

(more imp.) Effectiveness - Kaam shi hona chahiye
Efficiency - Kaam shi tarike se hona chahiye
Combination of both

27 Dec 2024

Chapter - 5

Strategy Implementation & Evaluation

#. Process of Strategic Management -

→ The Process of SM is broadly divided into 3 parts:-

- (i) Formulation
- (ii) Implementation
- (iii) Evaluation

→ It is a dynamic and continuous process.

→ **Fred R David** has given a model of Strategic Management.

[Refer Pg. 5.3]

~~XX.VV.I.~~

#. Stages in SM :-

Stage 1:

Strategic Vision, Mission and Objective.

Stage 2:

Environmental and Organisational Analysis.

Environmental Appraisal - External Analysis
Organisational Appraisal - Internal Analysis

External $\begin{cases} \text{Micro} \\ \text{Macro - PESTLE} \end{cases}$

Internal → SWOT

Stage 3: Formulating Strategy

- When a company has done environment analysis, then comes the time to formulate strategy.
- Many strategic choices are available and the company has to choose the best strategy.

Choices available are $\Rightarrow$

- Stability
- Growth and Expansion through Intensification and Acquisition
- Diversification into related concentric or unrelated conglomeratic business
- Retrenchment

Stage 4: Implementation of Strategy

- It is the most demanding and time-consuming part of SM process.
- In the execution phase, activities are operation-oriented.
- This can be understood as converting plan into action.

- Main task - Top Level

- Mainly deal with external environment.

- Holistic

- Develop overall objectives & strategies.

- Long-term success concern.

- Responsibility : Senior Mgmt.

- Main task - Middle / Bottom level

- Internal environment

- Current Operations

- No change in Co.'s policy.

- Responsibility : functional Managers

Middle level is linked with these 2.

Strategic Planning :-

MCQ Imp.

The process of formulating Corporate strategy is known as Strategic Planning.

Characteristics :

(i) Determining the objectives and acquiring required resources.

(ii) Effective strategy can be developed by interactive and overlapping decisions.

(iii) It determines the vision of an organisation.

(iv) The processes generally organisation-wide but

Stage 5:

Strategic Evaluation and Control



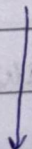
- It is the final stage of SM process.
- It involves the evaluation of company's progress and impact of external developments.
- Corrective actions are taken in case of any deviation.
- It can be considered as ^{refinement} fine-tuning the strategic plan and continue the efforts of execution with improved strategy.
- * → Changes in the Organisational Structure can be made if it is difficult to carry out the execution of strategy.

Strategy Formulation ⇒

≡ Corporate Strategy :-

- Corporate strategies are formulated by the Top Mgmt. and then given to the middle and lower Mgmt. for execution.
- Corporate strategies are divided into 2 types of Planning -

↓
Strategic Planning



↓
Operational Planning

↓
[Refer Pg. 5.10]

Q:- What are the principal aspects included in strategy execution process?

- (i) Developing Budgets - Allocation of resources
- (ii) Staffing the Organisation - Bringing strategy supportive competencies and competitive ~~cap~~ capabilities.
- (iii) Policies and Procedures must support execution.
- (iv) Use best-known practices for continuous improvement in business activities.
- (v) To carry out strategic roles on a daily basis, the company needs to install proper information and operating system.
- (vi) Motivation is required to pursue the target objectives.
28 Dec, 2024
- (vii) For successful implementation & execution of strategy, a favourable working environment is needed.
- (viii) To drive the implementation forward, internal leadership is required. Strategies are also needed to be improved by rectifying weaknesses.

NOTE:-

Good strategy execution involves consistency between Strategy and Organisation Structure.

sometimes, it can be focused on a particular division or function.

Q. What is Strategic Uncertainty and How to deal with it?

→

Strategic Uncertainty :- It refers to the unpredictability of future events and circumstances that impact strategy and goals of an organisation.

• It is mainly due to external factors such as market, technology, competition, regulation etc.

following are the ways to deal with Strategic Uncertainty:-

(i) flexibility (to quickly adapt to changes in the environment)

(ii) Diversification (product, markets, customer.)

↳ Impact of Strategic Uncertainty can be reduced by diversification

(iii) Monitoring and Scenario Planning

↳ regularly monitor key indicators of change and scenario planning is conducted to understand the impact of future scenario on the strategies.

20 Dec, 2024
(iv) Building Resilience

↳ It can be build by strengthening operational processes, increasing financial flexibility and improving risk management.

(v) Collaboration and Partnerships

↳ for sharing of resources and risks and gaining access to new market and technology, Collaboration can be made.

IMPACT of Uncertainty -

The impact of Strategic Uncertainty will depend on the type of SBU.

If the SBU is more important then, the impact will be more, If it is less important then, impact will also be less.

Strategy Implementation →

→ It can be referred as putting a plan into action.

→ It is concerned with execution of the formulated strategy.

→ It requires :-

- (i) Allocation of resources
- (ii) Adapting Organisation Structure
- (iii) Personnel Training

31 Dec, 2024

Strategy is not synonymous with 'long-term plan'.

- Planning is targeted at specific business activity whereas strategy is targeted at an overall function business or the company.
- Planning consists of actions that are used to make a strategy successful. Therefore, it can be concluded that Planning and Strategy are not ~~syno~~ synonymous.

Strategy Effectiveness and Efficiency :- (Pg. 5.14)

Principal Combinations of Efficiency & Effectiveness -

Cell 1 (Efficient, Effective) :- THRIVE

Company is achieving what it aspires for.

Cell 2 (Efficient, Ineffective) :- DIE SLOWLY

Company is efficient but not effective, so, in the long-run, it will not survive.

Cell 3 (Inefficient, but Effective) :- SURVIVE

The company is effective but not efficient, There is an assumption that efficiency will be achieved over time. (timely efficiency achieve is good)

Cell 4 (Inefficient, Ineffective) :- DIE QUICKLY

The company will not be able to survive as it is not efficient and effective.

Planning focuses on a particular strategy
 Strategy focuses on the whole business function

Relationship of Strategy formulation with Strategy Implementation →

Strategy Formulation	Sound	A	B ^(Best)	Success Middle & lower level too competent but top level is not good ↓ middle & lower level efforts go in vain
	Flawed	C _(Worst)	D	
		Weak	Excellent	
		Strategy Implementation		

Square A - This is a result of lack of experience (e.g. for startups), lack of resources, missing leadership etc

Square B - It is the ideal situation. It denotes success of a strategy.

Square C - complete strategic failure.

↳ There is a need to redesign business model and readjust execution.

Square D - excellence in implementation will not make the strategy successful.
 Strategy is needed to be redesigned before readjusting execution.

Implementation of Strategy requires resources, a proper organisation structure, functional policies, to make it effective.

≡ Sequential Manner for Strategy Implementation →

- ▷ Project Implementation
 - ▷ ~~Procedural~~ Procedural Implementation
 - ▷ Resource allocation
 - ▷ Structural Implementation → (changes in organisation structure.)
 - ▷ functional Implementation
 - ▷ Behavioural Implementation
- many activities can be performed simultaneously.
- Some activities are performed only once while others are repeated

STRATEGIC CHANGE :-

→ Environmental Changes often require businesses to modify their existing strategy and bring new strategy.

(Reactive)

Steps to Initiate Strategic Change -

- I. Recognise the need for change:
- diagnose the present corporate culture for any requirement of changes.
 - SWOT Analysis can be used to identify the area and scope of change.

ii) Backward Linkages :- (Proactive) (Phle sochma h Psev. ko dekh ke)

- Before choosing any strategy the past strategic actions are to be taken into considerations.
- Additional efforts are required to make the strategy successful.
- Incremental changes are to be broad for a successful strategy.

2 Jan, 2025

Issues in Strategy Implementation -

(i) Strategies have to be activated through Implementation.

- Strategies by themselves do not lead to action.
- The people who implement the strategy must realise the intent.

(ii) Programmes are to be designed to support the implementation process.

- Programmes may include goals, policies, procedures, rules.
- Funds are also required for execution of programme.

(iii) Specific Programmes are designed as per time schedule and cost.

- Capital Budgeting techniques are required for allocation of funds.

⇒ An emphasis on efficiency rather than on effectiveness is clearly wrong.

↓

- Company has to focus on effectiveness (to do the right thing) as efficiency (to do the thing right) can be achieved with experience.
(more focus on effectiveness, efficiency can be achieved with time.)

Difference between Strategy Formulation and Implementation:-
↳ Refer Pg. 5.16

Linkages between strategy formulation and Implementation:-
Although,
Strategy formulation & Strategy Implementation are two different phases of SM process but in reality both the processes are intertwined.
(mix-uphane.)

Two types of Linkages exist:

(i) **Forward Linkages** - (chhti hui cheez mai changes lana.) (Reactive)

- There are a lot of changes in organisation structure when a strategy is implemented.
- The changes are to be adapted as per the decision of Top Level.
- Sometimes, the leadership style has to be changed as per the needs of strategy.

II. Create a shared vision to manage change :- • There might be conflict between members of organisation if their objectives are not common.

• Senior managers have to convince that changes ~~is~~ is required not superficial or cosmetic.

III. Institutionalise the Change :- • This is an action stage where changed strategy is actually implemented.

• Older ways of thinking or doing things have to be changed.

• Change should be regularly monitored and reviewed to analyse its after-effects.

• Corrective actions are to be taken at the earliest stage.

will prevail.

• Now, the changed culture

3 Jan 2025

Kurt Lewin's Model of Change ~~✗~~

I. Unfreezing :-

→ This step will make individuals aware of the necessity for the change and also prepares them for this change.

→ If changes are sudden and unannounced, they will be socially destructive and morale lowering.

→ It can be understood as a process of breaking down

old attitudes / behaviour, customs & traditions so that they can accept change.

-
- Announcement
 - Hold Meeting
 - Promote New Ideas
- } To bring change.

II Changing to New Situation :-

→ After unfreezing process has been completed then behaviour and pattern of organisation members need to be redefined.

→ Redefining can be done in three ways -

(i) Compliance :- (easy to implement)

It involves strictly enforcing Reward and Punishment Strategy.

(ii) Identification :-

Role Models can be used to change the behaviour of individual psychologically.

(iii) Internalization :-

changing of thought process of individuals to adjust to changes.

It means to give freedom to learn and adapt new behaviour.

'Let the people welcome the change on their own'.

III. Refreezing :-

- It occurs when new behaviour becomes normal way of life.
- New Behaviour must completely replace the old one then changes will be successful and permanent.
- Change is a continuous process due to changing environment.
- The process of Unfreezing, changing and Refreezing continues in a cyclic manner.

Conclusion

How does Digital Transformation Work?

► Digital Transformation:

- Use of digital technologies to develop fresh, improved or entirely new co. procedures, goods or services.
- This also ~~pro~~ requires the use of change management process.

FOUR essential elements of Change Management -

- (i) Define goals and objectives of change.
- (ii) Identify gap by assessing current state of organisation.

(iii) Outline the steps needed to reach desired image.

(iv) Implement and manage the change at each level.

Change Management is a process or set of tools that assist in bringing changes in a safe and regulated manner.

It can be used by any type of organisation to make their digital transformation successful.

ROLE of Change Management in digital transformation -

(i) Specify the parameters and goals of digital transformation.

(ii) Determine which procedure and tools to be modified.

(iii) Make a plan for implementing the improvement.

(iv) Involve staff members and parties involved in change.

↳ (unfreezing)

(v) Track progress and make required correction.

Change Management Strategies for Digital Transformation:-

Five Best practices in Change Management for small & medium-sized businesses. (not applicable for large businesses).

(ii) Regular Communication :-

→ It will be challenging for people to accept the change and adjust to it.

→ Routine and Honest discussion of objectives to stakeholders is required.

(iii) Be ready for resistance :-

→ Even if the change is for better, people will not embrace it easily.
accept

→ If this happens, strategies are to be made for dealing with resistance to change.

(iv) Implement changes gradually :-

→ Introducing changes all at once will be difficult for people to adapt.

→ Therefore, changes should be introduced ideally in a gradual manner.

(v) Offer Assistance and Training :-

→ New Technologies and Procedures are not easy to understand for everyone.

→ So, guidance will be required to properly understand the change.

Without Change Mgmt., Digital Transformation efforts are more likely to fail.

(iv) Encourage Communication :- (Bottom-up)

Creating proper communication channels so that workers may contact mgmt. with their queries and complaints.

It will ~~provide~~ promote efficiency and build good organisation culture.

It will also provide reassurance to people that changes are good for them.

(v) Recognize that Change is the norm, not the exception :- Readiness towards change is the ability to continuously initiate and respond to changes.

It will create advantage, ~~minimize~~ minimize risk and sustain performance.

As change is an ongoing process everyone must prepare for change in advance otherwise, they will run in difficulty.

Q. How to manage change during Digital Transformation?

Ans:- (i) Specify the digital transformation's aims and objectives :-

→ Intended outcome of the change and the precise objectives must be followed.

→ Objectives must be same for everyone.

4 Jan, 2025

(i) Begin at the Top :-

If the changes begin at top level then it will motivate the rest of organisation to accept the changes easily.

(ii) Ensure that change is both necessary and desired :-

The decision makers have to analyse the effect of change on their organisation.

Introducing too much too fast can be done only by making sound strategy.

(iii) Reduce Disruption :-
(disturbances)

Disruption occurs when employees perception, towards change differ from mgmt. (conflict of thoughts)

How to Reduce Disruptions?

(i) Inform about the change at an earlier stage and also be prepared for some interruptions.

(ii) Provide the necessary knowledge and tools needed to adjust the change.

(iii) Creating an environment that encourages changes.

(iv) Appointing project managers and team leaders for change empowerment.

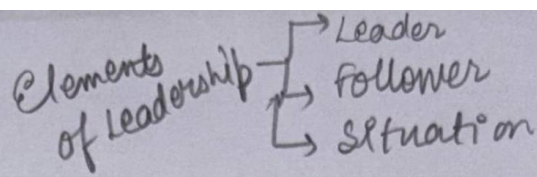
(v) If any technological changes are there, IT department must be informed first.

6 Jan, 2025

ORGANISATIONAL FRAMEWORK :-

► McKinsey 7S Model -

- It is a tool used to analyse a company's organisation design.
- It consists of 7S, out of which 3 are "Hard Ss" and 4 are "Soft Ss".
- It shows how effectiveness can be achieved in an organisation through interaction between hard and soft elements.
- Modification of one element will have ripple effects on the other elements as they are interrelated.
- Hard Elements (not easy to change) (directly controlled by ^(top) mgmt.)
 - Strategy : direction of the organisation used to achieve competitive advantage.
 - Structure : Division of work among departments and their collaboration.
 - Systems : formal or Informal systems of day-to-day operations to execute goals and objectives.



► Soft Elements (governed by the culture.)

- **Shared Values**: core values of organisation and ethics of management.
- **style**: Leadership styles and its influence on strategic decisions.
- **staff**: Talent pool or skills and competencies of the organisation.
- **skills**: core competency.

Limitations of this Model:-

- It ignores the importance of external environment.
- It does not clearly explain concept of organisation performance.
- It is considered as static model that does not allow flexible decision-making.
- Missing out real gaps in strategy formulation and execution.

7 Jan, 2025

Types of Organisation's Structure:-

I. Simple structure -

(1.) Suitable for -

- Companies that follows single business strategy.
- Offer product in single geographical market. (focused)
- Also ^{used} for implementation of focused Cost-Leadership and Differentiation.

(2.) Meaning -

- Owner-manager takes all the major decision.
- He directs and monitors all the activities.
- Staff merely serves as an executors. (Autocratic style of leadership)

(3.) Characteristics -

- Little specialisation.
- Little formalization. (Chain of Command)
- few Rules
- • Unsophisticated Information systems.
- Direct involvement of owner - Manager in day-to-day work.
- Frequent and direct communication.
- Results in competitive advantages.
- Problem in coordination in large organisation.

* Limitations of functional structure -

- Sometimes, it may impede communication and coordination, due to functional differences. (b/w different departments)
- functional specialists may develop narrow perspective leaving Co.'s strategic vision and mission.

* This problem can be overcome by implementing Multi-Divisional Structure.

III: Divisional Structure :-

- When it becomes difficult for a company to manage its product or services in its different market, then divisional structure can be implemented.

* Divisional structure can be organised in 4 ways -

(1.) On the basis of Geographic Area -

- It is suitable for organisation that fulfill the needs of customer in different geographic area. (where customer reside.)
- Mostly suitable for organisation having similar branch facilities located in different areas. (similar product/services.)
- It allows local ~~part~~ participation in decision-making and improves regional coordination.
Eg: Banks.

(4.) Conclusion -

- Simple structure is generally suitable for small organisations.

But, when the organisation grows in size, it give rise to complexity.

- In such cases, companies should abandon simple structure and adopt functional structure.

II. Functional Structure -

- Widely used structure because of its simplicity and low cost.
- Task and activities are grouped according to business functions such as production, marketing, finance etc.
- It is based on Specialization of task.
- It encourages efficiency, minimise controlling needs, and allows quick decision-making.
- It consist of a CEO or MD along with corporate staff and functional-line managers.
- It overcomes the limitation of simple structure by improving communication and coordination.
(of one particular department)

(2) On the basis of Product or services -

- Most effective when specific products or services need special emphasis.
- Mostly used when company has few products or services that vary substantially.
- It allows strict control and attention to product lines.
- It also require more skilled management force and reduced control of top level management.
- Eg: Procter and Gamble, General Motors, Du Pont.

8 Jan, 2025

(3) On the Basis of Customer -

- When a company has few major customer that are important and many different services are provided to them.
- This structure allows an organisation to effectively fulfill the needs of clearly-defined customer groups.
- Eg: Book-Publishing Companies or Airlines companies.

(4.) On the Basis of Process -

- It is similar to a functional structure.
- The key difference is that functional departments are not accountable for **Profits and Revenue** whereas divisional departments are held accountable. (on the basis of accountability.)

* Advantages -

- Clear Accountability.
- Easier Assessment of Performance.
- Higher Morale of Employees. (more responsibilities, challenging work.)
- Career Development Opportunities. (on the basis of your skills.)
- Develops Competitive Climate. (among diff. departments.)
- Develops new Business and Products.

* Disadvantages -

- It is costly due to the need of
 - functional specialist
 - Duplication of Staff Services
 - facilities and Personnel (**Double**)
 - Higher salaries of Managers due to higher Qualification.

- Sometimes, it might create difference due to special treatment to some divisions.

IV. Multidivisional Structure :- (semi-autonomous) (similar to SBU structure.)

- Also known M-form structure.
- It is composed of operating divisions which represent a separate business.
- Divisional Managers are delegated responsibility for day-to-day operations and Business Unit Strategy.
- Divisions are managed through Strategic and financial control. (Corporate Level)
- It overcomes the coordination and control related problems in large firms. (from central level)
- When a company has distinct product lines and markets, it becomes difficult to coordinate conflicting priorities among the products, then it needs Multi-Divisional structure.
- * Requirements -
 - Creating separate division representing distinct business.
 - functional level in each division.

- Responsibility of managing day-to-day operation lies on Division Manager.

- A small corporate office that provides strategic divisions direction and exercise financial control over semi-autonomous divisions.

- * It enables the firm - (Advantage) (by adopting structure)

- accurately monitor performance of individual business.

- Simplifying control problems.

- facilitate comparisons between divisions.

- Improve resource allocation.

- Stimulate manager to improve their poor performance.

- * Limitations -

- Strategic controls can be easily implemented when the business is less diversified but when diversification increases, it becomes difficult to implement the controls.

- Now, it requires SBU structure.

- Products or Businesses that are related to a particular function are assembled together as a distinct SBU.
- Unrelated products or Businesses are grouped into separate SBU.
- It helps in Strategic Planning by removing vagueness and confusion in grouping businesses.
(har SBU ka intent alg hota hai except vision)
- Strategic intent of one SBU will be distinct from another. (vision will not come under this.)
- Each SBU has its own distinct set of competitors and strategy.
- Each SBU has a CEO that is responsible for strategic Planning and Performance.

* How to group SBU on the basis of relatedness, when the Company is having diversified portfolio of product or service :-

- (i) Product or services
- (ii) Technology (similar)
- (iii) Customers are similar
- (iv) Competency on which competitive advantage is based.
(core competency)

Limitations as per SM. (from Ch-1)

(i) same product handled by no. of territorial units which requires different strategic planning for same product.

(ii) Different unrelated products are handled by a single territory which give rise to identical Strategic Planning.

Ex:-

Co.
4 business

(Before SBU)

A (1,2)

Currently following [SBU [1
2
SBU [3
4

B (1,2,3,4)

C (1,2,3)

D
(4)

9 Jan, 2025

• SBU structure consists of atleast 3 levels :-

First Level - Corporate Headquarter

Second Level - SBU groups

Third Level - Divisions within each SBU.

* Attributes and Benefits of SBU :-

→ scientific grouping of businesses of a multi-business corporation which helps in strategic planning.

→ It is an improvement over the Territorial Business Structure.

→ SBU is a grouping of related business (single or multiple) that receive same strategic planning treatment.

V. Strategic Business Unit (SBU) Structure :-

- It is relevant for multi-product, multi business enterprises (conglomerate)

* Need-

- It is very difficult and impractical to provide separate strategic planning treatment to each product / Business from Corporate Level.
- SBU is a grouping of related business.

* Characteristic -

- Single Business or collection of Related Businesses.
 - ↳ They can conduct their Independent Planning.
- Own set of Competitors.
- Business level of managers are responsible for strategic planning and Profit Performance.
(Autonomy)
- full

► Territorial Structure -

Earlier, multiple businesses were handled by dividing them on territorial basis. But, it doesn't suit the purpose of strategic planning.

Limitation:

VI. Matrix Structure :- (It does not follow Unity of Command)

- The company in which functional, divisional and SBU structure is not suitable will ~~ab~~ adopt the Matrix structure.
- It is a combination of ~~future~~ functional and divisional structure.
- Functional units are permanent and they are assigned ~~to~~ temporarily to one or more divisional unit.
Product / Project

(Unity of Command $\rightarrow$ nhi ahegi)

- Employees have 2 superior $\rightarrow$ (i) Product or Project manager
he does horizontal level
se aheye iske subordinates ko prob. aagei
(ii) functional manager
- It is the most complex structure as depends on both vertical and horizontal flows of Authority and Communication.
- Due to more mgmt. positions, it results in higher overheads.

* Characteristics -

- Dual Lines of Budget Authority.
- Dual sources of Reward and Punishment
- Shared Authority.

• Dual Reporting Channel

- Need for extensive and effective communication system.

* MCO.

Eg:- Construction Business, Healthcare, Research and Defence.

* Advantages :-

- Clear Project Objective
- Visible Result of workers due to communication.
- Projects can be accomplished relatively easily.
- More frequently used by Businesses that follow strategies to add new products, customer groups and technology.
- It combines the stability of functional structure with flexibility of product form - (division)
- It is useful when external environment is very complex and changeable.

* Limitations :-

- Produce conflicts revolving around duties, authority and resource allocation.

- Continuous battle for power b/w product and functional manager.

* Need for Matrix Structure :-

- Ideas need to be cross-fertilised across projects or product.
dono ki intelligence chahiye
- Resources are scarce. (Functional level ko use kr rhe)
- Abilities to process information and to make decisions need to be improved.

Refer Pg. no. 5.43 Changing Organisational Design.

* Three Phases of Matrix Structure Development →

(i) Cross-functional Task forces :-

(Functional non permanent
hi chlega.)

- Temporary (new product).
- Project manager is in charge as key horizontal link.

(ii) Product / Brand Management :-

- Temporary → Permanent (semi)
- Project manager → Product / Brand Manager
- Product managers act as Integrators of semi permanent products or Brands.

(iii) Mature Matrix :-

- Dual - authority structure
- Both functional and product structure are permanent.
- Employees are connected to both
 - Vertical functional Superior
 - Horizontal Product manager
- Both managers have equal authority.

NOTE:-

This structure is not popular because of difficulties in implementation and trouble in managing.

VII. Network Structure :-

MCA * It can be termed as a 'non-structure'.

MCA * The company that uses this structure is often called, 'Virtual Organization'.

• There is a virtual elimination of in-house business function.

• It is useful when environment is unstable and is expected to remain so.

(Effectiveness apni, Efficiency kisi aur ki)

- Instead of having salaried employees they contract with people for specific project and length of time.
- Rather than having vertical integration, they make long-term contracts with suppliers and distributors.
- The Business functions of these organization are scattered different geographical location. (Co-ordination chahiye because kaam unse krwana hai.)
- The Organisation acts like a shell with small headquarters acting as a Broker.
- They can be connected to: (electronically)
 - Some completely owned division
 - Partially owned subsidiary
 - Independent Organization (outsourced)

Eg:- Airtel : uses network structure in its operation by sub-contracting manufacturing to other companies in low-cost.

* Advantages:-

- Increase flexibility and adaptability.
- Company can concentrate on its distinctive competencies ^{effectiveness} while gathering efficiency from other firms.

* Disadvantages :-

- Availability of number of potential partners can be a source of trouble.
↓
- Lack of Synergy Benefits. But it's like this if a long term contract is made for
- Over specialisation in few functions will make the firm choose the wrong function sometimes.

4: In this type of structure employees have to learn a lot of skills. Sometimes, employee may lack the confidence to become self-motivated and self-learner.

VIII. Hourglass structure :-

- This structure consists of three layers with constricted middle layer.
- Task performed by middle level are increasingly being replaced by technological tools.
- It has a short and narrow middle mgmt.
- Information Technology links the Top and bottom level.

→ Role of Culture in strategy execution:-

- Strong culture promotes good strategy execution when there's fit and impedes execution when there is negligible fit.

Eg:-

economical (अर्थ
व्यवस्था)
नदी

- If a company's culture has values like frugality and thrift then, they will be successful in executing low cost leadership.
- If values are creativity, changes, innovation then, differentiation can be executed successfully.
- A strong strategy - supportive culture nurtures and motivates people to do their jobs in ways conducive to effective strategy execution.

(Rest)

→ Perils of Strategy - Culture Conflict:-

- When the culture doesn't match the needed strategy then, it has to be change rapidly.
- If there are few aspect of mismatch, it can be corrected easily, but if it more, difficulty arises.

Organisational Culture :-

- Corporate culture ^(Rigid) refers to a company's values, beliefs, business principles, traditions, ways of operating and internal work environment.

→ Where does Corporate Culture come from?

- It comes from the values, business principles, ethical standards and policies.
- It can originate from a single influential individual work group, department or division from top to bottom.
- It is made up by sociological forces such as attitudes and behaviour of employees, organization politics etc.

→ Culture : ^(friend) ally or ^(foe) obstacle to strategy execution:-

When company's ~~structure~~ strategy is compatible with the culture.

When the culture is in conflict, with strategy.

- (not specialist)
- The middle managers in this structure are Generalist and perform wide variety of task.
 - Middle Managers will be handling cross-functional issue. (multi-tasking)

* Advantages-

- Reduce Cost
- Simplified Decision - Making
[Decision making authority is shifted close to the source of information ~~to~~, that it is faster.] (at lower level - Quick Decision)
direct Top se Level

* Disadvantages-

- Promotion opportunity for lower levels diminish significantly.
↓
- Continuously working at the same level will make the motivation level low.
(monotonous/boring for lower levels,
challenging for middle level.)

2. Promoting a culture of *Espirit de Corps* (Team Spirit) to execute strategy in a competent manner and achieve high level performance.

3. Developing competencies and capabilities ~~to~~ according to changing environment to bring innovative ideas and staying ahead of rivals.

4. Exercising ethical leadership and conducting its operations like model corporate citizen.

5. Taking corrective actions to improve strategy execution and performance.

► Role of Strategic Leader in Strategy Implementation -

A strategic leader is not only responsible for strategy formulation but also has a major role during strategy execution and control.

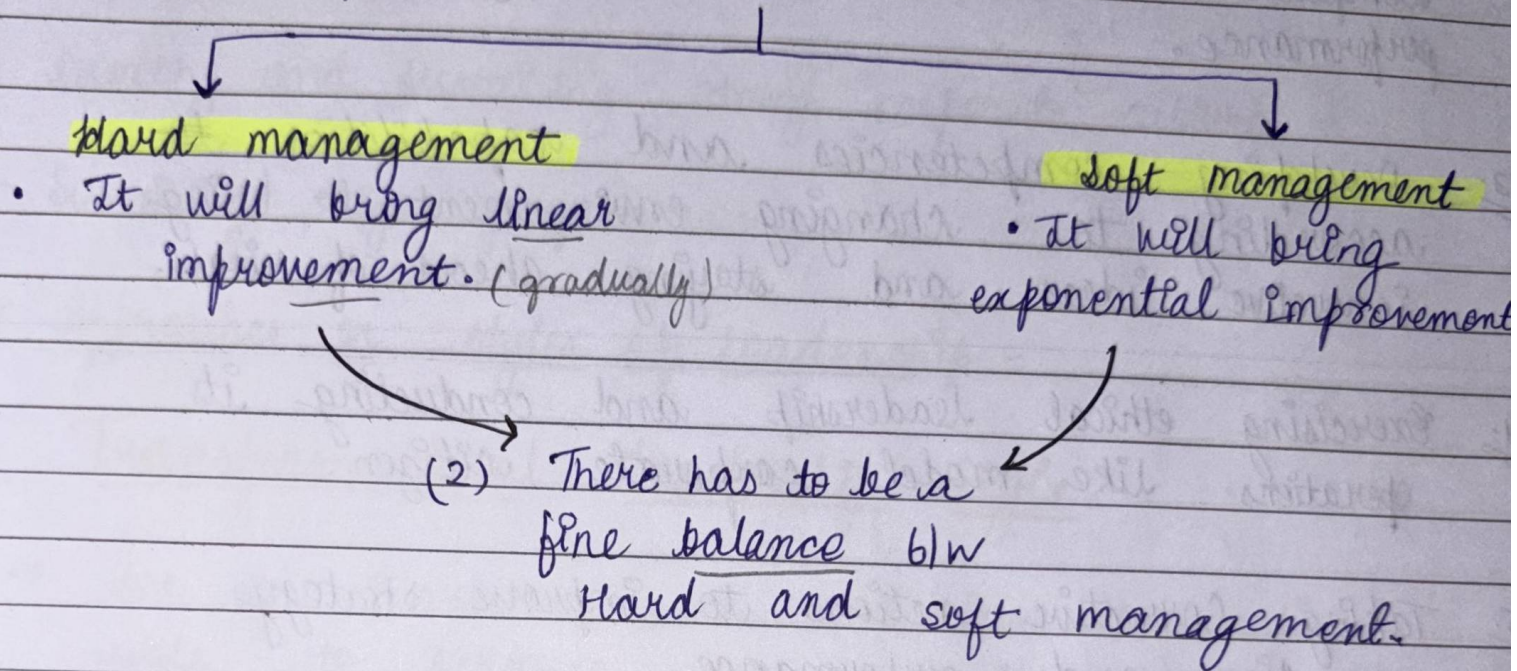
He will use his influential power to guide and motivate subordinates during execution phase.

► Responsibilities of strategic leader -

- Making strategic decisions.
- Formulating and implementing ~~politics~~ policies.
- Ensuring effective communication.

→ Conclusions -

(1) Two approaches can be there -



Strategic Leadership :-

It sets the firms' direction by developing and communicating vision, formulating strategy, by scanning environment, implementing and executing strategy.

⇒ Leadership Roles to be performed by Managers for good strategy execution.

⇒ Having knowledge of all the things, monitoring progress and resolving issues during strategy execution.

Formulate kute time - observe culture or keep this in mind.

At time of Implementation make minor changes in culture.

→ Creating a strong fit b/w Strategy and Culture :-

- It is the responsibility of strategy makers to select a strategy compatible with the "sacred" or unchangeable parts of corporate culture.
- It is the responsibility of strategy implementor to change the aspects of corporate culture that hinder effective execution.

→ Changing a problem culture :-

- It is the toughest management task.
- The first step is to diagnose which aspects of present culture are supportive and which are not.
- Aggressive action are to be taken to modify the existing culture.
- Policies and Procedures are to be revised to drive cultural change.
- Sustained commitment of CEO is required to bring the change.
- It is not a short-term exercise. Large companies may take 2 to 5 years to change their culture.

- Human Resource Management.
- Managing Strategic Change.
- Creating and sustaining strong corporate culture.
- Sustaining high performance.

Approaches or styles of Leadership -

I. Transformational Leadership Style:

→ Use of Charisma and enthusiasm to inspire people to perform good for the organisation.

~~X MCQ~~ → Appropriate in turbulent environment.

→ Poorly performing organisation (start or end of Life cycle).

→ It is used to bring major change.

→ It motivates people to increase their self-confidence and promote innovation.

II. Transactional Leadership Style:

→ It is used for improving current situation by designing system and controlling organisation activities.

→ Building existing culture and enhancing current practices.

→ Use of authority to increase efficiency and effectiveness.

→ Reward and Penalties for achievement or non-achievement of goals.

→ Suitable for :-

- Static environment
- Mature Industry that is performing well.

Strategic Control:-

→ Process of Control:

1. Formulating measurable and controllable standards.
2. Monitoring and measuring the performance.
3. (i) Comparing Actual result with standard.
(ii) Detecting deviation from standard.
(iii) Revising Standards.
4. Taking corrective and adaptive actions to bring the desired changes.

~~***~~

Types of Control :-

(Narrow)

I. Operational Control -

- It focuses on individual tasks or transaction.
- A set of standards, plans and instructions are formulated.
- It consist of regulating the process within certain tolerances.

Ex: stock control, Production control, Quality control, Cost control, Budgetary control.

II. Management Control -

(Broad)

- It is more inclusive and more aggregative than operational control.
- It covers activities of a department, division or entire organisation.
- Purpose of this control is to achieve organisational goals in effective and efficient manner.

III. Strategic Control -

- It focuses on -

↓
Strategy is being implemented as planned.

↓
Results produced by strategy are those intended.

It has two forms :-

(a) Monitoring Strategic Thrust

- It check the strategic progress and determine the need for readjustment.

(b) Milestone Review

- It divides the activities in terms of time, event or major resource allocation.
- It involves complete reassessment of strategy and decides whether to continue or refocus the direction of organisation.

Strategic Performance Measure: (SPM)

- SPM are key indicators that organizations use to track the effectiveness of strategy and make informed decision about resource allocation.
- Key Performance Indicators (KPI) are carefully chosen to influence behaviour of people in organisation.

➤ Types of SPM ⇒

➤ Financial Measures -

It gives an understanding of organisations' financial performance and its ability to generate profit.

(b) Strategic Surveillance

- It is a loose form of strategic control.
- It is unfocused.
- It involves general monitoring of various sources to identify unanticipated changes.
- It is a casual browsing of environment.

(c) Special ~~At~~ Alert Control

- Unexpected or sudden changes that force organisation to reconsider their strategy.
- They trigger immediate and intense review of strategy.
- Crisis management teams are formed to handle these situations.
- Ex:- Changes in Government, Natural Calamities, Unexpected Merger or acquisition.

IV. Implementation Control -

- It is used to assess the need for changes in the overall strategy due to incremental steps and actions during implementation.
- It continuously monitors the basic direction of strategy.

- There is a gap between strategy formulation and implementation which is dealt by strategy control.

- It is concerned with evaluation of strategy.

► Types of Strategic Control -

(a) Premise Control (Critical Point Control)

- Strategy is formed on the basis of certain premises that means assumptions about the complex and turbulent environment.

- Premises sometimes become invalid ~~vertime~~ over time.

- Premise control is a systematic and continuous monitoring of the environment, to verify the validity and accuracy of the premises.

- It involves monitoring of two factors:-

Environmental factors

Macro Environment

Industry factors

Micro Environment

- It is not feasible to control all the premises therefore, major premises are taken into consideration.

Choosing the Right SPM:-

1. Relevance

It should be relevant to the organisation goal and objectives.

2. Data Availability

It should be based on data that is readily available and can be collected and analyzed in a timely manner.

3. Data Quality

It should be based on high-quality data that is accurate and reliable.

4. Data Timeliness

It should be based on data that is current and up-to-date.

Holistic Measures of Strategic Performance

1. Triple Bottom Line Framework (TBL) -

It focuses on 3 P's namely Profit, People & Planet.

2. Quadruple Bottom Line Framework -

It focuses on 4 P's namely Profit, People, Planet and Purpose.

Importance of SPM :-

(a) Goal Alignment :

It helps in aligning organisation strategies with goals and objectives.

(b) Resource Allocation :

It provides information needed for resource allocation in the areas that have greater impact on performance.

(c) Continuous Improvement :

It provides a framework for tracking progress and making adjustment to improve performance over time.

(d) External Accountability :

It helps an organisation to demonstrate its accountability to stakeholders by providing a clear and transparent picture of their performance.

≡ Customer Satisfaction Measure:

A company's ability to meet customer needs and provide high quality products and services.

It includes customer satisfaction, retention and loyalty.

≡ Market Measures:

A company's ability to attract and retain customers and its competitiveness in the market.

It includes market share, customer acquisition and referrals.

≡ Employee Measures:

A company's ability to attract and retain talented employees and create a positive work environment.

It includes employees satisfaction and engagement (decision-making), turnover rate.

≡ Innovation Measures:

A company's ability to innovate and create new products and services that meet customer needs.

It includes R & D spending, Patent application and new product launches.

≡ Environmental Measures:

It shows the organisation's impact on environment and its efforts to operate in sustainable manner.

It includes energy consumption, waste reduction and carbon emissions.