

Enhancing Employee Involvement in the Strategic Management Process

Today's organizations increasingly need to anticipate and respond to dramatic and unpredictable changes in the competitive environment. With the emergence of the knowledge economy, human capital (as opposed to financial and physical assets) has become the key to securing advantages in the marketplace that persist over time.

To develop and mobilize people and other assets in the organization, leaders are needed throughout the organization. No longer can organizations be effective if the top "does the thinking" and the rest of the organization "does the work." Everyone needs to be involved in the strategic management process. Peter Senge noted the critical need for three types of leaders.

- Local line leaders who have significant profit and loss responsibility.
- Executive leaders who champion and guide ideas, create a learning infrastructure, and establish a domain for taking action.
- Internal networkers who, although having little positional power and formal authority, generate their power through the conviction and clarity of their ideas.

Sally Helgesen, author of *The Web of Inclusion: A New Architecture for Building Great Organizations*, made a similar point regarding the need for leaders throughout the organization. She asserted that many organizations "fall prey to the heroes-and-drones syndrome, exalting the value of those in powerful positions while implicitly demeaning the contributions of those who fail to achieve top rank." Culture and processes in which leaders emerge at all levels, both up and down as well as across the organization, typify today's high-performing firms.

Now we will provide examples of what some firms are doing to increase the involvement of employees throughout the organization. Top-level executives are key in setting the tone. Consider Richard Branson, founder of the Virgin Group, whose core businesses include retail operations, hotels, communications, and an airline. He is well known for creating a culture and informal structure where anybody in the organization can be involved in generating and acting upon new business ideas.

To inculcate a strategic management perspective throughout the organization, many large traditional organizations often require a major effort in transformational change. This involves extensive communication, training, and development to strengthen a strategic perspective throughout the organization.

Dess, Gregory G., G.T. Lumpkin and Marilyn L. Taylor. Strategic Management. 2 ed. New York: McGraw-Hill Irwin, 2005.