



# The Importance of a Strategic Approach

In the fast-paced world of business, the absence of a strategic approach can turn decision-making into a challenging endeavour. Without a clear strategy, vision, mission, and values, determining appropriate structures, capabilities, systems, policies, technology and resources can become somewhat of a guessing game, leading to delays, dysfunction and potential failure. Here's why a strategic approach is crucial and what to do if you don't currently have one.

## **The Foundation: Strategy, Vision, Mission, and Values**

Strategy: This is the overarching plan that guides an organisation towards its long-term goals. It outlines where the company wants to go, and the steps required to get there.

Vision: A vision statement provides a picture of the future that the company aims to create. It inspires and motivates employees by giving them a sense of purpose and direction.

Mission: The mission statement defines the organisation's core purpose and focus. It answers the question, "Why do we exist?"

Values: These are the principles and beliefs that guide the behaviour and decision-making processes within the company. Values help shape the company culture and influence how employees interact with each other and with stakeholders.

## **Building the Structure: Systems, Policies, and Processes**

Once a company has established its strategy, vision, mission, and values, it can then move on to designing an appropriate structure. This involves developing systems, policies, processes, and employment agreements that support the strategy. Here's why this sequence is crucial:

Clarity and Consistency: A clear strategic framework ensures that all policies and processes are aligned with the company's goals. This alignment helps prevent confusion and inconsistency, particularly when different teams may otherwise have varying needs and priorities.

Effective Communication: To achieve clarity, organisations must employ various communication methods, including documents (e.g., performance plans, job descriptions, employment agreements, policies), verbal communication (e.g., team meetings, one-on-one discussions), and other tools (e.g., team meeting agendas and minutes, forms, systems). Effective communication ensures that everyone is on the same page and understands their roles and responsibilities.

Employee Engagement: When employees understand the bigger picture and how their work contributes to the company's goals, they are more likely to be engaged and motivated. This alignment fosters a sense of purpose and belonging, leading to higher job satisfaction and productivity.

## **Starting Without a Strategic Approach**

If your organisation currently lacks a strategic approach, here's how to begin:

Senior Management Involvement: The senior management team should take the lead in developing a strategy, vision, mission, and values. This process should involve consultation with the wider team to ensure buy-in and diverse perspectives. The team may need some guidance or training if this isn't a task they've done previously.

Requesting Clarity: Managers should feel empowered to ask for clarity if they are unsure about the company's direction. Encouraging open dialogue and questions can help uncover gaps and areas needing further definition.

Documenting and Communicating: Once the strategic framework is established, it should be documented and communicated clearly across the organisation. This includes updating HR documents such as performance plans, job descriptions, policies, processes and employment agreements to reflect the new strategic direction.

## **Challenges of Operating Without a Strategic Framework**

Without a strategic approach, individual managers may attempt to develop their team operating plans in isolation. This can lead to several issues:

Dysfunction: Teams may work at cross-purposes, leading to inefficiencies and misaligned efforts.

Inconsistency: Different approaches to managing staff across teams can result in perceived unfairness and potential grievances, impacting employee morale and trust.

Managerial Frustration: Managers without strategic leadership and supporting systems may feel overwhelmed and unsupported, reducing their effectiveness and increasing turnover.

From an Employment Relations perspective, inconsistency in managing staff can ultimately lead to actions if employees feel disadvantaged compared to their peers. This can escalate into formal disputes and damage the company's reputation.

## **Conclusion**

Implementing a strategic approach is not just best practice; it's essential for organisational success. By establishing a clear strategy, vision, mission, and values, and then aligning systems, policies, and processes accordingly, companies can ensure consistency, clarity, and engagement across the board. It results in faster decision-making and tools that support success.

Starting with the senior management team and involving the wider team in the process you can lay a solid foundation for sustainable growth and a harmonious workplace. Managers must feel supported and empowered to seek clarity and drive their teams forward in alignment with the company's strategic goals. If decisions are feeling difficult, ask if you have clarity and direction.

If you want some assistance to achieve clarity and to implement a framework within your business or organisation, please reach out to me.