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**Vasif Haziye**

Azerbaijan Cooperation University

Doctor of Economic Sciences

1\_hvb\_1@mail.ru

<https://orcid.org/0000-0003-0465-3917>

## World Experience of Strategic Business Management

### Abstract

The concept of strategic business management requires the creation of organizational strategic management structures at the top management level. This structure includes the creation of a strategic development unit and strategic business centers (STM). Each STM combines several production units. The number of STMs is less than the number of production units. 110 production units operating in Westinghouse Electric Company of the USA are directed by 37 STM. Production units are concentrated in strategic economic centers and managed through them. STMs, in turn, are directed by strategic development groups, which are the upper structure. Already, strategic development groups have been established in 20 % of the 500 largest corporations operating in the United States. When creating STM, great importance is attached to choosing the right sphere of activity. STMs are responsible for producing and selling competitive goods at the right time. US corporations use matrices as the main organizational management structure.

Japanese management refers to the line-headquarters and project organizational management structure in the management of companies. Also, these structures are distinguished by their flexibility in Japanese companies, which increases intra-company mobility and provides quality adaptation to new conditions.

Strategic business management is more typical for Japanese firms. As Professor Ishikawa Kaori points out, while American firms have extensive discussions about current revenue growth and raising stock values, Japanese firms focus on long-term strategies. Japanese management has a stronger base of strategic approaches-excellent quality control system, strategic plans, long-term risk management. Japanese companies, which lose relative to Western and American companies in operational decision-making, surpass them in strategic decision-making and the frequency of mastering the implementation of strategies.

**Keywords:** *business, strategic, management, personnel, management, personnel*

### Introduction

Strategic business management is one of the most important factors for successful operation and survival in the harsh market conditions and competition. The change of the environment makes it necessary for the organization to adapt to the new environment and the environmental requirements change. Building an optimal company activity system in accordance with new requirements is the main task of strategic business management. The main goal of strategic business management is to achieve the desired positions by ensuring successful company activity in the long term, achieving higher organizational goals, its preservation and strategic development of the organization. And in order to achieve these clear goals, the implementation of specific tasks of strategic business management is necessary (Adams & Ferreira, 2007). Although the goals and objectives of the concept of strategic management for business subjects of different countries are general, the achievement of these goals and objectives has a very specific character. Depending on the level of development of the country, the business environment, the country's historical national roots, geopolitical and geographical location, public awareness and its level of development, the state's business support policy, the level of competition and many other factors, strategic approaches to business and views of business enterprises of individual countries is different by In Japan and China, one priority is given for the future development of the company, but in the USA and

Western Europe, other priorities are highlighted. If the East achieves its goals with strong mental visions and deep traditions, the West develops with political movements and individual visions.

### Research

As noted by Kemichi Omen, a teacher of Harvard University, the economic landscape of the world, as well as the political and cultural landscape of the world, are shaped by the 3 power centers of the world – the USA, Japan, and Western Europe, which are the main characters of the "Triad concept" (Antonov, 2020). The laws, ideas, principles, and concepts created by these countries in the field of strategic business management are a necessary source of experience and research for other leading countries of the world. Nowadays, many brands are created and developed by companies from these countries. Currently, the 20 best international brands belong to these countries. According to the statistics of "Fortuna" magazine in 2006, 500 global companies of the world were identified. 170 of them belong to the USA, 70 to Japan, 38 to Britain, France, Germany and the rest to other countries. These countries account for 4/5 of the large foreign trade operations in the world economy. The largest multinational corporations have their origins in these regions. 2/3 of the international trade turnover is managed by TNCs. Currently, the number of TMCs is over 50,000, and the number of branches worldwide is over 4 million (Ansoff, 2018).

According to the information of the UN Conference on Trade and Development, 2 trillion of world trade turnover forms the dollar. The largest TMKs are companies owned by the USA, Great Britain, Japan and Germany. In most of these TMKs, more than 70 %, strategic management and strategic analysis are carried out in an institutional form. In the field of management, especially in the field of strategic management, companies, scientists and researchers of the mentioned regions have created important information and knowledge, including practical skills. Starting from this level, we will consider the world experience of BSI in the experience of the USA, Japan and Western Europe.

US experience. Strategic management of business is actually a concept based on strategic management. Strategic management, in turn, embodies the characteristics of general management (Chubb, 2006). Igor Ansoff, Michael Porter, Strickland, Thompson are considered the main creators of American strategic management. The concept of strategic business management used by modern American companies takes its theoretical basis from the ideas of the mentioned authors.

American management basically carries the views of Henri Fayol, a representative of the classical school. American G. Luther and U. Lindal accelerated the popularization of the main terms of the classical school (Antonov, 2020). Other American authors, in turn, made new changes, clarifications and additions to American management. The classical school had a significant influence on the American management theory and the directions of modern company management in later times and in modern times. Modern American management is based on three historical foundations:

1. Availability of markets.
2. Industrial method of production organization.
3. Corporation as the main form of entrepreneurship organization.

The American model of strategic business management. The essence of the company's philosophy is that with the change of management, the staff and employees change. New leadership presents a mission statement and formulates goals. New approaches, views, new management thoughts are emerging. New ways of company development are being sought.

Approach to strategy – It is the methods of using resources and means aimed at achieving the set goals. The strategy is the main activity program that includes the priority problems and their solutions, the ways to achieve the main goals of the corporation. The strategy formulates the company's main goals and main directions of activity. New goals require new strategies (Filatotchev & Wright, 2011).

The objectives of the firm are to achieve the growth of revenues and the provision of dividends to shareholders and other stakeholders.

Organizational management structure. Modern American management accepts the corporation (joint-stock company) as the main form of organizational law. In the 1970s, some corporations, and

in the 1980s, almost all US corporations practiced strategic business management (Estrin & Prevezer, 2010). The essence and importance of BSI for corporations is that it ensures the development of long-term strategies to win the competition, achieves optimal management in real time.

The concept of strategic business management requires the creation of organizational strategic management structures at the top management level. This structure includes the creation of a strategic development unit and strategic business centers (STM). Each STM combines several production units. The number of STMs is less than the number of production units. 110 production units operating in Westinghouse Electric Company of the USA are directed by 37 STM. Production units are concentrated in strategic economic centers and managed through them. STMs, in turn, are directed by strategic development groups, which are the upper structure. Already, strategic development groups have been established in 20 % of the 500 largest corporations operating in the United States. When creating STM, great importance is attached to choosing the right sphere of activity. STMs are responsible for the production and sale of competitive goods at the appropriate time (Popov, 2010). US corporations use matrices as the main organizational management structure.

Personnel appointment and personnel policy. Selection of workers from labor markets through business schools, universities. Personnel policy is aimed at individual, personal career development. Ensuring mass participation of employees in participative management is organized. Participative management is carried out in the following directions:

- giving employees the right to make independent decisions,
- involvement of employees in strategic decision-making,
- giving the employee the right to control quality,
- employee participation in improving the management system,
- preparation of revenue sharing system.

To involve the general representatives of employees in the work of the board of directors. In recruiting employees, their knowledge and skills are checked for the vacancy by means of test method, competition method, and special evaluation centers. Individual attestation and assessment of employees. Payment of salary according to the individual achievements and results of an individual employee.

Organization of labor and production. The main focus is on production and environmental adaptation. Employees perform their work based on precise job instructions. The salary level depends on the position, work performed and specialization. At the same time, wages are adjusted based on supply and demand in the labor market.

Employee stimulation and motivation system. The level of stimulation is not very high. The motivation system is based only on market results. However, salaries of presidents in US corporations are several times higher than in other countries. Internal and strategic planning.

Internal planning of the company is decentralized, separate structures plan the main financial indicators, costs for production, ETTKI, sales. Strategic planning is carried out by the top management. STMs are used in new product releases.

Financial policy. Business administration distributes revenue among departments. Production capacity and capabilities are increased due to acquisition of other companies. The corporation is mainly based on the principle of self-financing.

Quality management concept. High quality comes at a high cost. Higher quality can be achieved with lower productivity. Quality control is performed by a quality control inspector. Labor productivity increases due to the rational division of work between those who think about production and those who are engaged in production.

"The East is a delicate issue." The Japanese experience. In the last two decades, Japan has taken an important position in the world market. Although Japan's population is 2 % of the world's population. This country accounts for 44.5 % of the world's stock value. Japan's creation of such competitive advantages in the world comes from the specificity of its management model, which focuses on the human factor. Throughout the entire historical development, Japanese labor methods and behaviors are characterized by national features (Zhang & Wu, 2017).

One of the main characteristics of Japanese management is frugality. High quality is always a top priority. In Japanese management, the "social person" factor is very strong, the corporate spirit is high. The main management subject of Japanese management is labor resources. Management specialist Hideki Yoshihara attributes the achievement of strategic goals and international success of Japanese companies, as well as the acquisition of competitive advantages, to the following characteristic features of Japanese management:

1. Employment guarantee and creating an environment of mutual trust. Such a guarantee creates stable labor resources and prevents staff turnover, strengthens mutual trust between employees and between employees and managers.

2. Solidarity and company values. High corporate spirit and culture.

3. Management based on information. There is detailed information about each job, which increases employee responsibility.

4. Quality-oriented management. A large number of factors affect the quality of the manufactured product. The degree of influence of each of them can be studied only with the help of statistical methods. These methods minimize the level of defective goods. The seven most widely used statistical methods are: Pareto diagrams, Ishikawa scheme, control cards, histograms, Rasseanist diagrams, graphs, checklists. In the quality control system, total control takes a central place. In companies, not specific individuals are responsible for the entire collective quality. The quality control structure is only engaged in advisory service.

5. Lifelong involvement of employees. 30 % of all employees recruited for large Japanese firms are lifelong employees. Employees are selected from university graduates and a formal agreement is signed with them. The employee will work in this company until the end of his life (until retirement age), and the company will provide him with a good salary, high respect, and a stable job. Such an approach strengthens the employee's interest in work. If the employee does not even cope with the work, the Japanese see the problem not in his incompetence, but in the fact that he is not in the right place and transfer him to another job.

6. Personnel policy and personnel training. Continuous training and professional development occupy the main place in management. Employees of various categories, including managers, participate in a large number of courses and trainings. The cost of training a skilled Japanese worker is 6 times higher than that of an American worker. Training of management personnel occupies one of the main places in personnel training. Training is conducted very intensively, even strong specialists from different countries are invited. For the Japanese, professional personnel are the main national wealth. Every few years, there is a personnel rotation – the transfer of managers and employees within the company. The Japanese believe that long tenure of an employee in the same position reduces his interest in the job. The salary system consists of three parts – base, additions and bonuses.

Rejection of the idea of punishment. In Japanese companies, employees are rarely punished. Here Deming's principle is "98/2", which means that 2 % of things can go wrong due to human error. Minoru Shibata, the chairman of the board of directors of Toyoba company, and Masayuki, a representative of Machusita company, were surprised by the Russian researchers' question about the punishment. Instead of firing the employee, it is necessary to remove the real reasons that hinder the business processes. Masayuki answered the question of what do you do when employees are regularly late for work: "For the Japanese, work is a matter of pride, they enjoy work. However, there was no such case that any employee was late for work.

However, if this happens, deductions can be made from the salary at the end of the year". The chance of workers being fired is very low.

7. Team work skills. Here, putting forward the strategic development ideas of any business is a product of teamwork. The basic essence of the firm's philosophy is that if the executives change, the overall development path of the firm does not change. The main goal of the company is to achieve strategic goals by improving the welfare of employees.

8. Expanding the application of participatory management. It provides for the participation of a large number of employees in the preparation and implementation of strategic plans. Of course,

strategic business management requires a strong strategic potential. The main part of this potential is human resources, which is the main key to Japan's success in modern times. Involvement of most of the workforce in making strategic decisions increases the quality of strategic choices. Because every company employee is a potential information carrier.

Japanese management refers to the line-headquarters and project organizational management structure in the management of companies. Also, these structures are distinguished by their flexibility in Japanese companies, which increases intra-company mobility and provides quality adaptation to new conditions.

### Conclusion

Strategic business management is more typical for Japanese firms. As Professor Ishikawa Kaouri points out, while American firms have extensive discussions about current revenue growth and raising stock values, Japanese firms focus on long-term strategies. Japanese management has a stronger base of strategic approaches-excellent quality control system, strategic plans, long-term risk management. Japanese companies, which lose relative to Western and American companies in operative decision-making, surpass them in strategic decision-making and the frequency of mastering the implementation of strategies.

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