

Perspectives of strategic thinking: From controlling chaos to embracing it

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ABSTRACT

There is an increasing focus in today's organization on measuring results and calculating return on investment. Efforts of administrators today to control organizational endeavors are essential and generally aligned with current best practices. Control mechanisms, however, ultimately prove to be only part of the puzzle. Strategic planning, encompassing such activities as planning, performance measurement, program budgeting, and the like, has proven to be very useful but limited. It is a technical fix that gets at only part of the question of organizational effectiveness and only deals with some organizational dilemmas. In the face of such realities, the notion of strategic thinking emerges to fill the gaps and overcome the limitations that experience with strategic planning has proven to exhibit. This paper presents an integration of leadership ideas, strategic thinking and traditional planning activities in an effort to make important connections and important distinctions.

Keywords: leadership, management, strategic planning, strategic thinking, systems theory, organizational philosophy, public sector

The struggle for organizational effectiveness in public organizations is ongoing at all levels. The efforts to attach specific measurements to specific objectives with a specific budget have proven to be very useful, inherently logical, and not nearly enough. The efforts of public administrators to control organizational activities are essential, necessary, and aligned with current best practices (see Berry 1994). But they ultimately prove to be only part of the puzzle. Strategic planning, an umbrella term used to summarize such activities as planning, performance measure-

ment, program budgeting, and the like, has proven to be very useful but limited. It is a technical fix that gets at only part of the question of organizational effectiveness and only deals with some of the dilemmas organizations face.

In the face of such realities, the notion of strategic thinking emerges to fill the gaps and overcome the limitations that experience with strategic planning and strategic management has proven to exhibit. The goal of strategic thinking is much the same goal of organizational leadership. While strategic planning is upward focused,

looking at ensuring how tactics link up to organizational goals and strategies, strategic thinking is holistically-focused, looking to ensure that meaning and purpose are diffused throughout the organization so that appropriate goals and tactics can be developed to meet the real needs of the organization. Strategic planning in this sense is more linked to the work of classical management, while strategic thinking is linked more to the work of leadership (Shelton & Darling 2001; Whitlock 2003; Focus 2008). Drawing much from classic strategic management and public sector literature, this paper presents an integration of leadership ideas, strategic thinking, and traditional planning activities in an effort to make important connections and important distinctions that can be useful in private and public contexts.

DEFINITIONS AND CONTEXT

Defining strategic thinking is still a work in progress in academic literature. We see the beginnings of a theoretical foundation for the strategic thinking competency emerge, but more is to be done. The consulting world and human resource departments have also taken up the charge and begun, at least, the definitional work of strategic thinking. The effort is to distinguish traditional strategic planning from the more general notion of strategic thinking.

The U.S. Internal Revenue Service offers another definition of Strategic Thinking as a leadership competency which offers another clearly different comparison to strategic planning (Internal Revenue Service 2001):

Strategic Thinking: Formulates effective strategies that take into account the external influences on an organization from a national and global perspective. Examines policy issues and strategic planning with a long-term perspective leading to a compelling organizational vision. Determines objectives, sets priorities and builds upon strengths. Anticipates potential threats or opportunities. 1. Understands

the Organization's Strategic Goals..., 2. Links Daily Tasks to Strategies, or Long-term Perspectives..., 3. Develops Work Plans Based on Strategic Priorities..., 4. Develops Strategies in Support of the Mission...

The Inter-American Development Bank lists Strategic Thinking as one of its Leadership Competencies and defines it this way (Personnel Decisions 2001):

Strategic Thinking: Staying abreast of IDB comparator institutions, political, economic, and technological developments. Going beyond the questions that are routine or required for one's job, and recognizing the broader 'context' of 'big picture.' Identifying key or underlying issues in complex situations.

This definition is significantly different from what the Bank lists as its definition of Planning, one of its Managing Resources Competencies (Personnel Decisions 2001):

Planning and Implementing: Translates strategic goals and priorities into realistic and flexible plans and programs; monitors the implementation of plans to ensure that key results are achieved.

The U.S. District of Columbia government included Strategic Thinking into its Management Supervisory Services development activities. Early efforts to define the term combined such ideas as conceptual thinking, information seeking, clarifying complex data and situations, and learning from experience.

The President of the Public Service Human Resources Management Agency of Canada and the President of the Public Service Commission of Canada outlined an updated list of key leadership competencies in 2005. These competencies, in their view, reflect the skills, abilities, and characteristics needed in the public sector to meet current and future challenges. They define strategic thinking as follows:

PS leaders advise and plan based on analysis of issues and trends, and how these link to the responsibilities, capabilities, and potential of their organization. They scan an ever-changing, complex environment in anticipation of emerging crises and opportunities. They develop well-informed advice and strategies that are sensitive to the various needs of multiple stakeholders and partners, reflect the strategic direction of the PS, and position the organization for success (Key Leadership 2008)

While only a very few, these citations serve to illustrate the definitional work going on in public organizations with respect to strategic thinking. Below we find the attempts of scholars and researchers to define strategic thinking. For example, Abraham (2005) asserts that the search for alternate appropriate strategies is actually strategic thinking in action. Allio (2006: 4) defined strategic thinking as ‘the systematic analysis of the organization and the formulation of its longer-term direction’. The goal is to find clarity on what we do in this realm of organizational life so that we can do it better, more explicitly.

Why worry so much about the definition? It is because differences without a distinction are more useful in debate class than in practical application. Differences with a distinction, however, challenge us to see and do our work in new ways. Such distinctions help us both analyze our work differently and develop different skills to apply. Initially, then, strategic thinking seems to be 1) fundamentally different than strategic planning and 2) more innovatively practical.

Many definitions for strategic thinking have emerged. They range from ‘thinking about planning’ to engaging in a holistic approach to organizational life that allows you to see and feel the issues you and yours are and will be facing. Again, we label these efforts the beginnings of a definition of strategic thinking because these definitions have not coalesced. In the following sections, we want to clarify how these types of

strategic thinking differ in approach using common terms to managers: how (actions taken to achieve a strategy), what (defining goals and objectives worthy of pursuit), and why (the values based rationale linking strategic capabilities with positioning. Our rationale to draw these distinctions is to clarify different types of strategic thinking because if we call everything strategic thinking, we create confusion and undermine our own credibility. Four simple categories may help decipher the differences and nuances of the many definitions. Table 1 describes these approaches in more traditional strategic vocabulary.

TABLE 1: FOUR APPROACHES AND DESCRIPTIONS

Approach label	Description
How	Strategy as Plan
What-How	Strategy as Position
What-Why-How	Mission-Based Strategy
Why-What-How	Strategic Thinking or Vision Based Strategy

The how approaches: Strategy as plan

Some define strategic thinking only as glorified planning. The ‘how’ approaches imply the existence of a pre-determined set of objectives and/or a mechanism to receive them. This is most apparent in public sector agencies when missions and mandates and even timelines are handed down to public managers by legislative bodies. Management conducts strategic planning to determine the most appropriate means (set of actions) to achieve those objectives.

The How approach, though, ultimately focuses on traditional strategic planning which asks how we are to achieve mission priorities and outlines which actions should be taken when. Mission objectives and goals are assumed from the nature of the business and made explicit by management so that plans can be made to methodically account for activity designed to achieve the end result. Hamel and Prahalad (1989) refer to this traditional way of strategic planning as filling out forms. However, Wilson (1994) suggests

we have improved upon past strategic planning models so much that what has emerged is something more usefully referred to as strategic thinking or strategic management. To these kinds of approaches we now turn.

The what-how approaches: Strategy as position

Thinking about planning, or thinking before planning, is a natural evolution from the 'how' mindset. This approach varies in its application but basically demands that we become clear on what we are to do in the context of current external and internal affairs and then devise proper plans and monitoring systems to make sure we do the right things (see Wootton & Horne 2002). The what-how approaches are about disciplined thinking leading to organizational focus. Birnbaum (2004) suggests 'focus' is the key ingredient to good planning and is the very thing that makes planning strategic. Coupled with an appreciation for good people in the organization, careful management of processes, and the development of an intimate understanding of their markets, focus is essential to organizational success.

To capture these ideas and determine focus, planners (thinkers) have various tools at their disposal, such as SWOT analysis for Strengths, Weaknesses, Opportunities, and Threats, or PESTLE scanning for Political, Economic, Social, Technological, Legal, and Environmental, or BACHA analysis for Blindspots, Assumptions, Complacency, Habits, and Attitudes (see Tan 2000; Jenkins & Backoff 1985). In the SWOT approach, for instance, organizational planners identify organizational strengths that can be capitalized upon to form the resource base from which the organization uses to capture advantage from opportunities and to avoid threats in the environment. These schemes were developed in the 1920s, and were further developed into the resource based theory of competitive advantage. Barney (1995; 1997) and Grant (1993) claim that organizations must have resources from

which to operate, and these resources must be valuable, rare, inimitable, sustainable, and appropriable. Porter (1980; 1985) provides another framework to assist in strategic thinking as organizational positioning. In essence, Porter argues the organization must be positioned in an industry that has the potential for success, or that the organization and its strategists (and by implication, its managers as well) must make changes in operations (the value chain) to find an environment where they can exploit their competitive position for superior performance. Oster (1999) has modified Porter's five forces model to include third-party payers as a 'buyer.' This is important in that it makes this What-How approach applicable to the public and nonprofit sectors.

Armed with such information, an organization can determine its comparative advantage, its strategic niche, its position in the industry and devise clear statements of what the organization needs to do to maintain or improve its positioning. The what-how approaches often utilize market segmentation techniques to provide the focus necessary for disciplined thinking about positioning the organization relative to the customer in the private sector, and to the client in New Public Management and traditional public sector organizations (see Gulick 1937). The what-how approach does not, however, specify which set of customers or clients should be first the subject of this focus, apparently leaving this for an application of economic decision criteria. Traditional mission statements help clarify where the organization should focus its efforts, though. With a well-constructed mission, organizations are in a better position to determine steps to achieve their methodically devised goals (their 'whats') using traditional planning techniques as found in the how approaches noted above.

The what-why-how approaches: Mission-based planning

This third category of definitions for strategic thinking revolves around the notions of visioning, scenario building, and forecasting to achieve

a desired outcome. Saloner et al. (2001) suggest that planning and the development of planning documents are no substitute for thinking. In essence critiquing the previous two approaches, they suggest that many planning processes dwell too much on the 'to do's' of tactical implementation and on resource allocation and too little on building a coherent mental model of the business. Rather than a once-a-year formal exercise, strategic thinking is, in their view, an on-going frame of mind in which the general manager constantly tracks strategic assets and the external environment to ensure that the logic of the firm's strategy is aligned with the firm's internal and external contexts.

In this sense, strategic thinking is about inferring (based on current knowledge, needs, and wants) future Whats and *why* they may or may not occur, and then devising plans (how) to handle such potential eventualities. Such an approach requires the creation of a vision based on legitimate assumptions, expert analysis, and what-if thinking that is communicated throughout the organization and implemented through good management and monitoring processes (Atwater, Kannan & Stephens 2008; see also Forrester 1971; Senge 1990). Moore (1995) developed a positive theory of managerial behavior, asking questions like 'What kind of business are you today and what kind do you want to be in the future?' These questions form the foundation of the what-why-how approaches. Alford (2002) explains the importance of (and methods to) determining the Whats (the missions and purposes) of public sector organizations by realizing and analyzing the notion of exchange, cooperation and compliance that take place in the customer-based approach. Ultimately, this approach endeavors to foresee or forecast various potential futures and from those potentials choose the most appropriate which are often called missions or visions that anticipate specific goals. The organization is then clear on what it wants to be and why and is in a better position to plan the proper implementation or tactical

plan to accomplish the mission and achieve the objectives that flow from it.

In the public and private sector, missions are often set in statute or ordinance or 'given' by the founder. However, they do need to be massaged to fit existing systems and processes. The purpose of the economic rent-seeking firm has little variation except that it is to maximize profits or to return a cash flow at a rate of return in excess of the cost of capital. And the social responsibility of business literature casts some doubt on these as the sole purposes of the organization. Hence, the private firms also must massage their missions and take into account systems and processes at play. We see, then, that specific missions have more variation than one often assumes and resemble Mintzberg's notion of strategy as 'perspective.'

The what-why-how approaches are the dominant model of strategic thinking today. Hunter and O'Shannassy (2007) reviewed their own and other's work in strategic planning in the 2000s to review the relationship between strategic planning and performance. They noted that contemporary strategic management and planning practices followed traditional approaches in Australian major corporations. The firms used competitive analysis techniques, market share and growth matrices, etc. They also reviewed other period pieces to note that executives said they preferred analysis but found that intuition (apparently defined as thinking) was really more important in the final decision making process. Hunter and O'Shannassy go on to say:

the regression results clearly evidenced that the creative, instinctive, people-oriented, participative aspects of strategic thinking had more influence on company performance than the rational mode with its use of classic tools such as the Boston Consulting Group matrix and competitive analysis (Hunter & O'Shannassy 2007: 30).

This is not an easy process, though it seems apparent that it is an essential element of any dis-

inction to be made between planning and thinking. Camillus (2008: 100) noted that analytical skills of strategists and their analytical tools ‘...can’t develop models of the increasingly complex environment in which they operate.’ This notion of ‘wicked problems’ is not new (see Ansoff 1965, Jenkins & Backoff 1985), but has seldom been resolved. Camillus suggests that the first step in resolving complex integrated problems is to focus first on organizational identity: What is fundamentally important to the organization? What competencies does the organization have and how does it view success. These are questions about what the organization values. This reflects Mintzberg’s (1994) classic debate, reflects the importance of leadership to strategy, and points to the next approach.

The why-what-how approach

Though the previous definitions help popularize strategic thinking, essentially, strategic thinking is a unique competency of leadership based more on organizational philosophy than organizational technicism. Derek Abell (1980) explained that the most fundamental task of a strategist was to determine **who** will be served by the organization (who will the customers and clients be?), **what** will be offered (products and services), and **how** will we create and provide our products and services to customers and clients? We wish to add the concept of ‘**why**’ to the trio of constructs that are used as the starting point of a strategic effort. That is, the why refers to the logic that ties the economic logic, the organizational logic and the core processes together to create value for the firm or society (see Sanchez 2004). So we see that strategic thinking involves strategic logic, but perhaps a logic that is more holistic in nature.

Strategic thinking is understanding that the world may not always work in linear, methodical ways – that organizations and those working within them must become agile, flexible, relationship-savvy and wise as they continually adapt plans to meet emergent, even, ambiguous situa-

tions (see Abramson 1996; Frost & Egri 1990). That may be what Mintzberg (1994) alludes to in his pivotal work decrying the pervasiveness of disjointed planners in modern organizations. Strategic planning, as it has been practiced, has really been ‘*strategic programming*.... Planning has always been about *analysis* – about breaking down a goal or set of intentions into steps, formalizing those steps so that they can be implemented almost automatically and articulating the anticipated consequence or results of each step’ (Mintzberg 1994: 109). Mintzberg identifies a different competency, or set of activities, that need to be a part of successful organizations. He says:

strategic thinking is ...about synthesis. It involves intuition and creativity. The outcome of strategic thinking is an integrated perspective of the enterprise, a not-too-precisely articulated vision of direction.... Strategy making is not an isolated process. It does not happen just because a meeting is held with that label. To the contrary, strategy making is a process interwoven with all that it takes to manage an organization. Systems do not think, and when they are used for more than the facilitation of human thinking, they can prevent thinking (Mintzberg 1994: 109).

Mintzberg’s thesis begins to reflect a substitute for (or perhaps a complement of) the traditional scientific, reductionist approach to organizations. It is a systems approach recognizing the benefits of a holistic view of organizations (see Lawrence 1999; Liedtka 1998). This is in line with what Beckhard and Pritchard (1992) say is the appropriate stance to engage in a fundamental change strategy for an organization; that is, to challenge the ideas of control and stability while embracing the internal and external context of the organization and the organizational work. Sanders (1998) adds to the discussion by explicitly linking strategic thinking to systems thinking as informed by the science of complexity and her notion of futurescape. Stacey (1992 in Lawrence 1999: 4) also offers that strategic thinking is ‘using analo-

gies and qualitative similarities to develop creative new ideas... (and) designing actions on the basis of new learning.' Such an holistic and non-linear perspective to strategic thinking is fundamental to the Why-What-How approach because it provides current and future views of organizational life while grounding us at the same time into a bounded set of meaningful organizational values and activity.

Basically, we need to comprehend why things operate the way they do and we need to understand that organizational wisdom comes not from programming and prediction, but rather from an understanding of human motivations, formal and informal organizational values, culture, and inter-and intra-organizational relationships. With a firmer grasp of the Whys of social and organizational interaction, we then can have a clearer picture of what we should, could, can, and cannot do, within those contexts. In fact, it is a process of defining the values and culture, organizational paradigms, and purposes of an organization (sometimes an effort fraught with discomfort).

However, those Whats become much more meaningful in terms of shaping individual and organizational behavior, because they are based on individual and organizational values. From there, the Hows are more informed, more realistic, taking into account the qualitative as well as the quantitative aspects of action planning. In a sense, we in organizations are bounded by a vision field that makes sense of our current and future potential, while keeping us identifiable and sustainable as a distinct organization with specific purposes, values, and goals. This approach requires a focus on relationships, leverage points, and outcome measures of success rather than concrete milestones, step-by-step procedures, and statistical reports (see Malmberg 1999; Weinberg 1996). It, therefore, requires different sets of leadership skills and techniques than some management tenets would dictate (see Fairholm 2004b; Wheatley 1999; Parry & Proctor-Thomson 2001).

FIVE FOUNDATION CONCEPTS

Part of the enduring appeal of strategic planning is that many may feel they do not have a handle on the entire picture of the organization or its situation. To cope with that discomfort, the usual tack is to take on the immediate and critical, the tactical so to speak. Planning out such tactical processes and steps is good, practical management. Furthermore, to such planners, worrying about what *might* come next is not only 'impractical' it is a time consuming effort. Besides, how can you know? Such worrying and work does not lend itself to traditional scientific, predictable approaches.

It does, however, lend itself to new, holistic approaches that the Why-What-How approach hints at. While more refined definitions of strategic thinking are still emerging, the main focus usually remains on the goals or outcomes of the organization. Even in the systems approach, strategic thinking is compared to a disciplined approach to thinking about the outcomes of an organization and the relationships inherent amongst the many parts of the organizations. No matter how important focusing on goals, outcomes, and processes is, strategic thinking must be founded on more basic (at least very different) principles if it is to be distinct from planning. More fundamental than goals and outcomes are concepts like purpose, meaning, and values.

When people in organizations are clear about their real (not apparent) values commitments, their purpose and meaning, they can then begin to see why their goals and outcomes are either sensible or incongruent. They also begin to see if their actions are reasonable, time-bound, or too inflexible. Starting with goals does not allow us to determine if the goals are valid or proper, nor if the subsequent actions planned to achieve those goals will work as dictated. Values and purpose become the measuring rod and the criteria to determine the efficacy of any goals, outcome, formal or informal process, or activity. The organizational skin and bones that are goals and outcomes become enlivened by and infused with

organizational soul which are the values, vision, and underlying reasons for being. It is these 'mystery systems' (Herzberg 1984) of organizations that we are after. And it is fundamentally different from (though fundamentally related to) the outward system that is characterized by organization charts, performance measurement plans, and budget documents. Strategic planning works on the skin and bones; strategic thinking works on organizational soul.

Below are five statements about strategic thinking that begin to help us focus on the values, vision, relationships and feel of organizational life. To think strategically one must:

1. *View oneself as an organizational philosopher more than as a technical expert.* Philosophy is not a word often associated with hard-nosed practitioners. While traditional philosophers think about the grand ideas of life and living, organizational philosophers devote much effort in untangling the complexities of life within organizations. Organizational philosophers love to learn about their organizations, the grander contexts in which they operate, the interactions within the organization structure, be it formal or informal, and they foster continual organizational learning – the stuff of organizational wisdom. Charles Handy (1995), a philosopher turned organizational consultant asserts that there is no one way to manage an organization – it is much more a creative and political process than many expect. Organizational philosophers want to know how it all works and see the patterns of collective action inherent in the culture and traditions of the organization so they can influence the collective towards the wisest use of resources and the wisest relationships amongst the people. In this sense the much talked about 'learning organization' (see Senge 1990; Vaill 1996) can only take place if the organization and people within it engage in some sort of philosophical review of what they are doing, why they are doing it, and what they could or should be doing.

Technical expertise is the life blood of a well-managed organization. However, organizational philosophy is the lifeblood of a well-lead organization. The difference is stark. Strategic thinkers are organizational philosophers and generalists who overcome certain technical limitations to see the broad context of their work and, therefore, better achieve wise, meaningful organizational results. Leaders, through formal positional authority or through the maneuvering of personal power, must shed their technical training and devote themselves whole-heartedly to the work of organizational generalists. The skills of a generalist, however, are underemphasized in most graduate and development programs (and many promotional reviews). Hence, people best poised to exert strong leadership toward achieving important organizational goals, rely on technical skills that may not get them there.

Strategic thinkers (or organizational philosophers) ask important questions and integrate the answers. What is the purpose of the organization? Why does it exist? Where did it come from? Why is it here? What might make it go away and what happens to the people and to the original reason for being if the organization does cease to exist? What makes life in the organization meaningful? How does the organization fit into the grand scheme of other organizations? Is the formal structure of the organization indicative of the realities of organizational involvement or do the informal structures and networks better define the organization's character, values, and culture? These and others are essential questions. They are what real strategic thinking consists of, because they give us a clearer vision of the Whys of organizational life so the Whats and Hows make more sense and are more efficacious.

For example, people in a particular local government permitting office saw themselves traditionally as engineers, inspectors, and 'paper pushers.' Their mission was clear and routine. When asked to be a part of the economic development activities and begin outreach to customers and start a 'building ambassador'

program, they saw no sense in it. The tasks they were now asked to perform were not only foreign to them, they were contrary to what they had been doing for years. The skill sets and sense of purpose they had developed over time did not match up to the new direction of the organization. Frustration, confusion, and setbacks were the norm. Strategic thinkers would understand that changing tasks alone is insufficient to achieving a real programmatic shift. They would see the big picture and help people repaint it so that the new tasks fit and the new purpose made sense.

2. *Distinguish strategic planning from strategic thinking.* Fundamentally, strategic thinkers make a real conceptual distinction between strategy and tactics, thinking and planning. They recognize a real difference between the How approach and the Why-What-How approach and they operate based on the distinction. They come at the need for thinking and planning from very different places. Strategic planning to them is about control, prediction, analysis, and programming. Strategic thinkers, however, recognize different foundational skills that revolve around understanding, synthesis, and the inherent independence of external and internal organizational actors.

Strategic thinkers apply the lessons learned from Mintzberg's (1994) three inherent fallacies of traditional planning. First is the fallacy of prediction, the assumption that we can actually control events through a formalized process that involved people engaged in creative or even routine work. Strategic thinking recognizes that more ambiguity exists in organizational life than management has previously been willing to admit. Second is the fallacy of detachment, which assumes we can separate the planning from the doing. There is still a persistent notion that we can plan something detached from the experience of doing it. The starkest example of such detachment is having stand alone planning departments charged with programming organizational actions that are totally separate from line

functions charged with doing the activities. Strategic thinking integrates organizational activity and planning in such a way as they both inform each other. Third is the fallacy of formalization, which suggests that through sound analysis, the creation of logical procedures, and the implementation of specific tactical control, we can normalize and make repetitive most if not all organizational activities to achieve routine organizational outcomes. However, experience suggests that such control is more of a dream than reality. Reality tells us that anomalies, the fickleness of human behavior, and the limitations of analysis play a significant factor in organizational outcomes and to disregard them is risky and leads to incomplete planning.

What strategic thinking demands, then, is the ability to synthesize rather than analyze, and the focused attention to comprehend and internalize the formal and informal functions of the organization. This allows for flexibility, innovation, and creativity to be as important if not more so than procedure and routine. The differences between traditional planning and strategic thinking become more readily apparent when we consider these fallacies and the mindset needed to overcome them.

3. *Adopt a values, vision, and vector orientation rather than a goals, objectives, metrics mentality.* Strategic planning relies heavily on concepts such as mission, objectives, key result areas, long and short-term goals, metrics, performance measurements, action plans, and tactics. These are terms essential to good management of the organization, but they are also concepts that reflect many of the false assumptions found in the fallacies listed above, such as the ability to control and predict and the flawlessness of analysis and procedure. But management as an organizational technology demands such assumptions because it does demand control and predictability. Perhaps this is where it is easiest to see why strategic thinking is linked more to leadership as an organizational technology than it is to management.

A simple way to view management is to use a mnemonic popularized by Gulick (1937): POS-DCoRB, which stands for planning, organizing, staffing, directing, coordinating, reporting, and budgeting. These activities or functions are essential to good management and lead to goals, objectives, metrics, and accountability. But leadership is linked more to holistic, philosophical notions that help the organization not to be accountable per se (meaning able to be accounted for), but rather responsible (meaning able to respond and to be responsive).

A simple way to view leadership is to use the Four V's conception where each V stands for a critical concept in the technology of leadership (see Fairholm 2004c). The four Vs explain that values trigger behavior and reflect meaning, purpose, and commitment of both leader and led. Visions operationalize the values set; making sense for others what the values really mean or what they can do for us now and in the future. Vectors operationalize the magnitude and direction of vision-driven action and are akin to the idea of group missions. Voice is shorthand for that which makes the leadership relationship work – the nature of the interaction (or lack thereof) between leader and led – and emphasizes the notion that the leadership relationship is essentially a voluntary one based on the level of alignment with the values, vision, and vector at play. These notions of the leadership phenomenon are essentially what strategic thinkers focus on because these notions help us figure out the Whys and Whats of organizational life; it is the pre-work to strategic planning which ultimately leads to specific managerial tasks. In sum, the reliance on and prioritization of values are the main things that drive strategic thinking, whereas the achievement of goals and the control of actionable events drive strategic planning.

4. Concentrate on the flow of information and the quality of relationships that emerge rather than the control of information. By letting go of the control and prediction mentality of strategic

planning and programming, organizations by necessity assume different foundations to organizational activity. Some writers apply new science concepts to the work of organizational life and thus clarify these new foundations. One useful idea is that each organization is unique and clearly bounded in its scope and purpose, yet at the same time is constantly in interaction with outside forces. The trick is to make sure the organization can maintain its identifiable nature over time while also allowing environmental conditions to effect it (see Goldstein 1994; Wheatley 1999). Strategic thinking in this sense is about maintaining organizations as identifiable entities over time, while changing and adapting to meet future demands.

Seeing information as the lifeblood of an organization is the key to success in this strategic thinking activity (Wheatley 1999). Rather than restrict and control information coming from within and without an organization (as strategic planners are wont to do), leaders must recognize the importance of free and easy access to information. In this way, information can serve a self-organizing and evolutionary purpose for an organization. The strategic thinking goals are thus grounded in the notion that leaders must share information with and receive information from others. By thus doing, the order and self-organizing benefits are unleashed and obviate the need for strict control measures.

For information to play this critical role three organizational skills or activities are essential to both the strategic thinking process itself and in the strategic objectives that emerge. The first is the idea of feedback and feedback loops – a dialog between the internal organizational environment and the external environment with appropriate time for such interaction to take place in some stable way (see Goldstein 1994; Harman 1998). Such feedback is essential for a continual assessment of the viability and integrity of the system. If information is freely available then honest assessments can be made and order can be maintained. The second activity is that

leaders must focus on relationships. If information is the lifeblood of organizations, then the arteries and veins through which the information flow are relationships. The strategic thinker recognizes that an organization differs from a mere collection of individuals in that the parts have an influence on each other (Stumpf 1996). They understand that *people* are the 'parts' of their organization and that relationships among people are the essential building blocks of a flexible and sustainable organization. This demands the development of trust, the third skill and activity to enhance self-organizing strategic thinking. For leaders truly to lead (i.e., think strategically) they need an environment characterized by mutual trust within which the quality of relationships and interpersonal interactions is harmonious and united (Fairholm & Fairholm 2000; Kouzes & Posner 1993). Such a culture provides both leader and follower with a context in which each can be free to trust the purposes, actions, and intent of others and further the goals of the organization. Culture (the natural catalyst and result of strategic thinking), then, more than structure (the goal of planning), may be the key to solving organizational problems and the key to creating new organizations that can cope with the complexities of today's organizations (see Parry & Proctor-Thomson 2001).

5. Learn to accept and work with ambiguity and the qualitative nature of organizations, rather than try to control and quantify all organizational endeavors. Organizational theory is just beginning to describe the powerful impact of recognizing, not certainties and predictions, but preferences and principles (Gabriel 1998; Weisbord 1987). Trying to control what may be inherently uncontrollable (people involved in processes and organizations) is perhaps an organizational stance devoid of maturity and wisdom. A comfort with ambiguity emerges as leaders learn to ask the right questions – accepting their limited perspective while seeking to gain a higher one.

Three main ideas may help leaders think strategically as they find comfort amid uncertainty and use this ambiguity for the benefit of the organization and its people. First, leaders need to put their heads above the flux and see the contradictions that are shaping organizational life even while they are actively engaged in that organizational life (Morgan 1998). Second, strategic thinkers understand the need for innovation but also recognize that innovation creates the seeds of its own downfall by creating future areas of competition and shaping the need for future innovation in response to the current innovative climate. As Morgan (1998: 252) describes it, an organization must be willing to 'innovate in ways that will undermine current success so that new innovation can emerge.' This concept suggests a fundamental idea that organizational equilibrium (the ultimate goals of planning) is undesirable in an uncertain world compared to progress and development. Third, strategic thinkers see all change (and innovation) as *people* change. People in positions of authority are adept at planning and executing organizational change plans. Gaining an understanding of how people cope with change allows leaders to remain confident and comfortable amid the various possible individual and organizational reactions. Thinking strategically about individual and group transitions allows leaders to cope with the uncertainties of organizational change and help followers place the transitions (see Bridges 1991) they are experiencing in productive, rather than disruptive, contexts.

Different strategic emphases aligned with different leadership perspectives. Strategic planning and strategic thinking have long been assumed to be functions and responsibilities of leadership. As has been discussed, there are, however, varying definitions and practices of strategic planning/thinking. Much of the differences in strategy hinges on the relative emphasis given to controlling, guiding, or shaping the organizational environment. Each perspective on strategy

presupposes certain assumptions about the task of leadership. One way then to grapple with the differences (and similarities) between strategic thinking and leadership is to uncover what certain perspectives of leadership emphasize in the ‘strategic’ process. Fairholm (2004a) offers a classification of five leadership perspectives culled from researching the practice of local government managers. Using the five perspectives of leadership combined with specific assumptions of strategy, better links to potential activities of leadership emerge to help clarify this notion of strategic thinking in its many forms. Table 2 summarizes how the different strategic approaches, terms, perspectives of leadership, and types of organizational work needed relate to each other.

The first leadership perspective is *Leadership as (Scientific) Management* wherein much emphasis is placed on managers understanding the one best way to promote and maintain productivity amongst the employee ranks. The underlying strategic assumption is strategic planning for efficiency, because organizations and their leaders need to control chaos so that predictable, verifiable, and routinizable processes and outputs are the norm. The second perspective is *Leadership as Excellence Management*, which assumes, like the one above, that leaders should control chaos, but focus is rather on process improvement and employee participation to assist in developing strategic plans to control the organizational chaos and disorder. This perspective emphasizes strategic planning to improve processes to enhance customer satisfaction. The third perspective is

Leadership as a Values Displacement Activity, defining leadership as a relationship between leader and follower that allows for typical management objectives to be achieved primarily via shared values, not merely direction and control. Leadership success is dependent more on values and shared vision than it is on organizational authority, and therefore, this perspective assumes the strategic thinking involves prioritizing other people’s values so they support and implement organizational goals. In this way it assumes strategic thinking is about influencing chaos (thus shaping how organizational actors participate) rather than trying to control it. The fourth perspective is *Leadership in a Trust Culture*, which emphasizes teams, culture, and mutual trust between leader and follower which are the methods leaders use to institutionalize their values. The leader’s goal (and related activity) is to encourage and maintain mutual trust so people act wisely and independently to achieve mutual goals, and so this perspective assumes a systems approach and focuses on embracing chaos – using it to create the environment to achieve desired ends. The last perspective is *Whole Soul (Spiritual) Leadership*, which assumes that people have only one ‘spirit’ that manifests itself in both professional and personal lives and that the activity of leadership engages individuals at this core level. Squarely in the non-control camp, this perspective emphasizes strategic thinking to develop the best in others so they lead themselves (and others) in appropriate directions to achieve appropriate ends. It is perhaps the ultimate manifestation of embracing the

TABLE 2: COMPARISON OF STRATEGIC PLANNING/THINKING APPROACHES

Approach	Most Appropriate Term	Control-Chaos Continuum	Leadership Perspective	Main Type Strategic Work
How	Strategic Planning	Control Chaos	Scientific Management	Technical
What-How	Strategic Planning	Control Chaos	Excellence Management	Technical
What-Why-How	Strategic Planning and/or Strategic Thinking	Influence Chaos	Values Leadership and/or Trust Cultural Leadership	Technical and Philosophical
Why-What-How	Strategic Thinking	Embrace Chaos	Trust Cultural Leadership and/or Whole Soul Leadership	Philosophical

inherent order in apparent chaos in the strategic thinking approach.

CONCLUSION

Organizational effectiveness can only truly be considered if we focus on both quantitative measures of success of actions properly linked to each other to achieve important goals AND the qualitative measures inherent in the organization's sense of values, purpose, meaning, and vision. Strategic thinking and leadership takes place most importantly at the latter level and then works hard to link the organizational soul to a body that is rightly fit together by organizational managers and planners. Such recognition of different perspectives of strategy is essential for government managers who have to deal with managing resources and delivering services. It is essential, too, for government managers who see their profession as also dealing with the strategic building of community.

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