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INTERACTIVE PLANNING – THE INTERPRETIVE SYSTEMS APPROACH TO STRATEGIC MANAGEMENT[*]

Abstract

Complexity and plurality of perceptions and interpretations of management problems that are important for organizations' survival and development are the key features of strategic management problems. Creative dealing with the holistically re-conceptualized complex-pluralist contexts of strategic management implies a corresponding philosophical-theoretical framework of the interpretive paradigm and use of an appropriate systems methodology. As a specific expression of the soft systems approaches to management, interactive planning is based on the ideas that effective and efficient planning process in organizations should be participatory, continuous, and holistic, and the main phases of this process ought to be focused on designing a desirable future and finding the ways, means, and resources to achieve it. Pursuant to its own theoretical foundations and methodological development, interactive planning can – with the support of the scientific instrumentarium of critical systems thinking – creatively contribute to improving the strategic management process in enterprises.

Key words: strategic management problems, interpretive paradigm, systems methodology, interactive planning, creativity

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ИНТЕРАКТИВНО ПЛАНИРАЊЕ - ИНТЕРПРЕТАТИВНИ СИСТЕМСКИ ПРИСТУП СТРАТЕГИЈСКОМ МЕНАЏМЕНТУ

Апстракт

Комплексност и плуралитет перцепција и интерпретација управљачких проблема битних за опстанак и развој организација представљају кључна одређења проблема стратегијског менаџмента. Креативно бављење холистички реконцептуализованим комплексно-плуралистичким проблемским контекстима стратегијског менаџмента имплицира одговарајући филозофско-теоријски оквир интерпретативне парадигме и примену примерене системске методологије. Као посебан репрезентант софт системских приступа менаџменту, интерактивно планирање је засновано на идејама да ефективан и ефикасан процес планирања у организацијама треба бити партиципативан, континуалан и холистички, а да главне фазе овог процеса требају бити фокусиране на дизајнирање жељене будућности и проналажење начина, средстава, ресурса за њено остваривање. Сходно својим теоријским основама и методолошком развоју, интерактивно планирање може − уз подршку научног инструментаријума критичког системског мишљења − креативно допринети унапређивању процеса стратегијског управљања у предузећима.

Кључне речи: проблеми стратегијског менаџмента, интерпретативна парадигма, системска методологија, интерактивно планирање, креативност

INTRODUCTION

In contemporary circumstances, in each *strategic* management problem, there are, as a rule, many relevant aspects and issues that researchers, practitioners, and managers need to address, while their relationships are often more significant than the isolated issues, problems, and dilemmas associated with them. In addition, each strategic problem is conditioned by the numerous other problem areas, and, on the other hand, each strategic problem acts by itself on the particular events important for the organization's survival, growth, and development.

At the same time, each strategic management problem is characterized by numerous and various stakeholders – the individuals and groups who are interested in the problem domain in the organization. Because of their often different interests, opinions, beliefs, various value systems, knowledge, power, different participation in formulating the problems and finding their solutions, and different participation in making the decisions and implementing them, these individuals and groups can understand the concerned strategic domain in the organization in different ways and propose different goals and means for its improvement. In addition, in dealing with

the strategic problem, it is assumed that there is a basic compatibility of the stakeholders' interests and their opinions and, as a result, that a compromise can be reached.

Accordingly, *complexity* and *pluralism* of the strategic problems in organizations should be considered as their key features. Respectively, because of their complexity and ambiguity, strategic management problems ought to be understood and explored as the complex, multidimensional, and manageable systems of problems (Petrovic, 2012a, pp. 1-13).

Creative addressing of the strategic problems, as complex-pluralist systems of management problems, implies an employment of an appropriate systems methodology belonging to the *interpretive* paradigm. As the particularly significant instrument for tackling the problem situations in organizations, the interpretive paradigm (Jackson 2000; Jackson 2003; Jackson 2006a, pp. 868-878; Jackson 2006b, pp. 647-657; Petrovic, 2013, pp. 97-116) and its corresponding systems methodologies rely on the belief that the social systems, i.e. organizations, and the complex-pluralist problems within them are determined by the people whose often different goals result from their different interests as well as different perceptions and interpretations of the problem situations in which they function. The focus is therefore on understanding the different meanings that the stakeholders attribute to the joint action and on revealing where these meanings overlap, so that they can lead to the newly conceived and adopted action.

One of the systems methodologies belonging to the interpretive paradigm is *interactive planning*. This methodology for creative structuring strategic management problems is based on the idea that the planning process in organizations needs to be participative, holistic, and continual, and the key phases of this process should be focused on designing a desirable, i.e. idealized future, as well as on finding out the ways, means, and resources to achieve it.

In accordance with these preliminary considerations, the theoretical-methodological development of interactive planning, as the interpretive systems approach to strategic management, as well as the conditions, ways, and overall results of its application in the management of strategic problems in enterprises indisputably represent a scientifically and practically valuable research *subject*. The main research *aim* is to acquire the theoretically-methodologically based knowledge about interactive planning and provide practically useful insights into its strengths and weaknesses in immediate use in dealing with strategic problems in contemporary enterprises. The basic *hypothesis* in the research is that interactive planning, as the interpretive systems methodology, in view of its theoretical foundations and methodological development, can be used creatively in managing strategic problems in enterprises with the aim of improving the effectiveness and efficiency of the complex and pluralist planning process.

The scientific *instrumentarium* corresponding to the specified research subject, aim, and hypothesis is the contemporary critical systems

thinking with its three key commitments to: a) critical awareness of the strengths and weaknesses of each possible instrument for addressing the strategic problems in organizations as well as the interactive planning methodology; b) improvement of management of strategic problems; and c) pluralism – to respect the various interpretations of strategic problems and enable the combined employment of chosen research instruments (Jackson, 2003, pp. 303-304; Mingers, 2006, pp. 3-4; Jackson, 2010, pp. 133-139; Zhu, 2011, pp. 784-798; Petrovic, 2012b, pp. 797-814; Ulrich, 2012a, pp. 1228-1247; Ulrich, 2012b, pp. 1307-1322).

THEORETICAL BACKGROUND

The appropriate theoretical ideas have been built into the conceptual framework of interactive planning as the particular interpretive systems methodology for creative addressing the strategic problems in organizations.

Conventionally understood objectivity results from the construction of value-free models that can be either confirmed or challenged with regard to a certain segment of reality. Systems thinking (Capra, 1997, p. 29), however, implies a different understanding of objectivity. It considers objectivity in the sphere of social sciences as a result of open interactions between multiple different *subjectivities*. In fact, since the conceived behavior of social systems cannot be value-free, objectivity is determined by value and is not value-free (Ackoff, 1974a, pp. 361-371).

The presented attitudes result in a need for a wide stakeholders' *participation* in the processes of planning and designing social systems. In accordance with this is the idea that the acceptance of the principle that people need *to plan for themselves* can be used to avoid one of the key difficulties of professional planners concerning their endeavors to quantify social reality with the aim of making planning for others successful. In other words, it is believed that all that is necessary is an appropriate methodology for planning that can be used by stakeholders with the help of professional planners, and within which the participants' ideals and their values are considered as most important.

The endeavor to determine an approach to planning appropriate for contemporary circumstances and the need for a proper evaluation of the significant changes in the different spheres of social reality require the *changed conceptios* of the world and organizations' nature (Ackoff, 1974b, pp. 8-19).

A changed conception of the world is necessary in order to comprehend the multifaceted changes of contemporary society. Real events in the so-called Systems Age are characterized by increasingly fast changes, multiple interconnectedness, and complex purposeful systems. The necessary radical reorientation in the world's understanding means that analysis, reductionism, search for cause-and-effect relationships, and determinism

have to be complemented with systems thinking, which is being developed with the help of synthesis, attempts to grasp less direct causal relationships, and respect of the existence of free will and choice.

At the same time, the manner of thinking about contemporary organizations has to be changed. In fact, organizations are considered as entities that simultaneously serve three sets of purposes:

- organizations as purposeful systems have their own goals, objectives, and ideals that have to be taken into account;
- organizations contain other purposeful systems (as their own parts) – individuals whose aspirations have to be realized;
- organizations are parts of purposeful systems of the higher order whose interests have to be respected.

Accordingly, in managing organizations as purposeful systems, the issue of increasing the effectiveness through which organizations serve their own purposes, purposes of their parts, and purposes of the systems of which organizations are parts is of paramount importance.

The changed conceptions of the world and organizations require the corresponding *approach to planning* that will adequately reflect the new thinking labeled as interactive planning. Determining the conceptual framework of interactive planning implies a previous specification of the relevant features of the following three types of planning (Ackoff, 1974b, pp. 22-26): reactive, inactive, and preactive. In reactive planning, the participants tend to return to the previous positions; they try to avoid the undesirable states rather than to reach the desirable one. Inactive planning is focused on the present; the participants strive for stability and survival. In preactive planning, the participants should predict the future and prepare for it; they aim to grow and be optimized.

Within the context of the changed conceptions of the world and organizations, planning represents the process of dealing with the systems of problems, i.e. with the sets of highly interactive, complex, and multifaceted problems in organizations. Therefore, the planning process implies the holistic approach and prospective orientation. It is about *interactive planning* in which the participants do not want to return to the past, to retain the existing circumstances, or to accept the predicted inevitable future. On the contrary, the findings about the past and the present and the predictions of the future are regarded only as the appropriate inputs into a different planning process which is aimed at (Ackoff, 1978, p. 26) designing the desired future and finding the ways to move towards it, effectively as far as possible.

Interactive planning has been developed within the interpretive paradigm of systems thinking (Jackson, 2000, pp. 232-246; Jackson, 2003, pp. 157-179). Within the conceptual framework of interactive planning, a desired future is being designed and attempts are being made to improve the ways of generating such a future (Ackoff, 1974b, 26-27). The opportunities have to be created, not only used, and the threats should be

prevented, not only anticipated. The participants do not accept survival or growth, but instead they try to increase their own capabilities of designing and controlling their own future. Hence, it is not about satisfaction or optimization but about a certain degree of idealization.

The formulation of the ideals and the design of the idealized future are not considered as a utopia (Ackoff, 1978, p. 27), but they are still the necessary steps in setting the long-term guidelines for a continual development of the system. Generally, the system's ideals can be determined as its final objectives, whose formulation depends on the available knowledge about the system and its environment. Therefore, there is a need for continuous reformulation of the final objectives in accordance with the insights resulting from approaching them.

Due to rapid social and technological changes, systems under control should be designed so as to increase the capability to learn fast and adjust adequately. No essential aspect of the system (structure, function, organization, employees, allocation and use of the resources, culture, etc.) is exempt from these changes. In addition, the participants in interactive planning try to induce co-operative changes in the system's environment.

Three relevant principles result from the developed theoretical foundations of interactive planning (Ackoff, 1974b, pp. 28-29): participation, continuity, and holism.

The principle of *participation* is based on the following ideas: The main benefits of planning are derived from the participation in the process of creating plans rather than from their use. It further means that the organization has to plan for itself, and those who are affected by planning, i.e. stakeholders of the organization, should be included in the different stages of the planning process. The appropriate coordinated activities, organizational integration, as well as motivation support the institutionalization of the participation principle. This principle allows the hiring of professional planners, only they no longer plan for others but use their expertise to assist the others to plan for themselves.

The principle of *continuity* is supported by the relevant fact that purposeful systems and their environments are continuously changing, which is why no plan can preserve its value over time. That is, changes in values, opinions, goals, and objectives of the organization's stakeholders over time, as well as emergencies require the corresponding changes in plans. Consequently, plans should be continually reviewed, actualized, and revised. The necessity of continual planning implies a system that learns and adapts adequately.

The idea that the planning process should be simultaneous and interdependent for as many aspects, components, and system levels as possible represents the basis of the *holistic* principle. Actually, it is about the principle of coordination: given that the actions in the units at the same level are interactive, planning should simultaneously occur in these

units; and the principle of integration: given that the decisions made at one level act as a rule at other levels as well, planning should simultaneously occur in the units at different levels.

METHODOLOGY

Interactive planning, as the interpretive systems methodology for creative managing the strategic problems in organizations, consists of the following five stages (Ackoff, 1999, pp. 63-176):

I.   formulating the problem situation,
II.   planning the aims,
III. planning the means,
IV.   planning the resources, and
V.   implementation and control.

These phases are to be understood as the sub-processes of the corresponding systemic process, and none of them can be considered as absolutely completed.

I. Relevant problems and chances as well as threats and opportunities have to be identified for the organization in the stage of *formulating the problem situation*. It is about a projection of the future the organization would face if it does not do anything and the flows in the environment continue to occur in a completely predictable manner.

Developing such a projection primarily requires a proper *analysis of the system*. The results of this analysis ought to be the detailed findings about the structure and function of the organization, about the relationships between the organization and its environment, etc. Subsequently, any internal and external obstacles to the organization's development should be highlighted through *obstacle analysis*. Finally, *referent projections* are opted for with the aim of predicting the organization's future behavior. Based on the assumptions that nothing is done within the organization and the trends in the environment remain unchanged, these projections imply a continuation of the current functioning of the organization. Through synthesis of the results of these three types of research, the *reference scenario* is defined; this scenario represents the formulation of a problem situation in which the organization is placed.

II. In the phase of *planning the aims*, the results towards which the organization should strive have to be determined in the categories of ideals, objectives, and goals. This process begins with the development of an idealized design (Ackoff, Magidson and Addison, 2006). The *idealized design* is the design of the organization by which the organization's stakeholders ought to change the existing system if they are ready to do so. An idealized design can be prepared through several steps.

First of all, the organization's *mission* has to be determined. As the expression of the organization's general purpose, the mission is based on

the organization's vision and it embraces the organization's responsibilities to its stakeholders and the environment.

Afterwards, the *desirable properties* of the design have to be specified. This involves determining all those properties that the stakeholders agree should be built into the system; these properties refer to market and clients, products and services, inputs, organizational processes, broader environment, and culture.

Finally, the manner in which the specified properties of the idealized design can be achieved is represented through designing the system. This process is backed up by the following three guidelines (Flood, 1995, p. 180):

- If there is no objective basis for making the decisions about the idealized design, then the system should be designed in the experimental way so that the best alternative under the given circumstances can be selected. Hence, the design is a learning system.
- The system is designed so that the properties incorporated in the design can continuously be evaluated. Consequently, the design is a learning system.
- Given that the assumptions about the future have been built into the design, the design has to incorporate a function capable of reassessing the assumptions and making the modifications if it turns out that any of these assumptions are incorrect. Thus, the design is an adaptive system.

It is necessary to go through these phases twice in order to prepare the two idealized designs: a bounded design – based on the assumption that there are no changes in the system of a higher order, and an unbounded design – relying on the assumption that the changes in the containing system can be made (Ackoff, 1999, pp. 88-91).

The maximum creativity of all key stakeholders of the organization should be generated by means of the idealized design. Thereby, the design has to be *technologically feasible* and *operatively sustainable*. All others limitations, such as financial, political, legal, etc., to the idealized design are not allowed.

A product of the idealized design is not an ideal system, but a system that strives towards the ideal. Namely, the stakeholders' values as well as whatever they consider ideal change over time. Therefore, the aim of the idealized design is not to specify what kind of a system should be there all the time. Likewise, the designers do not possess all the information and knowledge that are necessary to resolve the important issues concerning the design or predictions of the environment's state in the distant future. Consequently, the stakeholders should be able to constantly improve the given system. As a result, the designed system ought to be capable of learning and adapting quickly. Hence, the organization's stakeholders strive towards the design that corresponds to their ideal the most.

Organizations that are ready to enter the process of designing an idealized future ought to have the considerable benefits of that (Jackson, 2003, pp. 177-178). First of all, this process facilitates the participation of all relevant stakeholders in the planning. Second, the consensus between the participants in the problem situation is generated, so that they are mobilized and committed to the agreed action. In addition, the hidden and suppressed creativity is released and used for individual and organizational development. The understanding of the concept of feasibility spreads through the discovery that the participants themselves in the problem situation are the biggest obstacle to the future that is to be achieved. Given that the participants are more prone to actualizing the plans in whose creation they have been involved, implementation is thus facilitated.

The remaining three stages of the interactive planning methodology are focused on approaching the idealized design as closely as possible.

III. The result of stage I of interactive planning is the reference scenario, which shows what kind of future the organization will have, assuming that it is not doing anything, and that the environment will not drastically change its behavior. The result of stage II of interactive planning is the idealized design, which expresses what kind of future the organization wants to have. The policies, projects, programs, processes, procedures, and practices (Ackoff, 1999, pp. 108-109) are generated and explored in the stage of *planning the means*, in terms of determining their capability to assist in bridging the gap between the desirable future and the future's development as it appears at a given moment. Finding the means by which the organization can reach the desired future – as conceived by the organization's stakeholders – implies great *creativity*. In other words, the alternative means for achieving the set aims have to be carefully evaluated and selected.

IV. Five types of resources ought to be taken into consideration within the stage of *planning the resources*: money, plant and equipment (capital goods), people, consumables (materials, energy, services), and data, information, knowledge, understanding, and wisdom (Ackoff, 1999, p. 131). Each of these types of resources has to be explored in relation to the chosen means. For each resource, it has to be determined when it will be needed, in what quantity, as well as how it can be procured.

V. *Implementation and control* represent the final stage of interactive planning. All decisions that have been made so far have to be implemented. The many different factors – human, organizational, technological, and commitment to action – significantly affect the success of the implementation. Implementation is conducted and monitored continuously in order to ensure the realization of the plans and accomplishment of the desired results. Learning is possible, and improvement can be created using the *feedback* control mechanism that is built into the planning process.

CRITICAL REVIEW

Given its own theoretical foundations, principles, and methodological development, interactive planning can be justifiably considered as the *interpretive* systems approach to strategic management. Interactive planning embraces a wide range of strategic management problems in contemporary organizations. It is about the ambitious endeavor to simultaneously handle the complexity of problem situations that organizations have to face and their pluralism, resulting from the fact that organizations serve different stakeholders.

Because of its own theoretical foundations and methodological development, interactive planning is inadequate for the problem situations with elements of *coercion* (Flood and Jackson, 1991, pp. 158-159). In fact, when the participants are in coercive relationships, they do not have the same interests, their values and beliefs are probably in a conflict, they cannot agree about the goals and means to achieve them, and a compromise within the existing systems arrangements is unreachable. Consequently, interactive planning does not deal with simple-coercive and complex-coercive problem contexts. Namely, the assumption of the existence of the basic mutuality of the stakeholders' interests has been built into the basis of interactive planning; the stakeholders enter the interactive planning process on the basis of this mutuality of interests, i.e. they participate freely and openly in creating and realizing the idealized design. However, if there is a management problem that is characterized by irreconcilable differences between the stakeholders, then the interactive planning methodology is powerless because the agreement on the idealized future cannot be reached.

The existence of the structural aspects of social reality such as conflict and power is not accepted in interactive planning (Flood and Jackson, 1991, p. 159). Actually, in interactive planning, the *conflict* has been considered only on the ideological level. Given that the groups' subjective beliefs about their interests do not necessarily coincide with their objective interests, the resolution of the conflicts between the stakeholders ought to fall within the categories of objective interests and not only subjective interests. Additionally, within interactive planning, insufficient attention is paid to the *power relations* in organizations. Power can act in subtle and hidden ways. This means that certain issues are never the subject of a debate, i.e. certain groups fail to identify and adequately represent their own interests.

Accordingly, it can be stated that regardless of where in organizations the structurally based conflict and power relations exist, they can act on both the manner in which the interactive planning methodology is used and the results of its use.

The opinion that the social world is consensual can be understood as a basis for the claim that numerous and complex organizational issues can be solved by means of *participation*. Participation is crucial to interactive

planning in the philosophical sense, because it provides the justification for a belief in the objectivity of the results, as well as in the practical sense, because it generates the creativity and commitment and ensures implementation (Flood and Jackson, 1991, pp. 159-160). Resistance to a full and equal participation will certainly exist, especially by powerful stakeholders, but it does not mean that one should completely abandon participation.

The objectivity of the results of using the interactive planning methodology depends on the *free* and *open* discussion between the stakeholders. Different stakeholders enter the interactive planning process with different intellectual, political, and economic power. If the position of the powerful stakeholders is not jeopardized by the idealized design – because the important issues are not the subject matter of the debate – then others can be allowed to participate; in such circumstances, it might seem that all stakeholders share common interests. If, however, the organization's hierarchical nature, the rights of powerful stakeholders in the decision-making process, or unequal distribution of the organizational resources on different stakeholders have been challenged, then, as a result, conflicts emerge; these conflicts reveal the deep status and economic inequalities in organizations that cannot be removed by means of idealized designs. Actually, in management problems with elements of coercion, the results of using the interactive planning methodology underpin the power.

AN EXAMPLE OF APPLICATION

The practical application of the interactive planning methodology in addressing the strategic management problems of an enterprise can be illustrated by the following example. The subject matter is an enterprise ABC, whose primary activity is production and sale of furniture.

The following features of the enterprise's current state, important for its survival and development, have resulted from the regular monitoring of the overall business of the enterprise: *Strengths* – the trained and motivated employees, the commenced digitalization of the production process; *Weaknesses* – the growing stocks of certain types of products (classical racks), customer complaints about certain types of products have not being reduced; *Opportunities* – the steadily growing demand for certain types of products (piece furniture, supplemental program); *Threats* – the growing pressures of the large furniture manufacturers from abroad on the domestic market and also in the region (Ikea, Kika).

The management of the enterprise believes that the following three elements are crucial to the continual improvement of the enterprise's overall business and its position on the market:
- The survival, growth, and development of the enterprise essentially depend on the key stakeholders' involvement in the planning

process as well as on their commitment to the implementation of the adopted policies, procedures, and decisions; it further means that the focus has to be on ensuring an adequate, the widest possible, *participation* in order to achieve adequate overall business results.

- The enterprise's plans have to be continuously improved because of the changes in the values, opinions, and goals of the enterprise's relevant stakeholders and because of the changes in its environment over time; this means that *continuity* in planning is an important assumption for the enterprise's successful operation.
- The planning process in the enterprise should be comprehensive, simultaneous, and interconnected for as many aspects, segments, and levels of the enterprise as possible; this means that, in a *holistic* sense, the coordination of the actions in the units on the same levels as well as the integration of the decisions made in the units on different levels have to be provided in the planning process.

In accordance with the identified current state of the enterprise and the presented basic ideas, the decision of the enterprise's top management to use the interactive planning methodology with the assistance of a consulting team can be considered as justifiable in strategic management. The methodology is used through the five stages of the corresponding systemic process:

I. Formulating the problem situation

The problems, capabilities, threats, and opportunities of the enterprise ought to be precisely identified and explored in the process of formulating the situation in which the enterprise finds itself today, and this by employing the three techniques.

System analysis: It involves detailed research into the enterprise, its key stakeholders as well as the relationships between the enterprise and its environment. It is necessary to thoroughly and comprehensively examine: the enterprise nature – its primary task (what the enterprise produces, to what goal, for whom, and by which processes); the enterprise functioning – both past and current; the operations – the sources of information, instructions, money, and materials for each part of the enterprise; the enterprise structure – schedule of the authorized personnel and responsibilities; the enterprise's business environment – buyers, suppliers, competitors, legislation, financial institutions, and tax system; the enterprise's social environment – local and broader community, special interest groups; management style – autocratic/participative and centralized/decentralized decision making; the organizational culture – implicit/explicit rules and practices, the policies and practices of employment, etc.

Obstacle analysis: The obstacles that slow down and/or jeopardize enterprise development have to be identified – the internal obstacles: centralized-hierarchical decision making, reactive behavior to crisis

symptoms, conflicts between individuals/groups within the enterprise, and undeveloped knowledge management, and the external obstacles: conflicts with suppliers, customers, local community, etc.

Reference projections: Relying on the knowledge acquired in the system analysis and the obstacle analysis, the projections that extrapolate the established current functioning of the enterprise have to be developed; these projections are determined with the aim of predicting the future which the enterprise will face if it does nothing and if trends in the enterprise's environment continue to occur in a predictable manner.

Based on the results of the system analysis, the obstacle analysis, and the reference projections, a *reference scenario* should be developed; this scenario represents the formulation of a problem situation in which the enterprise now finds itself.

II. Planning the aims

The process of planning the ideals, objectives, and goals is conducted through the following five steps:

First of all, the enterprise mission should be determined. Focusing on the ideas for the future, the mission is determined through creative thinking and debate in which the enterprise's relevant stakeholders (internal and external) have to be included. The *mission* has been determined as follows: By applying the highest technical-technological and ecological standards, the enterprise should become a regional leader in furniture production through expanding the production program according to market requirements and continuous quality improvement. The *objectives* are as follows: further diversification of the production program in accordance with market requirements (piece furniture, supplemental program, etc.) and opening of showrooms in certain countries of the European Union. The *goals* are as follows: complete digitalization of the production process, improvement of the quality of the products, and development of promotional tools.

Subsequently, the enterprise's stakeholders, both internal (representatives of managers at different levels, producers, and sellers) and external (representatives of buyers, suppliers, financial institutions, government agencies, local community, etc.), with the assistance of consultants, should specify the *appropriate properties* which they consider as the ideal features of the enterprise. In this process, all key aspects of the enterprise have to be highlighted: *buyers* and *markets*: what type of customers the enterprise should strive towards, in which market areas, how products and services should be distributed; *products* and *services*: what kind of products and services the enterprise needs to offer and with which special features, how to organize and perform the internal development of products and services; *design*: how the processes should be organized, how the enterprise ought to be structured and managed; *organizational processes*: what the role of the enterprise owners should be, which functions are necessary for the enterprise's activities and which of these ought to be

provided from within the enterprise and which from outside resources, in which way the processes should be designed and organized, what policies and practices should be applied to the employees; *inputs*: equipment and buildings, information, materials, money, people; *the environment*: how the enterprise should be connected with its external stakeholders and particularly with the community in which it functions, in which manner the information about the stakeholders' perceptions should be acquired and used; *the culture*: what the values, expectations, and opinions should be, i.e. social rules, practices and ways to generate them, etc.

Further on, the *idealized design* that encompasses the stakeholders' vision should be developed. This is the enterprise's design by which the stakeholders would replace the existing enterprise if they were in a position to do so. All crucial aspects of the enterprise have to be included in the idealized design (Ackoff, 1999, p. 90): the products and services that should be offered to the market, the markets that the enterprise should serve, the distribution system, the organizational structure, the internal financial structure, the management style, the internal functions (procurement, production, maintenance, marketing and sales, research and development, finance, accounting, human resources, buildings and land, internal and external communications, legislation, planning, organizational development, and data processing), the administrative services, industry, government, and local community. Determining the enterprise's idealized design implies a generation of maximum creativity among those who are involved in the process. Two versions of the design are developed: the enterprise's bounded design, which allows for a re-conceiving of the enterprise but not its environment, and the enterprise's unbounded design, which also allows for certain changes in the environment – changes that improve the functioning of the designed enterprise. The idealized design has to be technologically feasible and operatively sustainable. Limitations of financial, political, and other nature must not restrict the design's creativity. Due to the stakeholders' changeable values and their ideals over time, their new knowledge and interests, and changes in the environment, the designed enterprise has to be able to modify itself, learn, and adapt. Hence, the idealized design has to be capable of improving itself continuously.

After that, the closest approximation for the idealized design – for which one believes is achievable – needs to be formulated.

Finally, the differences between the formulated closest approximation for the idealized design and the enterprise's current state have to be identified.

III. Planning the means

Through comparing the enterprise's desired future that has been encompassed by the idealized design and the enterprise's future in accordance with the reference scenario, the relevant discrepancy is revealed, as a rule. The task is to develop the proper *policies, projects, programs, processes, procedures*, and *practices* and examine whether these means are able to help

in overcoming the identified gap between the desired future and the future development as it appears at a given time. The alternative means have to be determined and valued, and then those means that are the most adequate for achieving the enterprise's agreed objectives and goals have to be selected in the creative process that involves the enterprise's key stakeholders.

IV. Planning the resources

The appropriate resources – materials, energy, services, equipment, people, data, information, knowledge, and money – have to be procured for each of the selected means. For each resource the following has to be determined: in what amount, when and where the respective resource is needed, how it can be obtained, which discrepancies between the required and available resource exist, in which way, i.e. from which sources and at what cost these discrepancies can be timely removed, etc.

V. Implementation and control

All relevant decisions about what to do, who should do it, and how, when, and where it should be done have been made. Hence, the procedures, whose application ensures the implementation of the made decisions, need to be determined precisely. Implementation of these procedures will help achieve the results, which are continuously monitored in order to ensure the accomplishment of the agreed goals and adopted plans. That is, the findings about the achieved results are returned to the planning process through the *feedback control*; thus, learning, i.e. specifying further improvements in the enterprise functioning and undertaking the necessary corrective actions, is enabled.

Through application of the interactive planning methodology in the concerned enterprise, first of all, the inclusion of its key stakeholders in the processes important for designing the enterprise development is facilitated; at the same time, the development of a *partnership* between them is enabled. Afterwards, the *compromise* is reached on the important issues concerning the enterprise's survival and its development. Likewise, liberated *creativity* – particularly of the internal stakeholders – is built into the processes of their individual development as well as the enterprise development, and the overall process of the implementation of the agreed decisions is significantly enhanced. In addition to these immediate benefits of the participation, the application of interactive planning simultaneously guarantees the *comprehensiveness* and *continuity* of planning of all enterprise dimensions that are relevant for the strategic improvement of its overall business.

CONCLUSION

Based on the conducted research into the philosophical and theoretical foundations, the methodological development, critical review, and the example of application of interactive planning, it can be stated that

interactive planning, as a specific *interpretive* systems approach to *strategic* management, is adequate for the *complex-pluralist* management problem contexts in contemporary organizations, i.e. in enterprises.

In other words, relying on the powerful conceptual framework and logically derived methodology stages, interactive planning actually represents, an explicit expression of the scientifically valuable and – for strategic management – practically useful cycle of *action research* (Gill and Johnson, 2010, p. 101), in which: a) the relevant issues and their interconnectedness and various interpretations have to be diagnosed in a holistic and continual way; b) an action has to be conceived in accordance with the agreed aims and implemented in the concerned problem area of the organization; and c) the results achieved through the intervention have to be evaluated.

As an interpretive systems methodology for structuring strategic management problems, interactive planning demonstrates its own *practical usefulness* in many projects in organizations from private, public, and voluntary sectors, i.e. in different types and sizes of enterprises in manufacturing, service, and trade, for example, when the focus is on the chemical corporation's development, whose new key concerns are safety, health, and environment (Ackoff, 1999, pp. 295-315), or on the human dimension in international joint ventures, or on the implementation of quality management (Flood, 1995, pp. 235-267; pp. 349-359), etc. (Pourdehnad and Hebb, 2002, pp. 331-338).

Hence, based on the presented research and the identified results, the key *hypothesis* of the paper can be considered as confirmed.

Like any other systems methodology for managing strategic problems in organizations, the interactive planning methodology has been critically reviewed from different standpoints. Its key weakness, as it has already been determined, results from the fact that interactive planning is not able to encompass the concepts of conflict, coercion, and power because of its philosophical and theoretical foundations.

Therefore, with the aim of including the influences of coercion and power relationships into addressing strategic management problems in organizations, the issue of *combined* use of the interactive planning methodology with some of systems methodologies belonging to the emancipatory paradigm, for example, with the methodology of critical systems heuristics, or with some of its techniques, such as the twelve critical questions, can be seen as a relevant issue for further research.

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ИНТЕРАКТИВНО ПЛАНИРАЊЕ – ИНТЕРПРЕТАТИВНИ СИСТЕМСКИ ПРИСТУП СТРАТЕГИЈСКОМ МЕНАЏМЕНТУ

Резиме

Комплексност и плуралитет перцепција и интерпретација управљачких проблема битних за опстанак и развој организација представљају кључна одређења проблема стратегијског менаџмента. Креативно бављење комплексно-плуралистичким проблемским контекстима стратегијског менаџмента подразумева њихову одговарајућу холистичку реконцептуализацију и примену примерене системске методологије развијене у филозофско-теоријском оквиру интерпретативне парадигме. Као посебан репрезентант софт системских приступа менаџменту, интерактивно планирање је засновано на идејама да ефективан и ефикасан процес планирања у организацијама треба бити партиципативан, континуалан и холистички, а да главне фазе овог процеса требају бити фокусиране на дизајнирање жељене будућности и проналажење начина, средстава, ресурса за њено остваривање.

Критичко преиспитивање теоријских основа и методолошко-методског развоја интерактивног планирања, услова, начина и домета његове практичне примене у бављењу стратегијским проблемима у предузећима представља научно и практично валидан циљ истраживања.

Кључна хипотеза, која је кроз истраживање потврђена је да интерактивно планирање као интерпретативни системски приступ стратегијском менаџменту, сходно својим теоријским основама и методолошком развоју, може креативно допринети унапређивању процеса стратегијског управљања у предузећима.

Научни метод употребљен у истраживачком процесу је савремено критичко системско мишљење, обавезано на: критичку свест (о снагама и мањкавостима било ког истраживачког инструмента, па и методологије интерактивног планирања), унапређивање процеса управљања, и плурализам (уважавање различитих интерпретација истраживане стратегијске проблемске области у организацији и омогућавање комбинованог коришћења различитих истраживачких инструмената).

Ослањајући се на одговарајуће разумевање концепта објективности, промењена схватања света и природе организација, идентификоване основне разлике у односу на реактивно, неактивно и преактивно планирање, интерактивно планирање је опредељено као аутентичан, партиципативан, континуалан и холистички приступ планирању. Методологија интерактивног планирања је развијена кроз пет фаза системског процеса: формулисање проблемске ситуације у којој се организација налази, планирање циљева (развој идеализованог дизајна), планирање средстава (политика, планова, програма, процеса, процедура), планирање ресурса, и имплементација и контрола. Из критичког вредновања интерактивног планирања и његове практичне примене експлицитно произилазе примереност интерактивног планирања комплексно-плуралистичким управљачким проблемским контекстима, и необухватање конфликата и присиле у организацијама.

Резултирајуће, теоријско-методолошко и апликативно питање комбиновања методологије интерактивног планирања с неком од методологија еманципаторне парадигме, с циљем укључивања присиле и односа моћи у бављење проблемима стратегијског менаџмента у организацијама, представља научно и практично релевантну област будућих истраживања.