

## **A Systems View Toolkit for Responsible Strategic Thinking**

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# A Systems View Toolkit for Responsible Strategic Thinking

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## Abstract

This chapter introduces a systems-based approach to strategic thinking, offering a toolkit for responsible decision-making in both business and society. It emphasises the role of the strategic thinker not only as an individual within a system, but also as part of an organisation and society at large. Drawing from earlier chapters, it incorporates guides on dealing with political, economic, social, technological, legal, and environmental factors to help shape more holistic thinking. The toolkit outlines key activities and critical questions for responsible strategic thinkers to consider when formulating and implementing strategies. Strategic thinkers, positioned at the heart of society, have the potential to influence larger societal change by making thoughtful decisions that could lead to a more equitable and sustainable future.

## Chapter Outline

This chapter first describes a systems view way of thinking. It then presents a toolkit for responsible strategic thinking for business and society with reference to the content of the previous chapters.

By a toolkit we mean a set of resources and skills to enable you to better face the challenges of the complex environment of which we are all part. This book constitutes your main resource, a set of ideas and examples for you to draw on. This chapter presents a toolkit in diagrammatic form and considers the skills you need to practice, and the questions you need to ask, as a strategic thinker.

This chapter moves from a consideration of the strategic thinker as an individual at the heart of the system, to their role as part of the organisation or business, and then to their role as part of society/life and here we take tips from chapter 3 – 9's examination of the political, economic, social, technological, legal and environment to guide you as to how to think differently and with a systems view.

Strategic thinkers are in a unique position, in their roles at the centre of society and life to make a difference by making what might seem small decisions on larger issues, to change the way we do things, and potentially change the future of society and life to elicit a fairer future. Here are some suggestions of how to do this.

## A Systems View

This book has developed strands from other ideas, amongst them pragmatic strategy (Nonaka & Zhu, 2012), strategic thinking (Liedtka, 1998), doughnut thinking (Raworth, 2017) and the sustainable mindset (Ritz & Rimanoczy, 2021). A common strand throughout these theories is that we must take a systems view (Beer, 1973; Forrester, 1971; Senge, 1997; Sterman, 2002; Higgins, 2015).

A systems view means that we need to have a grasp of:

- The bigger picture (Haslam & Shenoy, 2018) meaning the wider environment (from a business, social and an ecological perspective)
- The environment's dynamism (Raworth, 2017)
- The complex interconnections among ecology, society and economy (Edwards, 2005)
- The way our lives are inextricably entwined with all - the actions of the individual extend beyond the boundary of his or her position (Higgins, 2015)

In systems thinking, all is interconnected in a dynamic web of relations: relations with the world, relations with the mind, relations with others' (Nonaka & Zhu, 2012, P171). Consider the world as a network of cogs, levers, pulleys and feedback loops. Action in one area will cause change and impact in another area. You need to trace the actions to understand the full impact of your decisions. As all is interconnected, the system will need to evolve and change too and our interactions with it can be redesigned (Meadows cited in Raworth, 2017) to create an adequate response for our new world.

Throughout this book we have seen the pressures to look at the world differently and there is wider consensus that a new way of thinking is required. Raworth might ask us to start from scratch (Schumpeter, 1954; Raworth, 2017). A true grounded theory (Glaser & Strauss, 1967) is unfortunately unlikely for lots of reasons. We personally are the product of our experiences and strategy-making is the product of many works and theories that have gone before. Our system is also the product of thousands of years of development. We can however do our best to be creative. To think what we could, would and should do given a blank sheet. Of course knowing the errors we have made (and Nonaka & Zhu, 2012 do a good job of highlighting the weaknesses in strategy-making as of that time, post-2008 recession) can also be helpful in avoiding them in future. Raworth (2017) rethinks economics, and in this book, we take up the baton and try to rethink strategy-making. Echoing Raworth, it's 'not about finding the correct (model) (because it doesn't exist), it's about choosing or creating one that best serves our purpose, reflecting the context we face, the values we hold, and the aims we have. As humanity's context, values and aims continually evolve, so too should be the way that we envision the economy' (Raworth, 2017, p22). As Raworth addresses the economy, we address strategic thinking and attempt to chip away at the conventional view from our direction to provide a 'compelling alternative frame' (Raworth, 2017, p22).

It is evident that some theories have been overlooked in favour of the dominant power in society at certain times. For example, Raworth (2017) highlights that original theories and approaches to economics were more about provision for all and sustaining society and later switched to acquisition of wealth. Meadows (1970s – 1990s), Senge (1997), Higgins (2015), Raworth (2017), Ritz & Rimanoczy (2021) to name but a few, have been dissenting voices from the developed dominant economic theory, but they were not listened to and Raworth's views have been labelled as idealistic, as radical approaches are hard for incumbents (the existing political and economic system, to say nothing of businesses who lobby governments for favour) to stomach. Similarly, we have overlooked more complex ways of looking at strategy (Liedtka's work dates to the 90s) in preference for a simplistic, rational approach. There have been times where the status quo has been challenged, for example following the crisis in 2008 (Nonaka & Zhu, 2012) but things returned to 'normal' as the established systemic issues mean that it was hard to challenge the neoliberal capitalist world order.

In this book, we have examined the world through a systems perspective, recognising that all is interconnected, from us, to management concepts, to our organisations, and with external trends and influences. Here we propose a toolkit that incorporates the view of the strategic thinker at the heart of a system of which they are a part and on which they will and should have impact. It offers some ways to deal best with that system.

<Figure 10.1. here>

Figure 10.1. A Systems View - the Strategic Thinker at the centre of Responsible Strategic Thinking

A Toolkit for Responsible Strategic Thinking for Business and Society

### ***Strategic Thinker (Self)***

<Figure 10.2. here>

Figure 10.2. The Strategic Thinker

The strategic thinker is at the heart of responsible strategic thinking. They will be the ones to redesign the system because 'markets do not correct themselves, industries do not have a purpose, firms do not make decisions, humans do' (Nonaka & Zhu, 2012, P290). 'It is individuals who think strategically, not organizations.' (Liedtka, 1998, p120).

First, a strategic thinker must look to their own skills of strategic thinking, combining Strategic Management and Strategic Leadership into Strategic Thinking:

**Strategic Management** - plan, organise, command, coordinate, control, guide towards goals, use resources, process, be efficient, be effective, budget, order, structure, implement, problem-solve, organise, be impersonal, be passive, balance, compromise, conserve, regulate, direct, be rational, consult, persist, be tough-minded, be analytical, deliberate, be authoritative, stabilise, task-driven, dominated by the mind, action

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**Strategic Leadership** - develop a vision, produce change, communicate, create coalitions, motivate, engage, satisfy, build recognition, self-esteem, be personal, be active, create excitement, have empathy, understand and give meaning, search out opportunities, encourage, involve, dominated by the soul, be passionate, be creative, be flexible, inspire, innovate, be courageous, be imaginative, be experimental, be independent, reflection

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## Strategic Thinking

But the strategic thinker is part of a bigger system, and we know that we struggle to think beyond our personal existence, beyond the short-term and we find it difficult to deal with complexity. Thinking outside of our individual unit and insular entity requires us to challenge our mental models (Forrester, 1971; Beer, 1973; Sterman, 2002; Higgins, 2015; Haslam & Shenoy, 2018) and step outside of our natural tendency for selfish egoism (Higgins, 2015) and our tendency to think of the near, the short term and the responsive (Forrester, 1971; Sterman, 2002; Raworth, 2017). It is impossible to not be human, but strategic thinkers must consider their relationship with their management and leadership function and the whole system objectively. They must overcome their self-interest and bias and step outside their natural short-term view to cater for their stakeholders. This takes emotional and spiritual intelligence (Ritz & Rimanoczy, 2021), imposition of the veil of ignorance to achieve a higher viewpoint (Rawls, 1971), understanding (Nonaka & Zhu, 2012) and the collection of multiple perspectives.

<start box>

### Case Study: Personal Contribution to Strategic Thinking

Jayne Sowerby-Warrington is the Assistant Director - Corporate Property at Lincolnshire County Council and in the following case study, considers her personal contribution to strategic thinking and the importance of collaboration.

Jayne questions the wisdom of a leader 'stepping outside of themselves' (with the intention of being objective) as she firmly believes that a leader needs to be authentic and arguably that means bringing the subjective into the workplace. She expects and needs herself and her team members to be the best versions of themselves and for her, 'coming to work pretending you're something you're not, will not work'. Each person brings a different skillset to the team. For Jayne, the authenticity element is important and working in an environment where you can be authentic, and your colleagues embrace that and harness that is very important. She agrees that you cannot be personally biased to the detriment of the work you do, but work is personal, and people should bring their personal values and personalities to work. She wants people on the team who care about what they're doing. Leaders need to be emotionally intelligent and self-aware. 'You've got to be aware of how you're coming across, how your emotions can affect others. You know what's right, what's wrong? You've just got to have those basic principles.' Jayne also sees the value of reflection, regularly assessing how far her and the team have progressed towards their goals. Finally, leadership for her is 'about the connecting with people. It's about creating an environment that brings the best out of others. Being a strategic thinker isn't about locking yourself in a room with your own kind thinking about what to do in isolation of the rest of the organisation. It is about going getting out there, finding out what stakeholders want and need and trying to design a collaborative solution around that. It's also important for colleagues to recognise where they are within that strategy as well, where they fit, where they can add value and know their purpose.'

<end box>

Box 10.1. Case Study

## ***Organisation***

<Figure 10.3. here>

Figure 10.3. The Strategic Thinker and their Relationship with the Organisation/Business

The Strategic Thinker is at the heart of an organisation. Without the organisation, the strategic thinker's role would not exist and the strategic thinker's role is to maintain the business (sustainably). The organisation is the supporting context (Liedtka, 1998) and the beneficiary of the strategic thinker's activities. The two are inter-dependent. To honour this relationship, the strategic thinker must understand the organisation, the organisation's internal resources and capabilities and its purpose and culture. The planning tools discussed in Chapter 2 are good foundations for strategic thinking and Figure 10.4 represents the inclusion of Vision, Mission and Values statements in our strategic thinking.

<Figure 10.4 here>

Figure 10.4. The Strategic Thinker Filters Decisions through the Core Ideas of the Organisation

## **The Activities of a Responsible Strategic Thinker**

So far, given our model for Responsible Strategic Thinking, you need to do the following to be a responsible strategic thinker:

- Take a systems approach – recognise that all is interconnected
- Understand your role at the heart of the process.
- Use your people to provide multiple perspectives – talk, collect views.
- Use the appropriate tools to understand your organisation's position, role and intentions.

## ***Society/Life***

In turn, the organisation is impacted by what is going on in Society/Life and this environment has changed, continues to change and is complex. We saw in Chapter 1 how terms that defined

strategy-making previously are no longer valid and established that strategy-making in contemporary society needs to be sustainable, hold absolute value, respond to people and change and be hybrid and long-term.

<Figure 10.5 here>

Figure 10.5. The Characteristics of Strategy-Making in Strategic Thinking

<Figure 10.6. here>

Figure 10.6. The Strategic Thinker's Relationship with Society/Life

To maintain ourselves and our organisation in Society/Life we need to respond to the influences and changes in society: find innovative ways to respond to society's evolution and complexity with changes to management theory and to the ways we do business.

Methods developed for past situations should not be expected to be applicable now (Beer, 1973; Raworth, 2017) and rather than a new way of operating being 'idealistic', as Raworth's doughnut economics was labelled, expecting established methods to be suitable is unrealistic and 'inadequate for dealing with our overpopulated, globally interconnected world' (Capra & Luisi, 2014).

As with the strategic thinker/organisational inter-dependency, the organisation and the Strategic Thinker's existence is inter-dependent with Society/Life and the same approach to strategy-making incorporating multiple stakeholder perspectives holds firm.

There are permeable membranes between the Strategic Thinker, their organisation, and Society/Life. The lack of balance between the economic, social, and environmental parts of the system has led to serious detrimental impacts on society and the environment. We can no longer accept this for many reasons, but most pressing and most public is the climate crisis that will lead to increasingly serious environmental disasters which will impact on our and future generations' ability to live, full stop. In conjunction with this imminent threat to life are the impacts on humans' opportunities to live life well caused by a lack of respect for social sustainability from businesses and organisations.

Strategic thinkers need to be conscious of the external factors that have an impact on them and their organisations and respond accordingly.

### **The Activities of a Responsible Systems Strategic Thinker**

From our chapters we take the following guides for responsible strategic thinking interacting with society/life.

#### **Political**

- **Clarify Goals:** Organisations must ensure their lobbying and advocacy goals align with their broader mission and objectives.

- **Strategy vs. Initiatives:** Focus on long-term strategy while balancing the need to respond to short-term opportunities and initiatives.
- **Context and Timing:** Stay informed on political and environmental changes, recognising that while organisations can't always shape the broader narrative (e.g. international votes and referenda), they can influence policy implementation.
- **Structure of Advocacy:** Decide whether lobbying will be in-house, through dedicated teams, or outsourced to agencies, considering the specific needs and size of the organisation.
- **Key Skills:** Effective lobbying requires skills in communication, diplomacy, relationship-building, and the ability to leverage evidence to shape policy narratives.
- **Networking:** Building and maintaining a strong network is essential. This often involves cultivating relationships with key policymakers and influencers at various levels.
- **Global-National-Local Focus:** Advocacy priorities will differ based on an organisation's scope. Multinationals may focus on global/national, while smaller groups may emphasise local impact.
- **Insider vs. Outsider Dynamics:** Organisations must navigate the balance between being external advocates or trusted partners in policy co-design, especially in larger, more connected sectors.

## Economic

- **Balance Short-term and Long-term Goals:** Combine profit maximization with a focus on sustainability and social responsibility to remain competitive while addressing evolving societal demands.
- **Adopt Adaptive Strategies:** Use neoclassical tools for immediate market response, while integrating institutional insights to anticipate regulatory and societal changes for long-term flexibility.
- **Enhance Organizational Resilience:** Build resilience by anticipating external shocks and proactively aligning business practices with social norms and stakeholder expectations.
- **Prioritize Ethical and Inclusive Decision-Making:** Balance financial goals with ethical considerations to enhance corporate reputation, stakeholder trust, and long-term sustainability.
- **Leverage Quantitative and Qualitative Insights:** Use quantitative data for performance analysis, while incorporating qualitative insights to ensure strategies align with cultural, social, and institutional contexts.
- **Foster Innovation and Collaboration:** Encourage collaboration with stakeholders and external institutions to drive innovation, while ensuring that these partnerships are efficient and value-driven using analytical tools.

- **Shift the focus to people (social responsibility) and environment (environmental responsibility)** and to enhanced stakeholder relationships away from a focus on competitors to achieve value.
- **Consider Alternative Economic Approaches:** Bottom of the Pyramid approaches, frugal innovation, disruption, coopetition and social enterprise.

## Societal

- **Adopt Strategic Systems Thinking:** Take a holistic approach that considers the interconnectedness of organizations, society, and natural resources. Use systems thinking to address complex, 'wicked' societal challenges, broadening the problem space and expanding solution options.
- **Think Ahead:** Integrate long-term thinking into strategic decisions, focusing on the impacts on future generations, social inequalities, and the fair allocation of resources. Prioritize justice and equity for disadvantaged groups.
- **Think Differently:** Embrace responsible competitiveness, where value is created for all stakeholders, not just through economic gain. Move away from traditional wealth-centered models to a broader societal and environmental perspective (e.g., Doughnut Economics).
- **Think in Circles:** Shift from linear planning models to circular thinking, recognising that complex issues evolve as solutions are explored and implemented. Adapt strategies as new insights emerge from ongoing problem-solving.
- **Think in Combination:** Merge strategic management with leadership, fostering dynamic thinking through intuition, dialogue, and co-production. Engage diverse stakeholders in decision-making, allowing for co-opetition and collaborative resource sharing.
- **Engage Stakeholders Actively:** Involve all relevant stakeholders, including community groups and staff, in shaping decisions. Empower them through participatory approaches that challenge assumptions, redistribute power, and encourage collaboration.
- **Focus on Continuous Improvement:** Use tools like B-Corp certification and materiality assessments to ensure ongoing evaluation and improvement of social and environmental impact. Make decisions based on both financial and societal considerations, aiming for long-term, sustainable growth.
- **Embrace Double Materiality:** Consider both the internal and external impacts of business decisions, addressing not only short-term needs but also long-term societal challenges and environmental stewardship.

## Technological

- **Proactively adapt security measures** to stay current with emerging threats.

- **Embrace change and disruption** with proactive and adaptive strategic thinking.
- **Be Transparent and Open**, Diverse, Empower User Autonomy.
- **Follow the Principles of Fairness by Design and Incorporate Human Judgement** in the application of AI.

## Legal

- **Act Ethnically:** Follow all laws of the country and the business/organisational sphere of which you are a part but go further. Be Objective. Be Right, Just and Fair in one's practices. Preserve and increase the legitimate options available to others.
- **Act Sustainably:** Understand the impact of decisions on society and environment whilst pursuing economic success. Collaborate and cooperate to understand others' perspectives.
- **Economic Performance:** Thrive and Re-invest.

## Environmental

- Recognise the **inter-dependent relationship between the environment and your organisation.**
- Recognise that environmentally sustainable action offers opportunities such as **cost saving opportunities for organisations through adopting more efficient resources and processes and shifting to clean energy sources, and the development of new products and services.**
- Use the tools and guidance that are available (**UN Global Impact, Circular Economy, Strategic Thinking for Sufficiency and Doughnut Economics**), and that have been used by others to think differently and reexamine and guide their business or organisation's strategic direction.

## *Thinking Sustainably*

<Figure 10.7. here>

Figure 10.7. Applying the Principle of Sustainability

Finally in our model we redraw the pyramid of corporate social responsibility (Carroll, 1991) made up of economic, legal, ethical and philanthropic responsibilities and combine it with other terms such as social purpose, conscious capitalism, adherence to the Triple or Quadruple Bottom Line and most recently environmental, societal and governance (ESG) responsibilities. We incorporate Visser's (2011) theory of an organisation's age and stage of Corporate Social Responsibility (CSR) to reflect a responsible age of business and organisational practice, and we replace all these terms with 'sustainability' as we recognise, as detailed throughout this book, that sustainability implies an organisation's responsibility to environmental, economic and societal responsibilities and a sustainable approach naturally encompasses a philanthropic approach defined as giving, benevolence, welfare, altruism, prosocial behaviour and 'doing good' (Journal of Philanthropy and Marketing, 2023) because a sustainable approach would make these activities part of a business or organisation's natural behaviour. A sustainable approach, given our definition of sustainability as 'intra- and intergenerational justice as well as ecological limitations (WCED, 1987 cited in Neugebauer et al., 2015) and considering 'the needs of the present without compromising the ability of future generations to meet their own needs.' (WCED, 1991 cited in Higgins, 2015, P2) also encompasses an ethical approach: 'the preservation and increase of legitimate options available to others as well as to oneself. Legitimate options are those that do not reduce the options available to others' (Ackoff, 1996). And an ethical approach assumes a higher responsibility than just doing what is legally required.

Our final model therefore looks as follows:

<Figure 10.8. here>

Figure 10.8. A Systems View - the Strategic Thinker at the centre of Responsible Strategic Thinking

As a result of our re-examination of strategic thinking and strategy-making, we move from the actions, the doing, to the thinking and ask the following questions when it comes to strategy-making:

***The Questions a Responsible Sustainable Systems Strategic Thinker Must Ask***

1. Who do we need to involve?
2. What and who can help me with my decision-making?
3. What is our organisation's overall intention?
4. What value are we seeking?
5. What factors are impacting us from the following areas: political, economic, social, technological, legal and environmental?

6. What do we know? What don't we know? What do we think we know? How can we reduce the unknowns?
7. What can we do to impact the following areas: political, economic, social, technological, legal and environmental?
8. Can we think differently and do something different to what we have done before?
9. How will this strategy improve the situation of the organisation, the society, the world?
10. How will this decision damage the situation of the organisation, the society, the world?
11. Is this immoral?
12. Is this right?
13. What will change?
14. What will our legacy be?

## Chapter Summary

This chapter introduces a systems-thinking approach and provides a toolkit for responsible strategic thinking, drawing on the insights from earlier chapters. The toolkit offers resource to help individuals navigate the complex environment of business and society. It emphasises the role of the strategic thinker, first as an individual within the system, then as part of an organisation, and finally as a member of Society/Life. By incorporating lessons from political, economic, social, technological, legal, and environmental considerations (chapters 3–9), the toolkit guides strategic thinkers on how to approach decision-making with a broader, interconnected perspective.

The toolkit outlines key activities and questions for responsible strategic thinkers to consider when formulating and implementing strategy. It highlights the unique position of strategic thinkers, who, by making informed decisions, could influence broader societal change and help create a fairer future.

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