

Evolution of Ideas with in the Business Strategy from Historical Perspective

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Abstract

This paper investigated whether the historical ideas are useful for designing the business strategic and has examined how historical ideas could be helpful in designing new era of business strategic. Nowadays the relationship between historical ideas and modern business strategies has seen a good impact on production of the businesses. And we have seen that there is a huge competition among different business companies, especially Telecom and Computer industries of the world. It is also noted that, are historical ideas helpful for the new era business strategy? Whether the historical ideas are implemented on business strategies and modern business techniques? To find out at what extent historical ideas could helpful in designing new era business strategic. However, Emirates Telecommunications Corporation purchased a 26% stake in PTCL and assumed management control of the company. Fixed-line subscriptions declined from a peak of 5.2 million in 2005-06 to 3.4 million in 2009-10.

Keywords: Historical ideas; Designing the business strategic; Modern business; Competition

Introduction

It is investigated that whether the historical ideas are useful for designing the business strategy of the modern businesses. However, quality of the physical modern business strategies may also have a strong influence on a company's ability to recruit and retain talented people, some factors in modern business strategies may be considered keys affecting like technology, economics condition, productivity, morale, etc. The strategy in particular, increasing attention is being paid to the so-called dynamic capabilities of organizations [1]. In other word, how firm's capabilities and competences dynamically evolve overtime in order to reflect change in their market and technological environment. In the World, there were a lot of inventions and discoveries had been seen in last two decades, but we are mainly discussing the Telecom sector and Computer industry. The first message via mobile phone had sent in United Kingdom by Vodafone Telecom Company in 1992. If we check the impact of this Historical ideas in Modern Telecom business sector, we are astonished to know that the importance of the messages and calls nowadays, people like to become hungry whether someone disturb them in chatting or calling. The telecom companies gave them cheaper rates as time is passed due to more usage and competitions in the market. The recent time, there are several telecom companies who give the free chatting and calling facilities on mobile phones and computers.

As Dening [2] put it, history is about "returning to the past those qualities of the present that it once possessed". The computer industry is also growing excellently from last some years. The idea of computer had been seen in different shapes and sizes in the open market, the companies made new innovations from this historical idea for their businesses according to necessity and demand of the customers, but today its importance and necessity is absolutely clear for the modern businesses in different ways. The computer becomes a part and parcel of the modern businesses. Our businesses are totally dependent on computers, without computer we are just as idols. The paper presents the analysis of the modern business strategies. The objective of this research is to investigate if there is any relation between historical ideas and modern business strategies.

Economic growth, saving, investment and financial system development has been difficult to test between the empirical relationship. The first investigates the relationship between economic

performance and financial development indicators [3]. Atje et al. [4], Levine et al. [5], Rajan et al. [6], Harris [7], Bayoumi [8], Kim et al. [9], Bekaert et al. [10] focuses on the impact of financial liberalization on economic performance.

Over 80 countries from 1969 through 1989, using data with economic development are positively associated with higher level of financial development by the examine King et al. [3]. In order to measure financial development has been constructed four indicators. First, to GDP is the ratio of liquid liabilities. Secondly, allocation of credit the central bank relative to the deposits banks. Third, to non-financial institutions the share of credit issued. Fourth, physical capital accumulation and faster rates of economic growth are positively associated with higher levels of financial development by using cross-country regressions and country policy characteristics.

They also point out that for long-run economic growth financial development is a good predictor over the next 10 to 30 years. These findings confirm that both financial and economic development b/w contemporaneous shocks does not simply reflect a positive association b/w economic growth and level of financial depth shows a strong correlation and economic activity does not only follow finance. Over the period 1980-88, a cross country study of economic growth and stock market presents by Atje et al. [4]. They find a significant correlation b/w stock market capitalization and average economic growth for 40 countries.

However, financial development and economic growth has causality direction may be skeptical as indicated by Rajan et al. [6]. Specifically, the present value of growth opportunities they expect future economic growth and stock market capitalization may tend to lend more financial institutions. In this case, a causal factor as a

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leading indicator can be viewed by financial development. Harris [7] re-examines more advanced econometric techniques and investment using more appropriate instruments by the empirical relationship b/w economic growth and stock markets. In contrast to Atje et al. [4] growth in per capita output to explain the level of stock market activity by the evidence.

Literature Review

In research circles, attention in business strategy from historical perspective and organizations has been strong in the last two decades. Several perspectives have been anticipated to investigate the issue, and so have several prescriptions for business facing global competition. Unique idea is indispensable for a business to touch the boundaries of success. Hence the business managers are always in dawn to dusk search for such ideas, no difference it makes whether they have to borrow this idea from the past or from the contemporary world. The past ideas have directly and indirectly correlated with the present and the historical studies of the past are not a dull past, these historical ideas have a significant impact on the present. The reality is that we cannot understand present history better without past ideas, the past is not classify with no of trials but can be describe with progress of the present [11].

An interesting and common observation, to which it is related but conflicting, that past, can only understand in term of present, this mode of enquiry rooted in a relative and sense of justification [12]. Denning [2] gave his views about history as the qualities of the present that we see now are the outcomes of the past. Recognizing that history requires combination, it is defined for the present purpose the researchers sought to derive instances of human information behaviors from autobiographies, record, diaries, calligraphy, and other materials written by historical figures. The study of historical figure and other personal materials is a common practice for nowadays of the researchers [13]. The importance of business strategies of competition in historical perspective have a good progress to understand high-tech in strategy research, and provide the information's for the new millennium in future [14]. History is here an implicit as a sequence of events form of analysis [15], it is suppose that the value of nature can be sufficiently understand and estimate by making an allowance for the progress of development.

This logic of meaningful perception on strategy research is helpful to the authors of review articles to develop a dispute about different paths of progress in the field. The strategies and their development can only be accurately analyzed in their historical context. The organizational individuality and its culture, know how to be implicit these ideas in the past time [16,17]. It becomes an aim of business people to see the restoration and construal of chronological processes, and its longitudinal management studies which aim to theorize on management phenomena. This can be done by using historical data as a means to study longer processes or to put present developments into context. The distinction between longitudinal and history of business, moderately fair of management research is not for all time sparkler clear. Alfred DuPont Chandler [18] was one of few scholars that defined a new field of business. Specifically, Chandler created the foundations of business history, which over the span of 50 years has significant impact on many other business disciplines, including management history [18]. Chandler was paying attention on the increase of large multidivisional corporations in the USA and their impact on the development of the US economy in his premature research hard work.

In an intensive survey, Levine [19] breaks five basic functions into

the primary function of financial sector: exerting corporate control and monitoring managers, services and goods easing exchange, allocation of resources, pooling risks and hedging, and mobilization of saving. For the emergence of financial markets create incentives informational asymmetries and transaction costs that supply financial instruments. To satisfy illiquid high-return investments and demands on deposits investment undertake a mixture of liquid low-return and liquid deposits to savers can offer by banks.

In this paper, Dornbusch et al. [20] argue that the evidence on economic growth for the positive effects of financial liberalization tend not to be supported by the strong assertions. First, the relationship b/w saving rate and real deposit rates: Although saving would stimulate higher interest rates by the strong belief, an ambiguous total effect on saving mean the offsetting income and substitution effects of increased interest rates. In developing countries, to provide any evidence make it harder their poor quality and lack of appropriate. Second, substantially across countries the relationship between growth and financial depth is not strong.

Levine [19] drives long-run investment projects stimulate less expensive to trade equities where more liquid stock markets because before the project matures they need liquidity and investors can easily sell their stake. He concludes that in long-run high-return projects attract investment high liquid stock market that boosts productivity growth. For a long time, economists have been interested in the finance-growth link. Schumpeter [21], in promoting economic growth had been emphasized by the importance of financial services. McKinnon [22] and Shaw [23] also suggested that for stimulating economic growth the financial intermediation has critical role.

The endogenous theory, the classical, the neo-classical and in the various growth models finance is important in facilitating economic growth as evident in the theories by the stronger arguments. Growth rate of gross national product, national capital-output and the ratio of national savings by the classical growth model for a closed economy. When these economies save a portion of their national income by the expansion of new capital stock through investment takes place. Economic growth will lead to this new investment generated through savings. Kennelly [24] was extended to open economies by the Harrod-Domer growth model with savings having similar implications. Schumpeter [21] which purports that financial intermediaries, technological innovation and economic growth are essential managing risks, mobilizing savings, monitoring managers and facilitating transactions, and evaluating projects.

Theoretical Framework

The Theoretical Framework was shown in Figure 1.

Methodology

This model explains four different types of variables, such as business strategic and modern business as an independent variable, while historical ideas is as dependent variable, technology variable used in this model as moderate variable, whereas, economic conditions variable used in this model as mediating variable. In order to make a positive strong relationship between independent and dependent variables, technology variable used as moderate, whereas economic conditions play a vital for the development of any economy through different policy variables. It is observed from different researchers that economic policy variables have a significant impact on all kinds of businesses in the world. However, fluctuations in policy variables, financial liberalization, economic growth and financial development

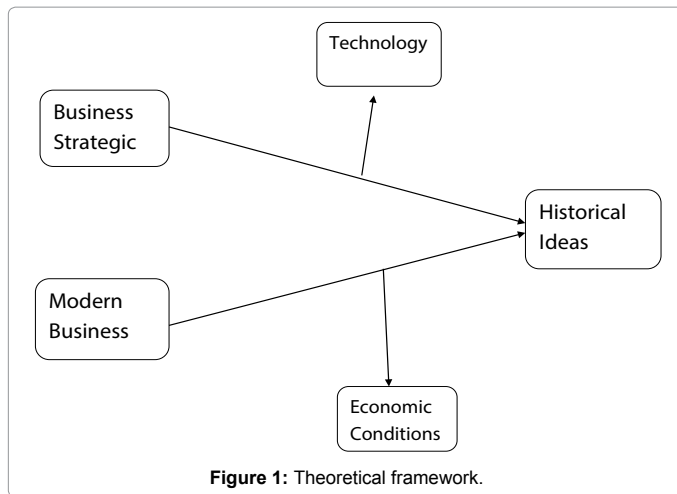


Figure 1: Theoretical framework.

are the essential elements for the promotion of businesses. However, financial development and economic growth has causality direction may be skeptical as indicated by Rajan et al. [6]. Specifically, the present value of growth opportunities they expect future economic growth and stock market capitalization may tend to lend more financial institutions. In this case, a causal factor as a leading indicator can be viewed by financial development. Harris [7] re-examines more advanced econometric techniques and investment using more appropriate instruments by the empirical relationship b/w economic growth and stock markets. In contrast to Atje et al. [4] growth in per capita output to explain the level of stock market activity by the evidence.

Williamson J et al. [25] has not been observed saving and commercial profitability from the point of view of allocative efficiency. Fry [26], Ghani [27], King et al. [3] revealed significant and positive cross-section relationship between real interest rate and average economic growth by the World Bank. In his study Fry [26] observed an inverted U shaped relation between real interest rates and national saving, through the effects of these rates on output growth high and low real interest rate at both declines national saving on 16 developing countries.

Historical Ideas and Modern Business Strategic

The Telecommunications Ordinance of 1994 created the Pakistan Telecommunication Authority (PTA), Pakistan's first independent telecommunications regulator, and the Pakistan Telecommunication Company Ltd (PTCL), a state-owned monopoly. Due to a lack of competition, local telephone call rates were high and international call rates were even higher. During the 1990s, a call to United States cost \$5 per minute (300PkRs per minute), which was not affordable for most of the population [28]. In addition customer service was poor; fixing a problem might take 10 to 15 days. Despite this, consumers had to stick with PTCL, as they had no other options.

In July 2003 the government introduced a Deregulation Policy for the Telecommunication Sector, which allowed and encouraged foreign companies to invest in the Pakistani telecommunications market. The centerpiece of the deregulation was the establishment of two categories of basic services licenses: Local loop (LL), for fixed line telecommunication within the 14 PTCL regions, and Long-distance and International (LDI), for connectivity between regions." Two sets of criteria set by the regulatory authorities must be met before an operator is allowed to start operation: one for the issuance of a license and another for the maintenance of service quality [29,30].

In 2006, Etisalat International Pakistan, a wholly owned subsidiary of Emirates Telecommunications Corporation, purchased a 26% stake in PTCL and assumed management control of the company. Fixed-line subscriptions declined from a peak of 5.2 million in 2005-06 to 3.4 million in 2009-10. In January 2004 the Ministry of Information Technology issued its Mobile Cellular Policy with objectives to:

1. Promote efficient use of radio spectrum;
2. Increase choice for customers of cellular mobile services at competitive and affordable prices;
3. Encourage private investment in the cellular mobile sector;
4. Recognize the rights and obligations of mobile cellular operators;
5. Provide for fair competition among mobile and fixed line operators; and
6. Provide an effective and well defined regulatory regime that is consistent with international best practices.

The deregulation bore fruit as international companies Telenor (Norway) and Warid Pakistan set up operations in the country in 2005. Insta phone and Paktel were the pioneers in mobile communication in Pakistan during the 1990s. They were joined by Mobil ink in 1998 which was owned by Motorola until its sale to ORASCOM. The trio offered AMPS services before switching to GSM in the early 2000s. Ufone joined the mix in 2001. The sector was highly regulated which led to high call rates and poor service quality, Shahzad et al. [31].

Computer animation, or CGI animation, is the process used for generating animated images by using computer graphics. The more general term computer-generated imagery encompasses both static scenes and dynamic images, while computer animation only refers to the moving images. Modern computer animation usually uses 3D computer graphics, although 2D computer graphics are still used for stylistic, low bandwidth, and faster real-time renderings. Sometimes, the target of the animation is the computer itself, but sometimes, it is another medium, such as film.

Computer animation is essentially a digital successor to the stop motion techniques used in traditional animation with 3D models and frame-by-frame animation of 2D illustrations [32,33]. Computer-generated animations are more controllable than other more physically based processes, constructing miniatures for effects shots or hiring extras for crowd scenes, and because it allows the creation of images that would not be feasible using any other technology. Computer animation can be created with a computer and animation software. Some impressive animation can be achieved even with basic programs; however, the rendering can take a lot of time on an ordinary home computer.

Conclusion

However, quality of the physical Modern business strategies may also have a strong influence on a company's ability to recruit and retain talented people, some factors in modern business strategies may be considered keys affecting like Technology, Economics condition, productivity, morale, etc. Unique idea is indispensable for a business to touch the boundaries of success. Hence the business managers are always in dawn to dusk search for such ideas, no difference it makes whether they have to borrow this idea from the past or from the contemporary world. The past ideas have directly and indirectly

correlated with the present and the historical studies of the past are not a dull past, these historical ideas have a significant impact on the present. Through which private investment is expected to rise two main channels have emphasized as leading to financial development of financial liberalization. The first channel due to increased private saving that would follow the removal of interest rate ceiling through an increase in the availability of credit and the second channel thereby increasing the marginal productivity of investment due to the higher cost of capital is through enhanced screening of investment projects. In 2006, Etisalat International Pakistan, a wholly owned subsidiary of Emirates Telecommunications Corporation, purchased a 26% stake in PTCL and assumed management control of the company. Fixed-line subscriptions declined from a peak of 5.2 million in 2005-06 to 3.4 million in 2009-10.

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