

MORE THAN MEETS THE EYE: Factors Impacting Strategic Planning

What Else is Going on Besides the Need for Planning?

Many factors may lie beneath a simple statement: “***We need a strategic plan.***” This article addresses some of these underlying issues, especially as they might apply to the experience of leaders in nonprofit or faith based enterprises, small businesses, or government entities.

A strategic plan sounds like a direct import from the business school management toolkit, with everything that one associates with realistic, data-based, disciplined planning process. In many respects, this is just the type of value that strategic planning brings to nonprofit, government, faith based, and small business enterprises. However, the work of strategic planning often carries the weight of unspoken concerns about the organization or the leadership.

There is more to the initial statement “*We need a strategic plan*” than meets the eye!

Realistic Tool – and Protective Ritual

On the one hand, it is clear that strategic planning has a realistic contribution to make to the effectiveness of an organization as it grows. Strategic planning engages committed people in the process of thinking about what they are intending to accomplish together and how it must be pursued in the real world to have a chance of success. Even when strategic plans are rapidly overtaken by changing world events, the exercise of having worked together to create a plan produces a more unified and better prepared organization.

Most realistic strategic planning is prompted by awareness of an important issue, challenge, or opportunity, such as:

- > Major Shifts in Business Model, Markets, Products, or Services
- > Transition to New Leadership
- > Anticipation of Resource Limitations
- > Reconfiguration or Merger
- > Significant Regulatory or Economic Shifts
- > Important Changes in the Relevant Environment
- > Building a Case for Donor or Grant Support

Although strategic planning is not appropriate in an urgent crisis situation, it is a very useful, disciplined activity that enables an

organization to match its operations and structures to the demands of strategy for mission effectiveness.

On the other hand, the strategic planning process and the resulting plan **can** be defensive rituals against the experience of risky vulnerability. Whether the vulnerability comes from the limitations of the leadership or from the inherent challenge of the work, a strategic plan can be either a realistic hedge against the risk, or it can be a devoutly wished-for “magical” remedy, infused with larger-than-life hopes. It is often some of both.

When members of an organization say to me, “*We need a strategic plan – can you help us with that?*” I usually engage them early on in a discussion of the question, “*What is driving the need for a strategic plan?*”

If I listen closely to this discussion, I usually pick up the realistic factors supporting the planning; but in addition I get a sense of any underlying uncertainties or conflicts that are not being named directly but which are also in play.

Over the years, I have encountered a range of “sub-texts” as I listened.

Here are some examples of these indirect, unspoken, and sometimes unconscious communications.

“...It’s getting to be past time for a change of leadership.

The leader of our organization is the original founder and is still doing things in a way that worked 20 years ago. The world and the organization are changing but the leader isn’t. A strategic planning process will give us a way to direct the priorities and actions and resources of the organization in spite of the leader’s reluctance...”

Needless to say, this doesn’t work very well. The struggle for control of direction that is brewing will just be played out on the field of planning instead of other issues. The planning process can indeed call the questions that must be answered, but the plan itself cannot function as a substitute for facing issues of confidence in leadership.

Even when there is no confidence gap in the founder’s leadership, a consideration of this sort arises when the organization is approaching leadership succession. At this inflection point, the organization must find a way to move from the reality in which the founder-leader almost always embodied the source of direction and strategy in his or her personal vision, priorities, and style, to a new reality that mediates the vision through strategic plans that can be more broadly assimilated.

In both cases, strategic planning needs to be an instrument of trusted leadership, not a replacement for leadership.

“...Important stakeholders are in conflict about the direction of the organization.

The people who have influence on the organization – owners, or the Board, or those who provide it with money, or those who sponsor it – are dug-in on opposite sides of what is to be done. A strategic planning process will resolve the differences without us having to deal with the conflicts...”

It can take some probing for this dynamic to be named, but not because it isn’t known. In a situation like this one, the strategic planning process and the resulting plan can **reflect**, but they probably cannot **drive**, the agreements of the stakeholders. Careful attention must be paid to where the decision-

making authority actually lies. Consensus is not the mode of choice in such a circumstance.

“...We don’t trust the competence or the good judgment of our leadership in these particular matters. Decisions are being made here that seem alarmingly risky and for which there is little evidence of dependable consideration of consequences and alternatives. We need to be engaged in a thoughtful discussion of options and analysis of good choices...”

This message emerges when those in governance or membership observe that leaders have started tackling very consequential issues with long term ramifications that others will have to live with, such as decisions about properties, healthcare, or finances. This concern occurs especially if there is a lack of sufficient staff or technical support within the organization. In such situations, the hope is that a process of disciplined planning can increase the confidence of all parties that the long-term implications of current decisions have been explored.

“...Hope isn’t the same thing as a good plan. Everyone seems carried away by our success so far and is bringing an enthusiastic but unrealistic energy to our plans for future growth. We need to slow down and think through what might happen and what else we could be doing...”

Lone voices that ask for consideration of opposite directions can be experienced as disloyal, uncommitted, or otherwise antithetical to the purposes of the organization. Such dynamics suppress dissent and differences. However, there is a great contribution being made by the Board member or leadership individual who supports a process to air “devil’s advocate” thinking and other alternatives to the pell-mell momentum. In this case, strategic planning might be called for as a corrective for overly-optimistic thinking.

“...We’re stuck and our leaders are stuck too. Our membership is deeply divided, fragmented even. No one really wants to follow the leaders they elect, and the leaders aren’t too sure what direction to go in either. We need a strategic plan...”

This particular subtext is found in religious communities or voluntary associations with elected leadership. One wonders if a group that is in stasis might not have reasons to be there. The leaders are locked into place. The unfreezing and movement together that they may desire will certainly not come from something so left-brain as strategic planning. Some problems can only be resolved if time is spent understanding what they are to begin with.

Strategic planning as defensive structure

One way to examine these underlying factors is through the lens of “defensive rituals”, a concept from the field of system psychodynamics¹.

In regular practice, planning and goal setting are normal management activities, even the fairly intensive work that goes with the preparation or updating of a multi-year strategic plan. Planning and goal-setting only become highly-charged events:

- (1) when a **threat** of some kind is perceived **and**
- (2) when there is a **doubt** about whether the existing way of handling risk will work.

The unspoken and perhaps unconscious question is something like, “*Is the leadership on whom we usually depend up to the challenge?*” or, “*How will we survive this transition?*”

This is not to say that leaders of nonprofits or faith based groups or small businesses are ineffective or untrustworthy. In fact, many faith-centered and nonprofit leaders have mature “egos-in-check” – in faith-language, this might be called humility. This personality strength can make more evident the limitations of real people in management and in governance roles – no illusions, a curb against hubris, awareness of the need for the contributions of others.

The development of a strategic plan can be a realistic way to ground the decisions going forward in a shared frame of reference that is not so dependent on one person alone. As a sign of broadly shared understanding and commitment, strategic planning provides a protection against too much dependency on a single leader and his or her strengths and blind spots.

But, as the examples described above illustrate, a strategic plan can also become a covert defensive maneuver, infused with unconscious emotions aroused by anxiety and conflict. The strategic plan can be a veiled way for the Board or membership to exert control over a leader in whom they lack complete confidence, to constrain his or her degrees of freedom or to offset weaknesses.

And sometimes it is the leaders themselves whose anxiety about the challenges they face leads them to invest an unreasonable amount of energy in elaborate strategic planning processes and forms. When the formats, deadlines, consultants, and other aspects of a planning process overpower the thoughtful deliberation of its content by those who are responsible for the organization’s future, that is a bright red flag that a defensive routine may be in operation.

Implications for the Leader or Facilitator

If the motivations driving the strategic planning process can be probed and understood, the leader or facilitator has more data with which to proceed.

If the energy for planning appears to be a defense against facing a more sensitive issue, the right action is to question the readiness of the organization to undertake proper strategic planning and propose other actions instead.

For example, it might be more helpful to suggest that there be an organization assessment process that lets people inside and outside the organization identify things that are working well, things that should be changed, and other factors to pay attention to. This relatively neutral action can make it possible for sensitive issues to be raised, and it can also produce information that is quite helpful to the strategic planning process whenever it is in fact undertaken.

At other times, the organization clearly does need and would benefit from a strategic plan, but the presence of sensitive underlying issues can guide the leader or facilitator to manage the conversations differently.

For example, a more broadly representative steering committee (rather than one composed only of current leadership) can be formed to oversee the process if there is a confidence gap with respect to the capability of one or some of the leaders.

Likewise, involvement of stakeholders at various steps of the planning can be orchestrated with a fair hand to ensure that all views get heard in the process. Also, the preparations for managing the changes involved in the plan can be improved if sources of resistance or concern can be anticipated.

Overall, the takeaway point is that leaders and facilitators should be alert to avoid having themselves or their organizational colleagues carried away by the hope that strategic planning by itself can magically address the complicated dynamics that are normal in any human organization.

These factors do not have much effect on the technical and rational dimensions of good planning, but they may have a great deal of impact on process options that modulate the motivations and emotional climate in the organization.

Thoughtful awareness of the human dynamics surrounding the work of strategic planning and change management makes it possible to use wisdom, relationships and prudential judgment where they will most make a difference.

¹ For more information about social defenses and defensive rituals, an excellent classic read is **“The Workplace Within”**, by Larry Hirschhorn, Ph.D., MIT Press, 1990.