

# STRATEGIC LEADERSHIP: DEFINING THE CHALLENGE

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The only thing harder than being a strategic leader is trying to define the entire scope of strategic leadership—a broad, difficult concept. We cannot always define it or describe it in every detail, but we recognise it in action. This type of leadership involves microscopic perceptions and macroscopic expectations. Volumes have been written on the subject, which may in fact contribute to the difficulty of grasping the concept. One finds confusing and sometimes conflicting information on this blended concept that involves the vagaries of strategy and the behavioural art of leadership. Sometimes the methods and models used to explain it are more complicated than the concept and practice of strategic leadership itself. Exercising this kind of leadership is complicated, but understanding it doesn't have to be. Beginning with a definition and characterisation of strategic leadership and then exploring *components* of the strategic environment may prove helpful. Future leaders must also recognise the nature of that environment. Finally, they should also have some familiarity with ways of *developing competencies* for dealing

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with the broad, new challenges that are part of leading in the strategic environment.

### WHAT IS STRATEGIC LEADERSHIP?

The common usage of the term *strategic* is related to the concept of **Strategic leadership entails making decisions across different cultures, agencies, agendas, personalities, and desires. It requires the devising of plans that are feasible, desirable, and acceptable to one's organisation and partners—whether joint, inter-agency, or multinational.** strategy—simply a plan of action for accomplishing a goal. One finds both broad and narrow senses of the adjective *strategic*. Narrowly, the term denotes operating directly against military or industrial installations of an enemy during the conduct of war with the intent of destroying his military potential.<sup>1</sup> Today, *strategic* is used more often in its broader

sense (e.g., strategic planning, decisions, bombing, and even leadership). Thus, we use it to relate something's primary importance or its quintessential aspect—for instance, the most advantageous, complex, difficult, or potentially damaging challenge to a nation, organisation, culture, people, place, or object. When we recognise and use *strategic* in this broad sense, we append such meanings as the most important long-range planning, the most complex and profound decisions, and the most advantageous effects from a bombing campaign—as well as leaders with the highest conceptual ability to make decisions.

As mentioned earlier, strategy is a plan whose aim is to link ends, ways, and means. The difficult part involves the thinking required to develop the plan based on uncertain, ambiguous, complex, or volatile knowledge, information, and data. Strategic leadership entails making decisions across different cultures, agencies, agendas, personalities, and desires. It requires the devising of plans that are feasible, desirable, and acceptable to one's

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1. Webster's II New Riverside University Dictionary, 1988 ed., s.v. "strategic."

organisation and partners—whether joint, interagency, or multinational. Strategic leadership demands the ability to make sound, reasoned decisions—specifically, consequential decisions with grave implications. Since the aim of strategy is to link ends, ways, and means, the aim of strategic leadership is to determine the ends, choose the best ways, and apply the most effective means. The strategy is the plan; strategic leadership is the thinking and decision-making

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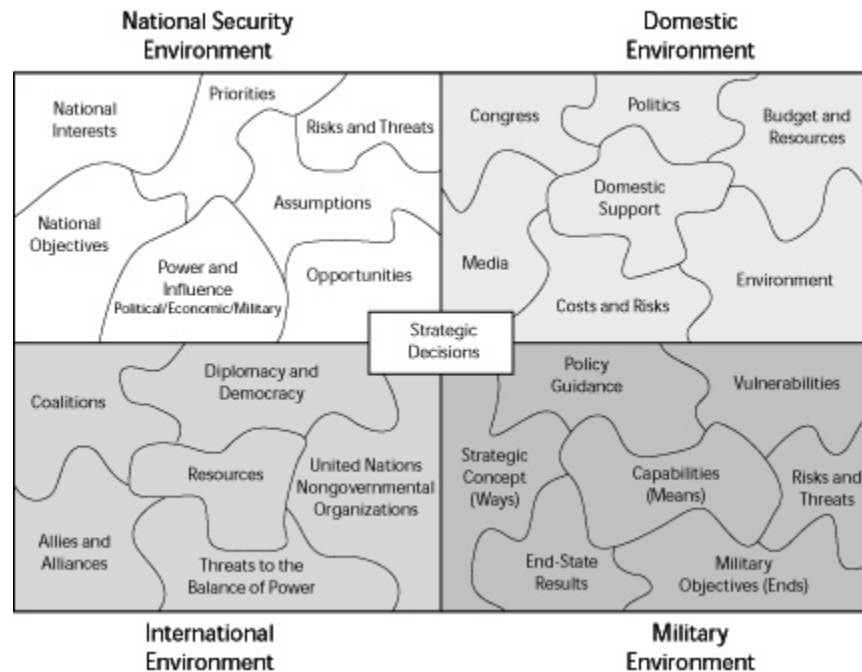
required to develop and effect the plan. Skills for leading at the strategic level are more complex than those for leading at the tactical and operational levels, with skills blurring at the seams between those levels. *In short, one may define strategic leadership as the ability of an experienced, senior leader who has the wisdom and vision to create and execute plans and make consequential decisions in the volatile, uncertain, complex, and ambiguous strategic environment.*

## COMPONENTS OF THE STRATEGIC ENVIRONMENT

What is the strategic-leadership environment? One construct includes four distinct, interrelated parts: the national security, domestic, military, and international environments (Fig. 1). Within the strategic environment, strategic leaders must consider many factors and actors. This construct is neither a template nor checklist—nor a recipe for perfection. The framework recognises the fact that strategic leaders must conceptualise in both the political and military realms. Additionally, it illustrates how the strategic environment is interrelated, complementary, and contradictory. Leaders who make strategic decisions cannot separate the components, especially when they are dealing with the national security environment.

Strategic leaders must recognise and understand the components of the national security environment. The ultimate objectives of all US government personnel are those presented in the national security strategy. The strategy and its objectives shape the decision-making of strategic leaders, who must understand the national instruments of power—political, economic, and military.

Fig. 1. The Strategic-Leadership Environment



These instruments provide the means of influence—for example, political persuasion (diplomacy), economic muscle (aid or embargo), or military force (actual or threatened). Within the national security environment, strategic leaders should consider national priorities and opportunities and must know the threats and risks to national security, as well as any underlying assumptions. Understanding this environment poses a major undertaking for strategic leaders. It is also the foundation for understanding the military environment.

Personnel who aspire to be strategic leaders, especially within the Department of Defence, must thoroughly understand military strategy. Two reasons come to mind. First, because the military instrument of power has such great potential for permanent change in the strategic environment, all strategic leaders must recognise its risks and limitations. Second, because military experience among civilian leaders has dwindled over the years and

will continue to do so, strategic leaders have a greater responsibility to comprehend policy guidance and clearly understand expected results. Only then can they effectively set military objectives and assess the risks of military operations. Such leaders must develop and evaluate strategic concepts within the military environment and recognise potential threats. Finally, strategic leaders will have to balance capabilities (means) against vulnerabilities and, in doing so, remain aware of the domestic coalition as a major influence.

**Strategic leaders must know how to engage the media since the latter can help shape the strategic environment and help build domestic support.**

Since the founding of our nation—indeed, even before the signing of the Constitution—the domestic environment has influenced our leaders. Over the last 200 years, little has changed in this regard; in fact, most people would argue that domestic influence has increased. For instance, strategic leaders today must pay particular attention to the views, positions, and decisions of Congress, whose power and influence pervade many areas within the strategic environment—both foreign and domestic. Congress has the responsibility to provide resources, and we have the responsibility to use them prudently and account for them. This partnership encompasses national and local politics, budget battles for scarce dollars, and cost-risk trade-offs. Strategic leaders cannot ignore either the congressional part of the domestic environment—even though the relationship can sometimes prove difficult—or support from the population. Such support is extremely relevant in democracies and certainly so in the United States. The problem for the strategic leader lies in accurately measuring public support. Accurate or not, senior leaders in a democracy ignore public support at their peril. Actually, because of their power and influence, components of the media make it impossible to ignore domestic issues. Strategic leaders must know how to engage the media since the latter can help shape the strategic environment and help build domestic support. Finally, even though the political will may change, environmental activism will continue to affect the

decisions of strategic leaders at every level. Environmental degradation remains a concern for strategic leaders in this country, as do problems in the international environment that call for strategic decisions.

When considering the international environment, strategic leaders should

**Strategic leaders can be surprised and their decisions thwarted if they fail to understand the international environment sufficiently.**

first explore the context—specifically, the history, culture, religion, geography, politics, and foreign security. Who are our allies? Do we have any alliances in place, or do we need to build a coalition? What resources are involved—physical or monetary? Is democracy at stake—creating or defending it? Leaders should also consider threats to the balance of power (BOP) in the environment and the involvement of both official and unofficial organisations. The United Nations may already have mandates or resolutions that would affect our proposed operations or interests. Non-governmental organisations may also be willing to help—or perhaps require help. Each of these concerns is legitimate and makes the international environment the most challenging and unfamiliar of them all.

This framework for the components of the strategic environment is simple in design yet complicated in practice. Most US government personnel are intimately familiar with the national security and military environments since they are linked (i.e., military strategy follows directly from national security decisions). But strategic leaders must recognise that the two greatest influences on their decisions come from the domestic and international environments. To lead effectively, they should use what is most familiar and be able to synthesise what influences their strategic decisions.

The four components of the strategic environment present a challenge for strategic leaders. The national security environment, with its many taskmasters, will drive both strategic decisions and military strategy. Leaders will feel great influence from the familiar domestic environment and must have its support for strategic action. Further, strategic leaders can be surprised and their decisions thwarted if they fail to understand the international

environment sufficiently. Knowing the disparate components of the strategic environment is the first step in grasping strategic leadership. Understanding the *nature* of the strategic environment and strategic decisions is the second step.

## NATURE OF THE STRATEGIC ENVIRONMENT

The strategic-leadership environment differs from the climate at lower levels of leadership. We should view the nature of this environment both broadly—examining consequential decisions and changes in performance requirements—and narrowly.

### *Consequential Decisions*

By nature, strategic leadership requires consequential decision-making. All decisions have consequences, but in the strategic context, they take on a different character—specifically, they are planned, generally long-term, costly, and profound.

Consequential decisions occur only at the higher levels within organisations. Generally, decision-makers in the top 20 per cent of the organisation—the people who have ultimate control of resources—plan and execute such decisions. They also think out the implications of their decisions in advance. That is to say, the decision-makers analyse and evaluate the possible, probable, and necessary ramifications of a decision beforehand. Some people argue that the sergeant on patrol in Kosovo or the bomber crew over Afghanistan can make strategic decisions in a split second and thus become strategic decision-makers. No doubt, armed forces and government officials do make lethal, destructive, and sometimes regrettable decisions. However, these determinations are considered tactical opportunities or, worse, operational blunders rather than planned, consequential decisions. Planning becomes more important when one considers the long-term nature of consequential decisions.

Such decisions require years to play out. Indeed, in most cases, strategic decision-makers may not be around to witness the actual consequences of the decision, making it all the more essential that they carefully consider all implications before taking action. Clearly, a hasty consequential decision can become very costly.

One may classify these attendant costs as either immediate or mortgaged. For instance, some consequential decisions—such as declaring war or beginning hostilities—can have immediate costs or effects. The cost in lives could become very heavy in a matter of days. World economic costs could mount within weeks while markets collapse within hours. Mortgaged costs of consequential decisions, however, refer to lost opportunities and “sunk” costs. We see such consequences, for example, when organisations commit to huge purchases for weapons systems over a decade-long timeframe. Of course, in the strategic environment, costs are measured not only in dollars but also in influence (e.g., the costs of supporting one nation over another or the costs of not supporting a particular position). Many times, the decision becomes a matter of sunk costs—gone forever with no chance of recovery. Up to this point, we have considered only the negative effects of costs on consequential decisions. Suffice it to say that many consequential decisions have the aim of decreasing, avoiding, or postponing costs. In fact, some of the least costly consequential decisions turn out to be the most profound

**Theory classifies the performance requirements for leaders in organisations as direct, general, and strategic (in military parlance: tactical, operational, and strategic, respectively).**

(e.g., expanding free-trade agreements and the North Atlantic Treaty Organisation (NATO) alliance, reducing the number of nuclear arms, etc.).

Consequential decisions are profound because they have the potential to create great change, lead trends, alter the course of events, make history, and initiate a number of wide-ranging effects. They can change societies and advance new



disciplines. Most importantly, an entire organisation, a segment of society, a nation, or humanity in general recognises such decisions as profound.

### ***Performance Requirements***

The stratified systems theory of T. Owen Jacobs and Elliott Jaques classifies the performance requirements for leaders in organisations as direct, general, and strategic (in military parlance: tactical, operational, and strategic, respectively).<sup>2</sup> Distinct elements define the leadership environment within each level. Unmistakable differences among the three levels include complexity, time horizon, and focus.

**At the direct level of leadership, communications generally occur within the same organisation and focus exclusively on the internal audience.**

Most people spend their careers leading at the direct or tactical level (squadron or battalion commander, branch chief, or below). In this environment, the leader interacts directly with the same people every day by maintaining a direct span of control, all the while executing plans, following policies, and consuming resources with a defined goal in mind. The time horizon is very short—normally less than one year. At the direct level of leadership, communications generally occur within the same organisation and focus exclusively on the internal audience. Because leaders spend more time at this level than any other, it becomes familiar and comfortable.

Some leaders, however, will mature and move to the general or operational level, where performance requirements begin to change. Direct leadership diminishes as the span of control shrinks. At this level, leaders develop plans, write some policies, and allocate resources among subordinate organisations. The time horizon also increases—to as much as five years. Operational leaders begin to shift the focus of communication and energy

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2. T. Owen Jacobs, *Strategic Leadership: The Competitive Edge* (Fort Lesley J. McNair, Washington, D.C.: Industrial College of the Armed Forces, 2000), p. 24.

outside the organisation, recognising and questioning how the external environment will affect their organisations. Group commanders, brigade commanders, and division chiefs represent this general, analytic level of leadership.

From the perspective of budding strategic leaders, performance requirements for the strategic level change the most and are the least familiar. The power of influence becomes more important than the power of the position. Conceptual ability and communications become essential. Both focus not only on how the external

**Operational leaders begin to shift the focus of communication and energy outside the organisation, recognising and questioning how the external environment will affect their organisations.**

environment will affect the organisation, but also—and more importantly—on how the organisation can influence that environment. The most challenging of the performance requirements is the timeframe for making decisions, which can extend to 20 years and beyond. The leader at this level must think in terms of systems and use integrative thinking—the ability to see linkages and interdependencies within large organisations (or systems) so that decisions in one system will not adversely affect another system.<sup>3</sup> The challenges are great, the stakes are high, and the performance requirements are stringent.

### ***Volatility, Uncertainty, Complexity, and Ambiguity***

Framing the nature of the strategic environment in a broad context helps us understand the magnitude of the challenge. Strategic leaders operate in an environment that demands unique performance requirements for making consequential decisions. If we look more closely at this environment, we

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3. US Industrial College of the Armed Forces, chap. 1, "Overview," *Strategic Leadership and Decision Making: Preparing Senior Executives for the 21st Century* (Washington, D.C.: National Defense University Press, 1997), on-line, Internet, September 2000, available from [http://www.ndu.edu/inss/books/books %20-%201999/Strategic%20Leadership%20and%20 Decision-making%20-%20Feb%2099/cont.html](http://www.ndu.edu/inss/books/books%20-%201999/Strategic%20Leadership%20and%20Decision-making%20-%20Feb%2099/cont.html).

discover four characteristics that define the challenge to strategic leadership in a narrow sense: volatility, uncertainty, complexity, and ambiguity.<sup>4</sup>

Now that the world is no longer bipolar, the strategic landscape has become more volatile. Violence erupts in the most unlikely places and for seemingly innocuous reasons. The last few years have given us a glimpse of this volatility: ethnic cleansing in Bosnia and Kosovo, war and terrorism in the Middle East, and terrorism within the United States. The challenge for strategic leaders lies in anticipating volatile scenarios and taking action to avert violence.

**If leaders are to anticipate the probable, possible, and necessary implications of the decision, they must develop a broad frame of reference or perspective and think conceptually.**

In most cases, these leaders will be asked to conduct this action in a landscape of uncertainty—the deceptive characteristic of the strategic environment. They face situations in which the intentions of competitors are not known—perhaps deliberately concealed.<sup>5</sup> At other times, they will even have reservations about the actual meaning of truthful information. Their challenge is to penetrate the fog of uncertainty that hugs the strategic landscape. Comprehending the nature of the strategic environment constitutes the first step toward solving its complexity.

The interdependence of the components in the strategic environment produces complexity—its most challenging characteristic. Integrative thinking is essential to recognising and predicting the effects of a decision on this “system of systems.” If leaders are to anticipate the probable, possible, and necessary implications of the decision, they must develop a broad frame of reference or perspective and think conceptually.

The ambiguous character of the strategic environment stems from different points of view, perspectives, and interpretations of the same event or information. Strategic leaders have to realise that broad perspectives (e.g.,

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4. Ibid.

5. Ibid.

using team approaches to solve problems and gain consensus) help eliminate ambiguity and lead to effective strategic decisions.<sup>6</sup>

The nature of the strategic environment is challenging because of the consequences of decisions and unique performance requirements. Although faced with an environment characterised by volatility, uncertainty, complexity, and ambiguity, aspiring strategic leaders can nevertheless learn to master it. Indeed, by acquiring certain skills and competencies, they can transform this environment into something more stable, certain, simple, and clear.

**Short cuts do not exist, and one can't start at the top—strategic leaders are made, not born. Strategic leaders gradually build wisdom, defined as acquiring experiences over time.**

## DEVELOPING STRATEGIC LEADERSHIP

If becoming a strategist is the “ends,” then leadership is the “ways,” and development is the “means.” Learning to become a strategic leader requires special preparation in several areas. First, one must understand how such a leader develops—in essence, the anatomy of strategic leadership. Second, one should recognise some of the essential competencies a strategic leader must have. Finally, the prospective leader needs to assess his or her current abilities and commit to a development plan.

### *Anatomy of a Strategic Leader*

Development of a strategic leader involves a number of important aspects. First, the most important, indeed foundational, part of this preparation concerns values, ethics, codes, morals, and standards. Second, the path to strategic leadership resembles the building of a pyramid (Fig. 2). Short cuts do not exist, and one can't start at the top—strategic leaders are made, not born. Strategic leaders gradually build wisdom, defined as acquiring experiences over time.<sup>7</sup> One must also remember that certain activities can

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6. Ibid.

7. Jacobs, n. 2, p. 46.

**Fig. 2. Anatomy of a Strategic Leader**



- Strategic leadership begins with organisational values, standards, and ethics—the foundation of our profession.
- Upon this foundation, the officer develops an abstract body of expert knowledge based primarily on experience. Continuing education can influence, expand, and accelerate development.
- Next, the officer is exposed to command responsibility and accountability—a vital phase during which the officer gets his or her first real taste of consequential decision-making.
- Further education in strategic-thinking skills enhances the officer's competence. In each case, an officer could have opportunities to exercise strategic competency in support of a strategic leader.
- Ultimately, the officer will participate in strategic decision-making and become a strategic leader.

accelerate these experiences and widen perspectives. Leaders should know that even though some individuals with strategic competency may not become strategic decision-makers, they can still influence and contribute to decisions. Additionally, having strategic competency will allow one to fully understand strategic decisions and perspectives.

### ***Competencies***

It is difficult to imagine an all-inclusive list of competencies required for strategic leadership. However, some skills seem essential—vision, for instance, which allows the strategic leader to focus on the future and, in fact,

build that future. Vision makes leaders proactive in the strategic environment rather than reactive. Furthermore, they should become transformational in order to inspire people toward common goals and shared values; they must anticipate change, lead change, and foster a mindset of change; they should

**Becoming a strategic leader starts with taking stock of leadership abilities, conceptual capacity, and interpersonal skills.**

critically analyse their own thinking to make decisions logically; they should foster an attitude of creativity in their operations and organisations; they must audaciously seek novel ideas

and understand how to frame decisions and organise chaos; and they should know how to build effective teams and gain consensus within large organisations. When consensus fails, strategic leaders must negotiate effectively, or they put success at risk. Many times, this kind of success is directly related to the cultural sensitivity and cross-cultural communications ability of the leader. Finally, the strategic leader must assume the role of both teacher and mentor. As Noel Tichy reminds us, great leaders are great teachers. They have a teachable point of view and invest in developing other leaders.<sup>8</sup> The competencies mentioned above form the basis of an education for aspiring strategic leaders.

### ***Assessment and Development***

Becoming a strategic leader is a daunting challenge. It starts with taking stock of leadership abilities, conceptual capacity, and interpersonal skills. A thorough self-assessment will help identify strengths and weaknesses. Such assessments can examine personality type, leadership motivation, originality, innovation, tolerance, teamwork, and conceptual ability. These assessments are like the starting point on a map, letting prospective leaders know where they are so they can take the best route to their destination. Completing a

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8. Noel M. Tichy with Eli Cohen, *The Leadership Engine: How Winning Companies Build Leaders at Every Level* (New York: Harper Business, 1997), p. 3.

detailed self-assessment is also the first step in commitment to the personal- and professional-development process required to become a strategic leader.

As a follow-up to the self-assessment, aspiring leaders should ask themselves a series of questions: What are my strengths? How can I capitalise on them? Where are my weaknesses? What can I do about them? Where do I want to be in the future? How can I get there? Do I really want to commit to development? The last question is the most difficult one.<sup>9</sup> Those who

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answer yes are ready to begin the journey toward becoming strategic leaders.

At this point, leader candidates should volunteer for, and accept, challenging assignments—especially in areas in which they might not have worked before. These could include moving into a different functional area, accepting joint assignments, or working in an interagency environment. Such taskings tend to accelerate experience and broaden perspectives. Furthermore, pursuing a formal course of study at senior service colleges and participating in other education programmes would broaden one's knowledge and conceptual ability. Self-learning is also valuable—especially reading. All strategic leaders are voracious readers—and they read outside their normal area of expertise, again, to expand their perspective and increase their conceptual ability. In fact, many of them are experts in a number of unrelated fields. Becoming a “dual expert” helps one think in multiple dimensions.

After committing to some or all of these development activities, potential leaders should reflect on each activity as a way of mining the total benefit and seeking greater meaning. They will also benefit from mentoring other leaders and being mentored themselves. When mentors share their experiences, they help others know and understand them. As Tichy says, sharing experiences or “telling stories” shapes our own attitude, behaviour,

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9. US Industrial College of the Armed Forces, chap. 7, “Developing Strategic Leaders,” *Strategic Leadership and Decision-Making*.

and point of view.<sup>10</sup> We become the story, and the story guides our lives. Gen Dwight Eisenhower endorsed mentoring when he explained that the best way to become a good decision-maker is to be around others who make decisions.<sup>11</sup>

## CONCLUSION

The many components of the strategic-leadership environment challenge even the best leaders. The monumental consequences of strategic decisions call for individuals with unique performance abilities who can navigate the volatility, uncertainty, complexity, and ambiguity inherent in the nature of those decisions. Aspiring leaders can rise to the challenge by undergoing self-assessment and personal development. Accepting the demands of strategic leadership involves a transition from the art of the familiar to the art of the possible. This is the realm of strategic leadership and the strategic environment. ■

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10. Tichy and Cohen, n, 8, p. 77.

11. Edgar F. Puryear Jr., *American Generalship: Character Is Everything: The Art of Command* (Novato, Calif.: Presidio Press, 2000), p. 232.