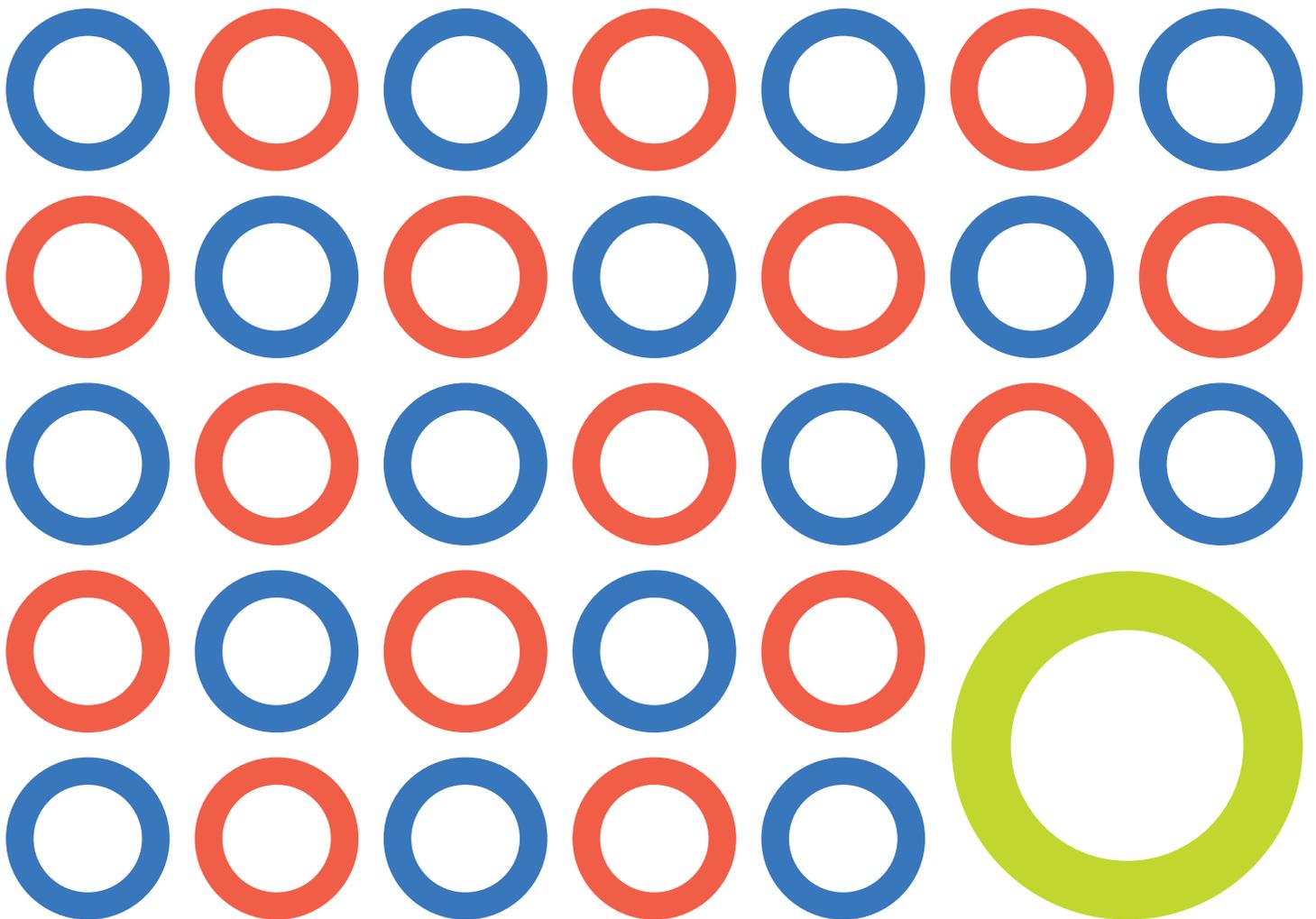


The Development of Strategy and Strategic Thinking in Organisations



oasis

School of Human Relations

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Section A: Introducing Strategy in Times of Chaos

‘All That’s Solid Melts into Air’

The Seven Stage Model in Times of Chaos and Complexity

Or, a visit to the land of *ambivalence* – a large, partly submerged and ill-defined land mass somewhere off the coast of insecurity. Ambivalence has a similar structure to its neighbouring island *ambiguity*. Both are rich in the commodity of *anxiety*.

1. Change, Chaos and Complexity

We live in turbulent times – for which the term ‘managing change’ is not adequate. Yet managing change is the only possible response when things are changing. We are experiencing so much change across many sectors of modern life that ‘change’ is perhaps not a strong enough term to describe what is increasing being experienced as chaos.

Chaos, however, is not a random term, nor does it describe random change; it describes dynamic unpredictability, fluctuating instability and the experience of inherent turbulence. Chaos theory has become one of the popular metaphors for explaining what is happening in many aspects of our world – natural, or human. ‘Complexity’ is the acceptable term for ‘chaos’ and complexity theory, for example, owes a great deal to weather forecasting.

Weather systems are an example of dynamic instability; systems that require only minor fluctuations of input to produce massive unpredictable and unstable conditions that may last for a long or short period before the system returns to something like what is expected. ‘What is expected’ is the nearest one can get to saying anything so cosy as ‘usual’ or ‘back to normal’. ‘Usual’ and ‘normal’ don’t apply to weather systems – especially ones responding to the pressures of global warming.

In a weather system what happens here is affected by and affects what is happening elsewhere. It is possible to predict large-scale movements and even determine what the effects will be. For example, we can all tell the changes indicating a movement from one season to another. But we don’t know the precise date that winter-like phenomena will begin, nor do we know for sure when ‘winter’ will have really begun.

At a more immediate level, we can usually predict a warm day or a cold day, within any given formation of weather. But we all know that the weather does not behave exactly as the forecasters predict, though they are getting more and more accurate in their predictions. However, the ‘weather’ is still a volatile system that will always be subject to unexpected influences and the effects of sudden pattern shifts.

Human systems are reaching similar levels of complexity. For example we can predict, given the increase in traffic, that at some point in the future we will be gridlocked, but we don’t know exactly when the road system will become totally unworkable. Similarly, we all know that unless we set off early, driving to the coast on a sunny Bank Holiday is not a good idea. A small flurry of snow on the M25 can bring chaos to a huge section of the surrounding county.

Chaos is not random though it is unpredictable.

It has strange effects, not only in the system, but in related systems; and not simply locally, but also at distant parts of the system.

Complexity theory is useful to people who are in, manage or influence systems in which:

1. The information does not add up and won’t for the foreseeable future.
2. There are contending explanations for what the information available does mean.

3. There are appeals for more and better information before we can act.
4. The information we already have is too much for any one person to take in.
5. There are several well-formed competing explanations over which view or course of action is the 'right one' to follow.
6. Individual positions are increasingly at risk of becoming polarised in the search for a consensus.
7. Those with a fundamentalist outlook can make the case for large-scale solutions.
8. Those in authority demand changes that they cannot enforce.
9. Those in management are required to find improved performance out of decreasing resources.
10. There are wide disagreements about the means and the ends.
11. There is no settled will that remains settled for long and not much will that can be applied for long.
12. Trends from the past do not often help you plan for the future.

These are all symptoms of 'Nobody knows' – everything. But we all know some things. Which of the 'some things' we each know that would be useful to bring to the discussions is not apparent – sometimes even to those who know them. So we are all living in the land of uncertainty – an uncomfortable and restless place.

2. Surviving in Chaos

As conditions become unstable and more unpredictable, the same skills for managing change effectively – flexibility and responsiveness; working with what you have and where you are – become ever more important. These are all aspects of the skilful expression of managing change, however, these attributes are no longer put to the service of 'managing' something as straightforward as 'managing change'.

We are attempting to survive *chaos* – a very different experience. Chaos in organisational life is indicated in a number of ways. We see:

- Systems in chaos
- Role definition in chaos
- Working conditions in chaos
- The expectations of service users in chaos
- How we define the nature of the work in chaos.

Surviving in chaos requires a special kind of approach:

1. It has to be recognised that we are indeed in chaos – rather than something else. It means we have to acknowledge it is, indeed, as it is and will continue this way.
2. Prescriptions, however tempting, are unhelpful in the medium-term – let alone the long-term.
3. Working out 'where we are' and 'what we do' is not something with which people are familiar, but it needs to become so.
4. Faith in structures as a solution, or putting faith in new systems, will sooner or later have to be abandoned.

3. Responding to Chaos

Chaotic conditions require a response to their *complexity* rather than to their *appearance* or to the *anxieties* they provoke in those who are subject to their effects. In bringing about any kind of change, development or transformation in such conditions there are three inter-related requirements to consider.

1. **Commitment:** here we are talking about commitment to working things out in dialogue, the relationship, the issues involved. Commitment is a much changed word – or it is much changed in practice. Commitment, in our era, is increasingly an internal state that is embraced by the individual. It takes on a private and largely personal meaning that, unless stated and explored, may leave other parties lost in dazed amazement at the actions of an individual who it was thought was ‘committed’.
2. **Conviction:** once obtained, a commitment is no guarantee of any progress. A person can be committed to all the prerequisites of what needs to be done, only to discover they do not have sufficient belief in the change, the people, the effort, themselves or other aspects of the influences that have to be managed to bring about any shift.
3. **Capability:** finally, people have to be capable of instituting and maintaining the commitment they are intending to pursue. In most cases, this is by far the easiest aspect of any change process. Most people have far more capability than the world has ever let them display. But they will not necessarily believe this (see conviction above). This may well mean people take longer and need more practise to ‘get it right’ than you would ever have imagined. Of course, if they are not committed or if they lack conviction then they won’t need to get to the point of demonstrating their capability in the first place.

4. The Effects upon Practice

Those who are linked together by common understandings of work, or performance, who share a practice of some kind – dentistry, social work, teaching, nursing or other professions – can be described as being members of a *community of practice*. A community of practice has a number of features that are important at any time: they help create the practice identity. These features help give shape and recognition to those who hold them as well as to those to whom they relate. These features also convey that they do in fact belong to *this* community of practice and do so legitimately.

They are especially important in times of turbulence (and especially chaos) because communities of practice are under threat and may well become redefined with grave consequences to the future survival of the practice itself. Under conditions of increasing chaos, those who belong to a community of practice are likely to experience the collapse of their former security and find that their base of confidence is being eroded away by the day as information from all sides undermines their former position.

Any work group that has the elements of a community of practice is distinguished by three features:

1. **Identity:** an identity that means those involved recognise each other and those outside recognise them as belonging to a common group. In this sense, a police officer’s uniform helps indicate that they belong to a common ‘service’, as the police are now known.
2. **Distinctive language:** a particular use of language (‘language games’, Wittgenstein); specific applications of terms and concepts that relate to the work of the community.
3. **Practices:** certain ways of doing things that one has to be socialised into learning and knowing about. Practices are one of the hallmarks of belonging to the community since people can fake the identity and even pretend to know what they are talking about, but demonstrating that you can patently do the thing is what counts.

There are increasing tensions in all three areas for most communities of practice:

1. **Identity:** disputes over who can do what and just what constitutes an identity become more contentious, leading to fragmentation within the community and conflicts between one community and its allied communities.
2. **Language:** the development of paraprofessionals, who undertake some of the duties that were once exclusive to the professional and therefore use the same discourse, means that language as a distinct feature of a profession is increasingly disintegrating. Language will not keep pace with the realities people are meeting and so there is a temptation to use hype, spin and inflation to pretend things are other than they are.
3. **Practice:** many practitioners no longer firmly or clearly hold agreement over what constitutes satisfactory practice across many areas of the work. This creates a period of unsettlement and instability, leading to a potential fear that 'I may be caught out'. Or, 'I may not be doing things right'. The very idea of a 'right way' becomes more desperately sought and more unlikely.

Taken together, all this provokes anxiety. The intolerability of this anxiety is then displaced in efforts to appeal to centralised forms of control. These are attempts to escape the resulting ambivalence that is the corollary of all the above.

Prescriptive attempts to control practice are usually doomed to failure since most practitioners know that the very terms and conditions under which they practise are so unstable that no one can any longer predict with ease just what should happen, when and under what circumstances.