



## CHANCES AND CHALLENGES OF STRATEGIC MANAGEMENT IN THE AGE OF INFORMATION OPENING

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### Abstract

Strategic management is developing, implementing, and evaluating decisions that enable an organization to reach its goals. Furthermore, the study aims to identify the opportunities and challenges of strategic management in the era of information openness. This research uses a library study method by analyzing journals or related articles published in the last five years; as for the research results obtained, the use of SWOT analysis in strategic management to identify opportunities and challenges the organization faces. Following strategic management in the era of information openness, the study of the results of related journals described that organizations exploit information and technology access to perform organizational tasks efficiently. Acquired opportunities and strategic management challenges in the era of information openness include more comprehensive access to data and the ability to access data quickly. Still, the risk of information failure becomes a challenge.

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### INTRODUCTION

Strategic management is a fundamental and systematic decision-making framework or structure within organizational activities concurrently executed with managerial actions to control and implement them. According to various scholars, strategic management is also referred to as the science and art of formulating, implementing, and evaluating various cross-functional decisions that enable an organization to achieve its objectives. Strategic management focuses on the goal-setting process within

an organization, followed by creating and developing policies and plans to achieve those goals, as well as allocating resources to implement policies and plans for organizational goal attainment (Suhardika, 2018). The meticulous and focused application of strategic management is paramount for all organizational tasks, particularly in company management. Well-crafted strategies aligned with the business environment in which the company operates will facilitate the organization's ability to fulfill its mission and achieve its goals. We are currently in the era of information openness, where a vast amount of information is accessible, posing significant challenges such as geographic spans and the narrowing of cultures due to digital technology (Anwar, 2020).

On the one hand, this presents significant opportunities for company development, but on the other hand, it can be a nightmare due to intense competition in achieving its mission. Globalization today involves disseminating economic innovations worldwide and collective changes in politics and culture. This can become even more intense with the rapid spread of information in the current digital era, which can be both an opportunity and a challenge.

Digitalization has rapidly evolved in Indonesia and impacted all sectors, including the public sector. Governments at all levels, both central and regional, must promptly adapt to the rapid pace of digitalization. They need to disseminate information quickly and accurately in this digital era. Gradually, the government has begun implementing E-government to address challenges posed by the development of information technology, as evidenced by Presidential Instruction No. 3 of 2003 concerning the national plan and strategy for E-government development, as defined by the World Bank (2021), which is the use of information technology by the government to develop and enhance relationships with businesses, society, and government institutions (Alia & Putri, 2023).

The description above illustrates the impact of digitalization that supports the current information openness, requiring every company to seize available opportunities and provide solutions to challenges swiftly and accurately. Challenges are viewed as motivators or impetus for the company to develop its mission to achieve its goals. Strategic management evolving in the era of information openness, such as the present, must be able to balance and optimize its functions in the art of formulating, implementing, and reviewing all decisions while identifying existing opportunities and challenges by aiding the organization in achieving its objectives. In this information age, companies can also maximize their ability to analyze data that aids in development, as they undoubtedly possess sophisticated tools and quickly adapt to any forthcoming challenges. Referring to the article's title above, the author will expound further on opportunities and challenges in strategic management in the information openness era, which is crucial given the current conditions. The article will focus on strategic management or threats and being able to

identify opportunities in the current era of information openness, where all information access is readily available. It will also address the role of humans in filtering or screening such information, conducting a literature review of previous studies, and synchronizing them with current issues. Topics to be covered in this article include Strategic Management, Opportunities, Challenges, and Information Openness.

## **METHOD**

The method employed is the Literature Review approach, traversing several stages such as formulating the research problem, identifying relevant sources of information, collecting data and information from the identified sources, analyzing the data, and subsequently drawing conclusions. References are drawn from various literature, books, and previous research findings on providing a theoretical framework for Opportunities and Challenges in Strategic Management in the Information Openness Era.

## **RESULT**

Strategic management is the process of formulating, implementing, and executing major decisions that determine an organization's long-term direction and performance. The strategic management approach developed by Fred and Forest David emphasizes analyzing the business environment and how companies can respond to challenges and capitalize on opportunities to achieve long-term goals (David & David, 2017). Therefore, using SWOT analysis techniques becomes a method for strategic planners to identify the organization's strengths, weaknesses, opportunities, and threats. SWOT analysis is a process used to analyze internal and external factors of the organization, where internal factors are identified as strengths and weaknesses. In contrast, external factors include opportunities and threats (Phadermrod, Crowder & Wills, 2019).

Strengths in any organization represent an internal condition stemming from internal factors such as competent and skilled human resources, supportive infrastructure, and various specialized competencies or advantages within the organization. Every organization needs to recognize its core strengths as this serves as the initial step or foundation towards achieving high-quality performance. Strategic planners' organization's the initial steps to leverage organizational strengths by identifying the organization's strengths. Weaknesses, on the other hand, are inherent in every organization alongside strengths. Thus, it becomes the organization's responsibility to identify and enact policies to address weaknesses. Weaknesses represent internal obstacles experienced by the organization; in other words, conditions and factors that are deficient or lacking. Opportunities arise from analyzing the external environment,

potentially offering advantages to the organization ([Hoskisson et., al., 1999](#)). By comparing internal analyses, such as organizational strengths and weaknesses, with external analyses or those of competitors, opportunities that can be pursued are identified. Subsequently, they can be classified based on their probability of success. Threats, meanwhile, represent external conditions that have the potential to impede the organization. Organizations must be vigilant in identifying issues that may jeopardize their ability to achieve their vision and mission. These threats must be mitigated to prevent prolonged adverse effects. Threats can be assessed based on severity and likelihood and categorized into three levels: significant, moderate, and minor ([Helms & Nixon, 2010](#)).

Opportunities and challenges in strategic management in the era of information openness are relevant topics given the current circumstances. The advancement of technology and the ease of accessing various information can present opportunities and challenges in strategic management. Strategic management is a response in the form of planning efforts to achieve strategic competitiveness and enhance institutional quality and profitability ([Achmad, 2023](#)). Based on the initial research, it is elucidated that within the stages of strategic management, a SWOT analysis exists to identify opportunities and challenges to assist planning functions in strategic management. During the SWOT analysis, strategic planners diagnose and analyze both internal and external environments. Environmental analysis is a monitoring process carried out by strategy experts involved in the field to identify opportunities and threats to the organization. Meanwhile, ecological diagnosis encompasses management decisions needed to evaluate critical data regarding opportunities and threats arising from environmental analysis ([Anwar, 2020](#)).

The first research findings also explain how institutional leaders utilize SWOT analysis-based strategic management to plan innovations that can maintain the quality and quantity they possess. Utilizing a SWOT analysis-based strategic management model demonstrates positive results for the institution's sustainability by involving all stakeholders. The essence of strategic management is to identify objectives and resources and to determine how to utilize the existing resources ([Anwar, 2020](#)). Strategic management is self-selecting and implementing strategies ([Ritonga, 2020](#)). Therefore, SWOT analysis is a tool to dissect opportunities and challenges, allowing the strategic management process to achieve the appropriate targets.

The rapid advancement of information technology today is undoubtedly beneficial for the continuity of work across all institutions. With the ease of accessing information, task efficiency, including the archival processes outlined in the second research, can be significantly enhanced. The second study elaborates on the impact of conveniences in managing archiving. In this regard, strategic management identifies issues. It seeks solutions by leveraging existing resources, such as easy access to

information and the utilization of technology, to ensure that archive management operates more efficiently and effectively. This aligns with the definition of the strategy itself, which is the motive behind allocating organizational resources to maintain performance (Ritonga, 2020). This means that it has become an alternative strategic management method in the era of information openness. Digitization provides information openness to anyone, and besides giving positive impacts and facilitating all work, there are potential downsides. The advancement of technology offers many ways to access information, which can threaten organizations, considering that organizational data or information may leak.

Based on previous research findings, strategic management faces significant opportunities and challenges in the era of information openness. The opportunities include broader access to data, more comprehensive market information, and the ability to respond to changes quickly. However, the challenges encompass increased competition, information security risks, and pressure to maintain a competitive advantage in effectively managing and utilizing information. Adaptive strategies and a willingness to innovate are vital to navigating strategic management from the perspective of information openness. (The role of strategic management in reading opportunities and challenges in the era of information openness).

## DISCUSSION

### Strategic Management

According to Evered, the term "strategy" originates from the Greek word "*strategos*," which consists of the phrase "*stratos*" (army) and "-ag" (leader), giving rise to the word "strategy." In other words, strategy is the study of generalship - how a general fights or carries out their tasks. Grant defines strategy as the knowledge of how to outperform competitors (Hidayat, 2010). Before being combined into a single sentence, the words "management" and "strategy" have different meanings. This is where the term "strategic management" originates (terminology). The management process director guides a group of people toward tangible business goals. This definition of management is an activity referred to as managing, and a manager performs this activity. An organization can fulfill its goals when new information becomes available by aligning its strategy across functions, and this is accomplished through the development, implementation, and evaluation process that produces a set of rules and information known as strategic management (Nazarudin, 2018).

Preparation, implementation, and assessment of choices constitute the art and science of strategic management. Setting organizational goals, devising plans and policies to achieve them, and allocating resources to execute and implement policies are the primary focus areas of strategic management. Strategic management integrates the operations of various company functional areas to achieve organizational goals (Lestari, 2019). The definition of strategic management is the art and science of developing,

practicing, and evaluating cross-functional choices that assist the company in achieving its objectives. To achieve organizational success, strategic management integrates management, marketing, finance/accounting, production/operations, research and development, and computer information systems. The objectives of Strategic Management are as follows (Rahim, 2020):

- 1) Utilizing and evaluating the selected approaches with effectiveness and efficiency;
- 2) Assess performance, examine conditions, and make necessary improvements or revisions if the implementation of the strategy deviates from the plan;
- 3) Regularly revising prepared plans to accommodate changes occurring in the external environment;
- 4) Consistently evaluate the advantages, disadvantages, opportunities, and threats faced by the company; and
- 5) Continuously developing products to ensure that they always meet consumer preferences.

The benefits of strategic management include encouraging managers to think more strategically and creatively by providing a framework for addressing strategic issues within the organization, especially those involving competitors. Organizations can gain several benefits by implementing strategic management, including (Rahim, 2016);

- 1) Providing long-term direction;
- 2) Assisting organizational adaptation to change;
- 3) Enhancing organizational effectiveness;
- 4) Identifying the organization's competitive advantages in an increasingly volatile environment;
- 5) Developing strategies will enhance the organization's capacity to avoid future problems;
- 6) Employee participation in plan development will increase their motivation during the implementation stage;
- 7) There will be fewer overlapping activities; and
- 8) It allows for reducing resistance to change among current staff members.

The five main tasks of Strategic Management are (Surjani, 2003):

- 1) Strategic vision, which guides the future direction of the organization and its day-to-day operations. It is an idea that directs businesses to act and evolve into something;
- 2) Setting strategic objectives is management's task to be achieved within a specific timeframe (short-term or long-term);
- 3) Developing the company's mission, detecting external threats to the company, assessing internal strengths and weaknesses, setting long-term goals, generating other strategies, and restoring specific strategies are some examples of strategy formulation and mission-making; and
- 4) For a company to implement developed strategies into action, the company must set annual goals, establish procedures, inspire

employees, and allocate budgetary resources. Strategy evaluation is the final stage in strategic management. The three main points of strategy evaluation are: re-examining the external and internal factors that form the basis of the ongoing strategy, measuring performance, and taking corrective measures.

### **Opportunities And Challenges**

Opportunity refers to current or future favorable conditions that can benefit an organization/company. Opportunities are external conditions that can improve the institution's advancement, such as law changes, declining competitors, and increasing human resources. If opportunities can be identified accurately, they can benefit an organization through institutional survival and a better future for the institution (Isamuddin, et.al, 2021). The strengths of a company that can provide advantageous impacts will be highlighted in this examination. Businesses or organizations can analyze their advantages, strengths, and uniqueness, differentiating them from their competitors. To aid business growth, this study identifies emerging trend opportunities and implements them within the organization. Situations or conditions outside the organization or business that provide opportunities for future organizational growth are sometimes called opportunities. This approach involves searching for opportunities or innovations that will help the business or organization grow in the future. One tactic for leveraging opportunities is expanding business into international markets. The increasing demand in international markets allows businesses to expand their customer base and increase profits. Companies can utilize new technology within the industry to create new goods and improve operational efficiency. Additionally, corporate players can enhance their market positions and diversify their product offerings by forming strategic alliances with other companies (Marwah and Ramadhania, 2023). Opportunities are classified into three levels (Fatimah, 2016);

- 1) Low if the analysis findings provide minimal benefits and market value, and the likelihood of success is slim;
- 2) Moderate if the analysis findings are very intriguing and beneficial, but the likelihood of success is low, or vice versa; and
- 3) It is best if the analysis findings indicate high profitability, attractiveness, and likelihood of success.

Additionally, some several circumstances can provide opportunities for businesses or organizations, including:

- 1) Products that attract potential market attention;
- 2) Products that have not received much attention;
- 3) Changes in trading scenarios with competitors; and
- 4) Relationships with customers and buyers.

Threats are unforeseen situations or conditions that can disrupt an organization's or business's ability to operate. Threats are unfavorable environmental factors for the organization; if left unchecked, threats can have long-term effects and create barriers or obstacles to achieving the company's goals and objectives. One can assess threats based on their impact level (severity) and the likelihood of occurrence (probability). Unfavorable external conditions for a company or organization, both current and future, are known as challenges or threats, and they can significantly impact the educational institution's future. These challenges can include the entry of new competitors, a decrease in students, and so on. Globalization, socio-cultural issues, and information and communication technology are three current challenges in the education world (Vitri, et,al 2023). Threat analysis helps identify barriers or dangers a business or organization must face to avoid setbacks. These issues pose current and future risks to the concerned business if not addressed promptly.

The levels within threats are as follows (Fatimah, 2016): (1) Major threat, where both the potential effects and the likelihood of the main danger are high. To address this without jeopardizing the company's existence, thorough planning and strategic thinking are required. (2) Moderate threat, combining the likelihood of occurrence and the severity level. Although the likelihood of occurrence is low, the potential severity level is high, and vice versa. (3) A Minor threat is a danger less severe than a significant threat, meaning the likelihood of occurrence is lower, and the impact is more minor. However, it still needs to be identified and addressed promptly. By doing this, the likelihood of these minor threats escalating into more significant threats will be reduced.

The company's approach to dealing with threats includes:

- 1) We are observing fierce industry competition that risks the company's market share and profits;
- 2) It monitors regulatory changes that can adversely impact business and force the company to modify its operations; and
- 3) They monitor supply chain risks affecting product availability and quality, which unstable situations can also influence.

Additionally, to maximize potential and mitigate threats, companies should enhance reliable digital security systems to combat data security and privacy threats. Businesses can also develop appropriate plans. By leveraging their strengths, companies can strengthen existing weaknesses, such as expanding internationally and diversifying their product lines. Opportunities can be seized by developing markets and forming alliances with strategic objectives (Yulia Marwah).

### **Openness of Information**

The phenomenon influencing many aspects of life is globalization. The term "globalization" is used to describe a phenomenon that can potentially enhance welfare in a global society and is a cause of many modern diseases.

Education, politics, economics, culture, and morality are all influenced by globalization. Among the benefits of globalization are as follows: Globalization: a) facilitates access to a broader range of knowledge and information; b) accelerates and facilitates communication; c) Rapid technological advancements; d) International investment cooperation will enhance the economy of each country and, of course, require significant labor. Here are some negative impacts of globalization:

- 1) Uncontrolled dissemination of information;
- 2) Loss of national identity;
- 3) Emergence of independent thought patterns; and
- 4) Growth of consumerist lifestyles.

Public information is information generated, stored, managed, transmitted, received, transmitted, received, stored, and managed by a public agency related to the organization and administration of the state and other public agency organizers and administrators by this Law and other information related to public interests. Openness to information is the availability of data managed by public agencies that are not restricted to the general public, except for data prohibited by Law. Public agencies are:

- 1) State institutions;
- 2) Non-ministerial institutions;
- 3) Regional apparatus organizations;
- 4) Non-governmental organizations; and
- 5) State or regional budgets fund other organizations.

Information transparency can present significant opportunities within an organization/company and its roles in several aspects include:

- 1) Recognizing and assessing the environment: Companies possess information access that allows them to recognize and assess their internal and external environments more efficiently. With transparency and available data, organizations can determine their resources, barriers, strengths, and weaknesses;
- 2) Formulating strategies: Organizations can create more effective and efficient plans by having access to information. Clear and readily accessible data can be used to discover prospective new tactics and evaluate the effectiveness of previously implemented strategies;
- 3) Strategy implementation: Extensive information access can help organizations execute strategies more successfully and practically. Clear and available information can be utilized to monitor organizational operations and overcome barriers to strategy implementation; and
- 4) Strategy evaluation: Acquiring information can assist companies in objectively evaluating the success of strategies. Open and easily accessible information can be used to enhance organizational performance and determine the elements contributing to the success or failure of strategies.

In strategic management, information transparency is a primary issue. Organizations with access to information can execute plans more successfully, make better decisions, and objectively assess the success of

their initiatives. There are several approaches to increasing the amount of strategic management information: (a) Leader protection: Organizational leaders need to provide opportunities for information transparency. An open and transparent organizational culture can be cultivated within the leadership environment. (b) Policy and procedure creation: Companies should establish policies and procedures for handling information leaks. Organizations can ensure that relevant and vital information is presented in a clear and easily accessible manner with the help of these policies and processes. (c) Increasing awareness: Companies need to make employees more aware of the value of sharing information. Enhancing employee knowledge promotes a culture of transparency and trust. (d) Utilization of technology: The speed of information retrieval can be accelerated through technology. Technology can assist in enhancing transparency in decision-making processes and speeding up access to information (Rahman and Salam, 2023).

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