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## **Title: Strategic Thinking – GAME OVER**

The paper attempts to address the question of appropriateness, adequacy and relevance of the strategic leadership conceptual frameworks that has guided organisational leaders over the past three decades within which **strategy** has been the primary building block of competitiveness (HBR).

### **Abstract**

In the context of organisations – business and other – the paper uses the discipline of business environmental scanning to illustrate the paradigm shift required to progress beyond conventional scanning frameworks, dating back to the 1980s, still used widely today.

Scanning is viewed as an act through which organisations gather information which in-forms and guides their strategy selection.

The paper sharpens its focus on the conceptual scanning frameworks that organisations use as tools when scanning the environment. In doing so, it questions the fundamental philosophy that strings together the thought paradigms of established scanning frameworks such as PESTLE and Porter's Five Forces. It provides a critical view on the well-known mnemonic – **PESTLE** – which in its expanded form denotes P for Political, E for Economic, S for Social, T for Technological, L for Legal and E for Environmental.

The critical analysis highlights the threat of accepting a conceptualised reality as an ontological truth, without considering the fact that the reality to be scanned is most probably more a function of how we think than some reality 'out there' to be discovered. The paper leaves the positivistic approach behind, arguing that frameworks based on a mechanistic approach do not suffice. In doing so, the

paper leans more towards a systems thinking approach, providing more completeness in terms of a conceptualised environment.

### **Purpose**

The article suggests that current conceptualised environmental scanning frameworks that inform our strategic decision-making – both in content and process – are inadequate. It compares frameworks conceptualised through an analytical thought paradigm with those of a systemic thought paradigm for purposes of reframing such frameworks. It suggests that new skills and competencies that leaders should possess include the ability to question the thought paradigms and assumptions that gave rise to current frameworks of leadership in the strategic space.

The aim is to assist leaders to better manage organisations amidst random and unpredictable environmental changes. This leads to a recommended shift from strategy as the primary building block of competitiveness to that of flexible business modelling (Casadesus-Masanell & Ricart, 2011) as the driver of sustainable competitiveness in the future.

### **Design/methodology/approach**

The study is progressive in its nature, focussing on the application of reframed scanning frameworks. The data used were collected through a Likert scale online survey, structured interviews and workshops of application. The results from the initial research were validated and generalised statistically through the Spearman correlation coefficient test, as well as the ANOVA test.

### **Findings**

The secondary study has generated a conceptual scanning framework for future application and further research. Building on this, the paper suggests that a fundamental rethink of the assumptions, that gave rise to the frameworks and conceptual tools with which organisational leaders strategise, is required as an additional skill set for today's organisational leaders. The findings of the study suggest that rethinking current conceptual strategy frameworks and tools would enable leaders to better manage for sustainable competitiveness amidst environmental volatility.

## **Originality/value**

The study's findings present organisational leaders with a thought paradigm to better manage current volatility, unpredictability and randomness in the organisational environment of the twenty-first century.

## **Keywords**

DAD: Dominant Attribute Differentiator, conceptual environmental scanning frameworks, analytical and systemic thought paradigms, strategy, business model flexibility, VUCA, PESTLE, Porter Five Forces, *complexus*

## **Introduction**

We find, more and more so, that mechanistic and reductionist approaches are no longer relevant or sufficient to deal with today's strategic complexity (Heckroodt S. , 2013).

"Internationally organisational performance is under pressure. In some instances, 'crisis', as a term, actually describes it better. This state of crisis cuts across all types of organisations, including commercial, non-commercial and governmental. Like a drop of ink in a glass of water, it spreads across the globe, affecting all nationalities, genders and classes" (Heckroodt S. , 2013).

How appropriate of the paper to address the major strategic leadership challenges that leaders have to contend with in their organisations in the twenty-first century? This I say against the background that the Chinese wish: 'May you live in interesting times', is described by Prof De Coning (*Chief Director: Strategic Initiatives and Human Resources, Stellenbosch University South Africa*) as a very appropriate phrase within which to describe the postmodern challenges of sound strategic management (Heckroodt S. , 2013).

The expanded research presented in the paper elaborates more on the innovative thought paradigm which scratches the surface of something totally new and different that will help us make sense of the sweeping randomness in our environment.

That the twenty-first century remains captive in unprecedented volatility, sweeping randomness and increased intensity and pace of change, has become a reality of most organisational leaders today. We refer to it as the so-called VUCA world, which in its expanded form V stands for Volatile, U for Uncertain, C for Complex and A for Ambiguous (Nathan Bennett & Lemoine, 2014).

Or, if you choose to, you can ascribe to Kevin Roberts' VUCA perspective where in its expanded form V stands for Vibrant, U for Unreal, C for Crazy and A for Astounding.

Irrespective from which perspective you choose to inform your strategic direction from though, in itself, this is not the biggest challenge of our time though, but rather the bigger challenge of our time remains the non-systemic thought paradigms that our leaders remain stuck in as they struggle to reduce complexity to manageable simplicity (Drucker: Amended from Stellenbosch Report 2009).

The question the paper tries to answer is: 'What are the thinking skills and resultant conceptualised frameworks we need to enable effective strategic leadership and innovation in this era of disruptive complexity?'