

The struggle to lead strategically in the public sector

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In 2014, the Leadership Development Centre (LDC) analysed over 500 survey responses to improve our understanding of our current public sector leadership requirements. The results suggested that the common strengths of public sector leaders include rigorous analysis, decision-making skills and strategic thinking. The two lowest rated areas in the same survey reflected the frequency with which leaders were observed displaying compelling and impactful leadership and communicating a clear and compelling vision.

In 2015 a revised [Leadership Success Profile \(LSP\)](#) was published to provide the public sector with a framework for good leadership. This updated profile included strategic leadership as one of five key areas of leadership capability. One year after the introduction of the revised LSP, the LDC analysed a new sample of surveys. The results indicated that, overall, strategic leadership rated lowest of the five LSP areas.

Further evidence concerning areas for leadership development in the public sector was released by the State Services Commission in May 2016. The results from Leadership Insight, a capability analysis of the senior and executive leaders in the New Zealand public sector, found that '*leading with influence*' (one of the LSP capabilities of strategic leadership) was the number-one development priority across the sample. Forty-four per cent of leaders analysed in the Leadership Insight were identified as requiring further development in leading with influence.

These different assessments have returned intriguing results about leadership capability, but what makes the area of strategic leadership particularly interesting is the fact that many of the individuals assessed are senior leaders in the public sector – individuals who operate at a strategic level, providing the vision and direction that will lead to the success of the organisation.

What is *leading* strategically? How does it differ from *thinking* strategically?

The 2015 revision of the LSP recognises strategic leadership as an individual's ability to "position teams, organisations and sectors to shape, define and respond to the future". This definition captures the essence of the need for leaders to engage others to achieve the bigger picture while also recognising that there is an underlying planning element to the whole process.

This sentiment is echoed by other researchers, such as Rowe and Nejad (2009) and Hoskisson, Hitt and Ireland (2004), who recognise strategic leadership as the ability to influence others in the organisation to make day-to-day decisions that led to the organisation's long-term growth and survival.

The Center for Creative Leadership (CCL) also recognises the importance of strategic leadership as involving others in "... making sense together, not just within one leader's own head ..." (2004 p. 3).

What seems apparent in the literature is that there is both an analytical and a humanistic component to strategic leadership, and these two components must be balanced to ensure the execution of strategic objectives remain relevant and successful (Mullen & Narain, 2005).

In terms of understanding the results from the two surveys mentioned in this report, perhaps the simplest explanation is that strategic thinking reflects an individual's cognitive approach to addressing the organisation's direction (strategic planning), while strategic leading involves taking others on the journey (strategic implementation).

A Closer Look: The United States Army War College

The United States Army War College (USAWC) conveys a clear understanding of strategic leadership and its components. USAWC defines strategic leadership as the process used by a leader to achieve a desirable and clearly understood vision. This is achieved by "influencing the organisational culture, allocating resources, directing through policy, and building consensus within a volatile, uncertain, complex, and ambiguous global environment which is marked by opportunities and threats". (Magee, 1998 p. 3)

What's happening in our sample of public sector leaders?

Back in 2014, LDC's analysis considered the hypothesis that the most common strengths for public sector leaders were typically individual skills, abilities and behaviours that a leader could bring to bear on an issue.

The more recent assessments of leadership capability support this finding. The March 2016 analysis from the LDC and the April 2016 Leadership Insight assessment summary both suggest that common strengths among public sector leaders relate to individual leadership characteristics. In terms of development priorities, both these assessment approaches found that, within the LSP area of Strategic Leadership, there is room for developing many public sector leaders' skills in leading in a persuasive and impactful way to help others embrace change and to engage others in the vision that will ultimately meet current and future customer needs.

This idea may explain in part why thinking strategically was such a key strength in 2014 and leading strategically was identified as a development priority only two years later. It may well be that while our leaders have the cognitive grunt required to think through the complex issues and determine the most viable path for them and their organisation, they aren't quite as skilled in the capabilities that are needed to persuade or inspire others to follow.

Why is strategic leadership important?

For public sector leaders, competence in strategic leadership is particularly important. In his Harvard Business Review web article, Robert Lavigna (2014) states: "Few things are more engaging than making important progress toward goals, but the goals of public sector organizations are often hard to translate into objectively measurable units. Government managers must therefore clearly articulate long-term missions, values, goals, and impacts – and help employees see how their work connects."

A unique skill

"The competencies related to managing vision and purpose appeared to be unique; these skills seemed to be related not only to strategy but also to inspiring others through communication of the vision" (De Meuse, Dai & Wu, 2011).

Researchers at CCL (2016) agree, asserting that strategic leadership is needed to achieve goals, drive performance and align short-term actions with long-term direction. Strategic leadership is central to influencing organisational culture, leading change and aligning different organisational components to ensure that the entire organisation remains responsive to its operating environment (and to potential future opportunities).

According to Rowe and Nejad (2009), the most important aspects of strategic leadership are having shared values and a clear vision. Communicating the vision clearly allows employees to operate with more autonomy while remaining in harmony with the overall picture of the organisation's direction.

In Gallup's view (2014), the level of employee engagement should increase, and this will affect important business outcomes, such as productivity and quality. Kampf (2014) states that great managers can motivate employees to act and can engage workers with a compelling mission and vision – and managers may account for a significant portion (70 per cent) of the variance in employee engagement.

Kampf's view on the importance of articulating a compelling mission and vision is supported by De Meuse, Dai and Wu (2011). In their study of competencies that were important across leadership transitions, the three researchers found that the skill of managing vision and purpose appeared to be unique. This skill seemed to be related not only to strategy but also to inspiring others by communicating the vision.

Mumford, Campion and Morgeson (2007) confirmed this finding with a study that found that the competencies that increased the most in importance from middle managers to executives reflected business and strategic leadership skills.

How did we get here?

There is probably no single reason for why this thinking/leading strategically dichotomy has emerged, but at LDC, we believe there are a few plausible theories worth considering.

Marshall Goldsmith, author of *What Got You Here Won't Get You There* (2008), suggests that successful people resist changing how they operate for several reasons, including their attachment to successful past performances. If an individual has achieved through using a particular set of behavioural approaches, then they are less likely to want to change those behaviours. However, their ascension to more senior leadership roles may require them to alter their behaviours to address new ways of working – but not everyone is able, or willing, to let go of what has worked for them before.

Multiple stakeholders, lightning-fast communication technologies, global market forces, political pressures, legislative requirements, organisational policies and cultures are but a few of the considerations that leaders need to contend with when considering the way forward. The ability to process disparate information, consider diverse perspectives, analyse issues, examine complex relationships and make sense of all these elements are critical.

The disparity between thinking strategically and leading strategically could also possibly result from recruitment bias. For many years, we've been lead to believe that one of the most reliable predictors of leadership potential is general intelligence. Since the early 20th century, researchers have delved into general cognitive ability, and its popularity as a predictor of future success continues. In an age marked by volatility, uncertainty, complexity and ambiguity it's easy to understand why high cognitive functioning is seen as an important prerequisite in our leaders.

Renowned EQ researcher Daniel Goleman (2011) recognises the significance of cognitive ability. In his article *They've Taken Emotional Intelligence Too Far*, Goleman states, "There's no question IQ is by far the better determinant of career success, in the sense of predicting what kind of job you will be able to hold. It typically takes an IQ of about 115 or above to be able to handle the cognitive complexity facing an accountant, a physician or a top executive."

However, Goleman also claims that a paradox exists in this pursuit of advanced cognitive functioning: "... once you're in a high-IQ position, intellect loses its power to determine who will emerge as ... an effective leader."

Growing strategic leadership in the public sector

As public servants, we can look to the LSP as our guiding framework for determining what good leadership looks in the public sector. Amidst the various components of the LSP is the definition of 'strategic leadership' and the capabilities that have been attributed to it. Improving our understanding of these areas may enable us to become more targeted in identifying the development interventions and experiences that can grow our leadership capabilities.

Navigating for the future: Strategic leadership

You position teams, organisations and sectors to shape, define and respond to the future. You work effectively with others to figure out what the future should look like – and how to get there.

The following three capability areas form the area of strategic leadership:

- *Leading strategically: Think, plan and act strategically to engage others in the vision and position teams, organisations and sectors to meet customer and future needs.*
- *Leading with influence: Lead and communicate in a clear, persuasive and impactful way to convince others to embrace change and act.*
- *Engaging others: Connect with and inspire people to build a highly motivated and engaged workforce.*

With these three capability areas in mind, we've provided six tips for transforming strategic *thinking* into strategic *leadership*.

1. **Focus on how you communicate the vision:** Be simple, clear and purposeful. When you articulate the vision, make sure you capture *why* your strategy is meaningful to your audience.

2. **Involve others:** If you want to know what motivates people to work towards a common goal, then use a collective approach to developing the strategy. Understand perspectives, gather feedback and build relationships from the start. Recognise that people want to be involved in shaping the bigger picture, and their involvement in and awareness of the organisation and its culture and drivers will benefit progress towards any organisational goal.
3. **Relate the job to the direction:** Regularly talk to staff about how their day-to-day work contributes to the larger objectives of the team or organisation.
4. **Stay on message:** Know what you are about and how your team fits into the organisation and sector. Communicate consistent messages about where the organisation is heading and how you expect the organisation to achieve its objectives.
5. **Learn from others:** Find a person who is good at conveying the strategic story in a compelling way to others. Ask them for feedback on your approach to and delivery of specific organisational goals.
6. **Seek feedback:** Complete the LDC's LSP360° degree feedback survey to see how your strategic leadership is perceived.

LDC has toolkits available online for leaders from member agencies to support them in growing their leadership in these capability areas. Interested in talking further with us about this topic? Contact us on research@ldc.govt.nz or call us on 04 473 2222.

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