

The way which we perceive a paradox says a lot about the way we understand the theory and practice of strategic management.

The idea that the paradoxical situation which the scientific and scholar public have found themselves in can be solved defines strategic management by the following: Stability, regularity and predictability.

The idea that the paradoxical situation which the scientific and scholar public have found themselves in cannot be solved defines strategic management by the following: Instability, irregularity and unpredictability.

In the first scenario, the paradox is solved by a *permanent removal*, whereas in the second scenario, the paradox is solved by a *permanent reshaping* (Stacey, 1993).

## **Theoretical framework of strategic management**

If we were to make an insight into the discipline's current state, it can be noticed that strategic management is being developed both as a heterogeneous and a scattered discipline (Tipurić, 2013). Without getting into details on the formation of the theoretical framework for studying strategic management, it can be undoubtedly stated that the increased focus on strategic management and its formation was strongly influenced by the observation of the concept of strategic management: *Either as a group of people or as a permanent process*.

Strategic management is not just the task or privilege of the managerial elite or a group of managers within the field of strategic management. Strategic management must be perceived as a specific philosophy and competence that embodies the entire company in order to achieve the formulated goals.

Strategic management is not just a process or a cycle, despite the fact that different authors try to represent different phases of the process by different schemes and charts. Strategic management must be recognised as a process connected with the flow of information between mutually connected phases of analysis with a purpose of achieving set goals.

Such a phenomenon often leads to the creation of a semantic disorder and inability to adequately interpret strategic management. An observation of different recently published papers leads to the conclusion that many authors, in an attempt to contribute, create, usually inconsistently, certain logical and methodological distinctions which result in different observations and different names of certain parts of strategic management. That is undoubtedly the result of selecting a certain approach to strategic management observation. Such a differentiation means a lot for the theoretical framework of strategic management, whereas it has little significance for the practical framework of strategic management since it does not, essentially, change or move anything.

The entire framework of strategic management study must consider all approaches to strategic management together: *Either as a group or as a*

*permanent process.* This enables the creation of a theoretical framework for strategic management study whose understanding and application require forming its parts which we call constructs. Following such logic, there are groups of theoretical and practical literature categorised in several basic elements creating the theoretical framework of strategic management.

Some approaches are more widely spread and influential, whereas others have less of these features. Accordingly, the elements of the theoretical framework of strategic management can be roughly classified by scale and purpose as follows: (1) Strategic management schools, (2) strategic management perspectives, (3) strategic management tools and (4) strategic management portfolio.

*Strategic management schools* are conceptual frameworks used accordingly as basic theoretical instruments. For analytical purposes, the following nine strategic management schools are (Mintzberg, Ahlstrand, Lampel, 2005)

- 1 The design school refers to the observation of the business strategy process as an imagining process, i.e. a process of informal design.
- 2 The planning school refers to the observation of the business strategy process as a formal process of systematic planning.
- 3 The positioning school refers to the observation of the business strategy process as an analytical process aimed at business strategy content.
- 4 The entrepreneurial school refers to the observation of the business strategy process as a process of conceptualisation, a feature found in great leaders.
- 5 The cognitive school refers to the observation of the business strategy process as a mental process with an accentuated role of cognition.
- 6 The learning school refers to the observation of the business strategy process as a process of emerging beyond the supervision of top managers.
- 7 The power school refers to the observation of the business strategy process as negotiation between latently and affectively opposed sides.
- 8 The cultural school refers to the observation of the business strategy process as a collective process and a cooperative dimension in the process of strategy creation.
- 9 The environmental school refers to the observation of the business strategy process as a reactive process whose resources can be found in the extern surrounding.

The aforementioned strategic management schools are a conceptual model of investigating the process of strategic management, i.e. the role, significance and influence of formed business strategy concerning business. The basis for forming strategic management schools is mutual connections concerning the attitude and opinion of individuals which lead to the

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formation of logical and substantial units. Authors seek to place strategic management schools into a single unit.

*Strategic management perspectives* are a conditional category referring to wider and more comprehensive conceptual frameworks. For analytical purposes, the following three strategic management perspectives are highlighted (DeWit and Myer, 2014):

- 1 Strategy process refers to the formation of business strategy, the way to conceptualise the manner of creating a business strategy.
- 2 Strategy content refers to the result of business strategy, which inputs to consider to receive fixed final outputs.
- 3 Strategy context refers to strategic management surrounding, which intern and extern situations are embedded into the previous two dimensions.

Each strategic problem is three-dimensional: It includes the features of the process, the content and the context. A comprehensive observation and investigation of the three dimensions is the only way to understand strategic problems. Their interaction is visible. For example, the organising manner of a strategic process significantly affects the way the future strategic process is conducted.

*Strategic management tools* refer to more narrow conceptual frameworks used as auxiliary instruments of strategic management. For analytical purposes, the following two strategic management tools are highlighted:

- 1 The SWOT tool refers to the combination of strengths and weaknesses with opportunities and threats of intern factors towards extern factors.
- 2 The TOWS tool refers to the combination of strengths and weaknesses with opportunities and threats of extern factors towards intern factors.

All the processes need to be used to ensure an overall perspective and a credible basis for helping the company to create competitive advantage.

It often happens that certain factors are misclassified; hence, extra caution must be taken when considering a list of potential factors for discussion. However, it is far more useful and practical to say that the weakness of a company is the management's unsuccessful product development or sales increase.

*Strategic management portfolio* refers to conceptual frameworks used as auxiliary instruments of strategic management. For analytical purposes, the following two strategic management portfolios are highlighted:

- 1 Boston Consulting Group (BCG) portfolio refers to the combination of the market growth share with relative market share, starting from lower towards higher participation.