

INTEGRATION OF STRATEGIC THINKING AND OPERATIONAL ACTING IN ROLE OF LEADING A COMPANY SUCCESSFULLY

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ABSTRACT

In today's environment which is characterized by hectic and dynamic elements, a pretty large number of companies operate under turbulent conditions which always require one idea (a move) more than the competition has to offer. With the entire burden which constantly falls to the "back" of managers, the only thing which is sure is the uncertainty which keeps awake not only the managers but also the whole economy. All the time the question is how to provide less pressure and greater continuity in the long run (long term economy).

One approach which is the most accepted in international literature is the approach of "strategic thinking and operational acting". Furthermore, we are talking here about the need for the top managers to be primarily good strategists and to be able to establish an "accurate" diagnosis for a company, which means to consider all the chances that a company gets or might get in the period to come on the one hand, and on the other hand to be aware of all the possibilities that a company has as well as of the barriers (threats) which are about to come. Through this strategic approach or considering and establishing strategies, the operational acting of managers will become easier and at the same time (through the operational acting) a company will move towards the targets established.

Key words: management, strategy, strategic, operational, crisis, crisis situations, managing.

1. INTRODUCTION

The main objective of this work is to test the theoretical standpoints according to which strategic approach, which has clearly defined goals (in which direction we want to go and what we want to achieve), and which is implemented (performed) through operational acting, is the only correct approach and generally the most acceptable approach thanks to which companies can be successful in the long run. The work is based on the author's broad empirical research on a crisis and crisis situations which was conducted in small and middle-sized companies. The results obtained clearly point at the significance of a strategic orientation and of an accurate approach. What was the special object of interest is the managers' behavior and how these elements are perceived by the managers of the companies surveyed, and how they acted (or still act) in various crisis situations. We also aimed to determine whether the crisis effects had influence on the managers and their companies, and we aimed to check if something changed, after a crisis, in the managers' approach, or if any changes were made in planning (prevention), as well as in optimization of the very opportunities for a company (opportunities and limits), and in realization of the goals established.

2. FORMALIZATION AND IMPLEMENTATION OF A STRATEGY, AS A WAY OF ACTING STRATEGICALLY AND OPERATIONALLY: Strategic management and strategic planning.

At the very beginning of this work, what should be emphasized is the role that managers have in the overall process of managing a business. Moreover, the word *management*, in terms of contents, is very

difficult to translate so we will adhere to the definition given by the American theorist Mary. P. Follet who claims that management is actually a process of performing tasks with the assistance of people. Exactly those people (managers) do the formalization and implementation of strategies which are focused on achieving goals for a company, where a company is considered as an organization of people, means, and technology, which is made with the purpose to create (produce) goods and service to be put at the market, through combining human, material and financial resources, and by making an adequate acceptance of those goods and service, to achieve a satisfactory level of profit (1). In order to accomplish that, and to continually maintain work at the same time, goals of a company first need to be defined based on a realistic observation of internal potencies and weaknesses within a company, and external opportunities and threats. After establishing those goals of a company, the next step is preparing a strategy and its formalization. It is the first stage at the same time since it represents the task of strategic management. Operational management is responsible for the second stage, which is a stage of implementation. Taking all the stated above into account, the conclusion which can be drawn is that the carriers of the entire process are actually managers of a company but than, the question which arises for a reason is whether those managers are at the same time responsible for a strategic or operational level too. According to professor Šunje, there are three basic levels of management and those are:

- Top management – consisting of managers in charge of the organizational top and who are positioned there, and who are responsible for the overall operation of the company.
- Managers of the middle level – are managers who are between the top managers and the first-line managers. They are in charge of only some organizational parts of a company, which means that they represent the first factors in the process of strategy implementation.
- First-line managers – coordinate the operational staff at the organizational bottom.

3. STRATEGIC MANAGEMENT AND STRATEGIC PLANNING

A part of strategic management is also strategic planning, which has a separate business function which actually includes two symbolically tied strategies. Strategic management and strategic planning (2). According to professor Henry Mintzberg, there is a very clear differentiation between these two activities. Furthermore, according to him, strategic management is based on proactive and continually intuitive-creative synthesis of top managers' perceptions into a vision and into a business strategy as an output of the strategic management process. On the other hand, strategic planning is based on the analysis as a piece of analytical tool and its primary task is decomposition of already shaped business strategy into specific, action, and productive plans and tasks, whose implementation should help in the process of carrying out an intended business strategy. Accordingly, strategic planning can be seen as an implementing activity performed by strategic management. The necessity for strategic planning, in environment in which business is done today, is out of question. This statement is also supported by the fact that the survey conducted among CEOs in the USA, in 223 companies, showed that the main business challenge, that companies are faced with, is increased competitive pressure (83%), fast reactions to changed market conditions (67%), unsuccessfully introduced innovations (60%), and meeting customers' expectations (50%) (3). These data indicate the need for strategic planning since only through such approach, the achievement of the goals set can be ensured.

Through an approach like this, a crucial component of strategic management is revealed, and that is: "strategy". In economic terms, a strategy is defined as the efforts of organizations to anticipate changes, responses to challenges and to survive in changeable external and internal environment. For that reason, a strategy is defined as a set of tasks, directions and goals and crucial business policies and plans which show at what level of work a certain company is at the moment or might want to get at in the future, and what kind of a company it is (4). A famous Japanese author Ohmae K., developed 3C business model which offers a review of all the strategic factors that a success of a company depends on. He emphasizes that, while building up a strategy, a strategist needs to focus on three key factors, which are: customer, competition and corporation.

A company needs strategies in order to increase its advantages in relation to competition, which leads us to the conclusion that orientation is a strategy to maximize the potencies of a company in relation to

competitors from the area which is critical for a company, which is altogether one of the basic postulates of existence of a strategy.

On the other hand, strategic management represents a continual process. Wheelen, T.L., and Hunger J.D., define strategic management as a set of decisions and actions by which all the long-term performances in a company are determined. Accordingly, strategic management includes strategy formulation, its performing, performance rating and control, and it also provides assessment and considering all the opportunities and threats in environment of a company. Pretty similar to these are also the attitudes of L.W. and Holland P.G., who define strategic management as a process in which executives choose the direction for long-term development as well as tasks for a company, and at the same time they ensure an adequate strategy formulation, its appropriate performing and uninterrupted performance rating (6).

4. RESULTS OF THE RESEARCH

The broad research, on which this work is based, was conducted on a representative pattern of 195 small and middle companies from the furniture industry branch in Bosnia and Herzegovina. For the needs of research, a questionnaire named “how to handle a crisis” was created, consisting of five chapters and containing 69 questions. The questions were in closed format, with an answer offered, and based on a 1-5 intensity of importance scale. The aim was to find out the needed facts about the condition of companies from this branch, as well as to determine their level of awareness about a very business crisis phenomenon, how managers perceive a crisis and how they behave in its various stages. During the process of research, the primary data were collected through a direct (personal) interview and questionnaires filled out by top management of the companies surveys. After the research was carried out, the analysis of the collected data followed. The testing results are shown through categorical, ordinal and sustained values, and depending on their distribution, they are introduced as a median with interquartile range (asymmetrical distribution) or arithmetic mean ± standard deviation (normal distribution). For testing the significance of the differences in statistical terms, parametric and non-parametric tests were used, taking into consideration preliminary estimate of the normality of variables’ distribution. The analysis of data was done by means of statistical software SPSS 17.0 for Windows.

		Frequency	Percentage	Cumulative percentage
Instruments from	OPK	52	72.2	72.2
	STK	20	27.8	100.0
	Total	72	100.0	

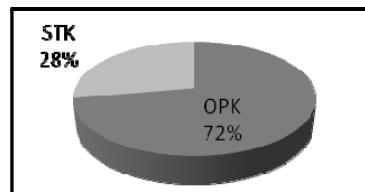


Chart 1. Using instruments

From the results previously shown, it can be seen that 72% of companies use the instruments from OPK while 28% of them use the instruments from STK.

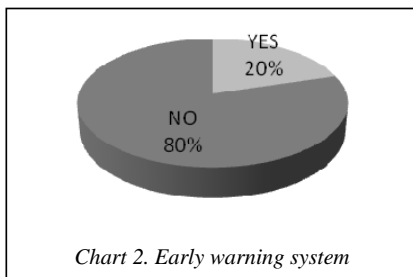


Chart 2. Early warning system

From the results shown above, it is obvious that 20% of the companies have the early warning system for a business crisis, while 80% of them do not have this system.

5. CONCLUSION

The aim of this research was to determine whether there is a strategic and operational approach in managing a company, or whether there are any long-term goals in a company, based on which strategies for their accomplishments might be defined. Through such approach, preparedness of a company for a crisis was also examined, and it was found out how and to what extent companies follow the opportunities and threats in the environment. Within the companies surveyed, the presence of operational management as a dominant factor in managing a company was very obvious. Only app. 30% of the companies stated that they use the instruments of strategic managing, which correspondingly matches the number of companies which claimed that they see a crisis as an opportunity and not as a threat. Within those companies it was also examined whether there are strategic plans or formalization and implementation of strategies, and it was shown that there are. It is very interesting that those companies, which operate by combining strategic and operational management on the way of achieving their goals, have a very stable financial structure and the business results obtained are in desirable and continual growth. This fact supports the hypothesis that a combination of strategic thinking and operational implementation of strategically developed plans is the only correct approach in operating a company. App. 72% of the companies claimed that they deal with crisis situations as they occur, which very clearly points at the absence of a strategic approach and at the assurance of management that they will overcome any crisis situation by maintaining an operational approach and experiential methods. Of course, with such approach, the question is not whether the goals of a company are threatened, but to what extent the long-term goals of a company are threatened.

6. REFERENCES

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