The Visionary Leader in a Modern Organizational Context

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An effective modern leader will often focus on creating a TANGIBLE VISION and this is done through focused motivation, the setting of specific goals, and the monitoring of the ways in which (and extent to which) these goals are achieved within the organization. Thus, a person who assumes or is assigned this form of leadership must not only be able to articulate a vision of the future that is persuasive and motivating, she must also be able to "deliver" on this vision—in other words be a good, achieving manager. The organizational vision may come from the leader herself or may be assigned to her by other people in the organization (the so-called "stakeholders").

Modern Motivation

The motives being engaged by the modern leader are usually *extrinsic* in nature. An employee does not necessarily believe in the inherent value of the product he is being asked to manufacture (or sell) or the service he is being asked to provide (or sell). Furthermore, the modern employee is not necessarily inspired by the profit to be made by the owners of his company as a result of his good work. The modern employee is much more likely to be inspired and motivated by the rewards he hopes to receive related to achievement of a specific set of goals. These rewards are not necessarily monetary—though they often are. They might come in the form of public recognition, promotion to a new job or, at the very least, increased assurance of job security. While the profit to be made by his organization is not inherently motivating for the modern employee, there is comfort to be derived from knowing that one's organization is financially solvent and is likely to open its doors again tomorrow morning (and for many morning thereafter). The motivation might also come from the exposure to frequent challenges, the opportunity to work with people who are gifted and supportive, or the ability to perform work that is relatively stable over time. These are all motivators that an effective visionary leader working in a modern organization will use to encourage and "inspire" his subordinates (and colleagues).

Goal Setting

The modern Visionary leader is faced with a major challenge: how does one translate an inspiring vision into tangible goals. This is not just a matter of moving from some general, vague notion about what the world could be to some specific, even quantifiable goals. An even greater challenge for the visionary leader concerns the magnitude of the goals. How ambitious should they be? Many years ago, David McClelland and his colleagues at Harvard University conducted research on the need to achieve. They discovered that people with a low need to achieve tend to set their goals either very low (making them very easy to achieve and non-challenging) or very high (making them either impossible to achieve or achievable only with a great deal of good fortune or "luck"). Men and women with a high need to achieve tend instead to set their goals at a high but realistic level. Years later, Hershey and Blanchard identified a key concept in team goal-setting that complimented the

McClelland findings. Hershey and Blanchard wrote about the capacity of a mature team to set goals that are high and ambitious, but also attainable.

In much more recent times, Czikszentmihalyi has written about (and conducted research on) the conditions that are most amenable to high levels of concentration and learning. These conditions are those in which there is a major challenge, yet the challenge is not so great that it can't be achieved. These results amplify the findings of McClelland, as well as Hershey and Blanchard. Goals should be set at a high but realistic level. The one major addition to be found in the work of Czikszentmihalyi returns us to the issue of motivation. Czikszentmihalyi observed that these "threshold" experiences (when challenges can be met) are highly motivating in and of themselves (suggesting *intrinsic* motivation). According to Czikszentmihalyi these "flow" experiences are among the most motivating that one can experience in life. The power of "flow" would suggest that modern motivational theory and modern management practices associated with visionary leadership need to be re-examined. In many instances, there may be little or no need for an extrinsic motivator (such as money, public recognition or job security). The task itself may yield sufficient motivation—provided that the goals that are set for the task are ambitious ("idealistic") yet achievable ("realistic"). The challenge facing a visionary leader in a modern organization is therefore one of translating a vision into goals that are situated in the midst of the threshold of "flow" that has been articulated by Czikszentmihalyi.

Goal Monitoring

It is not enough to set goals – as a visionary leader operating in a modern society. It is also critical that the attempts to achieve these goals be closely monitored. This emphasis on accountability has become particularly critical in recent years, with tighter budgets. By the end of the 20th Century there was a widespread push toward "zero-based" budgeting--starting each fiscal year with a clean budgetary slate and the requirement that each manager justify their program. Emphasis was also placed on specific measurements ("metrics") and the computation of specific ratios that produced a statement about "return-on-investment (ROI)." These metrics and ROI calculations enabled managers to identified costs associated with any new project as related to the fiscal outcomes of this project. As a result of these new emphases, successful modern day manager in the 21st Century must find ways to monitor goal achievement and to somehow measure this achievement and compare it to the costs associated with this achievement.

In many ways, this focus on goal monitoring is not new. It can be traced back more than forty years to the era when "management by objectives" was in vogue—and the era of modern management was at its peak. This approach to the monitoring of goals directly addressed one of the major objections that was often voiced about management: how does a manager monitor goal achievement in a way that impacts on the overall performance of the organization? Does it really make any difference if an individual employee or a project team is doing an adequate job? Many 21st Century management experts are opposed to the use of management-by-objectives or more contemporary outcome measures, given that many factors other than an individual employee's or individual team's work influences outcomes. Nevertheless, a very strong case can still be made for a focus on goal setting and goal monitoring outcomes—and on the extent to which individual employees and teams are directly accountable for achieving the goals that have been set for them.

One key factor must be kept in mind by the visionary leader operating in a modern organization: goals must always be established in relationship to the organization's mission, values and purposes. The four components of organizational intentions (mission, vision, values and purposes) are tightly interwoven and modifications in one will inevitably impact on the other three. Even at the more tactical and specific level of goal-setting and monitoring, it is critical for a leader to ensure that these goals do not in any way abuse the fundamental values of the organization. Goal-accomplishment must ultimately contribute to both the mission and purposes of the organization. This broader focus on organizational intentions can easily be lost in a modern organizational setting that emphasizes short-term profitability and quantified return-on-investment.

The Challenge of Planning

A modern leader who is visionary, who builds her credibility on the foundation of motivation, goal setting and goal monitoring, is likely to be challenged by the bridge that must be built between the modern vision she has created and conveyed, on the one hand, and the tangible realities that her organization faces in the modern world, on the other hand. A tangible vision resides at the heart of effective and successful Visionary Modern leadership. Tangibility, in turn, requires the formation of a practical plan of action and the establishment of accountability with regard to this plan.

I propose that the keys to effective visionary leadership in a modern organization are primarily related to building the bridge that makes a vision tangible—and the foundation of this bridge is strategic planning. I focus , therefore, on some of the principles that must be kept in mind if strategic planning is to be successful. In setting the stage for the introduction of these principles, I offer a brief history of strategic planning in modern organizations—suggesting ways in which this planning process has expanded in response to the shifting (and expanding) challenges that leaders of modern organizations face—especially Visionary leaders.

A Brief History of Strategic Planning

Strategic planning is an important—perhaps even fundamental—ingredient in the operations of any modern organization. Unfortunately, strategic planning is not easy to perform.. In part, it is hard to perform because leaders mean very different things when they speak of strategic planning. Strategic planning means different things to different people in large part because it has been used to address modern organizational challenges of many different kinds. I will briefly describe four versions of strategic planning that arose to meet the needs of a particular era in modern organizational life—building on the very thoughtful work of Henry Mintzberg in his classic book entitled *The Rise and Fall of Strategic Planning*.

While there clearly is overlap between the various forms of planning, and they are often confused for one another, there are important distinctions to be drawn. *Strategic or long-term planning* typically involves a few key (broad-based, critical) issues which are studied or predicted over an extended period of time. For example, an organization might prepare a strategic marketing or sales plan for the next five years. By contrast, *tactical or short-term planning* focuses on problems associated

with a specific setting, customer group or individual stakeholder. While strategic planning tends to look at a larger, multi-dimensional context (economic, political, geographic, demographic)—and hence can focus on the future—tactical planning is deeply embedded in a specific context. Tactical plans in one sales region, with regard to one product line, or with reference to one specific customer group, may be quite different from tactical plans associated with any other region, product line or customer group in the organization. For example, a tactical plan could focus on sales training for a specific customer group. It may even be tailored around the need to respond in a unique way to a specific customer.

In recent years, a third term has been introduced, *contingency planning*. This form of planning typically combines long term and short term planning processes. Through the use of contingency planning, organizational leaders prepare several different organizational responses to possible (alternative) situations in the future. Alternatives of a pessimistic nature tend to point to the nature and extent of organizational "buffers." For example, a contingency planning process can be engaged in the creation of several marketing plans for potential shifts in customer demographics or customer needs. Alternatives of an optimistic nature tend to point to the nature and extent of temporary and affiliate arrangements that can be constructed with regard to specific required resources (human, machines, facilities, etc.). Given these distinctions between strategic, tactical and contingency planning, I will turn briefly to four different version of strategic planning (the third and fourth versions actually combining strategic and contingency planning).

Version One: Program budgeting.

During the first fifty years of the 20th Century, many organizational leaders engaged in a systematic analysis of the relationship between program priorities and fiscal realities. For example: "given that we have only $40,000 available for new program development, should we focus on new program A or new program B? How much money will it take to begin Program A and how much will it take to begin Program B?" This version of strategic planning made sense prior to 1950, not only because management prior to this time was rather chaotic and nonsystematic, but also because the setting in which most organizations operated was relatively stable and because most organizations operated on a "bottom line" mentality, with finances and budgets being of highest priority.

Version Two: Decision making.

By the start of the 1960s, many successful leaders were thinking about the operations of their organization in a more systemic or comprehensive manner. They engaged in a systematic process of relating information regarding budgets, human resources, technology, sales and marketing, research and development, and new product development. This process usually required establishment of a Management Information System (MIS) in the organization. These MIS systems proved to be quite valuable to many late 20th Century organizations, and often provided leaders with data that clearly aided the strategic planning process. This version of strategic planning proved to be of value not only because it enabled leaders to form a more comprehensive plan (that was not just based in finances), but also because it encouraged conversation and planning across departments, thus breaking down some of the isolation ("silo" mentality) that was building up among increasingly specialized operational units in many organization.

Version Three: Futures thinking.

During the last two decades of the 20th Century, some organizational leaders began to recognize that the setting in which their organization operated was becoming increasingly complex, unpredictable and turbulent. They began to recognize the value of thinking about and perhaps even anticipating differing versions of the future with reference to their own organization's strategic plans. They began to do contingency planning—fleshing out several different possible plans that would be responsive to several different changes in the setting of their organization. These leaders engaged in a systematic process of thinking about the future. They used accumulated and integrated management information (version two) when thinking about the future. These version three leaders kept asking "what if . . ." and "what are the chances that . . . " They recognized that strategic planning concerns a future that will be even more complex, unpredictable and turbulent than current realities.

Version Four: Organization learning.

During the first decade of the 21st Century, increasing emphasis was placed in many organizations on the processes of ongoing organizational learning. We must not only think about the future, we must also learn from the mistakes and (in an appreciative manner) the successes of our organization throughout its history. Leaders who are organizational learners engage in a formal, systematic process for the identification and use of management information. What they learn from this management information is made explicit, so that they might make a series of decisions that achieve explicit outcomes. This process incorporates all relevant domains of the organization and is responsive to future conditions that face the organization. While the world of the 21st Century is increasingly complex, unpredictable and turbulent, it also exhibits patterns that can be appreciated and used to leverage effective action. This fourth version requires that all three of the other versions are fully understood and incorporated in an integrative, learning-based model of strategic planning.

Planning for Planning

While there are several different ways in which strategic planning is defined and there are certain fundamental principles that underlie virtually any successful planning process that is engaged in a modern organization. I turn again to Henry Mintzberg and his analysis of successful and unsuccessful strategic planning projects in the identification of these keys.

Commitment at the top of the organization to strategic planning

This is what might be identified as the need for *horizontal integration* of various departmental perspectives. There should not be an isolated planning office or function. Effective visionary leaders working in a modern organization will integrate various planning efforts into all aspects of the organization and focus on the coordination of all planning efforts in the organization.

Commitment at all levels of the organization to strategic planning.

This is the *vertical integration* of the strategic planning process. All stakeholders in the organization should be involved in strategic planning—not just those at the top. This means that there should be a "strategic" (long term) rather than just a

"tactical" (short term) perspective throughout the organization. While those working "in the trenches" must be concerned about context-based tactical planning processes, they should also participate in the broader, longer-term strategic planning processes which will make tactical planning much easier or much more difficult if successful or unsuccessful.

Creation of a learning organization

This third principle concerns all members of the organization. They must be committed to learning from their own planning efforts and those undertaken in other units of the organization. The effective visionary leader will exemplify this commitment to learning—especially if this leader conceives of her role as a catalyst for learning and as a co-creator of the learning process in her organization. Under these conditions, the effective modern leader can begin to consider non-repeated mistakes as opportunities for learning rather than as failures. It is only when the same mistake repeatedly occurs that an organization is failing.

Presence of decentralized problem-solving and decision-making at all level in the organization.

This fourth principle concerns problem-solving and decision-making. Both problem-solving and decision-making should occur at the point in the organization where there is a maximum amount of information that is directly relevant to the problem or decision. When this decentralization is present, the process of planning becomes an empowerment strategy throughout the organization—for people at all levels of the organization can make use of the strategic plan that is adopted in their own problem-solving and decision-making processes.

Need for collective action and responsibility.

The fifth strategic planning principle involves the culture of the organization. While an emphasis on individual initiatives and rights is very important (and prominent in modern organizations), it must be integrated with an equally important emphasis on collective action and collective responsibility (which is much more commonly emphasizes in premodern organizations). Visionary leaders in modern organizations must recognize that planning can reduce individual freedom and autonomy by requiring collaborative action and compromise. This means that strategic planning can dampen an entrepreneurial spirit in the organization; hence, planning must always be balanced off with openness to innovation, spontaneity and individual initiative. A effective visionary leader must find this balance between the individual and collective.

Conclusions

The fundamental challenge for visionary leaders in modern organizations involves a dilemma—one that is deeply embedded in the head and heart of the visionary leader. This dilemma concerns commitment and calculation. Mintzberg suggests that a concern for commitment shows up in a strategic plan's emphasis on quality, culture, values, vision—the so-called *software of planning*. This software is typically valued and assigned highest priority by the visionary leader. As the leader of a strategic planning process, she is likely to be primarily concerned about personal commitments to planning among employees throughout the organization, as well as being concerned about organizational culture and values, and the relationship between a specific project and the organization's vision.

At the same time, according to Mintzberg, there must be a concern for calculation, which shows up in a strategic plan's focus on quantity, structure, policies, and goals—the so-called *hardware of planning*. This is a particularly important challenge for the visionary leader, who is inclined to focus on commitment rather than calculation. The leader of a strategic planning initiative in a modern organization should be concerned about numbers and statistics, as well as organizational structures and policies. She must also be concerned with the relationship that exists (or should exist) between a specific project and the organization's overall operational goals and measurable objectives. While some visionary leaders tend to shy away from this dimension of strategic planning, it is critical that they do the calculations while also building commitment. This is a fundamental challenge operating in any modern organization: how does one lead in a way that encourages commitment and an entrepreneurial spirit (including an honoring of risk), while also requiring accountability and the successful achievement of measurable outcomes (including a realistic assessment of costs associated with failure)?