Strategic Management: The Concept of Competing With Self

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Abstract

The purpose of this paper is to assess the concept of “competing with self” in the strategic management framework, within organizations. Strategic management is a response apparatus to the threat of competition that other businesses pose, and limited in attention to the changing behaviors of the customer and especially the noncustomer which requires creativity and innovation to provide for accordingly. The focus and purpose of every business is the customer. Effective strategic management may require a customer-focused approach based on self-competition, a concept that hinges on the creativity and innovation acumen of employees, rather than the model of responding to competition by other businesses, against the backdrop of the flux nature of customer behavior and market trends, global socio-economic integration, and persistent societal problems. This article contributes to the evolving understanding of the underlying constructs of creativity and innovation in the strategic management process especially in the 21st century of widespread technology characterized by the phenomenon of a shrinking world.

Keywords: Innovation; strategy, creativity; competition; customers.

Introduction

The efficient practice of strategic management is a determinant of competitive advantage and sustainability of businesses. The underlying purpose of strategic management is competition with other businesses. That is, outperforming or “defeating” a business rival through effective use of resources (Bracker, 1980). Powell (2014) identified that the central theme of strategic management favors market rivalry compared to customer-focused orient. Many analytical tools, for example, SWOT (Strength, weakness, opportunities, and threats) and PESTLE (Political, environmental, social, technology, economic, legal) were designed based on competition with other businesses.

Business leaders may be proactive strategically in providing for customers rather than “defeating” the competition. Welch (2005) believed strategic management is as simple as having a big idea and implementing it rather than the rigorous scientific analytical tools approach. Drucker (2008) assessed that business strategy is not based on scientific technique but instead, an imaginative and thoughtful process. The views of Welch (2005) and Drucker (2008) may support my assertion that strategic management is a creative and innovative construct based on understanding and the application of intelligence to create value for the customer and lure noncustomers.

Business leaders strive to be market leaders and in their quest, strategize to outperform the competition. Various strategies have been employed including acquisitions and mergers, creating similar products and services with better specifications, and making products more accessible and affordable. Despite the competitive nature of the market, certain brand names stand out due to quality, affordability, market scope, etc. A business may seek to outperform itself through upgrades of the same product and innovation of new products. Improving product and service efficiency, creating new products, and finding new markets may be effective strategizing and central to the strategic management process.

Creativity and innovation are key to unlocking strategic management's full potential. Creativity and innovation that focuses on the behavior of customers and noncustomers and seek to exploit the economic opportunities in societal problems, may constitute the essence of the strategic management process. This article draws attention to the need for business leaders to focus on self-competition by being creative and innovative within their organizations, as a tool for strategic management especially in the 21st century of technological advancement, socio-economic integration, changing customer demographics, and rife competition on both the local and international markets.

Explication of Strategic Management

Strategic management is no different from the daily decision-making of leadership to gain a competitive advantage and maximize profit. In practice, a strategy cannot be separated from any aspect of operating a business. Andrew's (1980) definition of strategy as "the pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals, and defines the range of businesses the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contributions it intends to make to its shareholders, employees, customers, and communities", captures this all-encompassing meaning of strategy and for that matter the process of managing strategy.

A decision to locate or relocate a car manufacturing company close to a computer-making firm may be a strategic management initiative for easy access to equipment. The strategic decision to change the taste of a drink to make it appealing to millennials may be to improve economic returns. The decision to hire more knowledge workers who are anti-social as opposed to the sociable and gregarious personality types may be an important strategic decision to improve performance. A decision to locate to provide employment to community members or contribute to education may be non-economic in the short-run. The leadership style, the organizational structure, and culture are all important strategic initiatives that business leaders make. The population structure of the community, current trends, political climate are all part of the strategic management apparatus.

Competition Dimension of Strategy

Porter (1996) viewed strategy from a competitive disposition as the execution of tasks differently from other businesses to gain competitive advantage. Porter's view aligns with Bracker's (1980) explication of the word "strategy" as "defeating an enemy", in this case, the competition. Mintzberg (1994) underscored the inherently competitive nature of strategy, stating that it could be used as a means to outsmart the competitor. The question herein is that should business leaders have to only strategize to outcompete each other or adopt the framework of competing with self? This concept of "competing with self" is captured in other definitions of strategy as the resource-based strategy and innovative-focused strategy may reveal and further expatiated in this article.

Resource-based Strategy

Drucker (2008) evaluated that strategic planning and for that matter, strategic management is an assessment of the future growth of a business wherein resources are allocated to certain ventures and others abandoned. In essence as Drucker (2008) identified, a strategy is a matter of scarcity and choice from the organizational perspective. Business leaders facing limited budgets, resources, and other constraints of production may have to decide the ventures to invest in to create value for customers. Strategic management may thus be viewed as the efficient allocation of resources for business growth and sustainability.

Innovation-focused Strategy

Welch (2005) defined strategy as a business initiative that is consistently modified according to economic or market fluctuations. According to Welch (2005), "strategic management is having a great idea and implementing the heck out of it". Finding creative and innovative ways to reduce cost and price, while improving quality to improve customer demand after an assessment of internal and external factors affecting the business may be a good definition of strategic management. As Brandenburger (2019) posited, a strategy of change is undergirded by creative thinking. In essence, strategic management may be viewed as a framework of creativity and innovation to improve resource efficiency needed to create value for customers.

Strategy and Innovation

While Innovation may be to venture into new markets (Pisano, 2019), strategic management may be to determine the ventures worthy of pursuing, given limited resources. Strategic management is a function of innovation to prevent a business from losing market to its competitors and creating value to meet the changing needs of customers. Essentially, innovation is a strategic management tool needed for profit maximization and business sustainability.

The Process Involved in Strategic Management

The strategic management process involves the planning stage and the execution stage after an in-depth analysis of the needs, growth potentials, and contributions to organizational goals and purpose by all departments have been presented. As Welch (2005) noted it may also involve having a big idea and implementing it. Resource availability and allocation may determine the implementation of a strategy. Knowing what the customer wants, understanding market trends, population demographics, etc. are important in the early stages of strategic management. Hiring skilled workers and creating an innovative-culture setting to enable the implementation of strategic ideas is critical in the strategic management process. These determinants are elaborated below;

Resource Efficiency. The availability of resources of production and the effectiveness by which these resources are managed may be the starting point in the strategic management process. Effective resource management may involve programs to grow, sustain, and allocate these resources. Growing and sustaining resources may be determined by efficient innovative virtues. Efficient allocation of resources may undergird growth and sustainability and may be done through market studies of trends and behavior of customers.

Knowing the customer and more importantly, the noncustomer. Market competition is central to strategic management as Porter (1990) identified. However, knowing the customer and especially the noncustomer is essential in the strategic management process. Customers' behaviors frequently change thus there is the need to constantly research the customer to provide products and services accordingly. A savvy strategic management decision may focus on the noncustomer, against the backdrop of resources availability and skills to create value needed by the noncustomer. Understanding why there are noncustomers and implementing measures to lure them into becoming customers may be more essential in the strategic management process compared to knowing what the competition is doing.

Thinking outside the box. Donaldson (1995) pointed out that strategy entails the alignment of businesses with their environment. Welch (2005) assessed the importance of strategizing according to the environmental factors as manifested in the national and global economies or markets. Understanding the present political, social, and economic conditions and having an idea of the growth potentials of the organization is important to the strategic management process (Drucker, 2008). Organizations are not stagnant. What is effective today may be inadequate tomorrow. There are threats, risks, weaknesses, and potential for growth that may only be solved through the virtues of creativity and innovation that hinges on a customer-focused construct. The wheels of change to prevent obsoleteness and spur growth are pivoted by creativity and innovation within organizations.

Hiring. Successful strategic management involves an emphasis on the hiring process. The basic ingredient for success in any organization is the quality of personnel needed to create value for customers. Employees with a high level of skills, intelligence, competitive nature, work ethic, understanding, and love for the organization and its mission may be the difference between the success and failure of a strategy. As Welch (2005) noted, the most important thing about strategy is its implementation. Employees with skills, intelligence, and the acumen to accomplish tasks tend to be successful at implementing a strategy that may generate value for customers and at a cheaper cost.

Employers mainly hire based on an individual's experience and skill, however, other factors such as innovative edge and as Welch (2005) identified, a person’s ability at a task-execution should be considered to successfully implement a strategy. Sports organizations such as Chicago Bulls were successful because of the quality of personnel. Michael Jordan could execute Coach Phil Jackson's strategy to perfection because of his high level of skill, work ethic, and competitive nature. Business organizations may have to learn the elements of winning from sporting organizations. Hire a Michael Jordan and your strategy will be executed with skill and creative acumen.

Business leaders may look to hire people who are curious, daring, and have a special love for challenges and venturing into the realm of the unknown. A manager may ask a potential employee, "Would you like to go live in China and complete a new task?" If the response and body language are that of skepticism, this person may not likely be prone to experimentation needed for innovation to discover new things. Such a person may not be creative and innovative to change the status quo. Hiring youth with no experience may be essential to innovation. In a research by Callegarin (2017), William Wu, Vice President of branding for Universum, evaluated that Chinese youth prefer an innovative and creative work environment that allows them to be independent thinkers.

Creating Innovative Cultures. Innovation lies at the core of every strategic management decision (Welch, 2005; Drucker, 2008). Creating an organization based on innovative-culture tendencies of rewarding new ideas and pioneering initiatives, favoring experimentations, and challenging employees to compete at a higher level (Pisano, 2019) is necessary for successful strategic management implementation. Many strategies are based on knowing what the competition is doing and finding better ways to do it. However, Amazon's innovative approach to strategy is based on knowing the customers and providing according to their needs (Jureviclus, 2019). Finding new customers and the ability to determine future customer needs, tastes, and preferences based on current trends and providing accordingly are strategic management initiatives implemented by the wheels of creativity and innovation.

The Parameters of Strategic Management

The parameters of strategic management are;

1. Resources creation, availability, and allocation.
2. Cost reduction (within the organization).
3. Upgrade of product and service quality.
4. Creating new and valuable products and services.
5. Price reduction (for customers).
6. Increasing customer base both nationally and globally (maintaining current and finding unknown customers).
7. Finding new uses for existing products.

Achieving the parameters of strategic management requires creativity and innovation. Pursuing a strategic management dream of cost reduction requires innovation to change the current production and investment structure. A strategic management decision to expand globally to gain new customers or reduce cost may be a novel one within an organization but may require innovation to gain a competitive advantage over other businesses already on the local market. Improving the quality of service and product is predicated on innovation as opposed to following the guideline of strategic analytical tools. Reducing price may be an innovative construct for an effective strategic management decision. In sum, the implementation of any strategic management decision is undergirded or determined by organizations' innovative competencies or for that matter, its innovative culture.

A strategic manager may consider the following questions based on the parameters of strategic management;

1. Who are our noncustomers and how do we make them customers?
2. How do we keep existing customers?
3. How do we upgrade existing products and services or offer new products and services?
4. How do we venture into new markets?
5. How do we become market leaders or pioneers?
6. How do we cut prices and simultaneously create value for customers?
7. How do we reduce costs without affecting quality?
8. How do we assemble the most skilled and task-oriented employees that are not afraid to venture into the world of the unknown?
9. How do we improve the resource base or find alternative resources?
10. What support can we give employees to excel at their tasks?
11. How do we improve the wellbeing of society? Or turn societal problems into economic opportunities?

Answers to some of these questions are provided below;

Cost Reduction

- Strategic alliances, mergers, and acquisitions: Organizational leaders form alliances with other businesses to improve competence, reduce cost, reach new customers, etc. Businesses mainly ally to reduce the cost of production by gaining access to resources of production. They may also seek to eliminate a competitor through acquisition. Tata beverages and Starbucks merged in India to gain a competitive advantage over other beverage businesses (Mitra, 2018).

- Removing waste in the supply chain: One of the better examples of waste removal from the supply chain is Amazon's Frustrating-free packaging initiatives which ensure the reduction of materials used in packaging such as plastic clamshells, and wire ties to wrappers that are safe and recyclable. Under the program, Amazon has eliminated about 244,000 of packaging materials and 500 million boxes. Amazon is also working with manufacturers to redesign boxes by using fewer materials or resources (Mohan, 2018). This waste reduction program mitigates the cost of production and improves sustainability by reducing raw material use.
- Finding alternative sources of power, efficient water management, recycling, etc.: In the era of "going green" companies find alternative and cheaper sources of power to reduce dependence on fossil fuel. The uses of solar, wind and hydro-electrical energy are on the rise in the United States and other parts of the world.
- Relocating for tax reduction and cheap labor: The American company, Brake Parts Inc. moved part of its operation to Mexico thus laying off 280 of its workforce in America, to take advantage of cheaper labor in Mexico, thus reduce cost and maximize profits (Puzzanghera, 2016).

Quality Improvement

Quality improvement starts with the hiring of skillful and intelligent employees. Management then has to create an employee-centric organization based on praise and rewards for a job well done, and providing employees with every necessary tool such as the best technology available to help them succeed at their tasks. Monetary rewards may be a good motivational incentive (Seghal, 2019). Fostering an atmosphere of teamwork and love may also result in higher employee commitment thus performance. Creating an innovative culture wherein employees are allowed to experiment and conduct research to discover novel ideas, rather than punishing failure may lead to quality improvement (Pisano, 2019).

Customer Retention and Expansion

In an era of widespread technology, a decision to globalize may not be a novel idea. However, discovering new customers in a global or local setting may require innovative ideas. Finding new uses for existing products or venturing into new markets may also be undergirded by the innovation proclivity of employees. As Christensen, Ojomo, and Dillon (2019) assessed market-creating innovations to discover new customers may be key in spurring national development. A car producer may either find innovative ways to produce at a cheaper cost for a given market or manufacture smaller cars that are less expensive as Henry Ford did, to spur development in America (Christensen, Ojomo, and Dillon, 2019).

Programs to promote existing customer loyalty may also be an effective tool in attracting new customers. Organizational leaders engage in community activity programs including giving scholarships to students, offering a payment plan, in the form of credit cards, for the locals and taking part in community outreach programs such as donations to families for their patronage of their businesses. Many restaurants and grocery stores now donate food items to schools and the poor in communities. Community outreach programs may be a cheaper way of advertising for business enterprises.

Evaluating Analytical Tools of Strategic Management

In the 21st century of the shrinking world phenomenon, that is, technological dissemination, global socio-economic awareness and integration, cultural transparency, urbanization, and modernity, strategic management may be transformed from the dictate of an analytical tool such as PESTLE to an innovative construct. The culture, political, and social structure of countries are no longer a mystery with the advent of the internet and social media thus making it easy for strategic managers to tap into a pool of global information, knowledge, talent, and customers. Strategic managers may thus focus on innovation to set their business apart by creating improved value for customers and gaining competitive advantage herein.

The analytical tool VRIO (valuable, rare, costly to imitate, organized to capture value) focuses on the resource of a business to gain competitive advantage (Jureviclus, 2013). The importance of VRIO analysis cannot be overemphasized, however, having a rare and costly-to-imitate resource in a competitive market lends itself to theory rather than practice. It is atypical to have a rare resource that is also difficult to imitate in a competitive market with anti-trust laws. Valuable resources such as information and skillful knowledgeable workers are widespread in this age of technology and educational parity. Amazon's business strategy or resource is not rare and difficult to imitate, however it has captured a big part of the retail market by focusing on the customer as opposed to would-be competitors.

As indicated in VRIO analysis, Value chain analysis, and other analytical tools, strategic management initiatives begin with an assessment of the internal resource structure of the organization and the competition from other business organizations. The Competition analysis, a strategic management tool, for example, is based on the threats posed by other businesses. The Porter five forces model epitomizes a direct focus on competitive advantage highlighted by market rivalry, the threat of substitution, the threat of new entry, supplier power, and buyer power which emphasis alternatives on the market (Porter, 1990). Organizational leaders may adopt the framework of "competing with self" to improve existing products and innovate new ones.

Strategic Management In Practice

In the age of technology, information, educational parity, and anti-trust laws one may identify that internal resources may not be such a rarity. The focus of attention should always be on the customer and more importantly the noncustomer as demonstrated by Amazon, Starbucks, Coca-Cola, etc. Strategic management starts and ends with the customer or noncustomer. The questions that may be asked by strategic managers are, why are you not my customer? How do I keep my customers happy? These questions lend themselves to a customer-focused strategy of "competing with self" by being creative and innovative. The cases below shed light on the customer-focused innovation techniques employed by Starbucks, Amazon, and Coca-Cola.

Starbucks

Starbucks' strategic management initiatives align with innovative culture orient. Starbucks ' strategy to gain a competitive advantage is by meeting the taste preferences of customers in any local country (Flanagan, 2014). By using premium quality coffee beans, emphasizing employee friendliness with customers, and providing a conducive social atmosphere where customers can feel relaxed and read their books, use the free WI-FI to browse the internet (West, 2019), Starbucks can dominate the coffee market. In India, Starbucks strategized to enter into a strategic alliance with Tata beverages to beat other competitors including Coffee Day enterprises, Dunkin Donuts, Mc Cafe, and Costa Coffee and boost sales (Mitra, 2018).

The decision by Starbucks to be innovative with customer service and quality of the product, meet local tastes, and enter into an alliance in India to further beat its competitors in a foreign country is the epitome of effective strategic management. It is important to emphasize herein that Starbucks did not have to ally with another business in China and many other places but there was the need to, in India. The decision by Starbucks to deem it necessary to ally with Tata beverages constitutes a strategic management decision based on knowledge, savvy-ness, creativity, thoughtfulness, and innovation about a specific market.

Coca-Cola

The unique taste and affordability of Coca-Cola differentiate it from other soft drinks. As part of their strategy, Coca-Cola has been innovative by introducing a variety of products onto the market and having bottling company locations for easy distribution of its drinks, in over 200 countries and serving about 1.8 billion people a day. Coca-Cola has about 3,500 products including coffee drinks, water, yogurt, energy drinks, etc. (Bhasin, 2019). With a creative and enticing advertisement and stylish design of its bottles that bear the names of people, Coca-Cola is innovative in its strategic management to gain competitive advantage and sustainability of its business.

Amazon

Amazon’s business strategy focuses only on the customer rather than knowing what their competitors are doing (Jureviclus, 2019). Heavily relying on the internet, and other social media sites, Amazon sells millions of varieties of products at low prices to its customers. In essence, customers avoid the hustle of shopping in a physical store as Amazon delivers products to their doorsteps fast and safely. Jeff Bezos founder of Amazon was quoted as saying "the company's success lies in its low-cost structure and a wide variety of merchandise" (Jureviclus, 2019). Amazon provides low-cost products because of its online sales as opposed to the cost involved in building and operating a physical store. Amazon sells about 562 million products thus attract customers from all walks of life and ages (Jureviclus, 2019). It is clear that at the heart of Amazon’s strategic management initiatives is innovation to cut down on cost and reach untapped customers through the sale of a variety of products.

Salient Points of Cases

As the three case studies show, strategic management is undergirded by creativity and innovation pivoted by knowledge and intelligence. In all of these three examples, the organizations focused on providing a wide variety of products to meet different tastes and preferences as reflective of their broad customer bases. Amazon also was innovative by focusing on only the customer as opposed to the competition. Starbucks and Coca-Cola focused on the quality of the product. Starbucks focused also on the quality of service. Coca-Cola's innovative design was based more on creative advertising with personal appeals to customers from different cultural backgrounds as indicative of the names of people on bottles. Starbucks, on the other hand, responded to local tastes and preferences of products and building structure to appeal to customers in particular countries.

As demonstrated, at the heart of all these strategies are creativity and innovation peculiar to the specific organization as opposed to focusing on competition from other businesses. Appealing to a global audience and doing so innovatively is essential. Knowing your customers and aligning your businesses specifically with their needs may be better than focusing on what the competition is doing, as clearly demonstrated by Amazon. Technology has resulted in transparency, integration, modernization, and urbanization. There is an embrace of western civilization even in hitherto recluse and tradition-oriented cultures of India and China. Opening a McDonald's in China may not require a rigorous study of its political, environmental, social, legal, economic, technological, cultural, and religious climate.

Competing With Self: The Issue of Noncustomers

Knowing the noncustomer may be at the heart of the strategic management process. As Drucker (2008) identified, even big corporations, such as Nike, have 70% of noncustomers. The reason for the 70% noncustomers of a business may be attributed to competition on the market.

There are noncustomers because of issues of affordability, availability, and taste. Mitigating this statistic on the wheels of creativity and innovation to lure noncustomers may be the epitome of strategic management.

The Issue of 70% Noncustomers

Competition on the market may account for a business attracting 30% of customers within an industry. While others may view this statistic as misleading there may be underlying problems that require attention. Statistics on poverty and other societal problems are not misleading. According to a 2017 U.S. Census Bureau report, 39.7 million Americans lived in poverty defined by the World Bank as people living on less than $34 income per day. In developing countries, the World Bank' s definition of poverty entails over 730 million people living on less than $1.90 a day, and cannot afford basic necessities such as clothing, food, and housing (The World Bank, 2019). This may account for the 70% of Nike's noncustomers

The causes of poverty. Factors that cause poverty may be common knowledge. Lack of efficient agricultural systems due mainly to unfavorable weather phenomena and machinery especially in African countries, absence of viable economic opportunities, poor educational systems, government inefficiency, ineffective economic systems such as socialism, and unfair income distribution may be the main culprits of poverty. Income inequality, corporate greed, and government decisions that regulate the legal and economic structures within countries may be blamed for poverty in the developed countries.

Foreign direct investment (FDI). FDI may be essential to economic development as it provides the capital needed to create economic opportunities within countries. Leaders in developing countries call for foreign direct investment to create more economic opportunities, however, many businesses in developed countries refuse to invest in the economies of less developed countries for various reasons such as political instability, unskilled labor, and poor economic returns to investments as customers may be priced-out of products and services. In 2017, the total amount of foreign direct investment in the world was $1.43 trillion. The U.S received $275.4 billion, followed on the list by China with $136.3 billion, and Hong Kong with $104.3 billion (Desjardins, 2019). There were no African countries in the top 15 of the list of countries that received direct foreign investments as the vicious cycle persists in many an African country.

Societal problems. The purpose of a business is to create a customer through the offering of valuable products and services to improve wellbeing (Drucker, 2008). People living in poverty without cloth may benefit from Nike, Under Armor, and Polo apparel if prices are reduced, however, the target customers of these companies are the ones that may be able to afford their products. Byrne (2009) identified that corporations, or for that matter business in general, were created to improve the wellbeing of members of society. That is, to solve societal problems, however, corporations may be more interested in maximizing profit thus fix price or offer products targeted at the wealthy.

The problem herein is that business leaders seek to maximize profit thus price out the poor by targeting the wealthy. Societal problems are business opportunities (Drucker, 2008). Exploiting societal problems of pollution, poverty, poor infrastructure, for economic gains may be strategic to business purpose thus growth. Being creative and innovative to reduce price and produce new products and services to meet customer tastes, preferences, while turning noncustomers into customers may be the essence of strategic management as opposed to competing with other businesses for the same customers by providing alternative products.

The problem of poverty in America and other developed countries may be due to income inequality, preferred skills, and food wastage. Duhaime (2019) reported that 10 million tons of food are thrown away every year in America. This problem could be curtailed through proper food storage and distribution. Restaurants and grocery stores may donate surplus foods to low-income families in their neighborhoods. Sealed Air Corporation has innovated an efficient packaging system to improve the shelf-life of food to reach customers. Businesses may be creative and innovative to further mitigate the problem of poverty and other societal problems.

Quinnell (2018) pointed out the unfair income distribution in America wherein the average CEO receives about $14 million compared to the average employee's $40,000. According to Quinnell (2018), the pay of the average worker has remained the same for over 50 years when inflation is accounted for. Organizational leaders may change the pay inequality to support their employees' standard of living in adherence to Maslow's (2014) theory of self-actualization wherein employees exhibit creativity and innovative tendencies. Government-approved minimum wages may be inadequate to offset the inequality in the system.

A Model of Strategic Management

As identified, strategic management tools are centered on gaining a competitive advantage on the market. Powell (2014) noted that in the strategic management process, there is a tilt in favor of competition on the market rather than a focus on the changing needs of customers, a strategy of Starbucks. A customer-focused approach to strategic management based on creativity and innovation orient may be the best fit to provide solutions to changing customer behaviors. Organizational leaders may thus focus on self-competition thereby improving resources and creating an innovative mechanism to produce value for customers while luring noncustomers.

Internal Organizational Efficiency

A novel strategic management initiative may focus on customers, noncustomers, and societal problems. Internal organization efficiency is needed to meet the needs, tastes, and preferences of customers while viewing societal problems as economic opportunities worthy of exploitation. As Welch (2005) noted, organizations are made up of people, not machines and buildings. Efficiency in human resource management that entails the creation of a culture of innovation and hinges on an employee-centric organizational structure of effective information and knowledge-sharing may thus suffice.

Rewarding employees monetarily is a motivational incentive (Seghal, 2019) to spur commitment and performance. As Pisano (2019) identified, allowing failure, a consequence of experimentation, is vital to the development of employees' innovative and creative acumen. Bahcall (2019) emphasized on the need to encourage employees to be change agents as innovation requires, and not use their failure in that regard to hamper any rewards in the form of future promotions. It is also essential to develop employees through training programs that fit their job requirements, personality and also their ability to be dynamic for the future (Drucker, 2008).

External Organizational Efficiency

Meeting the needs, tastes, and preferences of customers, luring noncustomers, understanding market trends, and exploiting economic opportunities from societal problems may involve the undertaking of community involvement programs to gain first-hand knowledge, as part of an overall market research structure. Jansen, Sen, and Bhattacharya (2015) assessed in their research, the strategic implications of engaging in community development through a program of corporate social responsibility. Valenti, Carden, and Boyd (2014) evaluated that community involvement under corporate social responsibility presents economic benefits in the form of product differentiation and reputation building for a business.

Doing good in the community under corporate social responsibility and other community involvement programs are especially crucial in the age of social media and the internet, as any mishap or good by businesses are spotlighted, thus presenting beneficial or devastating consequences. Customers may identify more with and thus become loyal to businesses that sponsor educational programs, provide scholarships for their children, donate to hospitals to lower healthcare costs on families and promote the wellbeing of community members.

It is essential to note that societal problems affect businesses in many ways hence managements' strategy to locate in areas of most support in the form of purchasing power, skilled human resources, infrastructural development, etc. Education is key to the creation of a skilled worker. It may thus be strategic for businesses to help mitigate the social problem of a low standard of education, poor health facilities, and infrastructure to create skilled and able-bodied workers and a social structure worthy of supporting business growth and development.

Conclusion

In the 21st century of the shrinking world phenomenon characterized by technology dissemination, global socio-economic awareness and integration, international cultural and political transparency, urbanization, and modernity, strategic management may be transformational. The framework of strategic management that hinges on competition from other businesses may be tilted in favor of the concept of "competing with self" wherein business leaders emphasize the creativity and innovative acumen within their organizations, to meet the needs of customers, lure noncustomers, and exploit economic opportunities in societal problems.

Effective strategic management may require internal integration, development, and allocation of resources to spur a response mechanism based on innovation and creativity, considering the flux nature of customers, market trends, globalization, and societal problems, notwithstanding competition from other businesses.

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