

Strategic Leadership

By Rich Horwath



When you think back on the seasons of your life, from childhood, through your teenage years, to college, and then your working career, who were the best leaders you've experienced? Perhaps a math teacher, scout leader, basketball coach, English professor, or your first manager. What makes them memorable? Can you

recall something they said to you, maybe even in passing, that changed your life?

A leader can change the trajectory of our life. Leaders challenge us to dig deep and bring forth our best efforts on a daily basis. Leaders clear a path through the jungle of the urgent, irrelevant,

and unimportant so we can focus on the few tasks and decisions that matter. Leaders speak the truth, act with empathy, and put our needs ahead of theirs. How many real leaders do you know?

Leadership can be defined as setting direction and serving others to achieve goals. Research with 250,000 executives by McKinsey & Co. found that the most important role of a leader is setting strategic direction. The best leaders practice the concept of servant leadership by ensuring their people are equipped with the knowledge, skills, and tools to effectively perform their functions. Inherently, a leader must articulate a destination, a goal which concentrates the team's resources into progress and achievement.

To help leaders excel in these areas, we can break these three responsibilities into skills that can be practiced and honed over time. The skills comprising the ability to set strategic direction include situational awareness, problem solving, decision making, resource allocation, identifying desired outcomes, and thinking strategically. Setting strategic direction begins with a strong grasp of the fundamental principles of strategy, knowledge of the levers of customer value, understanding of the competitive landscape and the ability to configure resources accordingly.

An important byproduct of the ability to set strategic direction is the confidence it instills in the team. Research by Kouzes and Posner have shown that a team is 40 percent more committed to executing strategies when their leader has demonstrated the ability to set clear direction. In addition to setting clear direction, it must be communicated effectively. Reed Hastings, CEO of Netflix, has charted the company's strategic direction from DVD mail delivery to streaming and now content creation. His direction has been so keen that his vision to split the mail-delivery DVD business from the streaming business initially lost them subscribers because it surged ahead of the appropriate communication and execution. Undaunted by short-term challenges such as a plunging stock price, Hastings said,

"Companies rarely die from moving too fast, and they frequently die from moving too slow."

The second element of leadership is serving others. The skills comprising the ability to effectively serve others include empathy, listening, asking thoughtful questions, determining needs versus wants, turbocharging high performance, and managing underperformance. At the root of many of these skills is emotional intelligence. Emotional intelligence is defined by Bradberry and Greaves as "the ability to recognize and understand emotions, and your skill as using this awareness to manage yourself and your relationships with others." A study by PwC found for the first time in nearly twenty years, more CEOs were fired for poor behavior rather than poor financial performance. Serving others effectively requires emotional intelligence and with it, the ability to enable others to grow.

A popular corporate mantra is to "empower our employees." Unfortunately, in some companies the word "empower" is said, but not applied. Empowerment comes when an organization gives power and authority to their employees to determine how they use their resources—time, talent, and budget. Empowerment also enables leaders to delegate more decisions and tasks, freeing them up to lead at their level. This pulls them out of the vicious cycle of spending time doing things that others are capable of doing and it provides their direct reports with growth and development opportunities.

To effectively delegate, the following four areas must be covered:

- 1. Authority:** The power and autonomy to make relevant decisions has been given.
- 2. Capability:** The person being delegated to possesses or can acquire the necessary knowledge, skills, and resources to accomplish the task.
- 3. Accountability:** A specific person is answerable for the completion of the task. This

includes regular communication about the status and timing of delivery.

4. Assessment: A review of the outcome and learnings is conducted by the leader and the person to whom it was delegated.

The third and final element of leadership is the achievement of goals. The skills comprising the ability to achieve goals include planning, communication, energy management, and execution. Goals represent desired ends or targets to be reached. They are supported by objectives, which are more specific, quantifiable, and time-based. Together, goals and objectives answer the first question of any quality plan: What are you trying to achieve?

Establishing goals that are challenging, energizing, and realistic provide focus for a team's resource allocation. As Meg Whitman, former CEO of eBay and HP Enterprises said from a leader and parent's point of view, "Do you hold up a real stretch goal, with the secret hope that the challenge will motivate the child to achieve far more than he or she otherwise would have, even if the goal isn't met? Or do you nudge along, focusing on each incremental effort—each additional hour of practice the child puts in and talk positively but vaguely of where that will lead? Personally, I am a fan of the stretch goal."

A primary pitfall to avoid is creating a laundry list of too many goals. Research by the firm FranklinCovey on thousands of teams found that the number of goals you set matters. Teams with 2-3 goals are likely to achieve 2-3 of them. Teams with four to ten goals typically achieve 1-2 of them and usually the easiest, least important of the bunch. Teams with eleven or more goals aren't likely to achieve any of them. When you do set goals in writing, you're nearly 40 percent more likely to achieve them than those who don't record them. And if those goals are written, shared with others, and updated on their progress, the accomplishment rate skyrockets to 77 percent.

In my strategic coaching work with executives, we explore and codify their leadership philosophy as represented by their values, identity, legacy, and principles. Leadership principles are specific guidance on the appropriate actions for one who sets direction and serves others to achieve goals. Values form the foundation of an organization's culture by shaping the behaviors of the collective whole. Leadership principles build on values by illuminating the actions that guide those who lead others toward their vision and goals. Following is a sample of leadership principles:

- **Lead at our level and don't do our direct reports' work.**
- **Agree or disagree but then commit to the chosen course of action.**
- **Build trust by doing what we say we're going to do.**
- **Clarify decision rights to eliminate the escalation of issues.**
- **Give people our full attention when engaged in meetings.**

What are your 5-7 leadership principles? How do they compare with those of your colleagues?

In business, it's common to equate someone's job title with their leadership status. However, when we pull back the curtain on the concept of leadership and define it as "setting direction and serving others to achieve goals," many so-called leaders simply are not. Setting direction and serving others are manifested in one's actions. If you want to be a leader, act like one. As the late professor of management Peter Drucker noted, "Only three things happen naturally in organizations: confusion, friction, and underperformance. Everything else requires leadership."



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