

ORGANIZATIONAL APPRAISAL AND CAPABILITY FACTORS DYNAMICS EVALUATION: IMPLICATIONS FOR STRATEGY FORMULATION PERSPECTIVES

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ABSTRACT

The study critically examined organizational appraisal, which simply involves the assessment of functional areas policies and strategies. The focus on appraisal and diagnosis of the external environment enables the firm to think of what it might choose to do, as well as determining which opportunities and threats could be significant to the company in the future. On the other hand, and elatedly, the focus on the appraisal and analysis of the internal environment dynamics will also enable the firm to decide about what it can do, using the strength to exploit opportunities which can help the firm's development of strategic advantage. Thus, the strategic advantage analysis and diagnosis is the process by which the strategists examine and monitor various factors and functional areas including the company's product lines, marketing and distribution, finance and accounting, research and development, information system management, production and operations, corporate resources and personnel factors that will enhance feasible strategy formulation and implementation. The essence of this as examined in the study, is to determine where the firm has significant competencies, so that it can most effectively exploit the opportunities a meets or face the threats the environment is presenting. In effect, it is the fit resulting from the interaction between the external and internal environment resources view dynamics that enable an organization to formulate its strategy and enhance corporate firms' sustainability. The study therefore, recommends amongst others, the horizontal capability assessments that relate to the functional areas capability factors of strategic business units.

KEYWORDS: *Organizational Appraisal; Capabilities Factors; Functional Strategies; Firms Sustainability; Competitive Advantages; Strategy Formulation; Competencies*