Leadership and Organizational Strategy

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Abstract

Strategic planning, an umbrella term used to include and summarize 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 of the dilemmas organizations face. The efforts of public administrators to control organizational endeavors are essential, necessary, and aligned with current best practices. But the control mechanisms ultimately prove to be only part of the puzzle. 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. The result is an outline of the foundations of strategic thinking.

Key Words: Leadership, Strategic Planning, Strategic Thinking, Organizational Philosophy, Management

Leadership and Organizational Strategy

Introduction

A city struggles to ensure the lowest bid to repave downtown's Main Street is the most efficient use of tax dollars during a tight budget year. A state agency tries to verify that its type and level of services delivered is what the citizens need and is consistent with current political mandates. A federal department defends itself on the Hill for submitting an increased budget request when many of the committee members are asking how the budget request is tied to the department's overall strategic mission. 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 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 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 corporate goals and strategies, strategic thinking is downward 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). This paper presents an integration of leadership ideas, strategic thinking, and traditional planning activities in an effort to make important connections and important distinctions.

Definitions

Defining strategic thinking is still a work in progress in academic literature. Lacking still is a theoretical foundation for the strategic thinking competency. The consulting world and human resource departments have begun, at least, the definitional work of strategic thinking. They try to distinguish traditional strategic planning from the more general notion of strategic thinking.

For example, The 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 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.

- Recognizes patterns and underlying relationships among issues and information.
- Demonstrates an understanding of the impact of global events on the business of the Bank and its member countries.
- Identifies new opportunities to further the Bank's mission, achieve the group's goals, collaborate with comparators,, or meet member country/stakeholder needs.
- Recognizes and keeps the "big picture" (e.g., overall themes, trends, goals, hidden agendas/meanings) in sight in all of one's undertakings (i.e., solving problems, running meetings, allocating resources, etc.)
- Defines and articulates a clear role and direction for one's group that is consistent with the Bank's vision, strategy and direction as well as the needs and goals of member countries/stakeholders.

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.

- Prepares plans and budgets and maximizes resources to address strategic issues and priorities.
- Establishes and implements methods for tracking progress (e.g., deliverables, deadlines, checkpoints, etc.) to ensure that targets are met.
- Anticipates immediate and future obstacles and opportunities, and develops plans to address them or work around them.
- Works smart by simplifying and improving processes, emphasizing activities that add value, and eliminating inefficiencies and tasks that add little value.
- Achieve results that have a clear, positive impact.

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: Comprehends organizational goals and strategies developed by others. Prioritizes work in alignment – and acts in accordance with – set strategies, objectives, or goals.
2. Links Daily Tasks to Strategies, or Long-term Perspectives: Assesses and links short-term, day-to-day tasks in the context of long-term tax administration strategies or a long-term perspective; considers whether short-term goals will meet long-term objectives.
3. Develops Work Plans Based on Strategic Priorities: Analyzes long-term issues, problems or opportunities, and uses this information to develop broad-scale, longer-term objectives, goals, or projects that support the larger organization strategy.
4. Develops Strategies in Support of the Mission: Develops and implements tax administration and financial strategies and allocates resources in support of the organization mission. Deals with emerging issues, business trends and changes as a result of strategic changes. Prepares and reviews contingency plans for problems and situations that might occur.

While only a very few, these citations serve to illustrate the definitional work going on in public organizations. Why worry so much about the definition? 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. 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. While a bit vague, it is the latter sense of strategic thinking that seems to be 1) fundamentally different than strategic planning and 2) more innovatively practical. If strategic thinking is going to be a useful concept, it has to be more than merely popular; it has to be distinct. Four simple categories may help decipher the differences and nuances of the many definitions.

The How Approach

Some define strategic thinking only as glorified planning. 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. 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.

The What-How Approach

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). It is 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). 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 posture. This is what traditional mission statements help clarify. From here, 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 Approach above.

The What-Why-How Approach

This third category of definitions for strategic thinking revolves around the notions of visioning, scenario building, and forecasting. In this sense, strategic thinking is about inferring future whats, why they may or may not occur, and then devising plans 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. Moore (1995), as he develops his positive theory of managerial behavior, describes much of this strategic management approach as he calls it. Asking questions like "What kind of business are you today and what kind do you want to be in the future?" form the foundation of this approach. 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.

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. 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 situations (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" (p. 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" (p. 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) also offers that strategic thinking is "using analogies and qualitative similarities to develop creative new ideas…(and) designing actions on the basis of new learning" (as cited in Lawrence, 1999, p. 4). 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 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. 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 different sets of leadership skills and techniques (see Fairholm, 2004b; Wheatley, 1999). It focuses 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).

Table 1: Comparison of Strategic Planning/Thinking Approaches

Approach	Most Appropriate Term	Control-Chaos Continuum	Leadership Perspective	Main Type of 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

Leadership Perspectives and Strategic Emphases

Whatever the view of strategic planning/thinking, such activities have long been assumed to be functions and responsibilities of leadership. Each perspective on strategy presupposes certain assumptions about the task of leadership especially in terms of the emphasis given to controlling, guiding, or shaping the organizational environment. 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. The first leadership perspective is *Leadership as (Scientific) Management*. The underlying strategic assumption is that organizations and their leaders need to control chaos so that predictable, verifiable, and routinizable processes and outputs are the norm. Basically, this perspective focuses on strategic planning for efficiency. The second perspective is *Leadership as Excellence Management*, which assumes, like the one above, that leaders should control chaos. Its difference lies in the focus given to process improvement and employee participation to assist in developing strategic plans to control the organizational chaos and disorder.

The third perspective is *Leadership as a Values Displacement Activity*. 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,* where the leader's goal (and related activity) is to encourage and maintain mutual trust so people act wisely and independently to achieve mutual goals. 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*. Squarely in the non-control camp, this perspective emphasizes strategic thinking at the grandest levels 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 inherent order in apparent chaos in the strategic thinking approach.

Five Foundational Concepts

The assumptions of different leadership perspectives begin to unpack the various views and approaches to strategy in organizations. 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 work doesn't lend itself to traditional scientific, predictable approaches – the activities of scientific management or excellence management as noted above. 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. Hence, there seems to be support for viewing strategic thinking in terms of the activities of values, trust-cultural, or whole soul leadership.

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 (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 form a foundation of thought based on current research and experience. They help us focus on the values, vision, relationships and feel of organizational life. To think strategically one must:

- Be an organizational philosopher, not a technical expert,
- Recognize strategic planning is not strategic thinking,
- Influence the values of the organization, not just the objectives,
- Unleash information, rather than control it, and

- Accept ambiguity and work with the "unmeasurables," rather than reduce the organization to numbers.

Be an organizational philosopher, not a technical expert. Philosophy is not a word often associated with hard-nosed practitioners. But the word itself comes from the roots *philos*, meaning to love, and s*ophia*, meaning wisdom or learning. 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. They want to know how it all works and see the patterns of collective action so that 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. They ask important questions that lead to a clearer vision of the Whys of organizational life so the Whats and Hows make more sense and are more efficacious. 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.

Recognize strategic planning is not 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 notio n 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 tactics 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.

Influence the values of the organization, not just the objectives. 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 techno logy 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 pneumonic popularized by Gulick (1937): POSDCoRB, 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 Fairholm's (2004c) Four V's conception where each V stands for a critical concept in the technology of leadership. The fours 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.

Fairholm's Four Vs of Leadership are essentially what strategic thinkers focus on because these notions help us figure out the Whys and Whats of organizational life. Leadership is the pre-work to strategic planning which ultimately leads to specific managerial tasks. In sum, the reliance on and prioritization of values, purpose, and identity are the main things that drive strategic thinking, whereas the achievement of goals and the control of actionable events drive strategic planning.

Figure 1: Thinking and Planning
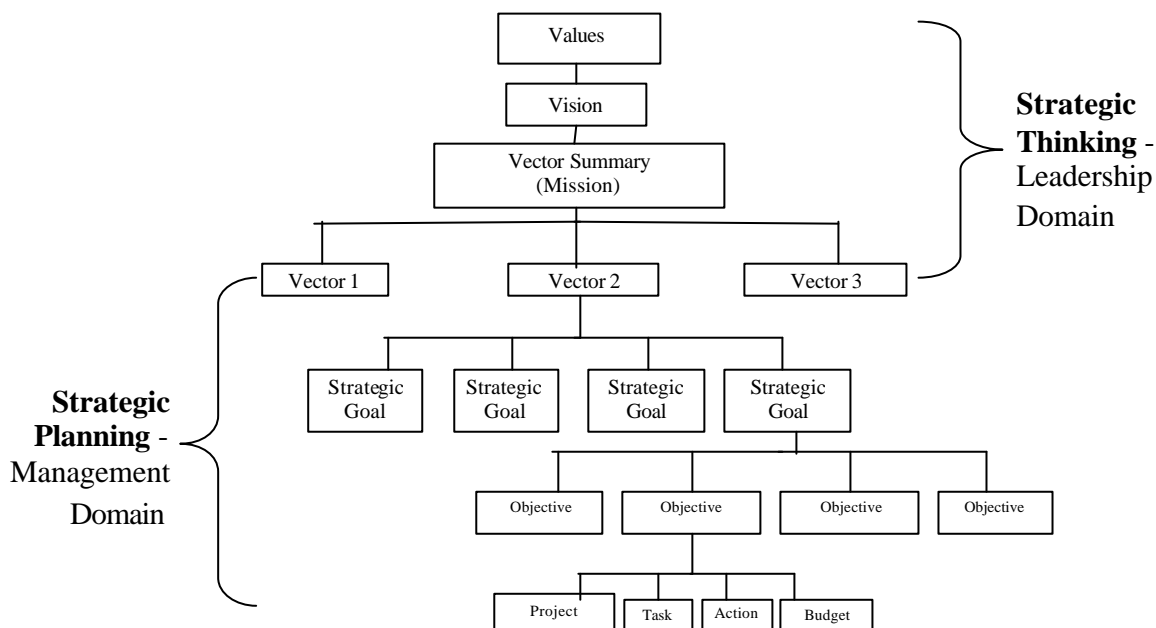
Focus on Strategic Thinking: Plans change frequently. That is, the goals, tactics and actions often change depending upon the internal and external environment and other contingencies. The goal of *Strategic Thinking* is to maintain a sense of constancy of purpose and direction amid the vicissitudes of corporate demands. This is done by focusing on the Values, Vision, and Vectors (Mission) of the organization, rather than the lower order objectives and actions. In other words, strategic thinking is about maintaining the inherent order amid the apparent disorder (chaos) of organizational life.

Unleash information, rather than control it. 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 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.

The second activity 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 (and the relationships). If information is freely available then honest assessments can be made and order can be maintained.

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.

Accept ambiguity and work with the "unmeasurables," rather than reduce the organization to numbers. 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) describes it, an organization must be willing to "innovate in ways that will undermine current success so that new innovation can emerge" (p. 252). 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.

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 mangers who see their profession as also dealing with the strategic building of community.

About the Author

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