

STRATEGIC LEADERSHIP AS MANAGEMENT OF MEANINGS

Most literature on strategic management portrays a strategic leader as a planner, decision formulator, and implementer of structure and processes: more of a manager rather than a leader. A key strategic role that has received relatively little attention is the management of meaning. Its importance is due to the impact strategic managers can have on the meanings their organization's members attach to various events and circumstances, as well as to their own roles within the organization. Leaders manage meanings in order to:

1. Create shared perceptions and interpretations so that members' actions are guided by a common definition of the situation;
2. Justify their actions and the changes they introduce to the organization; and
3. Recruit followers and motivate members of the organization to support their actions.

This article outlines areas in which strategic leaders impact their organizational members' meanings and provides two examples of leaders who have done so.

Strategic leaders as managers of meanings

Most strategic leadership research has focused on the characteristics of strategic leaders, the choices that strategic leaders make or the requirements of the role. They have not paid much attention to the existence of followers and the central leadership role of influencing others.

This separation between the fields of leadership and strategic leaders is artificial and unfortunate because a successful strategy depends on both content and implementation. For implementation to succeed leaders need to 1) align the organization structures and processes with the strategy and with each other and 2) align people, managers and workers with the strategy and with the structures and processes built to support it. Aligning people requires developing shared mental models among organizational members. When the members share the perceptions, beliefs and priorities of the leader, their activities are more likely to align with each other and with the leaders' strategy, and thus promote the strategy's implementation. Influencing organizational members' perceptions, beliefs, and priorities is therefore an important component of strategic leadership and an important key to any leader's success.

A leader's meaning-making role is key when environmental assessment is difficult, members' involvement is segmented and incomplete, and technology or the connections between actions and results are ambiguous. In these conditions meanings are less "given" or agreed upon, and the input of management to the construction of reality is especially important and consequential.

So, the importance of management-of-meaning activities under ambiguous



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conditions stems from their real consequences for the motivation and mobilization of support, the diversion or satisfaction of stakeholders' demands, and the implementation of change in the organization. More and more companies increasingly face these uncertain conditions in today's globalized, boundary-less, and changing world.

The meanings strategic leaders manage

A key leadership challenge of the strategic management of meaning is to create and maintain systems of shared meanings that facilitate organized actions toward the achievement of desirable organizational ends. To do so leaders have to provide organization members with answers to the basic questions: Where is our organization currently? Why are we here? Where are we going? Why are we going there? How are we going to get there? What are our chances of arriving at our destination? The following list of five meanings captures the answers to these questions. They relate to the organization's environment, performance, goals, means, and efficacy. Although listed as discrete categories, they are interrelated.

The meaning of the environment: Refers to the interpretation of environmental circumstances and events such as market trends, competitors' actions, technological innovations, regulatory decisions by the government, and political developments.

The meaning of performance: Answers questions such as: How are we doing? Are we deteriorating or making progress? Although we talk about strategic leaders' portrayal of organizational performance to outsiders such as investors, analysts, and the media, we do not pay as much attention to managing the meaning of performance targeted at organizational members.

The meaning of goals: Refers to leaders' efforts to define and communicate the organization's mission, values and vision, as well as more specific targets such as increasing product or service quality by x percent. It also refers to how leaders justify priorities or any changes in the goals, values, mission or vision.

The meaning of means: Refers to the ways by which organizational actions of various kinds become meaningful because they are viewed as the means, or path, for achieving organizational goals. Three classes of such actions are particularly important in terms of linking them meaningfully to the environment and goals.

1. The structures and processes designed and established as part of implementation.
2. Personnel changes in managerial positions, decisions to acquire a new technology, or downsizing and cost cutting moves.
3. The organization's members' roles, tasks and actions.

The meaning of efficacy: Refers to organization members' beliefs about their own abilities and the organization's ability to achieve its goals. For members to support strategy and related changes advocated by the leader, they need to believe the organization has the human, social, and material resources to overcome current difficulties, improve its performance, and make progress toward its goals.

Summary

The management of meanings by strategic leaders primarily involves shaping organization members' perceptions and interpretations about: (1) the environment; (2) the state of the organization and its performance; (3) the organization's vision and goals; (4) the appropriateness of various means, decisions, and actions employed by the organization to achieve its goals; and (5) the ability of the organization to make progress toward meaningful goals.

Concrete examples

First is the case of company X, which is a large multinational company specializing in power and automation technology based in Switzerland. Its growth was dramatic in the 1990s but suffered in the early 2000s. A new CEO took over in the second half of 2002 when the company was on the verge of bankruptcy.

Over the following two years, the CEO sent weekly email messages to all employees around the world. He used these messages to manage the company's

meaning and guide its employees through the crisis. The emails focused on explaining the threat facing the company (managing the meaning of the environment), the short term goals and long term vision he had to overcome the threats (managing the meaning of the goals), the practical steps that needed to be taken (managing the meaning of the means) and the company's ongoing performance (managing the meaning of the performance). Specifically, he presented a stark yet explicit picture of reality and highlighted the survival of the company as the only vision of the future. He did not present a sunny vision to try to motivate people. All of his early messages focused on cost cutting and re-establishing its core business. Only when results started to improve did he start to provide images of a brighter future¹.

The second example is the University of Michigan's Law School court case. During the late 1990s and early 2000s, the University of Michigan faced a continuing legal battle of its use of affirmative action as a basis for admission into its law school.

In 2002, when Mary-Sue Coleman became the president, the university learned that an earlier court victory stating that affirmative action was constitutional had been overturned and that an appeal to the next level was needed. President Coleman and the University of Michigan viewed affirmative action as an essential selection criterion for the Law School to achieve its goal of diversity. She championed the case, it was argued in front of the United States Supreme Court and the University of Michigan eventually won. President Coleman inherited the environment in which she had to make meaning and devise a response. She used this opportunity to link the court cases to the meaning and importance of diversity in life at the University of Michigan. This was a choice on her part. She could just as well have used the opportunity to go the other way and advocate the abolishment of affirmative action as a criterion in admission processes.²

Implications for performance

The examples above show that the management of meanings can impact organizational performance.

Such an impact will be stronger to the extent that it (1) supports some ultimate end that the individual personally values and (2) affirms the individual's connection to the community of which he or she is a part. Leadership as meaning creation concerns leader's actions and characteristics that link members' actions, individually and collectively, to cherished values and a sense of community and close relationships.

Infusing action with meaning by linking it to members' goals and values has another potential and indirect effect on performance. Leaders who can do so become more charismatic in the eyes of their followers. Respect for leaders, attraction to leaders, trust in leaders, emotional bonds with leaders, and voluntary willingness to follow the leader may all increase as a result of their ability to provide meaning. It is therefore one of the bases on which leaders may build their ability to influence followers.

The dark side of managing meanings

The management of meanings has a potential dark side. Unfortunately, it is all too possible to view leadership as the management of meanings as brainwashing or mind control. It represents attempts by powerful actors to manipulate and control the behavior of others by imposing on the latter a definition of reality that maintains and increases the power, resources, status, and benefits of the former. Some of the most undesirable consequences of leadership in history, including crimes against humanity and mass suicides, resulted from followers allowing leaders to define reality for them.

Because of this dark side, it is important to allude to the fact that most organized situations can have rival interpretations and that the meanings that organizational members attach to events, circumstances and actions are derived not only from the organizational leadership, but also from other sources, such as their colleagues, informal leaders, the media and their own prior experiences. Strategic leaders should therefore not be seen as all powerful meaning makers who can manipulate symbols, images, and stories to

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implant their favored definition of reality in the minds of organization members. Rather, they are players in an arena saturated with multiple meanings and multiple sources of influence in an inherently ambiguous world.

In view of the potential dangers entailed by leadership as the management of meanings on the one hand, and the limitations on meaning making by leaders on the other, leaders must take a balanced approach. On the one hand, they should be aware of the potential dangers of meaning management. On the other hand, they should still attempt to influence meanings in the organization. By definition, a leader plays a disproportionately influential role in building reality in the organization.

Not doing so implies an abandonment of the leadership role. If we accept leadership as a fact of life and a potentially beneficial source of influence in organizations, we must also accept the role of leadership as the management of meanings, and at the same time remain constantly vigilant that this role is not performed in a way that it serves illegitimate ends.

This article is based on "Strategic leadership as management of meanings" by Boas Shamir, chapter 7 of the book *Being there even when you are not: Leading through strategy, structures and systems*, edited by Robert Hooijberg, James G. Hunt, John Antonakis, Kimberly B. Boal, with Nancy Lane. Elsevier, 2007.

¹ Heike Bruch, Boas Shamir and Galit Eilam-Samir, "Managing the meanings in times of crisis and recovery" Chapter 8, *Being there even when you are not: Leading through strategy, structures and systems*.

² Gretchen M. Spreitzer, Mary Sue Colemand and Daniel A. Gruber, "Positive strategic leadership: Lessons from a university president. Chapter 9, *Being there even when you are not: Leading through strategy, structures and systems*.

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