

## **The Strategic Management process in intermediate organizations; A multiple case application**

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### **Abstract**

This paper is intended at demonstrating the significance of strategic management, as a distinctive phenomenon in the intermediate organizations more than it is assumed in the theory of strategic management. In this paper, the light has been thrown on some new insights in this field. In addition, it has been emphasized that the studies of strategic management also need to add-on with the conventional perspectives, along with variety of internal and external characteristics to ensure better understanding and awareness of the underlying organizational processes.

**Keywords:** Strategic management; organizational process; intermediate organizations; reciprocity.

### **Introduction**

Strategic Management is a field that combines an organization's mission, vision, objectives, goals and tasks that are determined to enhance the efficiency of work for the businesses.

The study of strategic management is directed

towards understanding of environment, particularly the impeding forces and the development of significant responses to these forces in the fulfillment of the organizational purpose. It follows the management of the application of strategic thinking to the overall

management of the organizational work and its contribution to the multi-contextual sense-making (Weick, 1995).

One of the recent developments in the field of strategic management is redefinition in order to include the study of cognitive, economic, social and cultural aspects into its context. As a result, the inclusion of greater importance of the resource situation and other aspects, which are contextually-dependent, have evolved in the theoretical focus of planning and adaptation. The strategic management also includes the human perspective that determines an organization's strategic abilities. The theoretical explanation includes as a subject, the concepts of foreign relations. The technological development, infrastructural changes and disintegration of the organization has led to constant re-conceptualization of the strategic approaches like targets, technical expertise, markets, organizational environment and its size (Guth and MacMillan, 1996).

### **Strategic planning**

Various formal definitions of strategy are present, most of which, intend to answer the question, "How?" "Strategies are simply a series

of actions to enable an organization to achieve its results." Strategy helps in the comparison of a company with the dynamic environment, so that it can develop a better understanding of its own targets, with respect to the environment of markets, technological advancements and organizational size, in order to serve and satisfy the needs of customers. The strategies can be divided mainly into three categories: organizational, functional and programmatic (Floyd and Lane, 2000).

An organizational strategy describes the planned way for the development of the organization through collaborations, choice of clients and companies, mergers, earned income, etc. Developing a programmatic strategy involves developing, managing and delivering the programs, for example, marketing of a prenatal care service for mothers in critical condition by bringing in the facility of information and services for supporting social services. Functional strategies express the ways of managing the needs of administration and promote the efficiency and effectiveness of the organization; for example, developing a financial system that can provide correct information on the method of cash accrual

(Brown, 2000). The scope and depth of developing organizational and environmental relationships can be understood with the emphasis laid over the importance of increased co-operation amongst organizations, globalization and faster advancement in technology. The organizations are now more aware of their considerable aspects, after this development as per their inbuilt characteristics. An organization is said to be embedded because it is present and pervasive everywhere. It is built on individual level as well as the level of society as a whole. It implies that the existence of an organization pervades within the circles of social, political, economic and cultural scenarios (Balogun and Johnson, 2004).

The debate is normally confined to the intermediary organizations, which are not private or public firms and usually not known voluntarily. The existence of such organizations is generally seen to be among different sectors of society. These kinds of organizations have certain similar characteristics and they exist for the purpose of survival of each individual within these societies. A strong empirical base is provided by these intermediaries for the proper understanding of the integration process in the organizations. Results of

three case studies have been considered as an important base for this article. These case studies were conducted in Sweden, Denmark and Iceland (Steinhorsson and Söderholm, 2002).

The purpose of analyzing the competencies of organization and its management has been accomplished by mapping up the activities of Industrial Development Council under those three projects. Industrial Development Council provides with an example of intermediary organizations. One can easily figure out the differences between the various sectors, agencies and departments governed by the state. Hence, it is required that the intermediary organizations must be adapted for the rules, regulations, standards and traditions in at least two of the systems, private and public organizations (Weick, 1993).

If this happens, the everyday life can be regulated and controlled within certain limits. The activities, like defining what to do and how to do, providing the reasons for why a particular task is required at all to be done are not carried out easily in the situations with different kinds of logics at a time. The work is disposed off in the following ways. Some particular aspects of strategic management focusing on the integration

perspective are thrown light upon in the intermediary organizations (Goodwin and Wright, 2001).

### **Strategic management process and embedding:**

To the private sector organizations, the strategic management literature has contributed the main part. On the other hand, the contributions can be seen in the political markets intermediate organizations of the public sector that have been made in relation with the strategic management. For its application, the different types of organizations have to be transferred to the private organizations. In the strategic management studies, the presence of the organizations has to be accepted. Between the sectors change, it can be possible for both the similarities and differences together (Hill and Levenhagen, 1995).

### **Strategic management processes**

The requirement of the strategic management is a common characteristic in all the sectors. As a result, for the continuation, the conditions, key factors pressure, reflect the organizational reasons. Therefore, the strategic management contains the actions and ideas that explain about the area of the organization, in

terms of their operation, and also concern about how positive results are delivered (Weick, 1995).

For the understanding and study, the four processes in the strategic management and its concepts, can be seen as appropriate. On the other hand, it is supposed that in a meticulous organization, the materialization of the strategic management is industry specific. The strategic management in the voluntary nature or public sector is basically different from the other organizations.

The strategic processes or the size influences the model. The reasons for its survival have been introduced in the fourth dimension. The basic importance is supposed to be given to the reasons for existence. To explain the terms, it is associated with the core and organizational legitimacy, explaining what and why the organization does, and also the stipulation of the most important route of the activities (Johnson et al., 2007).

By stating the major differences among the implementation approach for strategic management, traditional approach, and an embedding approach, we began this article. Relatively than rigid and generic drugs, the

embedding approach is expressive and interpretative (Schilit, 1987). The aim of the final selection, such as the development of the strategic management, should be discussed in the intermediate organization. It has been described in the previous section:

- (1) In association with the different considerations, claims and demands and stakeholders needs, as agreed tasks in transitional organizations.
- (2) With the involvement of stakeholders, activity that should be in the route of contribution to organize.
- (3) The element of networking is important and constant (Weber and Manning, 2001).

Through the mobilizing action processes, task creation and networking with the stakeholders, the intermediate organizations are concerned with the strategic management, in fundamental nature. In terms of the common institutional embedding most of the times, embedding is recognized as the innovative way of understanding the relationships in the organizational environment. The ecological relationships in this sense are described, to make an assumption that it has clear boundaries among

the organization and the environment (Leitch, 2006).

In the case of the intermediate organization, the organizational environment is very indistinct and seems to limit. For this reason, a more fundamental question is embedded, than formerly proposed, in these organizations. As anticipated in the strategic management and planning approaches, the environment is neither adjusted nor embedded. This is similar with the approaches of the interpretations that are adopted. As a part of the strategic management process, in both the environments, different tasks and arenas are generated.

Although we are closer to the construction characterization of strategic management, the concept is considered to be narrow, as the production is concerned with the background. Strategic management is rather constituted with both the adoption and embedding (environment and the organization). The organization strategic management process is creative, as both the adoption and integration, replicate this fact (Gioia and Dennis, 1991). It is claimed that the sense making process creates the organizations actually.

For example, the patterns of behavior those are institutionalized and other constitutive pillars.

To organize for general problems and prepare the participants, a sense making process is used. It depends on the topic, as how valid or important it is, but when it comes to judging some issues, they may include different values. For the reason of indistinctness and ambiguity, sense making is caused. Though, the sense making changes its route and pace, but overall it is continuous over time. In the medium sized organizations, sense making is said to be the basic aspect of the strategic processes. It also comprise of the tasks, and creating a suitable environment and organization, and significant stakeholders (Wright, 2004).

In intermediary organizations integration and adaptation proves strategic management process to be a creative process. In the organizations, the institutional patterns of behavior and regulatory and constructive principles came into being due to the code of sense-making and its claims. Although sense-making facilitates the formulation of the participants or providing the arrangement for the solution of common problems, on the contrary it

may differentiate in terms of values while making judgments on certain critical issues. Sense-making is not just for one time and then leaves. It can be applied in variety of situations for number of reasons, arising from the prevailing uncertainty and for removing the state of confusion (Strategic Energy Management, 2011).

The anticipation of the underlying relationships taking place in the end, out of the contextual dependency of this research over the process of strategic management, can only be done in advance. Suspension of some funds and mobilization of some less known resources, which are actually created and implemented till end, can be carried out. It seems doubtful to define the process of strategic management in the context of medium-sized organizations with respect to mutual and multi-contextual sense-making. Among these aspects, the mutual aspect calls for the significance of the consistent need of exchange among the stakeholders and other players of the organization. Since the constantly changing discussions and negotiations take place among the parties that have the intention to maintain and strengthen the existence of the organization, it gives rise to the temporary and ad

hoc nature of the organizational activities. This in turn provides with the base of conceptual guidelines ensuring the possibility of getting realistic solutions to the organizational problems (Rouleau and Balogun, 2008).

Throwing light upon the multi-contextual aspect, it can be considered to be focusing on the various roots from different contexts. According to the resource dependencies deal, every organization has to face the constraint of limited resources. In case these dependencies are strong enough in the intermediary organizations to affect the performance of organization, the position of the organization and its stakeholders' confidence have to be constructed and sustained within the organization as well as in different perspectives under number of circumstances. The aspect of sense-making is brought up as a very important part of effective strategic management, with the intention of bringing in spotlight, the fact that an organization has to survive among and cope up with great number of uncertainties and indistinct situations and issues.

The organizational activities are ad hoc and temporary in nature leading to the constant formulation of their participants in order to reach

to an agreement over the issues, like how and with whom the activities must be organized, what resources are to be used and in which sequence. All these activities and resources are needed to be aligned with the organizational objectives and goals and the reasons that make the existence of an organization possible. There are many factors that justify the relationship between the three strategic processes with regard to their meaning, discussions and multi-contextual characteristics. One of the most powerful ways to explain them, referring to their existence, is through voluntary organizations (Watson, 2003).

However, sometimes possibly a broad and also an uncertain idea is promoted due to a confusing mixture of goals and objectives in comparison to the original and standard reason that provides the base for the organization. Creating activities, stimulating and accelerating the functions and continuously keeping pace with the networking, all are the responsibilities that are distributed among the various players from different departments. Hence, the strategic management embedded in social, economic, political and cultural aspects whether formally or informally can be acknowledged, reminding the

fact that the multi-contextual embedding can result into a weak reason of existence. It implies that an organization, which is built under fair and neutral conditions, often gives rise to the ambiguous objectives, and possesses a feature of being broad enough to encompass a number of stakeholders, if certain values are accepted (Embedding a strategic sourcing programme, 2012).

### **Strategic management in intermediate organizations**

For developing the framework of the concepts the examples of three intermediate organizations have been taken in view to study the illustrations of their experiences. All these organizations are related to industrial development operating within the local boundaries with a view of developing their surrounding local areas. As an example, the industrial development councils can be kept in context regarding with an ideal intermediate organization. The number of such organizations in active state has gone up to more than 1400 in western countries. Many of these organizations have emerged in last ten years. While most of the countries are going through the phase of recession in the present times, these

organizations are playing a big role in coping up with the difficult economic situations. However, it is doubted that the result of this will be very concrete due to the issues with accuracy and reliability.

### **Conclusion**

In this paper, the process of organizational strategic management has been exhibited as understanding the work among various contexts. The conventional theory of strategic management presents limited ways for the organizational strategic management issues to be dealt with, within the social scenarios. Therefore, the case of three organizations of industrial development has been used with the intent of having an understanding of organizational strategic management for the organizations that operate under various dynamic contextual conditions. Conclusively, it is derived that all such organizations, with no sound base of resources or any area in which they lack, do not follow an apparent mandate. All these organizations are created having strategic management process as their integral part.

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