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## **The HR Executive's Most Crucial Capability? A Strategic Leadership Mindset**

**Albert A. Vicere**

**The Pennsylvania State University**

Facilitating an organization's capacity to anticipate and adjust to rapid and continuous change has emerged as a defining competence for effective HR leadership. Developing that capacity requires self-awareness, intellectual discipline, and the cultivation of a big picture, strategic leadership mindset.

Some years ago in a classic *Harvard Business Review* article, Robert M. Katz described three clusters of skills required for effective leadership. *Technical* skills involved the practices, tools, and processes required to do a job. *Human* skills involved the ability to understand, communicate, and work with others. *Conceptual* skills involved an intuitive sense of the bigger picture, a longer-term horizon, an ability to connect seemingly unrelated patterns or elements, and the creative development of new or novel ideas.

We know that leaders at all levels must have competencies in all three skill arenas. Knowledge and proficiency in the technical aspects of any job are essential to performance and advancement. The ability to engage and energize others is a cornerstone of effective leadership. But conceptual skills, the capacity to think

strategically, to look ahead to create the effective organization of the future is crucial at the executive level. That is especially true for tomorrow's HR executives.

The pressures of change have morphed into a relentless transformational force. Technological advances are unfolding at a frenetic rate. Networked business ecosystems are redefining organizational roles and relationships. The great recession has precipitated a shift in employee attitudes towards work and organizations. The growing consumer class in developing economies has shifted targets for market growth. These and many other developments require HR leaders who, in addition to having a solid grounding in HR management and the ability to energize others around HR initiatives, also have the capacity to anticipate change and the intellectual openness to create novel organizational solutions to emerging environmental shifts.

Over the years, I have observed that, although effective strategic leaders can and do have different personality types, styles, backgrounds, skill sets, etc., the most effective of them seem to share a common mindset for setting direction and dealing with change. That mindset helps them to hone their conceptual skills and develop their strategic leadership perspective.

Effective strategic leaders, whether they be HR executives or in other roles, engage with colleagues and assess relevant data to help them understand where the organization was and where it is. But once armed with facts and analyses, they exercise their conceptual skills by engaging in an "outside-in" assessment of where the organization needs to go. This shift is the essence of the strategic leadership mindset and can be observed as an intellectual process that unfolds in five phases.

***Look out.*** A striking characteristic of effective strategic leaders is their intense focus on developments external to the organization—social and demographic trends, economic shifts, technological break-throughs. They see these trends as the context for business strategy and organizational development. They focus on the critical questions of what their organization needs to do and how it needs to change in order to anticipate, adapt, and take advantage of developments in the changing external environment.

***Look around.*** Having "looked out" and placed the organization in the context of emerging external trends, effective strategic leaders then "look around" to consider what can be learned by studying the experiences of comparator organizations including competitors, benchmark organizations, potential disruptors, and others. What changes seem to be driving strategy and investment for these organizations? What is working for them? What isn't? What are

they likely to do next? What can we learn from their experiences? How can we leverage those lessons? How can we make a quantum leap?

***Look in the mirror.*** Armed with an assessment of the external context and insights from comparator organizations, effective strategic leaders then “look in the mirror” to consider what they must do to ensure that the people who work with them and for them understand the external context and have considered the lessons of comparator experiences. They develop an “influence strategy” to facilitate engagement and discussion of externally-derived and potentially game-changing information.

***Look to the team.*** Having framed their influence strategy, effective strategic leaders then engage with their team to discuss how key external trends and comparator information can be used to frame strategy development and execution. From those discussions, they build the plans and set the agendas that will move the organization into the future.

***Look for results.*** Effective strategic leaders work hard to balance their organizations' focus on current performance with openness to future potential. They not only build strategies for the future and engage people across the organization around those strategies, but they also define processes to monitor progress, drive results, and maintain a focus on new changes and developments in the business environment. They ensure that focus on current performance is balanced with a constant connection to the future.

How do leaders master this process and hone their strategic leadership mindset? In a recent TED talk, Boston Consulting Group's Roselinde Torres suggested that leaders should keep three critical questions at the forefront of their personal development agendas:

- *What are you doing to help you anticipate change?* How are you staying on top of trends, information, developments that could impact you and your organization?
- *Are you developing a diverse network of people, benchmarks and experiences?* Are you engaging with people from different companies and industries? Are you interacting with people with different interests and backgrounds? Are you taking some personal risk by learning new things and experimenting with new experiences?
- *Are you learning from your experiences, open to change, courageous enough to lead change?* Are you willing to challenge the status quo, defy conventional wisdom, and direct others toward alternative futures?

These three questions help frame the future challenge for HR executives. Effective strategic leaders view the creation of their organizations' future as their top priority. That is particularly important to HR executives who are charged not only with helping to craft futuristic strategies but also with significant responsibility for implementing those strategies. An open, externally focused mindset, coupled with intellectual discipline around the five phases of strategic leadership, can help HR executives become beacons for and leaders of change. And that is what strategic HR is all about.

## References

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