





Strategic Management
versus
Strategic Leadership

The Difference is Strategic Thinking



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Introductions


Shirley Kelly, PHR



Introduction

Dave Rambow, Ed.D.



Expectations, Needs, Curiosities

oWhat would you like to obtain from this topic presentation?

oWhat are your organizations' Strategic needs?

oWhat are your HRM departments' Strategic needs?

oWhat about business strategy or HRM strategy are you curious about?

SHRM Body of Competency and Knowledge

The diagram illustrates the SHRM Body of Competency and Knowledge. It is structured into three main layers of competencies that lead to Strategic Outcomes:

- Behavioral Competencies:** Includes Leadership, Business Acumen, Ethical Practices, Relationship Management, and Communication.
- Technical Competencies:** Includes Consultation, Critical Evaluation, and Social & Cultural Technologies.
- Functional Domains:** Includes People, Organization, and Workplace.

These competencies are supported by **HR Strategic Pillars** (Employee Engagement & Retention, Learning & Development, Total Rewards) and **HR in the Global Context** (Diversity & Inclusion, Risk Management, Corporate Social Responsibility, U.S. Employment Law & Regulations, Technology Management).

Presentation Outline

- Part 1: Differences Between Managers and Leaders
- Part 2: Differences Between Strategic Managers and Strategic Leaders
- Part 3: Strategy and Strategic Thinking
- Part 4: Why Strategic Thinking is Important to HRM
- Summary & Conclusion
- Q & A Session






Part 1

Difference Between Manager and Leaders

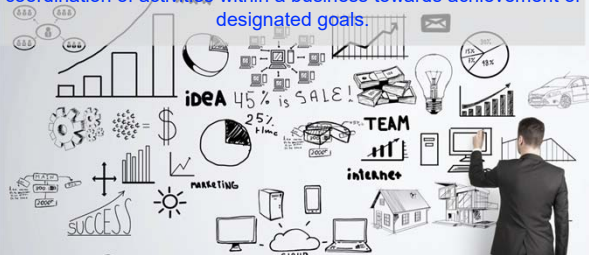




from the **CLASSROOM** to the **BOARDROOM**

What do Managers do?

A manager is a person responsible for controlling and administering all or part of a business through controlling the execution and coordination of activities within a business towards achievement of designated goals.



Primary Role of Managers is Control

- o **Control and allocate** organizational resources:
 - money, materials, machinery, equipment, space, facilities,
 - information and technology
 - use of time
 - people
- o **Control to achieve compliance and enforcement** formal policies, rules and procedural regulations of their employing organization
- o **Control the dissemination** information and instructions
- o **Managers have employees [subordinates] who they tell their subordinates what to do and how to do it**

What do Leaders do?

A leader is a person in a business, who is in either a formal position or an informal position, who **interacts** with a group of people and **influences** their behavior towards achieving designated formal or informal goals.



GOAL STRATEGIES
IDEAS
RISK

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Primary Role of Leaders is to Engage Followers

o A leader engages people through:

- Inspiring people see the opportunity and possibilities that can come a meaningful vision
- By developing trusting relationships
- By promoting creativity and innovation
- By demonstrating a belief in people in daily interactions
- By empowering people
- By encouraging people to grow and reach their potential.

o Leaders lead followers [people] through coaching and developing competencies to achieving valued goals



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Leaders and Followers

- **Inspire** people to see the opportunity and possibilities that can come with change.
- **Encourage people** to grow and reach their potential.
- **Help people** make connections between what they can contribute and a larger purpose.
- **Create an environment for individual GROWTH and FULFILLMENT.**



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How do Managers differ from Leaders?

DIFFERENCE BETWEEN

<p>MANAGER</p> <ul style="list-style-type: none"> - Drives employee - Depends on authority - Inspires fear - Says, "I" - Places blame for the breakdown - Knows how it is done - Uses people - Take credit - Commands - Says "Go" 	<p>VS.</p>	<p>LEADER</p> <ul style="list-style-type: none"> - Coaches them - On goodwill - Generates enthusiasm - Says, "We" - Fixes the breakdowns - Shows how it is done - Develops people - Gives credit - Asks - Says, "Let's go"
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Seen in the Difference in the Primary Focuses of Managers and Leaders

- o **Managers focus attention and energy on Process Control**
 - How processes should be designed and controlled.
 - How tasks will be done.
 - How to improve efficiency in operation.
 - Making Process, analytical decisions when addressing problems
 - People are seen in Processes.
- o **Leaders focus attention and energy on People**
 - How people are coached, developed, and encouraged.
 - How to form people into productive teams to accomplish tasks.
 - How to be effective through the efforts of people
 - Make holistic, People collaborative decisions when address problems.
 - People are viewed as individuals, not as a resource.

Part 2

Difference Between Strategic Managers and Strategic Leaders

Prime Task of Strategic Managers

Peter Drucker stated the primary task of strategic managers is to... "Think through the overall mission of a business by asking this key question: *"What is our Business?"*"

GOAL: TO STRATEGIZE AND IMPLEMENT STRATEGIES TO ACHIEVE ORGANIZATIONAL PURPOSE AND LONG-TERM SUCCESS

RISK: TO FAIL TO IDENTIFY AND ADDRESS STRATEGIC ISSUES

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What Strategic Managers Do

- A strategy manager
 - An upper-level manager
 - Who analyzes market and business conditions
 - Identify strategic issues
 - Formulates a business' strategy,
 - Identifies strategic goals,
 - Implements strategy by allocating resources to achieve strategic goals.

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Duties and Responsibilities of Strategic Managers

- **Data Analysis**
 - Data collected from the market environment
 - Data collected from the business' performance
- **Identify a business' strategic issues**
 - Identify measurable steps to achieve business growth
 - Use financial and statistical models
 - Improve returns-on-investments (ROI)
- **Develop Strategic Goals**
 - Determine organizational direction
 - Develop and control budgets

GOAL: TO STRATEGIZE AND IMPLEMENT STRATEGIES TO ACHIEVE ORGANIZATIONAL PURPOSE AND LONG-TERM SUCCESS

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Strategic Thinking for Strategic Managers

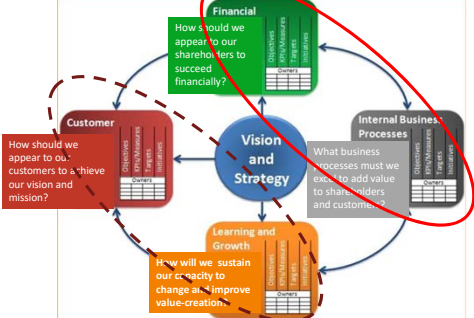
- Competition drives the way Strategic Managers Think.
- The purpose of Strategy is to WIN.
- To Win in the Market Place, Strategic Managers think analytically.
 - Analyze the Market and the Business (SWOT)
 - Develop a Strategic Plan
 - Develop and measure performance plans
 - Problem solving (Gap Analysis)
 - Decision-making driven by financial and budget constraints.

The Skills of a Strategic Manager

- **Core Skills include:**
 - Knowledge in the application of mathematics and statistics
 - Decision-making skills
 - Knowledge of various financial structures
 - Organizational Skills
 - Budget skills
 - Analytical skills
 - SWOT Analysis
 - Formation and application of a Balanced Scorecard

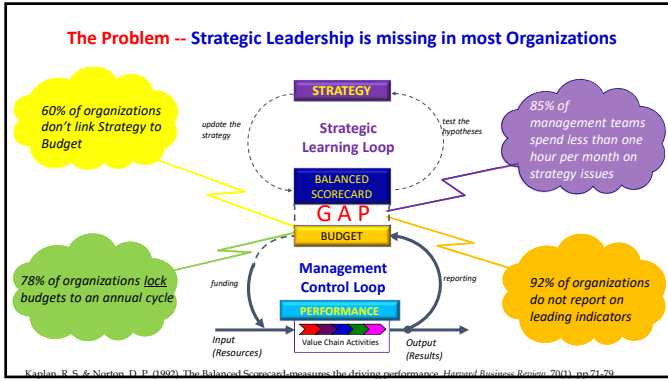


The Balance Score Card



The diagram illustrates the Balanced Scorecard with four perspectives surrounding a central 'Vision and Strategy' hub:

- Financial:** How should we appear to our shareholders to succeed financially?
- Customer:** How should we appear to our customers to achieve our vision and mission?
- Internal Business Processes:** What business processes must we excel to add value to shareholders and customers?
- Learning and Growth:** How will we sustain our capacity to change and improve value-creation?



Prime Task of Strategic Leaders

Henry Mintzberg stated the primary task of strategic leaders is to... "Think through the overall strategy of a business by asking this key question: *'How do I mobilize change through people by influencing how they think, feel, and behave in respects to the strategy?'*"

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What do Strategic Leaders do?

- A **strategic leader** is a person in a formal position, or in an informal position who influences:
 - Employees to **voluntarily** make decisions by developing employees, engaging employees, and rewarding employees.
 - **Alignment** of people [culture] and structure to adapt to the changing demands created by external market conditions.

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Multiple Roles of a Strategic Leader

- A strategic leaders is a **Navigator** navigating people through complex issues, challenges, problems, and opportunities to affect positive outcomes.
- A strategic leader is a **Strategist** developing a shared vision through people towards long-range goals.
- A strategic leader is an **Entrepreneur** encouraging people to engage in creative thinking towards long-range goals.
- A strategic leader is a **Mobilizer** energizes and aligns people, stakeholders, capabilities, and resources towards long-range goals.
- A strategic leaders is a **Talent Advocate** who identifies talent internally and who attracts talent externally, and develops and retains talent in a business to achieve long-range goals.







Multiple Roles of a Strategic Leader (cont.)



- A strategic leaders is a **Captivator** who builds passion in people to engage their talent towards long-range goals.
- A strategic leader is a **Global Thinker** that integrates information from multiple sources towards optimizing people's performance towards long-range goals.
- A strategic leader is an **Change Agent** by creating a work environment where people make change happen in order to achieve long-range goals.
- A strategic leader is a **Enterprise Guardian** who advocates for people, their development, their participation, their empowerment, and their ability to make decisions at their job level towards long-range goals.




Five Essential Skills of a Strategic Leader

1. **The Ability to Align** people with strategy and goals
2. **Expanding Current Skillset** – Strategic leaders see new challenges and seek new knowledge and education. By staying relevant with new demands, strategic leaders solidify a place on the executive radar as the go-to person for critical responsibilities.
3. **The Ability to Interpret and Communicate** – Strategic leaders spend a lot of time receiving information, filtering it down to the essential matters, and sending it out to staff effectively to produce results. The communication skills of a leader are as both a collector and distributor of information, which requires a significant ability to interpret messaging correctly and anticipate what it means for the future. Those assumptions then drive decision-making for strategic moves.

Five Essential Skills of a Strategic Leader (cont.)


- 4. **Courageous in Decision-Making** – making effective, timely decisions in the face of complexity and uncertainty.
- 5. **A Willingness to Challenge and Be Challenged** – a strategic leader look for ways to test and improve staff’s skillsets repeatedly. That way, when crunch time actually arrives, they have a good comfort level on people’s capability handling important projects. A strategic leader also is willing to be challenged to develop further skill-sets.



Strategic Managers and Strategic Leaders

• The key differences in:


- Ways of Seeing and Doing
- Duties and Responsibilities
- Skill Levels
- Ways of Thinking



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Different Ways of Seeing and Doing

Seeing Global Myopic	Strategic Managers <ul style="list-style-type: none"> • Long-Term use of resources • Focused on Budget • Control Internal Processes • Transactional with employees • Political behavior • Single Mental Model-Efficiency • Process data from simple "cause and effect" • Analytical – parts • Rational appeal – Head • Restrictive -predictable • Goal Focused 	Strategic Leaders <ul style="list-style-type: none"> • Long-term development • Vision with Meaning • Inclusive -Stakeholders • Cultural values • Transformational • Growth thru learning • Multiple Mental Models – • Multiple perceptions of "causes and effects" • Holistic and Synthesizing thinking • Rational & Emotional appeal– Head & Heart • Creative - innovative • People and goal Focused
	Control ————— Doing ————— Engage	






Part 3

Strategy and Strategic Thinking



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What is Strategy?

o Today, **Strategy** is defined as a continuous process of analyzing, adapting, innovating, and increasing capabilities of a business through integrated and coordinated commitments and actions in order to out compete rivals in the face of an unfolding, complex market.





Hitt, M.A., Ireland, R. D. & Hoskisson, R.E. (2010). *Strategic management: Concepts and cases*. (9th ed.). Mason, OH: South-Western Cengage Learning.



Why Strategy ?

Where there is no strategy, there can be no victory.
~ Sun Tzu

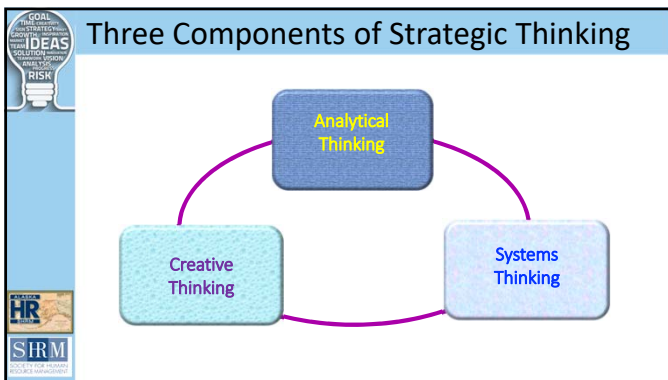
- o Strategy establishes a direction, coordinates efforts, and engages human talent.
- o Strategy seeks to out maneuver rivals in the market.
- o Strategy continually adapts to changing market demands and environmental forces.
- o A business' Strategy seeks to **WIN** in the market place by creating a "**Competitive Advantage**"





Strategic Thinking Defined

- A way of thinking that allows an individual to process the world from a global perspective and to use this global perspective to develop an organization's shared vision, purpose, and goals and to promote and innovative and creative in people to address strategic challenges.
- This form of thinking is long-ranged focus with an emphasis on a non-linear, holistic view of an organization within a complex environment.
- This form of thinking views people as an essential asset to solve problems facing the business in the implementation of strategy.

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A Strategic Thinker


- o Looking at oneself, one's department and employees, the business, the customers, the business' market environment, and the business' rivals in such a way that the "thinker" sees both the parts and the circular causality of parts within the whole.
- o The strategic thinker knows the "Whole" by understanding:
 - The purpose of the business in relations with its environment.
 - The purpose and value of people in the business in relations to the business' strategic direction.
 - The core values of the culture in the business in relations to strategic goals.
 - The current and future needs of customers.
 - The development of critical competencies in people to implement a business' strategy.






Strategic Thinking Involves Analytical Thinking


- Begins with analyzing a business in its market environment.
 - How well did the business perform in its current strategy?
 - How has the market environment changed in terms of:
 - what rivals are doing?
 - what customers are seeking?
 - what has been the influence of technology?
 - How must the business change to complete in this changing environment?
 - What changes within the business' structure and work processes must change?
- This analysis process identifies *strategic issues*, and determine the new strategic direction a business will engage in its market.






Strategic Thinking Involves Systems Thinking

- o **Systems thinking** is the process of understanding how things outside a system [business] and things within a system [business] influence one another and influence the whole [business effectiveness].
- o All "open" systems [businesses] must interact with their environments to acquire critical resources.
- o All systems are composed of parts or sub-systems.
- o All parts or sub-systems [departments, groups, and jobs] of a system [business] must be aligned, connected, and interdependent.
- o All systems [businesses] consists of structure and processes that transform inputs into outputs to achieve "purpose" sending output into the wider environment [market].
- o Feedback from the environment [market] provide information on Effectiveness.



Creative [Innovative] Thinking

- Creative Thinking applies analytical and systems thinking to generate and apply new ideas in specific contexts, seeing existing situations in a new way, identifying alternative explanations, and seeing or making new links that generate a positive outcome to a problem.
- In Problem Identification:
 - Analytical thinking provides information on PARTS.
 - Systems thinking provides information on the relationship between PARTS and their external environment.
 - Creative thinking Synthesizes both information to create a new solution.



GOAL: TIME CREATIVITY SOLUTION STRATEGIC GROWTH MARKET TEAM SOLUTION TEAMWORK VISION ANALYSIS PROGRESS RISK

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SIRM SOCIETY FOR HUMAN RESOURCE MANAGEMENT

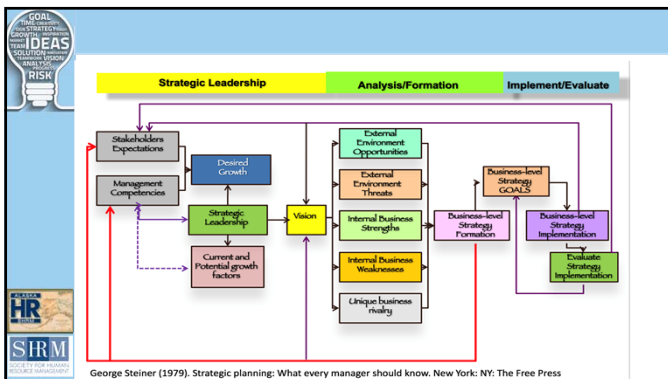
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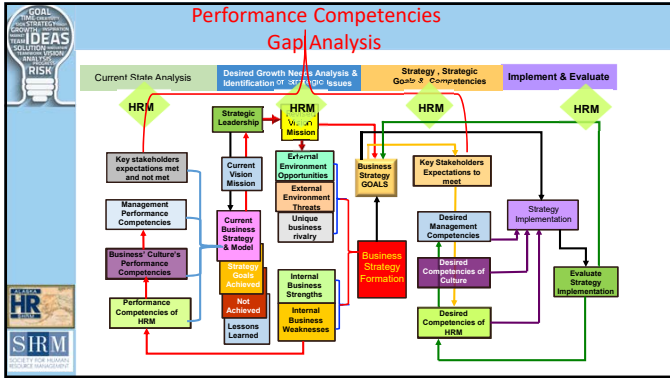
Why Strategic Thinking is Important to HRM



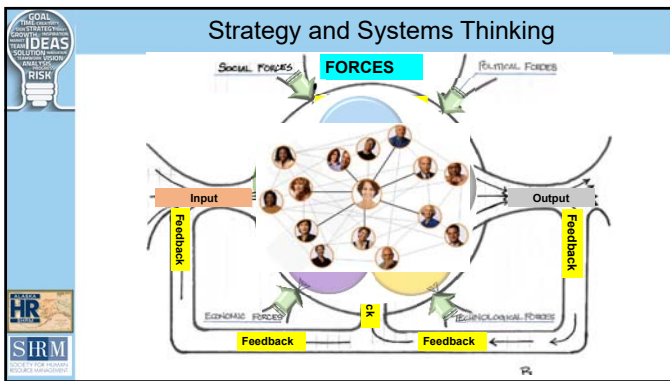
from the **CLASSROOM** to the **BOARDROOM**

SIRM SOCIETY FOR HUMAN RESOURCE MANAGEMENT





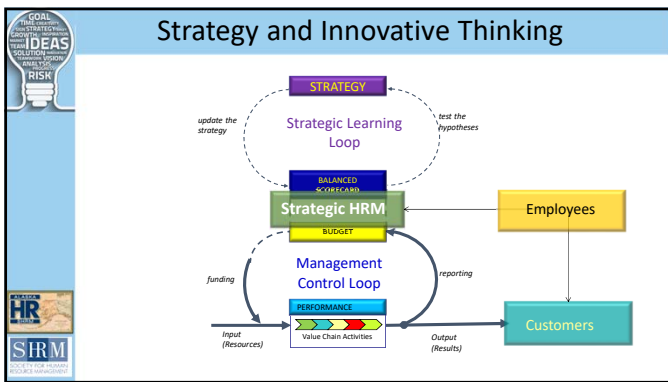




The Role of HRM Leaders


- Business strategy advisors and partners with Business Managers in formation and implementation of a business' strategy.
- Strategic roles of HRM
 - Strategic partners with Management
 - Strategy Leader
 - Change Agents
 - Develop Human Capital
 - Functional Expert
 - Employer Branding
 - Recruit for TALENT
- HR Strategy & HR Strategies

Ulrich, D. & Brockbank, W. (2005). The HR Value Proposition. Boston, MA: Harvard Business School Press



HRM Leaders Align People with Strategy



achievement education coaching
 leadership encouragement
 growth responsibility improvement
 training **Talent** knowledge
Management work
 relationship reward attention




Summary and Conclusion





from the **CLASSROOM** to the **BOARDROOM**

Summary

- Strategic Managers and Strategic Leaders think differently.
- Because they think differently, they **SEE** and **DO** differently.
- A Strategic Leader's Strategic thinking involves
 - Analytical Thinking
 - Systems Thinking
 - Creative Thinking
- HRM needs to develop a strategic leader's thinking approach to business strategy

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Conclusion

It has been said that the greatest resource in an organization is its people.

However, it now can be argued that the greatest resource in an organization is its strategic leaders with a common vision that guides, promotes, and engages the talents of people towards a greater contributions.

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