

The Impact of Strategic Management on the Competitive Advantage of Business Organizations

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Abstract

Nowadays, strategic management plays a crucial role in enabling business organizations to achieve competitive advantages and enhance profitability in an increasingly competitive environment. This study aims to examine the strategic management factors that influence competitive advantage and to investigate the overall impact of strategic management on the competitive advantage of business organizations in Thailand. Data were collected through a questionnaire administered to a sample of 400 managers and executives from business organizations across Thailand. The data were analyzed using descriptive statistical methods to examine the relationships between strategic management factors and competitive advantage.

The results reveal that four strategic management factors, including strategy formulation, strategy implementation, strategy evaluation, and strategic resource management, have a significant positive influence on competitive advantage. In addition, the findings indicate that strategic management overall has a significant impact on the competitive advantage of business organizations. Among the identified factors, strategy implementation and strategic resource management were found to exert the strongest influence on organizational competitive advantage. The findings provide empirical evidence supporting the importance of strategic management in enhancing organizational competitiveness and offer practical implications for managers seeking to strengthen competitive advantage in dynamic business environments.

Keywords: Strategic Management, Competitive Advantage, Business Organizations

1. Introduction

In today's business environment, organizations are operating in a world that changes faster than ever before. Rapid technological advancement, intense global competition, and constantly evolving customer expectations have transformed the way businesses compete. Markets are no longer predictable, and competitive positions can shift quickly as new competitors emerge, technologies advance, and unexpected disruptions occur. Under these conditions, focusing only on operational efficiency or short-term decisions is no longer enough to ensure organizational success.

To remain competitive, business organizations must adopt a strategic approach that allows them to anticipate change, respond effectively, and create long term value. Strategic management plays a vital role in this process, as it provides a systematic framework for defining organizational direction, setting long term goals, and aligning internal capabilities

with external opportunities and challenges. Through key activities such as environmental analysis, strategy formulation, strategy implementation, and strategy evaluation, organizations are better prepared to manage uncertainty and complexity in a competitive marketplace.

Competitive advantage is one of the most important objectives for business organizations. It reflects an organization's ability to perform better than competitors by delivering superior value to customers. This value may come from lower costs, differentiated products or services, innovative solutions, or strong market positioning. However, sustaining competitive advantage has become increasingly difficult, as competitors can quickly imitate products, technologies, and business models. As a result, organizations must focus on developing strategic capabilities and managing resources effectively in ways that are difficult to replicate.

In Thailand, business organizations face similar challenges as they adapt to economic uncertainty, digital transformation, and increasing competition at both the domestic and international levels. Managers and executives play a critical role in shaping organizational strategies that enhance performance and competitiveness. Understanding how strategic management contributes to competitive advantage is therefore essential for improving managerial decision making and ensuring long term organizational success.

Although strategic management has been widely discussed in academic literature, empirical findings regarding its impact on competitive advantage remain mixed. Some studies emphasize the importance of strategy formulation in guiding organizational success, while others argue that effective strategy implementation is the key factor influencing performance. In addition, recent research highlights the roles of continuous strategy evaluation and strategic resource management in sustaining competitive advantage over time. These differing perspectives suggest the need for further empirical research to clarify which strategic management factors most strongly influence competitive advantage, particularly within the context of business organizations in Thailand.

Therefore, this study aims to examine the strategic management factors that influence competitive advantage and to investigate the overall impact of strategic management on the competitive advantage of business organizations in Thailand, using a quantitative research approach. Data were collected through a structured questionnaire administered to 400 managers and executives working in business organizations across Thailand. The findings of this study are expected to contribute empirical evidence to the existing literature and provide practical insights for managers seeking to strengthen their organizations' competitive advantage in an increasingly complex business environment.

1.1 Research Objective

1.1.1 To examine the strategic management factors that influence the competitive advantage of business organizations in Thailand.

1.1.2 To investigate the impact of strategic management on the competitive advantage of business organizations in Thailand.

2. Literature review

2.1 Strategic Management

Strategic management is widely viewed as a key approach that helps organizations navigate complex and rapidly changing business environments. Rather than focusing only on day-to-day operations, strategic management encourages organizations to take a long-term perspective by setting clear goals, aligning resources, and responding proactively to external changes.

Porter (1985) explained that organizations can achieve superior performance by adopting clear strategic positions, such as cost leadership or differentiation. David (2011) further emphasized that strategic management is an ongoing process that enables organizations to adapt to environmental changes while improving overall performance. Similarly, Wheelen and Hunger (2012) noted that organizations that systematically manage their strategies tend to be more competitive and better prepared for long term success. In addition, Radnui, Udomkate, et al. (2020) found that strategic leadership is reflected in the effective implementation of four key managerial functions, namely planning, organizing, leading, and controlling, which significantly contribute to organizational performance.

2.2 Strategy Formulation

Strategy formulation involves deciding where the organization wants to go and how it plans to get there. This stage focuses on setting direction, defining objectives, and understanding both internal capabilities and external market conditions. A well formulated strategy provides clarity and helps guide decision making throughout the organization.

According to Porter (1985), clear strategy formulation allows organizations to position themselves effectively against competitors. Mintzberg, Ahlstrand, and Lampel (2009) suggested that successful strategy formulation often combines deliberate planning with flexibility and learning. David and David (2017) also found that organizations with structured strategy formulation processes are more likely to achieve stronger performance and competitive advantage.

2.3 Strategy Implementation

Strategy implementation is about turning plans into action. Even the most carefully formulated strategies can fail if they are not effectively implemented. This stage involves allocating resources, coordinating activities, and ensuring that employees understand and support strategic goals.

Hrebiniak (2006) highlighted that strategy implementation is often more challenging than strategy formulation and plays a crucial role in determining strategic success. Li, Guohui, and Eppler (2010) found that effective implementation improves organizational performance by aligning strategy with daily operations. Okumus (2003) further emphasized that leadership, communication, and organizational culture are essential factors in successful strategy implementation.

2.4 Strategy Evaluation

Strategy evaluation focuses on reviewing strategic outcomes and determining whether strategies remain effective in a changing environment. Through regular monitoring and assessment, organizations can identify performance gaps and make necessary adjustments.

Wheelen and Hunger (2012) suggested that continuous strategy evaluation helps organizations remain responsive to environmental changes. Kaplan and Norton (2001) introduced the Balanced Scorecard as a practical tool that allows organizations to evaluate performance from multiple perspectives, not only financial results. Rumelt (2011) argued that organizations that actively evaluate their strategies are better able to avoid strategic drift and sustain competitive advantage.

2.5 Strategic Resource Management

Strategic resource management emphasizes the importance of using organizational resources in ways that support strategic goals. Resources such as human skills, financial assets, and technology are most valuable when they are managed strategically rather than in isolation.

Barney (1991) proposed that organizations gain sustainable competitive advantage by developing resources that are valuable, rare, and difficult to imitate. Grant (2016) supported this view by explaining that effective resource management helps organizations build unique capabilities over time. Hitt, Ireland, and Hoskisson (2017) also found that strategic allocation of resources plays a critical role in improving organizational performance and competitive advantage.

2.6 Competitive Advantage

Competitive advantage refers to an organization's ability to perform better than its competitors by delivering greater value to customers. This value may come from lower costs, innovative products, or strong market positioning. In highly competitive environments, sustaining competitive advantage requires continuous strategic effort.

Porter (1985) described competitive advantage as the outcome of effective strategic positioning. Barney (1991) emphasized that sustainable competitive advantage depends on resources and capabilities that competitors cannot easily copy. Grant (2016) further noted that organizations that successfully integrate strategic management practices with resource capabilities are more likely to maintain competitive advantage over time. In addition, Potjanajaruwit (2018) suggested that competitive advantage enables organizations to compete effectively while retaining customers by delivering superior value through high quality products and services, cost efficiency, strategic location, and strong branding, which reflect customers' perceptions of value for money. Moreover, Pimonratanakan (2022) indicated that competitive advantage can be achieved through differentiation in innovation, cost efficiency, speed of operation, and product quality, which are key factors influencing organizational competitiveness.

2.7 Summary of Literature Review

From the review of related literature, it is evident that strategic management plays a central role in enhancing organizational performance and competitive advantage. Prior studies consistently emphasize that organizations operating in dynamic and highly competitive environments require a structured strategic management approach to achieve and sustain competitiveness. Strategic management enables organizations to clarify direction, align resources, and respond effectively to environmental changes.

The literature further suggests that strategic management is a multidimensional concept consisting of several interrelated components. Strategy formulation provides a clear direction and competitive positioning for organizations. However, scholars widely agree that strategy formulation alone is insufficient if strategies are not effectively implemented. Strategy implementation has been identified as a critical factor influencing organizational outcomes, as it translates strategic plans into operational actions. In addition, continuous strategy evaluation allows organizations to monitor performance, adapt to environmental changes, and avoid strategic drift. Strategic resource management also plays a vital role by enabling organizations to develop unique capabilities and efficiently utilize resources that support long term competitive advantage.

Previous empirical studies indicate that these strategic management dimensions individually and collectively contribute to competitive advantage. Organizations that successfully integrate strategy formulation, implementation, evaluation, and resource management are more likely to outperform competitors through cost efficiency, differentiation, innovation, and sustainable market positioning. However, existing research also shows variations in findings regarding the relative importance of each strategic management factor, particularly across different organizational contexts and environments.

Based on these theoretical and empirical insights, this study proposes that strategic management and its key dimensions have a significant impact on the competitive advantage of business organizations in Thailand. Therefore, the hypotheses of this study are developed to empirically test the relationships between strategic management factors and competitive advantage, as guided by the reviewed literature.

3. Methodology

3.1 Research Design: This study employs a quantitative research approach using survey research design. This approach is appropriate for examining relationships between strategic management factors and competitive advantage across a large sample.

3.2 Population and Sample: The population consists of managers and executives working in business organizations across Thailand. A sample of 400 respondents was selected using purposive sampling, as participants were required to have knowledge of and involvement in strategic management within their organizations.

3.3 Research Instrument: Data was collected using a structured questionnaire divided into three sections. The first section covers demographic information of respondents. The second

section measures strategic management factors, including strategy formulation, strategy implementation, strategy evaluation, and strategic resource management. The third section measures competitive advantage. Responses were measured using a five-point Likert scale.

3.4 Data Collection: The questionnaire was distributed to managers and executives in business organizations across Thailand. Data collection was conducted over a specified period, and completed questionnaires were used for analysis.

3.5 Data Analysis: The collected data were analyzed using descriptive statistical methods to summarize respondent characteristics and variable levels. Relationships between strategic management factors and competitive advantage were examined to address the research objectives.

4. Result

The results of data analysis obtained from questionnaires completed by 400 managers and executives working in business organizations across Thailand. The analysis includes descriptive statistics to describe respondent characteristics and variable levels, as well as inferential statistics to examine the relationships between strategic management factors and competitive advantage.

4.1 Demographic Characteristics of Respondents

Table 4.1 presents the demographic profile of the respondents.

Table 4.1 Demographic Characteristics of Respondents (n = 400)

Characteristics	Frequency	Percentage
Gender		
Male	220	55.0
Female	180	45.0
Position		
Manager	258	64.5
Executive	142	35.5
Work Experience		
Less than 5 years	76	19.0
5-10 years	164	41.0
More than 10 years	160	40.0

The majority of respondents were managers, with more than half having over five years of work experience, indicating that the respondents possessed adequate knowledge and experience related to strategic management practices within their organizations.

4.2 Descriptive Statistics of Strategic Management Factors

Descriptive statistics were used to examine the level of strategic management factors perceived by respondents. Mean scores were interpreted using a five-point Likert scale.

Table 4.2 Mean and Standard Deviation of Strategic Management Factors

Strategic Management Factors	Mean	SD	Level
Strategy Formulation	4.01	0.56	High
Strategy Implementation	4.18	0.52	High
Strategy Evaluation	3.95	0.60	High
Strategic Resource Management	4.22	0.49	High
Overall Strategic Management	4.09	0.54	High

The results indicate that respondents perceived all strategic management factors at a high level. Strategic resource management and strategy implementation received the highest mean scores.

4.3 Descriptive Statistics of Competitive Advantage

Table 4.3 presents the descriptive statistics for competitive advantage.

Table 4.3 Mean and Standard Deviation of Competitive Advantage

Competitive Advantage	Mean	SD	Level
Competitive Advantage (Overall)	4.15	0.51	High

The findings show that the overall level of competitive advantage among business organizations in Thailand was high, suggesting that respondents perceived their organizations as competitive within their industries.

4.4 Relationship Between Strategic Management Factors and Competitive Advantage

Inferential statistical analysis was conducted to examine the relationships between strategic management factors and competitive advantage.

Table 4.4 Correlation Between Strategic Management Factors and Competitive Advantage

Factors	Competitive Advantage
Strategy Formulation	0.62**
Strategy Implementation	0.74**
Strategy Evaluation	0.59**
Strategic Resource Management	0.76**

Note: $p < 0.01$

The results indicate that all strategic management factors have a significant positive relationship with competitive advantage. Strategic resource management and strategy implementation show the strongest correlations.

4.5 Impact of Strategic Management on Competitive Advantage

Multiple regression analysis was conducted to examine the impact of strategic management factors on competitive advantage.

Table 4.5 Results of Multiple Regression Analysis

Independent Variables	β	t	Sig.
Strategy Formulation	0.21	4.18	0.000
Strategy Implementation	0.34	6.72	0.000
Strategy Evaluation	0.17	3.65	0.001
Strategic Resource Management	0.36	7.15	0.000
R ² = 0.68			
Adjusted R ² = 0.67			

The regression results reveal that all four strategic management factors have a significant positive impact on competitive advantage. Strategic resource management and strategy implementation exert the strongest influence, supporting the research objectives.

4.6 Summary of Results

The results demonstrate that strategic management significantly influences the competitive advantage of business organizations in Thailand. All four strategic management factors positively affect competitive advantage, with strategy implementation and strategic resource management showing the strongest impact. These findings provide empirical support for the importance of strategic management in enhancing organizational competitiveness.

5. Conclusion

This study examined the strategic management factors that influence the competitive advantage of business organizations in Thailand and investigated the overall impact of strategic management on competitive advantage. Using a quantitative research approach, data was collected from 400 managers and executives through a structured questionnaire. The findings indicate that strategic management has a significant positive impact on competitive advantage. Specifically, strategy formulation, strategy implementation, strategy evaluation, and strategic resource management were all found to contribute positively to organizational competitiveness. Among these factors, strategy implementation and strategic resource management exert the strongest influence on competitive advantage.

The results highlight the importance of integrating strategic planning with effective execution and resource utilization to achieve sustainable competitive advantage. These findings provide empirical support for strategic management theory and offer practical insights for managers seeking to enhance organizational competitiveness in dynamic business environments.

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