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Contemporary Strategy Theory and Practice: A Summary of the Literature

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ABSTRACT

Contemporary strategy continues to evolve along with changes in the global environment, technology, and market dynamics. Modern strategic approaches now involve more than just classic theories such as Resource-Based View (RBV) and Dynamic Capabilities; they include new concepts more adaptive to the disruption of the times. This research uses a descriptive qualitative approach with a literature review method. The literature reviewed included scientific journals, books, and research reports relevant to contemporary strategy theory and practice. From the results of the literature review, eight main contemporary strategy approaches were found: Optimal Distinctiveness, Cultural Entrepreneurship, the role of emotions and ambiguity in organizations, Attention-Based View, business divestment, Strategic Rhythms, and the integration of artificial intelligence (AI) in strategy development. Each approach offers a unique contribution to understanding organizational strategy in an era of complexity and disruption. This research confirms that no single theory of strategy is universally applicable. Contextual incorporation of various contemporary approaches is essential to develop adaptive and competitive strategies. This research also opens up further research opportunities for empirical validation and cross-theoretical integration in strategic practice.

Keywords: Contemporary strategy, strategy theory, business strategy, competitive advantage, innovation, digitalization.

INTRODUCTION

Development has been relatively rapid in this decade of management and strategy theory and practice. Except for specialists who regularly follow developments in this field, most academics, let alone practitioners, will find it difficult to understand (Chofifah Wahyu Hidayah, 2024; Jeni Irnawati, 2023; Muhammad Makdum Ibrahim, 2024; Wahjono, 2022; Wardhana, 2023). This paper is a small attempt to close that gap. Some subjectively selected recent management and strategy theories and practices will be presented in a limited number of pages as clearly as possible. Of course, academics or practitioners can explore this further through the references provided in this paper. Academics may use this paper for further research, and practitioners may also get ideas for improving their business practices. There is certainly no intention that this paper provides a comprehensive explanation and detailed and critical analysis of the strengths and weaknesses of each theory or practice. However, limited analysis will be provided, along with relevant examples.

Although the Resource Based View or RBV and the Dynamic Capabilities paradigm are the mainstream of strategic management theory (i.e., firm-level phenomena directly related to performance and sustainable competitive advantage), their usefulness as concepts in strategy development is limited by several weaknesses, including the difficulty of proving these theories comprehensively - not just at the level of case studies of successful firms (Gerhart & Feng, 2021; Gibson et al., 2021; McGahan, 2021; Muharam, 2017). Perhaps it is time to develop another theory, make more progress, and address the significant issues that companies face.

The theories and practices that will be discussed in this paper, which are pretty different from the resource-based or dynamic capabilities approach, are optimal distinctiveness, cultural entrepreneurship, emotions and ambiguity in organizations, Attention-Based View, business divestment, strategic rhythms, and the currently very popular role of AI in strategy. (van Goethem et al., 2018; Zhang et al., 2024)Except for the last topic, other theories may rarely be discussed by academics, let alone practitioners, in the country. Each discussion of management, strategy theory, or practice is primarily based on one paper or monograph that significantly addresses the theory or practice at this time, as per the title 'literature summary'.

The new discussion of theory and practice is critical given the many criticisms of the science of management and strategy, which seems to benefit the purpose of the science itself, namely, to the company or business, there is still a considerable gap. Corporate executives or managers feel that management or strategy theories never govern their decisions. Leadership style and experience are more trusted in managing the company, not theories from textbooks. This is a challenge for the future development of management science and strategy. (Barthélemy, 2022; Stern & Cooper, 2017).

Recent developments in strategic management theory show a transition from traditional paradigms like the Resource-Based View (RBV) and Dynamic Capabilities toward more nuanced approaches that acknowledge the complexity and ambiguity within organizations. Studies such as Felin and Foss (2005) criticize RBV for its tautological structure, while Teece (2014) emphasizes that dynamic capabilities often lack clear empirical validation across diverse industries. Moreover, research by Eggers and Kaplan (2013) on attention-based views demonstrates that strategic outcomes are influenced more by managerial focus and cognitive processes than merely by resource ownership. Additionally, Alvarez and Barney (2007) explore cultural entrepreneurship, suggesting that narratives and identity construction increasingly shape firm competitiveness. Given these critiques, the novelty of this paper lies in systematically summarizing emerging theories like optimal distinctiveness. (Zhao, 2022)Strategic rhythms and AI's role in strategy are underexplored in mainstream academic discourse, especially in non-Western contexts. By bridging these contemporary theories into a compact, accessible synthesis, this paper not only updates the academic conversation but also provides practitioners with actionable insights to navigate strategic challenges in the AI-driven and volatile business environment. The research presents a summary of the literature on the theory and practice of contemporary strategy, highlighting key concepts, strategic approaches, and challenges faced in their application.

RESEARCH METHOD

This research is qualitative research with a descriptive approach. This approach was chosen to explore various contemporary strategic theories and practices developed in business and management. Through this approach, the research aims to understand the concepts of strategy developed across multiple literature studies and their relevance in modern management. The research was conducted through literature research that focused on various relevant academic sources, including scientific journals, books, and research reports. The literature research was conducted in an academic environment with access to reputable scholarly databases and strategic publications in the field of management. The research was conducted over a considerable period to ensure that the literature reviewed reflected recent developments in contemporary strategy theory and practice.

The research covers various aspects of contemporary strategy, including the theory of optimal distinctiveness, cultural entrepreneurship, emotions and ambiguity in organizations, attention-based view, strategic rhythms, divestment strategies, and artificial intelligence (AI) in strategy. By discussing these concepts, the research aims to provide a comprehensive overview of the development of strategy theory and its implications in the modern business world. The data collected was analyzed using qualitative analysis methods. The analysis uses a descriptive approach to illustrate how strategy theories have evolved and how they are applied in the business world. The research also considers the various challenges faced in strategy implementation and how organizations can adopt a more flexible and innovative approach in the face of market dynamics.

RESULT AND DISCUSSION

OPTIMAL DISTINCTIVENESS

Zhao (2022) presents the theory of *Optimal Distinctiveness* (OD), which is a framework for understanding how organizations or companies can position themselves strategically to maximize their competitive advantage by balancing two opposing forces: differentiation (distinctiveness) and conformity (isomorphism).

The central premise of OD is that firms face a *trade-off* between being different (distinct from competitors) and being similar (aligned with industry norms or consumer expectations). A firm that positions itself at the optimal point along this spectrum can achieve a balance that maximizes its competitive advantage. Too much differentiation can alienate customers or increase operational complexity, while too much customization can lead to a lack of competitive advantage.

Zhao argues that traditional theories of competitive *positioning* often focus on differentiation alone (e.g., Porter's [1980] competitive strategy) or emphasize conformity (e.g., mimicking industry standards) (Zhao, 2022). However, organizations should focus on achieving a dynamic balance between the two forces, ensuring they are differentiated enough to stand out in the market, yet not so different that they lack alignment with consumer expectations or industry standards.

This theory recognizes that the optimal point for distinctiveness varies by industry, market conditions, and external environmental factors. For example, in fast-growing markets or industries, firms may benefit from differentiation, while in more stable sectors, conformity may provide a competitive advantage.

The strategic implication of OD is that competitive positioning is not a one-time decision, but an ongoing strategy. Companies must continually assess and adjust their positioning to maintain optimal distinctiveness, especially as market conditions and consumer preferences evolve.

Zhao suggests that the OD framework can also be applied to understand broader market dynamics, such as how entire industries evolve and *the positioning* strategies of new players in a market. Companies can influence industry standards and reshape market expectations by achieving optimal distinctiveness.

OD theory encourages companies to strategically balance differentiation with conformity, allowing them to stand out while meeting the functional and normative expectations of the market. The theory posits that finding this balance is critical for sustainable competitive advantage in a dynamic market environment. By offering this framework, Zhao provides a new approach to understanding how firms can navigate the complexities of competition and market positioning.

OD theory is illustrated with practical examples to show how companies can effectively balance differentiation and congruence in their market positions.

Zhao uses indie music as an example in the music industry. The popularization of indie music in the 2000s exemplifies how artists and bands choose between differentiation and conformity.

- Differentiation: Indie bands in this period tried to differentiate themselves from *mainstream pop* and *rock* music by adopting a unique style, sound, and approach. Their music was often more experimental and "rough" or "noisy" (*raw*) compared to *mainstream* music that had mass market appeal and was more "*smooth*" or pleasing to the ear.

- Conformity: Despite their desire for differentiation, indie artists must align themselves with certain industry norms to be accepted. They still need to produce music in a format acceptable to listeners and record labels. The songs must be engaging, structured, and suitable for distribution through traditional channels or digital *platforms*.

- *Optimal Distinctiveness:* Successful indie bands find OD by creating innovative and authentic music to stand out while retaining enough elements of *mainstream* appeal to appeal to a broad audience. This balance helps them gain market share without being too radical or conformist.

Starbucks is another example used in Zhao's paper to explain how a balance of distinctiveness and appropriateness shapes a company's positioning.

- Differentiation: Starbucks differentiates itself in the coffee industry by providing a unique premium coffee experience. The company offers a distinctive store atmosphere, premium coffee products, and personalized services (e.g., order customization). Starbucks also creates a cafe culture that urban and affluent customers love.

- Conformity: Despite innovative measures, Starbucks must still conform to certain market expectations. The company's products, for example, need to appeal to a broader range of coffee drinkers, including offering familiar drinks (such as lattes, espresso, and cappuccino) that are in line with traditional coffee norms.

- Optimal Distinctiveness: Starbucks achieved OD by positioning itself as a premium coffeehouse brand. It balanced the desire for uniqueness (offering a high-end coffee experience) with conformity (using well-known coffee products and maintaining a clean, familiar cafe atmosphere). This strategy allowed it to stand out from traditional coffee shops while remaining widely accepted as a coffee destination.

Electric Vehicle (EV) Market: Zhao discusses how companies like Tesla achieve optimal distinctiveness by balancing innovation and industry norms in the electric vehicle market.

Differentiation: Tesla has offered environmentally friendly, high-performance, and stylish electric vehicles. Unlike traditional automakers, Tesla positions its electric vehicles as luxury products with cutting-edge technology, attracting a segment of consumers who seek premium and sustainable mobility.

- Conformance: Despite the technological leaps, Tesla must still align with specific automotive industry standards to be widely accepted. The company must ensure its cars meet safety regulations, performance expectations (e.g., speed, mileage), and general consumer needs, such as a reliable charging network.

- *Optimal Distinctiveness*: Tesla found its OD by balancing innovative and sustainable technology with practical considerations. By doing so, the company was able to appeal to environmentally conscious consumers while still meeting mainstream automotive expectations. This approach helped Tesla break into the established automotive market and gain significant market share, despite being a new entrant.

The Fashion industry, particularly luxury fashion brands, is another example that illustrates the concept of *Optimal Distinctiveness*.

- Differentiation: Luxury brands like Gucci and Louis Vuitton differentiate themselves through exclusive designs, high-quality materials, and premium prices. Such products foster a sense of rarity and exclusivity, which attracts affluent consumers who seek distinctiveness and status.

- Conformity: At the same time, these brands need to conform to market expectations. For example, they still need to ensure that their products fulfil consumers' desires for fashion, comfort, and practicality, which are not much different from the demands of fashion consumers in general.

- *Optimal Distinctiveness*: These fashion brands achieve optimal distinctiveness by creating products that stand out in quality and design and by ensuring that they conform to standard fashion norms. They reach a balance by offering products that are both exclusive and recognizable in the broader fashion world.

The examples highlight how an organization or company, whether in music, coffee, electric vehicles, or fashion, can strategically balance the forces of differentiation and conformity to find *its Optimal* Distinctiveness. This approach allows companies to achieve a competitive advantage by standing out without alienating consumers or ignoring market expectations.

The key message is that *Optimal Distinctiveness* is a dynamic and ongoing process that varies depending on industry and market conditions. Companies must constantly assess whether they are too different or similar to their competitors, then adjust their strategies to maintain a competitive advantage while still appealing to consumer desires.

CULTURAL ENTREPRENEURSHIP

Lounsbury and Glynn (2019) propose a new approach to understanding *entrepreneurship*, namely *cultural entrepreneurship*. They argue that entrepreneurship has only been believed from an economic or managerial perspective, focusing on financial aspects and efficiency. However, *cultural entrepreneurship* introduces a new perspective by emphasizing the role of culture and how values, beliefs, symbols, and collective identity play an important role in entrepreneurial activity. This perspective is particularly relevant in emerging industries or markets where businesses must establish new norms, values, and meanings.

Lounsbury and Glynn (2019) describe *cultural entrepreneurship* as a process through which *entrepreneurs* and organizations or firms shape and deal with the cultural environment to establish new markets, build new businesses, or create change in industries. They assert that understanding the cultural context and symbolic resources used by entrepreneurs is critical to understanding the success and evolution of entrepreneurial endeavours.

Cultural entrepreneurship refers to a process in which entrepreneurs seek to create value and change cultural norms, influence social perceptions, and create new meanings in the marketplace. In this context, entrepreneurs are not just pursuing economic gain but also working to develop, transform, or redefine cultural practices, making them essential in market creation and innovation.

Entrepreneurs utilize cultural resources- ideas, symbols, and narratives- to position themselves and their businesses. These resources allow them to create unique identities and narratives that resonate with specific audiences, *stakeholders,* or consumers. Lounsbury and Glynn highlight how entrepreneurs can leverage cultural trends, stories, and social movements to build legitimacy and differentiate their businesses in crowded or highly competitive markets.

Cultural entrepreneurship looks at how meanings and symbols influence entrepreneurial success. Lounsbury and Glynn argue that entrepreneurs often produce meaning, creating stories and symbols around their products or services, which shape how consumers and society perceive them. For example, brands like Apple or Tesla don't just sell products; they sell cultural identities and narratives about innovation, sustainability, or the disruption they create to their respective industries. This cultural meaning becomes integral to the brand's appeal and market success.

Entrepreneurs in emerging industries or those seeking to enter traditional markets must build legitimacy through cultural signals. They need to gain social approval and recognition by aligning their ventures with broader social or artistic movements, such as environmental sustainability, social justice, health awareness, and even human rights. By crafting compelling narratives that align with broader cultural trends or societal changes, entrepreneurs can increase the acceptance and credibility of their ventures.

Lounsbury and Glynn explore various case studies and real-life examples where *cultural entrepreneurship* has been successfully applied, particularly in fashion, technology, social entrepreneurship, and media industries. They also emphasize how entrepreneurs use cultural capital (for example, the symbolic value of a brand) to attract investors, customers, and *stakeholders* who share cultural values or beliefs.

Lounsbury and Glynn highlight that *cultural entrepreneurship* offers new possibilities for entrepreneurship research. Focusing on culture, they argue that entrepreneurship research can evolve from traditional economic models to a more distinct understanding of how social context, values, and symbolic practices shape the entrepreneurial process.

The concept's implication is to provide room for a broader understanding of entrepreneurship by incorporating cultural, social, and institutional perspectives into the research of the entrepreneurial process. Entrepreneurship research should go beyond the economic function of entrepreneurship and consider how symbolic and cultural elements shape business opportunities and market dynamics.

In addition, entrepreneurs and organizations can benefit by paying attention to their businesses' cultural context and symbolic meanings. They can strategically use cultural narratives to shape consumer behaviour, build strong brand identities, and create social movements around their products. Cultural entrepreneurs can use social media, artistic expression, or public events to shift perceptions and build communities around their ideas or innovations.

Policymakers, particularly those focused on entrepreneurship development in emerging sectors, can benefit from supporting cultural ventures likely to change an industry's social fabric. Recognizing the role of culture in economic growth can lead to policies that encourage more inclusive and diverse entrepreneurship.

Lounsbury and Glynn's work on *cultural entrepreneurship* extends the traditional understanding of entrepreneurship by emphasizing the importance of culture in shaping entrepreneurial outcomes (Lounsbury & Glynn, 2019). They propose that entrepreneurial success depends on economic factors and how well the entrepreneur utilizes cultural context and symbolic resources and creates new meanings that suit their audience. This paper opens up new avenues for research in entrepreneurship by introducing the artistic dimension and going deeper into how values, symbols, and social movements influence entrepreneurial activity.

Entrepreneurship is not only about creating profit-oriented ventures but also about creating social meaning and cultural change. Thus, it is an important concept to understand modern entrepreneurial practices, especially in sectors where culture plays an important role.

EMOTIONS IN ORGANIZATIONS

Zietsma et al. (2019) discuss the role of emotions in organization theory, a field of research traditionally dominated by rational and cognitive organizational behavior approaches. Zietsma et al. (2019) argue that emotions are integral to understanding how organizations function, how individuals interact, and how organizational dynamics evolve. They propose integrating aspects of emotions into organizational studies to provide a more holistic view of organizational life and behavior.

Emotion has historically been under-explored in organization theory, dominated by perspectives emphasizing *reason*, control, and structure. Zietsma et al. (2019) emotions are critical in organizational processes because they often influence decision-making, identity formation, conflict resolution, and social interactions. Emotions affect how individuals interpret situations, how they build relationships and resolve conflict, and how they experience power dynamics and organizational change.

Zietsma et al. (2019) propose reframing organization theory by introducing emotions as an essential variable in the research of organizations. Rather than treating emotions as separate from work or less rational, they influence and shape the structure and performance of organizations. This paper encourages researchers to research emotions by revealing how emotions intersect with more traditional concerns in organization theory (e.g., leadership, power, structure, culture).

Zietsma et al. (2019) Identified several dimensions of emotion that play an essential role in organizations, including:

- Emotions in Social Interaction: How emotions guide interpersonal dynamics, collaboration, and teamwork. For example, positive emotions such as trust can promote collaboration, while negative emotions such as anger or frustration can inhibit collaboration.

- Emotions in Decision Making: Emotions are crucial in shaping how individuals make decisions, especially under conditions of uncertainty. Emotions such as fear, pride, or hope can result in decisions that differ from what a rational model would predict.

- Emotions in Organizational Culture and Identity: Organizational culture is often rooted in emotional norms, such as what emotions are considered appropriate in the workplace. Emotional experiences are also linked to how individuals construct their organizational identity (e.g., how employees relate to company values or goals).

Emotions in Organizational Change: Change initiatives often trigger strong emotional responses (e.g., anxiety, excitement, and resistance). Zietsma et al. (2019) emphasize that emotions must be managed especially when organizations go through transitional periods to ensure smoother adaptation.

Power dynamics in organizations are highly emotional. Individuals or groups with power often control the expression of emotions and use emotions as a tool to assert influence. For example, managers may use anger or praise to control employee behavior. This paper explains how emotions such as fear, guilt, or pride can shape hierarchical relationships and organizational structures.

The paper also touches on the concept of emotions at work (*Emotional Labor)—the idea that employees are expected to manage their emotions in accordance with organizational norms (Organizational Expectations). Emotional regulation, for example,* often becomes a form of workload in itself, which has implications for their well-being and job satisfaction. This is usually the case for employees in the service industry or client-facing roles, who are particularly vulnerable to emotional expectations at work.

Emotions can be disruptive or catalytic in specific contexts. For example, an emotional response to injustice or disruption within an organization can trigger innovation or social change. Zietsma et al. (2019) show that emotions often drive resistance movements, innovation in company processes, or advocacy for newer (hopefully better) organizational practices.

This paper also explores the role of emotions in collective action and organizational movements. Collective emotions, such as anger or solidarity, are often instrumental in driving group-level behavior, such as protests or social movements within organizations. These collective emotions can challenge established organizational structures and power hierarchies.

The research implication of the role of emotions in organizations is to integrate emotions into mainstream organization theory to more fully understand phenomena such as leadership, decision-making, and power relations. Emotions are an important yet often overlooked factor in shaping organizational behavior and outcomes.

This paper suggests that managers and leaders should better understand emotions to improve employee engagement, conflict resolution, and change management. Addressing and understanding emotions in the workplace can enhance group work, increase employee satisfaction, and improve organizational performance.

Authors in this field advocate an interdisciplinary approach to researching emotions, suggesting that insights from psychology, sociology, and social psychology should be integrated with traditional management and organizational studies to create a more comprehensive view of organizational life.

In conclusion, Zietsma et al. (2019) advocate a deeper and more nuanced understanding of emotions as central to organizational processes. By recognizing the influence of emotions, they advocate a broader approach to organizational theory that integrates the emotional experiences of individuals and groups within organizations. This framework helps explain individual behavior and provides insight into organizational dynamics, such as leadership, identity, change, and power. Emotions are shown to be an essential component in how organizations function and develop.

Zietsma et al. (2019) encourage researchers and practitioners to consider emotions as a driving force in the workplace, offering new avenues for understanding how organizations can be managed and developed in ways that take into account the emotional lives of individuals.

AMBIGUITY IN THE ORGANIZATION

Parallel to the discussion in the previous section on emotions, Cappellaro et.al. (2023) explored the concept of ambiguity in organizational theory. Traditionally, ambiguity is treated as a negative or disruptive force in organizations, often associated with uncertainty, lack of clarity, and indecision. However, this paper changes this perspective by proposing that ambiguity can also serve as a strategic resource in organizations, offering new opportunities for innovation, flexibility, and adaptation. Capellaro et al. want to expand understanding of ambiguity by going beyond its intrinsic limitations and considering how ambiguity can be strategically managed and leveraged in organizations.

Ambiguity refers to a situation where there is uncertainty or vagueness regarding meaning, purpose, or action in an organizational context. Ambiguity arises when there are multiple interpretations or possible outcomes, and no clear way to resolve them. Traditionally, ambiguity is seen as something to be avoided or eliminated. However, Cappellaro et al. argue that ambiguity does not always have to be viewed negatively. In fact, it can offer opportunities for organizations to be flexible, adaptive, and innovative in an uncertain environment (Cappellaro et al., 2023).

There are at least two perspectives in discussing ambiguity: the intrinsic and the strategic perspectives. From an intrinsic perspective, in the traditional view, ambiguity is seen as an inherent problem that must be solved or reduced. It is seen as a constraint that limits decision-making and causes inefficiency or confusion. The strategic perspective, a new approach to viewing ambiguity, instead sees ambiguity as a resource that can be used strategically. Organizations can intentionally create or utilize ambiguity to encourage creativity, allow for multiple interpretations, and give individuals or groups the freedom to navigate complexity. By doing this, organizations can remain adaptable and open to innovation, which is especially beneficial in fast-changing industries or environments.

Ambiguity can be productive if it provides room for creativity and problem-solving. When faced with ambiguous situations, employees and managers are often forced to develop new ways of thinking, find innovative solutions, and negotiate meaning within the organization. The authors argue that strategic ambiguity is particularly beneficial when organizations face complex challenges or operate in dynamic environments where rapid and flexible responses are essential.

However, ambiguity must be managed in a way that is aligned with organizational goals. Rather than eliminating it, organizations can harness ambiguity through strategic management practices, such as creating a culture of tolerance for ambiguity, where employees are encouraged to explore diverse perspectives and find creative solutions. Encourage flexible decision-making that allows leaders to adapt and adjust as new information becomes available. Balancing stability and flexibility by maintaining a clear overarching mission and values while allowing individuals and groups to explore different interpretations and paths to achieving those goals.

Strategic ambiguity in organizational communication can allow leaders to maintain flexibility while avoiding rigid commitments. For example, in situations of uncertainty, leaders may intentionally use ambiguous language to keep options open, maintain *stakeholder* support, or delay difficult decisions without alienating certain groups. Strategic ambiguity can also help leaders manage organizational change when not all *details* or outcomes are known at the outset, and providing sufficient direction without foreclosing alternatives is essential.

For example, Apple is known for applying ambiguity in its product launches and corporate communications. The company often withholds detailed information about new products, thus creating an atmosphere of anticipation and flexibility, which generates consumer interest and excitement. Another example is *startups* in the tech industry, where business model and strategy ambiguity allow entrepreneurs to experiment with different approaches, *pivot* when necessary, and remain adaptable in rapidly changing technology and market conditions.

While ambiguity can be a strategic asset, it also carries risks. Excessive ambiguity can lead to miscommunication, confusion, and a lack of accountability, especially if there is too much uncertainty or if individuals within the organization are unable to act decisively. Therefore, organizations must find the right balance between accepting ambiguity for flexibility and innovation, and providing enough clarity and direction to maintain effective operations and decision-making.

The authors suggest that future research should explore how ambiguity is managed in different organizational contexts and how ambiguity interacts with other elements of organizational behavior, such as leadership, culture, and decision-making processes. More attention should also be paid to how different types of ambiguity (e.g., strategic, cultural, social) are managed and used in organizations and how they contribute to long-term success and adaptability.

Furthermore, in management practice, company leaders, for example, not only focus on eliminating ambiguity but also develop strategic approaches to managing it. By cultivating an organizational environment that tolerates and even embraces ambiguity, leaders can foster creativity and problem-solving. Leaders should encourage employees to see ambiguous situations as opportunities for growth and innovation, not obstacles to be overcome.

In high uncertainty environments, such as emerging industries or during organizational change, leaders must intentionally create space for strategic ambiguity to maintain flexibility and responsiveness.

Finally, Cappellaro et.al. (2023) advocate a change in the way ambiguity is perceived and managed in organizations. By introducing a strategic perspective, the authors show that ambiguity should not be seen simply as a disruptive force but as a resource that organizations can leverage to foster innovation, adaptability, and creativity. When managed strategically, ambiguity can help organizations remain flexible in uncertainty, improve decision-making, and drive competitive advantage. This paper calls for future research and practice to focus on understanding how to effectively manage ambiguity and balance it with the need for clarity and direction in organizational environments.

ATTENTION BASED VIEW

In this paper, Brielmaier and Friesl (2022) provide a comprehensive review of the *Attention Based View* (ABV) of organizations and extend it by introducing the concept of "*situated attention*". The authors explore how ABV has evolved recently, discuss its theoretical underpinnings, and suggest new ways to think about how "*attention*" operates in complex organizational environments.

ABV, initially developed by Ocasio (1997), emphasizes the role of organizational attention in decision-making and strategic action. The main idea is that attention is a scarce and limited resource in organizations, and the way attention is allocated determines what problems, opportunities, and issues are prioritized. ABV initially focuses on top management and how they set the organizational agenda by directing attention to specific strategic issues. The process of attention allocation affects organizational behavior, from strategic decision-making to day-to-day operational actions.

Although ABV plays a vital role in explaining organizational focus, the authors highlight some limitations of the current conceptualization, particularly in dynamic and complex organizational environments. Early views of ABV often assumed that attention is allocated statically and rationally, which can overlook the situational and context-dependent nature of attention in organizational environments in practice. This paper notes that external events, unexpected distractions, and rapid environmental changes can drastically shift organizational attention in ways not fully accounted for by current ABV frameworks.

Brielmaier and Friesl introduced the concept of "situational attention" to overcome these limitations. This new approach emphasizes that attention is not only directed by top management but also shaped by the contextual, social, and situational dynamics in which attention occurs. Situational attention considers how attention is influenced by factors such as:

- Organizational culture shapes what is considered essential and what the focus is.
- Emergency events, where external pressures or unforeseen circumstances drive attention to a particular issue, are often without prior planning.
- Interpersonal and group interactions, where discussions, negotiations, and conflicts between different organizational actors influence attention.

This paper extends ABV by conceptualizing *attention* as more *distributed* and situational within the organization. Instead of being a centralized process controlled by top leaders, attention is distributed across multiple organizational levels, departments, units, and individuals who all contribute to allocating focused attention and resources.

Situational attention recognizes that different organizational actors (members) will direct their attention to other issues, depending on their roles, perspectives, and the context in which they work or operate. The dynamic distribution of attention at different levels of the organization influences strategic decision-making in complex environments. This suggests that understanding organizational attention requires looking at who controls attention and where attention is placed in interactions and contexts within the organization.

This extension requires a more context-sensitive approach to researching attention, where researchers consider how attention fluctuates in response to changing organizational circumstances, external pressures, and internal dynamics.

Attention management strategies must be more flexible and adapt to this dynamic context. For example, organizations must be able to shift their focus in response to distractions or opportunities that were not initially anticipated.

The practical implications for managers are that they should be aware that top executives direct organizational attention and that it arises from the interactions and decisions of individuals at different levels of the organization. For example, the allocation of attention is influenced by formal structures (e.g., meeting agendas, hierarchies) and informal dynamics (e.g., employee interactions, social networks). Managers should also consider that attention can be shaped by situational factors, such as unexpected crises or external changes, which can alter organizational priorities unpredictably.

This paper encourages future research to explore the nature of attention more deeply, focusing on how micro-level dynamics and organizational context shape attention. More research is needed to examine how mindfulness is distributed across different organizational actors and how this affects decision-making and strategic outcomes. Researchers should also consider the role of technology and digital *platforms* in shaping attention and how organizations use these tools to manage and direct attention in large and complex environments.

Brielmaier and Friesl (2022) provided a conceptual extension to ABV by introducing the notion of situational attention. By acknowledging that attention is distributed and shaped by the context in which it occurs, this paper extends the ABV framework, making it more applicable to the complexity of today's complex organizations. The concept of situational attention asks *scholars* and practitioners to consider not only who controls attention in an organization but also how situational and contextual factors influence it. This extension offers a more dynamic and context-sensitive understanding of attention in organizational settings, which has important implications for theory and practical management in today's rapidly changing and uncertain environments.

BUSINESS DIVESTMENT

Feldman (2023) provides an in-depth analysis of divestment, the process by which companies sell or exit certain assets, subsidiaries, or business units. The book examines divestment decisions' strategic, financial, and organizational aspects, offering theoretical insights and practical guidance for companies considering divestment. Feldman points out that restructuring by divestment has become one of the most important mechanisms, occurring as much, if not more, than mergers and acquisitions. However, the literature on diversification or *divestiture* is relatively limited. In the context of strategy, mergers and acquisitions are often called external growth strategies. In contrast, divestiture has not yet gained a clear place in strategic management, although the impression is that divestiture is a *degrowth strategy* instead of a *growth strategy.* Feldman (2023) It is an academically important book that comprehensively discusses divestment, if not the only one. For that reason, business divestment is included in this paper.

Feldman defines divestment as selling, separating, or disposing of a business unit, asset, or subsidiary. Companies may divest for various reasons, including a shift in strategic focus, raising capital, or improving operational efficiency. This book underscores that divestment is a strategic tool, not just a financial decision. Divestment is often used to reorganize a company's portfolio, streamline operations, or exit a *non-core business*.

Strategic Reasons for Divestment:

- Strategic alignment: Companies can divest underperforming units or units no longer aligned with the company's long-term strategic objectives.
- Refocusing business activities: Companies can divest part of their business to refocus on their core competencies, thus facilitating better allocation of resources and managerial attention.
- Portfolio management: Divestment allows a company to optimize its portfolio, disposing of underperforming units or those not contributing to the desired synergies.
- Cost-cutting and restructuring: Divestment can be a key tool in corporate restructuring efforts, reducing complexity and increasing profitability.

Feldman outlines the steps of divestment, from initial decision-making to implementation and post-divestment integration. The decision to divest is influenced by internal and external factors, such as changing market conditions, financial performance, competitive pressures, or shifting organizational priorities. The execution involves carefully assessing the sold assets, identifying potential buyers, and negotiating terms. Feldman discusses how companies often face challenges in executing divestitures successfully, including difficulties in managing organizational change, dealing with creditors, employee transition, and maintaining shareholder value (Feldman, 2023).

Types of Divestments:

- *Sell-off*: The most straightforward form of divestment, where a company sells its assets or business unit to another company.
- *Spin-off*: A company creates a new independent company by distributing shares of its subsidiary to existing shareholders. This often happens when the subsidiary is strategically different from the parent company.
- *Equity Carve-outs*: Similar to a *spin-off*, but involves selling a minority stake in a subsidiary to the public through an initial public offering (IPO), allowing the parent company to retain control.
- Liquidation: This is the most extreme form of divestment, where the company sells its assets and ceases operations.

Feldman emphasizes factors that influence the success of divestment, such as the timing of the sale, the quality of the buyer, and the match between the divested unit and the buyer's capabilities. Management's role in steering the company through the divestment process is critical to its success. Leadership must manage *stakeholder* expectations, communicate effectively, and ensure a smooth transition. Feldman also highlights how divestment can affect employee morale and organizational culture, emphasizing the importance of managing these HR factors.

Furthermore, after divestment, the parent company may face challenges in maintaining focus and adapting to change. Feldman explores how organizations can ensure that they remain strategically aligned and able to realize the expected benefits of divestment. The financial impact of divestment, including how it can increase profitability, improve share prices, and enable better reinvestment in core operations, is also considered.

Several industry case studies illustrate how companies use divestment to reshape their portfolios. These examples highlight divestment successes and failures and provide lessons on what factors contributed to the outcomes. Feldman highlights that the context of the divestment, including industry trends and organizational dynamics, plays a vital role in determining the deal's success.

The book also examines recent divestment trends, including the rise of activist investors, the increasing use of *private equity* buyers, and the impact of globalization and digital transformation on corporate strategy. Companies also use divestment to fulfill their corporate social responsibility (CSR) by disposing of business units no longer aligned with their values or strategic objectives.

Feldman also discusses potential pitfalls of divestment, such as ignoring the costs involved, misjudging market conditions, or failing to account for the impact on employees and company culture. Divestment should not be viewed as a quick-fix strategy but as part of a long-term strategic vision. A poorly executed divestment can have negative financial consequences and long-term damage to the organization's reputation.

Feldman (2023) offers a comprehensive and strategic view of divestment as a key tool for organizations looking to reshape their operations, optimize their portfolio, and focus on their core strengths. By providing a detailed explanation of the process, types, and strategic rationale for divestment, as well as insights into how to manage the challenges that divestment brings, this analysis is essential for corporate managers, consultants, and experts interested in understanding this critical aspect of corporate strategy. Feldman's approach combines theoretical frameworks and practical applications, making it a cornerstone of academic research and business strategy.

STRATEGIC RHYTHMS

Zang et.al. (2023) explore the concept of "*strategic rhythms*" or *strategic rhythms* - deliberate patterns set by managers to guide a firm's strategic activities over time. This provides a comprehensive framework that categorizes strategic rhythms into three main areas: repetitive activity rhythms (e.g., ongoing acquisitions), multiple activity rhythms (e.g., courses of action for innovation), and comparisons of these rhythms across firms and environments.

Strategic rhythms are deliberate patterns in a firm's strategic actions that can improve long-term performance by aligning internal resources with external changes. Various factors influence the antecedents of *strategic rhythms*, including environmental characteristics (such as market volatility), organizational attributes (such as structure and resources), and managerial characteristics (including cognitive and behavioral factors). *Strategic rhythms* can directly impact firm performance, influence organizational innovation and change, and provide insight into moderating factors that may affect the relationship between strategy and performance. Internal and external rigidities cause constraints on managerial discretion. Managers can adapt, shape, and set the strategic rhythm by recognizing and responding to these constraints.

The authors suggest further exploration of empirical techniques for researching *strategic rhythms*, including the use of *sequence analysis* and *machine learning* to analyze *time series data*.

This article underscores the importance of understanding and managing *strategic rhythms* as a way for companies to navigate complex and dynamic environments effectively.

It encourages future research to address gaps in the literature and explore new Brielmaier and Friesl approaches to theory and practice regarding *strategic rhythms* in management (Brielmaier & Friesl, 2022).

THE ROLE OF ARTIFICIAL INTELLIGENCE (AI) IN STRATEGY

In contrast to the scholarly references in the previous discussion, only one practical empirical report is used in this section. McKinsey's (2025) report on "*How AI is transforming strategy development*" explores how artificial intelligence (AI) affects strategy development in organizations. The report discusses the evolution of strategy work, emphasizing the need for strategists to leverage AI to enhance analysis, *insight generation*, and decision making. Key points from the article include:

This article presents an important rationale for integrating AI into strategic activities to increase efficiency and innovation while underscoring the irreplaceable value of human judgment in complex decision-making processes.

Strategy Role Transformation: AI was identified as an important tool in various roles during the strategy development process, acting as a researcher, translator, thought partner, simulator, and communicator.

Research and Analysis: AI can efficiently collect and summarize data, helping strategists identify merger and acquisition targets or growth opportunities by quickly analyzing large amounts of market data.

Interpretation of insights: AI can help strategists interpret data trends and *insights* from various sources, enabling them to make informed decisions about growth and strategic direction.

Scenario Simulation: Before implementing a strategy, AI can model different market scenarios to assess potential outcomes, thus providing a more thorough analysis for strategic commitments.

Communication and Synthesis: AI can help craft a straightforward narrative around the strategy, ensuring that communications are customized for various stakeholders.

Need for *Proprietary Data*: As AI applications evolve, the demand for *proprietary* data (data owned by a specific entity or individual protected by data confidentiality) to differentiate strategies becomes increasingly important. Relying on public data may produce results that are not unique.

Executive Synthesis: While AI can generate *insights, the* responsibility for synthesizing and executing them lies with leadership, emphasizing the need for skilled strategy specialists.

Risks and Considerations to be aware of: This article outlines key considerations in applying AI, including overcoming *model bias*, ensuring a logical explanation of an *insight*, and maintaining the integrity of data sources.

Finally, McKinsey suggests that strategy teams should educate themselves on AI, explore practical applications, and build a proprietary data ecosystem to maintain a competitive advantage.

CONCLUSION

This research systematically reviewed and compared contemporary theories and practices in management and strategy, aiming to bridge the gap between academic theory and business practice. Addressing the research objectives, the analysis highlighted that each modern approach—such as Optimal Distinctiveness, Cultural Entrepreneurship, Emotional Dynamics, Ambiguity Management, Attention-Based View, Strategic Rhythms, Business Divestment, and the Role of AI—offers varied theoretical and practical contributions to understanding strategic decision-making. It was found that while some theories excel in conceptual insight, their practical application remains limited, whereas others, like business diversification and AI strategies, show strong practical relevance. This comparative perspective answers the research problem of identifying applicable and emerging strategic frameworks in today's business environment. The findings suggest that no single theory suffices for all organizational challenges, underlining the importance of context-specific strategy development. Future research should delve deeper into empirical validation across diverse industries and cultures, explore integrating these theories for holistic strategic frameworks, and investigate how emerging technologies like AI reshape traditional paradigms, enriching both academic inquiry and managerial practice.

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