The Rise and Fall of Strategic Planning:
Reconceiving Roles for Planning, Plans, Planners

New York: The Free Press, 1994 - Henry Mintzberg

What is Planning?

Mintzberg (1994) provides one of the best--albeit cynical--views of planning in American organizations. His cynicism may be well directed, however, in that he presents ample evidence that most organizations and organizational planners enter into planning with little understanding of the definitions and various purposes of planning.

Formal process to integrate decisions

He provides a range--from broad to narrow--of definitions for planning, including; (1) planning is future thinking; (2) planning is controlling the future; (3) planning is decision making; (4) planning is integrated decision making; (5) planning is a formalized procedure to produce an articulated result, in the form of an integrated system of decisions.

Success depends upon knowing future, assessing current abilities and managing change.

With in the fifth definition lies the root, Mintzberg suggests, for the emergence of a sense of *rationality* about planning. In this case, rational planning implies an ability to (1) know attributes of the future; (2) accurately assess the strengths and weaknesses of the organization; and (3) manage a change process that better aligns the organization with the anticipated future. For Mintzberg, organizations seldom accomplish all three simultaneously.

Why Plan?

Again, Mintzberg (1994) finds a range of reasons for planning, most of which he suggests are really reasons *planners* suggest for planning: (1) organizations must plan to coordinate their activities; (2) organizations must plan to ensure that the future is taken into account (including preparing for the inevitable, preempting the undesirable, and controlling the controllable); (3) organizations must plan to be "rational;" and (4) organizations must plan to control.

What was good for manual labor must be good for management.

Mintzberg uses the research of Mariann Jelinek (Institutionalizing Innovation, New York: Praeger, 1979) as one of the best and "carefully reasoned arguments in favor of strategic planning." Strategic planning for Jelinek provides a natural evolution in organizational behavior. What Frederick Taylor and others did for the routinization and systematization of manual labor in American industry was replicated in the strategic planning movement as a way to introduce *systematic management* for the top tier of the organizational hierarchy.

What is Strategy?

The 4 Ps: Plan, Position, Perceptive or Ploy

Less than 10 % of intended strategies are successfully implemented.

For Mintzberg (1994) strategy is a word that we define differently than we practice. For many, the definition of *strategy* is "a plan," but in actuality strategy appears as a *pattern* that blends intended responses with responses that *emerge* out of the changing environment. (The power and importance of emergent strategy increases when compared to the fact that less than ten percent of intended strategies are successfully implemented.)

Strategy may appear as a plan to some, but to others the term is used to describe a *position*, "namely the determination of particular products in particular markets" (p. 27). For others, *strategy* implies a *perspective* or concept of doing business. This last often speaks volumes to the organization's values and culture.

Less positively in his list of "p" terms to define strategy, Mintzberg suggests that *strategy* is used to mean *ploy*, or a "specific maneuver intended to outwit an opponent or competitor" (p. 29).

Pitfalls in Planning

Public organizations seem to divide over planning vs. freedom

Loosely coupled professions in health care and educational organizations may resist the premise of planning: to integrate decision making

Mintzberg (1994) spends most of Chapter 4 discussing pitfalls in planning drawn from research and experience. Here are just a few of the highlights:

Planning and commitment. The questions asked are whether *management is committed to planning or planning to management*. The central issues revolve around the way planning tends to be a subtle ploy for managers to *publicize their ideas* versus and interactive process that both *involves others in developing ideas and increases commitment of others to strategies*. In the public sector, the argument has become even more vigorous in the cry for "planning and freedom" (p. 167). Two sides of the argument have evolved: one demands that public organizations must plan in order to allow individual freedoms and the other that any form of planning reduces individual autonomy.

For organizations in health care and higher education, populated as they are by a host of *loosely coupled professionals*, Mintzberg's discussion raises hackles on both sides of the questions. For leaders of these organizations, the very notion of "integrated decision making" as a fundamental for strategic planning, suggests that individual autonomy lessens. This seems to explain the inherent resistance to planning in organizations where autonomy and independence have strong cultural value.

Planning and communism

Mintzberg pulls a quote from James Worthy's article on scientific management and communism: "In both cases workers are seen as means rather than ends, doers rather than planners or initiators; to be manipulated--by persuasion if possible, by coercion if necessary--in other interests and for other needs than their own" (Big Business and Free Men; New York: Harper and Row, 1959). The choice of a sentiment from the height of the Cold War may be another example of Mintzberg's own values about freedoms and planning.

Planning may actually undermine change

Planning and Change. This section dwells on a conundrum Mintzberg finds in that "a climate congenial to planning may not always be congenial to effective strategy making, while a climate hostile to planning may sometimes prove effective for strategy making" (p. 173). The tension flows from the attributes of good planning that, both sociologically and psychologically, leave leaders with a sense of security and inattentive to change. More strongly articulated, the planning process creates resistance to change and inflexibility (even anxiety when strategies can not be followed.)

Strategies that may be thinly veiled logical next steps for established ways of doing things

Even under the best of circumstances, the planning process can *encourage changes in predictable increments*. The very way in which organizations collect information for planning purposes often grows out of existing units, older strategies, and commitments made years ago. For similar reasons, the planning often *buries creativity in generic categories* chosen to facilitate the process. Finally, planning, which purports to look far ahead, often relies on environmental scanning and forecasting that fails to identify *discontinuous changes* that will impact the organization. That *shortens the potential time frame for any planning activities*.

"Flexible planning" looks like daily decision making

For all these potential pitfalls related to planning and change, Mintzberg (1994) finds a growing number of proponents for "flexible planning" (a group to which Mintzberg must belong if the reader were to count the number of times he uses the word "emergent" when referring to planning). The difficulty arises with the oxymoron created by the concept "flexible planning," an activity which then looks more like daily decision making.

The myth of objectivity

Planning and Politics. Similarly to other intellectual endeavors, planning pre-supposes rationality and objectivity, as if *the brain were a bloodless organ*. Mintzberg (1994) suggests that treating planning as if it

The design of the planning process predicts the outcome

would be "undermined by the pursuit of self-interest through confrontation and conflict" (p. 188). He finds planning neither apolitical nor objective.

Leaders or managers of planning activities can shape the final outcome of the process by the *design and implementation of the planning process*. Their bias may be expressed as "planning as an end unto itself," "consideration of a narrow form of rationality," "toward steady incremental change rather than periodic quantum change," "toward centralized power...and away from the needs of influences whose stake in the organization is not formally economic," "toward short-run economic goals," and "toward simpler, impoverished forms of strategies themselves" (p. 196).

Problems in suppressing politics during planning

When planning avoids the politics of the organizations, leaders tend to find themselves managing sharpened conflicts when the plans face implementation. By suppressing natural conflicts, self-interest, goal trade-offs, resource redistribution and the political dimensions of an organization in the planning process, the final plan lacks realism and practicality.

The need for control creates leaders who see only turbulence around them.

Planning and Control. Planning, according to Mintzberg (1994) seems to appeal to the leader's interest in control and, concurrently, an aversion to risk, avoidance of creativity and truly "quantum changes." The link between planning and control than leads to the pitfall repeated throughout history of planners who characterize their period as the most turbulent (and therefore heightening the need for control through planning). Like Chicken Little, those with a higher need to plan and control may experience even subtle changes as "environmental turbulence."

Four sins of trivial planning.

What he describes as a second pitfall--the illusion of control created through planning--then leads to a real purpose for continuous planning: public relations. That attitude by leaders results in the four sins of *"trivial planning"*: (1) use past trends to predict the future; (2) well-publicized and very public evidence of planning; (3) continuous planning with insufficient time to effect change, and (4) pretending to change in order to remain conservative (pp. 217-218).

Fundamental Fallacies

Mintzberg (1994) uses Chapter Five as a review of the fallacies of strategic planning. He ties the concept of fallacies to his last chapter through this borrowed definition: "An expert has been defined as someone who knows enough about a subject to avoid all the many pitfalls on his

or her way to the grand fallacy" (p. 221). In Mintzberg's *"grand fallacy,"* the failures of planning are not coincidental but integral to the very nature of planning.

Three assumptions underlying strategic planning.

The three assumptions underlying strategic planning are: (1) *assumptions of formalization* in which the strategy making process can be programmed by the use of systems; (2) *assumptions of detachment* in which "thought must be detached from action, strategy from operations, ostensible thinkers from real does, and, therefore, 'strategists' from the objects of their strategies;" (3) *assumptions of quantification* in which "the strategy making process is driven by 'hard data,' comprising quantitative aggregates of the detailed 'facts' about the organization and its environment.

Fallacy of Predetermination

The act of planning assumes predetermination in the *prediction of the environment; the unfolding of the strategy formation process on schedule;* and *the ability to impose the resulting strategies on an accepting environment.* In assuming the ability of planning to *predetermine* the future, the planner and the leader create the conditions by which plans fail to meet expectations.

A basic tenant of planning rests on forecasting, but the performance of forecasting has been less than ideal. Forecasting fails to accurately predict *discontinuities* because it relies on extrapolations. More helpful has been the use of *scenarios*, especially when the scenarios are linked to *contingency planning*.

Fallacy of Detachment

Much has been written on the need for strategy development and planning to be done away from routine and distinct from daily decisions. Unfortunately, this concept challenges both the leader's ability to allocate time purely to planning and the leader's ability to be abstract while immersed in the daily world.

Quantitative data drives out qualitative data (and information on emerging trends).

The reliance on hard, objective data drives out qualitative data which has a greater chance of reshaping the organization and sensing subtle environmental changes. In the long run, Mintzberg points to the need for planners to make conscious and articulated "attachments" to their personal influences on the planning process.

Fallacy of Formalization

In the unknowing acceptance of this fallacy, Mintzberg (1994) suggests he is converging on the essence of the grand fallacy. Strategy formulation, for Mintzberg, can not be formalized nor innovation be institutionalized.

Formal planning systems that failed or no formal systems at all?

His discussion examines two dimensions of the fallacy of formulation: the possibility that formal systems of planning create dynamics which reduce the possibility of truly being strategic or the possibility that planning processes have never really been formal (other than to follow a checklist).

Two kinds of thinking lead to different kinds of strategy.

His remaining discussion offers a glimpse into Mintzberg's theories for better planning. His ideas include the belief that different thinking styles and personal preference for decision making make some people more adept and interested in planning as an analytic process, while others prefer a more creative and intuitive process. His challenge to leaders is that they work to understand the two different kinds of thinking processes.

Managers more simultaneous, holistic and relational.

Mintzberg (1994) offers research that finds managerial work appears to be more "simultaneous, holistic, and relational than linear, sequential and orderly" (p. 319). This would seem to suggest that managers would be more likely to find a "disorderly" and creative planning process more familiar and related to the real world of the organization.

The Grand Fallacy

That leads him to a summative restatement of the grand fallacy of the "planning school": "because analysis is not synthesis, strategic planning is not strategy formation" (p. 321). In short, "analysis can not substitute for synthesis. No amount of elaboration will ever enable formal procedures to forecast discontinuities, to inform managers who are detached from their operations, to create novel strategies. Ultimately, the term 'strategic planning' has proved to be an oxymoron" (p. 321).