchange among members. New ways to create and facilitate communication between members of the network include:

- 1- Email tools is widely used to update members information and invite experts to attend the meetings and conferences.
- 2- The electronic portals to publish news about recent developments in technology, changes in customer demand and requirements, along with analyzes of the news
- 3- Create official website that provides access to a number of reports and notices foresight programs possible.
- 4- Web design for test market for facilitate communication between customers and other stakeholders to assess their needs and their ideas about products design according to customers demands
- 5- Establish a brainstorming international virtual community for company a large number of experts, customers and stakeholders to participate in an electronic survey, (Smith, Mason, 2004)

- Futurist

Futurist could be activity short term, but continuous and the other hand, the main process of foresight to define that putting together these sub-activities, the general trend is the result of foresight. Including features which by the way garnering foresight, scientific validity, being systematic, macro perspective than problem, continuous activity, a cause-effect framework, a tool for knowledge transfer, less attention on human resources and actors and efforts to improve formation of on how to consensus among members (Technology Foresight for Organizers, 2003).

- Planning

One of the messages that have the foresight for managers and most experts emphasized, it has not been requires a detailed knowledge of the future, just be prepared for the future. The message clearly expresses strategic management practices required for planning process. The main approach to strategic management is on based identify the factors affecting on objective and organization performance over a long period,

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analyze and determine the probability impact of each of these factors on organization's mission and finally create Organization development perspective based on transformation seen in these factors. Strategic thinking looking for discover assumptions underlying and is pursue the trend factors of now into the future to achieve develop coordinate the variations (Jackson, 2011).

2-3- Organization's Environment

The organization's environment include a set of factors that affect the organization's mission, goals, and correspondingly the organization's strategy, and are more or less affected by organization's functions, but the organization does not have much control over them . The main factors of recognizing the environment, which should be assessed separately for each of the components, are as follows:

- A Complexity: This factor is concerned with conflict and heterogeneity of different components of the environment. This means that each of the components must be examined viewed in terms of the relationship with the organization and the relationship with other components of the environment to determine the extent and degree of complexity.
- B Dynamism: it comes from when the parts of the environment are constantly changing and cannot be taken as fixed and unchanged in the analyses. Moreover, the vast majority of these changes is unpredictable and thus pinpoints what's coming to them and therefore the environment is not easy. Thus, each of the components in these areas should also be reviewed and categorized to determine the dynamics of the environment.
- C Toughness: each of the components alone or in partnership with other components, have access to the parts of necessary resources of the organization. Therefore, access to these resources depends on the mode of action of these components, these resources can be of importance for organization and easy access to different organizations; hence, the impact of these resources on the organization and degree of desirability of attaining them for the organization totally show toughness of environment. If any part of the environment is categorized in this regard, of course, the tenacity and toughness of environment is characterized.

Here's an important point that should be noted, that how much the environment of an organization is tougher and more dynamic, naturally requirements that are imposed to the organization are more, and then restrictions and coercions of to the organization are more. Such an environment is called environment with strong force and requirements, and by determining the environmental conditions for each organization, its high level of requirements can be realized (Shah Mansuri, Norouzi, 1391).

Banks in order to optimize the performance of their activities and have participation in the development of the country now and in the future, requires timely and accurate information from reliable sources about the environmental have impact on their processes. This information is part of the banking industry to protect the bank from increasing tension caused by environment changes. It should be noted that there is a wide range of information in the banks. However, in countries such as Iran, banking industry faces many uncertainties and bank managers often have experienced lack of information about the external environment. (Popola, 2000).

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3- Describe relationships

3-1- Strategic foresight

For deal with uncertainty and environmental managers in the strategic management and long-term thinking than front factors faced organization (Fidler, 2011). They are need to apply techniques and instruments through which the can identify factors in affecting the future Organization activities and To a lot of capabilities is for achieve the competition postion (Vecchiato, 2012). heijden is emphasizes on necessity employing the Foresight tools for start and education strategy and considers foresight as the heart the strategic negotiations, characteristics this tool is used to determine the organizational strategy. In sharing, integrating and forward the direction are the opinions of members who each have different views (Schwarz, 2009). Loasby is introduced the three reasons for the necessity of strategic foresight process of for large organizations with long-term planning horizon that including: necessity look to the future for make better decisions current, understand the events that occur in the future and ultimately motivate and having Systematic look to the future (MacKay, 2009).

Strategic foresight process define the predict events and facing the organization's needs. The process has consensus of the opinions among managers, Stakeholders and the desired target customers and future prospects from between the options presented by members of the and Lines are traced To achieve the target and organization strategies based on these goals and how To achieve it is established. Strategic foresight specifically focused on information sources outside organizational boundaries. This information in the field technology foresight, economic developments, changes in the political and cultural patterns are classified. In anticipation type of this process is not a simple random. Historical data obtained from different sources as a only a better understanding of issue members present (Costanzo, MacKay, 2010). This process have aspect further learning through study trend of change in the future which being able to provide is a structure that allows senior managers having strong arguments about each of issue dimensions to achieve understanding ideal of nature of the problem and a systematic decision. Described process is doing things has various ways the Depending on the type and size of problem, one or a combination of methods is used. Through the process of strategic foresight is primarily the analysis integrating future changes and the second planning changes for the organization's mission for responding to these and the third is looking to increase degree organizational capacity and necessary flexibility (Heger, Rohrbeck, 2012). Shell's Planning Department believes that Applying Strategic foresight process not only cause is determining the orientation of the strategy for the organization but also through power collective thinking, Collective learning and commitment to the goals set improves. As we know that foresight tools often used in large scale national projects and if we use its at the organizational level, Should be attention to two dimensions of strategic orientation - Level mobilization (use of foresight). Status strategic management unto foresight process is shown At Figure 3 (Bootz,2010)

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Strategic orientation

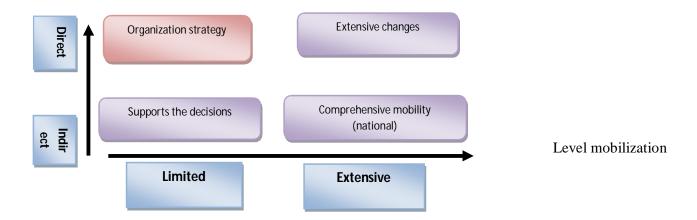


Figure 3: Types of foresight methods (Bootz,2010)

Strategic foresight was dimensional matrix in which, Limited range foresight program and the strategic orientated direct. In the dimension, The focus of the foresight process is on the variables and their dimensions has a significant impact on the organization's strategy and prospect. However, this point should be considered that foresight range and the scope of its activities to the strategic planning limiting is too, sometimes cause being ignored variable which may play a key role in between and cause error is Limited rationality among senior managers. error limited rationality occurs when the deciding that the managers are not able to acquire all the issue relevant information and are not able to identify all the possible solutions (Ortiz, Sch"ule, 2011).

3.2- Foresight - External environment of the organization

Three ways of investigating the external environment of the organization include: -Short-term investigation which starts with a crisis and after the resolution of the crisis, it loses its efficiency.

-Planned investigation of the organization, usually done annually. -Continuous investigation of a wide range of information about the effective environmental factors resulting in a continuous organizational learning (Babatunde and Adebisi, 2012), hence being a part of the field of foresight.

In order to avoid environmental uncertainty and to have long-term about the factors wit which the manages of organization are faced (Fidler, 2012), they need the techniques and tools whereby then can identify the environmental factors affecting the activities of organization in future and achieve great competitive capabilities in order to respond to the changes in the environment (Vecchiato, 2012). For a better understanding of the environment of the organization through the process of foresight, we need obtaining environmental information from different sources, categorized into the fields of technology, economic changes, and cultural and political changes. The type of foresight in this process is not simple coincidence. Also, the historical information obtained from various sources only means better understanding of the members of the present issue (Costanzo, MacKay and Robert 2010). In an environment with a lot of changes and the reduced cognitive scope of decision-makers, this process becomes more of an education through

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studying process of changes in future which is capable of presenting a structure and its results are not much emphasized. Foresight process is done in different ways, which according to the amount of changes and environmental complexity, one or a combination of methods, is used. We will reach the analysis of integrated environmental changes in future through this process (Heger, Rohrbeck, 2012).

3.3- External environment of the organization-strategic management

The increasing uncertainty of the business environment has made more obvious the need for attention to environmental changes by senior managers of the organization in strategic plan development and performance improvement compare with the competitors. To meet these changes, sometimes we are forced to reorganize and make general changes in the current practices of the organization. This issue alone has a great impact on every single aspect of the program and strategic management. It should be noted that there is a two-way relationship between environmental and strategic management. Because, in the same way that we need to consider environmental changes and acquire updated information from various sources, on the other hand, environmental study and learning is placed at the heart of the program at the time of strategic development and some plans are proposed and implemented in this respect (Zainun and Malcolm, 2011) It is not hard to fathom that if we consider information as the basis of the success in this mutual and having sufficient, accurate and timely information from authoritative sources as the main pillar of its better reinforcement and sustainment, we can achieve a comprehensive approach in dealing with environmental changes by considering one of the characteristic features of learning organization, namely the synergy of information and consequently knowledge of the members, and in turn, the environmental opportunities and threats for the organization will be revealed more (Parnaudeau, 2011). The relationship between these three concepts is shown in the conceptual model below:

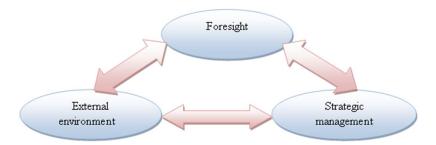


Figure 4: Conceptual model

Conclusion:

The importance of foresight or futures research is so much so that one can consider it as equal to the management in this period. In other words, it can be asserted that, today one can use the letter f in the words PSDRKOB instead of the letter p describing the tasks of management in the past. Foresight has always been a major concern of managers of organizations in the field of strategic management. The crucial question is as to how senior managers can make reasonable use of this key point.

Since the external environment of the organization is always changing and that managers can clearly perceive that these changes have a direct influence on the strategy of the organization, and moreover, the fact that the future conditions often cannot be simply predicted, the use the foresight tools could obviate these defects and shortcomings to some extent. The purpose of this study was to study the concepts of

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strategic management, foresight and external environment of the organization. This study aimed to explain and explicate the relationship between these three concepts and naturally it was faced with many restrictions because it includes the new concept of foresight, which is required to be addressed and resolved in future research. Finally, the following suggestions are offered:

- 1. Introduction and use of foresight tools in the field of strategy of organizations
- 2. The study of the effects of this research upon performance of organizations
- 3. Holding national and international conferences to promote this approach

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