

# Combining Strategic and Operational Leadership.

## 08/05/2024

CCH Learning:

Hey, everyone. Welcome to today's webinar regarding Combining Strategic and Operational Leadership. I'm Alison Wood from CCH Learning Wolters Kluwer, and I'll be your moderator for today. Just a few quick pointers before we get started. If you are having sound problems, you can try toggle between audio and phone. Your PowerPoint is saved in the handout section of the GoToWebinar panel. And shortly after the session today, you'll receive an email letting you know when the recording is ready to be viewed. In terms of questions, please type those in at any stage during the session. We will have quite an interactive session today with three poll questions. And feel free to pop your questions in during and we will look at those at the Q and A at the end of the session.

CCH Learning also offers a subscription service, which many people have termed Netflix for professionals. It provides members with access to our entire library of recordings as well as live webinars for a very competitive flat fee. That's for over 500 hours of content. And for CPD purposes, your viewing is logged automatically.

Your presenter today is Deborah Assheton, who is the owner and director of The Amplify Group, a business that uses best practise frameworks to deliver very practical, high-impact leadership, change and interpersonal skill-building workshops, coaching and leadership programmes. Deb's passion is to help professionals deepen their self-awareness and embed behaviour that creates new levels of performance, engagement, and results for them. Deb offers executive coaching, leadership development programmes, and short and public workshops. Deb has over 20 years experience in executive leadership positions where she has managed very large teams of more than 3,000 people for some of Australia's best-known and highly regarded companies including Vodafone, Bupa and OPSM. Deb holds a BA in psychology and a Master's of Organisational Coaching from Sydney University. And Deb's clients span the retail, wholesale property management, banking, legal, technology, transport and motoring, and telecommunications industries. Without any further ado, I will hand you over to Deb to commence today's presentation.

Deborah Assheton:

Thanks very much, Alison. Hi, everyone. It's lovely to be working with you today on our topic of combining strategic and operational leadership. As Alison said, I'd like this to be quite an interactive session, so we do have a couple of polls. And I welcome you to put questions into the chat as we go so that we can have a discussion about it at the end because this is quite a big topic and there's a lot to cover. And obviously we've got 60 minutes, so what I want to do is cover the big picture today of what do we mean by strategic? What do we mean by operational? And what's the case for both forms of leadership? What's the business case?

And then what I'd like to do is share some tools with you, some models that help us understand where we are. Are we strategic, are we operational, are we somewhere in between? Share some models with you on that, and then after that, look at skill sets. What we're going to do today is look at what are the perspectives, the two perspectives? And why are they different? Strategic, operational. What's the difference in focus for each of them? And what are the skill sets? And I'm going to show them side by side so that we're thinking about actually what are the skills? And how do they look different from each other? Consider it a great, big introduction today.

And of course, a lot of this work comes down to how you manage your time, how you manage your energy, and where you choose to focus. What I want to talk about at the end is what does this mean for you? And what I'm hoping is that throughout the webinar today, you're able to reflect on do I spend my time strategically? Do I spend it operationally? Where's it right and where is it out of balance? And so where do I need to make some changes? I hope you find the webinar really valuable.

Let me get straight into these two perspectives. And they are very different and they are both needed. Particularly if you're in a senior or executive level role in an organisation or it's your firm, then you need to have, if you think about it as a metaphor, one eye on each.

Strategy is about setting your direction. Strategy is about where you want to go, where you want to end up or where you want to land in the future. Now, you can set the period of the future. You can say, "Actually, I want to land here in a year, or I want to land here in three years." We used to, back in the day, as they say, and many of you would remember, used to set strategy for 10 years. We don't often do that now. The length of time that we tend to set strategy for now is three to five years because everything is changing so quickly. And I'll come back to that. Strategy is about setting your direction. Where do I want to go?

Operations. Or operational work is about mobilising your resources. By mobilising, I mean and energising the resources you have. And those resources are time, money, people, clients, workflow. It's the guts of the operation is how we are going to get to where we're going. Strategy defines operations and operations create or make the strategy real over time, and so we need both in order to be really effective.

Actually, these are two distinct domains: Strategic, perspective, skills, and focus is a different domain to an operational set of skills, perspective and focus. And by perspective, I mean view, lens. And they are quite different. And I'll talk more about this as we go. The complimentary skill sets, it's good to have both. It's better to have both than to have one only. Yeah. One only is fine, but actually, for modern leadership and for most people, we can't ignore the operational reality if we want our strategy to be successful. And we equally can't ignore the strategic direction that we want to head in if we want our operations to have meaning and be effective over the long term.

The complimentary perspectives, they're both necessary to achieve and maintain anything of substance. They're both necessary for effective change. If you want to change anything, we need to have where you want to go; what you want to become, what's the goal in the change as well as the ability to execute on that. Without strategy, we tend to go in circles. We're aimless, as they say. And without operating well, nothing gets done. And in fact, when we're not operating well... And obviously that's a spectrum, you can be operating reasonably well, you can be operating very effectively, you can be operating poorly. The lower we fall down that or along that spectrum into operating poorly, the more chaos there is in our workplace. Without strategy, we're flying blind, and without operating well, we do descend into chaos. We want to have both in a good measure in the right balance for our firm, our team, and our role. And that's not easy to achieve all the time. We have to work at this one. We tend to favour one or the other. And I'll talk more about that in a moment.

Now, the other thing that needs to be said is that we are operating in this VUCA environment. And VUCA stands for volatile, uncertain, complex and ambiguous. The VUCA environment, it's the context that we are living in, all of us are living in and leading in. Things are more volatile, more uncertain, more complex and more ambiguous than they have been historically. And these VUCA are the characteristics of our current landscape. And it makes it hard to be both strategic and focus on the operations consistently. You're not doing this in a stable, certain, simple, clear environment, you're doing it in a volatile, uncertain, complex, and ambiguous one.

And the other thing that you are facing as a leader at the moment is the challenges that we have as leaders are changing in response to this VUCA environment. We are making different mistakes, if that makes sense. And we have to be constantly adapting to the volatility, uncertainty, complexity, and ambiguity. There's some challenges in the environment that, A, make it harder to stay the course on being strategic and operational, and B, make it really important that you do. I want to talk about that as part of this discussion today.

And for those of you that haven't come across VUCA before, the best place to research this... Well, you can just type in VUCA into Google, but is to look at... And the reference is down the bottom there. Look at anything from Martin Linsky who is a leadership expert at Harvard. He is the father of all of this research, so to speak. And he's been doing research on VUCA for about 20 years. And we're using quite a bit of his work today.

And what he is found in the research is that VUCA has changed the nature of challenges that we face. Historically, leaders faced mainly technical challenges. And technical challenges are those that are, they're easy to identify, they can usually be solved by the knowledge of experts. That doesn't mean they're easy, they can be very gnarly technical problems, but it is within someone's expertise. And once they nut it out, the link between problem, solution, and implementation are pretty clear with a technical problem and resolution is identifiable. We can say, "Yes, we've resolved whatever the problem was."

What we're seeing more of in a VUCA environment are adaptive challenges. And adaptive challenges have a very different set of characteristics. With an adaptive challenge, the problem is hard to define. There's often no one clear solution. It's easy to resist or ignore. Adaptive challenges tend to have a long fuse. We know they're coming for a while before they actually arrive right in their face, and they tend to generate disequilibrium and avoidance. They're, generally speaking, uncomfortable. They have a longer timeframe than a technical challenge. They can be on the horizon for years. And we need to solve adaptive challenges through a process of experimentation. It's not like a technical challenge where we solve it through expertise. Adaptive challenges we need to navigate and experiment on how we're going to meet the challenge. And for leaders, it requires a very different set of skills than a technical challenge.

Some examples of adaptive challenges probably already running through your head, but COVID is a great example. It was a virus, but actually, the problems around it were very hard to define. What's the distance we should all be? How does it transmit? All of those things. How do we bring it down? There was no clear path through COVID. And we saw many countries do many different things, many states in Australia do many different things. It was easy to resist or ignore them. Again, we saw different governments around the world try to do that. It had a longer timeframe. It's an example of an adaptive challenge. Other examples that are right on our doorstep are AI. Hybrid working is an adaptive challenge for most organisations. There's a couple of examples. Another one is climate change.

Now, the reason why I bring up adaptive challenges is twofold. Number one, with an adaptive challenge, no one person has the answer. There is no one person who had the answer to COVID; it took a 10. There is no one person who has the answer to AI. There's no one person who has the answer to hybrid working. Hybrid working looks different in every organisation, pretty much, and often within teams within the same organisation. Adaptive challenges need to be led differently. We need to respond differently than a technical challenge. But the truth is you will still have both.

I want to open up this poll. And Alison, if you could open the poll. Be great to understand of our participants today, what types of challenges do you have in your workplace or your team? What are you facing? Mainly technical, mainly adaptive, or a mixture of both?

Now, many organisations are facing a mixture of both. There's industry-level adaptive challenges, and then there are some workplace-level adaptive challenges, and then we've got things like climate change, which are happening at a global level around us. One of the things that's really important and one of the starting points for managing strategic and operational is to be able to identify which challenge you're looking at. Is it adaptive? Is it technical? Because it changes the way you respond. A technical challenge can usually be responded at an operational level; an adaptive challenge needs more strategic thinking. These are some of the things we're going to look at today. Alison, could you just give me the overview of the responses, please?

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Yes. Deb. We had 90% on a mixture of both, leaving 10% on mainly adaptive.

Deborah Assheton:

Great. Okay, that's interesting. It's either adaptive or both, which the work I'm doing with clients is that it's pretty much like that. Most companies are a mixture of both, but there are some companies now that see the challenges as mainly adaptive. Adaptive challenges and technical challenges are both really important. One is not more important than the other, but we need a different set of skills and focus to be able to resolve both. Got to be able to navigate both, particularly if you're in a leadership role.

I want to suggest a couple of models today that can help us to understand exactly where we are. Are we in a place where we're looking strategically or are we in a place where we're looking operationally? And I want to introduce a model that again was developed by Martin Linsky called the Balcony and the Dance Floor, which is the simplest, most effective model that I've come across. And it's also very well empirically validated as a model for understanding whether we're taking a strategic perspective or an operational perspective. What I want to do is talk about our perspective and focus first, and then we'll talk about skills in the second part of the webinar.

The Balcony and the Dance Floor is a very simple metaphor. And what Martin Linsky asks us to do is to imagine that our role or our firm, particularly if we're in a senior role, is taking place... All the activity of the role or the firm is taking place in a ballroom. And that ballroom has a dance floor. And he asked us to imagine that the dance floor is where the day-to-day work happens. It's the busyness, it is the interfacing with clients, it's the task orientation, it's where we make mistakes, it's where we fix mistakes, it's where we overcome hurdles. It's day-to-day, it's your busyness and it's the 10 AM Thursday morning activity. The dance floor is high energy, it's focused on delivery. You have people who are dancing, you have people serving food, you have musicians, you have, I don't know, lots and lots of stuff happening on the dance floor.

And then within the context of the ballroom, you can leave the dance floor, walk up a set of stairs and stand on the balcony that overlooks the ballroom. And from the balcony, you get a different view of the dance floor. You get a wider view of the dance floor. You can see who's doing the tango versus who's doing the waltz and who's off dancing in the corner by themselves. You can see whether the music is the right tempo, you can see whether the food being served is right. You can see things at a more systemic level. It's more objective, it's a wider span of understanding, and you're able to see the dynamics within the context of the whole.

And what he's found in his research is that leaders that are able to be able to balance the perspective of the balcony and the perspective of the dance floor are those who are most adept at leading in volatile, uncertain, complex, and ambiguous environments and are most adept at responding to both types of challenges, the adaptive and technical because the dual perspectives help us to see the whole picture.

I'll put this poll up and we'll start to open this second one up. This poll is I spend most of my time on... It's just a snapshot of where you are at the moment. There is no right or wrong answer here. The right amount of time for the dance floor or the balcony is different in different roles and it's different at different times. For example, if you're in an accounting firm, your year end, quarter end audit papers might be all dance floor, dance floor, dance floor, dance floor. And that's exactly where you should be. And then you might have other periods of the year where there's less deadline driven where you spend time on the balcony. The question on here is asking you where you spend most of your time in a given period. Alison, what are the responses that we've had here?

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We are looking at 60% mixture of both, 30% balcony, 10% dance floor. Thanks, Deb.

Deborah Assheton:

Thank you. Okay, again, a real mix there. Actually, I'll write that down so I get that. 60, 30, 10. Thank you. I'll come back to some of those numbers. As I said, it's not about saying, "This is a dance floor role."

And I want to talk about some of the benefits of moving between both at least some of the time. The ultimate goal is one of perspective or focus; that you cultivate the ability to see your day-to-day, your work, the ballroom from the dance floor and from the balcony at the same time. Leaders that do this very well are able to hold concurrent perspectives. One is strategic. The balcony is the bigger picture view. Are we doing the things we need to do systemically in order to get us in the right direction? And the dance floor is the operational what's happening at 10:05 on Tuesday? Are we delivering what we need to deliver by the midday deadline. Actually, there are two different perspectives, and we need to be able to hold them independently, and then, if we can, concurrently as well.

This table is a little bit ugly, but it's a very good summary of the benefits of both. The balcony is this strategic position, it's a broader view, it's a greater timeframe, it's objective, it's systemic, and you get to see the situational dynamics. And the skill that it gives you is the capacity to respond and to initiate.

The downside of the balcony is that if you spend too long on it, you end up with decreased levels of actual participation. While you're on the balcony, you're not on the dance floor. And that's fine because you actually don't want to be on the dance floor all the time, but if you stay on the balcony too long, you can become removed from the action. I know that you've all come across a leader who's been out of the action for so long or too far away from the action for so long that they've lost touch with reality. And so this is where we see leaders become... They start pontificating, they're ineffective and their contribution becomes irrelevant. Historically, they've been called the ivory tower leaders; they're just too far away from the action. And so what happens is that they lose their effectiveness over time.

The dance floor is what keeps us grounded in reality. The dance floor is where we do the acting, the doing. It's the narrow view, it's the fixing the problems, it's balancing resources, it's overcoming challenges and hurtling. And it is developing our capacity to react. And so when we're navigating our way to our strategy, that's not a linear journey. I wish it was, but it's not a linear journey. We don't just go, "Oh, here I am at A and I want to go to Z, and it's going to be a clean, easy, clear, linear path." It isn't like that at all. As you guys know, it looks really quite messy, and hopefully you end up at Z. If we use this alphabet metaphor, by the time you get to S, T, U, actually Z starts to look a little bit different.

The dance floor is how we navigate between the letters. It's how we manoeuvre. Do we need to get more clients? Do we need to pick up this next piece of work? What do we need to do around revenue? These operational questions are really important, but they need to be done within the bigger picture, the context of what does Z look like? It develops that capacity to react.

If we only live on the dance floor, though, we have a couple of major problems that come our way.. Number one, we have an inability to see what's coming. The balcony is a reflection space that helps you look at trends, industry changes, competitors, your own strengths and weaknesses of your firm. And if you don't get on the balcony, you lose the perspective of those things because you're just so in the doing.

We lose sight of our own role a little bit too, if we're on the dance floor a bit much, particularly if we're in a senior leadership role. It's associated with decreased leadership capacity. The more time you spend on the dance floor, the less time you're spending leading and the less time that people see you leading, and you are more likely to repeat your current level of performance. Dance floor oriented individuals are slower to increase their performance than individuals who are able to manage or concurrently manage both perspectives. On the dance floor, you can only react.

And so I find this model really helpful in understanding whether we are strategic or whether we are operational. I've got a couple of questions for you to reflect on. And these are in your handout. But they help us understand where we're spending our time and what perspective we're bringing. I'd really encourage you to think about how much time you actually spend on the dance floor... Sorry, on the balcony, thinking through the strategic themes of your role or organisation. And I'll come back to that when we talk about skills.

It's good to think about in meetings, do you typically present a dance floor or a balcony perspective about the topic being discussed? When there's a topic being discussed, do you typically present what happened this morning as an example of that topic or do you present a more thematic picture? Again, neither is right or wrong, but one might be more appropriate than the other given the topic and the meeting and the audience.

Do you typically notice balcony problems and issues or dance floor problems and issues? If you're only noticing balcony, that's great, you've got the bigger picture, that's the strategic leadership, but you're missing the operational execution and the problems that come with that. If you're only noticing the operational stuff and the operational problems and issues, then you're missing the strategic piece, which means you could be solving problems that take you in the wrong direction or are not aligned with the mission. Do you notice balcony opportunities or dance floor opportunities? When you have your wonderful insights about your firm or your team at 1:00 AM in the morning or when you're out walking, are they balcony or dance floor insights? And when you're giving your people feedback, do you typically give them feedback about 10:00 AM this morning or feedback that's more thematic? Now, again, neither is right or wrong other than, as a leader, we need to be cultivating both perspectives. Ideally, if I worked for you, you're able to see me through a thematic perspective of what are my strengths overall? How do I contribute to the role in the organisation at a thematic level? Versus the mistake I made at 10:15 this morning and the mistake I made at 10:15 this morning. This is how we balance both.

And I'd love you to be thinking about time where you have successfully combined both perspectives. I'm sure you have, and you probably do it all the time, but this is how we bring together, how we combine strategic and operational thinking. I've found this whole metaphor really valuable, and that can also help us to understand what we need to do differently, which I'll come to when we talk about skills.



Again, for our poll, I'd love to understand whether you think, yes, I have the balance about right in terms of where I spend my time, or no, actually, I think I spend too much time on one or the other, or I don't know. Now, it doesn't matter which one you spend too much time on. If that's your answer, the key here is being aware. And again, we'll come back to this. This helps us to understand and how to think about the strategic and about the operational. Where are we headed and what are my resources, all my resources that are on the dance floor? What are they doing? Okay, Alison, how are we going?

CCH Learning:

We have come up with 100% no, I spend too much time on one or the other.

Deborah Assheton:

Well done, guys. It's good insight to get. One of the things that I suggest you do, although you already know that you're spending too much time on one or the other, one of the things that I typically suggest leaders do, it sounds a bit cheesy, but it's actually quite effective, is to have a look at your calendar for the next two weeks, assuming that the next two weeks is pretty indicative of every fortnight. And you print it out and you get three highlighters. And you highlight all the meetings that you're in. Highlight one colour for dance floor meetings, one colour for balcony meetings, and a third colour for the meetings that are genuinely both. And just see what your calendar looks like and whether that's right for the role.

Now, all of you have said, "No, I'm not spending my time in the right way." I'm going to come back to that when we talk about mastering your calendar and mastering your time in the second half of the workshop. But that's a great starting point is simply awareness. It's half the work, actually.

What the balcony and dance floor can also help us understand is what are some of the things where either life or challenges or difficulties are getting in the way? Where we're facing genuine adversity versus where we're getting in our own way. I'm going to share this research with you, and I just want to spend a bit of time talking about it. This is research from Angela Duckworth who wrote the 2016 book called Grit. She's since written another couple of books. She's also got Ted talks that you can look at as well. And what she found in her research as part of understanding this construct of grit or grittiness is what is the difference between genuine adversity and distractions? And this is what her research showed: That adversity is actually three things. It's obstacles. These are obstacles that come up that are outside your control. It is setbacks that happen, again, that are outside your control or just setbacks. And it is also long plateaus of no obvious progress.

Long plateaus of no obvious progress happen often when we're trying to change. We know that we want to change something, and we start new behaviours, but it can be a long time, it can be weeks, sometimes months, or perhaps even years before we see the genuine benefits of those changes. And that stretch, that plateau is a form of adversity. They're the only three adversities: obstacles, setbacks, and plateaus. What she found was that almost everything else is a distraction and that's largely self-created. We get in our own way with distractions. And so these are things like impulsivity and reactivity. We lose sight of the goal or we change goals or we go off on the latest, greatest shiny thing and we lose our way.

Poor clarity. That's where our goals or our actions are ambiguous. Personal judgement and personal ego and personal agendas. Short-term deviations. This is where we go potentially for the quick win, but it's actually a quick win that takes us off course or we go down a pet project that doesn't actually contribute to the strategy. We do short-term deviations that have long-term impacts. And indecision is another form of distraction. We take too long to make decisions either because we're waiting for the perfect information or we are simply not able to push the button; we're stuck in that impulsivity and we're not able to push a button on decisions.

How does this relate to strategic and operational leadership? Well, adversity is likely to show up in both. Strategy is going to face obstacles, setbacks, and plateaus. And the day-to-day operating rhythm of your business also faces obstacles: people resign, people get sick, clients change their deadline. There are obstacles and setbacks all the way through your every day, not so much the long plateaus of no obvious progress, although that can be in there as well in the day-to-day, but certainly the obstacles and setbacks. This is a skillset that we need to be able to navigate both strategically and operationally.

Distractions happen at the operational level. This is where we make poor decisions: we react, we don't move fast enough, politics gets in the way, ego or we are running on low goal clarity, which is what I'm going to talk about next. Distractions are one of the ways that we get in our own way. They've actually got nothing to do with difficult stuff, but they often happen in response to obstacle setbacks and long plateaus of no obvious progress.

In order to lead strategically and operationally and combine the two perspectives, we have to be on the look for adversity and distraction. And distraction needs to be managed very, very clearly, quickly, and for one of a better term, ruthlessly, which I'll come to in a moment. I think one of the other distractions that organisations are facing now more than ever is a lack of prioritisation. We're going in too many directions, we're spread too thin. And it's part of a poor clarity environment. We really need to be thinking about when you come up against something, is this genuine adversity or is this a distraction that we've created for ourselves?

Okay, when we are leading a team now or when we are leading a firm or when we're in a senior position and we're doing our work in a volatile, uncertain, complex, and ambiguous environment, and the work that you do is already probably pretty technical, complex, difficult with quite demanding clients, we're in an environment when you come up against obstacles, setbacks, and plateaus, that means that there is probably not one answer. There's no linear path here, there's no one way. And actually, our goal as leaders is to find a way. Now, I don't mean find a way as in we are lost, aimless, structuralist, and in chaos. I don't mean that at all. I mean we know that we're going from A to Z and our job is to zig and zag to find a way to navigate obstacles, setbacks, plateaus, and all the distractions so that we get there.

And you don't have all the answers, so what you are doing as a leader is you are actually leading the process of finding a way, and that requires both types of leadership. You have to know where you're going and you have to know what you're doing to get there in order to have a process happening that's effective. We're finding a way to our strategic goals, whether they're two years away, three, five, or they're one, three, and five, which is often the case. The balcony and the dance floor can help us understand where we are in our head or where somebody else is if you listen to them talking.

The other piece here that is really effective and is actually vital is goal clarity. And smart goals are good for business. You've probably all heard of smart goals. A smart goal is where we have a specific goal; it's measurable, it's achievable, it's in a realistic space and it's time bound. Smart goals are fantastic. They are not strategic. If you only have smart goals in your business, then you're only operational. Smart goals are perfect for what needs to happen in the next four weeks, what needs to happen in the next eight, what needs to happen in this quarter, but they're not strategic goals.

What I want to talk to you about is what are called goal hierarchies, which again, this is drawn from the work of Angela Duckworth, but you can just Google goal hierarchies. How goal hierarchies help us to understand strategically where we're going. And they're a very good tool for doing something with your team where you want to get to a strategic outcome or a change and you map out what are the key steps. This is what a goal hierarchy looks like. They literally look this simple. The psychologists call that big goal the superordinate goal. We would call it the big, hairy, audacious goal or the wildly important goal; your whip, as it's called.



Your wildly important goal could be to deliver for your client this quarter. Your wildly important goal can be anything and it can be in any timeframe. It doesn't have to be a five-year goal, although it can be. And this is a great way to represent five-year goals.

And then you've got what are called higher and lower order goals. Your wildly important goal will usually have two or three sub-goals that you need to hit in order to achieve the wildly important goal. The wildly important goal is usually an outcome and you need some sub-goals to deliver on that. An example of this might be... I've actually gone blank now, and I'm trying to think of a really good, wildly important goal. I have gone completely blank. Let me give you a personal example. One of my goals as a parent is I want my children to know how to eat well. That means that I'm sub-goal number one is that I am providing them with really good food, doing my best to feed them in the healthiest possible way. I'm role modelling and I'm doing that. Number two is I'm teaching them what I can about nutrition. And number three is I am talking to them about what poor nutrition looks like and the effect that it has on our health. I want them to understand both. Now, within number one, around feeding them as well as possible, right down here in action, down the bottom, that means that I do care about what goes in their lunchbox. I don't just shove it with whatever's in the pantry, I actually think about how can I give them the best possible nutrition at lunch given what they need to do at school that day?

What happens with goal hierarchy is the smallest action gets joined to the ultimate goal. And this is where it's very powerful. The actions are often the smart goals. They're the small tasks that contribute, and they certainly suit a smart goal. But what goal hierarchies do is create line of sight. And what happens in a goal hierarchy is that those higher order, wildly important goals are strategic goals. My goal to teach my kids about nutrition and how to eat well is a 20-year goal. That goal doesn't change. Now, the lunch boxes will. I will not be making their lunch for two decades. What happens is the operational work changes, but the wildly important goal and the key things underneath it do not.

And teams that are really successful are the ones that are able to shift the operational as they need to navigate to get to the strategic goal. What we don't want to do is change the strategic goal every two years. That's not effective. That creates chaos. Equally, what we don't want to do is stay on the same operating path if that's no longer working. We've got to move with the VUCA environment, we've got to move with the industry, we've got to move with whatever's happening. We need to navigate and move. But the actual goal of where we want to get to doesn't change, but our tactics do.

Now, teams that don't change their operating focus and tasks as they should or need to, they end up doing irrelevant work or they end up with poor levels of prioritisation. We don't want to do that. And teams that forget about the strategy and are just the doing, doing, doing, doing, they often end up majoring in minor things. They major in stuff that, it's not really part of the mission of where we're trying to go to strategically. It's off off-centre achievement. We want achievement that directly, as much as possible, contributes to the strategic goal.

Mapping out goal hierarchies is really valuable for us, and it's also the orientation that we find in high-performing teams. In typical or general or even low-performing teams, team members see themselves as being there to keep to leader or the manager happy, to do their work. The orientation is towards the leader or the manager. In high-performing teams, the orientation is towards the goal.

Some of the research on high-performing teams... And so this research is from sporting fields. Are that you might have, let's say, a world-class tennis player, and they are team member A. They have a physiotherapist, they have a coach, they have whoever else is in the team. And it's not about keeping the world-class tennis player happy, it's about winning the tournament. That's the goal, winning Wimbledon or winning the tournament, the Open. That's the goal that is the glue for everybody in that team. And that orientation is strategic in that the goal that we're going for contributes to the strategic goal to be the number one player in the world or to win whatever prize money, whatever it might be. Orienting your team around goals is what helps us to stay focused on navigating,

and the goals are happening within the strategic context. But your goal can be operational, can be a goal for this week as in it's further down the hierarchy or a goal for the month or the quarter that's happening within this context.

Okay, I'm doing a lot of talking. I want to move now and I want to talk about some of the skills. We've talked about the environment that you're living and leading in and the types of challenges you have and how they require a strategic and operational leadership. We've talked about the balcony and the dance floor as a model that helps you understand where you are in your head and also where you're spending your time and what your focus is. We've talked about goal hierarchies as a way of helping create line of sight and to understand whether your operational day-to-day tactics are contributing to that wildly important goal.

What are the skills that we need? We talked about focus and we talked about perspective; I want to talk about skills. And obviously there's a lot of skills and people spend years studying these skills. But what I've tried to do for this webinar is, first of all, delineate them and then also break them down into some key areas. And that's what I want to talk about now.

The strategic skills look very different to the operational skills. And they are quite different. And of course I'm showing them here as independent, but there's an intercept that I'll talk about in a moment between the two. Strategic skills are about creating the vision, the goal, the wildly important goal, sharing it, being able to talk about it and to make it real and warm and engaging. It is also about resolving conflict, because we might be here and our goal is over here, which means we're not doing this anymore or we're doing this plus, which is often what most strategies are. You're resolving conflict and doing so explicitly. You're inspiring and expanding; inspiring people to aim at the goal and to think about it and to care about it and expanding in that you're both educating as well as asking them to think differently or bring more thoughts or different thinking. You're asking people to grow.

You're generating a shared understanding and hopefully ownership of the strategic direction. You are, at the same time, raising expectations or goals. All goals, any goal that you have is raising the expectation. If your goal is to get fitter, you're raising the expectation of yourself. If your goal is to eat better, you are raising the expectation of yourself. If you have a goal that is at a level you have not previously performed at, then expectations are by default going up, and that needs to be explained. Strategic skills are talking about that, what will the new expectations be?

Articulating and making explicit what we're aiming at and what we're not. And this is really important. What we are not aiming at helps to remove distractions and to create more clarity. We've got to talk about what we're not going to be. If you want to, for example, work with wealthy clients, then, by default, you are not working with low value, lower value clients. We can't be all things to all people.

Strategic skills are challenging us. They're challenging us, I and you, to aim higher, to think differently, to change direction, to use our skills differently and to ask different questions. And we are usually, especially if we're going for something really tough, we're maintaining a productive discomfort because we're not there yet and we're going to face setbacks, we're going to face adversity, and particularly the plateaus. We are going to have some discomfort on our journey, and the strategic skill is to actually maintain that and use it as a fuel.

Operationally, we're doing very different things. It's a different headspace. We're planning for execution, we're allocating resources, we're creating teams and workflow, we're assigning tasks, we're giving direction. You guys said that 100% of you were spending the wrong amount of time on one or more. I'm assuming that a lot of that was the dance floor. We're holding people accountable. We've got an action orientation. We're counting, monitoring, and measuring execution and progress. We're course correcting, we're iterating and responding,

including to failure, and we're systematising our learning. We have ways embedded in our operating rhythm that help us understand what we need to do differently.

The operational skills, as you can see when you just look at it like this, are quite different. The strategic skills are about sharing and engaging and making clear and resolving conflict. The operational skills is that mobilising resources. It is about getting stuff done and keeping it moving in the right direction. They're quite different skills and they're quite different work.

At a strategic level, the work for leaders is to seek opportunity for sustainable revenue growth. Now, revenue growth, as you all know, is the holy grail for organisations, so you've got to be focused on that. Where is my revenue growth coming from? And we want to make it specific and clear and we want to identify and lead our organisation through the adaptive challenges. You don't want to be the leader that ignores hybrid working, for example. I'm sure none of you have. You want to say, "Okay, this is on my doorstep. And how am I going to respond? And who am I going to engage?" Now, adaptive challenges, you should engage your team because no one person has the answer. Diversity of thought is your friend.

Engaging your team and customers in some of those adaptive challenges as well. And of course demonstrating all of those emotional intelligence skills and your passion for the goal is your strategic work. You become the embodiment or the symbol of the goal if it's your goal. Or if you're leading the process of finding a way, you have to demonstrate passion, commitment, empathy, confidence, decisiveness. That sits with the leader, and everybody else will usually follow suit.

Operationally, we need to keep creating line of sight. I need to understand that when I get up and I make a lunchbox at 6:00 AM, exactly what it's contributing to. That's what makes me get up and make it every day. That's why I don't skip a day, because it's meaningful. We need to prioritise. And prioritising is largely operational and we have to be ruthless. I'm going to make a generalisation that organisations today do not prioritise enough. They're not ruthless enough. We're trying to do too much.

We need to pace our progress and think marathon, not sprint, utilise conflict constructively to improve what we're doing. We have to maintain the performance focus, not just a task focus. Remember, you can task, task, task, task, task but not get yourself towards your strategic goal. Tasks are important. They have to be within the context of progress and performance. We want to utilise diversity of thought because you don't have all the answers on how to get better and what to do differently. And measure and communicate, measure and communicate, measure and communicate our progress. If we're trying to get from A to Z, we need to tell people when we're at B and when we're at C and when we've gone back to B, and then we get to D. People need to understand so they've got clarity and line of sight.

What does all this mean for you? Well, what it means for you is pretty simple and not so simple. If you are the person in the driver's seat here, if it's your firm, your team, then you're the key asset. The leader is the asset in bringing together the strategic and the operational. Often, your team can't do that for you when they can't do it for themselves so it has to be you.

In order to balance these two perspectives, bring the right skills. And to manage the sheer scale of both, the busyness of both, you have to be on your A game. And that means managing your time, your energy, your calendar, staying in your power. It actually begins with you. One of the things that I suggest and that's actually pretty effective, as you all know, is that you... When I say actually pretty effective, as you all know, actually, research supports that when we manage our calendar, when we get intentional about it, it changes the way we do our role.

What I suggest is that you structure your calendar to give you the right amount of time as you see it for both: the balcony, the dance floor, strategic, operational. There's thinking time, there's doing time, there's planning time, and that your calendar is not just a reflection of tasks. Obviously the tasks are there, but if you can get on top of the calendar and you run the calendar rather than it running you so you're the master, not the slave, then that sets you up to be the leader who's able to continually combine both strategic and operational and has the time to do so. Because when you walk into a meeting that is purely operational and you remind people why it's important to find a way, because how this contributes to a strategic goal is X, Y, Z and your opinion matters and what you do today matters, that's really energising. And for you to do that, you have to really be in your power and feeling good and clear yourself. You're the key asset in setting up and managing both perspectives.

And we've got to bring an element of... I think it's... Well, for me anyway, it's this fear of standing still more than the fear of change. You've got to mobilise your energy here to get out of one perspective only. If you're too much on the dance floor, too much on the balcony, you've got to mobilise an energy to get yourself out of that so that you're in both. That's really important. And of course we've got to celebrate and learn.

I've put in some resources for you, and some of them are the ones I mentioned from Ronald Heifetz. There's also a fantastic article from the Atlassian blog that references some other research as well. Any of the TED talks by Ronald Heifetz are fantastic. Angela Duckworth's book, *Grit* is very good, although it's quite personally focused, but some of her other work is more organisational. And you can Google goal hierarchies, and there's a lot of really great information around them as well. But that's it from me today. I hope you found the webinar valuable. Alison, I'll hand back to you. I've got time for a couple of questions.

CCH Learning:

Thank you very much, Deb. Yeah, we've had a couple of questions come through, but just a reminder, if anyone else would like to ask the question, please pop it into that question pane you can see there and we will run through those in our Q and A. All right, in the interim, I will just quickly mention our upcoming webinars. We're looking at property and income tax, superannuation withdrawals, end of financial year tax planning, ATO tax crime, we have our tax technical update, as we do every month, and then understanding downside decisions in terms of aged care. If you jump on the CCH Learning website, you can find all the details of those. All right, Deb, let's have a look at these questions here. First one is from Katherine. She's just asked, "Should I share our strategic goals with my team? And what about confidential information?"

Deborah Assheton:

Okay, good question. All right, confidential information is confidential information and you probably shouldn't share it. However, your strategic goals, definitely. Unless there's something particularly secret about them, if there's a merger or an acquisition or something along those lines. If it's actually just your sort of general team or firm's strategic goals, then absolutely you should share it because I'm sure you've got high performing team members, you've got wonderful people and they want to be successful and they want you to be successful. When you share your strategic goals with them, they can buy in. They can think about them, they can contribute. They can say, "Hey, Deb, what about this?" Or, "I don't think that's going to work." Or, "Have we tried this?" Or, "Someone else is doing that." It's hard for them to buy into something that they can't see. As much as possible, I'm an advocate of transparency.

CCH Learning:

Perfect. All right, and next one here is from Katie. "How do I help my team constantly change in VUCA?"

Deborah Assheton:

Great question, Katie. Look, that's actually quite a big question. And it's a leadership issue, so I'm glad you're asking it. Ideally, what we do is you can talk to your team about VUCA. The number of people who are relieved to hear that there's an acronym for the way we are at the moment is amazing. People go, "Oh, it's not just me, it's actually a thing. VUCA's a thing." That in of itself helps.

I recommend that you do share VUCA with them and that where you're coming up against a change that you start to talk about the volatility in that, the uncertainty. And tease it out and ask them how they feel about it, not because we want to have a therapy session, but because you want to engage them in the difficulty. And again, they can offer suggestions about how to get through. If I'm in your team and I know that there's a problem with a client, I'm immediately going to start thinking about solutions. That's the way the brain works. I think you should share the aspects of change that are tough and give them some air time. And that's where I would start in terms of how you lead your team through change.

CCH Learning:

Great. Thank you, Deb. Some great tips there. And that is all our questions that have come through for today, so thank you. All right, just looking at our next steps here, I'd just like to remind the audience to please take a moment to pop their opinions in our feedback survey. And in terms of the recording, you will receive an email shortly after the session today. It will also include a verbatim transcript, CPD certificate, and of course this PowerPoint presentation. Thanks again to Deb for the session today, and thank you to everyone in the audience. We hope to see you back online for another CCH Learning webinar very soon.

Deborah Assheton:

Thank you.