



The role of strategic thinking in shaping institutional management

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Abstract

Management has its share of perks and rewards. Managers are usually in a better position to influence, lead change and trigger transformation. In most organizations and to the understand of most ordinary people, being a manager means a better compensation package and not having to sit in a labour intensive cubicle. Such understanding of a manager, though common in many circles, is naïve, misleading, illogical and unrealistic because it negates the very essence of being a manager. There's a huge price to pay for the status and the extra rewards that accompany the position of management. Being a manager means you have to deal with tough and critical issues that can easily cost you sleep and loss of hair. You need to ensure and guarantee that the institution is running smoothly, that productivity is on target, that quality meets the requisite competitive standards, you need to know your team and their capabilities, and have the prowess of adjusting their mindset from contributor per se to lead-contributor; you need the zeal and acumen to resist and overcome pressure to perform - building your Emotional Intelligence to surpass ordinary measures; flexibility to shifting from the details to high-level view; managing time devoid of lapses; effectively communicating with and between the ranks; setting clear goals, aspirations and expectations; setting pace in giving and asking for regular feedback; encouraging productivity and teamwork; determining the hiring and firing of employees; guaranteeing discipline; and having the courage to ask for help, among others. In the practical sense, being a competent manager means being a lead servant, a pacesetter, a role model, and icon of efficiency and effectiveness, the gadfly of the organization's serenity and success; a shrewd strategic thinker. This article explores the value and the critical role of strategic thinking in the management of institutions, especially its central role in the development of institutions' vision, mission and values statements.

Keywords: strategy, strategic thinking, management, leadership

1. Introduction

The success of organizations and companies rely on the adequacy of its strategic approach to its agenda. Each end of a financial year, company executives turn their mind into boardrooms to evaluate gains and drawbacks in the ending year and focus on strategic planning cycle for the incoming year. During this demanding time of the year, departmental managers and directors are encouraged to 'think strategically' and feed their thought outcomes into the common pool of the organization's apex of decision making. Indeed, it is now considered that a board's primary role is to think strategically, oversee strategic planning and map the strategic execution of the developed plan.

When hired in a management position, there are certain traits envisaged in you: competence, ingenuity, ability to navigate and solve critical issues, value addition, ability to lead others, knowledge of the tasks ahead – understanding the vision, mission and core values of the institutions; honesty, perseverance in times of crisis, courage to handle difficult assignments, faith in reason, mental potency and creativity, discernable integrity, constructive empathy, and more importantly, ability to tame emotion, mobilize productivity and inspire others.

Critical to the role of a manager is the need to understand why the institution was founded, where it has come from, where it is and where it is headed to. These concerns are made explicit in the institution's vision, mission and core values. The critical eye that informs the origination of an organization's vision, mission and values is not static. We live in difficult times with myriad challenges caused by

economic fluctuations, political instability, and unpredictable environment and climatic volatility. Our capacity to think outside the box, navigate through these challenges, and generate lasting solutions is what strategic thinking is all about.

In view to the above, managers are key to the operations and success of their institutions. If the duties vested into the management team is not properly executed as to be in line with the aspirations of the organisation, and meet the mandate as espoused by the vision, mission and the values, such an organization has no significance or relevance to exist. As a consequence of this obligation, the management requires men and women with zeal, resolve, ingenuity, commitment, and cerebral shrewdness to succeed. It needs the kind of management that will guarantee the functionality of the institution by securing and ensuring proper utilization of assets; guaranteeing efficiency and effectiveness in service delivery and striving to front for secure, serene, motivating and friendly environment conducive for productive endeavours within the institution; managers who are strategic, innovative, critical and strategic thinkers.

2. Mastering Strategic thinking skills

Strategic thinking essentially refers to the ability to come up with effective plans in line with an organization's objectives within a particular economic situation. Strategic thinking is a cognitive process applied by an individual in the context of achieving a goal or set of goals in a given effort. As a cognitive activity, it produces thought which in turn influences action. Strategic thinking helps the management

in reviewing of policy issues, long term planning, goal setting, determining priorities, and identifying potential risks and opportunities

When applied to organizational strategic management process, strategic thinking involves the generation and application of unique business insights and opportunities intended to create competitive advantage for a firm or organization. It can be done individually, as well as collaboratively among key people who can positively alter an organization's future. Group strategic thinking may create more value by enabling a proactive and creative dialogue, where individuals gain other people's perspectives on critical and complex issues. This is often regarded as a benefit in highly competitive and fast-changing business landscapes

As a way of thinking, strategic thinking entails a disciplined process of actively and skillfully conceptualizing, applying, analyzing, synthesizing, and/or evaluating information gathered from, or generated by, observation, experience, reflection, reasoning, or communication, as a guide to belief and action. In its exemplary form, it is based on universal intellectual values that transcend business matter divisions, namely: clarity, accuracy, precision, consistency, relevance, sound evidence, good reasons, depth, breadth, and fairness. It entails the examination of those structures or elements of thought implicit in evaluative reasoning: purpose, problem or question-at-issue, assumptions, concepts, empirical grounding; reasoning leading to conclusions, implications and consequences, objections from alternative viewpoints, and frame of reference. In being responsive to variable business matter, issues, and purposes; it is incorporated in a family of interwoven modes of thinking, major among them: lateral thinking, vertical thinking, epistemological thinking, scientific thinking, mathematical thinking, dialectical thinking, economic thinking, all of which collapses into a family of rational and evaluative thinking dubbed critical thinking.

As a way of thinking, strategic thinking has two components: i) a set of skills to process and generate information and beliefs, and, ii) the habit, based on intellectual commitment, of using those skills to guide behavior. It is thus to be contrasted with: i) the mere acquisition and retention of information alone, (because it involves a particular way in which information is sought and treated.); ii) the mere possession of a set of skills, (because it involves the continual use of them.); and iii) the mere use of those skills ("as an exercise") without acceptance of their results

As a way of exploring all possible organizational futures, and challenging conventional thinking as a means to fostering decision making in organizations today, strategic thinking embraces the need to finding and developing a strategic foresight capacity and accelerating organizations' productive capacities and competitiveness.

Recent strategic thought points ever more clearly towards the conclusion that the critical strategic question in management is no longer the conventional "What?", but "Why?" or "How?". Effective strategic thinking enables leaders to plan for the future, create steps to achieve that plan, and evaluate and iterate on the results.

Our observation is informed by the accepted common norm that soft skills- personal attributes, personality traits and communication techniques are among the highly sought dispositions in the workplace. They characterise how you go

about your duties and interact with other, how you handle your responsibilities and how you relate with others. For executives leading their team and organisation to success, soft skills are mission-critical; a necessary condition for institutional survival.

Soft skills can't be taught on a course per se. They are perfected through every-day interactions and experience in one's personal and professional life. That doesn't mean you can't learn soft skills; it takes some introspective effort and a commitment to venture outside one's comfort zone to realise, actualise and internalise soft skills.

One of the most critical soft skills managers ought to master is strategic thinking- an ongoing, evolving process that defines the manner in which you arrive at conclusions and make decisions. It is the ability to think outside the box, envisaging new solutions to age-old problems. It can allow you to see opportunities that others miss; empower you to translate complaints and challenges into creative, innovative and productive adventures; and be catalytic to institutional transformation. In an evasive, turbulent, competitive workplace or market, strategic thinking can give you an edge over the opposition or competitors.

Adopting a strategic mind-set is essential for the executives tasked with increasing profits, perfecting institutional performance, delighting customers and retaining talent and productivity. To remain deserving and competitive, institutions must chart a course in a business environment that is in a constant state of flux, and be prepared to change direction at a moment's notice. Hostility, evasiveness and challenges caused by competition and wayward customers are real, and can deprive an organisation the real targets it requires to stand out and be self-sustaining. In addition to the challenges envisaged in the marketplace, an organization must also be ready to respond to changes in technology, economy and even consumer behaviour, a factor that necessitates strategic thinking

To this end, effective strategic thinking encompasses ideation, strategic planning and operational planning to help the institution in arriving at the most effective course of action in its endeavours. In return, this will then account for the "what", "why", "how" and "when" of the organization. In short, strategic thinking increases the odds of success of an institution.

3. Relevance of strategic thinking to leadership

Besides building capacity requisite for keeping your institution constantly on incessant growth, mastering the art of strategic thinking maximises your efficiency and strengths as a shrewd manager. It helps you to think logically and to take the most direct and desirable route towards achieving your institution's objective. Other values of strategic thinking that result, inform and guide effective decision making for you, your team and institution are discussed below.

Strategic thinking is instrumental to an open-minded approach to issues affecting institutions. People often approach a problem with a preconceived solution in mind. This is usually because this approach worked in similar situations in the past. Most institutions are often in a constant state of flux, thanks in part to technological and regulatory change as well as inroads in research. Given the elusive nature of society in current times, what worked historically does not definitely guarantee success today.

Third is our ability to constantly question ourselves and the

emerging circumstances. When you think strategically, nothing is taken for granted, and nothing is left to chance. Acts of managers are often characterised by constant change; institutions whose leaders have a rigid way of responding to new situations often have trouble staying relevant. Seeing beyond the horizon and embracing workable changes maximises an executive's chance and his organisation staying relevant. Accordingly, strategic thinkers never make assumptions; they instead, ask questions to seek clarity. They approach every new problem or challenge with empathy, thus helping them to make informed and bias-free decisions.

Fourth is comprehension. Strategic thinking requires that you view a problem or situation from multiple perspectives, with the aim of taking the most logical and pragmatic approach that will deliver the greatest outcome. The result of such thinking is attainment of deeper understanding of the problem, one which allows you to evaluate different solutions, and the pros and cons of implementing each of them with ease.

Fifth is foresight. Strategic thinkers are pragmatic leaders. They're capable of developing strategies and executing at the same time. Strategic leaders know how to get things done today while having the foresight to plan for the future.

The sixth value of strategic thinking is the development of innovative prowess: Strategic thinking is about iterating on iterations. A strategic thinker is never content with leaving something as it is. They want to continuously improved, always looking for the next mountain to climb, the next niche to fill and the next opportunity to seize and score.

Further, strategic thinking: i) inculcates habits of thought-the ability to think outside the box and use reason as the locomotive to existence; ii) encouraging breadth of vision-the ability to see things from different points of view; iii) gives a sense of self-perspective in our activities and in our lives: the ability to examine alternatives and choose those relevant to ensure that we do what is right; iv) adds value to our lives and professional undertakings through the enhancement of our ability to translate ideas (theory) into practice through action; v) helps us to understand ourselves and our world better and more deeply than we otherwise would, and by permanently altering our approach to our lives and attitudes, and our relations to others through encouraging a lifelong habit of reflection and harmonious coexistence; vi) immensely enriches our professional lives and opens to us views that would otherwise be closed or overlooked; vii) enhances our analytical, critical, evaluative and interpretive abilities,

Strategic thinking greatly enhances our ability to express ourselves clearly and to formulate and respond to arguments in speech and writing effectively; viii) it provides us with general problem-solving skills, skills in analysing concepts, definitions, arguments and problems; 16) it enables us to organize ideas and issues and to extract what is central to an issue from a mass of information; ix) it enhances our ability to question deeply our own framework of thought and that of others; x) it equips us with the ability to reconstruct sympathetically and imaginatively the strongest versions of points of view and frameworks of thought opposed to our own; xi) it inculcates in us the ability to reason dialectically (multi-logically) in such a way as to determine when one's own point of view is at its weakest and when an opposing point of view is at its strongest; xii) it helps one both to make fine distinctions and to find what common ground

between opposing positions is; xiii) it encourages one to synthesize or bring together a range of different views into one more comprehensive and coherent position; xiv) it improves one's communication skills, through improving one's ability to present ideas in well-constructed, systematic arguments, to express what is unique about one's views and to explain difficult material.

These skills in presenting well-thought-out arguments, clear formulations and apt examples, in turn lend one's arguments persuasive power; xv) the give and take of strategic thinking-based discussions improves one's ability to think on one's feet, and to indicate why one's own views are to be preferred to others; xvi) it aids one in recognizing when and in what respect one's own views may be incorrect, and what must be revised or discarded and what can be retained; xvii) it lays emphasis on clarity and rigor of argument, the apt use of example and illustration, and sensitivity to the strengths and weaknesses of both views one is examining and of one's own view thus making ideas that determine good thinking more explicit and relevant.

Strategic thinking plays an important role in social change-institutions in any society (courts, governments, schools, businesses etc.) - are products of a certain way of thinking; xviii) it helps in uncovering biases and prejudices; xix) strategic thinking is a path to freedom from half-truths and deceptions as it opens up one's mind in seeing things independent of emotions, native biases and from different perspectives; and, xx) the willingness to change one point of view as we continue to examine and re-examine ideas that may seem obvious is a major component of strategic thinking. Such thinking takes time and the willingness to say three subversive words: "I don't know", not as a statement of ignorance but rather, as an expression of inadequacy, in specific context, of knowledge, is not an uncommon submission among the strategic thinkers.

Contrary to the above values, there are other limited elements of thought that strategic thinking does not entail, they include: a) *Decision Making*: Strategic thinking is more than just calling the shots. Strategic leaders spend more time thinking, listening, and observing over and above just making decisions; their decisions are informed by their third eye; b) *Gut Feeling*: Strategic leaders are methodical and data-driven. They make informed decisions by observing trends, asking the right questions, and seeking context; and, c) *Instant Gratification*: Strategic thinking is about planning and executing for the future. Strategic leaders never let short-term gains blind them from focusing on what's important for their team, customers, and the institution or business.

It is now understandable that when we step outside the conventional or routine ways of thinking and problem solving, the result is definitely rewards that were never envisaged due to limited/obstructed ways of doing things in the past. Examples here could include an innovative new way of addressing the spread, and in some instances the recurrence of COVID-19 by ensuring compliance to the set World Health Organization (WHO) guidelines, consolidating of the global fund in fight against the pandemic, and ensuring that the requisite facilities for mitigating the pandemic are evenly distributed on the basis of need and urgency. This effort would in turn result in effective and aggressive bellicose on the virus, the result of which shall be global victory against a dreaded and venomous killer. As Henry David Thoreau once stated, "It

is not enough to be busy... the question is: what are we busy about?" When you think strategically, you question authority and its traditional behaviour, challenge assumptions and focus on sourcing and developing opportunities to create value for the institution's business.

4. Applying strategic thinking in time-sensitive situations

While the above reasons justify the need for strategic thinking in our institution as it facilitates us in arriving at informed decisions and strategy, it is not as suitable for time-sensitive scenarios where rapid decisions are required. In such circumstances where you will likely have hours, or even minutes to arrive at a decision that could have far-reaching consequences for the organisation, caution must be taken. So, how do you make informed decisions quickly?

In such a situation, what you need is to focus on solutions, not ideas. Brainstorm on as many potential solutions to the problem as you can, then use the PIES (Potential Important Ease Scores) framework to prioritise the best. This does not have to be a formal process. Just be sure to weigh up the probability, impact and ease when deciding which solution to pursue. Where possible, involve key stakeholders; have them rate each solution with PIES, too.

If your timeline to reach a decision is measured in hours or minutes, you won't have time to conduct PEST (Political, Economic, Social and Technological) or SWOT (Strengths Weaknesses, Opportunities and Threats) analyses. Instead, go with the PIES framework and continue to operational planning; crafting an action plan to deliver your solution in as short a time-frame possible. However, it is worth noting that, by conducting regular PEST and SWOT analyses, when you come to make business-critical decisions, you will already be armed with the information to help you arrive at an informed decision. Consider conducting PEST and SWOT analyses on a quarterly basis.

5. The strategic thinking process

As discussed earlier, strategic thinking encompasses ideation, strategic planning and operational planning as a means to arriving at decisions and strategies that have a greater chance of success. Let me explain.

Ideation: Ideas are the blood-stream of strategic thinking. Everything we see, touch, taste, hear and smell stems from ideas. Ideation is the process of brainstorming ideas, perusing those that have the greatest potential impact on institutional operation or business. We talk about potential impact because we won't know for certain whether they deliver their intended benefit until you apply them in the real world.

You can arrive at ideas with the greatest potential impact on institution's performance by rating each idea with PIES: PIES stands for Potential (how much improvement can be delivered), Importance (how valuable is the outcome to your business), Ease (how difficult is it to implement) The S stands for score. Rate your ideas out of ten for each criteria, and you have arrived at your PIES score.

The higher the PIES score, the greater the potential impact. To make an impartial decision, have your co-workers rate each idea with PIES, arriving at an average score for each criterion. Prioritise those ideas with the highest PIES score. While there is no guarantee of success, the rational rigour of PIES means that you have done your due diligence before committing resources.

Strategic Planning: Once you have prioritised your ideas,

you take a further step to articulate them into strategies. At this level, both the external and internal factors that can influence the success of our ideas are considered. Among the common external factors may include the economic and political climate, social and technological change. Internal factors on the other hand will include the needs of the customers, the organisation, employees and the state. There are two frameworks that can be of help here:

- a. *PEST Analysis:* this is a strategic business tool traditionally used by organizations to evaluate macro-economic factors which can impact the business of an organization. It examines opportunities and threats due to Political, Economic, Social and Technological forces. There are several variations of the framework including PESTLE, STEEPLE, STEER and STEEP. Regardless of which framework you choose, performing this type of analysis gives you the lay-of-the-land in terms of what is happening in the external business environment. Armed with this information, you can make informed decisions.
- b. *SWOT Analysis,* in contrast, helps organizations identify their Strengths and Weaknesses, as well as Opportunities and Threats. It helps organizations evaluate the status quo. SWOT and PEST analysis are best deployed in unison, starting with PEST analysis and using the results to inform the SWOT analysis. For best results, regularly conduct SWOT and PEST Analyses.

Operational Planning: This is where strategies are transformed into action plans that can be implemented. Goals and objectives are set, and the metrics that matter are determined. Goals are outcome statements that define what the organisation is trying to accomplish. Objectives, in contrast, are specific, measurable, actionable and time-bound conditions that must be attained to reach the intended goal. Managers are advised not to underestimate the significance of the measurable aspect of objectives. By defining the metrics that matter, you can determine the degree to which you are making progress towards achieving your intended goal

6. How to improve strategic thinking skills

In most of competitive organizations, the ability to think strategically is rapidly becoming the deciding factor in who becomes a leader and who remains a follower. In major institutions especially those essential for state operations, and which are so fast-paced in their activities such as revenue collection authorities and Ports authorities etc., the executives, managers, and entrepreneurs have to take a holistic approach to problem-solving and decision making on a day-to-day basis. There are various ways one can apply strategic thinking to enhance capacity for such institutions:

First is Prioritization of tasks. It is critical that you go over your tasks, decide which ones can wait, and brainstorm ideas that can contribute to the success of the organisation. Always action those task that will provide the greatest benefits today, and leave lesser tasks for tomorrow. A question to ask here is, "what is the one task I can do today that will leverage the most benefit?"

Second, be cognizant of prejudices and bias. Everyone has prejudices and biases. Take charge of your mind by critically examining your thoughts and questioning them. Do you hold your thoughts because they are logical or

because they've served you well in the past? Admitting to some flawed thinking does not diminish your ability to do your job, nor to remain a manager. On the contrary: you are actually, now thinking strategically.

It also entails being sensitive to circumstances and conscious enough to monitor and question your own thoughts, and being able to realize that your thoughts or ideas could be flawed, and guarding against such ideas from negatively impacting on your own credibility. Being aware of your biases will enable you to think outside the box and to create new ideas that are beneficial to the institution.

Third, improve your listening skills. Once you accept that your beliefs may contain flaws (common to all humans) and how to overcome them, the next step is to improve your listening skills. Talk to your co-workers, employees and broader network and let their perspectives teach you new ways of thinking. Maintain an open mind, be receptive to feedback, and evaluate everything you hear.

Fourth, improve your questioning skills. Strategic thinking requires that you intelligently question everything you see or you are told. This is not the same as being cynical: you're collecting and weighing facts, not dismissing ideas or traditions. Ask if an idea is rational, with a credible source and any proof to support its value. Taking time to question something and understand why it is being proposed widens the scope of success in organizations.

Fifth, understand the consequences of your thinking and actions. All decisions have consequences. After listening to ideas and points of view, and deciding on which best answers to your needs, carefully consider the potential impact of each one. What are its pros and cons? Which one is most likely to help the organisation meet its goals? How practical is it? This step will help you make an informed decision, and over time, once this is internalized, making the strategic choice will come naturally with ease.

Mastering the art of strategic thinking will do more than generate better ideas or improve your decision-making. When you as a manager encourage employees to think more critically, you build a framework that makes you a better leader, protects your institution's undertakings from future uncertainties, and gives you an optimal chance of achieving long-term career success.

Sixth, ask relevant and smart questions: As said earlier, thinking critically requires you to question everything. Not from a cynical point of view, but in a way that constructively allows you to see ideas objectively and relevantly. Just because a system of thinking or idea is commonly accepted as the standard does not mean it shouldn't be questioned. Taking the time to question something opens the doors to opportunities, and positive remedies to previous mistakes.

Seventh is being creative: Every company needs a strategy, but what's a strategy without anything that distinguishes you from the next business that's doing the exact same thing as you. If you really want to get anywhere, adding a bit of differentiation and value is critical and requires creativity.

Dedicating time to think deeply, distinctly, precisely and clearly: Strategic people find connections between ideas, plans and people that others fail to see. It's impossible to make those connections if you don't provide yourself with the chance to see them. Schedule a time every day or every week to subject yourself and your institutions agenda to introspection

Encourage your peers and co-workers to be strategic: The

more strategic minds you have generating ideas for you, the better. Work to build a culture in your company where everyone is encouraged to think strategically and share ideas freely.

Tenth is observing and seeking trends: In order to be strategic, you need a solid understanding of the industry context, trends, and business drivers. Be proactive about connecting with peers and co-workers both in your company and in your industry to understand their observations.

Eleventh, questioning assumptions: Challenge your-own and others' assumptions and encourage divergent points of view. Only after careful reflection and examination of a problem through many lenses will a strategic thinker take decisive action. This requires patience, courage, and faith in reason, perseverance and an open mind. Focus on the root causes of a problem rather than the symptoms.

7. Essential characteristics of a strategic thinker

From the above discussion it can be said that a strategic thinker manifests the following: i) looks ahead towards and embraces the future, no matter what it may hold; ii) believes in the supremacy of reason in all actions; iii) are willing to work hard today to reap the benefits tomorrow; iv) don't limit themselves to the 'tried and true' or 'best practice'; v) assign greater importance to ideas with the greatest impact and return; vi) change their approach to a problem or situation according to circumstances; vii) are lifelong learners who actively seek knowledge and gladly share the same with others; viii) are best described as 'critical and creative' individuals who think outside the box.

Overall, strategic thinkers are men and women with the ability to base their judgements on ideas and evidence; are able to recognize errors in thought and persuasion with capacity to resist the temptation of falling prey to such seductive yet empty and misleading rhetoric; are able to recognize good arguments from bad and fallacious arguments; are readily willing to take a critical stance on issues and act without undue influence; are readily willing to accept mistakes, apologize, correct them and move on; are able to ask penetrating and thought-provoking questions in order to evaluate ideas and act on what is understood and known to be real, true and effective.

Strategic thinkers are always in touch with their personal thoughts and ideas about matters of their institutional needs and priorities; they are willing to reassess their views when new or discordant evidence is introduced and evaluated to enhance capacity for institutional performance and are able to see the connections between different concerns of each department of their institution, and are able to use knowledge from other fields to enhance their experiences and boost their productivity.

Opposed to the above are the non-strategic thinking traits exhibited by the executives, they include: i) the tendency to be reactive, often waiting for guidance and direction, and rarely present new ideas; ii) are introspective and take an interest in anything beyond their immediate responsibilities; iii) prefer the status quo and don't always take the time to think about long-term goals; iv) usually approach all tasks the same way, without being affected by urgency or impact; v) suffers the big man syndrome and often, are armchair despots; vi) are hesitant about changing their strategy even when doing so could yield better results; vii) remain content with their current capabilities and are not motivated to learn more; viii) Treat corrections and suggestions from others as

insults and debasement; ix) dominate boardroom meetings with dictation and trivialities; x) are predictable individuals who prefer to follow a set path.

From our discussion above, it's deducible that strategic thinkers are the prime movers of institutions. They set vision, mission and a path for the realization of the spelt-out goals. Let me now turn my attention to the instrumentality of strategic thinking in setting the vision, mission and values in strategic direction.

8. Setting Vision, Mission, and Values in Strategic Direction

Knowing why you are doing what you are doing (your mission), where you are trying to go (your vision), and how you are going to go about it (your values) are the gem of an institution and the glue that hold organisations intact. For purposes of viability, competence, visibility and completeness, vision, mission and values are essential component to building a strategic foundation and developing a strategy for an institution. In the evolution of an institution, these elements of are always preserved while strategies and goals change and flex with the prevailing dictates in time. Mission, vision and values can be modified over time but their intent stays unchanged, continuously influencing critical organisation decisions that impact on the future operations.

It is important to recognise that in every institution, purpose comes in two forms: current purpose, or mission; and future purpose, or vision. A mission is a clear, concise and enduring statement of the reasons for an organization's existence. A vision on the other hand represents future purpose, providing a mental picture of the aspirational existence that an organization is working toward. Supporting both the current and future purpose are values. Values in this case are the ideals and principles which guide the thoughts and actions of an organization and define its character. Working in cohort, mission, vision and values provide a powerful directional force for unifying and coordinating actions and decisions to ensure the optimal use of resources and maximise productivity.

The vision, mission, and values statements form the foundation for all activities in an organization. The vision statement describes what the organization will become in the future. It is a broad and inspirational statement intended to engender support from stakeholders. The mission statement defines how the organization differentiates itself from other organizations in its domain. It is more specific than the vision statement and is intended to show how stakeholders' needs will be satisfied. The values statement defines how people in the organization should behave. It provides a guideline for decision making.

An organization such as the Kenya Revenue Authority cannot develop a strategic plan without identifying pragmatic vision, mission, and values. By formulating strong and ethical values that are the foundation and individual steps, a mission can be stated. A mission or the current state of affairs for an organization as it is currently, helps employees and customers understand what the organization is all about. A mission assists the organization move toward its vision or ultimate goal or objective of what the ultimate end should look like when the organization achieves its mission. By identifying and understanding how values, mission, and vision interact with one another, an organization can plan a well-designed and successful

strategic plan leading to competitive advantage.

1. Importance of Vision, Mission, and Values in Strategic Direction of Institutions

In order to design an effective strategic direction, it's important that an organization develops a vision, mission, and values. These are the critical components that define the nature, aspects, aspirations, uniqueness and characteristics of an organisation. Without the individual foundations of strong values illustrated by a vision to be undertaken by a mission, an organization cannot become an overly successful organization. Without developing a mission, vision, and values to assist in developing a strategy, an organization cannot identify, distinguish or explain itself to its employees and customers alike.

Usually, the vision statement and mission statement are often confused, and a number of organisations use the terms interchangeably. However, as highlighted above, they each have a different purpose. The values statement, also called the *code of ethics*, differs from both the vision and mission statements. The vision and mission state where the organization is going (vision) and what it will do to get there (mission). They direct the efforts of people in the organization towards common goals. The values statement defines what the organization believes in and how people in the organization are expected to behave with and towards each other - with fellow employees, customers and suppliers, and with other stakeholders. It provides a moral direction for the organization that guides decision making and establishes a standard for assessing actions. It also provides a standard for employees to judge violations and appraise decorum and humility.

Important to note is that values are components of an organisation's establishment; they constitute the core of the articles that originate an organisation, and they cannot be created for convenience. A manager cannot just wake up and create a values statement and expect it to be followed by employees. For a values statement to be effective, it must be reinforced at all levels of the organization and must be used to guide attitudes and actions. Organizations with strong values strictly follow their values even when it may be easier not to.

2. Developing mission statement

As stated earlier, the mission statement is basically a statement that describes the overall purpose of the organization. If the organization chooses to develop a vision statement before developing the mission statement, the fundamental question to ask is: "What is the projection; where do we want to go; and, what is the purpose? This purpose is often the same as the mission.

Developing a mission statement can be quick culture-specific, i.e., participants may use methods ranging from highly analytical and rational to highly creative and divergent, e.g., focused group discussions, divergent experiences around contemplations, sharing stories, etc..

When wording the mission statement, the organization's products, services, markets, values, and concern for public image, including priority activities for survival must be considered. Ensure that wording of the mission statement is such that the management and employees can infer some order of priorities in how products and services are delivered. The useful exercise in refining the mission is to add or delete a word from the mission to realize the change

in scope of the mission statement and assess how concise is its wording. You must consistently check to ensure that the mission statement include sufficient description that the statement clearly separates the mission of the organization from other organizations; replicating mission statements defeats the purpose of originality and limits aspirations for the organisation's growth.

3. Developing a Vision Statement

We now know that the vision statement includes vivid description of the organization as it effectively carries out its operations. Just as the mission statement, developing a vision statement can also be quick culture-specific, i.e., participants may use methods ranging from highly analytical and rational to highly creative and divergent, e.g., focused group discussions, divergent experiences around contemplations, sharing stories, brainstorming, etc.

Developing the vision can be the most enjoyable part of planning, but it's also the part where more time is likely to be spent and more cerebral acumen. As the basis for the organisation's strategic plan, the vision must be a compelling description of the state and function of the organisation. In recent times, the vision of an organisation is viewed as the motivational tool, too often including highly idealistic phrasing and activities which, though envisaged, the organization cannot realistically aspire.

4. Developing a Values Statement

I did state that values represent the core priorities in the organization's culture, including what drives members' priorities and how they truly act in the organization, etc. Values are increasingly important in strategic planning. They often drive the intent and direction for active and strategic planners.

Developing a values statement can also be quick culture-specific, i.e., participants may use methods ranging from highly analytical and rational to highly creative and divergent, e.g., focused group discussions, divergent experiences around daydreams, sharing stories, drop-in suggestions, etc.

When developing a visions statement, establish at least four to six core values from which the organization would like to operate. In doing this, consider values of clients, shareholders, employees and the community. When you notice any disparity between the organization's preferred values and its true values (the values actually reflected by members' behaviours in the organization), it means that your prescribed values are not in consonance with your organisation's activities; you have to change and align them accordingly. You may need to gauge the relevance of each of the values. To do this, record each preferred value on a flash card, then have each member "rank" the values with 1, 2, or 3 in terms of the priority needed by the organization with 3 indicating the value is very important to the organization and 1 is the least important. Then go through the cards again to rank how people think the values are actually being enacted in the organization with 3 indicating the values are fully enacted and 1 indicating the value is hardly reflected at all. Then address discrepancies where a value is highly preferred and structure them accordingly; then incorporate into the strategic plan actions to align actual behaviour with preferred behaviours.

9. Conclusion

The terms strategy, strategic management, strategic planning and strategic thinking all have one thing in common; they focus on a common goal, objective and aim – attainment of the ultimate goal. As a word, strategy has many meanings and all of them are relevant and useful to those who are charged with setting vision for corporations, businesses, or organizations. Various definitions of strategy have been offered by various writers spanning a number of years. Alfred D. Chandler, Jr., author of *Strategy and Structure (1962)*, a classic study of the relationship between an organization's structure and its strategy, defined strategy as "*the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources for carrying out these goals.*" In recent times however, the most relevant meaning of strategy- "*the pattern of objectives, purposes or goals stated in such a way as to define what business the company is or is to be in and the kind of company it is or is to be.*"

We have stated that strategic thinking focuses on finding and developing unique opportunities to create value by enabling a provocative and creative dialogue among people who can affect an organization's direction and performance. We have also made the point that good strategic thinking uncovers potential opportunities for creating value and challenges assumptions about an organization's value proposition, so that when the strategic plan is created, it targets these opportunities. Further, it was underpinned, that strategic thinking is a way of understanding the fundamental drivers of a business and challenging conventional thinking about them, in discussion with others. And finally, I affirmed that strategic thinking is having an awareness of what has not yet taken shape, having foresight and actualizing even that which was conventionally thought impossible.

Although it may prove difficult for some people to be strategic, strategic thinkers are always searching for the unusual - something that is different, and are able to set assumptions aside. They intentionally look at things from different perspectives and can resist the urge to let one decision dictate or forecast future decisions: they keenly avoid the *sunk cost trap* in thinking. A person who has strategic perspective creates clarity out of complex and seemingly disconnected details. They can feel the winds of change, sense points of conflict and opportunity and articulate in concrete and compelling terms how they can be addressed. They get to the heart of a problem and see the relationship between key elements.

For an organization to improve its capacity, it needs to develop and improve strategic thinking in its management team at all levels. This will enable the organization to be more effective, efficient and on target.

You are a manager in your current position because the organization believes you are good at managing: providing structure, generating results, adding value, navigating the institution through challenges, and solving day to day problems, etc.; you are hired to think, resolve, fix, engender results, and improve the status of the institution. To do this, you need to understand and internalize the vision, mission and core values of your institution; and use the knowledge to strategically think on how best to serve and meet the cost of your hiring. As Bob Garratt (2003) rightly put it:

"Now we can see that, at the higher levels of board

thinking, the whole enterprise is put in the context of the overall business situation. Thinking encapsulates past experiences, current information and expectations about the foreseeable future. It is an ongoing process, not the creation of a specific plan. Strategy formulation is idiosyncratic, emergent, and non-linear and provides guidance to the ongoing activities of the enterprise.”

Bob Garratt, 2003, Developing Strategic Thought.

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