



Book The Strategic Leader

New Tactics for a Globalizing World

John R. Pisapia
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Recommendation

Henry Ford made good strategic choices, but he failed to see and adapt to change. He created the automobile business but his competitors quickly stole a sizable portion of it because he didn't keep up with market changes. What was true in the early 20th century is doubly so in the early 21st: If you do not lead your organization to be flexible and responsive to change, it will soon be toast. Modern businesses require strategic leaders who can quickly adjust to ever-changing, ambiguous circumstances. In this book, professor John R. Pisapia analyzes other experts' theories on leadership and describes the six habits strategic leaders must develop. The compelling, colorful stories he presents about noted personalities help bring his refined, elevated (sometimes even obscure) theories and findings down to earth. While Pisapia's book is thoughtful and scholarly, readers may find its imperfect proofreading and fact checking somewhat distracting. Still, *BooksInShort* recommends this book to leaders at all levels, to academics who teach about leadership and to consultants who advise others on how to carry out leadership effectively.

Take-Aways

- In the ambiguous "postmodern environment," collaborative, adaptive organizations will outperform those that are rigid and inflexible.
- "Strategic leadership" involves six core habits: "artistry, agility, anticipating, articulating, aligning and assuring."
- Like artists, strategic leaders combine a broad "palette" of skills and actions, including "transforming, managing, political and ethical" leadership.
- They practice agility by remaining flexible and responsive to opportunities.
- To maintain broad plans and visions, they apply the "rule of minimum specifications."
- Leadership is situational, so strategic leaders use "look-listen-learn" techniques to anticipate and adapt to important environmental patterns.
- They establish direction for their organizations by articulating a "statement of intent."
- This statement explains a firm's identity and purpose, and outlines a plan to meet goals.
- To help staffers align with organizational strategies, good leaders treat them as peers.
- Several "levers" help ensure success. They include clarifying goals, measuring results, emphasizing learning, empowering workers and linking rewards to outcomes.

Summary

Lessons in "Strategic Leadership"

Automotive pioneer Henry Ford introduced the mass-produced car at a time when his contemporaries still did not understand assembly-line production. He built and ruled a new market. But this visionary leader soon became blind to changes in his industry. His belief that his black Model T and Model A met consumer needs sufficiently enabled competitors with varied car styles and colors to topple his monopoly. Ultimately, Ford was "only partially successful" as a strategic leader. He excelled at making strategic choices, but failed to see and adapt to change.

"I define strategic leadership as the ability (as well as the wisdom) to make consequential decisions about ends, actions and tactics in ambiguous environments."

Louis Gerstner, on the other hand, was a wholly successful strategic leader. He came in as IBM's CEO when the company was preparing to break into several smaller

businesses, but the change made no sense to him. Gerstner believed that consumers would rather not rely on a single supplier for computer products, and that a larger company that served as an “integrator” of software and hardware, including products from outside firms, could better meet their needs. Gerstner kept IBM intact and then helped it prosper by understanding the business environment, setting common goals, adapting the company to change and improving communication with employees.

Understanding Strategic Leadership

Strategic leadership is vastly different from strategic management. Strategic management is linear, rational and analytical. It centers on generating strategies through detailed planning. By contrast, strategic leadership is creative and adaptive; it relies on “synthesis,” rather than analysis. This leadership style, which is more “coordinative and collaborative” than hierarchical, suits the current business environment, in which “reality is neither yes or no, but maybe or it depends.”

“It is not a one-time search for a sustainable competitive advantage but a continuous monitoring of the environment with the object of making the right moves.”

Strategic leaders help their organizations thrive in this ambiguous “postmodern environment” by being flexible and immediately responsive to change. They practice six essential leadership habits: “artistry, agility, anticipating, articulating, aligning and assuring.” These habits help them understand what is happening around them, identify goals, foster cohesiveness, forge relationships and improve organizational learning. Visualize the six habits as a “Leadership Wheel.” Artistry and agility are in the wheel’s inner circle. Anticipating, articulating, aligning and assuring fill the outer rim. The inner habits spark the outer habits. Indeed, artistry is the most important habit of all.

“Habit One – Artistry”

In the past, leaders were like scientists, responding to business opportunities and obstacles with a prescribed set of techniques. That approach no longer works. Modern leaders function like artists, employing a broad “palette of leader actions.” Sometimes they must be managers – reactive, careful and process-oriented. Other times, they have to be leaders – proactive, bold and visionary. Indeed, strategic leaders understand and use four main types of leadership:

1. **“Transforming”** – Transformational leaders challenge existing mind-sets, generate new business visions, urge employees toward “self-management,” and help build common values and objectives.
2. **“Managing”** – Managers identify goals and determine processes for achieving them. They establish clear hierarchies, and control and encourage staff to attain the goals.
3. **“Ethical”** – Ethical leaders stand their ground in a “moral dilemma.” They gain employees’ trust through their honesty and ensure that business decisions align with company values.
4. **“Political”** – Political leaders secure the support and alliances they need to further new ideas and projects. They devise compromises that benefit everyone and “maximize the balance of power in all organizational relationships.”

“Today’s leadership context is formed on quicksand.”

Strategic leaders apply and integrate these four types of leadership according to their companies’ needs for stability or change. They understand the “dialectical tension” between what their organizations “want to be” and what they actually are, and between what their organizations “can do” and what they “should do.” Rulebooks and protocols will not help leaders negotiate these chasms. They must apply artistry, the “mega habit.”

“Habit Two – Agility”

Strategic leaders use command-and-control management when necessary, but they prefer collaboration and coordination. They maintain broad plans and visions by applying the “rule of minimum specifications,” which calls for setting as few parameters as possible. For example, in his 2008 campaign, Barack Obama outlined only five guidelines for his chief operating officer: “Run the campaign with respect; build it from the bottom; no drama; the customer is king; and technology is our running mate.” These minimum specifications gave decision-making authority to his campaign staff and empowered his followers to act. By contrast, opponent Hillary Clinton’s campaign adhered to a strict hierarchy. Only a few people at the top could make major decisions, so decisions “came too late to execute at the grassroots level.” Thus, the Clinton campaign continually played catch-up to the fast-moving, agile Obama campaign.

“When the rate of change on the outside exceeds the rate of change on the inside, the end is in sight.” (former General Electric CEO Jack Welch)

In the modern, complex world of business, linear thinking and command-and-control leadership often are not enough. To adapt, leaders must develop a “strategic mind-set.” They must capably shift between analytical and creative thinking while tending to their main responsibilities: “asking the right questions rather than providing the right answers”; identifying and being open to new opportunities; and choosing the right goals, steps and stratagems.

“Leaders and their organizations tend to fail not because they make mistakes, but because they fail to learn.”

Strategic leaders learn by observing and doing, much like New England sea captain Eleazer Hull. Although Hull had no formal navigational training, he was a master navigator whose services were always in great demand. When asked how he steered ships through choppy, hazardous waters, Hull replied, “I go up on deck, listen to the wind in the rigging, get a drift of the sea, gaze at a star and set my course.” He did not rely on maps, charts and equations. Rather, this agile skipper “was able to marry analytic, creative and reflective thinking. He thought out the end and then the means.” Strategic thinking involves using three distinct skills:

1. **“Systems thinking”** – The capacity to view systems holistically and understand their relationships and patterns.
2. **“Reframing”** – The competence to gather and organize data and to identify different strategies.
3. **“Reflecting”** – The ability to process information and create “theories of practice” that guide all your future actions.

“Habit Three – Anticipating the Future”

Forecasting – deciphering what the future holds – requires an understanding of context. Take Ferdinand de Lesseps, the man who created the Suez Canal, which connects the Red Sea and the Mediterranean Sea. He began work on the canal in 1859 and finished it about 10 years later. The work went smoothly, thanks to the flat, unobstructed terrain of the Egyptian desert. However, when de Lesseps later tried to build a canal in Panama, he incorrectly anticipated that the canal design and strategies that helped him in Egypt would work again. They did not. Panama’s hilly landscape, corrupt politicians and malaria outbreaks thwarted de Lesseps and his crew. Eventually, the developer realized that the Panama Canal would require a new design – one with locks. But by the time he adjusted his approach, the project was well behind schedule and over budget. It ended in failure, hurting de Lesseps’ reputation.

“The strategic leader’s role is to find the future and set direction.”

Ferdinand de Lesseps could not complete the Panama Canal because he failed to understand that leadership is situational. And, “the situation or context does not simply affect what leaders do – it constrains and enables what leaders can do and how they do it.” Leaders who do not identify crucial factors in their environment will not succeed. Thus, they should use “look-listen-learn” techniques to anticipate and analyze important “environmental trends.” Certain analytic tools help leaders understand their business situation, including a SWOT analysis of their organizations’ strengths, weaknesses, opportunities and threats; and a PEST analysis of political, economic, sociocultural and technological factors.

“Habit Four – Articulating Strategic Intent”

Strategic leaders establish a direction for their organizations by developing a one-page “statement of intent” that articulates their companies’ identity and purpose, outlines their goals and explains a plan to attain them. Such statements should involve a “flexible set of priorities.”

“Strategic leadership is not just within the purview of executives as traditionalists suggest. It must reach to the lowest levels of the organization.”

After articulating this essential information, push open “windows of opportunity” and “run for daylight.” This phrase comes from the book *Run to Daylight* by Vincent Lombardi, former coach of the Green Bay Packers football team. The title refers to the Packers’ most famous play, “the Packer Sweep.” When players execute the sweep correctly, defensive players can’t stop it. In the play, the quarterback hands the football to a running back, who runs laterally toward the sidelines, but keeps the goal line in sight. The linemen do the same, but keep their eyes peeled for an opposing player to block. The back’s job is to pivot and head upfield once he sees “daylight between the linemen.” The play illustrates the “importance of preplanning and being prepared for opportunities to arise, and then swiftly taking advantage of them.” Such “strategic opportunism” requires a flexible organizational framework and mind-set – the opposite of linear planning.

“Habit Five – Aligning Colleagues with Intent”

Strategic leaders strive to gain their employees’ trust and encourage them to act as peers, not underlings. They help their organizations align around shared goals and interests. Such leaders establish strong relationships with their followers by bonding, listening well and telling stories. Plus, they serve as networkers who create a “bridge” to people with influence, thereby developing valuable “social capital.”

“As artists, strategic leaders are flexible and able to adapt to different circumstances and conditions. Sometimes they exert influence by using command and control behaviors. At other times they use morality and virtue, or bargaining and incentives, to influence followers. At still other times they seek to emphasize and articulate common values, direction and goal attainment.”

Ritz-Carlton is an example of a company that works hard to build loyalty among its staffers. It expresses their worth in its “employee promise,” which says, “Our ladies and gentlemen are the most important resource.” The hotel chain follows through on its promise. After Hurricane Katrina, Ritz-Carlton allowed its employees in and around New Orleans to transfer to the chain’s hotels elsewhere, so they could have paying jobs while the city was being rebuilt. Such actions nurture Ritz-Carlton’s “trusting culture.”

“Habit Six – Assuring Results”

Seven “levers” help strategic leaders build a high-achieving company:

1. **“Make the change target concrete and clear”** – Effective organizations have flexible, motivating visions, captured in a strong statement of intent.
2. **“Track performance”** – The balanced scorecard and other metrics help leaders know if their strategies are working. Communicate openly about the firm’s progress.
3. **“Teach the organization’s point of view”** – Strategic leaders model organizational values, explain the context of their requests and share stories that nurture the company’s culture, among other tactics.
4. **“Make learning a priority”** – Asking questions, offering feedback and learning from mistakes all help emphasize organizational learning.
5. **“Put people at the center of things”** – Cultivate a culture of “self-management” and “self-direction” that empowers workers.
6. **“Recruit and select for performance and culture”** – The best job applicants “think and act like owners.”
7. **“Tie rewards to results”** – Incentives should be “visible” and “meaningful.” All employees should know what they have to do to merit rewards.

About the Author

John R. Pisapia teaches leadership and policy at Florida Atlantic University. He has the sobriquet “global professor” because he has taught in China, India and elsewhere.