

PRE-PLANNING

A stakeholder is anyone or any party who has a claim or interest in what the organization does.

If you are initiating the strategic planning process in an Islamic organization, first determine whether the organization is ready. Be sure not to gloss over the preparations during the pre-planning stage.

Readiness for strategic planning is difficult to ascertain. Generally, it means that the organization's key stakeholders (e.g., the board of directors, the leader, the major donors or investors, or the primary organizational participants) have decided to commit the necessary time and resources to engage in the strategic management process, that everyone supports the process, that the resulting decisions will be respected and not sabotaged, and that the most competent and appropriate people will be empowered to see the plan through. Meritocracy, rather than *'asabiyyah* or even nepotism based on family or friendship, will be emphasized. This is consistent with the Prophet's following hadith:

Whoever delegates a position to someone whereas he sees someone else as more competent (for the position), verily he has cheated Allah and His Apostle and all the Muslims.¹

This hadith refers to the most competent person, without selectively attributing competence to men. Some Islamic organizations consistently overlook, downplay, or even ignore our sisters' contributions, forgetting that Khadija was a very successful businesswoman before

Setting up an appropriate Strategic Planning Committee (SPC) is critical to effective strategic planning and implementation.

she married the Prophet and that Aisha made an everlasting contribution to numerous hadiths. Sisters like Aisha Lemu in Nigeria or Amina Assilmi in North America have made positive contributions to the Islamic landscape in their own countries and worldwide.

Once your organization demonstrates its readiness for the strategic management process, you and the other decision makers need to decide who will be involved, what are the planning and implementation timelines, how to evaluate performance based on the plan, and what financial or other resources will be needed. The Strategic Planning Committee (SPC) members will contribute both to the strategic planning process' quality as well as to the quality of the plan's final version. If some resources are unavailable, the SPC members will have to consider how and by whom the available resources will be procured, and when they will be made available.

Overall, you must assess *a priori* if the organization is truly committed to the strategic management process. If the requisite willingness is present, use the *shura* process to appoint the SPC's members. Then, educate them about the strategic management process.

Commitment Toward the Strategic Management Process

Islamic organizations in the West have very diverse members originating from countries or areas with diverse cultural values and norms.

Any major organizational change requires the commitment of the organization's leadership. Adopting the strategic management process is one of the most demanding and intrusive changes that any organization can make. Unless top-level commitment is present, all strategies or macro-level change programs adopted will be unsuccessful.²

Key variables that affect an organization's commitment to change are previous experience with organizational change attempts, the leadership's attitude to change (proactive vs. reactive), and tolerance for change within the organizational and national culture. Some organizations have a fluid internal environment, due to the introduction of multiple change programs, and therefore are less afraid of strategic change. Others that are more bureaucratic and quite set in their ways view any type of change as a threat. People who attend the mosque or who work in a business are often from different generations and hold a different set of priorities. They may have difficulty communicating peaceably. Some countries have a culture that is less tolerant of change or high in uncertainty avoidance,³ while others may have a culture that is high in power distance (i.e., blind obedience to their superiors). Thus, when such diverse groups come together in a common setting, such as an Islamic center or a global organization like

IIFSO (the International Islamic Federation of Student Organizations), leaders must devise strategies that will transcend these cultural differences.

Independent of their previous experience with change attempts and their organization's tolerance for change, an organization's leaders must be in the forefront of the strategic management process. They must be absolutely committed to this new path and not view it as a fad.

Forming the SPC (Strategic Planning Committee)

In general, the SPC should have from 7 to 12 members. The larger the group, the less any single team member will be able to participate and the greater the likelihood of fragmentation and/or polarization. The existence of opposing factions causes the decision-making process to suffer. In addition, larger groups make it extremely difficult to schedule joint meetings.

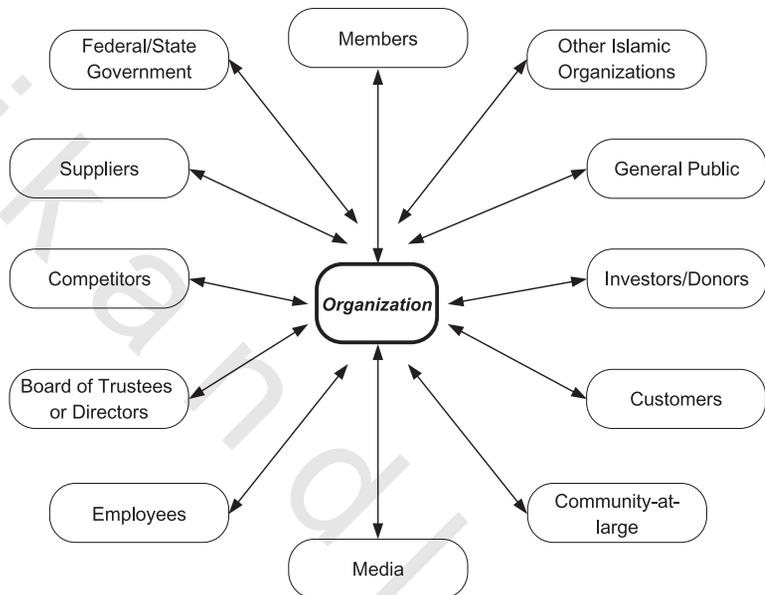
Even with a committee composed of 7 to 12 people, the SPC's membership should be diverse in background and expertise in order to avoid *groupthink*.⁴ Members of a group experiencing groupthink exhibit a drive toward consensus that is usually achieved at any cost while dissent is suppressed. A vivid example of this dysfunctional group process took place during President Kennedy's planning to invade Cuba. The planning group was so self-confident and so mesmerized by Kennedy's charismatic personality that no one challenged him. As a result, the planners never looked at a map of Cuba. The results of this groupthink led to the Bay of Pigs fiasco, where the Cuban military intercepted the American invading forces and left them no viable escape route. To avoid this poor group practice, participants from diverse backgrounds and representing multiple key stakeholder segments should be pulled together to offer a variety of perspectives.

A useful technique for putting together an SPC is to conduct a *stakeholder analysis*.⁵ A stakeholder is any person or group who is (or is likely) to be significantly affected by your organization's actions. Identifying those people and involving *a priori* those who will implement your strategic plan will enable you to build a common, shared frame of reference and encourage everyone on the team to pull together and work toward a unified direction. However, stakeholders are not to be weighed equally; they are either *primary* or *secondary*. Primary stakeholders are those with whom you interact directly, such as your customers. Secondary stakeholders are those who are on your organization's periphery and come in direct contact with

Groupthink takes place when members of a group push for consensus while suppressing any type of dissent.

you only intermittently (e.g., the public-at-large). Stakeholders can transform themselves from primary to secondary and vice-versa, depending upon the situation.

Figure 2
Stakeholder Map



To make sure that no relevant stakeholders are left out or ignored, consider using a stakeholder map (figure 2). When selecting SPC members, the following questions may be useful:

- What is his/her attitude toward the change process?
- What value does he/she add to the strategic plan's overall quality? Usually, a primary stakeholder such as your customer can be expected to provide high value-added input. Although competitors are primary stakeholders too, you probably would not want to include them on your SPC.
- Is his/her commitment necessary for successful implementation?
- What is his/her team spirit?

You may have noticed that none of the above questions focus on the potential SPC member's level of Islamic behavior. This is

because the SPC is a competence-based group. While it is desirable to have stakeholders who are practicing Muslims, they need not be flawless, as long as they are sincere and making an effort. Worksheet #1 (Appendix A, p. 164) has been designed to help you select SPC members.

Preparing the SPC and the Organization

Organization members resist change not necessarily because they oppose the change itself, but rather because of the uncertainties associated with it.

Organization members resist change not because they oppose the change itself, but because of the uncertainties associated with it.⁶ The introduction of strategic planning and implementation is a macro-level, organizational change that is likely to create a lot of uncertainty and intra-organizational stress. To preempt any internal and external resistance to change, communicate the whole process and possible changes as transparently and as understandably as possible to the relevant stakeholders.

Once you have selected the SPC, announce the news to your members or stockholders. This type of communication will allow you to obtain their buy-in as well as provide you with the opportunity to seek their assistance and feedback during this process. You may do any or all of the following:

- Announce the news in the presence of the board of trustees (or board of directors) and the SPC chair, or with the president or CEO present. The latter should already be privy to the information about to be disclosed; do not spring the news as a "surprise."
- Explain the rationale for strategic planning, the tangible outputs and benefits to be derived, and how the members/stockholders can provide their input. If this process has been attempted before, explain why you are initiating it again and why it will be different this time around. Stress your personal commitment to the strategic management process.
- Announce the process in the organization's official newsletter (to the larger public) and with a memo to request everybody's cooperation (including the staff).
- List the SPC's members and explain why they were selected. Provide the name of an SPC member who can serve as a liaison between the committee and the rest of the organization.
- Be clear about the projected time frames for the strategic and operational plans, as well as their implementation.
- Ask for and answer any feedback or concerns.

Make a copy of this or a similar book available to all SPC members, and place at least one copy in the mosque library for the general membership to peruse. Keeping all of the organization's members well-informed about the strategic planning process and the progress and direction of the planning team is essential.

Most importantly, you, as the leader, cannot simply initiate the process and then leave the SPC on its own. Unless you are deeply committed and hold key people responsible for the plan's subsequent implementation, the other members will not take the planning process seriously. In an Islamic organization that I once worked with, the leader delegated the initiation and implementation to a board member and then stepped back. In spite of my best efforts to get him involved more directly, he did not wish to take a more hands-on approach. The SPC's members, the remainder of the board, and the lower echelons in the hierarchy promptly understood that he was uncomfortable with the process. As a result, implementation has been slow and laborious.

The Pledge

Prior to developing and implementing a strategic plan, it is imperative that the leader and his/her SPC, as well as the key decision-makers and stakeholders, pledge to do the following:

Since implementing a strategic plan is hard work, leaders should encourage their followers even when they fail, and stress that failures represent learning opportunities—like Khalid ibn Walid did at Mut'ah.

1. Publicly commit themselves to the process. Announce their intention at the annual general assembly or meeting of members, repeat it in the organization's newsletter/magazine, post it on highly visible notice boards, and describe it on the organization's website;
2. Take responsibility for championing and implementing the plan;
3. Provide tangible support to those who effectively implement their part of the plan. Even when the implementation suffers setbacks, the leader should encourage those who are doing their best to help move the strategic plan forward. In the battle of Mu'tah, Khalid ibn Walid withdrew the Muslim forces from the battlefield and returned to Madinah because he realized that his army was outnumbered. When they reached Madinah, the Muslims cried out: "O you who have fled! You have fled from the way of Allah." The Prophet restrained them, saying:

"They have not fled. They shall return to fight, if Allah wills it."

This encouragement proved decisive, for Muslims never lost a battle whenever Khalid led their army.

Time Commitment

The SPC and the organization's leadership must set aside adequate time for the strategic planning process' initial and subsequent annual cycles. Drafting your first strategic plan can usually be done during an off-site retreat and may last anywhere from 2 to 7 days. Worksheet #2 (Appendix A, p. 165) is designed to help you organize the planning binder for your SPC's first strategic planning retreat. Initially, the strategic planning process (involving the full-fledged development of both a strategic and an operational plan) may take about 2 to 3 months, with the SPC spending a total of about 50-200 hours. The length of time required to develop both the strategic and the operational plans depends on the organization's size, the scope and complexity of its products or services, and its previous experience with the strategic management process.

In between the SPC's meetings, the staff will be on hand to compile the data that the committee needs. In later years, a strategic planning retreat of about 2.5-5 days should be adequate to review and adjust the strategic plan. Typically, the retreat should coincide with the beginning of the new budgeting cycle.

During the initial or yearly strategic planning retreat, the SPC may meet anywhere, as long as it is not at the organization's site and/or during work hours. Off-site meetings are preferred so that interruptions and other disruptions from the work environment can be prevented. Whether this is the first time a plan is being initiated or whether the organization is experienced in the planning process and doing its annual plan cycle, there may be a reasonable gap of 1 week to about 1 month between developing the strategic plan and outlining the operational plan in detail. This is because the people developing the strategic plan may not be the ones developing the operational plan, and thus may not have the fine-grained information necessary to flesh out the day-to-day operational details. The length of the time gap between these two undertakings is a function of the organization's size and the scope and complexity of what it does.

An off-site strategic planning retreat is a more inspiring venue for developing or reviewing your organization's strategic plan.

The Role of the Board of Directors

Since the primary responsibility for formulating and implementing a strategic plan falls on you, as the leader, together with the help of the SPC and your key managers/committee chairs, your organization's board of directors (usually called the *majlis al-shura*) must supervise the change process implied by the strategic plan and ensure that the strategic management process fulfills the overall intent of the relevant primary stakeholders. The fallout from 9/11 in America and the July 7 bombings in the United Kingdom, the Patriot Act or its tentacular variants in other countries, the potential of lawsuits against the board of directors itself and the need for indemnification insurance require careful clarification of the board's responsibilities, whether they are not-for-profit or for-profit.

Often, however, board members of leading Islamic organizations or mosques find it hard to meet the challenges associated with their role. A major reason for this is because they are habitually chosen or elected on the basis of their previous contribution to the organization rather than their ability to meet its future needs.⁸ Some mosques require that potential board members make exceedingly large monetary donations to be eligible – long after the mosque's capital projects have been completed. Other mosques select board members based on their ability to give a *khutbah* (Friday sermon) – even after an imam has been hired. In a worst-case scenario, some board members are chosen based on clan, family, or nationality criteria.

Irrespective of how your board members were selected, you are likely to submit the strategic plan to them for their review and approval before initiating the implementation stage. Unfortunately, boards often operate under rigid constraints. Sometimes, outside directors do not have the deep inside knowledge necessary to propose any strategy alternatives in lieu of those embedded in the strategic plan under review. At other times, the board is viewed as a rubber-stamp entity whose only purpose is to confer an aura of legitimacy to the decisions already taken by the organization's president, CEO, or executive director. A board that serves at the top decision maker's whim rarely controls its own agenda and is almost never consulted during the strategy formulation phase.

How can an Islamic organization's board of directors fulfill its oversight role more effectively? An in-depth study of boards of directors pro-

Leaders and boards of directors must not use a hands-off approach after the strategic plan is developed. What is not measured and inspected will not be accomplished.

vides some key clues.⁹ First, this board of directors needs comparative data on the organization over a specific time period (e.g., this year as compared to the previous five years) and comparative information on current and future competitors. This data must not be gathered haphazardly, but must instead relate to a small, but information-rich set of performance indicators (to be covered in chapter 14).

Second, the board of directors needs the time and opportunity to study the organization's strategy and be able to provide meaningful input. In that regard, board meetings crammed into one day and running over 8 hours are rarely useful. Further, quite a few Islamic organizations either gather a lot of irrelevant data that is not converted to useful information or are reluctant to provide any data to their board of directors. In fact, some executive directors I have encountered were quite defensive when asked to provide comparative data, and their organization's president was reluctant to press for more information.

Third, the board of directors needs counter-power – the ability to "counterbalance top management."¹⁰ They must have a chairman who is not the president. In addition, they must be able to control the meeting agenda and evaluate the president, the vice-presidents, and the division heads, as well as the executive directors, on an annual basis. Boards that have this type of counter-power and that have more outsiders, rather than insiders, tend to be more effective than boards that have no counter-power and that are dominated by insiders. Boards with little power tend to metamorphose into caretakers and are less likely to be proactive and participative.¹¹

Finally, from an Islamic viewpoint, board members must be selected on the basis of their competence (see the hadith cited on page 15). Such competencies may require interacting with the political system, excelling at interfaith activities, acting as a spokesperson to a disparate set of external actors, including the media, and so on.

When monitoring the strategic management process from afar, a properly chosen and empowered board of directors does not have to challenge everything being proposed or undertaken – especially if the organization is on track. Should the organization be experiencing difficulty, its directors must be more forthright and firm in order to rectify the situation. Bitter medicine may have to be administered as the board or an external independent audit group commissioned by the board submits your organization's executive leadership to rigorous scrutiny.