

Volume 2 Nomor 2 2018

STRATEGIC PLANNING: SHAPING OR EMERGING FROM ORGANISATIONS

Sugiono

Universitas Nurul Jadid
Jl. KH. Zaini Munim Karanganyar Paiton Probolinggo
ss.sugiono@gmail.com

Abstrak: This paper focuses on the literature exploration of perspectives of strategic planning in terms of whether it shapes or emerges from organisations. The paper argues that to make judgment on an organisational performance as a result of planned strategies or emergent ones is not easy. Essentially, strategic planning aims to direct the performance of an organisation in order to attain its desired and planned goals. However, the organisation environment often changes rapidly, and hence it cannot be predicted and controlled. Such a circumstance potentially provides a particular impact on the organisation performance. In this situation, the strategic planning is inevitably shaped by the emergent strategy, which means that the realised strategy is the logical consequence of interactions between planned strategies and emergent ones. It has been suggested that a good strategic planning is to be flexible and open to a process of strategic learning, by which creativity and personnel's commitment could be enhanced.

Kata kunci: *strategic planning, strategy, plan, deliberate strategy, emergent strategy*

Introduction

This paper argues that it is not an easy task to pass judgment on viewing an organisational performance as a mere result of planned strategies or emergent strategies. This argument is based on the recent debate among scholars about the conceptual perspective of strategic planning, particularly whether it is emerging from organisations or aims to form organisations. It has been widely known that strategic planning and organisations are closely interrelated. An applicable well-organised plan, which contains accumulated careful analysis of internal and external environments, could lead to the attainment of organisation's desired outcomes. (Hoch 2007) elaborates that having a plan means making an appropriate commitment to carrying out the plan within an organisation. A plan is then believed to focus organisation actions to achieve the goals.

Volume 2 Nomor 2 2018

Strategic planning is a crucial ingredient for practical coordination, from which the focus is not on a justification for planning but exploring rationales for the scope and relevance of planning for rationality. The paper is comprised of four essential parts: Definitive understanding of the term ‘strategy’ and ‘plan’, two features of strategy, interrelatedness between strategic planning and organisation performance, and conclusion.

Definitive Understanding of ‘Strategy’ and ‘Plan’

Dobson and Starkey (1993, p. 2) notes that the term ‘strategy’ is derived from military, which means “drafting the plan of war, shaping individual campaigns and, within these, deciding on individual engagements with enemy”. In this respect, strategy in war refers to the art of planning the best way to gain an advantage or achieve success. In its further development, the term ‘strategy’ is widely used in business and other organisations to determine the course of agenda for future planning. “Plan deserves our attention and respect because it offers rational advice about what to do in the future to coordinate multiple purposes in a complex context” (Hoch 2007, p. 16). According to Dessler (1985) plans, similarly, constitute methods constructed earlier before a particular event for doing something. Accordingly, these two terms are associated with future actions of an organisation.

Moreover, in reference to the work of Mintzberg , Mintzberg and Quinn (1996, p. 10), define strategy as a plan which constitutes “some sort of consciously intended course of action, a guideline (set of guidelines) to deal with a situation”. This definition implies two important characteristics of a strategy: (1) a strategy is constructed prior to a course of actions and (2) a strategy is established in a conscious and purposeful way.

The term ‘strategy’ and ‘plan’ is frequently interchangeably employed. Mintzberg (1969) states:

“Plans in the form of programs – schedules, budgets, and so on – can be prime media to communicate strategic intentions and to control the individual pursuit of them, in so far, of course; as common direction is considered to be more important than individual discretion” (p. 113).

Hence, the two words have similar meaning when relating to intended efforts to achieve particular goals. Using the work of Quinn, Mintzberg and Quinn (1996, p. 10) explain that strategy is “the pattern or plan that integrates organization’s major goals, policies, and action

Volume 2 Nomor 2 2018

sequences into a cohesive whole”. Within this definition, there are three important points of an effective strategy that planners could take into account: (1) the major goals to be achieved by the organisation, (2) the policies that direct the organisation performance, and (3) the sequence of actions required to achieve the goals within a given period of time.

Mintzberg and Quinn (1996, p. 11) include the definition of strategy in relation to the performance of organisations: “Strategy is a pattern – specifically a pattern in a stream of actions”. This implies that strategy must incorporate coherent behaviour. A plan, in this case, is used to obtain tangible as well as moral support of influential outsiders. This can be done through written plans informing related parties about the intentions of an organisation, and thus these parties will help to achieve what the organisation has planned. Presumably, there might be a plan behind the pattern of organisation behaviour. In this respect, Mintzberg adds that whereas a pattern is a realised strategy, a plan constitutes an intended one.

Features of Strategy

There are two features of strategy, namely *deliberate strategy* and *emergent strategy* (Mintzberg, 1969, p. 111). He specifies:

“A strategy can be deliberate. It realizes the specific intentions of senior management, for example, to attack and conquer a new market. But a strategy can also be emergent, meaning that a convergent pattern has formed among the different actions taken by the organization one at a time”.

In other words, a deliberate strategy deals with intentions that have previously existed and are realised, while an emergent strategy refers to patterns which develop within the absence of intentions, or “despite them (which [go] unrealized)” (Mintzberg & Quinn, 1996, p. 110). Hence, it is obviously stated that most of the definitions outlined above tend to refer to deliberate strategy rather than emergent strategy. The difficulty which will then be discovered is that things with great strategic implications might take place outside the plan.

Accordingly, it is not easy to be completely deliberate or fully emergent strategy. Mintzberg (1969, p. 111) stipulates:

“Deliberate strategies are not necessarily good, nor are emergent strategies necessarily bad. I believe that all viable strategies have emergent and deliberate qualities, since all must combine some degree of flexible learning with some degree of cerebral control”.

Volume 2 Nomor 2 2018

Aside from that, Mintzberg and Waters (1985) argue that in order for the strategy to be deliberate, it requires the organisation to have intentions formulated in concrete detailed level, and all parties within the organization must conform to those intentions with no interference from external forces. Likewise, emergent strategy requires any organisation to be consistent in its actions with no single hint of intention.

Nonetheless, Mintzberg and Waters (1985) contend that emergent strategy has increasingly drawn attention since the complexity and the rapidly-changing environment is difficult to predict, along with the increasing concern of the notion of learning organisation. They also add that emergent strategy could deal with willingness to learn in that it is open, flexible, and responsive.

“This is the every essence of strategy making as a learning process. We think in order to act, to be sure, but we also act in order to think. We try things, and those experiments that work converge gradually into viable patterns that become strategies. Strategy making as a learning process can proceed [in this direction]” (Mintzberg 1969, p. 111).

In contrast to it, with regard to learning through strategy, deliberate strategy may not help develop organisation’s learning capability. The reason is that this strategy merely focuses on control, direction, and formality. “Formal procedures will never be able to forecast discontinuities, inform detached managers, or create novel strategies” (Ibid 1969, p. 111). Therefore, Mintzberg (1969) labels deliberate strategy as ‘strategic programming’ rather than ‘strategic learning’.

Interrelatedness Between Strategic Planning and Organisation Performance

It has been outlined that there is strong interrelatedness or correlation between strategic planning and performance of an organisation. Yet, to understand this, Hoch (2007, p. 30) suggests that the debates about ‘deliberation’ and ‘emergence’, ‘formality’ and ‘flexibility’, or ‘strategic programming’ and ‘strategic learning’ should be left aside. Strategic planning, no matter at which feature it might stand, is required, since not all planning of organisations is strategic. Strategic planning is practical analytic knowledge as well as a method for positioning an organisation to take advantage of its future. In this respect, what is more required is strong commitment from all members of an organisation to implement the strategic planning as soon as it is designed.

Volume 2 Nomor 2 2018

Besides, it is of great importance to distinguish the concept of ‘strategic planning’ and ‘mere planning’. Dessler (1985, p. 29) describes that the term ‘planning’ commonly refers to short-term planning; ‘tactical planning’ to shorter-term and more detailed daily planning; whereas, ‘strategic planning’ is associated with long-term planning. Dessler (1985) adds that strategic planning constitutes “an organization’s basic long-term organization-wide plan” (p. 30). Thus, strategic planning could be guidelines or ‘official advice’ to those other plans.

Jones (1974 as cited in Certo, 1980) views strategic planning as the systematic development of action programs which aims to attain agreed business objectives by the process of analysing, evaluating, and selecting among the opportunities which are foreseen (p. 79). This view puts a special emphasis on organisational performance directed to accomplish the organisational objectives. Since the decisions are profound for future performance, the capability of looking further ahead come to be a fundamental element of strategic planning.

Further, Bryson (2004) explains strategic planning from the deliberative perspective: “Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organisation (or other entity) is, what it does, and why it does it” (p. 6). Dessler (1985, p. 31) notes the primary reason of the importance of strategic planning; strategic planning could “provide direction and a sense of purpose for organisation, unifying frameworks, reveal the future opportunities and threats, facilitate control, and prevent piecemeal decisions”.

With reference to Dessler (1985, p. 36), “strategic planning is a deliberate attempt to shape the future actions using intentional present decisions”. He also devises the basic process of strategic planning development, which covers developing assumptions based on projections and analysis of internal and external environments, setting objectives, developing alternative course of actions, and selecting one of them.

From the above-outlined views, it could be stated that strategic planning is profoundly deliberate. Yet, an organisation frequently does not restrict its way to what has been planned, in the sense that the organisational action, in part, is, too, a result of emergent strategy. Dobson and Starkey (1993, p. 5) suggest that the actual strategy is very different from the

Volume 2 Nomor 2 2018

strategy as planned; the strategy can emerge from an ongoing sequence of decisions. In other words, “strategies can develop inadvertently, without the conscious intention of senior management, often through a process of learning” (Mintzberg 1969, p. 111).

The interconnection between deliberate strategy and emergent strategy results in realised strategy. Bryson (2004) states that “realized strategy can be the direct result of strategic planning which is deliberately formulated” (p. 16). Nevertheless, issues that emerge in the environment can also influence the outcomes of the strategy. Hence, Bryson (2004) suggests that whereas the strategic planning could help develop effective strategies, organisations need to be flexible to any opportunities.

In addition, Yavitz and Newman (1982, p. 5) view that a prediction about the future is one of the fundamental components of strategic devices. This makes an attempt to analyse the elements of environment, dictating success or failure of an organisation. However, the problem that will probably come up from such a prediction is that an organisation might find difficulties to carry out that strategy precisely as planned. In this case, Drucker (1982, p. 117) argues that it is useless predicting the future on account of the unpredictability and uncertainty of the future itself.

To carry out pure deliberate strategy requires stable and controllable environment. Nonetheless, Dobson and Starkey (1993, p. 2) argue that not all environments are stable and controllable. The environment with particular social, political, economic, and technological dynamics due to globalisation can be the example of uncontrollable environments. Drucker (1982, p. 118) elaborates: “The entrepreneurial universe is not physical but a social universe”. This may bring innovation, and contributes to altering the social, economic and political circumstances.

Accordingly, in order to be pliable, a good strategic plan does not need to be too concrete and detailed, for “inflexible strategic plans and those with excessive bureaucracy can be dysfunctional” (Bresser & Bishop, 1983, as cited in Glaiter & Falshaw, 1999). Such a plan also complicates the execution and weakens personnel’s commitment to carrying out that plan.

Volume 2 Nomor 2 2018

Conclusion

Strategic planning, basically, is intended to direct the actions of an organisation to achieve its desired outcomes. Yet, since the environment is dynamic and rapidly changing, it turns to be unpredictable and uncontrollable. This situation provides a strategic impact on the organisation performance. In this respect, the emergent strategy inevitably shapes the strategic planning, in the sense that the realised strategy is the consequence of interactions between planned and emergent strategies. Thus, a good strategic planning is to be flexible and open to a process of strategic learning, which promotes creativity and enhances personnel's commitment.

References

- Bryson, J M 2004, *Strategic planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement*, Jossey-Bass, San Francisco.
- Certo, SC 1980, *Principles of Modern Management: Functions and Systems*, Wm. C. Brown Company Publisher, Iowa.
- Dessler, G 1985, *Management Fundamentals*, Reston Publishing Company, Inc., Virginia.
- Dobson, P & Starkey, K 1993, *the Strategic Management Blueprint*, Blackwell Publishers, Oxford.
- Glaister, KW & Falshaw, JR 1999, 'Strategic Planning: Still going strong?' *Long Range Planning*, Vol. 21. No. 1, pp. 107 – 116.
- Hoch, C 2007, 'Making Plans: Representation and Intention', *Planning Theory*, Vol. 6, No. 1, pp. 16-35.
- Mintzberg, H 1969, 'The Fall and Rise of Strategic Planning', *Harvard Business Review*, January-February 1994, Commonwealth of Australia.
- Mintzberg, H & Waters, JA 1985, 'Of Strategies, Deliberate and Emergent', *Strategic Management Journal*, Vol. 6, No. 3.
- Mintzberg, H 1994, 'Rethinking Strategic Planning Part II: New Roles for Planners', *Long Range Planning*, Vol. 27, No. 3, pp. 22 – 30.

Volume 2 Nomor 2 2018

Mintzberg, H & Quinn, JB 1996, *the Strategy Process: Concept, Contexts, Cases*, Prentice-Hall, Inc., New Jersey.

Peter FD 1988, *Management*, Heinemann Professional Publishing, London.

Yavitz, B & Newman, WH 1982, *Strategy in Action: the Execution, Politics, and Payoff of Business Planning*, the Free Press, New York.