

# EVOLUTION OF STRATEGY; APPLICATION OF STRATEGIC KNOWLEDGE FROM YESTERDAY'S WAR TO TODAY'S BUSINESS MANAGEMENT

\***Abdolhadi MOTAHARI** (Orcid ID: 0000-0002-9700-3798)

\*Qom Water and wastewater Company, Iran

## ABSTRACT

*Strategy has been used as a military concept for many years and after the first half of the twentieth century, it opened its place within the social sciences in the field of economics. The purpose of this research, which is a library, in the first stage is to explain the concept of strategy and examine its evolution from military application to its application in business management, and in the second stage is to answer the question of what are the differences between military concepts and management. Is there a business for the concept of strategy? The result of this study indicates that the difference between military strategy and business management is that it is mainly on the type and fight of competition. In other words, in military application and generally in wars, the arena of competition on the battlefield and defeating the enemy is the ultimate goal. Businesses limit their competitive ambitions and seek to coexist in business instead of destroying competitors. Also, in military strategies, the result of competition is defeat or victory, but in strategies, business is the result of gaining all kinds of competitive advantages. Another result of this study indicates that although the word strategy is derived from military knowledge, but the evolution of management strategy is more or less ongoing and in the present era, military knowledge is still used to achieve the goals of businesses.*

**Keywords:** *strategy, evolution, military origin, business management, business competition.*

## INTRODUCTION

Organizations need business strategies as much as armies need military strategies to give direction and purpose to their work, use resources more effectively, and coordinate decisions made by different people. The roots of many concepts and ideas about business strategy are rooted in military strategy because the concepts of strategy were formed from the heart of military battles. To defeat the enemy and the one who has lined up to fight on the opposite front.

This question may have arisen for anyone, where does the word strategy come from? In fact, this word is derived from the Greek word *strategia* meaning "military management". But the concept of strategy did not originate from Greece: the classic work of Sun Tzu (*The Art of War*) around 500 years BC is known as the first description and definition of strategy. Today, strategy is defined as the creation of a unique advantage to distinguish the organization from its competitors, and the basis of work is the management of this distinction (Pasbani et al., 2017). There has been a variety of it. A brief overview of the views on strategy shows that on the one hand, some consider it as a traditional concept and idea that had a military origin from the beginning and should be understood and explained only in this context, without paying attention to the change of time and place and on the other hand, some people, regardless of this historical background, consider strategy as a modern concept and idea and as a general category that can be applied in any organization or management field. The purpose of this research, which is of a library type, in the first stage is to explain the concept of strategy and its evolution from military application to business management, and in the second stage, it is to answer the question of what are the differences between military concepts and business management. From an economic point of view, is there a concept of strategy? Basically, in this article, we are looking for an answer to this question: What has changed in the evolution of the concept of strategy in its current applications?

## WHAT IS THE STRATEGY?

Strategy can be defined as "to drive, to send, to send, to take and to follow". It is not bad to first refer to the lexical root of strategy. The word strategy is derived from the Greek root Stratigma, which means army commander, composed of Stratos, which means Army, and Ego, which means leader. The concept of strategy was first used in military science as the technique, guidance, adaptation and coordination of forces to achieve the goals of war. In another place, strategy is defined as follows: strategy is a set of main goals and general policies and plans in order to achieve these goals in such a way that it is able to explain these issues in which business and what type of organization it operates in. do or want to operate. (Motahari, 2022)

Then the theorizing of management science, strategy has been defined as how to optimally allocate scarce resources to achieve economic goals. Strategy determines the fields of activity in a complex and dynamic environment and is a tool that gives life to the human element in an organizational system and makes people move. Strategy is the use of all political, social, economic and military opportunities in order to prioritize goals and implement them in such a way that the probability of failure is minimized and the probability of success is maximized.

Ansoff, as the first scientist who explained the strategy in a comprehensive and meaningful way, here are two different definitions of strategy presented by him: 1) smooth strategy and 2) general (or mixed) strategy. According to Ansoff, smooth strategy is a certain movement or a series of movements of the organization. For example, like a product development program that the organization follows. Overall or mixed strategy also represents a statistical decision rule because the organization will choose which type of smooth strategy in a certain situation. He believes that the more compatibility there is between the goals and current activities of the organization, the higher and more regular the rate of growth and development will be (Motahari, 2012).

In 1962, Chandler defined strategy as follows: Strategy is a single, comprehensive and integrated plan that relates the organization's strengths and weaknesses to environmental opportunities and threats and enables the achievement of the organization's main goals. He defines strategy as determining long-term goals and objectives in the organization and for the realization of these goals, allocating the necessary resources and preparing appropriate activity plans.

Anthony has provided a similar definition. Deciding on the policies related to the organization's goals and changes in those goals, the resources used in them, determining the characteristics of these resources and their distribution and use. A shorter definition with the same meaning and content has been provided by Tails. Strategy is a complete set of policies and specific goals of an organization.

According to Andrews, strategy is a name that is given to the purpose, goal, and all the tasks and to realize these in the necessary ways, because of what work the organization does or wants to do, what kind of organization it is or wants to be. define

Hofer and Schendel both interpret strategy as the activities that provide coordination between the internal resources and capabilities of the organization with the opportunities and threats of the external environment. Another definition defines strategy as choosing the necessary activity plans to achieve the main goals and objectives of the organization and allocating resources in relation to the organization's environment (Motahari, 2017).

By carefully examining these definitions, it can be seen that there is a common understanding about the overall content of strategy, but some differences are also seen among them. For example, Ansoff studied strategy separately from the goals of the organization. Decision making method with incomplete information is risky and uncertain. In a more precise sense, it is the specified way of moving to realize a goal.

Chandler Vandross has studied the definition of strategy, goal setting and strategy together and considered them both as a long-term process, so the strategy approach is a long-term process that the past successes of the organization, the situation in which it is located and it includes what he will do in the future. Along with accepting the same approach, Anthony and Tyles have considered strategy as a set of goals and policies. Hofer and Schendel have prioritized the relationship between the organization and its environment in their self-definition. In some of the Latin sources, the same strategy is expressed from the

concept of *striatum*, which means a road, path or river bed. Despite the difference regarding the root of the word, with a general attitude, it can be said that both definitions contain similar concepts, which shows the correctness and consensus (Motahari, 2012).

Here too, with the same logic, strategy expresses the meaning that in order to provide the possibility of finding superiority over competitors, the organization organizes its relations with the environment and mobilizes its resources towards the goal, but so far about this issue There has not been such consensus, on the other hand, due to the attention and importance of the strategy to the relationship between the organization and the environment, the unknown increase due to the continuous change of the environment and the diversification of the organization's tasks, and the complexity of the different views of the writers on this issue, and also due to many reasons. Such a definition that is widely accepted has not yet been made for this issue. In addition, there is no difference between the views in terms of the fact that the strategy regulates the relationship between the organization and its environment.

Basically, strategy is a military term that means measuring the position of oneself and the opponent and making a plan to face him in the most appropriate position. But gradually this term, or in other words, military technique, found an important place in political and then economic leadership and management. In a simple sense, strategy means the overall method to achieve the overall goal. A strategy is a single, comprehensive and integrated plan that relates the main advantages or strengths of the organization to the environmental factors (Gluck and Jach, 2017: 14). Strategy is a comprehensive picture of long-term goals, short-term goals and objectives, and major policies and plans to achieve goals in which the existing or future mission of the organization and the existing or future character of the organization are explained (Fourhanded Dehkordi, 2009: 13).

In 1999, Johnson and Schulz define strategy as follows: Strategy is the direction of movement and the framework of decisions of an organization in the long term, which leads to the organization's desired results in a changing environment. Henry Mintzberg went beyond these limits and proposed five different concepts for strategy and called them 5p (Plan-Ploy-position-perspective-Pattern): strategy as a plan or plan, strategy as creating a risk for the competitor, strategy as A position between the organization and the environment outside the organization, strategy as an image and strategy as a procedure or style.

Strategy is the decisions that are taken to create or hunt leading opportunities in a transformative way (Ali Ahmadi, Fathullah, and Tajuddin, 2013: 33). Strategy can be defined as the process of determining long-term fundamental goals, adopting work methods and expertise of resources necessary to realize these goals. This definition proposes two theories about strategy: a) planning mode b) evolutionary mode. In the first case, the plan has already been formulated, but in the second case, the plan emerges over time as a model in the course of important decisions. In short, the strategy includes both the final results and the means to achieve them (Robbins, 2012: 112 and 113). Strategic matters are considered to have at least three conditions: to be long-term, to be in a competitive environment, and to have a vital aspect (Gluck and Jach, 2017: 111). A good strategy at the level of the whole organization should make the goals, policies and strategies of the organization interdependent, coherent and integrated as a whole (Sarлак and Farati, 2012: 190). Strategy can have an external or internal origin, in other words, control can also be self-control (Najat Baksh Esfahani, and Motahari , 2013).

In this research, strategy is examined as goals and tools (activities and resources necessary to achieve goals) (Sadegh pour et al. 2021). Therefore, strategy can be defined as "analyzing the relationship between the organization and its environment, determining the direction and goals of the organization, establishing the activities that will realize them, and reorganizing the organization by allocating the required resources".

In this definition, strategy is a conceptual concept that determines in which areas the organization should operate, which goals should be achieved by which means and tools, and which behavioral patterns should be followed, because in the general sense of the organization's direction, goals Measurable and in relation to them, the means and methods are the determining features of the strategy. The external environment is considered as the factor that forms the defining features, the basis and foundation of the strategy, because gradually the external environment changes in an increasing way due to the mutual dependence of the organization with the environment, which makes it necessary to change and adapt the organization to the environment. (Najat Bakhsh at al., 2018)

In addition, the explanation of reorganization of the organization that is mentioned in the definition is to emphasize and point out another feature that exists in relation to strategy, because strategy is an auxiliary tool for the organization that transforms the changes resulting from the environment into a constructive plan. Therefore, a new strategy can make it necessary to change current behaviors and relationships between employees, which also indicates renewal and development in the structure, policy and process. On the contrary, due to incompetence and defects in these factors, a strategic problem will arise.

## **EVOLUTION OF THE CONCEPT OF STRATEGY**

The concept of strategy has been used as a military concept for years. Therefore, the strategy in a war to achieve the result is the science and art of arranging and deploying the corps (army) of one of the warring parties. In our country, the word equivalent to the strategy that has been used is the word military advance, which is directly related to military operations and is defined as the concentration of military units in the most appropriate way and, if necessary, the art of moving. In other words, strategy means determining whether the enemy can perform an action or not, and whether or not he will do something about laying out a general plan, positioning his forces and, if necessary, moving it.

After the first half of the 20th century, strategy opened its place within the social sciences in the field of economics. Until this date, the concept of strategy has been dealt with in some of the authors' works, but strategy in the economic sense was first introduced by two scientific figures. It is used in the name of Newman and Morgenstern, who were both economists and mathematicians. Newman and Morgenstern studied the strategy from the point of view of individual economy and tried to systematically and systematically express the clever tricks of two players who try to overcome the opposition. Here, it was assumed that the players know the performance methods of the competitors completely and can make decisions that maximize the winning methods. As in chess, the game is under very specific conditions. Although this hypothesis is not acceptable in economic and social events, but game theory has been taken into account and has helped to form the basis of strategy in social sciences.

The use of the concept of strategy in the field of organization and management began in the second half of the 20th century. To the extent that strategy brings business logic to the organization (Stacey, 2015: 145).

## **WHAT IS THE DIFFERENCE BETWEEN MILITARY STRATEGY AND BUSINESS STRATEGY?**

Carl von Clausewitz, who is known as the father of modern strategic studies, defines military strategy as the use of battles in order to obtain the final victory in the war. Liddle Hart's definition of military strategy has less emphasis on battle: military strategy is the art of distributing and using military capabilities in order to fully meet the goals of the strategy. Military strategy and business strategy have common concepts and principles, the main of which is the difference between strategy and tactics. Strategy is a general plan for using resources in order to create a favorable situation; A tactic is a plan for a specific course of action. While tactics are related to the maneuvers necessary to win battles, strategy deals with winning the war. Strategic decisions and how to make strategic decisions (whether in the military environment or in the business environment) are common aspects of both perspectives, each of which has three common characteristics:

- Are important
- They require the allocation of significant resources
- They are not easily reversible

Many of the principles of military strategy have been applied in business situations and have been very successful and have been able to determine the winner of the competition. These principles are:

relative strengths of offensive and defensive strategies; criteria for preemption versus frontal attack; the role of graded reactions to aggressive actions; The benefits of surprise; and the potential to deceive, encircle the enemy, increase the scope of the war and attrition of forces.

At the same time, there are important differences between commercial competition and military conflict. Usually, the goal of war is to defeat the enemy. The goal of business competition is not to be aggressive: most business organizations limit their competitive ambitions and seek coexistence rather than destruction.

The study of strategic management is one of the legacies of the army. For the first time in the battlefield, terms such as mission, long-term goals, strengths and weaknesses were used. In many ways, the strategies of a business organization are the same as the strategies of a military organization, and strategists in military organizations have learned over the centuries that they can be just as profitable as strategists in business organizations. Military and commercial organizations try to use their strengths to exploit the weaknesses of rival organizations. If the overall strategy of an organization is incorrect (ineffective), then all the available functions in this world will not be able to make it successful. Random strategies usually do not yield pleasant results in the success of military or commercial organizations. Rather, success is in the shadow of constant attention to the changes that occur in the internal and external conditions of the organization, and in order to compromise against these conditions, one must think carefully, develop strategies and implement them. Competitive advantage makes the strategies of both organizations (commercial and military) achieve significant success: information systems make it possible to collect data about the strategies and resources of competing companies, and these are of vital importance. Obviously, the main difference between the strategies of a military and commercial organization is that in a commercial organization, for the formulation, implementation and evaluation of strategies, the assumptions must be based on "competition", while the strategies of a military unit are based on assumptions based on are in "conflict". Despite this, conflict in military organizations and competition in commercial organizations are so similar that many strategic management methods and techniques can be used in both organizations in the same way. Strategists of commercial organizations can use valuable insights and insights that military thinkers have obtained after years of refinement. If the rival organization is superior in terms of resources and number of forces, the other organization can overshadow these advantages by formulating a strategy and implementing it.

In order to increase their success, military and commercial organizations must be adaptable to changes, constantly adapt to these conditions and improve their situation. In many cases, when the environment and competitive conditions quire the organization to make changes in itself, this organization does not change its strategies. A researcher named Gluck presents a classic example of military organizations as follows: Napoleon used to win wars when opposing armies committed themselves to old plans, organizations and old strategies. When he was defeated by the Russians and the Spanish at Wellington, it was because he used tried and true strategies against the enemy and such You would think that these strategies are new, but the enemy forces did not use previous war strategies and used strategies that belonged to the future. Table 1 shows some main differences between military strategies and business strategies:

**Table 1:** main differences between military strategies and business strategies

Criterion	Military strategies	Business strategies
Target type	Final victory (fulfillment of goals)	Gaining competitive advantages
campaign type	the war	Competition
Period	Usually, short term and limited	Gradual, long term
appearance face	Disgusting and noisy	Fascinating and charming
Method	Declaration of enmity and hatred	Expression of friendship and love
Tool	Cannon, tank, missile	All kinds of media
arena	Battleground	Business market
Effects of invasion	Human casualties, destruction of infrastructure	Consumerism and buying more
place	Economic, military, border centers	Target consumers
damages	death of humans	More profits for the business owner
Result	Defeat or victory	Business strategies

The tendency of the principles of military and business strategy to develop along separate paths indicates the absence of a general theory about strategy. The publication of game theory by John van Neumann and Morgenstern in 1944 gave hope for the emergence of a general theory of competitive behavior. In the six decades since, game theory has transformed the study of competitive interaction not only in business but also in politics, military conflict, and international relations.

## CONCLUSIONS

The purpose of this study is to examine the evolution of the concept of strategy from the past to the present. The evolutionary course of strategy shows that this thought stream originated from military concepts and entered business management and economics sciences over many years after the first half of the 20th century. Today, despite the age and variety of interpretations, (and despite the importance of paying attention to their temporality and location), an image of strategy is often presented, which due to neglecting these features, paints an unrealistic nature of it. A brief overview of the views on strategy shows well from one on the one hand, some people regard it as a traditional concept and idea that has a military origin from the beginning and should be understood and explained only in this framework, without paying attention to the change of time and place conditions. On the other hand, some people, without paying attention to this historical background, they consider strategy as a modern concept and idea and as a general category that can be applied in any organization or management field. The result of this study in examining the difference between military concepts and business and economic management, in this current of thought, shows that the difference between military strategy and business management is mainly based on the type of campaign, in other words, in military application and generally defeating in wars. The enemy is the ultimate goal, but the goal in business management is business competition, and most business organizations have their competitive ambitions. They limit and seek coexistence instead of destruction and destruction of competitors. Also, in military strategies, the result of the campaign is defeat or victory, but in business strategies, it is the result of gaining various competitive advantages. Another result of this study shows that although the word strategy is taken from military knowledge, the evolution of management strategy is more or less ongoing and in the present era, military knowledge is still used to achieve business goals.

## ACKNOWLEDGEMENT

Since this article is a part of the thesis entitled Designing and explaining a model for strategic control in executive companies with a case study of Qom water and wastewater Company in the master's degree, I would like to thank all the people who helped me in compiling this research. I express my gratitude. I am especially grateful to Mr. Dr. Ali Najat Bakhsh Isfahani for his valuable guidance and also to Mr. Dr. Mohammad Ahmadi.

## REFERENCES

- Ali Ahmadi, Alireza; Fathallah, Mehdi; Tajuddin, Iraj (2013), a comprehensive approach to strategic management (approaches, paradigms, schools, processes, models, techniques and tools), 14th edition, Tehran: Product Danish (Persian).
- Najat Baksh Esfahani, Ali Motahari, A. (2013). Supervisory review with emphasis on self-control to promote administrative health in Islamic Iran. *Islam and Management Researches in the Third Year, Autumn and*, (1), 7 (Persian).
- Fourhanded Dehkordi, Lutfullah (2009), *Strategic Management*, Tehran: Payam Noor University Press (Persian).
- Gluck, William F.; Jach, Lawrence R. (2017) *Business Policy and Strategic Management* (Translated by Sohrab Khalili Shurini), 10th edition, Tehran: Yadavare Ketab Cultural Publishing Company.
- Motahari, Abdolhadi (2012) *Designing and explaining a model for strategic control in executive companies with a case study of water and wastewater Qom Company*, Master's Thesis of Executive Management (Strategic), Payam Noor University, Saveh Center (Persian).
- Motahari, Abdolhadi (2017) *A successful experience of the application of strategic control*, Qom: Selseleh Publications (Persian).
- Motahari, Abdolhadi (2022) *The Strategic Planning for Water and Wastewaters Industrial in Iran based on Comprehensive Framework for Strategy Formulation*, *Journal of Global Strategic Management | V. 15 | N. 2 | 2021-December| isma.info | 077-088 | DOI: 10.20460/JGSM.2022.304.*
- Motahari, Abdolhadi; Sadegh Pour, Ali Jan and a group of authors (1400) *water in the mirror of knowledge, a way to achieve knowledge management experiences in the water industry*. Qom: Selseleh Publishing House (Persian).
- Najat Bakhsh Esfahani, Ali; Ahmadi, Mohammad; Motahari, Abdolhadi (2018) *investigating the relationship between formulation, implementation and evaluation in the process of strategic control to improve the administrative health of the organization*. Scientific research conference on economic jihad and improving the health of the administrative system, Zanjan University (Persian).
- Pasbani, Mohammad and Nejat Mohammad, Amir and Ganji, Golam Reza (2017), *survey and study of technology protection strategies in the organization (from concept to application)*, the second international conference on management, accounting and economics in sustainable development, Mashhad (Persian).
- Robbins, Stephen P. (2012), *Fundamentals of Organizational Behavior* (translated by Ali Persian and Seyed Mohammad Arabi), thirty-ninth edition, Tehran: Cultural Research Office (Persian).
- Sadegh pour, A., Motahari, A. H., Nejat bakhsh Esfahani, A. (2021). *Goal and Goal Setting in Strategic Planning, Case study: Qom Water and Wastewater Company*. *Journal of Water and Sustainable Development*, 8(1), 31-40. Doi: 10.22067/jaws. v8i1.88750 (Persian).
- Sarlak, Mohammad Ali; Forati, Hassan (2012), *Advanced Management Information Systems*, 7th edition, Tehran: Payam Noor University Press (Persian).
- Stacey, Ralph (2015), *Strategic Thinking and Transformation Management (International Perspectives on Organizational Dynamics)* (Translated by Mustafa Jafari and Mahziar Mowahed), 5th edition, Tehran: Rasa Cultural Services Institute (Persian).