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Strategic Planning: A Conceptual Analysis of the Role of Reasoning

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Abstract: *Research in strategic planning has been awash with many perspectives on the role of strategic reasoning in the strategy process. Instead of providing the much-needed clarity on the role of strategic reasoning/thinking in the strategy process, different perspectives have resulted in divergence rather than convergence in understanding. The traditional view of strategy has advanced that, strategic planning involves analysing, setting goals and objectives, committing resources and procedures to achieve them while strategic reasoning involves selecting the best strategy to adopt in a given situation. Worse still, the two concepts are interchangeably used in strategic management texts. Contrary to traditional strategists, strategic thinking involves deciding the organization's long-term direction while, strategic planning involves developing a blue print to get to its intended destination. Strategic reasoning is about synthesis, using intuition and creativity to develop total organizational perspective, while strategic planning analyses relationships among and between the different units/elements of the organization and develops a blue print to achieve long-term advantages. Drawing from theoretical and empirical studies, this paper attempted to establish that, strategic planning is evoked by the manager's strategic thinking and reasoning about the organization, its growth and its market response to uncertainties. In common parlance, it is established in the paper that both rational and practical reasoning are major drivers of strategic planning.*

Keywords*: Strategic, Strategy, Planning, Reasoning, Thinking, Rationality, Practical*

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1. Introduction

The strategy of an organization consists of many factors that form a formular or roadmap to provide guidance concerning the organization's goals, how it will go about attaining these goals, and tactics and policies that are needed to attain them (Porter, 1980). This statement brings two issues into focus: management's understanding of the process leading to the formulation of strategy, and the use of strategy as a tool to ensure business success. Mintzberg (1994) argues that management must comprehend the difference between strategic planning and strategic thinking in order to fully understand the meaning of strategy. Since strategic management is about understanding the development and implementation of the strategy, understanding relationships among variables and their implications is key. Therefore, understanding the strategy process requires attaining the right information, and aligning the organization's structure with its strategic plan to create synthesis (Mintzberg, 1994). The nature of information gathered and perceived impact of contextual factors at play, triggers strategic reasoning.

In the new COVID-19 competitive landscape, businesses face two major challenges: the pressure to survive and the pressure to grow. To survive and grow, organizations have made some quick changes, namely; changing the way work is done-Work From Home

(WFH) supported by wider and faster adoption of Information Communication Technologies (ICTs), and sadly, the restructuring of businesses and its associated effect on workers. The success of these changes will largely depend on the effective configuration of strategic reasoning and planning and how well cognitive maps are structured. In common parlance, strategic reasoning conveys high level understanding and rational of the overall purpose for doing. As businesses attempt to appropriately respond to disruptive changes, they rely on reason to answer crucial questions (Reza et. al, 2009).

1.2 Statement of the problem

Since the 1960s, the definition of strategy has been very fragmented because of narrowly specialised academicians, who call everything strategy (Hambrick and Fredrickson, 2005). The fragmented definitions of strategy have not only caused a myriad of problems to those who plan and execute strategies, but also academicians who are grappling with understanding the relevance of strategic reasoning in the strategy making/implementation process. For Porter (1985), business success depends on its strategic positioning in the market. How then can organizations formulate strategies if they do not understand the foundation of the strategy process? Peng (1994) argues that market opportunities and new market boundaries blur the need for strategic reasoning, thus, organizations end up establishing planning mechanisms without first finding the proper answers to key questions. As a result, too many strategies are drafted, causing confusion because there is no harmony between direction and the formulated blue-print. In Peng (1994), environmental uncertainty denies firms the routes of growth through internal expansion and/or acquisitions. To survive, firms have to take a different route and adopt a growth strategy that can be characterized as networking or boundary blurring. This approach usually requires new perspectives, reasoning and new cognitive activities. Establishing harmony between new boundaries, perspectives and cognitive maps remains a fundamental challenge.

1.3 Study questions

The study delved into answering four key questions:

a) What is strategic reasoning and how different is it from strategic planning?
b) What goes on in the mind of the strategist?
c) How do executives respond to what goes on in their mind?
d) What link exists between strategic reasoning and planning?

1.4 Scope of the study

The author adopts Bassok, Dunbar & Holyoak (2012) definition that, reasoning is the fundamental human cognitive ability to discern patterns within any stream of information. Thinking on the other hand takes humans into the realms of problem solving, the mental construction of an action plan to solve a problem. Since reasoning and thinking discern meaning and flow within any stream of information to develop cognitive maps for action, the researcher deliberately uses the two terms interchangeably.

1.5. Theoretical Framework

Guiding the study, is the Cognition and Interpretation theory which is the application of cognitive principles to organization. Contextually, the organization can be perceived indistinctly as a system of information or as a system of meaning. In the first view, the organization codes and enacts information in a computational fashion. Searching and processing relevant information implies high costs and its effectiveness as a process rely on the rationally-bounded nature of the managers leading the organization. In the second view, the characteristics of the process of searching and processing information are determined by the meaning of that information in the social context created by the members of the organization. In other words, the first view focuses on processing information while the second focuses on interpreting it (Jofre, 2011).

2. Literature Review

2. 1 Strategy and Strategic Reasoning

What are strategies and how are they formed in organizations? This question formed part of Mintzberg (1978) research on strategy and its making. This question laid an important foundation on which contemporary research in the field of strategy is based. To answer this question, three aspects come into play: the concept of fit, allocation of resources among competing priorities; and a long-term perspective. Strategy has a Greek derivative *Strategos*, which means the art of the general. The general in the army is responsible for the design of comprehensive strategy, elements and pieces, thus forming a coherent whole (Conger, Spreitzer, Lawler, 1999; Hambrick & Fredrick, 2005). On the other hand, strategic management is the process by which top management determine the organization's long-term direction and performance by ensuring the careful formulation, effective implementation and, continuous evaluation of the strategy. This definition brings to light the idea that top

management of an organization have a significant bearing on the conception, development and execution of strategy. Thus, to understand the strategy formulation or long-term planning, it is fair to ask a few questions: How do executives think, what influences their thinking and how does their thinking impact their choices and behaviours? These are intriguing questions which academicians and practitioners ask. Since strategy conception and making are intuitive in nature, finding objective answers to these good questions is a challenge (Meyer, 2007).

Executives must structure their individual thinking into reasoning processes that result in effective strategic behaviour (Mintzberg, 1994). Important to note, is the fact that strategies are a result of a manager's preconceived thinking. Finding answers to the questions above and questioning the answers to questions is an issue of strategic reasoning, a string of strategic thinking activities directed at defining and resolving strategic problems. An organization's strategy consists of several factors that form a roadmap to provide guidance concerning the organization's goals, how it will go about attaining them and the tactics and policies needed to attain these goals Porter (1980). Hambrick and Fredrickson (2005) argue that, when executives have no clarity of what strategy is, and end up with a collection of strategies, they create confusion and undermine their own credibility. For Mintzberg (1994), management must comprehend the difference between strategic planning and strategic thinking in order to fully understand the meaning of strategy.

In recent years, questions have been asked regarding the idealization that a formal framework undergoes while representing social reasoning (Samavi et al., 2009). Strategic reasoning about business planning is an integral part of the overall strategy framework. In fast moving markets, organizations must be able to recognize and respond strategically to some form of disruptions, which might open up new opportunities or introduce new threats. This new understanding may be found in the role of strategic reasoning, which at its most basic is the cognitive context that directs the form strategy development will take within organisations (de Wit & Meyer, 2010 in Paul et. al, 2017). The human mind is complex and fascinating. The out-puts from the human mind are usually fascinating and disappointing at the same time. Capabilities and limitations of the strategist are key in understanding the notion of strategic reasoning. Meyer (2007) states that; *the strategic reasoning process consists of a number of strategic thinking elements or cognitive activities which are the mental tasks intended to increase the strategist's knowing. A general distinction can be made between cognitive activities directed towards defining a strategic problem, and cognitive activities directed at solving a strategic problem. Each of these two major categories can be further split, leading to four general elements of a strategic reasoning process: identifying, diagnosing, conceiving and realising.*

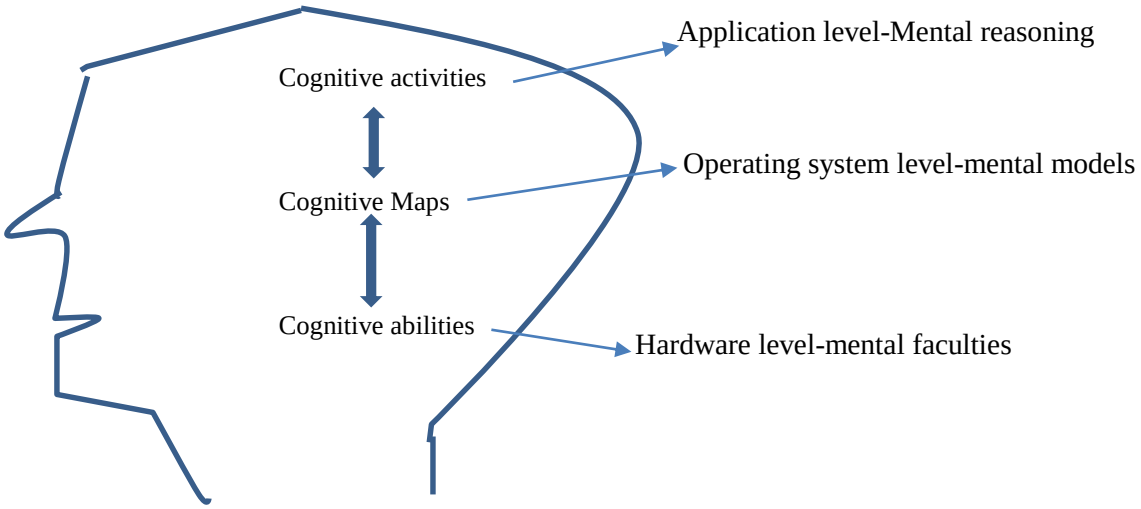

Fig. 1: Cognitive activities, maps and abilities

As explained by Meyer (2007), a structured approach to four cognitive activities (identifying, diagnosing, conceiving and realising) is to carry them out in order, starting with problem identification and then moving through diagnosis to conceiving solutions and finally realizing them. Figure 1 provides an illustration of cognitive activities, maps and abilities. Cognitive activities (or strategic thinking activities) need to be structured into strategic reasoning process. Hence, the first step towards a better understanding of what goes on in the mind of the strategist is to examine the various cognitive activities making up a strategic reasoning process. The strategic reasoning process consists of a number of strategic thinking elements or *cognitive activities (*mental tasks) intended to increase the strategist's knowing. Human beings are not omniscient. They have limitations to how much they know and how much the brain can process. The limitations to what a strategist knows, is partly due to limitations in: information sensing, processing or storage. To some extent, this is due to the nature of context characterised by events that are not predictable or unknown. Yet, humans are also burdened with rather imperfect cognitive abilities.

As earlier mentioned, strategy formulation is blurred by the strategist's limitation such as inability to sense, process or store information. Processed information is stored in cognitive maps. Like the real map, they depict how the strategist perceives the real world and relationships between and among variables. Human beings develop and perceive the real world based on experiences, education, socialising in organizations, such that at the end, people make conclusions about certain things. This is an important point in strategy formulation. A person's cognitive map will focus attention on particular phenomena, while blocking out other data as noise, and will quickly make clear how a situation should be perceived. Thus, a cognitive map provides an *interpretive filter* or *perceptual screen*, aiding the senses in selecting and understanding external stimuli (Starbuck and Milliken, 1988).

Synthesis between organizational structure and strategy is the foundation for strategic reasoning and thinking. For this to happen, managers should draw from their intuition (open system) (Scott, 2004). Strategic reasoning looks at the organization from a wholistic perspective. Bonn (2001) argues that reasoning is important for efficient management of firms, but often lacking in most organizations. Probably, the gap in practice is followed by historical confusion of the concepts among scholars and practitioners, where the term strategic thinking/reasoning strategic planning and strategic management are used interchangeably (Mintzberg, 1994). Goldman (2012) advances three reasons for the strategic reasoning gap: lack of understanding of the concept; constant practitioner and theoretician confusion of the term strategic thinking with strategic planning, and limited strategic thinking among organizational leaders.

An open systems perspective allows the strategist to observe and analyse the strategy process from both a strategic planning and strategic thinking perspective (Bailey, 1994; Mintzberg, 1994). The component of strategic management without much evaluation is strategic reasoning (Tim, 2009). Urbany and Montgomery's (1998) argue that, strategic reasoning is a rational act of strategic foresight. On the other hand, Montgomery, Moore, and Urbany (2005) define reasoning as the assessment and consideration of competitors that serves as an input into the firm's decision making. Zimbelman and Waller (1999), refer to reasoning that is not strategic as zero-order reasoning and specify two levels of strategic reasoning: first- and higher-order. Zero-order reasoning means players only consider conditions that directly affect them but not others (Jeffrey Wilks & Zimbelman, 2004). When engaged in zero-order reasoning, the strategist simply considers her/himself as a single entity in a broad market, thus willing to harvest incentives from strategic manoeuvres, rather than the long-term relationships with the firm, its environment and networks. At this level of reasoning, the strategist focuses on conditions that affect him (hubris) and not the organization. First order reasoning is the second level of reasoning, which takes a step further, by considering the conditions that affect management and the firm. This is still closed reasoning because the organization and its management are assumed to be independent of the external world.

In contrast, higher-order strategic reasoning means that the strategist or management considers additional and sometimes, potentially infinite layers of complexity, considering factors such as the organization and its external environment, how changes in competitive postures of rivals or networks might affect its long-term competitiveness and survival. Effective strategic reasoning requires that attention is paid to aligning structure and strategy. It should be noted that, strategic reasoning is both rational and intuitive. Intuition is a capacity for attaining direct knowledge or understanding without the apparent intrusion of rational thought or logical inference (Sadler-Smith & Shefy, 2004), while rational strategic reasoning suggests that decision makers face uncertainty and thus, should determine several potential outcomes and impact of their decision before an optimal direction is identified (Eisenhardt and Zbaracki, 1992). Figure 2 below offers more insights.

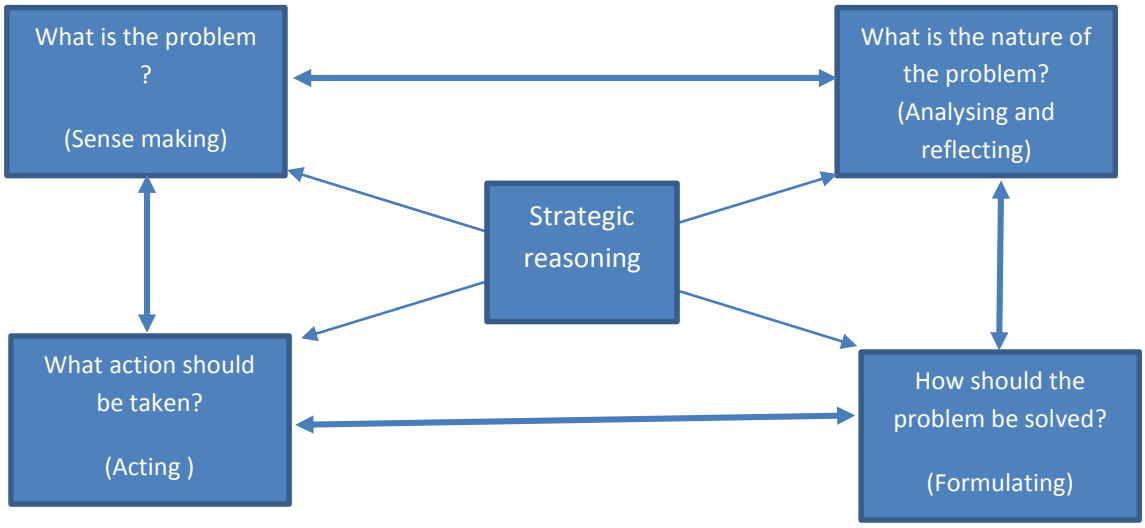

Fig. 2: Elements of strategic reasoning process (De Wit, 2010)

As opined by Bloomfield (1995), strategic reasoning is challenging because of strategic dependence: the degree to which a change in expectation of the management's action affects the planning process and action. Strategic dependence is greatest when each player's best response changes dramatically based on the expected best response of the competitor. In the case of adopting the competitor's mindset and predicting their behaviour, the reasoning of the strategist is based on the premise that if nothing changes, any strategic planning initiatives are aimed at exploiting the competitor's limitations. Rational reasoning is premised on finding the best option amongst alternatives. In Figure 2, four key questions are asked: What is the problem? What is the nature of the problem? What action should be taken? And how should the problem be solved? Although a reliable approach to strategy formulation, heavy reliance on rationality, rather than the power of thought processes might result into formulating strategies that are out of date, or not in synch with the competitor's actions, hence landing the competitor an advantage. Probably, integrating creative thinking with logical thinking to form logical-creative thinking might suffice.

In addition, the theory of games has been widely used as a theoretical basis for strategic reasoning. For several decades, game theory has provided theoretical and heuristic study of mathematical models of strategic relationship among decision makers/strategic thinkers. Despite their criticism, several important principles of strategy have emerged from game theory frameworks (Dixit and Nalebuff, 2008). These are: (1) strategic foresight, which involves looking ahead and reasoning back, and (2) adopting the competitor's mindset and predicting their behaviour. The backward-induction principle (strategic foresight principle), which employs iterated elimination of weakly dominated strategies to obtain sub-game perfect equilibria, is a strategy followed by rational players with common knowledge (belief) of rationality. Under backward induction, the fact that a strategist ends up in one particular subgame rather than another subgame is never considered as information for strategic planning. Only what follows is reasoned about. That is, the backward induction solution ignores any forward induction reasoning (Perea 2010)

One of the pinnacles of intelligence is higher-order theory of the mind, an agent's ability to model recursively mental states of other agents (adopting the competitors mind to predict their behaviour), including the other's model of the agent's mental state (Gosh et. al., 2014). This way, strategic foresight and behaviour modelling supported by both rational and intuitive reasoning support the strategic planning process and action. In a nutshell, strategic planning begins with strategic engagement of the mental faculties, in both rational and intuitive nature.

Although strategic reasoning takes a logical stance, market conditions and lessons learned from the strategic planning process might bring about the birth of creative thinking. Logical thinking ensures that a new step in the process of thinking or acting builds its foundation from the previous step. Meyer (2007) states that; *creative thinking takes liberty in following thinking rules. One idea might lead to another idea, without formal logic*

interfering. One variable might be linked by the thinker to another, without a sound explanation of why a correlation is assumed. Often logic is used afterwards to justify an idea that was actually generated by creative means. This implies that before solutions are found, managers should be able to evoke creative thinking. This, prevents the organization (strategists in particular) from locking its(their) cognitive activities in old ways of thinking (locked up minds, following rules) in a fast-paced competitive environment. In organizations, those concerned with generating new strategic alternatives are usually comfortable towing a known path (logical thinking). Unfortunately, this is not how the market environment operates. Strategists should be able to develop assumptions leading to confirmation of logical thinking. This would imply challenging and altering cognitive maps in order to develop new cognitive abilities.

3.2 Strategic Planning

To survive, every business and organization must develop change capabilities. If the organization and business manage change well, it will grow and survive. To cope with the ever-increasing change, organizations must cope with and exploit opportunities brought by change. Planning ahead, is a key management function for dealing with change in a positive and purposeful way (Don and John, 1974). Ansoff (1965) opined that, it is a tradition that every executive spends time making numerous and decisive decisions. Managers and organizations have to find an appropriate strategy to deal with change, know when to change as well as keep abreast with competitors' moves/manoeuvres. The process of strategic planning, as well as the resulting strategic behavours, are dynamic by nature, and this dynamism is evident only in relation to the flow of time (Das, n.d.)

Different organizations deal with uncertainty in different ways. For some, planning is undertaken in two extreme profiles: planning can be carried out to the point that important decisions are deferred or simply not made. This approach is called paralysis by analysis. In contrasts, some managers are always concerned with immediate challenges facing the organization. They are usually motivated by quick fixes or quick-wins. Unfortunately, such managers rarely synchronise the different elements of the strategic puzzle, most importantly, the thought processes and the strategic blue print. This approach is usually called, extinction by instinct. As opined by Don and John (1974), these dilemmas require managers to weigh continuously the relative costs and benefits associated with the different degrees of planning as they strive to cope with and create change. Every planning initiative has two elements to it namely: nature of planning, which posits that all planning is decision making, but not all decision-making is planning. The second part to the planning framework is that, the purpose of planning is to maintain organizational and functional stability as well as adapting to change.

Whilst not dead, strategic planning has long fallen from its pedestral. Strategic planning is not strategic thinking. The lack of a clear understanding of what strategic planning is has often created confusion and a myriad of so called "strategic plans" with no strategy. In Most organizations, what they refer to as a strategic plan are actually, action plans. To some, those which have something similar to a strategic plan is wrought with myriad of design challenges, such that there is no coherency between vision, strategic issues and strategies.

Initially traced to the 1960s, strategic planning and its conception is linked to the concept of strategic adaptation developed through case studies. When strategic planning arrived in the scene in the mid-1990s, corporate leaders embraced it as "the one best way "to devise and implement strategies that would enhance firm competitiveness (Mintzberg, 1994). Strategic planning is a process involving a "fixed sequence of steps, from strategy formulation and implementation to evaluation and control (Wolf & Floyd, 2013). On the other hand, Don and John (1974) define strategic planning as the process of deciding on the objectives of the organization, on changes in these objectives, on the resources to be used to attain these objectives, and on the policies that are to govern the acquisition, use, and disposition of these resources to achieve defined goals. This process encompasses a logical, sequential, analytic and deliberate set of procedures including systematic analysis, the generation and evaluation of options, precise implementation plans, and systems for monitoring and controlling the strategy (Bailey, Johnson, & Daniels, 2000). Such strategies are described by Mintzberg (1994) as extrapolated from the past or copied from others, in which those with a calculating style fix on a destination and calculate what the group must do to get there. The only sure way to articulate the strategy-making process is to first have a clear distinction between strategic planning and strategic reasoning/thinking. This involves two important activities: viewing the strategy making process from an inside-out perspective and secondly, viewing the process from an outside-in perspective. These two perspectives speak to the need to prioritize strategy sustainability over short term gains. It may be more reasonable to suggest that, the effects of strategic plans are likely to be felt for extended time periods.

Complexity and dynamism have become the most differentiating aspects of today's business environment. The current century, especially its second half, has been marked by unprecedented technological, competitive, political, and social market place changes that cut across the global business land-scape (Hussam, 2008). Companies in both the developed and developing world are no exception to the fangs of environmental turbulence. This has been made worse by COVID-19. Heavy reliance on mathematical models to predict the future appears to have reached its peak. As a result, managers are now relaying on their experience and intuition, coupled with rational-creativism. The outcome of strategic thinking is an integrated perspective of the enterprise, not too precisely articulated vision of direction (Mintzberg, 1994).

To fully understand the planning process, scanning, which involves the exposure to, and perception of information varies from undirected, fortuitous, and subconscious observation to a purposeful, predetermined, and highly structured inspection.

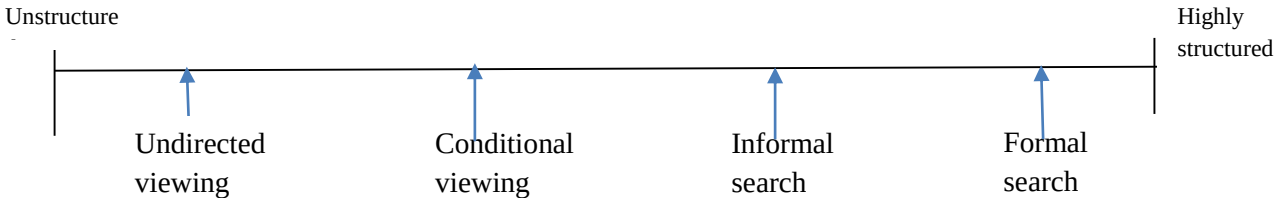

Fig. 3: Means of scanning: By degree of structure, adopted from Don and John (1974)

As presented in figure 3, undirected viewing involves the manager's exposure to and perception of information which has no specific purpose. Whereas much of the information is not used in the process of planning, in a way, it helps to prevent the use of gut feel to visualise strategy. On the other hand, conditional viewing involves a degree of purposefulness by the manager in the reception of information inputs. During conditional viewing scanning, strategic thinking is at play. Managers avoid forming tunnel visions by assessing the significance of information seen and perceived. At this stage, the manager begins to ask fundamental questions, a keen to forming a blue print. Combined with formal searches, managers and the entire organization become proactive by searching for information for specific purpose. In sum, a movement from the left of the continuum to the right, implies purposeful search for information and clear synthesis and analysis of the same through a system-wide initiative (the conception of strategy making process ensues).

Strategic planning usually receives primary emphasis at the institutional level of the organization. Managers develop a long-term horizon of the organization and its future and to deploy their cognitive faculties to make "correct" judgement.

Effective strategic planning should be built on the foundation of both soft and hard data, which help to provide deeper and insightful analysis of issues (reason and thinking). Thus, strategy making is supported since strategic planners have information to enhance their analysis. During strategic planning, senior management obtain and use information from lower level managers and use it to make plans. At this level, strategy formulation and roles of each department and individual are clearly defined (Robben, 2017).

3. Methodology

This paper adopted a conceptual stance. It was not the intention of the author to collect primary data to advance arguments. The paper reviewed exiting articles on the subject, and from the review, the author added voice to existing body of knowledge. It is also important to note that, since strategic planning gained significance in the 1960s, the paper makes reference to major developments in the field to-date.

The paper starts by defining strategy, strategic reasoning and strategic planning, and later, justifies the role of strategic reasoning as an integral ingredient in the strategy planning process. Towards the end, the paper presents a conceptual framework that creates a link between strategic reasoning and strategic planning. The aim was to justify the fact that no strategic planning takes place without strategic reasoning. Any form of strategic planning initiatives undertaken without strategic reasoning yield uncoordinated plans, resulting into confusion and failure. The paper does not delve into the philosophy and psychology of reasoning.

4. Discussion

4.1 Strategic reasoning and planning: Is there a link?

It is clear that if executives only base their strategic decisions on sometimes biased cognitive maps, unconsciously built up through past experience, will

lead to poor results caused by lack of synch and limitation in cognitive activities, maps and abilities. Executives need to have the ability to critically reflect on the assumptions they hold, to check whether they are based on facts, or on organizational folklore and industry recipes. This is not to presuppose that reflection that is based on facts is error free. It only improves the quality of assumptions and takes the strategy making process, near to the market conditions.

Liedtka(2000) uses the verb synthesis to define strategic thinking. He uses this verb to imply that strategic reasoning and thinking seek internal alignment and of understanding interdependences. Understanding interdependences requires integrating multiple levels within the organizational structure. The purpose is to ensure and assure value creation from a system view point, rather than the performance of fragmented elements within the organization.

Bailey (1994), Mintzberg (1994), Mockler(1968), and Schonberger (1973) reason that, open systems paradigm allows the strategist to observe and analyze the strategy process from both a strategic planning and a strategic thinking perspective. While strategic reasoning and planning are certainly related and complementary, thinking strategically and planning strategically are two different concepts of the same puzzle. Their integration however, completes the puzzle. As earlier mentioned, reasoning strategically involves viewing an organization from a holistic perspective. Research has determined that, strategic reasoning can be explained through seven dimensions: (1)a vision of the future, (2) strategic formulation and implementation, (3) managerial role in making strategies, (4) control, (5) managerial role in implementation, (6) strategy making and (7) process and outcome. Strategic thinking is extremely effective and a valuable tool, and requires developing skills in creativity, problem solving, teamwork, and critical thinking. Although strategic thinking takes place in the mind of the strategist, to a greatest extent, his/her thinking is influenced by the situation at hand/play (Goldman et al., 2015)

The above resonate with Mintzberg (1994) who opines that strategy is emergent rather than planned. In whatever form, reflective hindsight occurs whenever action is taken or about to be take. Mintzberg (1994) has called attention to the fact that companies were mixing concepts between strategic planning, thinking, and programming, and between visions and plans which would only lead them to the wrong direction they should pursue. Effective planning cannot generate strategies. Instead, if strategies are clearly articulated, strategic planning can operationalize them. For Heracleous (1998), reading through literature reveals that there is still no clear definition of what strategic thinking and planning are. Heracleous further argues that, although strategists focus on the product of thinking in the wake of lack of clarity about the definition of concepts, this situation is made worse by mixed results about the relationship between the two terms. Drawn from the above, one can predict that organizational failure is a result of lack of clarity. Confusion between thinking and planning results into strategic plans with no real synthesis and analysis (no practical application).

Liedtka(2000) in Marcelo (2017) argues that strategic planning follows strategic thinking. Strategic planning involves breaking down strategic intentions into objectives, unit and product choices. An important role of strategic reasoning is that it provides a way of solving strategic problem. Reasoning and its inputs help managers to understand and analyses complex environments. It enhances internal cohesion and alignment. Strategic thinking adopts a whole organizational view, creating visual and mental interdependences between and among strategic actors and units. Through strategic reasoning/thinking, customer value proposition is pursued. Thus, in strategic reasoning, units within the organization are perceived as a web of value adding entities, each leading to the creation of both organizational and customer value (reflected in plans). As Hamel and Prahald (1989) put it, strategic reasoning generates imaginative and creative characteristic in the strategist. The adoption of a 'whole' system approach encompasses a whole management approach, thus imaginatively visualising leadership characteristics necessary to lead the strategic agenda of the organization.

From the above, one can deduce that, imaginative reasoning about the future of the organization and obsession with winning generate emotional energies among actors, thus creating a ripple effect of effective strategic planning. Excitement among actors about their desire to win send all into action to find the right plans and pattern of activities to win. At the end, strategists within the organization are able to develop a blue print for wining.

Goldman (2001) finds that in most organizations, gaps exist at top management. The existence of fundamental gaps at top management levels enhances the immediate need to develop critical synthesis of the organization to gate keep against failures at top management. As a result, strategies are developed and operationalized in the strategic plan. This clearly tells us that strategic reasoning sets the strategic direction of the organization, and strategic planning operationalizes thinking by developing concrete plans to action and realise the vision. Strategic planning is a continual planning

process that relies on strong strategic thinking. When done correctly, strategic planning is not a one-time or annual event. While strategic thinking provides the necessary energy and theoretical ingredients of the strategic planning process, strategic planning involves the analysis and pitching the ingredients of strategic thinking into practical terms. Strategic planning is useful not only because it can realize the vision of the upper management or it can mitigate unforeseen risks; it also has many more benefits (Vel et al., 2012). Once the problem has been properly defined, a strategy can be formulated by evaluating the available options and deciding which solution would be best. In the final phase, realization, the strategist would need to ensure execution of the proposed solution by consciously planning and controlling implementation activities. In this case, the four elements of the strategic reasoning process could actually be labelled recognizing, analysing, formulating and implementing.

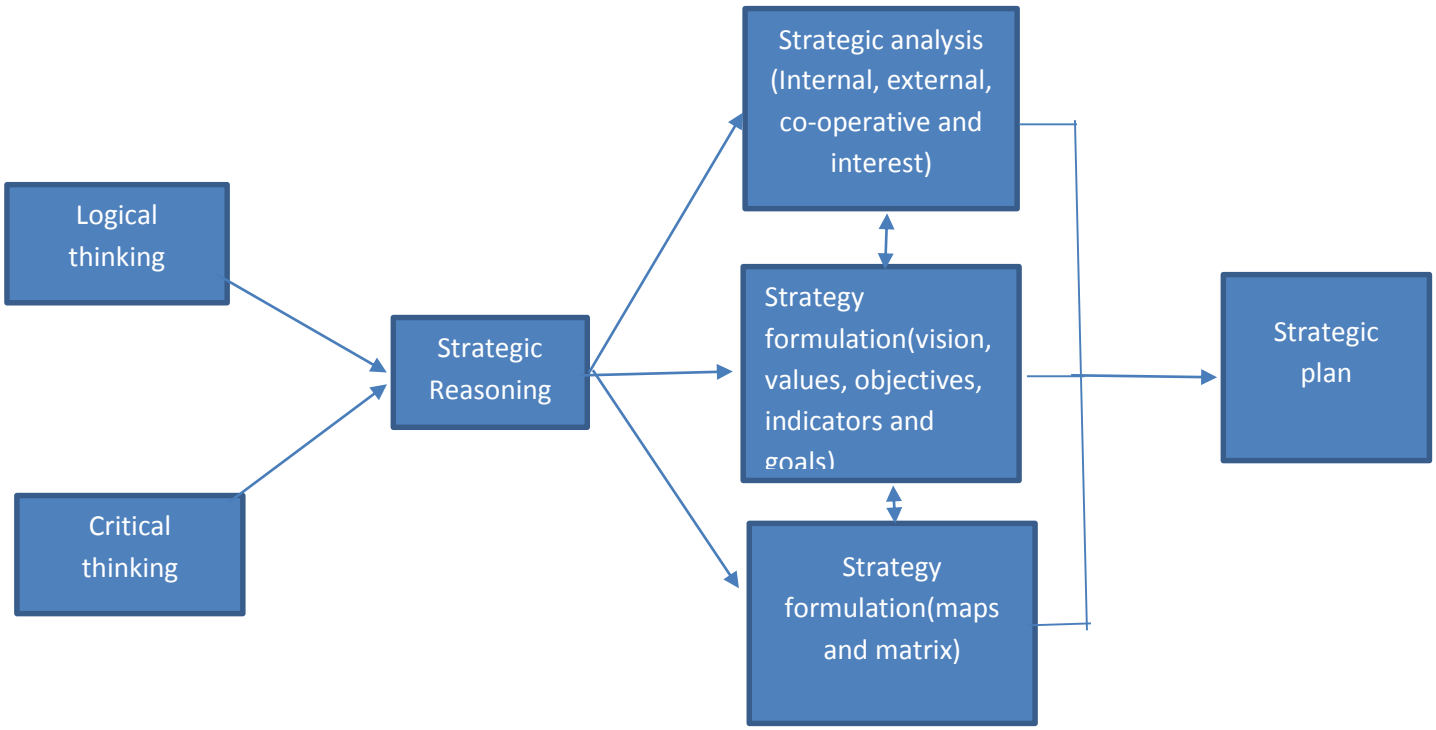

Fig. 4: Conceptual framework linking strategic reasoning and strategic planning

As mentioned in earlier paragraphs, the mind of the strategist is not always driven by objectivity. It is also driven by subjective thinking. The refinement of subjective views, taking a subjective-objective stance is improved by actual synthesis, leading to the formulation and development of strategic plan (see Fig. 4). The identification of strategic problems usually starts with a subjective analysis and integrating inputs and outputs of the process into objective analysis. Meyer (2007) states: Conceiving strategic solutions can be equally 'messy' and subjective. This implies that, at the thinking stage, there are no proven strategic options to pursue. Some options are intuitive in nature. However, to improve the quality of strategic plans, strategic analysis and synthesis, take on an objective stance by generating figures and evidence to support the course of action to be pursued. For executives with the responsibility for getting results, it would be too limited to only look at the process of strategy formulation and to worry about implementation at a later moment. Executives must ask themselves how the entire process of strategy formation should be managed to get their organizations to act strategically. As earlier mentioned, strategic analysis and synthesis, elements of strategic reasoning pursue a total organizational approach. Components of the strategic plan are not visualised as independent parts of the puzzle, but rather as integrated and synchronized elements each playing a role in helping an organization to achieve position advantages and long-term sustainability.

In psychology, humans learn through a process called cognition. Knowledge that people have is usually stored in the form of cognitive maps (McCaskey, 1982). Cognitive maps reflect or represent an individual's understanding or functioning of the world around him/her. In strategic management, cognitive maps represent what the strategist thinks about the strategic

problem and the likely cause and implications of the problem to the entire organization. Cognitive maps are important because, when analysed, they lead to the formation of actual strategic plans. On the other hand, matrices help the strategist to analyse the various portfolios, units and functions within the organization and how if synchronised, can yield strategic synergy. At the end of the tail (see fig. 4) is the strategic plan. For an existing organization, one area of interest is on examining the configuration between current strategy, vision, goals, indicators and resources. Any effective strategy planning process should build strategy execution in its Deoxyribonucleic Acid (DNA. This is because, proper plans, detail how strategies will be implemented, including the expected measures to look for, to determine success.

5. Conclusion and Recommendations

5.1 Conclusion

Strategic reasoning and thinking perspectives can generate planning in the strategy making and development process, contributing novel integration of reasoning theory to strategy process research (Wolf & Floyd, 2013). Specifically, all managers regardless of their reasoning biases are able to engage with both reasoning and planning in strategy development. As stated by Mintzberg (2014a), planning is a formalised procedure to produce articulated results in the form of an integrated system of decisions. Effective strategic planning is premised on the foundation of information. Without information, no form of critical analysis of strategy can take place.

5.2 Recommendations

Although evidence from studies suggest that strategic planning is effective if managers critically engage in critical reasoning and thinking, managers tend to favour action over reflection. This approach, often misses the establishment of an integrated organization approach to strategy, thus, creating confusion and misalignment between thought processes and action. Effective strategic planning should infuse reasoning into the design of the strategic architecture (plan) because consequential to correct alignment between thinking and planning is effective decision making (Eisenhardt and Zbarack, 1992). In this sense, studies propose that strategic thinking should be addressed at both individual and group levels in order to improve quality of strategic decisions (Bonn 2001, 2005; Amon and Shweiger, 1994). By involving both the individual and the group level of the company's employees and addressing the elements of strategic thinking/reasoning (systems thinking, creativity, vision etc.) managers are able to constantly scan the internal and external environment and help them make and implement decisions aligned with the organization's strategic agenda.

To create an effective linkage relationship, quantifying the thought process (analysis) and linking it to a quantified form of synthesis might help in bridging the knowledge gap. This has to be done in addition to empirical studies on how managers think and how they react to their thought processes.

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