



Center for
Creative
Leadership

NORTH AMERICA EUROPE ASIA

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Strategic Leadership: An Organizational Imperative

Is your organization or department struggling for strategic clarity and focus? Is there a significant gap between the organization's stated strategy and the reality of the day-to-day work? Do you find yourself emphasizing short-term success at the expense of long-term viability? If so, developing strategic leadership should be a top priority.

Strategy represents the pattern of choices intended to assure an organization's enduring success. *Strategic leadership* is about transforming an organization through its vision and values, culture and climate, and structure and systems as well as through its strategy. In doing so, managers and executives can establish greater clarity, make stronger connections and expand their leadership repertoire—and contribute to their organization's well-being.

So how is strategic leadership different from good operational leadership, which typically involves a specific focus and the marshalling of resources to get a certain job done? Center for Creative Leadership (CCL[®]) faculty members Richard L. Hughes and Katherine Colarelli Beatty explore this question in their new book *Becoming a Strategic Leader: Your Role in Your Organization's Enduring Success*. Through their research and work with nearly a thousand executives, they have found that strategic leadership requires different skills and perspectives than operational leadership because it is:

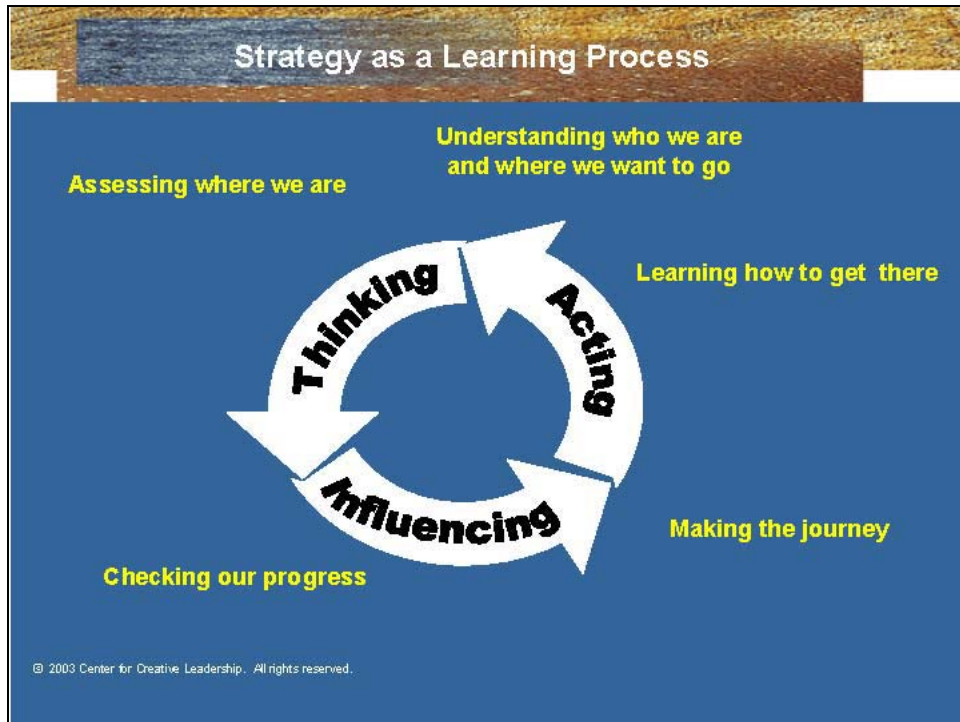
- **Broad in scope.** The strategic leader sees the organization as interdependent and interconnected so that actions and decisions in one part of the organization are taken mindful of their impact on other parts.
- **Future focused.** The strategic leader operates with a far-reaching timetable, integrating short-term results and a long-term focus.
- **Change oriented.** The strategic leader is often a driver of organizational change. The impact of his or her work cascades or ripples throughout the organization.

When CEOs and top executives understand the *who*, the *what* and the *how* of strategic leadership—and build that same capacity in others—they contribute to their organization's chances for enduring success. Hughes and Beatty offer insights into the effective pursuit of each of those elements.

The WHAT of Strategic Leadership

Leading strategically involves discovering the few key things an organization *needs* to do well and *can* do well. Equally important is creating the conditions needed to act collectively on the implications of that discovery.

To do this, organizations need to understand strategy as a learning process. The purpose of strategic leadership, then, is to drive organizations to become continual learning engines. Strategic leaders are those who continually develop and discover strategy and hold it in an ongoing state of formulation, implementation, reassessment and revision.



Making strategy a learning process has five primary elements.

- **Assess where you are.** Strategic leadership requires a clear understanding of the competitive situation facing your organization. This involves collecting and interpreting information about the organization’s external environment as well as its internal reality.
- **Understand who you are and where you want to go.** Strategic leaders need to understand the spoken and unspoken culture of the organization and its leadership. Examine your vision, mission and values. Imagine the company ten or twenty years in the future – then look at the distance and direction you must travel to succeed.
- **Learn how to get there.** This is the nuts and bolts of strategic leadership—how do you draw on insight, information and vision to determine priorities and formulate the strategy? Business strategy should be based on an understanding of *key strategic drivers*: the relatively few but critical determinants of long-term success for a particular organization in a particular industry. It’s also important to develop a leadership strategy for addressing the human and organizational capabilities that are essential to implementing the business strategy effectively.
- **Make the journey.** How does strategy translate into action? What are the tactics to take to implement strategy? How does strategy seep into the lifeblood of the organization?
- **Check your progress.** Strategic leadership requires a continuing assessment of your organization’s effectiveness. This involves looking at indicators of current performance compared with expected performance. Are adequate investments being made now to assure the organization’s sustainable competitive advantage in the future?

The WHO of Strategic Leadership

While the CEO is ultimately responsible for deciding upon a path for the organization, *many* people play an important role in their organizations' strategic leadership.

Strategy is an ongoing discovery process involving both top-down and bottom-up elements. When strategy creation is limited to off-site meetings by top executives, organizations may miss critical information and opportunities. Individuals throughout the organization whose decisions have an impact beyond their own functional areas have many opportunities to act as strategic leaders. For example, a purchasing manager can anticipate the impact on engineering and manufacturing of switching a supplier. Or a human resource director can develop systems to encourage cooperation across business units. Even those who are on the front line, interacting with the customer, are in a unique position to scan the environment, spot trends or concerns and make sense of that information.

In addition, strategic leadership is not just for individuals; often it is a collaborative, team activity. Strategic leadership teams (SLTs) are those whose collective work has strategic implications for a particular business unit, product line, service area, functional area, division or company.

The HOW of Strategic Leadership

The skills of strategic *thinking, acting* and *influencing* are what “drive” strategy as a learning process in organizations. In other words, they are the *how* of strategic leadership.

- Strategic *thinking* involves having a vision of what the organization can and should become and offering new ways of understanding the challenges and opportunities before it.
- Strategic *acting* is the coordinated effort required for an organization to implement insights and understanding derived from effective strategic thinking.
- Strategic *influencing* is about creating conditions of clarity, commitment and synergy throughout the organization.

While we distinguish between the three elements of how to go about leading strategically, it is important to appreciate the dynamic way that strategic thinking, acting and influencing interact with each other. They are not separate, distinct or linear processes. For example, strategic leaders often need to draw upon a group of diverse stakeholders to address a complex organizational challenge. That involves making sense *together*, not just within one leader's own head; it involves thinking and influencing simultaneously. Or, consider that often there's limited time for deep or prolonged strategic thinking before an action is required —so strategic thinking and strategic acting occur simultaneously.

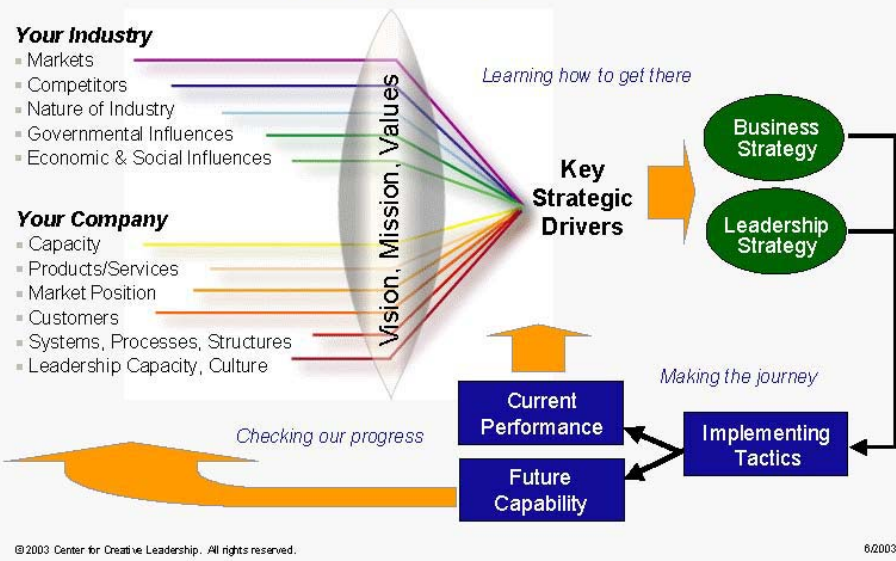
Conclusion

As research at the Center for Creative Leadership has shown, developing the capacity for strategic leadership begins with a shift in organizational and individual mindsets. It requires a belief that strategic leadership is a process not a position, demands the involvement of many and calls for a commitment to learning. Making the change is neither easy nor quick, but when individuals and teams enact strategic leadership the outcome is sustainable competitive advantage for the organization.

Strategy as a Learning Process

Assessing where we are

Understanding who we are,
and where we want to go



Strategic leadership is a process, not a position.