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## **SCHOOLS OF STRATEGIC PLANNING IN LEADERSHIP**

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### **ABSTRACT**

Strategic planning enables organisations to set direction, allocate resources, and maintain competitive advantage. This study examines schools of thought on strategy formation by analyzing seminal works, particularly Mintzberg, Lampel, Quinn and Ghoshal's "The Strategy Process", which outlines ten schools classified as prescriptive, descriptive, and integrative. The concept of strategic leadership is also explored. The findings suggest strategy emerges through interactions between deliberate planning and organic learning. Prescriptive schools emphasize top-down processes led by upper management to provide structure, but can become rigid. Descriptive schools recognize bottom-up strategy emergence based on insights and learning, but lack structure. An integrative approach balancing these schools is needed. Strategic leaders play a crucial role in managing these tradeoffs by providing clear vision and planning tools while fostering emergent learning through communication and culture. Adaptability is required as conditions evolve. The study recommended leaders synthesize multiple schools, leverage both hierarchy and emergence in strategy formation, and balance planning with learning tailored to the context. This facilitates dynamic capabilities and effective strategy implementation. In conclusion, strategic planning requires input from diverse lenses and stakeholders. Further empirical research can refine understanding of how these schools manifest in contemporary business to provide guidance for strategic leaders. However, the conceptual foundation around balancing planning with emergence provides key implications for strategic direction and competitive advantage.

**Keywords:** *Schools, Strategic Planning, Leadership*

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## INTRODUCTION

To introduce strategy formation, Mintzberg et al. (2005) use the analogy of the six blind men and the elephant, explaining there are many facets to strategy formation. An individual can only see what they have access to, outlining ten schools of thought on strategy formation. Strategic planning involves actions to outline what should be accomplished, the order, and means to develop a plan to achieve overall objectives. Pre-event planning based on expertise and experience is common (Strategic planning, 2014). Most businesses use some form of strategic planning, according to De Kluyver and Pearce (2009). The need to address increasingly complex economic, political, social, and legal issues globally, and the accelerating rate of change in the competitive landscape, motivates structuring the process. A formal system ensures adequate time and resources, establishes objectives, coordinates activities, and gathers feedback (De Kluyver & Pearce, 2009). Strategic leadership involves a leader's ability to anticipate, prepare for, and position for the future. It also encompasses creating a viable vision, inspiring people, and practicing agility (Gakenia et al., 2017). Strategic leadership aims to achieve long-term competitive advantage and organizational success (Hughes & Beatty, 2005). Strategic planning is a structured attempt at key decisions and actions defining an organization's purpose, activities, and motivations. It is often part of strategic management, a broader activity integrating organization and execution (Bryson, 2011). Strategic planning moves an organization toward its goals. A formal planning system frames strategy formulation and implementation as a predominantly linear, sequential process per De Kluyver and Pearce (2009). However, the environment and marketplace are constantly evolving, necessitating organizational flexibility and openness to change.

While strategic planning is often viewed as a structured, analytical process, strategy can also emerge organically through experimentation and learning. Mintzberg and Waters (1985) argue effective strategies blend deliberate plans with flexibility to capitalize on emerging opportunities. They propose strategy formation walks a continuum between purely deliberate processes and highly emergent ones. In dynamic environments, no plan can account for all contingencies, so adaptability and improvisation become critical. Eisenhardt and Sull (2001) describe strategy as an ongoing, iterative process balancing order and disorder. Structure enables efficient execution, while chaos fuels new strategic insights. Leaders must synthesize planning and emergence based on context. Studies indicate emergent strategy is common, with realized strategies often deviating

substantially from intended ones (Balogun et al., 2015). However, structure remains important to coordinate activities. A blend of planning and emergence enables organizations to leverage intended strategies while remaining nimble as conditions evolve.

## **STRATEGIC PLANNING AND LEADERSHIP**

According to Young (2003) strategic planning is an ancient science of battle in the military sense. Military operations and combats are commonly denoted as significant tactics to attack and occupy the adversary in historical literature. Strategic planning in the administrative and managerial environment, on the other hand, is a recent idea and procedure that may be found in both the private and public sectors. Strategic planning, according to Poister (2010), is concerned with the creation of strategy, and its goal is fostering deliberate discerning, acting, and learning on a continuous basis. As a result, strategic development follows the "big picture" method by integrating advanced rational, impartial assessment, and individual appraisal of values, aims, and primacies, to plan a prospective trend and sequences of action to assure an organization's energy, efficiency, and capacity to offer a public benefit.

Organizational leaders might not be able to influence the prospect, but strategic planning can provide a framework for overall exercise and optimize choices for influencing the atmosphere; without it, the organization will most likely respond only to immediate problems, akin to a crisis management strategy. Strategic planning offers the edifice for organizational leadership to arrive at daily resolutions that are guided by a greater vision ("Strategic planning: Why it makes a difference, and how to do it," 2009). Strategic leaders, according to Gakenia et al. (2017), define the organization's goals and strategies by producing organizations and procedures that influence the organization's current and prospect performance (Boal, 2013). They are skilled, skilled high-ranking leaders with the capacity to build a vision, implement plans, and make critical decisions in a fast-paced setting (Guillot, 2003; as cited by Gakenia et al., 2017). These tactical leaders have an immediate effect on leadership and are also passionate about the organization's future (Gakenia et al., 2017).

Strategic leadership, according to Banzato and Sierra (2016; as quoted by Owusu-Boadi, 2019), is the capacity of leaders to forecast and organize the activities of the company with the aim of fulfilling the firm's aims and purposes. Strategic leadership entails more than making decisions

and giving orders; it also entails overcoming mediocrity by cultivating grit and determination, a desire to achieve excellence, and cultivating a performance culture (Fibuch & Arif, 2016; as cited by Owusu-Boadi, 2019). Organizational leaders influence strategic planning as well as the implementation of the strategy and guide their followers towards the achievement of goals.

## **SCHOOLS OF STRATEGIC PLANNING**

A school of thought, according to Hattangadi (2017), is an intellectual tradition created by a community of people who share similar viewpoints or perspectives on a concept, discipline, idea, mass revolution, economics, culture, or art. As noted by Hattangadi (2017), the Ten Schools of Thought model by Henry Mintzberg for strategic management provides a framework for classifying the field. As proposed by Mintzberg et al. (2005), there are ten schools of thought on strategic planning, classified into three categories: three prescriptive schools (Positioning, Design, Planning), six descriptive schools (Cognitive, Entrepreneurial, Learning, Cultural, Environmental, Power), and the integrative Configuration school (although Mintzberg et al. (2015) argue that this school combines the others). People cluster the various elements of the strategy development process, strategy form, administrative structures, and their environment into separate periods or occurrences in order to be integrative (pp. 3-6). Each of these schools is further explained below.

### **Prescriptive Schools**

Strategy formulation, according to Mintzberg et al. (1998; as referenced by Arndt, 2011), is "one large creative act" of a top-level manager who plans to identify the optimum fit between internal organizational capabilities and external opportunities and dangers. Planning and budgeting methods are used to implement resource allocation decisions. Competitive advantage is achieved in prescriptive models through "unique competencies," which start with the organization's original resource structure, change in a path-dependent manner, and are taken into account in decision-making circumstances (Arndt, 2011).

### **The Design School**

The design school, according to Hattangadi (2017), presents a model of strategy formulation that views strategy formation as a process of commencement. It is a competition involving interior resources as well as exterior prospects. Framing a plan is a thoughtful action that is intentional. The Chief Executive Officer (CEO) is the primary strategist who formulates and implements

strategy. Strategies succeed when the strategy formulation process is maintained basic and formal. The plan ought to be straightforward as well as being obvious (Hattangadi, 2017). The design school, according to Mintzberg et al. (2005), gives the most dominant interpretation of the strategy-formulation process and recommends a strategy-making model that aims to achieve a tie, or suitable, between core competencies and exterior potentials (p.24). This school, on the other hand, has been criticized for assessing strengths and weaknesses without regard for learning, and further, its assumption that construction follows strategy, which makes strategy obvious, increasing rigidity. The creation of a plan is separated from its implementation in the design school, which separates thinking from action (Hattangadi, 2017).

### **The Planning School**

The Planning School, according to Mintzberg et al. (2005), views strategy development as a formal process. Additionally, Hattangadi (2017) notes that this school emphasizes thorough planning that leads to a comprehensive overall strategy guiding the firm's progress. The entire procedure and plan are documented, ensuring a clear roadmap from start to finish. In essence, strategic planning is seen as a distinct activity, and the Planning School prioritizes strategic design when the organization seeks to overhaul the process (Hattangadi, 2017). Mintzberg et al. (2005) outline the main principles of the Planning School as follows:

Strategies emerge from an organized, deliberate progression of proper planning, broken down into distinct phases differentiated by specifications and supported by systems. In theory, the chief executive is responsible for the overall process, while in practice, staff planners are responsible for its execution. Strategies fully emerge from this progression and can be implemented by focusing on objectives, finances, programs, and various operating strategies. However, as Jofre (2011) argues, a key criticism of the Planning School is that while it creates effective tools for implementing existing strategies, it doesn't necessarily produce innovative ones.

### **The Positioning School**

Jofre (2011) posits that the positioning school considers strategy formulation to be an analytical procedure and builds on a number of ideas from the Design and Planning schools while also introducing fresh viewpoints and ideas (2011). With such a renewed emphasis on the strategy content, Jofre (2011) discovered that the evolving school did accentuate the significance of

strategy and its role past the ordinary formulation progression, which stimulated a totally different route of research amongst academicians and experts, pioneering the idea of what we refer to now as strategic management. The leadership of an organization decides that they want to keep the product at the forefront of people's minds and makes decisions appropriately. Firms must identify the level of competition that currently exists in the industry and how they are positioned in this instance. Porter's Five Force Model, BCG matrix and Value Chain being some of the strategic outfits that may be employed in the positioning school, and after the environment has been assessed, the proper strategy can be used to advance the firm's product placing (Hattangadi, 2017). According to Hattangadi (2017), one criticism of the positioning school of thought is that it presupposes the economy will remain the same and does not account for new competitors or business conditions, which, like the planning school, could lead to failure if the business environment changes dramatically.

### **The Entrepreneurial School**

The Entrepreneurial School views strategy development not only as a visionary process, but also emphasizes the importance of psychological factors like intuition, judgment, wisdom, experience, and understanding. This school sees strategy as a perspective, linked with vision and direction (Mintzberg et al., 2005). The planning process is largely unconscious and based on the leader's personal experience. The leader promotes the vision by maintaining close personal control over management processes, allowing for adjustments as needed. The organization follows the leader's instructions, making leadership pipeline and situational leadership models valuable tools for identifying strong leaders (Hattangadi, 2017). Social enterprises often exemplify this school, where much of the decision-making lies with the founder, who is also often the CEO. Facebook and Apple are examples where the CEO exerts significant influence and commands the trust of employees. Jofre (2011) argues that a key criticism of this school is the difficulty of replicating or institutionalizing personal characteristics like leadership. This limits the ability to systematize such approaches. A leader brings their unique vision and wisdom to the company, and if they leave, the organization may lose its strategic direction (Jofre, 2011).

### **The Cognitive School**

This school views strategy development as a mental process according to Mintzberg et al. (2005). Companies which align with this school of thought highly value employees' insights and actions. One of the finest examples of cognitive studies is the Johari window. By having a deeper appreciation of their workers, contractors, and consumers, businesses may conduct better business. Consumer expectations are vital, and the time it takes for them to respond should be taken into account. Business communication is critical in such circumstances and is, therefore, simpler for a firm to convey the proper gestures once they comprehend their customer needs and want (Hattangadi, 2017). The difficulty with the cognitive model, according to Hattangadi (2017), is the fact that it is not practical to a certain extent, and to produce fresh concepts and build connections with customers, a firm cannot only depend on reviews and advertising research studies. With new products being brought to the market on a daily basis, the cognitive school of thinking makes it is impossible to keep track of every market movement.

### **The Learning School**

According to Mintzberg et al. (2005), this school considers strategy formulation as an emergent process based on description rather than prescription. Strategies, according to the learning school, are the consequence of a dynamic emergent process driven by learning. To put it another way, strategy occurs when people, either individually or as a group, learn from a circumstance and the specific method in which the organization uses resources to handle it with the goal of emergence and convergence of common patterns of successful behavior, opening the way for shared learning (Jofre, 2011). The learning school of thought regards navigation or managing the organization based on past road maps that have passed. Because the market is always changing, it may not be advisable to depend on prior selections. Once a firm is steady and wishes to work on autopilot while developing something else, this method can be adopted (Hattangadi, 2017).

### **The Power School**

This school sees strategy formation as a negotiating process. According to Jofre (2011), the preceding schools do not examine the role of power and politics in strategy at all, but the Power School does, and politics and power are utilized to negotiation tactics that are favorable to certain interests. As a result, the strategy process is an obvious influence process for this school. Power is

the exercise of influence on a level that extends beyond economics and into politics (Jofre, 2011). The challenge with the power school arises when influential stop paying attention to others' input and cease executing improvement measures, opting instead to focus on little improvements. Power must be transferred at such moments in order for the company to continue moving forward (Hattangadi, 2017).

### **The Cultural School**

This school views strategy formation as a collective process, according to Mintzberg et al. (2005; p.). Human capital, according to the cultural school of thought, is the most significant asset in any firm. In firms, a positive company culture fosters innovation and entrepreneurship. According to the cultural school, strategy development is influenced by a company's particular beliefs, subjective perspectives, and decision-making approaches. Strategy formulation is a socialization process that is founded on the common ideas and understandings of an organization's stakeholders (Hattangadi, 2017). Strategic changes can be automatically rejected or readily embraced by an organization's culture, according to Jofre (2011); but, when the required change is drastic, only an equally fundamental change in the organization's culture will enable that change to occur.

### **The Environmental School**

According to Mintzberg et al. (2005), this school of thought views strategic planning formation as a reactive process and holds the premise that, i) the environment, manifesting itself to the entity as a set of general forces, is the central actor in the strategy-making process, ii) the company must respond to these forces or risk being "selected out." iii) leadership thus becomes a secondary outcome in reading the environment and ensuring overall efficiency by the organization, and iv) organizations end up cluster analysis together in distinct ecological type niches, positions where they remain until resources are depleted or conditions become too unfriendly, at which point they die (p.288). This school of thought is based on the contingency theory, a behavioral theory that claims there is no one-size-fits-all approach to organizing a company, leading a company, or making decisions. On the contrary, according to the idea, the best strategic approach is contingent on the balance of internal and external factors (Jofre, 2011).



## **The Configuration School**

According to Mintzberg et al. (2005), this school regards strategy formation as a transformational process, and has built its ideas on the premise of other schools (Jofre, 2011), and hence is integrative. According to the configuration school, the strategy requires a large number of facts and cannot be obtained from simple statistical data and values, hence it seeks to combine all features of the other nine strategy schools (Hattangadi, 2017). What does change truly mean for an organization is a question that the Configuration School strives to answer, according to Jofre (2011). According to Jofre (2011), while the Configuration school has succeeded in presenting a more straightforward and supportive view of strategic management, critics argue that configuration is a minimalistic and imperfect view of reality, claiming that organizations are far more complex entities with complex responses to change.

## **CONCLUSION**

With virtual and remote working, the business environment is quickly changing, and for organizations to maintain their competitive advantage, it is necessary that organizational leaders undertake strategic planning processes. According to Henry Mintzberg (1992, 2009; as cited by Lunenburg, 2012), institutions can be distinguished along three key dimensions: (1) the crucial component of the institution, that is, the part of the institution that determines its accomplishment or disappointment; (2) the key directing apparatus, that is, the main technique the firm utilizes to direct its actions; and (3) the kind of devolution used, that is, the degree to which the firm decentralizes its activities. Thus, the leadership of the organization must be strategic to invest time and energy in activities that grow the organization and provide progress.

## **RECOMMENDATIONS**

Based on the analysis of the ten schools of thought on strategic planning, several recommendations can be made for leaders looking to develop organizational strategy. First, leaders should recognize that strategy formation is a complex, multifaceted process that involves perspectives from different stakeholders, both internal and external. A balanced, integrative approach is needed that synthesizes different schools of thought. Leaders should solicit input from all levels of the organization, consider political dynamics and cultural factors, adapt based on learnings and environmental forces. At the same time, a clear overarching vision and direction needs to guide

the process. Second, the strategy development process needs to incorporate both planning and emergence based on changing conditions. As Mintzberg et al. (2005) argue through the configuration school, strategies require both deliberate conscious planning and organic evolution based on experience. Formal planning tools and techniques provide disciplined analysis and resource allocation, while flexibility is needed to iterate based on learnings. Leadership plays a key role in providing high-level vision and direction while fostering shared learning and adaptation. An agile, balanced approach leverages multiple schools of thought for competitive strategy. Therefore, the core recommendation for leaders is to leverage multiple lens and maintain balance between top-down planning and bottom-up learning in strategy formation. This facilitates an integrative, dynamic and ultimately more successful strategic planning process aligned with organizational context.

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