STRATEGIC THOUGHT AS AN ENGINE OF CHANGE MANAGEMENT IN TERRITORY

María Jesús González González
Departamento de Geografía y Geología. Universidad de León

I. INTRODUCTION

Originally the concept of strategy (from the Greek «strategos») is understood as the «art of the general» and refers to the psychological abilities and character with which it assumes its role.

Mintzberg assigns five acceptances of the concept of strategy: as a plan of action, as a deceptive manoeuvre, as a pattern of behaviour, as a perspective (vision of itself?) and as a position. These five definitions take the idea of strategy beyond its scope as a deliberate action and are taking it towards the idea of emergent action.

The essence of the strategic is to build up a sustainable position in which the organisation attains its objectives using its own means, in spite of the unpredictability of the behaviour of external forces. It is clear that appropriate knowledge of the internal is of great significance as a source of resources and limitations, and of the environment as a determinant context for or against. Attaining a sustainable situation is a unique process specific to each case and, therefore, there is no exclusive method capable of prescribing the steps to be followed. Intuitive, sensorial knowledge and highly developed common sense are important in addition to rational knowledge (Albrechts, 2004).

II. STRATEGIC THOUGHT AS A GENERATOR OF FLEXIBLE ALTERNATIVES

Strategic plans are processes of reflection by a set of parties interested in a specific process (the city, a specific sector of it, a territory, etc…) by which they define the future they wish to develop, the basis on which they support it, and specific projects to be carried out along the defined time horizon. The city is an ideal field to apply this thought which, by definition, transcends the document itself to become a continuous process, based on the conciliation of the different administrations and the consensus of the social partners. The strategic plan does not aim to usurp any structural or legitimating aspect of urban planning, it simply enriches it as a prior reflection or to induce correction of the dysfunctions detected in its application (Hall, 2000).

The analysis characteristic of the S.W.O.T., Strengths, Weaknesses, Opportunities and Threats which define the strategic action, contribute an efficacy lost in the rigid discourse of conventional urbanism. One of the keys to the success of strategic planning probably resides in the absence of a legitimating discourse of economic interests of a specific shape, an aspect inherent to normal urban practice. Secondly, its participative character, which allows an exchange of very diverse points of view and facilitates the search for agreed rational solutions. Thirdly, the extent of possible content turns it into a place to undertake studies, plan projects and develop programmes whose initiatives come from restricted sectors, which initially have a limited capacity to be carried out; in this situation we could find the development of projects related to Agenda 21, commercial regeneration processes, assistance programmes…These can be not only developed, but should be reinforced with others within strategic lines so that they enhance each other and produce more powerful synergies (Koernoev, 2001).

For the sake of following a single principal theme, we need to stop at the fact that strategic direction is a model of change in the last instance. It is not a matter of moving but rather in which direction we move. Here it is strategic thought that plays an essential role. We must anticipate, foresee the future, to conquer it. Strategic planning consist of a set of steps, phases, stages which we undertake, based on instruments and models, and with their support we create, consolidate and systematize strategic reflection (Garrido, 2006). It must be clearly understood that the tools, algorithms, steps, can never replace strategic thought, as if we only appeal to the former our management can be formal and cold, becoming technocratic and thus not believable. But on the other hand a strategic reflection which does not depend on technology can be sterile and could be impossible to apply; it would fail to take advantage of basic opportunities, it would not be consolidated as a system. Its essence rests on attaining a dialectic interrelationship between the two postures. A collective, deep, fertile strategic thought could result in instrumentation in practice as a criterion for evaluating the truth, a functional, agile and preventive strategic direction (Harrison and St. John, 2002).

III. STRATEGY AND CHANGE

In the sixties certain changes began to appear which were going to have special significance for society and for organisations. There was an explosion in services which accounted for 70% of Gross National Product in the developed countries. This had a huge effect on development in this sector. Economic globalisation processes began to grow, which brought significant socio-cultural changes and produced more demanding clients with the resulting new challenges for production and services.

The mentioned transformations have the following main peculiarities: speed, novelty, depth and extent, which provide a world full of doubts when integrated. All these processes have an effect on all the organisations. In particular, we treat the management of change as a premise for attaining a territory which elevates the human component as the «engine» of any business. Some years ago business was done in a defined environment and with a certain degree of stability; however, nowadays the environment is barely defined and constantly changing, so there is the need to learn to direct while immersed in doubt with instability as the only stable aspect (Koernoev, 1997).

Strategic planning has to motivate the change in the mentality of its environment in order to have a strategic vision and be in harmony with the new needs of society. The dynamism of the environment, reflected in economic changes, geopolitical turbulence, constant technological innovations, modifications in socio-cultural attitudes, has exercised intense pressure, demanding appropriate responses to the new situation.

Change in itself produces fear, respect; it is a new situation: will it be better or worse than what came before?; we ask ourselves this and many other questions when faced with this idea. Therefore it is essential for everyone to firmly believe in it. The «Pygmalion» effect plays a significant role here. If we help and convince our social setting to believe that they are capable of assuming this transformation, they will see it as much closer and simpler.

At present instability and change are the basic characteristics of our environment, which decide the transformations in organisations, so they are not logical policies. Strategic thought, style and action become necessary. So we talk of the new formula for success which is conceived as: Efficiency, Efficacy, Transformation, Innovation and Change.

We can be faced with a set of questions which make us reflect on the fact of taking decisions in this sense, such as:

Do all the conditions created for change exist?

Are we completely convinced that what we are going to do will give the best results?

Will the introduction of these new aspects in many factors not have a negative effect on us?

To what extent is society ready to assume these changes?

Strategic thought plays a key role, not only in renewing society or its social setting, but also in having to prepare all the segments for these transformations and, especially, the social agents (Mintzberg, 2007). We must understand that it is not a matter of change for its own sake or because it is in fashion, but rather that the new opportunities constantly offered by the environment must be taken advantage of.

IV. STRATEGY AND TERRITORY

The third intermediate Report on territorial cohesion (2004) drawn up by the European Commission defines this as «the balanced distribution of human activities in the territory». In addition this cohesion «completes economic and social cohesion» and «represents the movement of the objective of sustainable and balanced development assigned to the Union in terms of territory». If this brief description is borne in mind, we find a fundamental support for regional development, something which community institutions have tried to bear in mind since their foundation.

On 9th October 2006 the Official Journal of the European Union published the Council guidelines for community strategic directives on cohesion for 2007-2013. There are three basic directives: «make Europe a more attractive place for investment and work», the creation of «more and better jobs», and the need to «improve knowledge and innovation for growth».

The cohesion policy of the European Union in its practical application comes down to regional plans of different types. Each of the regions involved draws up a plan with specific priorities. In the case of Spain the different zones (almost always Autonomous Communities) are at different stages, which go from convergence in the case of Andalusia, Galicia,

Extremadura and Castile-La Mancha; to «competitive and employment» (most advanced level) like Catalonia, Aragon, Madrid, Navarre, Basque Country and Cantabria. Each of them presents different objectives related to their level of cohesion.

It seems evident that the present development model has shown signs of non-sustainability; of being incapable of meeting the needs of current generations and of not allowing future ones to do so (Wheeler, 2004).

We are at an unprecedented point in time as regards the capacity of human beings to deteriorate the planet they live on both by their specific acts and by their behaviour over long periods of time.

The proposed alternative to this unsustainable model of growth, Sustainable Development, puts forward the theory that humans are capable of meeting the needs of present generations, without jeopardising the possibility of future generations to continue to do so. This is based on adequate social organization and good use of resources. It is a question of making financial profit and food production compatible with not deteriorating the environment (Cherp, George and Kirkpatrick, 2004).

Talk of sustainability, which is becoming more and more popular, is being introduced in territorial and urban strategies. So that it is not simply a word added to any action, we must take into account that sustainability is based on all the elements that make up the territorial system: people and their relationships, the environment and the economy, that is, an integrated vision that bears in mind the general impact on actions undertaken (Devuyst, 2001b).

Currently, demands for sustainable integrated analysis are becoming more common in major urban projects, but also in territorial plans, policies and actions. Thus, a modern urban strategy requires the inclusion of an analysis of impacts on the planning centre and, therefore a definition of the indicators, the elements used for following up social, environmental and, logically, financial indicators, seen from the perspective of mutual influences.

V. STRATEGIC PLANNING AND MANAGEMENT

During the last three decades, strategic thought in Management has evolved systematically, particularly with regard to strategic planning. Strategic direction is the visualization of the integral functioning of an organization immersed in an environment; it is a continuous process of interrelation between external and internal influences, with the aim of achieving excellence and trying to respond completely to the demands of the environment. It should not only be seen as a set of methods and procedures, but as a combination of beliefs and behaviour, both personal and professional, which have an impact on the future of the organization. This may contribute to invigorating organisational culture and new ideas, on the understanding that the strategy indicates changes, forming a vision, convincing people of the need to analyse the current situation, and reveal both strong and weak internal aspects, opportunities and threats for the environment, the building of future scenarios, increasing flexibility as a principle, handling conflicts and resistance to change (Harrison and St. John, 2002).

Strategic planning is an administrative tool that helps to increase the chances of success, when one wishes to achieve something in situations of uncertainty and/or conflict (intelligent

opposition). It is based on administration by objectives and mainly answers the question «What should be done?» Situations such as creating or restructuring a company, identifying and evaluating programmes and projects, formulating a development plan, implementing a policy, conquering a market, placing a product or service and settling conflicts are examples of cases in which strategic planning is particularly useful (Thompson and Strickland, 2004).

Strategic planning is a four-stage process in which the following questions are defined one by one: «what is the aim of the plan?, what is expected to be achieved?, what is the situation?, what can be done?, what is going to be done?». It can also be defined as an objective systematic approach, which, taking qualitative and quantitative information into account, enables us to make decisions. It is based on the conviction that an organization should continuously verify facts and internal and external trends that affect how its objectives are achieved. (Koernoev, 2001).

The method is based on a series of concepts of strategic thought, some of the most important principles of which are:

— Giving priority to What to be over What to do: first and foremost, the raison d´être, activity and objectives of the organisation must be defined.
— Giving priority to What to do over How to do it: identifying the actions that enable the objective to be fulfilled. It is a question of putting efficacy before efficiency.
— Systemic vision: the organisation or the Project is a series of subsystems (elements) with a clearly defined function, which interact with each other, are within limits and have a common objective. The system is in a setting (context) that affects or determines it and is affected by it. The elements can be found inside the system (resources) or outside it (supplies/materials).
— A vision of the process: Systems are dynamic changing bodies; they have a life of their own. They should be considered and studied from a perspective of time; knowing what their history is in order to identify the causes and effects of their present and plan their future.
— A vision of the future: strategic thinking is proactive; it anticipates events in order to influence them. It imagines the future to help build it or adapt to it: it is prospective.
— Commitment to action and its results: a strategist is not only a planner, he also acts and is knowledgeable, he is an expert that thinks, acts and evaluates.
— Flexibility: adapting to changing circumstances so as not to lose direction. The resultant action can be relied upon, thus the ability to improvise is also a strategic quality.
— Stability: the search for dynamic equilibrium that enables secure growth with minimum risk and dependence. It seeks sustainability in the system and processes (David, 1994).

In the first phase, the diagnosis identifies the variables that shape or affect the territory. A spatio-temporal vision of the system and its setting must be taken into account, recognising that the current situation has been brought about by the actions and variables of previous effects, and that what happens in the future will depend on the circumstances that trends and development offer. Possible, probable and desirable scenarios should be considered.

Besides identifying the structure and functions of each part, the adequate or inadequate functioning of these parts both individually and as a whole depending on the objectives of the system, must be assessed. For example, if a territory is being evaluated based on a strategic criterion, identifying the subsystems that form it (rural or urban space, etc.), the design and quality of these spaces and how efficiently they work separately, is not enough: one also has to consider what is expected of the territory: load capacity, resistance, etc., aspects that are a very important part of its mission. The characteristics and capacity of each subsystem must therefore be considered, and the relationship between subsystems so that the territory responds adequately to all that is expected of it in its setting. Thus, structure, function and performance are evaluated (Albrechts, 2004).

One method that could be practical in cases where strategic planning is used, for developing processes, is factor analysis: the human, economic, administrative, territorial and technological factor is evaluated. The method can also be used in sector diagnosis; in this case, the other factors are considered dimensions of the first.

A practical method for the situational analysis of territory is diagnosis based on factors (identifying the factors and variables to be studied), according to the importance of the role of each component in the development process.

The S.W.O.T matrix is used as a methodological instrument of strategic thinking.

The S.W.O.T classification and qualification has two characteristics:

— On the one hand, each variable is internal or belongs to the setting. The imaginary line that separates the two spaces (circle of influence and circle of preoccupation) is called the «limit» of the system and is not always clearly defined. A variable can sometimes be made up of an internal factor and an external one; or go from one end of the limit to the other in time and as the system evolves (Aaker, 1992).
— On the other hand, each variable is classed as having a positive or negative effect, depending on whether it facilitates or hinders the objectives of the system.

The first three steps of the strategic process, that is, forming the mission/task, situational analysis and the S.W.O.T matrix, make up the project, which provides the necessary information for drawing up the «Plan of Action», the strategic territorial plan. It expresses the idea of putting past records and facts into order to assess the feasibility of carrying out a certain action. The aim of the project is to satisfy a need with the least possible risk of failure, making the most of available resources (Chervel and Le Gall, 1991; Sapag and Sapag, 2008). Drawing up a project is above all a creative process and could be said to be the reasonable systematization of an idea for change or intervention.

Strategic planning has been used extensively in recent years. In any case, the assessment of recent years of strategic thinking should be based on an analysis of whether the spirit has really taken root among both private and public local actors, and whether foreseen planning has become the horizon of action in the territory.