
Implementing Strategic Plans to Improve Organizational Effectiveness | - A Detailed Study

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Abstract

Business strategy is concerned with creating and maintaining a competitive advantage in each and every area of the business. The firm's strategy at the functional level, include R&D, marketing, HR, financial, technology, production and operation strategies. Developing an effective competitive strategy is vital for small and medium-sized enterprises; Competitive strategy is the search for a favourable competitive position in an industry, the fundamental arena in which competition occurs. The particular competitive strategy a firm pursues in each industry also has an impact on corporate performance. Increased business-to-business (B2B) connection and using IT have been considered as an important strategy for entrepreneurial firms. Finally the third aspect of strategy in entrepreneurial SMES is strategy implementation and control. Implementation is the managerial interventions that align organizational action with strategic intention. Strategy implementation is the process by which strategies and policies are put into action through the development of programs, budgets, and procedures. In this research three factors associated with effective strategy implementation including leadership, organizational Structure, and human resources are considered.

Keyword: Business Strategy, Technology, Fundamental Arena, Organizational Structure

Introduction

Strategic support systems are almost exclusively used for top executives dealing with strategic problems, a strategic information system can be any type of IS that plays a key role in supporting business strategies. McFarlan's strategic grid defines four categories of IT impact: Support, Factory, Turnaround and Strategic Applegate, Austin & McFarlan (2003). When the IT has significant impact on business core strategy, core operations or both, the corresponding IS are considered strategic information systems. Thus, various information systems may be dealt with in strategic management. Many researchers have written on the strategic importance of information and knowledge in the networked economy. Nasbitt (1982) observed that the world was transforming from an industrial to an information society, and IT would dominate the economic growth of developed nations. Quinn (1992) argued how knowledge- and service-based systems are revolutionizing the economy. Shapiro and Varian (1999) discussed information-based products and services, and how to use information to maximize economic gain.

Review of literature

IT and IS have made it possible to access vast amounts of information easily and quickly. Systems such as enterprise resource planning (ERP) give managers the ability to monitor the operation of the entire organization in real time. Executive information portals have allowed senior managers to take a much more comprehensive view of strategic management than ever before. Tools such as the balanced scorecard Kaplan & Norton (1992) give a holistic view of the business performance by integrating factors in multiple business functions.

Cardullo (1996) defines strategy from the perspective of Management Technology and adds some factors to the role of strategy. One factor is core competencies, or areas that the business organization can perform with excellence. Another is the need to consider the competitive environment and identify possible future changes as well as competitors' strategies. Moreover, it stresses the need to allocate factors in the organization. This definition highlights the complexity of the strategy role.

Research Methodology

Research tries to describe the relation of strategy and project management practice. As per researcher's understanding this study category is closer to descriptive research type.

Objectives of Study

To enhance understanding of the relationship between strategy and project management

Hypothesis

Traditionally, a project is considered successful if it is completed on time, within budget, and to specifications. The "Triple Constraint" or the, Iron Triangle" is what drives projects and project managers to succeed. Meeting the triple constraint requires a well-structured project process, with careful planning, execution, and monitoring. The PMI, with its well-developed PMBOK has driven this focus by identifying nine knowledge areas and dozens of processes that need to be followed for successful project management. And to test how organizations are doing with their project activity, the discipline has adopted the concept of maturity models (CMM) to assess levels of capability in project execution. Yet these models are still based to a large extent on processes, testing essentially, how well structured are the organization's projects. In short, the current project maturity models are focused on the same concept of "Operational Excellence." These are absolutely necessary aspects but simply no longer enough. There are several reasons why operational excellence alone won't do it in today's dynamic and competitive world.

First, projects are initiated for business results and just meeting time and budget goals is not enough. Those who manage projects should focus their efforts on achieving the business results rather than just the triple constraint. This requires a new mindset, which is more strategic in nature and is concerned with the business aspects of project success and long-term business impact. Several studies have shown that project success is in fact a multidimensional strategic concept.

Second, project management is not just about following a process and achieving milestones. If project managers are responsible for achieving the business results with their projects, they need to deal with the business and strategic aspects of their projects. Project Managers need to recognize the right business perspective and build a unique strategy for their projects that will create real competitive advantage and help make the product win in the market place. These strategic aspects must become part of the common way in which managers lead their projects and part of the standard organizational processes.

In sum, rather than focusing on achieving the triple constraint, project managers should worry about three and perhaps bigger issues: the strategic, tactical and operational.

Hypothesis: IT companies look at Project Management field as a discipline of implementing strategy in which strategic, tactical and operational level decision making is involved and not just a part of the operations.

This hypothesis is stated as follows:

Hypothesis H0: (Null Hypothesis): IT companies follow a strategic disciplined approach for the project management field and not just a part of the operations.

Hypothesis H1: (Alternative preferred hypothesis): Project Management field considered to be part of operations rather than strategic discipline.

Data analysis

Hypothesis 3: IT companies follow a strategic disciplined approach for the project management field and not just a part of the operations.

This hypothesis is stated as follows:

Hypothesis H0: (Null Hypothesis): IT companies follow a strategic disciplined approach for the project management field and not just a part of the operations.

Hypothesis H1: (Alternative preferred hypothesis): Project Management field considered to be part of operations rather than strategic discipline.

Total No. of Questions = 20,

Scale: 1 - Strongly Disagree, 2 – Disagree, 3 – Somewhat Agree, 4 – Agree, 5 – Strongly Agree. Range = (20, 100)

Xbar=67.3, σ = 5.93, **n** = 30

Cut off = $(67.3 \times 80) / 100 = 53.84 \approx 54$. Now we will test the hypothesis as

Null Hypothesis: $H_0 = \mu \leq 54$ Vs Alternate Hypothesis: $H_1 = \mu > 54$.

This hypothesis is indicating the hypothesis given as above.

$t_{cal} = (67.3 - 54) / (5.93 / \sqrt{30}) = 8.41$ and $t_{\alpha} = 0.01, n-1 = 29 = 2.76$

Observation: $t_{cal} = 12.28$

Inference: As per rejection rule $t_{cal} > t_{\alpha, n-1}$. H_0 is rejected.

The hypothesis H0 is tested and validated and alternative hypothesis H1 is accepted which infers "Project Management field considered to be part of operations rather than strategic discipline"

Researcher has included 18 questions which are pertaining to stakeholder responsiveness, stakeholder management, resource (man, material and money) management analysis, program/project structure understanding and its alignment with objectives, support functions and staff (technical and domain) availability, skill existence and its enhancement plan, performance indicators existence, Management commitment throughout the lifecycle, Assumption verification, PMO existence. The answers to these questions have given a 360 degree check on the hypothesis set out. As per researcher experience Project management is viewed as operations rather than strategic importance. Due to which the organization teams involved in project are always in short focus of being successful in operational parameters only whereas long term focus on strategic view is missing which does not give organization and benefit for which the program/project is launched.

Findings

- Technical / Domain experts in team are loaded with additional Project Management responsibility.
- IT Companies are lacking highly skilled Project Management expertise.
- Intrapreneurship culture lacking in IT Industry.
- In adequate study of Customers financial position.

- Career map is unknown to an individual when he/she joins the organization irrespective of his/her designation of joining.

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