logical incrementalism

Definition
Logical incrementalism is a normative approach to strategic planning in organizations that combine elements of the classic, formal strategic planning process with the power-behavioural perspective; it also embeds the emergent processes of strategy formation that have been observed in organizations. It envisages organizational subsystems, taking discrete and independent steps in response to internal and external developments, and is informed to some degree by a grand vision of the organization's goals.

Abstract
Organizations employ the process of logical incrementalism because it is more practical and responsive to the complexity and uncertainty inherent in strategic challenges. Logical incrementalism adapts the pragmatic and functional elements of traditional, formal analytical processes as well as processes that recognize and manage the power and psychological shifts inherent in strategic change. It responds to the reality of bounded rationality and embraces the power and pragmatism of the 'science of muddling through'. Logical incrementalism inherently employs a REAL OPTIONS mindset that is well suited to cope with the extreme complexity, great uncertainty and increasingly 'wicked' nature of strategic issues.

The term 'logical incrementalism' was coined and popularized by JAMES BRIAN QUINN (1978) with a key article and a later, definitive book (1980). Based on observations of the practice of STRATEGIC PLANNING in organizations, Quinn (1978) argued that the classic normative approach (Andrews, 1971; Ansoff, 1965; Lorange and Vancil, 1977; Steiner, 1969) to strategic planning, which specifies detailed external and internal analyses leading to the development of the organization's strategy, is not what organizations actually employ. Nor is the power-behavioural approach (Bower and Doz, 1979; Cyert and March, 1963) fully adopted. Logical incrementalism cobbles together, purposefully as well as organically, elements of both formal, synoptic planning and the power-behavioural approaches to decision-making.

Roots of 'incrementalism'
Logical incrementalism's theoretical underpinnings can be traced to Lindblom's (1959) seminal work on the 'science of muddling through'. Lindblom's basic proposition – that incremental actions, which appear to be acceptable to stakeholders or feasible in terms of implementation, combine over time to form a strategy – are at the heart of logical incrementalism. The *incremental aspect* of the process is realized, according to Quinn (1978), by discrete subsystems within the organization that make decisions that are responsive to real-time external and internal developments and perceived issues. These subsystems include those for diversification, divestiture, major reorganization and government/external relations.

Incrementalism responds to the reality of 'bounded rationality' (Simon, 1947, 1957). Bounded rationality recognizes that the comprehensive, synoptic and analytical decision process that is presumed to exist in the classic strategic planning paradigm is impractical and unrealistic in the context of the complexities and uncertainties that cloud strategic issues. The real-time emergence of strategy – through the processes of 'crafting' described by Mintzberg (1987) or 'adaptation' proposed by Chakravarthy (1982) – is akin to the incremental process described by Quinn (1978, 1980).

Roots of 'logic'
The *logical aspect* of Quinn's process derives from incorporated elements of classic formal planning that give rise to goals, evaluation criteria and frameworks that guide and integrate short-term, incremental actions and decisions. Formal planning processes are embedded in the management systems of most organizations.

These formal processes ensure that managers periodically assess the future so that emerging issues are identified and analysed, and organizational goals are refined and systematically and comprehensively communicated. Organizational goals can be expressed as a vision or as STRATEGIC INTENT (Hamel and Prahalad, 1989). A common understanding of the future can also emerge from these processes, which promotes consistency in short-term decision-making across all the organization's subsystems.

Integrating logic and incrementalism
Logical incrementalism draws strength from elements of classic formal planning, adopts essential aspects of power-behavioural processes and embraces Lindblom's (1959) action to strategy sequence. Camillus (1982) proposes an approach that interlaces episodic, formal, synoptic planning efforts with ongoing incremental processes that are responsive to developments as they happen or are perceived to emerge.

Incrementalism that is bereft of the logic drawn from formal analytical exercises and the harmony in decision-making resulting from shared philosophies, perspectives and broad goals emerging from such formal planning exercises would be ineffective. However, logic alone is inadequate to deal with shifts in power and levels of complexity and uncertainty that create unpredictable and even unknowable futures. Emergent (Mintzberg, 1985) and crafted (Mintzberg, 1987) strategies are better suited to cope with extreme uncertainty and complexity than are formal deliberate strategies.

By adopting what is practical and helpful from these disparate planning processes (Brews and Hunt, 1999) logical incrementalism takes on characteristics that respond to the challenges of highly complex and uncertain business contexts.

Responsiveness to complexity and uncertainty

Logical incrementalism as a planning process implicitly adopts a real options (Miller and Waller, 2003) approach. It enables organizations to reserve the right to play – to adopt a flexible stance, minimizing irreversible investments until information is obtained that reduces uncertainty to the point where major resource commitments can be made with an acceptable level of risk. The real options approach is well suited to deal with futures that are not only unpredictable but unknowable.

The taxonomy of four kinds of uncertainty faced by managers that is proposed by Courtney, Kirkland and Viguerie (1997) provides a lens through which to assess the relevance and power of logical incrementalism. Where the future is substantially predictable, the classic, formal synoptic processes of planning may serve organizations well. Even in this context of (1) predictable futures, the responsiveness of logical incrementalism to the different priorities of organizational subsystems may enhance the viability of strategies adopted by the organization by acknowledging and managing the power and psychological shifts concomitant with strategic change.

Where the nature of uncertainty being faced is that (2) multiple alternative futures are possible or where the future holds (3) an enormously wide range of possibilities, the real options approach – flexibly reserving the right to play until clarifying information becomes available – that is intrinsic to logical incrementalism is an effective response. In the context of (4) total ambiguity, a future that is unknowable and not amenable to description, the purposive branch to root, 'muddling through' (Lindblom, 1959) that is enabled by logical incrementalism offers the possibility of superior outcomes for the organization.

The extreme complexity and great uncertainty that increasingly characterize strategic issues and which give rise to 'wicked problems' (Camillus, 2008) are not effectively addressed by traditional analytical processes or power-behavioural processes. The real options, real-time, continuously evolving yet goal-driven nature of logical incrementalism offers organizations a planning paradigm that is better able to cope with these difficult strategic challenges.

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See also

EMERGENT STRATEGIES; MINTZBERG, HENRY; MUDDLING-THROUGH THEORY; QUINN, JAMES BRIAN; REAL OPTIONS; SIMON, HERBERT; STRATEGIC INTENT; STRATEGIC PLANNING

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