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# The strategic thinking in today's organizations

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**Abstract:** The present research is aimed to assess the strategic thinking in today's organizations. The strategic thinking would be an unavoidable subject in today's highly competitive environments for development and survival of organizations. Managing strategic thinking is of vital importance for those managers who want to change their future and environment.

The strategic thinking through recognizing and strengthening activities which provide unique values for the clients is able to create competitive advantages. It is done by using market principles and creative responsibility which is considered as an incomparable approach in the unstable and evolutionary business environments (Ghafarian & Ali Ahmadi; 2003). The fundamental aspect of the strategic thinking is having a comprehensive attitude towards the business environment.

Research results show that, there is no concept more important than the business notion for a manager. The strategic thinking is an approach that provides a context for shaping and developing this knowledge and invites managers for rapid learning from the business environment as well as utilizing them.

**Key words:** Strategic thought, strategic communications, environment, the development and survival of organization, conceptual model

#### INTRODUCTION

The "strategic thought" has been seriously considered over the past decade in the domain of strategic management and the importance of having managers with the strategic thinking have been mentioned in many researches. The strategic thinking is deemed as one of two main capacities of managers with leading performance. According to Mitenzberg, strengthening the strategic thinking would lead to codifying better strategies. He believes that, managers who possess the strategic thinking are able to encourage other staff in order to find more creative methods to ensure a successful organization (Askari, 2015).

A research was fulfilled to identify necessary managerial skills for Asian countries' managers; according to its results, the strategic thinking was mentioned by all respondents as the first or second needful skill to improve managers' performance (Mohammad poor, 2013).

The strategic thinking causes to enable managers to perceive whatever they need to achieve their effectual and ineffectual goals (Askari & Moosavi, 2015).

Successful managers act as if they live in the future now. Hence, the strategic thinking would represent more creative opportunities for them that affect their future (The Thinking Academy, 2012).

Nowadays, the enjoyment of managers with the strategic thinking is deemed as the basic necessity of organizations which want to be distinguished and show improvement in the competition field. So, it makes us to ask ourselves that how can we identify open mind and divergent managers with the strategic thinking skill who are able to help organizations to represent high achievements? (Iranzadeh & Sadeghi, 2008).

# Research background

The term "strategic thinking" in most cases was wrongly used to mention some notions like the strategic planning or the strategic management. Hence, it seems necessary to assess these cases separately and their differences are needed to be considered. The strategic thinking is a creative and divergent process and pertains to the designed perspective by the organization leaders. Accordingly, managers thought are expected to exceed from routine proceedings by focusing on the long-term strategic goal for the business. The strategic thinking is comprised of activities like collecting information, discussing and analyzing certain circumstances surrounding the organization and in companies with varied activities, the strategic thinking explains the basic questions about the organization portfolio

(Askari, 2015).

According to Abraham, the strategic thinking means to identify reliable strategies or business models which are led to create value for the customer. He believes that, searching to find proper strategic options that is usually performed as a part of the strategic management process is actually the practical consequence of the strategic thinking (Rabiei, 2008). According to Gerthniz, the strategic thinking is an attempt for innovation and to visualize a new and highly different future for the organization that probably leads to the reintroduction of main strategies or even the industrial domain in which the organization works. The strategic thinking is a continuous process that tries to remove ambiguity and to signify a complex environment. The process is comprised of analyzing the situation as well as the creative combination of analysis results in the form of a successful strategic plan.

The strategic thinking is usually used to refer to an analytic and planed process. The strategic thinking is predicated on a set of conceptions, procedures and tools designed to assist leaders, managers and planners to achieve the strategic thinking. The strategic thinking cannot be considered as an alternative for the thinking. But, both of them in a dialectic process have a relationship with each other and both are necessary for the strategic management. As mentioned before, the strategic planning is a set of theories and frameworks designed to make a contribution to managers for the strategic thinking, planning and proceeding. The unique and creative strategies derived from the strategic thinking need to be actualized through the divergent analysis and thinking or on the other words the strategic planning (Askari, 2015).

Nekouei Zadeh et al. (2013), in their research entitled "assessing the relationship between the strategic thinking and the emotional quotient" found that there is a significant positive relation between the strategic thinking and the emotional quotient. Among strategic thinking aspects, the creativity has the maximum correlation index with the emotional quotient.

Hassan Zadeh and Kalami (2014), in their research entitled "assessing the relationship between the strategic thinking and the organizational intelligence among the technical and vocational training organization personnel" represented that the strategic thinking level and the organizational intelligence among them is less than the society assumptive average level. Again, there is a positive and significant correlation between the strategic thinking and the organizational intelligence.

Rahmani and Asghari Zadeh (2013) in their research entitled "assessing the relationship between the organizational intelligence and the strategic thinking power of managers in the business environment" represented that there is a significant positive relationship between the organizational intelligence and the strategic thinking power in the research main hypothesis and results of assessing subordinate hypothesis demonstrated that there is a significant positive relationship between the strategic thinking power and understudied variables in all of the research subordinate hypothesis like organizational intelligence components according to seven aspects of the Alberkht model classification, including the strategic perspective,

the joint chance, the desire to change, spirit, solidarity and agreement, the performance stress and the knowledge extension.

Divdar and Mehr Ara (2012) in a research entitled "assessing the relationship between the emotional quotient and the strategic thinking power of managers in the Mazandaran Oil Company stated that, managers who apply the social interaction, good and effective way for the majority of managers and leaders and the fundamental factor in the organizational management, and are able to communicate with their human resources effectually would be highly successful in the future. Therefore, the integration of the knowledge and the managerial thinking with the emotional abilities in the management can be effective to lead the organization towards achieving ideal goals.

Pirayesh and Ali Pour (2012), in their research entitled "assessing the relationship between the competitive intelligence and the influence of marketing strategies between public and private banks in the Zanjan province demonstrated that, there is no significant difference concerning the attention to the competitive intelligence between public and private banks, equally private banks have more effective marketing than public ones.

Asgari and Mousavi (2015), in a research entitled "assessing the relationship between the strategic thinking and the public entrepreneurship among personnel of the Khorasan Razavi sport and youth organization found that, there is a significant relationship between the strategic thinking and the public entrepreneurship.

Amin et al. (2014) in a research entitled "assessing the relationship between the strategic thinking and the private entrepreneurship" indicated that there is a significant relationship between the strategic thinking and the private entrepreneurship.

Mohammad Pour et al. (2013) in a research entitled "assessing the relationship between the strategic thinking capacity and the process of knowledge management in the Mazandaran Oil Company" showed that there is a significant relationship between the strategic thinking capacity and knowledge management.

Gerthner (2002) assessed the relationship between the strategic thinking among personnel and the emotional quotient of senior managers. Research results showed that there is a positive relationship between the strategic thinking and the emotional quotient.

(Rabiei, 2008) states that, an appropriate framework for the strategic thinking needs to integrate the emphasis of the micro level on individuals and groups with the emphasis on the macro level on organization and the organizational structure. On the other words, it requires to confirm the influence of unique attributes and individual proceedings and the influence of the organizational structure on individuals and their thought. It is obvious that, by supporting structures and processes in the organizational group and level, characteristics of an individual with the strategic thinking would be developed (Askari, 2015).

#### The strategic thinking components

According to research, there are three aspects for the strategic thinking including, a) the broad span of the considered domain when the individual is thinking about the organizational issues, b) the time horizon during making decisions, as well as c) outstanding individuals in the organization who enjoy the strategic thinking capacity and the level of their usage from formal planning systems Mohammad poor, 2013).

Grathz believes that, the strategic thinking components located on the right side of the brain are comprised of the creativity, researching and entrepreneurship, strategy designing components or the strategic thinking (Rabiei, 2008). Research introduced the strategic thinking through some components like knowing about industry and competitors, knowing about companies' main problems and learning from pervious experiences (Mohammad poor, 2013). All of the mentioned researchers studied the strategic thinking and its components in the individual level, but another group has been considered the organization environment as well. However, the latter further focused on the individual level components. According to Bone, a bilateral approach is needed

to understand the strategic thinking concept, which not only identifies attributes of an individual with the strategic thinking capacity, but also studies dominant processes and organizational contexts (Askari, 2015).

# The systematic thinking

A strategic intellectual always needs to have a comprehensive pattern of value creating factors in their mind and they need to understand the relationship among these factors perfectly (Ghafarian & Kiani, 2005). According to Kafman (1991), the strategic thinking means to make alternation to the attitude towards the organization. It means that, instead of considering the organization as a combination of disconnected sectors or personnel competing for resources, it needs to be seen as an overall system in which each section has been determined regarding to the whole system and integrally (Pirayesh, 2012). Such an integrated view towards the organization requires developing a comprehensive understanding about the internal and external organizational dynamisms. Specially, regarding the quality of the alternation in organizations and managerial proceedings over the time and how feedback processes would lead to such changes. Consequently, it is necessary to understand how organizations are located in complex and big systems like markets, industries and nations and how they would be under the influence of the mutual interactions and association of these systems (Rahman Seresht & Kafche, 2008).

# Strategic communications

Organizations are obliged to provide senior managers with time and environment, in order that they could participate in strategic issues, attitudes and ideas regularly (Rahman Seresht & Kafche, 2008). If strategic conversations are held effectively, they would have many synergistic advantages, because variety of complementary minds provide further knowledge than a single one (Pirayesh, 2012). According to Lidka (1998), strategic conversations are a kind of interactions by which strategic choices are made, learned and their basic logic is developed.

# The strategic analysis

The strategic thinking is an important factor by which innovative ideas are analyzed through a rational process with a scientific logic. According to Lidka (1998), the hypothesis-based study indicates a scientific practice and creating hypothesis and tests are considered as its main and pivotal activities. He believes that, in comparison to other strategic thinking components, it has further external mood for business managers. However, in an environment with increased available information and decreased time to contemplate, the ability to foster good hypothesis and to test its efficiency is of the most importance (Rahman Seresht & Kafche, 2008).

If modern strategic approaches were lacked, like many other managerial conceptions the strategy was transferred to the managerial literature history. It is due to the incoherence of the today's business environment with the quality of classic approaches. The today's business environment with some attributes like complex and non-linear changes, disconnected and mutant evolutions, continuous alternations of paradigms and competition without district is definable and such characteristics tend to weaken forecasting the future environment extremely.

An opinion poll was conducted in 1984 by the Economist Journal; 16 people consist of economic ministers, Harvard University students and managers of multinational companies participated to forecast 10 years later. The opinion poll showed that more than 60% of predictions had lots of errors (Seyed Javadin, 2010). Besides their specialty and experience, they could not provide correct predictions about the oil price, the comparison of Singapore economy with the economy of Australia and such like. The basis of the strategic planning is to forecast the future environment (opportunities and threats) and when there is big difference between the forecasting (in the planning time) and the reality (at the accomplishment time), the efficiency will decrease.

The strategic planning needs a consistent environment in which peripheral factors are balanced with continuous changes and it needs an apprehensible and predictable understanding; otherwise it would be unable to perform its function successfully (Seyed Javadin, 2010).

# The strategic thinking at the organizational level

(Askari, 2015) states that, an appropriate framework for the strategic thinking needs to integrate the emphasis of the micro level on individuals and groups with the emphasis on the macro level on organization and the organizational structure. On the other words, it requires to confirm the influence of unique attributes and individual proceedings and the influence of the organizational structure on individuals and their thought. It is obvious that, by supporting structures and processes in the organizational group and level, characteristics of an individual with the strategic thinking would be developed. According to Bone, the strategic thinking not only belongs to senior managers but also lower level managers have a role in this process (Mohammad poor, 2013). By referring to previous researches concerning the strategic thinking, Goldman states that the strategic thinking capacity has been known as one of the managers need. Incidentally, regarding the increased complexity of the social environment, the capacity is needed at the lower level of organization (Mohammad poor, 2013). The strategic thinking is the method by which individuals think, look, and estimate in an organization and try to create the future for themselves and others (Iran Zadeh & Sadeghi, 2008). Researchers stated some attributes for the organization in their surveys that are of the most important to induce the strategic thinking at the organizational level including, the organizational culture, the organizational structure, rewarding and the compensation system as well as the information system technology (Rahmani, 2013).

# The strategic thinking and the organizational entrepreneurship

The strategic planning tends to associate with the consistency and discipline through an accommodation with the organization, but the entrepreneurship is related to the anarchy, disorganization and the creative demolition. On the other hand, the strategic thinking and the organizational entrepreneurship have been chosen to apply for the organization success. Now, the question is posed that could they be actually apply for the organization success (Rabiei, 2008).

### The strategic thinking and the organization management

The improvement of managers' strategic thinking capacity is considered as a key factor in the strategic management that nowadays needs further attention. The strategic thinking enables managers to understand whatever those are effectual to achieve goals, and how they can create value for customers (Ghafarian & Kiani, 2005).

According to Abraham, the strategic thinking identifies the reliable strategy or the business model that leads to create the value for the customer. He believes that, searching for appropriate strategic options causes to create value for the customer. Indeed, as a part of the strategic management process, it is the practical consequence of the strategic thinking (Rahman seresht, 2008).

According to Mitzenberg, the strategic thinking reinforcement will lead to a better strategy. He believes that managers with the strategic thinking skill enable to encourage others to find creative solutions for creating a prosperity organization, therefore, the strategic thinking is considered as the required provision for designing the organization future (Seyed Javadin, 2010).

Subsequently, the strategic thinking is considered as a prelude to the organization future. The strategic thinking is a multilateral phenomenon which is created through the relationship between the appropriate thinking and the strategic entrepreneurship (Ghafarian & Kiani, 2005).

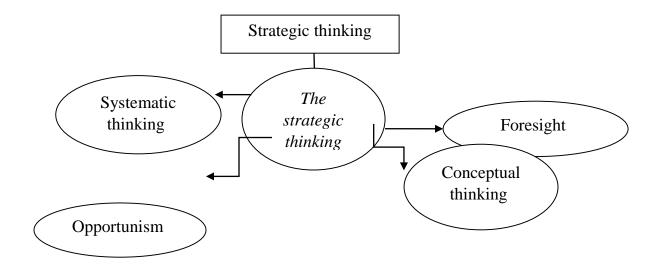
The strategic thinking (regulating the relationship between the organization and the environment)

The strategic thinking regulates the relationship between the environment and the organization. Hence, the strategic thinking is considered as a result of the proper understanding of the opportunity and its usage. On the other words, the strategic thinking is able to identify necessary and unnecessary issues (Nekoei zadeh, 2013). The strategic thinking further tries to create circumstances by which the main goal is achieved instead of finding a solution for a specific problem. The American philosopher states that, the chestnut is the fruit of the oak tree but here the certain circumstances that the chestnut is produced are of the most importance. For instance, the Dell Company, a computer company, acts according to a direct sales strategy for their final consumer that is not only considered as a strategy to create a competitive distribution system, but also it causes to decrease costs significantly, and accordingly the Dell Company excels over its competitors in the distribution system.

In an organization, the strategic thinking is just observable at the presence of managers and key individual and there is only an organization among them and the majority of organizations are unaware of such a capacity. Due to inattention to this issue, the reflexive behaviors as well as decreased efficiency and the organization development will increase. The strategic thinking allows organizations to extend their knowledge and other resources, consequently, they need to promote their resources development by increasing their strategic thinking capacity.

# The strategic thinking model

The model is comprised of four components by which the strategic thinking can be implemented among organization members. Indeed, they could build the strategic thinking (Amini, 2014).



### The strategic thinking

There is no solidarity among pundits of this domain. In Iran, specially, it has been exchanged to a dark narration and everybody proposed a framework on the basis of their own understanding. Here, different definitions discussed in this domain are reviewed briefly.

Some viewpoints concerning the strategic thinking

According to the (Hasan zadeh, 2014) the strategic thinking is comprised of an intellectual process that creates an integrated aspect through the creativity and intuition (Moamaei, 2008).

According to Gerths, the strategic thinking is a process by which senior managers can think beyond daily managerial processes and crisis to achieve a different attitude towards the organization and its varying environment (Hamidi zadeh, 2008).

Again, according to Abraham, the strategic thinking is to identify reliable strategies or business models which lead to creating the value for the customer (Iran zadeh, 2008).

According to Porter, the strategic thinking is a process of codifying and assessing future hypothesis that are considered as the basis of organization goals, strategy and apostolate. The process is comprised of a wide range of issues and consequently, it would be change to a time consuming and ineffectual activity if it does not fulfill in a systematic form (Divdar, 2012).

#### Conclusion

The strategic thinking means to arrange theories for selecting the best solutions and decisions that the organization applies them for their resources and environment (Ghafarian, 2005). The strategic thinking enables the manager to understand what factors are effectual or ineffectual to achieve the organization goals and how the effective elements can create value for the customer?

This knowledge about effectual factors for creating value can provide the recognition power, because without the recognition power, spending financial or spiritual resources in the organization would be unprofitable to achieve the prosperity (Ghafarian & Kiani, 2005).

There is no conception more important than the business notion for a manager. The knowledge not only leads to understanding the effectual factors and their relationships, but also it causes to intuitive discover of unknown aspects of the issue and to create ideas for utilizing them. The strategic thinking is an approach that provides the context for shaping sand developing this knowledge. The strategic thinking invites managers to rapid learning from the business environment and applying the creativity for creating new values. This kind of thinking presents distinguished perspectives from competitors that lead to innovative and beneficial strategies. By understanding the function of the competitive value creating strategy, the strategic thinking would be unavoidable for the growth and survival of organization in today's highly competitive environment. The competitive advantage requires a differentiate orientation towards the competitor and it definitely needs modern and different views. To access such an outlook several patterns have been suggested.

The mentioned pattern in this article determines the continuous learning from the environment, discovering unheard needs from the market and creating innovative and value creating methods as three orders of the strategic thinking. The pattern cannot be considered as a step-by-step guide. It can be said that, having a different attitude towards the business environment is its main message. According to this attitude, the relationship between managers and the market needs to be introduced again and managerial mechanism should be reviewed. What is discussed here is not naturally a kind of managerial knowledge, but reintroduction means trying to change managers' basic beliefs. Beliefs that specify basic questions of the business environment as the driving ambition to evolve organizations. Managers' answer for achieving prosperity is accessible but the answer belongs to everyone that has a question. Further participation of middle managers in the strategic thinking not only leads to increased creativity and to enrich proposed options for organizations but also expands the capacity for understanding and analyzing peripheral collected information due to utilizing a richer collection of processing individual information patterns.

According to Iranian organizations, the suggested model in the present research can be useful in the following examples:

- A basis for designing an estimation tool to assess the capacity of the strategic thinking as the first step to develop and improve the strategic thinking capacity.
- The determinant of the cause and effect relationship among factors and consequently the contribution
  to increased effectiveness of managerial decisions and organizational proceedings in order to improve
  the strategic thinking capacity.

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