



Leadership practices that encourage strategic thinking

Leadership
practices

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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 – The 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; Essery, 2002; Mason, 1986; Zabriskie and Huellmantel, 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



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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 (Johnson *et al.*, 2003; Wheatley, 2006). Organizational leaders commonly lament the lack of strategic thinking among their top management team members and their subordinates, voicing it as something those individuals need to acquire and bring to bear on their areas of responsibility (Tovstiga, 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; Mintzberg, 1994a). Individual differences, such as personal habits (Ohmae, 1982; Sloan, 2006) and learning styles (Kolb, 1984), are contributing factors; but workplace experiences have a major impact (Goldman, 2008a; 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, 2005; Goldman and Casey, 2010).

The impact of organizational culture has been considered in relation to the strategies selected by top management (Lorsch, 1985; Schein, 2004), but little prescriptive data exist on how to use culture proactively to encourage strategic thinking (Porac and Thomas, 2002). Organizational culture is embedded via leadership practices (Schein, 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 (Liedtka, 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's purpose and desired outcomes have been noted as the development of novel strategy (Heracleous, 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 evident via reflective hindsight after action was taken (Mintzberg, 1994b). 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 a process that

articulates problems, frames issues, develops insight, re-conceptualizes positioning, and generates, selects and evaluates strategy (Tovstiga, 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; Liedtka, 1998; Ohmae, 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, Liedtka (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. Mintzberg (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 of these alternatives is the conceptualization of strategic thinking as an ability that develops over time.

Learning to think strategically

Historically, cognitive scientists have had two opposing understandings of the development of individual thinking capabilities: the view of inherently-determined limits to individual cognitive capacity (i.e. Jaques and Clement, 1991) and the view of acquisition of abilities as a journey from novice to expert (i.e. Ericsson, 1996). Both views 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 develop the ability to think strategically (Goldman, 2008a). 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 workplace is recognized as the source of most experiences that initiate the learning process 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, 2008a). The term "conceptual" indicates that the content of strategic thinking is at an abstract level of ideas and models. "Systems-oriented" signifies that the thinking involves the organization as a whole 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.

The 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, conceptualizing, and testing (Liedtka, 1998; Mintzberg, 1995; Mintzberg *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 (Mintzberg, 1994b). 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 frameworks; and self-knowledge regarding the strengths and weaknesses of one's own thinking (Goldman, 2008b).

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, 2008a; 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; Lorsch, 1985; Schein, 2004). The literature on strategy describes these issues but provides little in the way of prescription (Porac and Thomas, 2002).

The nature of the organization overall is also influential (Goldman, 2008a; 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. Schein's (2004, p. 17) 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 worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems". Schein 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.

Based on his extensive experience as a researcher and consultant on organizational culture, and the work of earlier scholars (Schneider, McGregor, Ouchi, Donaldson and Lorsch), Schein (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 allocation decisions;
- (3) the basis for hiring, promotion, and firing decisions;
- (4) what they model and coach;
- (5) the basis for reward and status decisions; and
- (6) their reactions to crises and events.

Schein 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). Schein also noted that leaders can use these mechanisms when they want to encourage new ways of thinking, but they must 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" (Schein, 2004, p. 271).

The steps suggested by Miles and Snow (2003) for altering organizational typology are consistent with Schein's (2004) mechanisms related to personnel, monitoring, and rewards. Miles and Snow's (2003) recommendation of altering organizational structure is considered by Schein (2004) to be a secondary culture-embedding mechanism, reflecting and reinforcing assumptions about tasks, people, and their relationships. 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, Schein 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 (Lorsch, 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

Tool development

Schein (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 strategy, strategic thinking, and the development of the ability to think strategically were 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 Schein’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 were 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 combined, 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 Schein’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 collection 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 varied in their positions from leaders of parts of organizations (service lines, geographic regions, divisions) to those overseeing entire hospitals or multihospital systems, 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

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 when the seminar 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 with 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 hospital 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. The two leadership practices with medians at 4, above the halfway point on the frequency-of-use 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 respondents’ 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)
2	<p>Have five- to ten-year operating and financial performance targets that we track performance against</p> <p>Ask job candidates questions to gauge their ability to think strategically, out five- to ten-years</p> <p>Include an assessment of individuals' strategic thinking in annual job performance evaluations</p> <p>Financially reward individual and team strategic thinking</p> <p>Make clear to others when promotions are based on strategic thinking ability</p> <p>Have a strategic direction to be something significantly different than we are now and track progress achieving it</p> <p>Have community health outcomes that we track performance against</p> <p>Continuously review and discuss external changes that will impact us five- to ten-years down the road</p> <p>Allocate resources for outside education/assistance on issues coming five- to ten-years down the road</p> <p>Have employees who reflect a good mix of those new to and those long-tenured in the organization</p>
3	<p>Mentor and coach employees to help develop their strategic thinking ability</p> <p>Identify specific annual personal development actions/education to enhance individual strategic thinking</p> <p>Allocate specific resources to develop new ideas/approaches that will prepare us for success in five- to ten-years</p> <p>Rotate who we choose as the leader of different projects/activities that require strategic thinking</p> <p>Publicly recognize individual and team strategic thinking</p> <p>Develop contingency plans in advance of rolling out new projects</p>
4	<p>React to crises by openly discussing what occurred involving different perspectives and open-ended questioning</p> <p>Consider how organizational policies and procedures, as well as individual actions, have contributed to crises</p>
5: Always	(None)

Table I.
Median ratings of leadership practice frequency

Leadership practice	Responsible for part of vs entire organization	Supplier vs direct care provider
Include an assessment of individuals' strategic thinking in annual job performance evaluations	$p = 0.025$	$p = 0.000$
Identify specific annual personal development actions/education to enhance individual strategic thinking	$p = 0.013$	$p = 0.050$

Table II.
Significant differences in leadership practice frequency

not rate any leadership practice 1 (never used); 21 percent did not rate any leadership practice 5 (always used).

No respondent indicated he or she used all of the leadership practices more than half the time (with a rating of 4 or 5). Of the respondents, 15 percent (17 individuals)

indicated they used ten or more of the leadership practices (more than half of the practices) more than half the time (with a rating of 4 or 5); 59 percent of respondents (69 individuals) indicated they used more than a third of the leadership practices (6 or more) more than half the time.

The 17 individuals indicating they used more than half the leadership practices (ten or more) more than half the time (with a rating of 4 or 5) were designated “heavy users.” This subgroup had a similar demographic profile as the entire group of respondents. Over three-quarters of the heavy users (13 individuals) rated six of the leadership practices as heavily practiced (with a rating of 4 or 5). The usage of these six leadership practices by all other respondents was materially less, as shown in Table III.

The leadership practices used more than half the time by the heavy users reflect concern for a future time horizon and investments in human resource development and organizational learning. The three leadership practices noted with an asterisk in Table III were not rated as being practiced less than half the time (1 or 2) by any of the 17 heavy users. Of the 12 leadership practices not in Table III, there was no consistency among those that the heavy users rated with low use (1 or 2).

At the other end of the spectrum, the 30 percent of respondents (35 individuals) indicating they used more than half the leadership practices (ten or more) less than half the time (with a rating of 1 or 2) were designated “light users.” This subgroup also had a similar demographic profile as the entire group of respondents. Three-quarters of the light users (26 individuals) rated seven of the leadership practices as lightly practiced (with a rating of 1 or 2). The usage of these leadership practices by all other respondents was materially more, as shown in Table IV.

The leadership practices used less than half the time (rated 1 or 2) by the light users relate to focus on a future time horizon and the development and recognition of individual strategic thinking. There were few of these practices that any one of the

Leadership practice	% Rating use as 4 or 5 (more than half the time)	
	Heavy users <i>n</i> = 17	All others <i>n</i> = 100
Continuously review and discuss external changes that will impact us five- to ten-years down the road	94 ^a	30
Allocate resources for outside education/assistance on issues coming five- to ten-years down the road	76	24
Rotate who we choose as the leader of different projects/activities that require strategic thinking	76	21
Publicly recognize individual and team strategic thinking	94 ^a	39
React to crises by openly discussing what occurred involving different perspectives and open-ended questioning	82 ^a	70
Consider how organizational policies and procedures, as well as individual actions, have contributed to crises	82	58

Note: ^aRemaining percentage rated use as 3 (half the time)

Table III.
Leadership practices of heavy users

Leadership practice	% Rating use as 1 or 2 (less than half the time)	
	Light users n = 35	All others n = 82
Have a five- to ten-year operating and financial performance targets that we track performance against	77	45
Ask job candidates questions to gauge their ability to think strategically, out five- to ten-years	83	52
Include an assessment of individuals' strategic thinking in annual job performance evaluations	100	52
Identify specific annual personal development actions/education to enhance individual strategic thinking	74	38
Allocate specific resources to develop new ideas/approaches that will prepare us for success in five- to ten-years	91	32
Financially reward individual and team strategic thinking	83	52
Make clear to others when promotions are based on strategic thinking ability	100	60

Table IV.
Leadership practices not used by light users

light users rated as being practiced more than half the time (4 or 5). Of the 11 leadership practices that are not in Table IV, only two were rated by more than half (54 percent) of the light users as high use (4 or 5). These were the two practices related to reactions to crises that received an overall median rating of 4.

Discussion

Overall, the findings suggest there are many opportunities for executives to increase their utilization of leadership practices that encourage a culture of strategic thinking. This is not totally surprising, given that the respondents had chosen to attend a 2-day seminar entitled “Enhancing Your Ability to Think Strategically.” At the time of the seminars, it was possible only to share the leadership practices receiving the most frequent low (1 or 2) and high ratings (4 or 5). Over the course of the year the data was collected – during three separate offerings of the seminar – these practices did not vary and are consistent with the findings reported here. The stability in responses is interesting given that the data were collected during a year in which the US was developing healthcare reform legislation. One might have thought that the practices would have been used more frequently over the year; they were not.

The participants helped explain the response stability. They were not surprised by the lack of these leadership practices, as they indicated they had no formal training in strategic thinking (only planning). They further noted that if they had completed the survey at the onset of the seminar, they would have rated each leadership practice higher in frequency of use: the seminar content changed their own definitions of what strategic thinking was (again, not planning, and more than just having a vision).

It is somewhat surprising; however, that there were not greater differences in frequency of use of the leadership practices between executives responsible for an

entire organization and those responsible for a part. It is reasonable to expect top executives to be more mindful of strategic thinking and its development in the organization, but again, the lack of formal training may explain this. On the other hand, the findings are refreshing in their indication of heavy users at levels other than the top of organizations. This may indicate that strategic thinking subcultures can be encouraged by those at mid-level, who utilize the leadership practices.

Most surprising was the low median rating overall and lack of use among the heavy users of the leadership practice “Have five- to ten-year operating and financial performance targets that we track performance against.” The lack of this practice makes the others difficult to maximize: if you don’t know what you want to achieve, resourcing and rewarding it is next to impossible. The respondents, when asked about this at the seminars, indicated that their organizations did have operating and financial targets but they were annual (i.e. budget goals), not five to ten years out.

The two practices utilized most often (rated 4 or 5) by all respondents, the six used by the heavy users, and the seven not frequently used by the light users (rated 1 or 2) indicate a possible sequencing in the adoption of the 18 leadership behaviors:

- *Reacting*: Responding to crises openly and holistically (the two practices with an overall median of 4).
- *Learning*: Fostering education and discussion regarding environmental trends, and exposing individuals to activities requiring strategic thinking and recognizing their contributions (the four additional practices of most of the heavy users).
- *Developing*: Setting direction with contingency plans and community outcomes; encouraging new people and ideas; mentoring (the leadership practices that are not in 1, 2 and 4).
- *Structuring*: Adopting human resource procedures to select, assess, develop, and reward individual strategic thinking (most of the practices least frequently utilized by the light users and those having a median of 2 across all respondents).

If this is in fact how executives are adopting these practices, it may be problematic: theorists on organizational change (i.e. Schein, 2004; Schwandt and Marquardt, 2000) have indicated the requirement of embedding culture changes in structure for maximum impact. Taking a sequenced approach that adds structuring last may diffuse the purpose.

Taken together, the findings point to opportunities for executives to work with their human resource and planning professionals to enhance the organizational culture related to strategic thinking. These professionals often complain that they are used only for analytical or crisis management purposes and are “not at the table” during strategic discussions and decision-making. The insights from this study indicate specific contributions for these professionals to bring to the table: for planners to concretize and track the achievement of strategic performance targets, and for human resource professionals to develop hiring, education, development, and promotion practices that encourage strategic thinking. Working together, planners, human resources professionals, and executives can determine the necessary actions for a holistic approach to building a culture that encourages strategic thinking.

Limitations and implications

There are several limitations to the study. First, the respondents self-rated their use of the leadership practices; their rating may not represent what is actually occurring in their organizations. At the same time, given the low ratings for most of the leadership practices, the ratings do not appear to be inflated. Second, since the respondents self-selected to attend the seminar it is not clear whether the findings are general across the industry, or not. Finally, the leadership practices cannot be definitively correlated with improvement in individual strategic thinking, as a measurement for the latter does not exist.

It would be useful to complete similar studies in other industries and countries and compare the leadership practices generated as well as the results. The healthcare industry in the US has been noted as being “behind” others in adopting management principles. Thus, it seems plausible that this holds for leadership practices that encourage a culture of strategic thinking. When conducting similar studies, more information on the backgrounds of the respondents may be helpful. Given that level in the organization did not matter in terms of using the practices, how proficient do the respondents think they are at strategic thinking and to what do they attribute that expertise?

To fully understand the dynamics at work in embedding a culture of strategic thinking in an organization, case study research is called for. Such a design could include the education component (to ensure similar understanding of strategic thinking), self and subordinate ratings, observation, interviews regarding resource allocation procedures, and review of documents related to human resource practices. An organization participating in this type of study would receive immediate benefit from the education, and, when findings were shared, receive assistance in transferring the training.

In relation to other factors that develop the ability to think strategically, research regarding the interface between organizational culture and previously identified work experiences would be valuable. For example, can the right work experiences with the requisite characteristics “trump” a culture that does not encourage strategic thinking? On the other hand, can a culture that does encourage strategic thinking provide the same developmental value as (i.e., substitute for) any of the work experiences?

The study findings provide practitioners with a place to start in looking for ways to enhance the strategic thinking in their organizations. The 18 leadership practices generated here can be used as an assessment tool both individually and among management teams, and over time. The seminar attendees indicated that taking the survey helped them identify specific steps they could take to enhance their own strategic thinking as well as the strategic thinking of their direct reports. (These steps were incorporated into a personal leadership plan at the end of the seminar.) In addition, the discussion in the seminar was much richer after the survey activity because the participants were more willing to discuss specific strategic thinking issues they were facing.

The study described here involved scholars and practitioners in a collaborative research effort that was educational for both parties. It illustrates how theory (i.e. how culture is embedded and changed in organizations) can be applied to practice to develop new information that is both immediately useable for practitioners and valuable for future research. Finally, the study begins to fill a gap in the literature regarding the specific ways in which organizational culture may impact individual strategic thinking.

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(The appendix follows overleaf.)

Schein's primary mechanisms	Related practices that encourage strategic thinking
What is monitored, measured and controlled	<p>Have a strategic direction to be something significantly different than we are now and track progress achieving it</p> <p>Have a five- to ten-year operating and financial performance targets that we track performance against</p> <p>Have community health outcomes that we track performance against</p>
How critical incidents and organizational crises are reacted to	<p>React to crises by openly discussing what occurred involving different perspectives and open-ended questioning</p> <p>Consider how organizational policies and procedures, as well as individual actions, have contributed to crises</p>
How resources are allocated	<p>Allocate resources for outside education/assistance on issues coming five- to ten-years down the road</p> <p>Allocate specific resources to develop new ideas/approaches that will prepare us for success in five- to ten-years</p> <p>Develop contingency plans in advance of rolling out new projects</p>
How role modeling, teaching and coaching are conducted	<p>Mentor and coach employees to help develop their strategic thinking ability</p> <p>Continuously review and discuss external changes that will impact us five- to ten-years down the road</p>
How rewards and status are allocated	<p>Rotate who we choose as the leader of different projects/activities that require strategic thinking</p> <p>Publically recognize individual and team strategic thinking</p> <p>Financially reward individual and team strategic thinking</p> <p>Make clear to others when promotions are based on strategic thinking ability</p>
How recruitment, selection, promotion, retirement and excommunication are conducted	<p>Ask job candidates questions to gauge their ability to think strategically, out five- to ten-years</p> <p>Have employees who reflect a good mix of those new to and those long-tenured in the organization</p> <p>Include an assessment of individuals' strategic thinking in annual job performance evaluations</p> <p>Identify specific annual personal development actions/education to enhance individual strategic thinking</p>

Table AI.

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