

STRATEGIC THINKING

How Leaders Can Focus on the Big Picture

by Elsbeth Johnson

NOVEMBER 09, 2016



Every leader knows that they shouldn't micromanage – even if some of us still do. But while we understand the downsides of micromanaging and taken action to avoid it, we still haven't sufficiently embraced the upsides of *not* micromanaging.

The main upside is that leaders have more time to spend on what we call *macromanagement*. Although there are different definitions of this term floating around, when I talk with executives, I use it to mean managing the big issues rather than the small ones. Time and effort spent on macromanagement enables leaders to be as clear, decisive, and disciplined at the macro level – on the big strategic questions the organization is facing – as their managers are at the micro

level, i.e., about how these decisions might be implemented.

So, what are these big strategic questions that leaders aren't spending enough time on or aren't answering in a sufficiently clear or disciplined way? They are questions about:

- why the organization exists and what its purpose is
- what it offers (and does *not* offer) its customers, and how and why this offer delivers value to these customers
- what this produces for the business and for shareholders – the critical outcome metrics by which the organization will be judged
- how the people within the organization will behave – toward customers, other stakeholders, and each other

I don't know many leaders who would say they don't think these questions are important. But I know lots of leaders who don't spend enough time answering them, and even more who don't answer them with sufficient clarity so their people can then get on with delivering the answers.

Lack of Time Isn't the Only Reason Leaders Ignore These Questions

A lack of time, too many so-called “priorities,” and the gnawing presence of the urgent masquerading as the important are usually quoted as the main reasons why leaders' answers to these macro questions aren't clear enough.

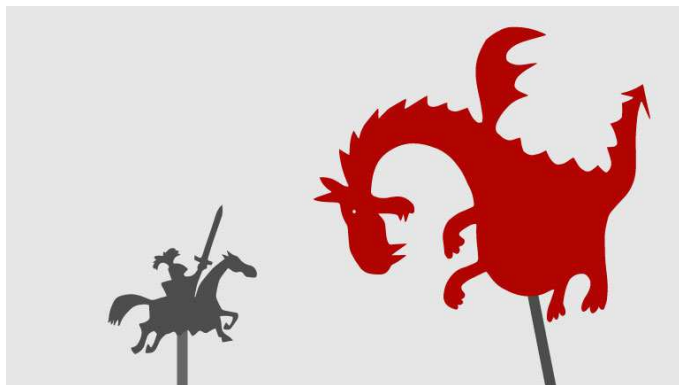
But I suspect an even more fundamental reason is at play here. For the past 30 years, the literature on leadership and empowerment has advised leaders not to be too prescriptive about these questions, lest they undermine employee empowerment. We have been told that participative leadership, rather than prescriptive leadership, is what we should aim for; that organizations should be agile, with “change the only constant”; and that empowerment is critical for employee satisfaction and long-term value.

I agree with the third point: Empowerment is critical. But, as my own research shows, in order to be meaningful, empowerment requires some boundaries, some rules that have been decided on within which empowerment can be exercised. Ironically, in order to truly empower employees, leaders need to be prescriptive, at least about certain things. And these things are precisely the macro questions of why the organization exists, what it will deliver, and how it will behave.

If leaders aren't providing clarity and certainty about these critical macro questions, then the best, most motivated employees flail in their so-called freedom because they can't be sure they are doing what leaders want or are using their time and resources in the best way possible. And because they want to do that, they find this lack of prescription stressful – and a huge constraint on them acting in an empowered way. Equally, the less keen and the less motivated on the payroll take this lack of prescription by leaders as license to do what they want (and perhaps what they were already doing), which, of course, may be diametrically opposed to what the leaders had in mind.

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Making time for such macro questions is not a luxury – it is a necessity. And is it not something that can be delegated or outsourced. Nor is it something that leaders should do only once a year, at the strategy offsite or at the start of the strategic planning round. It needs to become part of their weekly routine.

OK, I Made the Time. Now What?

Once you've set aside time on a regular basis to wrestle with these questions, how can you come up with the best possible answers – and refine those answers? Here are some tips from those I've seen do it well:

- Make choices in the negative.** For everything you decide you want (a particular market positioning, an investment in a new product, a new capability or function), articulate what that means you *can't* do. This forces you to think through the consequences of choosing these options by thinking about what the trade-offs are for each choice you are making.
- Pretend you have no money.** When organizations are strapped for cash, they have to make hard choices about what to spend money on because they don't have enough. It's often during such times that leaders describe themselves as at their most strategic. But it's easy to diet if someone's padlocked the fridge – what happens when you get the key back? All too frequently, when the cash starts to flow again, leaders start "choosing everything" again, and it's this oxymoron that sows the seeds of the next bout of underperformance. Having too many priorities means you don't really have any, which puts your organization's implementation

capability under strain. It also compromises your own leadership bandwidth, reducing your ability to macromanage. So pretend you're cash-strapped – it will act as the ultimate constraint on your desire to choose everything.

- **Talk to the unusual suspects.** These could be inside or outside your organization, but whoever they are, choose them because they are likely to disagree with you, challenge you, or tell you something you don't know. To ensure you have a ready supply of such people, you may need to look again at your strategic network – it may have gotten too stale to offer you such connections. If that's the case, weed out the deadwood and actively recruit people from different sectors, skill sets, and backgrounds who can help you test the quality of your macro answers. Questions to ask them include: "Why will this not work?" and "What do I have to believe for this not to turn out that way?" Being challenged and having new information may well change your answers; even if it does not, it will make your existing answers more robust.
- **Exist at the macro and micro-levels simultaneously.** One of the CEOs I most admire can do this – she goes from 10,000 feet to ground level in 30 seconds, linking her answers to the macro questions (this purpose, this brand positioning, this customer offer) to the micro operational implications for the business. But what she does really well is come back up. Because it is all too tempting, once you have gone micro, to stay there. But the main point of going micro is to test the validity of the macromanagement views you are coming to.

Of course, the prize for middle managers here is huge – once leaders are sufficiently clear and prescriptive about these macro questions, middle managers can get on with implementing them. But the prize for leaders is arguably greater still: They might no longer be needed for the daily grind of managing the business and can instead use their time and effort for the true work of leadership. That is, they can think about the strategic rather than the tactical, focus on the future rather than the present. After all, isn't that why they wanted to become leaders in the first place?

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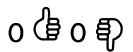
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