

# **PLANNING AND ADAPTATION - Strategising in Complex Contexts as Dealing with Social Paradoxes**

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## *Abstract*

Only recently spatial planning is rediscovered as a strategic process. This paper introduces the concept of social paradoxes to describe the contradicting requirements spatial planners have to meet in their daily work. Among the most important social paradoxes with regard to strategic planning is the one between deliberative planning and incremental adaptation to emergent developments. The paper concludes with some reflections on how to deal with social paradoxes in the process of strategic plan-making in complex spatial contexts.

## **1. Introduction**

In the 1980ies and 1990ies the widely accepted 'turn to projects' in the practice of spatial planning in Europe led to incremental and fragmented approaches in urban and regional development policies. Only recently, spatial planning is rediscovered as a strategic process (Wiechmann 2006). The drawbacks of project-based planning provoked an increasing interest in strategic planning approaches and a debate on the revival of strategic spatial planning (Salet and Faludi 2000, Albrechts et al. 2003, Hutter 2006). The 'turn to strategy' (Healey 2007: 183) is a response to the shortcomings of incremental planning by projects. Unlike the traditional spatial planning, that was based on the simplifying assumption that when a strategy is articulated and approved, it will be easily implemented, strategic spatial planning acknowledges that formulating and implementing strategy is one of the most challenging tasks of urban and regional governance. This paper interprets this challenge of strategising in complex contexts as dealing with social paradoxes.

In the following selected results of a two-year research project that dealt with the paradoxical practice of strategising in regional development initiatives in Germany are presented.<sup>1</sup> It was based on the assumption that well performed strategies lead to more effective planning practices and that planners need to improve their strategic abilities to act as analysts, advisors, facilitators, and managers. This paper examines the ambiguous nature of strategic planning for places. Chapter 2 briefly describes the concept of strategic planning in different academic fields. In Chapter 3 the diversity of theoretical approaches is reduced to the simplified dichotomy of two conflicting strategy models. Reasons are given why in complex systems the framing capacity of planning is limited even under planning friendly conditions. Chapter 4 introduces the concept of social paradoxes to describe the contradicting requirements spatial planners have to meet in their daily work. Among the most important social paradoxes with regard to strategic planning is the one between deliberative planning and incremental adaptation to emergent developments. The paper concludes in chapter 5 with some reflections on how to deal with social paradoxes in the process of strategic plan-making in complex spatial contexts.

## 2. Context matters: the ambiguous nature of strategy

‘Strategy’ is a fuzzy term. Depending on the context ‘strategy’ can have several different meanings. In general, strategies organise thinking about certain issues by providing simplifying concepts and points of reference which actors can call upon (Healey 2006: 244). In organisations strategies are expected to reduce complexity and to promote consistent behaviour. A major role of strategy is to resolve the big issues so that people can get on with the details (Mintzberg et al. 1998: 17). Subject to the degree of abstraction strategies might become manifest in visions or mission statements, as well as in programs, plans, concrete projects or in symbolic actions.

Strategy research offers hundreds of reasonable definitions of strategy that are with regard to the theoretical propositions inconsistent with each other. Despite the big variance two groups of definitions can be differentiated: for some strategy is a pathbreaking plan, consequently a matter of intention, for others it is an identifiable decision pattern that has emerged over time and thus a matter of interpretation. Examples representing the first group of definitions are the following ones from Stanford Professor Kathleen Eisenhardt, a leading scholar in management theory, and John M. Bryson, a US-American planning scientist.

*Strategy answers two basic questions: ‘Where do you want to go?’ and ‘How do you want to get there?’ (Eisenhardt 2003: 149)*

*Strategic Planning may be defined as a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization (or other entity) is, what it does, and why it does it. (Bryson 2004: xii)*

The best-known representative of the second group is presumably the Canadian economist Henry Mintzberg. In his influential book ‘The Rise and Fall of Strategic Planning’ (Mintzberg 1994) he criticises the traditional, planning friendly understanding of strategy and describes

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<sup>1</sup> The full results will be published by the author in German language as “Planung und Adaption - Strategieentwicklung in Regionen, Organisationen und Netzwerken” later in 2007 (cf. Wiechmann 2007).

strategies as realised patterns in a stream of decisions. Other scholars share this view on strategies as emergent phenomena that cannot be controlled by a top down decision process.

*Strategy is the pattern that emerges over time from the decisions and actions taken by the members of an organization.* (Chakravarthy / White 2002: 192)

*Strategic behaviour therefore tends to become entrenched in the 'routines' and 'standard operating procedures' imposed by political exigency and cognitive limits. Rather than perfectly rational strategies, organizations opt simply for 'adaptive rationality'.* (Whittington 2001: 22)

As will be shown later there are fundamental differences between the two groups of definitions. They are based on incommensurable paradigms. However, Mintzberg and others emphasise the value of theoretical diversity and varying definitions. Hence, the academic debate in strategy research is characterised by consent on dissent: there is a mutual consent that there is neither in practice nor in research a consensus on what is meant by the term 'strategy' (Chaffee 1985: 89). „The strongly conflicting views mean that strategy cannot be summarised into broadly agreed on definitions, rules, matrices, and flow diagrams that one must simply absorb and learn to use“ (De Wit / Meyer 2004: 3). To accept the theory pluralism means inevitably to abandon all attempts to define strategy accurately. Strategies are ambiguous. In different contexts they imply different things. Strategic planning is “not one thing, but a set of concepts, procedures, and tools that may be used selectively for different purposes in different situations” (Bryson 2004: 57).



Figure 1: *Strategizing: Modes of Decision-Making* (Wiechmann 2006: 5)

In modern societies planning is seen as a powerful and effective way to prepare strategic decisions and to rationalise governance processes. However, planning is not the only way to arrive at a decision or to develop a strategy. In many situations intuition, routines, ballots, bargaining and other modes of decision-making can substitute planning (see Fig. 1). Strategising without planning is possible and prevalent in the practice of urban and regional development across Europe. Hence it is crucial to distinguish strategising from plan-making. Whereas planning is traditionally about rational analysis and programming, strategising is targeted towards discovery and creative synthesis. To many scholars (e.g. Mintzberg 1994) strategic planning is even an oxymoron. In different academic fields (like management theory, organisation theory, and policy analysis) a rich body of literature exists concerning the challenge to combine planning and strategising. This is in particular true for business science where strategic management developed since the 1950ies from basics in military and administration sciences to a separate field of research.<sup>2</sup> Here, planning is usually seen as a formalised procedure to produce articulated results. Since the 1980ies this mode of strategic decision-making was criticised for being a technocratic, inflexible, and structurally conservative ritual: “Planning is about programming, not discovering. Planning is for technocrats, not dreamers. Giving planners responsibility for creating strategy is like asking a bricklayer to create Michelangelo's Pieta.” (Hamel 1996: 70).

In spatial planning things are different. The prevailing opinion is that in urban and regional development planning has to be seen as a complex task where the role of planners cannot be limited to technical functions. Political functions have to be considered as well. Thus spatial planning embraces more than planning in the narrow sense of the word in management science. In spatial planning all too often the word ‘planning’ simply refers to the work planners do. Consequently theory and practice of spatial planning usually assume that strategising and planning are synonyms. The problem is that with this terminology misunderstandings are likely, because planning in this broad sense can have very different meanings and would include all kinds of decision-making.

Since the 1980ies in particular American scholars from administration science and planning science dealt with the application of strategic planning approaches from management science to the public sector.<sup>3</sup> Following the corporate planning style strategic spatial planning was here discussed as a disciplined effort to produce fundamental decisions (Olsen / Eadie 1982, Bryson 2004). In general, private sector approaches were considered as relatively easy transferable to local governments as strategic planning was understood as “a technique for improving the competitive position of a city or county, much as it is used to improve the competitive position of a corporation“ (Sorkin et al. 1984: 3).

In Europe the ongoing debate on strategic planning for cities and regions occurred later during the 1990ies and its focus is not on formalised business tools but on complex governance processes that moved beyond the limits of traditional spatial planning with its emphasis on

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<sup>2</sup> For a general overview of the economic strategy research see Chaffee 1985, Gouillart 1995, Mintzberg et al. 1998, Whittington 2001, Volberda / Elfring 2001, Pettigrew et al. 2002, Grant 2003, Mintzberg et al. 2003, and De Wit / Meyer 2004.

<sup>3</sup> Milestones of the application of strategic planning approaches in the public sector were the book ‘The Game Plan: Governance With Foresight’ by Olsen and Eadie (1982) and the work by John M. Bryson (1981, 1998, 2002, 2003), in particular the standard work ‘Strategic Planning for Public and Nonprofit Organizations’, published in 1988 (3<sup>rd</sup> Edition in 2004). Other important contributions came from Eadie 1983, Denhardt 1985, Swanstrom 1987, Kaufman / Jacobs 1987, Bryson / Roering 1987, and Poister / Streib 2005.

land-use regulations and development projects (Albrechts 2004, Healey 2006). European proponents of a more strategic type of planning for cities and regions attempt to broaden the field of spatial planning and to include new dimensions in the sphere of planning (Sartorio 2005: 28). In this respect the reflection on the strategic nature of spatial planning in recent years indicates a wider openness of the planning discipline. In many cases this goes along with efforts to enhance democratic participation in planning processes and to create new arenas and rules of engagement. Recent strategic plans in several European countries aim at a close linkage between vision and action to adjust places to the changing socio-economic dynamics and to respond to issues proactively, rather than reactively. More important than the plan itself is what involved actors learn when they engage in a strategic planning process: “Plans as such are easily forgotten, or used merely as reference documents on some issues. What is remembered is what people learned - new perceptions, insights, facts, images - as they engaged in the policy articulation process“ (Healey 2002: 21).

In contrast to the often overstated expectations deliberate and intentional planning in the narrow sense of the word has a relatively moderate role in complex governance processes. Planning may help decision makers to think and act strategically and it may generate new ideas and perceptions. But it does not predetermine governance decisions and it has to consider the multitude of decision modes. „It is helpful to think about decision makers as strategic planners and to think of strategic planners as facilitators of strategic decision making.“ (Bryson 1998: 2166).

### **3. Two strategy models – Why plans are not enough**

Much of the theoretical and methodological foundations of strategising and strategic planning originated in the last thirty years from international (i.e. English language) management and organisation theory. In principle management theory draws a distinction between two diametrically opposed strategy models: the linear model and the adaptive model.<sup>4</sup> They differ from each other rigorously with regard to the key question of strategic planning processes: To what extent does comprehensive planning make sense in dynamic environments? With this the role of formalised organisational planning in strategic decision-making processes is principally questioned. The different answers to this question by the advocates of the linear model, the ‘rationalists’, and the protagonists of the adaptive model, the ‘incrementalists’, stimulated in the 1960ies a productive, still continuing controversy. Table 1 outlines key elements of the two models.

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<sup>4</sup> In the literature both models are to be found with varying terms. Already in the 1950ies Charles E. Lindblom (1959) made a dichotomous differentiation between the „rational-comprehensive method“ and the „method of successive limited comparisons“. Later on he used for the latter the well-known phrase ‚Strategy of disjointed incrementalism‘ (Lindblom 1963). Etzioni (1967) confronted the ‚rationalistic approach‘ with the ‚incrementalistic approach‘. Whittington (1993) compared a ‚classical approach to strategy‘ with a ‚processual approach to strategy‘. One can find comparable classifications e.g. in Chaffee 1985, Malik 1996, Mintzberg et al. 1998, Bresser 1998, Chakravarthy / White 2002, and Grant 2003.

	<b>Linear Strategy Model</b>	<b>Adaptive Strategy Model</b>
Definition	strategy as plan	strategy as pattern
Actors	rational and informed	bounded rational and intuitive
Starting point	internal and external analysis	discovery of consistent action
Time perspective	prognostic	retrospective
Approach	formal planning	collective learning
Strategy formulation	complete and explicit	incomplete and implicit
Governance mode	central implementation	adaptive, gradual adjustment
Interaction	limited to strategists and experts	participative in collective processes
Means-ends-relation	from ends to means	from means to ends
Strategy content	defined objectives, required means	behaviour patterns and routines
Purpose	decision support, intentional guidance	decision heuristics, mobilisation

Table 1: Linear and adaptive strategy models in comparison (adapted from Wiechmann 2005)

### *The linear strategy model*

In many cases the term ‘strategy’ is simply associated to a plan or a systematic intention. This corresponds to the most popular approach in strategy research, the linear model. This model is based on the idea that strategies are implemented by a deliberate and intentional planning process. The linear process consists of a formalised analysis, a thereon based strategy formulation, which is finally followed by an implementation phase. A number of basic premises underlie the linear model (Mintzberg et al. 1998: 28):

- Strategy formation should be a deliberate process of consciously acting people that has to be controlled.
- Strategies must build on a comprehensive analysis.
- Responsibility for strategy formulation must rest with the executive manager, who sits at the apex of the organisational pyramid and controls the strategy process.
- Strategies should be explicit and fully formulated.
- Finally, in a distinct phase after strategy formulation, the strategy is to be implemented.

For Whittington (2001: 15) these premises create the “image of the strategist as general in his tent, despatching orders to the front. The actual carrying-out of orders is relatively unproblematic, assured by military discipline and obedience.”

To cope with the complexity of the real world proponents of the linear approaches to strategy suggest constructing models that incorporate the most relevant factors. Based on the assumption of complete information gathering and processing the complexity shall be handled by purposive planning. Mostly, approaches of this kind rely on some kind of SWOT analysis.<sup>5</sup> With regard to the strategy formulation the end is defined independently of the means, thus determining their search.

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<sup>5</sup> SWOT analysis is a strategic planning tool developed by the General Management Group of the Harvard Business School in the 1960ies. It is used to evaluate the strengths, weaknesses, opportunities, and threats of an organisation.

*The adaptive strategy model*

Adaptive approaches experienced widespread diffusion in the 1970ies, when the stable socio-economic model of the postwar period – the fordistic form of production - plunged into crisis and with it a type of planning that was neither able to predict the crisis nor to come up with promising strategies. The adaptive model of strategy starts from the empirical observation that linear planning approaches frequently fail (Wildavsky 1973). If a strategy is analysed not only with regard to the future objectives it aims at but also with regard to its actual outcomes one usually figures out that only a part of the realised strategies were consciously planned. “Few, if any, strategies are purely deliberate, just as few are purely emergent. One means no learning, the other means no control.” (Mintzberg et al. 1998: 11). Here, a new meaning is attributed to the term ‘strategy’: it stands for decision pattern, a consistent behaviour. The realised strategy is a combination of deliberate strategies (in Mintzberg’s terminology that is the realised part of the intended strategies) and emergent strategies (see Fig. 2). Emergent strategies develop when an organisation takes a series of actions that with time turn into a consistent pattern of behaviour that was not expressly intended in the strategic planning process. Mintzberg et al. (ib.: 227) argue that effective management essentially means to sustain learning while pursuing the strategies that work. Whereas deliberate strategies provide an organisation with a sense of purposeful direction, emergent strategies imply that the organisation is learning incrementally.

Like the linear model the adaptive model builds upon a number of basic premises:

- Monocausal cause-effect-thinking and means-ends-thinking does not cope with the interdependencies in complex systems.
- Conscious control of the complex actual environment is impossible.
- In the perpetual process of strategising formulation and implementation are not distinguishable.
- Strategising is not executed as a top-down process but through collective learning and adaptation.
- Prior task of the strategist is not to design deliberate strategies but to shape the process of strategic learning in a way that new strategies can occur.

The adaptive approaches to strategy reverse the linear means-ends-relation. Instead of searching for appropriate means to achieve defined ends, in a perpetual process of adaptation to the organisational environment only those ends are chosen that can presumably be achieved by the given means. Strategic behaviour focuses here on the gradual adjustment of routines as a reaction to the dynamic environment. Articulated strategies might be reflected in action routines and in this way influence development paths.

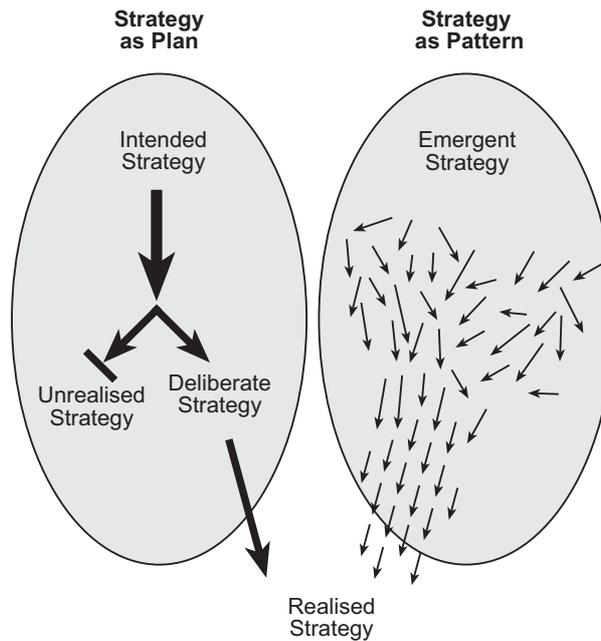


Figure 2: *Strategy as plan and strategy as pattern (adapted from Mintzberg et al. 1998: 12)*

### *Integrative perspectives on strategy*

In their study „Strategy Formation in an Adhocracy“ Henry Mintzberg and Alexandra McHugh (1985) illustrated the two strategy models by striking metaphors from gardening. The analogy of tomato cultivation in a hothouse describes the paradigm of linear strategy formation. Strategies are formulated through a conscious controlled process, much as tomatoes are cultivated in a hothouse. As ripe tomatoes are picked and sent to the market, strategies are explicitly developed and then formally implemented. To manage this process means to preconceive insightful strategies, and then plant them carefully. The paradigm of adaptive strategy formation is represented by the ‘grassroots model’. It describes the idea that strategies are not planted and cultivated like tomatoes in a hothouse, they grow like weeds in a garden. These strategies can take root in all kinds of places. Sometimes weeds encompass a whole garden. The processes of proliferation may be conscious but need not be. To manage it means not to preconceive strategies but to recognise their emergence and to intervene when appropriate without cutting off the unexpected too quick (Mintzberg et al. 1998: 196). By juxtaposing these two extreme models against each other Mintzberg and McHugh want to make clear that both models are overstated and that real strategic behaviour falls somewhere in between. “All real strategic behaviour has to combine deliberate control with emergent learning” (ib.: 195).

Already more than twenty years ago Chaffee (1985: 96) stated that strategy theoreticians and researchers should begin putting the pieces together. Empirical evidence shows the coexistence of deliberate and emergent strategies, of formal and informal strategic planning processes. To Grant (2003: 515) the debate between the ‘strategy-as-rational-design’ and ‘strategy-as-emergent-process’ schools of thought has even been based upon a misconception of how strategic planning works in the real world. Today it is generally accepted that onesided views on strategy-making are ineffective with regard to the understanding of complex strategy development processes. “All too often ... executives take a binary view: either they

underestimate uncertainty to come up with the forecasts required by their companies' planning or capital-budging processes, or they overestimate it, abandon all analysis, and go with their gut instinct.” (Courtney et al. 1997). Promising strategies need to strike a balance between the two extremes.

With the combination of the two conflicting paradigms increasingly the strategy process as well as the strategy context comes into the field of vision of strategy researchers. Yet, the conditions for synoptic or incremental planning are not sufficiently clear. What is needed is an inclusive conception of strategy that incorporates not only collectively defined objectives and planned action but also gradual adjustment to emergent strategies, retrospective interpretation, and collective learning. Furthermore, contemporary approaches to strategy need to reflect the awareness that strategic planning is no panacea, no all-purpose blue print. Each time strategic planning has to fit into the specific decision-making process.

### *Why plans are not enough*

A planning based approach seems to be in particular appropriate when the strategist's knowledge of the issues at hand, the control of the environment, and the demand for reforms are estimated relatively high (Wiechmann 2007: 67). Even if these planning friendly conditions are given, the generation and implementation of well thought-out plans is not sufficient to enable complex decision-making processes. Organisation theory offers two main arguments for this proposition.

First, formal planning is just but one reference system for institutional decisions that has to compete with others. Planning defines decision premises and edits arguments for certain decision options. However, the ultimate decision can always be made independent from planning. Secondly, the limited capacity of plans results from the fact that public planning is at the same time a technical process of information processing and a political process of consensus building (Fürst 2001). The notion of a linear progression of planning steps overlooks the political rationality of planning. In reality the linear process can be turned upside down. For instance, objectives often remain without impact, because they are formulated subsequently after a consensus on a detailed action plan. Sometimes certain patterns of events are only retrospectively reconstrued as an alleged rational decision.

Hence, in complex systems, like cities and regions, the framing capacity of planning is limited even under planning friendly conditions. From this it follows that urban and regional strategising cannot be reduced to the generation and implementation of spatial plans and programmes. This does not mean that formal planning processes are futile in strategy development. Certainly, planning can prepare the assignment of priorities. It may codify and legitimise reached agreements. Planning may as well contribute to the development of suitable instruments and actions to implement a strategy. In any case the making of plans has to be embedded in a comprehensive strategy development process, where emergent strategies and informal operation rules are considered as well.

In view of the limited capacity of plans the well-known quote “planning is everything; plans are nothing”<sup>6</sup> does not go far enough. Even though the process of planning is certainly of more importance than the explicit result in form of a plan, planning is not ‘everything’ but a

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<sup>6</sup> The quote was made famous by former US President Dwight D. Eisenhower (1890-1969). He adopted it from Count Helmuth von Moltke (1800 – 1891), a Prussian officer and military strategist.

well-grounded tool for strategy development. Its value depends on the given circumstances and it needs to be complemented by other tools. Sometimes even “planning without plans may not be such a bad idea” (Friedmann 2004: 54).

#### 4. Social paradoxes of strategic planning

It was already said that in different academic fields a rich body of literature exists concerning the challenge to combine deliberate planning and incremental learning. In management theory this challenge is described as the need for dealing with social paradoxes (Poole / Van de Ven 1989). A paradox is a contradicting statement that is seen to be true and false at the same time. Whereas logical paradoxes consist of contradictory propositions that exist in timeless, abstract thought, social paradoxes are about a real world, subject to its temporal and spatial constraints. “This opens the possibility of dealing with social paradoxes not only through logical resolutions, but through taking into account the temporal or spatial nature of the social world.” (Poole / Van de Ven 1989: 565).

Social paradoxes consist of at least two likewise accepted but incompatible positions. Strategy research describes several paradoxes with regard to strategic management. To Mintzberg et al. (1998) organisational strategies can generally be described as ‘deliberately emergent’. According to De Wit and Meyer (2004: 13) strategists “are caught in a bind, trying to cope with contradictory forces at the same time”. A well thought-out strategy must accept the conflict between apparently contradictory opposites and has to accommodate them as much as possible.

Siebel et al. (1999) gave the example of the ‘Internationale Bauausstellung Emscher Park’ (International Building Exhibition) in the Ruhr area and the EXPO 2000 in Hanover to reveal that dealing with paradoxes is a huge challenge in spatial planning as well.

*The rationality of planning lies in its ability to remain in limbo, to deal with the tensions between different rationalities. The quality of a strategy is to be assessed according to how far contradictions and ambivalences are incorporated, mapped and handled skilfully. Modern planning strategies have to be described by paradox phrases for their actual task is paradox.* (Siebel et al. 1999: 172)<sup>7</sup>

Hence, conclusions on the deployment of strategic planning have to consider complex tensions of conflicting requirements. In a study on strategy-making in German regions (Wiechmann 2007) a total of 13 social paradoxes could be identified (see Table 1).

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<sup>7</sup> Translation by the author. The original German quote reads: „Die Rationalität von Planung liegt in ihrer Fähigkeit, sich gleichsam in der Schwebelage zu halten im Spannungsfeld verschiedener Rationalitäten. Die Qualität einer Strategie bemisst sich daran, inwieweit es ihr gelingt, die Widersprüche und Ambivalenzen von Planung zu inkorporieren, in sich abzubilden und so mit ihnen angemessener umzugehen. Moderne Planungsstrategien sind mit paradoxen Formulierungen zu beschreiben, denn ihre eigentliche Aufgabe ist paradox.“

context	<i>Control</i>	↔	<i>Responsivity</i>
	<i>Effectivity</i>	↔	<i>Flexibility</i>
	<i>Autonomy</i>	↔	<i>Embeddedness</i>
	<i>Festivalisation</i>	↔	<i>Routinisation</i>
content	<i>Integration</i>	↔	<i>Selection</i>
	<i>Determination</i>	↔	<i>Reversibility</i>
	<i>Ends orientation</i>	↔	<i>Means orientation</i>
	<i>Assimilation</i>	↔	<i>Diversification</i>
process	<i>Deliberateness</i>	↔	<i>Emergence</i>
	<i>Logic</i>	↔	<i>Intuition</i>
	<i>Innovation</i>	↔	<i>Consensus</i>
	<i>Exclusivity</i>	↔	<i>Inclusivity</i>
	<i>Revolution</i>	↔	<i>Evolution</i>

Table 1: *Social paradoxes of spatial strategy-making (Wiechmann 2007: 268)*

In the following five selected examples are briefly explicated.

#### *Control and Responsivity*

Implementation of strategic objectives demands on the one hand large-scale control over the organisational environment and therewith a centralisation of the power of decision in the hands of the strategist. The strategy must be anchored at the apex of the organisational hierarchy (top-down) to assure synergies and adjust resource allocation according to strategic priorities. Leadership is considered to be one of the most important success factors in strategic management, even if the creative thinkers do not sit at the top of the organisation: „In reality, the thinkers often lie deep in the organization, and senior managers simply control the means of doing” (Hamel 1996). On the other hand, complex structures, like cities or regions, defy centralised hierarchical control. Even the most comprehensive analyses can only capture a small part of the actual complexity of the environment. Therefore indirect and decentral methods of governance are required. Smaller units in the lower and medium levels of the organisational hierarchy have not only a much higher information processing capacity available. They show also a significantly higher responsivity, i.e. a superior ability to respond to change (bottom-up). Both is crucial for the success of strategies.

#### *Effectivity and Flexibility*

Spatial strategy is no end in itself. It should be effective, i.e. it should alter the place concerned. To achieve that, the essential strategic intentions should on the one hand not only be reflected in non-binding declarations of intent but also in formal documents and binding planning processes (spatial plans, state support programmes, etc.). The process of strategy formation is structured and disciplined by formalisation. Most likely, a non-binding strategy that conflicts with formal policies would be ineffective. Strategies based on voluntariness and consensus require backup by traditional governance instruments. On the other hand, formalisation of strategy-making reduces flexibility and makes open-ended, collective learning processes difficult. Informal processes offer more scope for experiments and reduce the probability of institutional sclerosis.

### *Determination and Reversibility*

Hutter (2006) describes the need to determine decisions as well as to retain reversibility as a key issue of strategy-making. On the one hand strategies should specify priorities and with it reduce complexity and promote consistent behaviour. They should resolve the big issues so that actors are disburdened to focus on details, individual actions, and routines. On the other hand strategies should enable and promote learning processes. To some extent the sustainability of a strategy depends on its error tolerance, i.e. the strategist must be able to discontinue or reverse his commitments in view of new insights. It is crucial to maintain the ability to mitigate unanticipated impacts of a decision. To be capable of adapting to changing environments strategies must leave space for strategic change.

### *Logic and Intuition*

Planning is based on rational analysis. It provides information on the internal strengths and weaknesses and the external opportunities and threats. Logical thought places the strategist in the position to reflect critically on his or her subjective appraisals and tacit assumptions. Transparent analysis of empirical facts reduces the risk of misconceiving reality. Decisions are made informed and responsive to rational reasoning. However, intuition and gut instinct frequently outmatch the analytical mind of humans. The main reason for that is the limited information processing capacity of human consciousness. Human subconsciousness usually performs better when decisions have to be made quickly in complex settings. In addition, strategy-making is basically a creative exercise. Creative strategies build on fantasy and experience, not on logical analysis.

### *Innovation and Consensus*

Creation of innovation lies at the heart of spatial strategy-making. Spatial planning is expected to develop innovational power and to carry out management tasks. The process of strategy-making should open up new vistas and find new answers to given problems. But nearly all current approaches to spatial strategy-making focus on 'weak' consensus based co-operation processes. In communicative processes of bargaining planners find themselves in the role of facilitators. In many cases the traditional hierarchical mode of policy-making gives way to a consensus based mode of policy-making. However, consensus is normally reached by small steps, and not by fundamental changes. By their nature consensus oriented networks run the risk to agree only on the lowest common denominator. Innovations alter established social structures and induce opposition that may impede consensus.

## **5. Approaches to strategizing in complex contexts**

Beyond these selected social paradoxes the tension between deliberative planning and incremental adaptation to emergent developments characterises the most fundamental area of conflict. According to the controversy between rationalists and incrementalists described in chapter 3 the two strategy paradigms differ from each other in many ways. The key difference is linked to the degree that comprehensive planning is seen as a suitable tool for strategy-making in complex and dynamic settings. *Planning and adaptation* can thus be considered as the superior principal social paradox of spatial strategy-making. Even if fundamental propositions of the two paradigms contradict it is nowadays generally accepted that it takes the intended just like the emergent to come up with high-capacity strategies. It appears that the formerly in parts polemic discussion is converging in recent years. The central challenge

of strategic spatial planning is to strike a balance between the rationalistic approach of planners and the adaptive approach of incrementalists while taking into account the specific context, content, and process of a spatial setting.

By definition social paradoxes cannot be reconciled. They do not allow decisions by an 'either-or' mentality, but only by a 'both-and' way of thought. From a theoretic point of view Poole and Van de Ven (1989) distinguish four methods for working constructively with social paradoxes: (1) Accept the paradox and use it constructively (opposition), (2) clarify levels of analysis (spatial separation), (3) take time into account (temporal separation), or (4) introduce new terms to resolve the paradox (synthesis). To them, these four methods represent "a logically exhaustive set of relationships opposing terms can take in the social world" (ib. 565). With regard to strategic spatial planning this implies that strategists and planners have a choice ...

- (1) to develop integrative strategies fully aware of the contradictory demands spatial planners can only partially meet,
- (2) to introduce different levels of strategy-making with different modes of strategy-making and separate institutions responsible on the various spatial levels<sup>8</sup>; for instance one could imagine a continuous incremental approach on the community level combined with periodic rational planning approaches on the city level,
- (3) to switch between phases of rational planning and phases of adaptive strategy-making in the course of time,
- (4) or to redefine the issues of spatial strategy-making and to go for completely new concepts and modes of spatial development.

How the social paradoxes of spatial strategy-making are handled depends first and foremost on the dynamic, constantly changing specific environment of the places concerned. Accordingly, the configuration of the adopted strategy has to be revised continually in view of the specific context. But context specific does not mean arbitrarily. For the difficult task of choosing a more linear or a more adaptive approach for well-advised strategies strategy research should not provide panaceas but contingent prescriptions. This would also be a major contribution to a better understanding of the complex nature of spatial strategies.

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<sup>8</sup> A classic and well-known approach to spatial strategy of this kind is Etzioni's 'Mixed scanning' (Etzioni 1967).

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Project planning under climate change conditions. Alternative technologies and an innovative mindset in project planning and adaptation are of vital importance for coping with the challenges of global warming. Addressing the involved uncertainties requires a structured approach, which shall be exemplified by the following five-step process. Five steps to project planning and adaptation under climate change conditions (adapted from the World Bank [23]) Climate change adaptation (CCA) is a response to global warming (also known as "climate change" or "anthropogenic climate change"). The Intergovernmental Panel on Climate Change (IPCC) defines adaptation as: 'the process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In some natural systems, human intervention may facilitate adjustment to expected climate and its effects'. This adjustment Adaptation Planning and Implementation. present by impacts-led approaches that focus on climate risks through the construction of defensive infrastructure rather than on human vulnerability. It is unclear at this point if these adaptation plans consider impact-led approaches just the start of an adaptation process rather than its culmination.Â up approaches strengthens adaptation planning and implementation. {15.2.1, 15.3.1, 15.3.3, 15.5.1.2, Box 15-1}.