

**STRATEGIC MANAGEMENT AS A KEY FACTOR OF ORGANIZATIONAL
DEVELOPMENT AND COMPETITIVENESS****Abdumalikova Busalima Abduvali qizi**

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<https://doi.org/10.5281/zenodo.20522293>**Abstract**

Today, the business environment is changing rapidly, making the future difficult to predict. In such unpredictable conditions, the survival and competitiveness of enterprises directly depend on effective strategic management. This thesis analyzes strategic management not merely as a fixed plan on paper, but as the primary driver of organizational development. The study explores how to properly manage enterprises under uncertainty and how to adapt planning systems to shifting market demands. Using economic analysis and core management theories as its methodological foundation, the thesis provides practical recommendations for firms to avoid crises, navigate market volatility, and secure a sustainable competitive advantage.

Introduction

The modern business landscape operates in a state of constant shift, where traditional management models no longer guarantee market survival. Today, organizations face an environment characterized by rapid technological breakthroughs, shifting consumer behaviors, and intense global competition. In this context, operational efficiency alone - simply doing things right on a daily basis - is insufficient. To remain viable, enterprises must possess the capability to anticipate change and adapt proactively. This reality places strategic management at the very core of organizational development and long-term competitiveness.

The absolute necessity of strategic management stems from the rising level of market uncertainty. Local and international markets are heavily influenced by the speed of digital transformation and economic globalization. Companies that rely on static, short-term planning frequently find themselves reacting to crises rather than preventing them. Consequently, strategic management has evolved from a theoretical business tool into a critical survival mechanism. It serves as the primary engine that allows a firm to align its internal capabilities with unpredictable external market opportunities.

Furthermore, the relationship between strategic oversight and competitiveness has become deeply structural. Achieving a sustainable market position requires more than just possessing resources; it demands the continuous

optimization of human capital, innovative workflows, and flexible planning systems. When a corporate strategy fails, it is rarely due to poor day-to-day execution; more often, it is because leadership failed to adapt their overarching model to match evolving market realities. Therefore, analyzing how strategic frameworks influence competitiveness is one of the most pressing issues in contemporary economic research, offering the practical insights necessary to prevent well-designed plans from remaining entirely on paper.

Literature review

The pioneers of modern management theory introduced distinct frameworks for defining organizational strategy, each reflecting their specific view on the nature of corporate governance. For instance, Igor Ansoff conceptualized strategy as a fundamental set of decision-making rules designed to guide an organization's behavior. In his view, strategy represents a systematic approach to management that ensures structural balance and defines the overall direction of growth for complex organizations (Ansoff, 1989). Philip Kotler, on the other hand, emphasized that businesses require a clear strategy to properly prioritize resource allocation, allowing them to adapt fluidly to environmental shifts and competitive pressures (Kotler, 2008). Meanwhile, Michael Porter argued that developing a strategic plan fundamentally depends on mapping the relationship between a firm and its environment, placing industry and competitive analysis at the absolute center of managerial attention (Porter, 2020).

While these foundational perspectives share a common thread—specifically, their acknowledgment of market instability—their practical application is frequently constrained by the unique characteristics and specific internal crises of a given enterprise. Therefore, it is highly practical to adopt a streamlined, substantive definition: strategy should be viewed as an integrated system of goals, principles, priorities, and resources translated into concrete actions. The ultimate objective of this system is to ensure that a firm's performance consistently outperforms both its historical baseline and its direct market competitors over the long term.

True strategic execution exhibits distinct characteristics that separate it from routine operational planning:

First, a long-term plan is not inherently a strategy. Strategic management is defined not by the time horizon of the project, but by the specific structural organization of the governance process itself.

Second, strategy requires a high degree of uniqueness in setting goals. These objectives must accurately account for the risks and advantages associated with market uncertainty while remaining entirely achievable.

Third, the outcome of a successful strategy is measured not merely by organizational change, but by a demonstrable improvement in the firm's competitive positioning across key metrics.

In practice, these different strategic approaches are rarely used alone; they usually complement each other because real businesses face complex problems that a single theory cannot solve. While modern management science is highly advanced in analyzing environments and setting goals, the biggest weakness remains the execution. Turning a strategic plan into real-world action under volatile market conditions is exceptionally difficult. Today's unpredictable environment demands that companies become highly flexible and agile, without losing their core resources.

Results and discussion

Evaluating the performance of a chosen strategy is a critical phase that transforms strategic management into a continuous, closed-loop process. Modern market dynamics impose stricter demands on corporate leadership, shifting the focus toward global mindset and the capacity to generate innovative managerial ideas. Economic literature generally categorizes strategic efficacy into five core dimensions: internal (resource optimization), external (market opportunities), overall (integrated efficiency), market-driven (consumer satisfaction), and goal-oriented (achievement of targets).

To evaluate an active corporate strategy, an organization must first define its competitive posture—specifically, whether it pursues a low-cost leadership model or focuses on a specialized market niche. While the primary objective of any commercial enterprise is profitability, achieving this in a shared market depends entirely on organizational competitiveness. In contemporary markets, competitive advantage is increasingly determined by how effectively a firm structures its entire buyer value chain. Industry leaders sustain their market positions by securing advantages across every link of this value system. Since the mid-20th century, as consumer markets became saturated and fierce competition intensified, traditional long-term forecasting lost its reliability, making dynamic strategic management methods the only viable framework for institutional growth.

Conclusion



Continuous exposure to volatile external variables underscores the expanding critical relevance of strategic management within modern enterprises. To secure institutional survival, long-term governance paradigms must maintain high operational flexibility, allowing organizations to adapt fluidly to evolving market disruptions. Strategic planning serves not as a rigid corporate mandate, but as a finely tuned, highly customized instrument designed to stabilize complex socio-economic systems that remain fundamentally vulnerable to environmental uncertainty.

Despite this necessity, acute deficits in temporal, intellectual, and human capital frequently force many enterprises into a reactive posture, where leadership attempts to execute outdated initial forecasts at all costs. Operational practice consistently demonstrates the inefficiency of maintaining blind adherence to obsolete benchmarks. An authentic, high-performance strategy must reject single-scenario constraints, allowing for alternative pathways and dynamic adjustments to overarching strategic objectives. New iterations of corporate goals should be adopted through strictly rational analysis, carefully balancing projected expenditures against strategic returns. Under conditions of permanent volatility, deploying a rolling strategic planning methodology emerges as a superior framework. This mechanism facilitates the real-time development of tactical objectives at each organizational phase, fully aligning corporate operations with the principles of sustainable, long-term competitive development.

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