



Strategic Leadership: A Process for Maximizing Leadership Potential

By Rich Horwath

Imagine the burnt yellow sun rising over the Acacia-spotted plains of Kenya, Africa. Your fur is moist with the residual dew of the night. You raise your three hundred-pound body onto your four paws and climb a nearby tree to survey the landscape. Gazing to your left, you see the rest of the pride of lions, numbering twenty in all. The male lions are relying on you for their kills and their scowls tell you they are becoming restless. The pride hasn't eaten in nearly two weeks. You descend the tree and one of your cubs trots over to nuzzle you but you know the cubs too are growing restless. The rainy season is only a few days away and if you haven't secured food by then, chances are you will be killed by your own family.

Welcome to the challenges of leadership.

Whether a three hundred-pound lion in the plains of Kenya, Africa or a manager of a healthcare company, there are four steps that can enable the consistent practice of strategic leadership. Understanding strategic leadership and how to practice it can enable one to significantly increase their contribution to their people and organizations, providing a competitive advantage in the marketplace "jungle." A review of the definition of strategic leadership, the four steps in the Strategic Leadership Process, the nuances of leadership and management and the importance of managing relationships will provide a solid foundation for learning to become a strategic leader.

Leadership and Strategy

A 2001 survey conducted by the Graduate Management Admission Council asked MBA graduates one-year post-graduation which areas they wish they had more training in. Tied for first with 31% each were strategic planning and leadership, with 28% citing financial analysis. The need for greater practical insight into these areas has provided the genesis for the Strategic Leadership Process.

In order to understand the concept of strategic leadership, it's helpful to break the concept down into its' two components. Leadership is defined as "the skill of influencing people to do work enthusiastically toward goals identified as being for the common good." The key element is "skill." Recent literature in the field of leadership has hotly contested an age-old question: Are leaders born or made? The fact that leadership is defined as a "skill" inherently means that everyone can in fact, learn how to become a better leader. Just as one can improve their skills in golf, communications or piano, so too can a person improve the tangible skills that comprise leadership.

The most overused and misused word in business today is “strategy.” Each day in conference rooms across America, people refer to “strategic this” and “strategic that,” yet would be hard pressed to define the term. While it’s more accurate to describe strategy than define strategy, Professor Michael Porter of Harvard offers a good starting point. He defines strategy as, “performing different activities from others or performing similar activities in a different manner.

Amazon.com provides an example of performing a different activity than competitors in order to gain strategic advantage. By creating a unique selling channel (online), they took the business of traditionally selling books through a retail outlet changed the playing field.

An example of the second facet of strategy, performing similar activities in a different manner, can be seen in Southwest Airlines. They have taken the act of transporting people from point A to point B via air and created a unique system of activities that are carried out in a different manner from competitors. The system of activity that differentiates them from competitors such as American Airlines and United Airlines includes not serving meals on flights, using only one type of plane, not issuing specific seats, etc, in order to reduce cost and increase on-time efficiency.

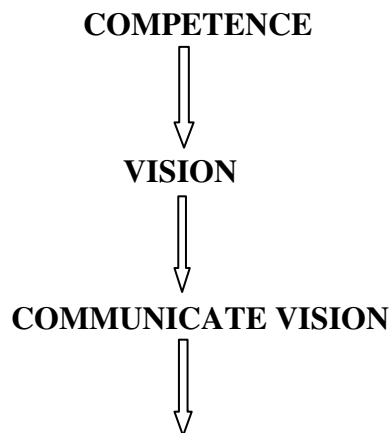
If we then combine the understanding of leadership and strategy as individual terms, strategic leadership can be defined as, “the skill of influencing people to perform activities that are different than others to reach goals identified as being for the common good.”

Strategic Leadership Process

The Strategic Leadership Process (figure 1) is comprised of four steps:

1. Competence
2. Vision
3. Communication of vision
4. Serving others to realize the vision

Figure 1: Strategic Leadership Process



SERVE OTHERS TO REALIZE VISION

Step 1: Competence

The process of Strategic Leadership begins with an area of competence. A competence is an area of knowledge or skill that demonstrates ability to meet needs in a distinct area. Traveling back to the plains of Kenya, Africa, a lot can be learned from the animal kingdom in regards to leadership and competency. The lead animals in a herd of elephants or pride of lions are chosen on competence and competence alone. Elephant conversations along the lines of, “Boy, Bob’s been doing a hell of job eating grass lately. Since Marsha has been taking a few too many mud baths, what do you say we promote Bob to Manager of Eastern African Grass Eating Operations?” Not quite. Actions that demonstrate competence such as protection and feeding of the herd are what it takes. An honest assessment of one’s strengths, weaknesses, goals and motivation drivers are an important first step in developing competency. One cannot lead until they’ve developed a competency that others respect and is valued by the organization.

A study by Dr. Bloom at Northwestern University highlights the importance of finding and developing your area of competency early on. Dr. Bloom analyzed the careers of world-class sculptors, pianists, chess masters, tennis players, swimmers, mathematicians and neurologists. His finding was that it takes between 10-18 years before world-class competency is reached. Consequently, the earlier a core competency can be identified and invested in, the sooner one can expect to have the competency foundation required for strategic leadership.

Step 2: Vision

The second step in the Strategic Leadership Process is designing a vision. A vision is the mental picture of what the organization or situation should look like at a distinct point in the future. Vision should provide strategic guidance, outlining a course for the organization to follow. The vision should also instill a motivational focus, creating a directed purpose for employees to aspire to. Examples of vision statements include:

Microsoft: A computer on every desk, and in every home

General Motors: The world leader in transportation products and related services

President Kennedy: “Before this decade is out, landing a man on the moon and returning him safely to earth.”

IKEA: Change forever, the structure of the furniture market.

As the following examples demonstrate, there are five characteristics of a sound vision statement.

1. Imaginable: conveys a picture of what the future will look like.
2. Desirable: appeals to the long-term interests of employees, customers, stockholders and others who have a stake in the enterprise.
3. Focused: is clear enough to provide guidance in decision making.
4. Flexible: is general enough to allow individual initiative and alternative responses in light of changing conditions.
5. Communicable: easy to communicate; can be successfully explained in five minutes.

Step 3: Communication of Vision

Once the vision statement is crafted, the third step in the Strategic Leadership Process is to effectively communicate the vision to the appropriate internal groups. While this may seem an obvious step, an ineffective communication plan will negate all the upfront work done to create the vision statement. Several questions are valuable to ask in determining the most effective communication routes:

- Who will receive the communication regarding the vision statement?
- What are all of the potential communication channels (ie town hall meeting, intranet, memo, e-mail, staff meeting, etc)?
- Which of the potential communication channels will carry the appropriate level of impact in delivering the vision statement?
- What follow-up communication vehicles are appropriate (ie wall plaque, desk plaque, laminated wallet-size card, etc)?
- What metrics can be used to determine the level of awareness and comprehension of the vision statement?

Creating an effective vision statement without communicating it appropriately is analogous to throwing a party and not sending out invitations.

Step 4: Serving Others to Realize the Vision

The fourth and final step in the Strategic Leadership Process is serving others to realize the vision. When meeting the needs of others, one will by definition, be called upon to serve. When in the act of service and sacrifice for others, one builds influence. After influence is built, one earns the right to be called leader. The paradox is that by being selfless and serving others, the leader enhances self.

There are ten characteristics of service leadership:

1. Listening: taking time to hear the needs and wants of others.
2. Empathy: putting oneself in the place of the person they're serving to fully understand their needs.
3. Sharing: providing access of information relevant to the achieving the vision to all involved.
4. Awareness: knowing themselves, others and the situation at hand.
5. Persuasion: ability to promote the benefits of the task or vision to others in order to get their buy-in.
6. Vision: ability to create a future picture of the organization, department, etc.
7. Foresight: planning for challenges and obstacles that may prevent the attainment of the vision.
8. Stewardship: overseeing and supervising the totality of the process.
9. Commitment to growth of people: providing support for individual's personal and professional development.
10. Building community: contributing to the overall growth of the organization and the environment surrounding it.

By applying these ten characteristics to daily activity, a leader earns the trust and respect of co-workers that enables them to move the organization to the achievement of the group's vision.

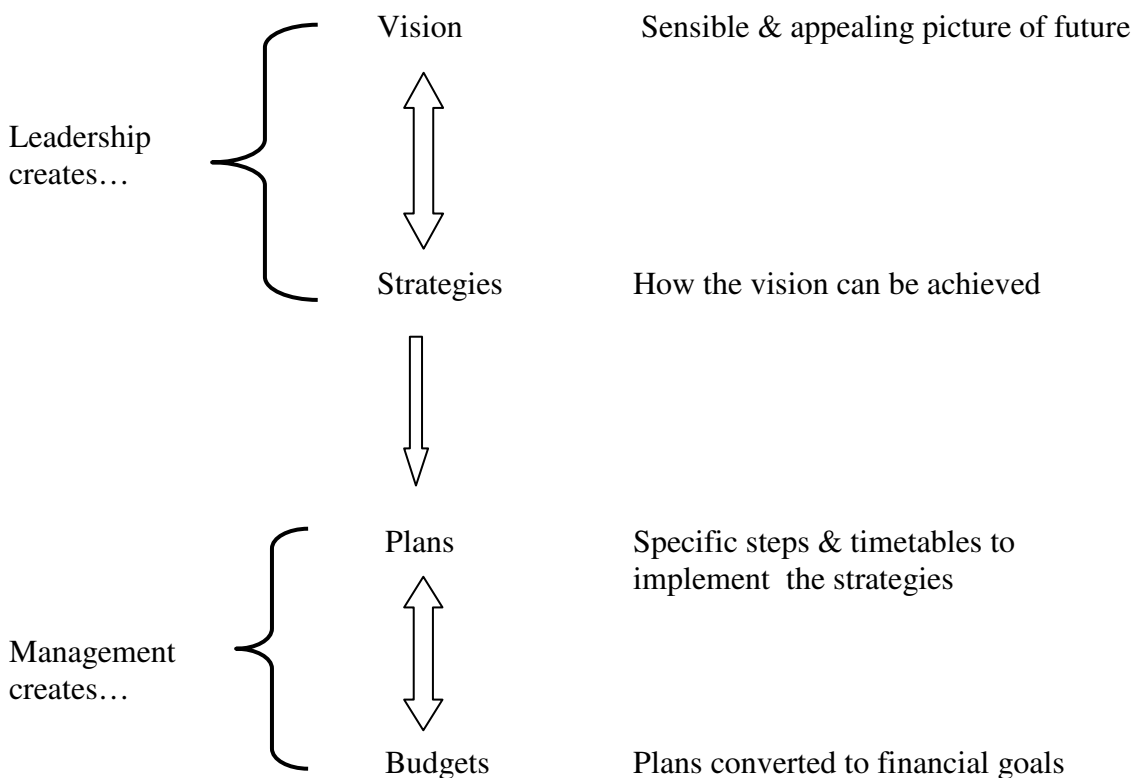
Manage or Lead?

Very few business cards contain titles with the word "leader" on them. It is much more common to see the word "manager" embossed a business card. Yet, "leader" has a much more positive connotation than "manager." Is it better to be considered a leader or manager?

While leadership is aspired to by most, it's important to have characteristics of *both* a leader and manager to provide strategic direction. Generally, leadership is concerned with the long-term vision of the company and how they will move from today's position to a desired vision of tomorrow. Leadership also is driven by values and instinct in trying to serve the organization. A management perspective looks at the short-term, and how yesterday (historical) affects today. Data, numbers and policies tend to drive managerial decisions with a keen eye on the profit/loss columns and the activities that affect them.

Another way to look at how leadership and management complement one another can be seen in a model (Figure 2) developed by Professor John Kotter of the Harvard Business School. The model below illustrates the importance of having both leadership and management perspectives to accomplish the organization's overall objectives.

Figure 2: Kotter Model—Leadership and Management



From a leadership perspective, designing a vision and the strategies to achieve that vision are instrumental in charting the organizations path. Equally important from a management perspective is developing plans and budgets that drive the implementation of the vision and strategy. Again, leadership *and* management instead of leadership *or* management is an important element of becoming a successful strategic leader.

Managing Relationships

Successful implementation of the four steps of the Strategic Leadership Process requires one key element: managing relationships. Managing relationships with colleagues, executive management, and employees is critical to becoming a strategic leader. There are two skills that can aid in managing relationships: listening and having effective conversations.

While everyone would proclaim to be a good listener, there are five levels of listening that make a distinction between the different types of listening.

1. Ignoring: not paying any attention to the speaker
2. Pretend listening: paying cursory attention; multi-tasking often leads to pretend listening. Example: sitting on the sofa watching television and having a conversation with a significant other. The dynamic usually flows smoothly until a question is posed that requires more than a “yes/no” answer and the pretend-listener is then exposed (sound familiar?)
3. Selective listening: usually occurs in a group setting (business meeting, classroom training) where one tunes in and out depending on the interest of the verbal cues.
4. Attentive listening: focusing on the speaker and not allowing external noise or potential distractions to interfere with the messages being communicated.
5. Empathic listening: listening to the other person while placing yourself in their position to fully understand what and why they are communicating—the most effective form of listening.

The second component of managing relationships is effective conversation. According to business author Phil Harkins, there are three keys to an effective conversation:

1. Candor: setting up an agenda with one’s feelings, beliefs or ideas
2. Clarity: verbal exchange of wants and needs
3. Commitment: agreement on next steps

To revisit the plains of Africa, an actual conversation overheard met the three criteria of an effective conversation. The Masaai Mara tribal leader, standing at the entrance of his hut made of sticks and cow dung, was introduced to a group of tourists. He approached one of the female tourists and said that he was the leader of the tribe and he was attracted to her (candor). He then said that in order to best run his village, he would need to add a fifth, yes fifth, wife (clarity). The woman replied that she was pleased to meet him and understood that running the village would require a lot of support. The tribal leader then asked the woman if she would become his fifth wife (commitment). The woman recalled that one of the many responsibilities of the wives of the village was to build, by themselves, the huts out of sticks and cow dung. She graciously declined the offer.

In managing relationships with colleagues and employees, it's important to remember that they are in essence, volunteers. Some people operate on the power principle, meaning they believe that their position or title enables them to force or coerce someone to do their will. However, the power principle doesn't work with volunteers. A volunteer can technically leave anytime they would like. Volunteers (read: employees) need to believe that their needs are being met through the relationship, otherwise they have no reason to be involved with the group.

When working with “volunteers,” there will always be two dynamics involved—task and relationship. If not careful, a leader can focus too heavily on just one of these variables and risk losing an employee for lack of support on the other variable. The key to keeping a balance is accomplishing the tasks at hand *while* building relationships.

Conclusion

By becoming a better, deeper listener and following the three keys to effective conversations, one can more effectively manage relationships. The management of relationships is an integral part of realizing the process of Strategic Leadership, which consists of competence, vision, communication of the vision and serving others to realize the vision. So the next time a challenging issue arises that requires strategic leadership, think back to the female lions on the sun-drenched plains of Africa. For in both cases, adhering to the four steps in the Strategic Leadership Process will produce results: a zebra for breakfast and company success.

Rich Horwath helps managers develop the skills and expertise to create great strategy and fulfill their leadership potential. He is the president of the Strategic Thinking Institute, a former Chief Strategy Officer and professor of strategy at the Lake Forest Graduate School of Management. Rich is the author of *Sculpting Air: The Executive's Guide to Shaping Strategy* and *Storm Rider: Becoming a Strategic Thinker*. Please contact Rich at (847) 756-4707, email rich@strategyskills.com or visit www.strategyskills.com