

# Human development case study

Business



Case study on shingling rhea current issue and full text archive of this Journal is available at NNW. Nearsightedly. Com/1755-XX. HTML Leadership practices that encourage strategic thinking Leadership practices Ellen F. Goldman Department of Human and Organizational Learning, Graduate School of Education and Human Development, George Washington University, Washington, District of Columbia, USA 25 Abstract Purpose - The purpose of this paper is to define and then investigate the incidence of organizational leadership practices that encourage a culture of strategic thinking.

Design/methodology/approach - Discussions with 400 US healthcare executives attending focused educational seminars identified 18 leadership practices that encourage strategic thinking and 117 participants in subsequent seminars completed a survey assessing their use of the practices. Central tendencies, patterns across high and low users, and demographic differences were analyzed. Findings - rhea two most frequently used practices involved reactions to crises.

Executives using most of the practices employed long time horizons and made investments in human resource development and organizational learning. Industry suppliers and those responsible for parts of organizations were more likely to formally develop subordinates' strategic thinking ability.

Research limitations/implications - While the study used a convenience sample with self-ratings, it identified salient leadership practices for encouraging strategic thinking.

This research should be expanded to other industries and countries. Case study methods would provide additional insight.

Practical implications – The findings support enhanced practitioner education regarding strategic thinking and provide practitioners with a place to start in looking for ways to enhance strategic thinking among individuals in their organizations. Originality/value – The study fills a gap in the literature regarding specific ways in which organizational culture may impact strategic thinking in others. The study also provides a model for scholar-practitioner inquiry, exemplifying practitioner involvement in methodology development and the interpretation of findings.

Keywords Strategic management, Leadership, Organizational culture, Strategic thinking  
Paper type Research paper  
Introduction For the past 25 years, studies have identified top leaders' absence of strategic thinking as a major detractor of organizational performance (Bonn, 2001 ; Sewers, 2002; Mason, 1986; Gabriele and Hellmann, 1991).

Were strategic thinking present, better corporate decisions would have been made and greater value provided to constituents.

Three reasons for the strategic thinking gap have been suggested: a lack of understanding of the concept overall; constant practitioner and theoretician confusion of the term “ strategic thinking” with “ strategic planning” as well as other strategic. The author wishes to acknowledge the assistance of Dry Deterrence Cahill and Andrea Casey with instrument design; doctoral students Rueben Peasants Folio, Jason Heifer and Knish Manikins with data

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1108/17554251211200437 JAMS 26 management terms; and limited development of strategic thinking among organizational leaders (Goldman and Casey, 2010). At the same time the gap at the top is recognized, so is the need to develop the strategic thinking ability of those at deeper levels in organizations. The nature of today's work environments requires individuals to interpret complex information and develop strategies that improve organizational processes and routines Monsoons et al. 2003; Whitley, 2006). Organizational leaders commonly lament the lack of strategic thinking among their top management team members and their subordinates, viewing it as something those individuals need to acquire and bring to bear on their areas of responsibility (Atavistic, 2010). The literature, however, suggests that organizations themselves are the loci of learning to think strategically.

The process is characterized as dynamic, interactive, iterative, messy, and informal learning (Casey and Goldman, 2010; Mentoring, AAA).

Individual differences, such as personal habits (Omaha, 1982; Sloan, 2006) and learning styles (Kola, 1984), are contributing factors; but workplace experiences have major impact (Goldman, AAA; Goldman et al. , 2009). Also considered important contributors to learning to think strategically are factors such as organizational typology (Miles and Snow, 2003), work team composition (Bonn, 2005; Levi, 2007), and organizational culture (Bonn, <https://assignbuster.com/human-development-case-study/>

2005; Goldman and Casey, 2010). An impact to organizational culture has been considered in relation to the strategies selected by top management (Lora's, 1985; Scheme, 2004), but little prescriptive data exist on how to use culture proactively to encourage strategic thinking (Approach and Thomas, 2002).

Organizational culture is embedded via leadership practices (Scheme, 2004). Specific practices that might encourage strategic thinking have been suggested (Goldman and Casey, 2010). This study further defines and then investigates the incidence of organizational leadership practices that encourage a culture of strategic thinking.

It also illustrates the involvement of practitioners in the development of scholarly work. Conceptualizations of strategic thinking Strategic thinking has been recognized as an individual activity influenced by the context within which it takes place (Lied, 1998). The literature includes several major conceptualizations of strategic thinking: 1) as an essential component to strategy development; 2) as mental processing; and 3) as perspectives and activities.

Strategic thinking purpose and desired outcomes have been noted as the development of novel strategy (Herbaceous, 1998).

To that end, strategic thinking is described by its characteristics as compared to operations thinking: longer term, more abstract, issues-oriented, reflective, etc. (Hanford, 1995). A decade ago, the debate was whether analytical planning activities caused and/or responded to strategic thinking and the identification of strategy (Porter, 1998), or strategy became

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evident via reflective hindsight after action was taken (Mentoring, Bibb).

Depending on one's view, strategic thinking might occur before, during, or after strategic planning, or have no relation to it at all.

Recent portrayals of strategic thinking divorce it from any particular school of strategy, but do consider it used in practice in process that articulates problems, frames issues, develops insight, re-conceptualizes positioning, and generates, selects and evaluates strategy (Atavistic, 2010).

A second major conceptualization of strategic thinking portrays it as various types of mental processing, including both inductive and deductive thinking; creativity, intuition, critical and logical thinking; and mental elasticity (Bonn, 2005; Lied, 1998; Omaha, 1982; Sloan, 2006).

These individual mental processes are useful in many endeavors; it is not clear if they are all required or combine in a unique fashion to affect strategic thinking. The third conceptualization focuses on the perspectives and activities undertaken when strategic thinking occurs. Definitions provided by Individual theorists include both cognitive and procedural components. For example, Lied (1998) defines strategic thinking as requiring both thinking across time (past to future) and testing hypotheses.

Hanford (1995) discusses both taking a helicopter perspective and detailing key issues.

Mentoring (1995) identifies the need for inductive thinking and specifies seven ways to look at an issue. Thus as conceptualized here, strategic thinking requires both specific mental approaches and specific task

completion. The above conceptualizations of strategic thinking are not mutually exclusive. Components of each could be used to develop alternative representations. One to these alternatives is the conceptualization to strategic thinking as an ability that develops over time.

Learning to think strategically Historically, cognitive scientists have had two opposing understandings of the placement of individual thinking capabilities: the view of inherently-determined limits to individual cognitive capacity (I. E. Jacques and Clement, 1991) and the view of acquisition of abilities as a Journey from novice to expert (I. E. Ericson, 1996). Both news agree that individual development via education and experience is an important requirement for enhancing capabilities, but do not specify how to go about this development beyond being given opportunities and feedback on performance.

Earlier work of the author focused on identifying ten specific work experiences that evolve the ability to think strategically (Goldman, AAA). These experiences include having responsibility for spearheading a major growth initiative and dealing with a threat to organizational survival, as well as benefiting from Job variety and mentoring, and involvement in benchmarking and strategic planning. A number of salient characteristics specific to each type of experience made it valuable to developing the Individual's strategic thinking ability (as opposed to other skills).

Given that the Marketplace is recognized as the source of most experiences that initiate the learning recess for adults, the work experiences developing strategic thinking were identified as a major component of a model of

learning to think strategically over time (Casey and Goldman, 2010). The model uses a definition of strategic thinking that combines elements of the first and third conceptualizations discussed above: conceptual, systems-oriented, directional, and opportunistic thinking leading to the discovery of novel, imaginative organizational strategies (Goldman, AAA).

The term “conceptual” indicates that the content of strategic thinking is at an abstract level of ideas and oodles. “Systems-oriented” signifies that the thinking involves the organization as a “hole and its relationship with the external environment. “Directional” means the concepts relate to a desired future different from the current state. “Opportunistic” implies that environmental and competitive conditions have been maximized. 7 28 rhea model also builds on the content of the third conceptualization discussed above in describing what happens when one thinks strategically as including four components well documented in the strategy literature: scanning, questioning, nationalizing, and testing (Lied, 1998; Mentoring, 1995; Mentoring et al. , 1998).

These activities can be used in a linear fashion to develop planned strategy (Porter, 1998), but more likely occur randomly and continuously, as strategy emerges (Integers, Bibb).

Each activity serves a different purpose (Casey and Goldman, 2010). Scanning the environment allows the strategic thinker to identify historical and emerging patterns. Questioning (asking questions and reflecting) illuminates different perspectives on issues. Conceptualizing possible strategies identifies possibilities for future direction. Testing (via mental



rehearsal at the least) allows for the anticipation of the impact of the strategy on organizational performance.

These activities use different types of cognitive processes as well as analytical techniques.

Scanning, questioning, conceptualizing, and testing also create and use different types of knowledge. Four categories of knowledge have been identified as required for thinking strategically: factual knowledge about the organization, competition, industry and environment; procedural knowledge of how to develop and test ideas; conceptual knowledge to integrate past and present perspectives and ideas into remarks; and self-knowledge regarding the strengths and weaknesses of one's own thinking (Goldman, Bibb). The model suggests a dynamic, interactive, and iterative process of experiential learning where knowledge is created, based on work experiences, practice in thinking strategically (scanning, questioning, conceptualizing, and testing), and a number of individual and organizational factors (Casey and Goldman, 2010). The least developed aspects of the model relate to the organizational influences on an individual's ability to think strategically.

Organizational influences two major categories of organizational influences on the development of an individual's strategic thinking are identified in the learning model: those concerning the immediate work group and those concerning the organization's typology and culture (Goldman, AAA; Casey and Goldman, 2010).

From the literature on teams in organizations, the influence of team structure on strategic thinking is apparent.

Diversity of age, gender, education, experience, organizational tenure, knowledge, and skills has been found to enhance work group creativity, judgmental quality, and overall outcomes (Levi, 2007). Specifically related to the activities of strategic thinking, such diversity amplifies the information network used to gather factual, procedural, and conceptual information and expands the perspectives used to consider situations. However, work groups benefit from diversity only if decision-making power is shared; otherwise, only the leader's opinions may be followed.

A team's beliefs about an organization's competencies, vision, goals, markets, competition, differentiation, and product performance can cause leaders to limit strategy (through myopia) or to overextend it (through rose-colored glasses; Lora's, 985; Scheme, 2004).

The literature on strategy describes these issues but provides little in the way of prescription (Approach and Thomas, 2002). The nature of the organization overall is also influential (Goldman, AAA; Casey and Goldman, 2010). This can be described using Miles and Snow's (2003) typologies of patterns of adaptation to change. Prospector" organizations encourage constant environment scanning and the development of new concepts and approaches, consistent with the development of directional and conceptual knowledge. ' Defender" organizations are more oriented to precision planning and cost estimation, perhaps aiding systems-oriented knowledge.

“ Reactor” organizations that are not at all focused would be least likely to develop strategic thinking skills. These patterns are based on leaders’ assumptions about organizational roles and risk taking and are honed over time to become part of the operating culture.

Miles and Snow noted that leaders could identify their organization’s typology and then take the necessary steps to modify it. The steps are described as administrative changes, including organizational structure, personnel, controls, and rewards, and alterations in resource allocations, systems, and procedures. These areas are consistent with the mechanisms for developing, embedding, and changing organizational culture.

Organizational culture Organizational culture includes the ways both the external and the internal environments are dealt with.

Chain’s (2004, p. 7) well-known definition of culture describes it as “ a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has Nortek well enough to be considered valid and, therefore, to be taught to new embers as the correct way to perceive, think, and feel in relation to those problems”. Scheme advised that organizational culture be the singular focus of the leader’s Job, distinguishing this responsibility from that of managers, and admonishing that leaders will be victims of culture if they do not deal with it. Eased on his extensive experience as a researcher and consultant on organizational culture, and the work of earlier scholars (Schneider, McGregor, Couch, Donaldson and Lora’s), Scheme (2004) identified six primary mechanisms that leaders might access to develop and embed culture: 1) what they focus on and measure; 2) the basis for resource

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allocation decisions; 13) the basis for hiring, promotion, and firing decisions; 9) what they model and coach; 15) the basis for reward and status decisions; and 16) their reactions to crises and events.

Scheme discussed these mechanisms as they are used by leaders to establish an Initial culture in an organization; they are considered primary because they embed assumptions (as opposed to secondary mechanisms discussed below which articulate or reinforce culture already embedded).

Scheme also noted that leaders can use these mechanisms when they want to encourage new ways of thinking, but they just use all six mechanisms and do so in a consistent manner: “ When a manager decides to change the assumptions of a work group by using all of these mechanisms, that manager is becoming a leader” (Scheme, 2004, p. 71). 29 rhea steps suggested by Miles and Snow (2003) for altering organizational typology are consistent with Chain’s (2004) mechanisms related to personnel, monitoring, and rewards. Miles and Snow’s (2003) recommendation of altering organizational structure is considered by Scheme (2004) to be a secondary culture-embedding mechanism, reflecting and reinforcing assumptions about tasks, people, and their legislations.

Secondary culture-embedding mechanisms articulate, but do not create or alter culture. In more mature organizations, where it is more difficult to change culture, secondary mechanisms such as organizational structure can perpetuate assumptions leaders are trying to change through their behaviors (the primary mechanisms).

In these cases, Scheme advocated recognition and promotion from organizational subcultures with the desired characteristics, bringing in outsiders, and introducing new technologies.

While the interface between organizational culture and organizational strategy has been generally discussed in the literature (with strategy selection severely restricted due to myopia of shared beliefs (Lora's, 1985) or implementation failing when inconsistent with the organization's values, beliefs, and assumptions (Weeks, 2006), the specifics of organizational culture and its impact on an individual's strategic thinking ability have not received as much attention.

For example, what specific culture-embedding mechanisms encourage an individual to think strategically? Methods roll development Scheme (2004) considered culture to best be understood and described by those experiencing it. Thus, attempting to understand mechanisms embedding a culture favorable to strategic thinking provides an opportunity for engaging enthusiastic practitioners with willing academics to create “scholarship that matters” (Hughes et al. , 2011).

Executive programs are a route for such engagement and served as a means for developing an assessment tool for determining the incidence of leadership practices that encourage strategic thinking. One industry in which such programs are offered on a regular basis in the US is the healthcare industry. The author has taught a 2-day seminar on strategic thinking under the auspices of a national professional educational organization for healthcare executives since 2007.

The program is widely advertised across the industry, offered at a variety of geographic locations each year, and consistent in content and delivery. Participants are executives in hospitals or healthcare systems, or those supplying these organizations (equipment, materials, information technology, etc.

). Individuals self-select to participate, and generally their organizations pay the seminar fees. Discussions at ten of these seminars conducted between 2007 and 2009 were used to identify specific leadership practices that encourage a culture of strategic thinking in organizations.

A total of 420 executives attended the 10 seminars. Each training session lasted two days.

The agenda included definitions and examples of strategy and strategic thinking; exploration and practice of the activities involved in strategic thinking as identified earlier in this paper (scanning, questioning, conceptualizing and testing); and discussion of individual, experiential, and organizational factors that develop the ability to think strategically.

The discussions regarding organizational culture and leadership practices that embed strategic thinking occurred towards the end of the second day, after a common understanding of strategic thinking, and the development of the ability to think strategically had been established.

Participants working individually, in small groups, and then collectively, first identified organizational factors that discouraged strategic thinking. This inevitably led to the realization that “ culture” was the culprit.

Participants received instruction on Chain's (2004) definition of culture, its development via leadership, and the six primary culture-embedding mechanisms. Working again in small groups, the participants identified leadership practices indicative of each mechanism that would encourage a culture of strategic thinking.

These were shared and discussed collectively, and checked against ideas from prior seminar participants to develop a list of 18 leadership practices. This process was conducted afresh at each of the ten seminars.

The participants at each seminar were highly consistent in the leadership practices they identified. In the few instances where not all 18 leadership practices were identified, any missing practice mentioned to the participants and they agreed that those should be added. If additional practices were identified, the participants were asked if any should be eliminated, and through discussion they either eliminated something they had generated or changed the wording of a leadership practice to include their thoughts. The connection between the 18 leadership practices and Chain's (2004) primary embedding mechanisms can be found in the Appendix.

The only difficulty encountered in this process was at the onset. Initially, some groups identified "generic" leadership practices not specific to encouraging strategic thinking in others. For example, "having annual goals" vs. "having performance targets that are five to ten years out." This was easily addressed by providing the participants with a comparative example and advising them to identify what made each of the leadership practices they identified as encouraging strategic thinking.

The list of the 18 leadership practices was developed into a survey instrument and tested for clarity, readability, and content validity with the help of a panel of colleagues who teach and consult on organizational culture, strategy, and leadership. Following Institutional review board approval, the survey was pilot- tested at a two-day strategic thinking seminar offering (Fall 2009). Minor changes to wordings were made. Data election and analysis Between 2009 and 2010, the survey instrument was administered to attendees at three scheduled offerings of the two-day seminar on strategic thinking, a sample of convenience.

Attendees were asked to rate, on a five-point Likert scale, the degree to which they engaged in each leadership practice (1 being " never," 5 being " always," and 3 being half of the time). Because the individuals attending these seminars ' ained in their positions from leaders of parts of organizations (service lines, geographic regions, divisions) to those overseeing entire hospitals or multinational yester, and represented both direct care provider organizations and those that supplied them, questions regarding their organizations and areas of responsibility were also asked.

It should be noted that while participation in terms of sharing the results with the researcher was optional (per institutional review board approval), the survey was included in the seminar materials as an individual self-evaluation and then used as a catalyst to small and large group discussion. A total of 117 individuals participated in the study, 93 percent of those attending the seminar. Responses were collected during the seminar.



During independent activity time in the seminar, the researcher tabulated the leadership practices receiving the lowest and 32 highest ratings. These were subsequently shared with all attendees along with similar data from other seminars (for the second and third seminars), and results were used as a catalyst to further discussion.

This process continued to involve the practitioners in developing an understanding of the findings. Data collection ceased in the seminar and was discontinued in this national forum. The data were fully analyzed using SPSS (Version 11.0 for Windows). The analysis included tabulations of the range and measure of central tendency of each practice.

Demographic differences in the ratings of the 18 leadership practices were analyzed using the chi-square test. Patterns in the leadership practices across respondents and significant numbers of high or low ratings were also considered. Findings: Among the respondents, 84 percent worked for organizations directly providing healthcare services, and 16 percent worked for suppliers of products and services to the providers.

In addition, 55 percent indicated they had responsibility for an entire capital or healthcare system, and 45 percent led parts of organizations. Central tendencies: Each of the 18 leadership practices received the full range of responses, indicating it was used "never" to "always" by at least some respondents. Table I shows the median rating for each leadership practice.

The median was considered the appropriate measure of central tendency because the possible responses used an ordinal measurement scale. No leadership practices had a median of either 1 or 5.

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The two leadership practices with medians at 4, above the halfway point on the frequency-of-SE scale, relate to leaders' reactions to and handling of organizational crises in a manner that encourages exploration and systems-thinking. The five leadership practices with medians at 2, below the halfway point on the frequency-of-use scale, relate to human resource procedures (hiring, assessing, promoting, and rewarding strategic thinking) and the establishment of specific five- to ten-year performance targets.

**Demographic differences** Two leadership practices relating to the evaluation and development of individuals' strategic thinking showed significant differences in frequency of use based on the exponents' responsibility in their organizations and the type of healthcare organization they led. The chi-square results are shown in Table II.

Leaders responsible for parts of organizations and those working for suppliers to the industry were more likely to engage in these leadership practices than those responsible for an entire entity or working for direct care providers. The only other significant demographic difference related to community health outcomes: those responsible for entire entities (hospitals or systems) were more likely than those responsible for a part of an organization to have community health outcomes they tracked performance against ( $p < 0.003$ ). Individual patterns Response frequencies were reviewed for each respondent to identify possible patterns in the use of the leadership practices. Almost every respondent rated at least one leadership practice 2, 3, or 4 in terms of the frequency of its use.

In total, 15 percent did Median rating Leadership practices that encourage strategic thinking 1 : Never None) Have five- to ten-year operating and financial performance targets that we track performance against Ask Job candidates questions to gauge their ability to think strategically, out five- to en-years Include an assessment of individuals' strategic thinking in annual Job performance evaluations Financially reward individual and team strategic thinking Make clear to others when promotions are based on strategic thinking ability Have a strategic direction to be something significantly different than we are now and track progress achieving it Have community health outcomes that we track performance against Continuously review and discuss external changes that will impact us five- to teenagers down the road Allocate resources for outside education/assistance on issues coming five- to