

THE STRATEGIC LEADER

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In study after study, strategic thinkers are found to be the most highly effective leaders. And while there is an abundance of courses, books, articles and opinions on the process of strategic planning, the focus is typically on an isolated process that might happen once per year. In contrast, a true strategic leader thinks and acts strategically every day. So what makes a leader strategic, and is there any way to teach strategic thinking?

A Strategic Approach

For starters, strategic leaders take a broad, long-range approach to problem-solving and decision-making through objective analysis, thinking ahead, and planning. That means being able to think in multiple time frames, identifying what they are trying to accomplish over time and what has to happen now, in six months, in a year, in three years, to get there. It also means thinking systemically. That is, identifying the impact of their decisions on various segments of the organization—including internal departments, personnel, suppliers and customers.

The ability to maintain a focus on long range objectives, the process of how to achieve them over time, and an understanding of the implications of decisions for all involved, is the hallmark of a strategic leader.

How important is a strategic approach for the individual manager or executive?

In 2009, Management Research Group (MRG) completed a large scale global study addressing this question. We evaluated the leadership practices and effectiveness of 40,000 managers and executives in 144 countries and 27 industries. Each participant was assessed with the Leadership Effectiveness Analysis (LEA), a 360-degree assessment tool measuring 22 leadership practices and more than 20 measures of effectiveness. Leadership included such practices as innovation, persuasion, communication, and results orientation, while measures of effectiveness included such characteristics as future potential, credibility, business aptitude, and people skills.

We found that a strategic approach to leadership was between two and 46 times more important to the perception of effectiveness than any of the other behaviors studied. In fact, leaders that were high on “strategic” (those who focused long range and who had a process to achieve those objectives) were five times more likely to be seen as effective as the leaders that were low on strategic, independent of any of their other behaviors. We also found that effective senior executives scored an average of 15 percentage points higher in this area than effective managers. This suggests that a strong strategic orientation is an important factor in the successful transition from a mid-level to senior position.

Later, in a follow-up study, we investigated leadership profiles produced by 7,000 senior executives charged with setting the leadership development goals for their respective organizations. When asked to select the leadership behaviors most critical to their organizations' future success, executives chose strategic 94% of the time.

This might be why so many managers and executives focus time and energy on improving their strategic skills.

How can you develop your own strategic approach?

You can develop your own strategic approach with practice and effort. First, make strategic planning sessions a regular part of your week—even if you're not actually charged with planning anything at the moment. During these planning sessions, stay focused on a few important questions:

- Objectives. What you are trying to accomplish? What is your ultimate goal?
- Plans. What do you need to do to get from where you are to where you want to be (interim goals, time frames, resources needed, accountabilities identified)?
- Implications. How will your actions affect other people and areas?
- Anticipate the future. What challenges or opportunities may come up? What will the client want? What will your competitors be doing?
- Review all parts of your operation against strategic positioning. Do you have the people/resources/training to accomplish next year's goals? How can you get them?
- Analysis. Analyze the pros and cons of any potential course of action against the ultimate goals.

The key is to continuously articulate and refine your vision for your unit, project, or initiative. And communicate this vision to others. This effort takes practice and continuity.

How can organizations develop strategic leaders?

Organizations and companies can also help develop strategic thinkers and leaders. To be sure, it's not an easy task. Strategic thinking is a difficult leadership skill to acquire because it is as much a mindset as a set of techniques. What's more, in the workplace tactical responses to immediate demands are often rewarded over long term vision and planning. That said, it's not impossible to instill strategic thinking skills in managers. Here are some ways you can foster strategic thinking as part of your management approach:

- Encourage managers to set a regular time aside for strategic planning (alone and in meeting with others). A strategic approach takes time. Make it a regular part of their job.
- Connect managers with a mentor. One of the most effective ways to develop your strategic skills is to be mentored by someone who is highly strategic. The ideal mentor is someone who is widely known for his/her ability to keep people focused on strategic objectives and the impact of their actions.

- Communicate a well articulated philosophy, mission and goal statement throughout the organization. Individuals and groups need to understand the broader organizational strategy in order to stay focused and incorporate it into their own plans and strategies.
- Reward people for evidence of thinking, not just reacting; wherever possible, organizational culture should encourage anticipating opportunities and avoiding problems, and discourage crisis management. For example, managers are rewarded for being able to quickly generate several solutions to a given problem and identifying the solution with the greatest long term benefit for the organization.
- Promote a future perspective for employees by incorporating it into training and development programs; teach people what strategic thinking is and encourage them to ask “why” and “when” questions. When a manager suggests course of action, their boss can ask them to consider what underlying strategic goal this action serves, and what the impact will be on internal and external stakeholders. Consistently asking these two questions whenever action is considered will go a long way towards developing strategic leaders.
- Keep people informed. Effective strategy requires information shared across boundaries; cross-functional teams can work on strategic organizational issues, and the results of their thinking and efforts should be published and shared throughout the organization.
- Encourage employees to hold regularly scheduled meetings to assess plans, coordinate efforts, and share information that should be incorporated into strategies.

Developing a strategic approach is not easy, but the result often makes the difference between an average and an exceptional leader.

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Management Research Group® is a global organizational assessment firm based in Portland, Maine and Dublin, Ireland.