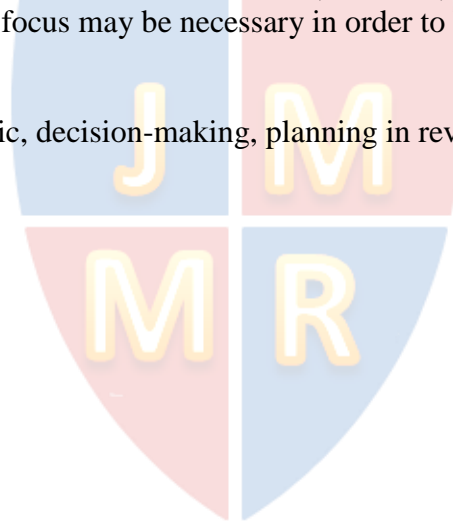# Leadership decision-making utilizing a strategic focus to enhance global achievement

Scott Ballantyne
Alvernia University

ABSTRACT

The purpose of this paper is to help leaders recognize the importance of utilizing a strategic focus to enhance achievement in a highly competitive global environment. Leadership theories allow most managers to be classified into a specific leadership framework. This framework can provide clues as to how leaders make decisions. In the competitive environment in which organizations operate today, leaders need to evaluate the assumptions utilized in decision-making. In our society where information and knowledge are expanding exponentially, a new model may assist leaders which incorporate the stakeholders into the decision-making process. Whether a leader is classified as a charismatic, a shared, a distributive, a collaborative or an authoritative leader, a new focus may be necessary in order to be successful in the new global environment.

Keywords: leadership, strategic, decision-making, planning in reverse, global, achievement.

INTRODUCTION

"Leadership is the art of achieving more than the science of management says is possible" is a quote that is attributed to Colin Powell and appears in a presentation titled *A Leadership Primer* (Author Unknown). This quote is the best definition of what leadership is all about. It provides the basis for what leaders desire to achieve. For an organization, the goal of the leader should be to achieve well beyond what was expected based on the other organizational inputs available. The results of this can be seen when a sports team achieves the ultimate success of winning a championship. When the players are interviewed they often talk about how everybody was playing beyond their ability. This is the art of leadership in practice, the coach has the players operating at a level beyond what they thought was possible.

In order to help understand how leaders motivate employees to achieve at levels beyond their capabilities, the framework in which leaders operate need to be examined.   While there are many theories and approaches offered in the field of leadership. This paper will highlight several of the more relevant theories and/or approaches under current discussion. These theories will demonstrate how decisions are made based on these theories. In addition, the benefits of each theory will be provided in order to demonstrate why different leadership approaches can be successful.

When reviewing the decision-making process, an important component of the process is the assumptions utilized when reaching a conclusion and choosing a course of action. In some leadership theories, a more collaborative approach may be utilized, in others, a more authoritarian style may be used. In either case, leaders make decisions based on inputs. Those inputs may be data driven, experiential, or influenced by resource limitations. In all cases, decisions are nearly always made utilizing inputs. These inputs may be expanded or contracted in certain areas based on the perception of what has the most relevance at the time.

Advantages for leaders in decision-making may rest with a largely untapped resource that is more than willing to participate in the process. The untapped resource is the stakeholders that are associated with the organization. These individuals might be employees, or customers, or vendors. These individuals have tremendous insight that is often overlooked in the decision-making process. If a system can be implemented to harness the talent of stakeholders, decision-making may improve and ultimately allow the employees to achieve levels greater than the science of management says is possible, thereby demonstrating improved leadership and assisting in maintaining global competitiveness.

There are several procedures and processes that have been highlighted or utilized in the past to attempt to harness this information for decision-making. These processes are often housed in customer service departments and may not be utilized in the executive offices when decisions are being contemplated. One process developed recently is specifically designed to harness the talent of the stakeholders in developing a decision-making matrix. *Planning in Reverse* (2011) by Ballantyne, Berret and Wells is the process specifically developed for the inclusion of stakeholder ideas in order to maintain the long term viability of an organization. This ultimately may allow an organization to remain globally competitive due to the valued input of stakeholders.

LEADERSHIP THEORIES AND APPROACHES

Leadership theories are plentiful. As the field of leadership continues to draw greater interest from the academic community, discovery through research and investigation provide an increasing number of theories and approaches to leadership. In trying to define leadership, it appears as if the theories and approaches can be categorized into two broad categories. These two categories are inclusive leadership theories and authoritarian leadership theories. In categorizing leadership theories in this way one can more clearly evaluate the decision-making process.

Inclusive leadership theories are those leadership approaches that actively engage additional individuals in the decision-making process. Many of the current leadership theories and approaches can be categorized as inclusive leadership practices. This article discusses an alternative input model and therefore does not have to concentrate on the actual leadership theories. A highlight of several leadership theories are provided so the readers can gain an understanding of the inclusive leadership category as well the authoritarian leadership category.

Distributed leadership is a leadership approach in which decision-making practices are distributed so that those decisions are made at the level closest to the operations (Park & Datnow, 2009). Distributed leadership provides an atmosphere of information exchanging and allows individuals to learn from their mistakes rather than be penalized for the errors (Park & Datnow, 2009). There are three important attributes of distributed leadership. "They are: 1) a leader's recognition and use of internal intellectual and experiential resources, 2) differentiated top-down and lateral decision-making processes, and 3) culture building through dialogue and collaborative inquiry (Kennedy et. al. 2011)." This type of leadership where the decision-making process involves an acceptance embraces a team approach and is an excellent example of an inclusive leadership style.

Collaborative leadership lends itself to the shared decision-making approach indicative of the inclusive leadership style. In collaborative leadership "empowering people to work collaboratively is dependent upon the leaders" (Covey, 1989). This model demonstrates the importance of utilizing the talent of the individuals in and of the organization to increase the opportunity for an appropriate decision based on all available information. This approach provides leaders of organizations an opportunity to make decisions that improve opportunities to compete in a global economy.

Authoritarian leadership styles are often utilized by individuals who have a very specific vision and do not want to compromise on the implementation of that vision. In an organization utilizing this type of leadership style, the leader still requires data input to make effective decisions. While others may not be integral to the decision-making process, the information that is provided is absolutely utilized by the authoritarian leader. A risk exists in the interpretation of the data when others are not consulted. In this type of organization, data driven decision-making is more often practiced.

Whether or not an organization utilizes an inclusive approach or an authoritarian approach, information is needed to reach an appropriate decision. For leadership to make appropriate decisions in order to compete in a global environment, the inputs needed to make the decisions must be evaluated to determine their relevance.

EXAMINING INPUTS IN DECISION-MAKING

The rate of change is increasing exponentially leading to the new reality that the 21st century will be equivalent to 20,000 years of progress at the current rate of change (Kurzweil & Meyer, 2003). Coupling the accelerating rate of change with the change in economic conditions has caused leaders to make potential errors in their decision-making strategy. To make informed decisions regarding the information explosion requires constant scanning for changes that may impact an organizations' ability to compete in the global economy.

Leadership skills need to be enhanced. This phenomenon is causing a shift in the time constraints to plan, implement, and recognize the need to alter programs. To deal with this alteration in organizational climate, a new model needs to be implemented. Decisive leadership makes effective decision-making but only if the proper inputs are evaluated. "Arguably, the most important skill a leader possesses is effective decision-making" (Yates, 2001). The most important components necessary for effective decision-making is the tacit knowledge of those stakeholders who are involved with the organization.

Hard data such as order receipts, new product and service development, operational costs and labor and material controls are all essential components of decision-making. These items are components of decision-making that are projected and developed based on operational unit near term goals. What is missing in the decision matrices necessary for the executive is the appropriate use of forward looking information. To obtain this information a new approach may be necessary. To do this, input from valuable stakeholders is the missing component.

In order to include stakeholders in the decision-making process, the most important skill to enhance when making the switch is listening. It is important to recognize that people accomplish the necessary items that make organizations successful (Musso, 2011). Without people nothing gets done.

INCLUSION OF STAKEHOLDERS

This is an area where transparent communication is necessary. In order for leaders to encourage stakeholders to become involved in the decision-making process, everybody in the organization needs to know the status of their inputs. Transparency and effective two-way communication must be started early in order for people to continue to help provide appropriate inputs and truly understand the importance of their contributions. In other words, people do not mind providing thoughts and comments regarding an organization as long as they believe it is being utilized. This is not to say that individuals need to have every idea implemented to continue to participate in providing inputs, rather it is to say that individuals want to know that their ideas are being considered.

The process needs to be circular however, so it is a continuous process involving stakeholders. Stakeholders have skills, talents and experiences outside of the paradigm of the organization. These outside experiences allow individuals to view events and activities from a unique perspective. It is this unique perspective that can help organizations by offering a different point a view on a single event. These points of view provide the decision-maker with a rich perspective that can then be more properly evaluated as an input for long term viability. These short term observations may provide for long term viability. How should these inputs be properly vetted by an organization?

TOOLS AND TECHNIQUES

Organizations have been utilizing a host of procedures to harness information that can improve the decision-making of the leader. The most common that can readily be seen is the customer service feedback program. Most organizations have a mechanism to provide input directly from customers regarding their experience at the establishment. Many businesses and organizational websites collect this information and pass it on to the director of customer service. There is no guarantee that this information makes it to the executive suite for incorporation into the decision-making process. It many cases, the comments are resolved by the customer service department and the trending information is not advanced to the executive suite. Organizations may also utilize a system to harness ideas by employees. Often the "company" suggestion box is provided to allow employees to provide suggestions for improvements in the operations. Some businesses and organizations have had some degree of success at implementation of such programs while other businesses and organizations have failed to capitalize on such information. Many businesses and organizations have completely ignored the knowledge of vendors and strategic partners with regard to valuable information that could be used by decision-makers in the executive suite.

In order to properly harness all informational inputs from all sources, a more formalized process may be necessary to install. While there are many processes to capture this information, it is important to focus on a system that will help organizations gain a competitive advantage in the global economy. A system that can handle clues and observations from all stakeholders is preferable. The system needs to accept input and ideas from employees, customers, investors, vendors and strategic partners. It needs to process the information in an orderly fashion and provide those who engage the process with continuous updates on the status of their inputs. The system that has the flexibility and capacity to do this is planning-in-reverse. This process is detailed in the book entitled *Planning in Reverse: A Viable Approach to Organizational Leadership* (2011) by Ballantyne, Berret and Wells.

The process is flexible in that it can be implemented in small, medium or large organizations. It is a process that is built on the concept that people are important. People have valuable information that is often overlooked and that information may be the input that is necessary to maintain a competitive edge in the global environment. Often this information is summarily dismissed by executives because it may not be what they expected to hear. The planning-in-reverse process changes the mantra to make listening a number one priority and to thoroughly review any ideas or comments that are submitted through the process. Ultimately, a system is required that harnesses inputs from a variety of sources so decision-making is effective and businesses and organizations can achieve global competitiveness.

THE GLOBAL ENVIRONMENT

"Planning in Reverse is the answer to this new reality in which organizations operate. Perhaps, this process will improve the opportunity to be successful for all organizations" (Ballantyne, 2011). With the explosion of technology, the corner independent bookstore must now compete on a global platform. Companies such as Amazon and EBay allow small retailers to participate in the global economy. The independent book retailer in a small college town in Pennsylvania can sell a book to a customer in England, India or Australia. This change is the global marketplace requires a sharper decision-making model. The planning-in-reverse process

may help leaders make appropriate decisions that position their businesses and organizations for a more competitive future improving their opportunity for long term viability.

The future is unknown. Humans try to make sense of the world; this is why planning is a constant in organizations. Planning-in-reverse attempts to balance the need for planning with the accelerating rate of change by harnessing input clues from all stakeholders. In other words, it takes short term adjustments to ensure long term viability. With change being a constant and technology increasing connectivity of the world, businesses and organizations are forced to compete in a marketplace vastly different then even 10 years ago. This new global marketplace requires a strategic focus that simply cannot afford to ignore clues and inputs from stakeholders. To ignore this information may cause a disadvantage to occur within a business or organization.

CONCLUSIONS

"The effect of change and the increasing rate of change have caused a need to fundamentally alter the process used by organizations to remain viable in the future. Combining the change factor with current economic realities requires organizations to be proactive in addressing issues which effect the operation. This is handled best by including all stakeholders in the process of creating long term viability" (Ballantyne, 2011). As the global marketplace becomes increasingly intertwined, the competitiveness of businesses and organizations must be continuously improved. To ignore all available inputs especially those generated by stakeholders may ultimately cause businesses and organizations to fail. The planning-in-reverse process may help avoid these pitfalls by utilizing the inputs from stakeholders that were previously ignored.

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