Leadership

... it can make all the difference between
business success and failure

Expert knowledge means success

Contents

Introduction

In times of change, leadership can make all the difference between business success and failure. The 21st century workplace is different from that of the 20th century. Employees now play active roles in initiating and implementing strategies to improve bottom-line performance, and leaders act as mentors or coaches rather than directors of the work process.

Every successful business, regardless of size, requires leadership. Modern leaders have to be able to motivate their team, communicate successfully with them, optimise their aptitudes and be able to build a business strategy that allows each individual to perform to the best of their abilities.

Leaders now partner with their employees by encouraging them to set goals, talking with them about their performance, and asking how they would like to be recognised for accomplishments or redirected when necessary. The result is an organisation where management and employees work together to identify and achieve excellence.

Effective leadership improves business results. Just as important, it can give employees job satisfaction, make them feel valued and hence improve employee loyalty; an important asset in today's mobile workforce.

Leadership Traits

Psychology is now used to determine the key traits of acknowledged leaders. Psychological tests have been used to determine what characteristics are most commonly noted among successful leaders and the results have been used for developmental purposes to help managers gain insight and develop their leadership skills.

The increasing rate of change in the business environment is a major factor in this new emphasis on leadership. Modern leaders are expected to possess a vast range of business, social and personal skills coupled with experience and vision.

Raymond Cattell, a pioneer in the field of personality assessment, developed the Leadership Potential equation in 1954. This equation, which was based on a study of military leaders, is used today to determine the traits which characterise an effective leader. According to the US Small Business Administration, it shows that the traits of an effective leader include the following:

- Emotional stability
- Dominance
- Enthusiasm
- Conscientiousness
- Social boldness
- Tough-mindedness
- Self-assurance
- Compulsiveness.

Beyond these basic traits, modern leaders must also possess traits which will help them motivate others and lead them in new directions. They must be able to envision the future and convince others that their vision is worth following. To do this, they must have the following personality traits:

- High energy
- Intuitiveness
- Maturity
- Team orientation
- Empathy
- Charisma.
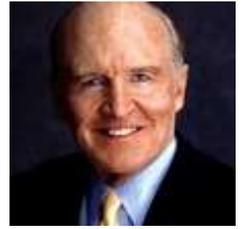
Jack's View on What Leaders Do.

Jack Welch, the former CEO of the US giant corporation GE, says there are 8 main things leaders do which makes them successful:

1. Leaders relentlessly upgrade their team, using every encounter as an opportunity to evaluate, coach, and build self-confidence.
2. Leaders make sure people not only see the vision, they live and breathe it.
3. Leaders get into everyone's skin, exuding positive energy and optimism.
4. Leaders establish trust with candour, transparency and credit.
5. Leaders have the courage to make unpopular decisions and gut calls.
6. Leaders probe and push with a curiosity that borders on scepticism, making sure their questions are answered with action.
7. Leaders inspire risk taking and learning by setting the example.
8. Leaders celebrate.

The Differences Between Managers and Leaders

The differences between *Managers* and *Leaders* are often subtle and the lines of demarcation blurred. Management skills aren't limited to people with the job title of "managers" nor are leadership skills limited to people tagged as "leaders". Some people carrying either title don't have the skills implied by their title.

Many people in everyday circumstances use management-skills, leadership-skills or a combination of both. Learning the differences and how to use the skills appropriately is an art. *Craig Hickman*[1] very aptly compares the traits of managers and leaders as shown in the box below:

In times of change, leadership can make all the difference - in fact, "the way leaders lead" is probably the only way that successful businesses manage to achieve the results they're after. What isn't generally appreciated is that leadership (as in other management *functions*) requires the development of different styles to handle different people and different situations - *different strokes for different folks.*

Manager or Leader?

On the difference between the two functions, Hickman says:

Managers . . .
are analytical, structured,
controlled, deliberate and orderly

Leaders . . .
are experimental, visionary,
flexible, unfettered and creative

On strategy and vision, *Hickman* says:

Managers . . .	Leaders . . .
Concentrate on Strategy	Nurture Culture
Consider Dangers	Sense Opportunity
Follow Versions	Pursue Visions
Isolate	Correlate
Determine Scope of Problems	Search for Alternative Solutions
Seek Markets	Serve People
Think Rivals / Competition	Think Partners / Cooperation
	Lay Out Sweeping Strategies
	Build on Strategic Strengths

The 4 Leadership Principles of People Partnership

Leaders aim:

- To change, take risks, accept responsibility and be accountable.

- To respect all people, promoting unity, trust, pride and dedication to the mission.

- To achieve a high quality of work and life through involvement of everybody in an environment of openness and fairness in which everyone is treated with dignity, honesty and respect.

- To promote good communications among all employees by operating in an open atmosphere with freedom to share ideas and speak one's mind without fear of reprisal.

Source: The Leadership Challenge by J.M. Kouzes and B.Z. Posner

lual effectiveness:

Leaders . . .
Wonder Why (Seek Motives)
Think Laterally
Strive for Equality
Are Optimistic
Confront
Encourage Delegation
Prefer Informality
Revere Art
Pursue Dreams

ween managers and leaders is seen as:

Leaders . . .
Search for Potential
Are Independent
Satisfy Them
Risk Them
Seek the Intangible
Reside in the Future
Seek Long-term Results
Demand Better

Conserve Assets
Pursue the Tangible
Inhabit the Present
Concentrate on Short-term Results
Want Good

Source: Craig Hickman "Mind of a Manager, Soul of a Leader"

Leadership Practices

"*The Leadership Challenge*" by James M Kouzes and Barry Z Posner is a best-selling leadership book that aims to show leaders how to keep getting extraordinary things done. It outlines five fundamental practices of exemplary leadership:

- Challenging the Process
- Inspiring a Shared Vision
- Enabling Others to Act
- Modelling the Way
- Encouraging the Heart

This section is based upon the advice given in the book.

Challenging the Process

Leaders seek out and accept challenges; they look at the current situation and change it to what they conceive it should be. They are prepared to take risks, innovate and experiment to find better ways of doing things.

Leaders challenge the process by:

- Searching for opportunities; and
- Experimenting and taking risks.

Searching for opportunities

Leadership involves getting people to look beyond their own job descriptions for ways to improve and challenge the process. Leaders search out opportunities to change, grow, innovate and improve. They may:

- Treat every job as an adventure
- Treat every new assignment as a start-over (even if it isn't) - get involved with a difficult job
- Question the "what is now"
- Send people shopping for ideas
- Put ideas-gathering on their own agenda
- Go out and find something that needs fixing
- Assign people to the opportunities
- Renew their teams
- Add adventure and fun to everyone's work
- Take a class - learn a new skill (and find out what it takes to be a learner)

Experimenting and taking risks

Leaders experiment, take risks, and learn from their mistakes. They may:

- Set up little experiments
- Make it safe for others to experiment
- Eliminate resistance to change
- Work with ideas that sound strange initially
- Honour their risk takers
- Debrief every failure and success
- Model risk-taking
- Encourage possibility thinking
- Maximise opportunities for choice
- Make formal clothing and titles optional

Leadership and Challenge

- People who become leaders don't always seek the challenges... sometimes the challenges seek leaders
- Opportunities to challenge the "what is now" and introduce change, open the door to doing one's best - challenge is the motivating environment for excellence
- Challenging opportunities often bring forward new skills as well as abilities people don't know they have. Doing it right means that ordinary people get extraordinary things done.

Leaders learn from their mistakes

- Martina Navratilova lost 21 of her first 24 matches against Chris Evert. By learning from her previous mistakes, she won 39 out of the next 57 matches.
- R H Macy failed in retailing seven times before his store, Macy's in New York, became a success.
- Abraham Lincoln failed twice as a businessman, and was defeated in six state and national elections, before being elected President of the United States.
- Theodor S (Dr Seuss) Geisel's first children's book was rejected by 23 publishers. The 24th publisher sold six million copies.

Inspiring a Shared Vision

Leaders are at their best when they imagine an exciting and highly attractive vision for their organisation, have absolute and total belief in their vision and are confident in their ability to achieve that vision. They inspire others and enlist their support by communicating that vision in terms that their employees can understand, and by respecting the needs and interests of those employees.

Envisioning the Future

In order to envision the future path, leaders analyse their past experiences, determine what they want and identify where they can make a difference. They will consider both their personal and business motives:

- What world do I want for myself and my company?
- If the future could be invented, what would I have it be?
- What mission in life absolutely obsesses me?
- What's my dream about work?
- What's the distinctive role or skill of my company?
- What's my burning passion?
- What work do I find absorbing, involving, enthralling?
- What will happen in 10 years, if I remain absorbed, involved and enthralled?
- What does the ideal organisation look like?
- What do I want to prove?

The resulting vision statement will show the leader's vision for the business and encapsulate a standard of excellence and a pride in being different.

Enlisting others towards a common vision

Leaders enlist the support of their employees by impassioning others with their enthusiasm for a compelling vision and by appealing to their values, interests, hopes and dreams. They may

- Identify with their employees
- Find the common ground
- Develop their interpersonal competence
- Breathe life into their vision
- Speak in a positive way
- Speak with feeling - from the heart
- Make the intangible tangible
- Listen first before speaking - and do it often.

By identifying with his employees, a leader instils greater pride in the business and clarifies the values of the business. In return employees are more loyal and motivated, more organised and productive and achieve better job satisfaction.

To share the vision, leaders must discover and appeal to a common purpose, communicate expressively - to bring the vision to life in such a way that people can see themselves in it, sincerely believe in what they say and demonstrate their personal conviction.

Leaders can get the best from people by recognising that they like to have a chance to take part, be tested, do something well and change the current situation.

Leaders have Credibility

Credibility is key to a leader. If a leader has high credibility, then the rest of the team are significantly more likely to:
- Be proud
- **Tell others they're part of the organisation**
- See their own personal values are in line with the business
- Feel attached and committed
- Have a sense of ownership

If a leader has low credibility, then the rest of the team are significantly more likely to:
- Produce only when watched
- Be motivated mainly by money
- Say good things about the business in public but criticise in private
- Look for another job if the business experiences problems
- Feel unsupported and unappreciated

Martin Luther King – An inspirational leader

On 28 August 1963 on the steps of the Lincoln Memorial - in Washington DC, before 250,000 constituents Martin Luther King proclaimed his dream to the world. He really appealed to their values, interests, hopes and dreams.

"I say to you today, my friends, that in spite of the difficulties and frustrations of the moment, I still have a dream."

"I have a dream that one day this nation will rise up and live out the true meaning of its creed: we hold these truths to be self-evident - that all men are created equal."

"I have a dream that even on the red hills of Georgia, the sons of former slaves and the sons of former slave-owners will be able to sit down together at the table of brotherhood."

"I have a dream that one day, even the state of Mississippi, a desert state sweltering in the heat of injustice and oppression, will be transformed into an oasis of freedom and justice."

I have a dream that my four children will one day live in a nation where they will not be judged by the colour of their skin but by the content of their character."

"I have a dream… when all of God's children will be able to sing with new meaning:

MY COUNTRY 'TIS OF THEE SWEET LAND OF LIBERTY OF THEE I SING, LAND WHERE MY FATHERS DIED, LAND OF THE PILGRIM'S PRIDE, FROM EVERY MOUNTAINSIDE LET FREEDOM RING."

Martin Luther King's speech had such impact because:
- It was vivid - with lots of images and word pictures and examples
- People could relate to the examples
- His references were credible- the Bible and US Constitution
- He talked about traditional values of family, church and Country
- He mentioned children - something many people can relate to
- He appealed to common bonds
- He really knew his audience
- He made geographical references to places his audience knew about
- Everyone was included - from every part of the Country, all ages, most religions, both sexes
- He used a lot of repetition
- He said the same things in different ways
- He started with difficulties and then painted his dream of a better future
- He was positive and full of hope
- He was honest - he said the future could be better but it wouldn't be easy to get there. He also spoke with emotion and passion - what he said, he truly felt.
- Half-way in the speech he moved from "I" to "WE"

Enabling Others to Act

Leaders use the word "we". They recognise that visions aren't realised without team effort. They enable those who must live with the results of change so they gain a feeling of ownership. They give employees accountability, discretion, authority and information, to enable them to produce extraordinary results.

Leaders recognise that collaboration really does improve performance and reflects positively on all individual members of a collaborative team. They avoid negative comments about team members.

Moving from "I" to "WE" and building trust

Leaders should aim to:

- Always say WE – Leaders talk in terms of "OUR GOALS" and try to help people reach "MUTUAL GOALS".

- Increase interactions – Leaders may establish discussion groups; use an open office approach to make access easy for everyone; have common meeting places; hold regular group meetings; share resources and limit department sizes.

- Focus on gains, not losses – Leaders focus on agreements rather than differences. They look for "Win-Win" situations.

- Consider both personal and business needs – Leaders try to marry both the needs of the business and the personal needs of employees. For example, this could result in instituting flexitime in return for more timely and accurate timesheets.

- Form planning and problem-solving partnerships – Leaders involve employees in planning and problem-solving and ensure that these groups include those who are involved in producing and selling the product or service and customers/suppliers if appropriate.

- Conduct a collaboration audit – Leaders may conduct an audit of their language and try to determine how collaborative their business is.

- Go first – Leaders recognise that building trust is a process that begins when one party is willing to risk being the first one to open up. This may include inviting interested parties to important meetings, seeking clarity, being prepared to say "I don't know", admitting mistakes, sharing information, being the first to give or ask for help, or change one's mind.

How Collaborative is Your Business? – An Audit

First, make a list of all the interested parties in your organisation. This may include:

- Your peers from other divisions or branches etc.
- Anyone who reports directly to you
- Your suppliers.
- Your internal clients.

Then for each interested party, carry out a collaborative audit. Rate these questions on a scale of 1 to 5 (with 1 = LOW and 5 = HIGH)

To what extent do they do the following:

1. Talk more about what they will gain rather than what they will lose by working together.
2. Involve in decision making those who will be affected by the outcome.
3. Voluntarily offer help to other parties in difficulty.
4. Offer resources to other parties, without being asked.
5. Freely pass on information that might be useful to other parties.
6. Pitch in to help when others are busy or falling behind.
7. Show respect and convey warmth to other people.
8. Look for alternative currencies when looking for resolution of a dispute.
9. Ask a lot of questions about the interests of others.
10. Listen closely to the needs of others.
11. Deliberately distort information in order to confuse others.
12. Deliberately keep back information even though it would be valuable to others.

Were any of questions 1 to 10 rated below a 4? Were questions 11 or 12 rated above a 2?

If so, you need to take a look at what you can do to develop a more collaborative approach among the people you interface with.

Leaders Learn

Leaders take advantage of opportunities to learn by:

- TRIAL and ERROR - the only way to learn is to do. **There's no substitute for doing.**
- OBSERVING other people.
- EDUCATION - learning through life and experiences and spending at least 50 hours a year on their personal and technical development.

Strengthening others

Leaders share information so that their employees can see how to help improve the business. They strengthen other people by giving power away, providing choice, developing competence and assigning critical tasks.

Leaders offer visible support by:

- Increasing the return on their **"square footage"** – Leaders don't need to have a bigger room than their managers, decorated with symbols of power. They may prefer personal mementos like family photographs.

- **Enlarging other people's sphere of influence** – Leaders give their managers something to manage. They increase authority and flexibility at all levels and eliminate routine work and unnecessary rules or approval. They encourage independent judgement, creative thinking, and freedom of access.

- Making sure that delegated tasks are relevant – Leaders assign tasks that are meaningful to the pressing concerns and core activity of the business.

- Educating, Educating, Educating – Leaders recognise the value of training and employee development.

- **Organising their own "great huddle"** – Leaders are inclusive and motivate their staff by keeping them informed.

- Making heroes of other people – Leaders publicly recognise the achievements of others.

Getting the Best from Others

Leaders get the best from others by:

- Searching for or creating opportunities for people to excel by:
  - finding out what others are capable of
  - recognising what others actually find personally challenging.
- Finding opportunities for people to:
  - solve problems
  - make discoveries
  - explore new ground
  - reach difficult goals
  - find out how to cope with some external threat.
- Making work responsibilities fun.

Modelling the Way

Leaders lead by example; they never ask for something to be done that they would not be willing to do. They build commitment in others by setting an example through their daily actions. Leaders are expected to have a vision that is acted out both in words and deeds. They are expected to have an operational plan, be a steering force for projects, measure performance, give feedback, meet budgets and schedules and take corrective action when necessary.

Setting an example

Leaders establish their credibility by acting in a consistent manner with their professed vision and shared values; this includes

- Examining their behaviour – Leaders analyse their behaviour: this may include both reflection and professional assessment.

- Writing their leadership statement – Leaders may translate their personal values and beliefs into a leadership statement.

- Writing a tribute to their organisation – Leaders may write a complimentary statement about the positive attributes of their organisation.

- Open a discussion about personal and shared values – Leaders may examine the similarities and differences within their employees and the levels of agreement with the leader's vision and its implementation.

- Audit their actions – Leaders may scrutinise their actions and spent time and correlate it against their vision.

- Swap places – Leaders may try a colleague's job or allow a colleague to try their job for the purpose of mutual education.

- Be dramatic – Leaders may be dramatic to get their point over, e.g. like climbing a mountain to teach team members about taking risks, or promising to do something dramatic if their team achieves a goal.

- **Tell stories about "teachable moments"** – Leaders use real life examples to teach example behaviour.

Achieving small wins

Leaders achieve small wins that promise consistent progress and build commitment. This could be by:

- Taking it personally – Leaders recognise that employees take quality as a personal obligation and that the first small win "UNIT" is themselves.

- Making a plan – Leaders recognise that people will only commit themselves to courses of action that have been clearly defined and articulated. They involve the plan implementers in the planning process.

- Creating a model – Leaders may use a flexible model as a visual aid in teaching the principles of excellence and challenge.

- Breaking it up and down – Leaders break tasks into small manageable units that allow for early success, with small regular progressions.

- Asking for volunteers – Leaders recognise that people are more committed and feel more ownership if they're given a choice. Choice can be as simple as talking through a change within a team and allowing them to determine what needs to be done and by whom.

- Publicise decisions – Leaders publicise decisions to let the team know what choices have been made.

- Selling the benefits – Change can be fast and forced, but this may create resistance and can be expensive. Natural change is lower but tends to receive greater acceptance.

- Encouraging social meetings – Leaders get people together socially to create an environment in which people will voluntarily bring up valuable ideas or share problems.

Leaders achieve by small wins

Leaders need to work hard at finding all the little ways that people can succeed at doing things differently. They try to accomplish the extraordinary one step at a time.

Don Bennett was the first amputee to climb Mount Rainier (14,410 feet) on one leg + two crutches "one hop at a time" but he couldn't have done it without a team.

With a team:
Together Everyone Achieves More

Encouraging the Heart

Leaders link rewards with performance by recognising contributions that people make. They encourage people onwards, show genuine acts of caring, uplift the spirit of the team, celebrate victories with the team and show people they can win.

Recognise individual contributions

Leaders recognise individual contributions to the success of every project, they may:

- Be creative about rewards and recognition and give them personally – Leaders recognise that there are other rewards besides promotion and pay rises. Tangible, creative rewards sustain the memory and encourage performance repetition. Rewards may include "Employee of the month", gifts and vouchers, treats for family members.

- Make recognition public – Private recognition does not set a performance example; public recognition encourages others to do good work.

- Design the reward and recognition system participatively – Employees will value a recognition system they have influenced.

- Provide feedback on the way - Feedback from the leader, in particular confidence in their abilities, enables employees to persevere in moments of uncertainty or difficulty.

- **Create "Pygmalions"** – Leaders treat people in an attentive and positive way to increase their motivation and performance. They set high expectations so that employees aspire to higher levels and see themselves as winners.

- Find people who are doing things right - Rewards are most effective when they are highly specific and in close proximity to the appropriate behaviour.

- Coach - Coaching involves spending time with people on a regular basis, talking to them about strategies and providing feedback about their efforts and performance.

Integrating Rewards with Performance

Leaders understand that in order for employees to perform they must know what is expected of them. Leaders provide feedback about personal performance and reward those who meet the required standard.

Leaders:
- Build self-confidence via high expectations
- Connect performance and rewards
- Use a variety of rewards
- Are positive and full of hope.

Celebrate accomplishments

Leaders celebrate team accomplishments often. A "celebration" may be as simple as congratulating a colleague for doing something right, or a lavish party. Leaders may celebrate by:

- Scheduling celebrations – Any number of events may be celebrated including: the anniversary of historic or business events, organisational change, business success, individual success.

- Being a cheerleader – Leaders may cheerlead; not just by flashy gestures but also by clarifying their personal values clear and what it is they deem worthy of celebration.

- Being part of the cheering squad – Leaders may support and encourage others to lead the celebrations, and just join in the fun.

- Having fun – Leaders recognise that fun and productivity are connected.

- Staying passionate – Leaders retain their passion for their vision.

Effective Rewards

A nursing home in Memphis, Tennessee recognises its staff with pins that say **"Caught Caring"** - many patients can't say thank you and so the pins mean a great deal to the staff because they announce that someone has recognised what they've done.

The 4 Essential Elements of Celebration

Leaders:
- Cheer about key values - when people come up with simple ideas of their own that really make a difference
- Make celebrations public – leaders make a ceremony about something good that happens: e.g. ringing a bell whenever a new client is signed up or whenever sales hit a new high
- Are personally involved - leaders play a special role in celebrations because they're so visible and serve as role models
- Create social support rituals - celebrations bring people together who share the same ideals.

Leadership Models

Leadership styles cannot be fully explained by behavioural models. The situation in which the group is operating also determines the style of leadership which is adopted. Four well known leadership models are outlined here:

- Fiedler's Contingency Theory Model
- Hersey-Blanchard Situational Leadership Model
- Evans, House et al Path-Goal Theory
- Vroom-Yetton Leadership Model

There are many other models in practice, many of which are adaptations of the models here.

Fiedler's Contingency Theory Model

Fred Fiedler believed that leadership effectiveness depends on both the leader's personality and the situation: certain leaders are effective in one situation but not another. He created a Contingency Theory model for leadership that heavily weighted how a person described their least preferred co-worker. Fiedler thought that how you described that person was the most descriptive trait of your leadership style. His model put you in either a task-oriented or relationship-oriented category based on your responses to a questionnaire.

Fiedler's model assumes that group performance depends on:

- Leadership style - described in terms of task motivation and relationship motivation. A "Least Preferred Co-worker" (LPC) questionnaire is used to measure a leader's motivation. Fiedler assumes that people who are relationship motivated tend to describe their least preferred co-workers in a more positive manner, e.g., more pleasant and more efficient. Therefore, they receive higher LPC scores. People who are task motivated, on the other hand, tend to rate their least preferred co-workers in a more negative manner. Therefore, they receive lower LPC scores. So, the Least Preferred Co-worker (LPC) scale is actually not about the least preferred worker, but about the motivation type of the person who takes the test.

- Situational Favourableness - determined by three factors:
  - Leader-member relations - Degree to which a leader is accepted and supported by the group members.
  - Task structure - Extent to which the task is structured and defined, with clear goals and procedures.
  - Position power - The ability of a leader to control subordinates through reward and punishment.

  High levels of these three factors give the most favourable situation, low levels, the least favourable. Relationship-motivated leaders are most effective in moderately favourable situations. Task-motivated leaders are most effective at either end of the scale.

- Leader-Situation Match and Mismatch - Leaders can lead most effectively when there is a match between their motivation type and the situation. A match exists between a task-motivated leader and an either very favourable or very unfavourable situation. A relationship-motivated leader, on the other hand, matches an intermediate favourable situation. Fiedler suggests that it may be easier for leaders to change their situation to achieve effectiveness, rather than change their leadership style.

Researchers often find that Fiedler's contingency theory falls short on flexibility. They also noticed that LPC scores can fail to reflect the personality traits it is supposed to reflect. However, Fiedler's contingency theory is an important theory because it established a brand new perspective for the study of leadership and has been adapted by other approaches.

Fiedler's theory is detailed in his publication: Fiedler, F.E. (1964) A Contingency model of leadership effectiveness. In L.Berkowitz (ed.), Advances in experimental social psychology. New York: Academic Press. (149-190).

Hersey-Blanchard Situational Leadership Model

This theory suggests that leadership style should be matched to the maturity of the subordinates. Maturity is assessed in relation to a specific task and has two parts:

- Psychological maturity - Their self-confidence and ability and readiness to accept responsibility.
- Job maturity - Their relevant skills and technical knowledge.

As the subordinate maturity increases, leadership should be more relationship-motivated than task-motivated. For four degrees of subordinate maturity, from highly mature to highly immature, leadership can consist of:

- Delegating to subordinates.
- Participating with subordinates.
- Selling ideas to subordinates.
- Telling subordinates what to do.

The original Situational Leadership model was co-developed in 1969 by Dr. Paul Hersey and Dr. Ken Blanchard. It was updated in 1985 by Ken Blanchard and the Founding Associates of The Ken Blanchard Companies. For more information on this model, visit www.kenblanchard.com

Evans, House et al Path-Goal Theory

The Path-Goal Theory of Leadership was developed to describe the way that leaders encourage and support their followers in achieving the goals they have been set by making the path that they should take clear and easy. Evans and House suggested that the performance, satisfaction and motivation of a group can be affected by the leader in a number of ways:

- Offering rewards for the achievement of performance goals.
- Clarifying paths towards these goals.
- Removing performance obstacles.

A person may do these by adopting a certain leadership style, according to the situation:

- Directive leadership - Specific advice is given to the group and ground rules are established.
- Supportive leadership - Good relations exist with the group and sensitivity to subordinates' needs is shown.

- Participative leadership - Decision making is based on group consultation and information is shared with the group.
- Achievement-oriented leadership - Challenging goals are set and high performance is encouraged while showing confidence in the groups' ability.

Supportive behaviour increases group satisfaction, particularly in stressful situations, while directive behaviour is suited to ambiguous situations. It is also suggested that leaders who have influence upon their superiors can increase group satisfaction and performance.

House's paper on Path-Goal theory can be read at:
http://leadership.wharton.upenn.edu/l_change/publications/House/house2.pdf

Vroom-Yetton Leadership Model

Early leadership studies looked at the possible effects of autocratic, democratic, and laissez-faire leaders by asking when participatory leadership might be effective. The Vroom-Yetton model answers this question by comparing the effectiveness of autocratic, consultative, and group-centred leaders in varied situations. The theory is intended to help managers make decisions that ensure high technical and economic quality solutions to problems and obtain solutions that are acceptable to subordinates, if acceptability of solutions is important for effective implementation.

The model suggests the selection of a leadership style for making a decision. The model identifies five decision making styles:

- Autocratic 1 – The problem is solved by the leader using the information already available.
- Autocratic 2 - Additional information is obtained from the group before the leader makes a decision.
- Consultative 1 – The leader discusses the problem with subordinates individually, before making a decision.
- Consultative 2 – The problem is discussed with the group before the leader makes a decision.
- Group 2 – The group decides upon the problem, with the leader simply acting as chair.

Vroom and Yetton listed seven properties of problems they believed were relevant to decision making. They also developed the following seven corresponding decision questions – which form a decision tree - intended to guide a leader in determining the most appropriate decision method.

- Does the problem possess a quality requirement?
- Do I have sufficient information to make a high-quality decision?
- Is the problem structured?
- Is acceptance of the decision by subordinates important for effective implementation?
- If I make the decision myself, am I reasonably certain that it would be accepted by my subordinates?
- Do subordinates share the organisational goals to be attained in solving this problem?
- Is conflict among the subordinates likely in preferred solutions?

The Vroom-Yetton Model is described in "Leadership and Decision Making", by V.H.Vroom and P.W.Yetton, pp.41-42, published by University of Pittsburgh Press, 1973.

Leadership Case Studies

Semco

In the early 1980s, Ricardo Semler inherited from his father a company that was about to go broke. By 1993 when Tom Peters wrote about it in Liberation Management, it had become a business employing 800 people. Productivity per employee had grown seven fold in the 1980s despite the unbelievable and constant turmoil in Brazil's markets.

Semler wrote about his success in Harvard Business review in 1989. He had started work on reconstruction by splitting things up - creating business units. The first effect of this was to increase costs due to duplication of effort and loss of economies of scale but the newly autonomous units of between 100 and 150 people each, produced an immediate turnaround with sales doubling within a year and numerous new products, festering in R&D for years came to the front. His success appears to have been in the first instance in breaking the units up into smaller units (something which has happened in other companies such as Richard Branson's Virgin companies).

This is an example of a business in which the workers were very much involved (a Participative Management success) and where something had to be done because of the economic turmoil of their home country - Brazil. Indeed, a number of changes were made: if one major change didn't work, they tried another, then another.. … until they succeeded.

Metalsa

The story about Metalsa is mostly about quality and lessons from the Japanese. Metalsa is an engineering business in Monterrey, Mexico. The Director of Operations, *Antonio Zarate* took a trip to Japan in 1985 and found some remarkable things: He discovered that the Japanese were quite different to Mexicans and their methods were different too: in the tools they used and the values they placed on their relationships. In particular, he noted that they cared for each other.

He returned to Mexico with a new paradigm and established a new philosophy at Metalsa and a new formula for success. The formula was complicated but it certainly caught on. It was:

$$QWL = TPQ + TQC + LDS$$

where:
QWL	=	Quality as Way of Life
TPQ	=	Total Personal Quality
TQC	=	Total Quality Control
LDS	=	LeaDerShip

After implementing his ideas, things began to change after only 7 years:

	1985	1992
Number of employees	1,000	2,000
Sales	$23 million	$140 million
Exports	Nil	$40 million
Sales per employee	$23K	$70K
Rejection rate	10%	0.1%

The success at Metalsa has several things in common with that at Semco - both were in Central/South America and employed multi-national people. Both were faced with major economic difficulty. Metalsa mainly succeeded because of the implementation of a system based on quality of personal belief and quality of output.

Johnsonville Sausage (now Johnson Foods)

Its former CEO (*Ralph Stayer*) in *"Flight of the Buffalo"*[2] writes about *Johnsonville Foods*. The business started in 1945 when his parents opened a butcher shop and named it after their hometown - *Johnsonville*, Wisconsin. People who tried their sausages were hard-pressed to find such extraordinary tasting sausages anywhere else in the country.

By the 1950's, *Ralph Stayer* and his sister became involved in sausage-making and promoted the expansion of the company's wholesale business. In 1978, *Stayer* became president of *Johnsonville* and launched the company into major expansion by shipping its products out-of-state. In 1981 *Johnsonville* aired its first TV-commercial featuring the "Johnsonville Brats!" In 1984, Launa Stayer started the company's first direct sales force. The 1980's saw sales increase 20 times that of the previous decade and a distribution growth to include 47 States. The company has diversified into new food categories to reflect the commitment to meet the demands of today's marketplace.

In the book, *Stayer* attributes the success of the business to the people in the company but acknowledges that it wouldn't have happened unless he had changed himself. He did that by four simple steps:

- by "learning how to listen and really hear";
- by "learning to work with others and trust them";
- by "learning how to appreciate the contributions that his people made"; and
- by "learning the value of learning and how to systematically accomplish it".

Clearly, Stayer weighed up all the pros and cons before deciding what to do.

It's interesting why "*Flight of the Buffalo*" should be so named. When the settlers from Plymouth, England arrived in America, they found plenty of buffalo. At the head of each herd was a leader. Wherever he ran, the herd followed. When it stopped, they stopped too. All the settlers had to do was to shoot the lead buffalo and the herd obligingly stopped ready to be shot themselves. *Stayer* likens the buffalo and their responses to the way that people in most organisations operate – following authority without question or purpose - quite different from geese.

Geese fly in formation, with leadership and responsibility shared. Wouldn't it be better, *Stayer* says, if organisations could get rid of buffalo and replace them with geese? The *Johnsonville* success is due to the way people in that company have been allowed to develop together. The people determine their own pay and targets. They decide on all aspects of the business.

Why Geese Are Smart

As each goose flaps its wings, it creates an 'uplift' for the birds that follow behind. By flying in a 'V' formation, the whole flock adds 71% extra flying range than if each bird flew alone. Because the lead goose is actually situated slightly behind the perfect point position of the "V", the geese that follow relieve some of its wind drag so it doesn't have to work too hard.
> *People who share a sense of community and common direction can help each other get where they are going more easily because they are travelling on the thrust of one another.*

When a goose falls out of formation, it suddenly feels the drag and resistance of flying alone. It quickly moves back to take advantage of the lifting power of the birds immediately in front.
> *If we had as much sense as geese, we'd stay in formation with those headed where we want to go. We'd be willing to accept their help and give our help to others.*

When the lead goose gets tired, it drops back into the formation and another goose flies up front.
> *It pays to take turns doing the hard tasks and share leadership responsibility. We should respect and protect each other's unique arrangement of skills, capabilities, talents and resources.*

The geese flying in formation honk to encourage those up front to keep up with their speed.
> *We need to make sure our honking is encouraging. In groups where there is encouragement, production is much greater. Individual empowerment results from quality honking.*

When a goose gets sick, two geese drop out of formation and follow it down to help and protect it. They remain with him until he dies or is able to fly again.
> *It's easy to like those who are like us but our true character shines through in our response to those around us who need our help. If we have as much sense as geese, we will stand by each other in difficult times, as well as when we are strong.*

The concept of learning from geese isn't restricted to North America. The advertising group, *Saatchi & Saatchi,* adopted the "Goose Creek Creed". It demonstrates the technical and spiritual advantage of formation flying:

Stayer says that he had to relearn most of what he believed to be true about business in order to lead *Johnsonville* forward. He says that his journey was not so much about learning but more about "learning how to learn"- a skill that he didn't acquire at school nor in his early business career. He admits to being willing to do whatever it took to make *Johnsonville* grow, yet by 1980 he'd reached a point when he realised (his own words) *"If I kept doing what I had always done, I was going to keep getting what I was getting"*.

The most important thing he realised was that he had to change. This is a key to what has happened in other successful businesses - it's the people that have to change first rather than the business itself. In changing, *Stayer* says that he had to embrace four simple steps (as outlined on the previous page).

By the mid 1980s, *Stayer* had created a new picture in his mind of the future in his business - one of getting so good at leadership as to be able to coach leaders in other companies. But as a sausage maker from a small town in Wisconsin, he didn't have much of a chance until *Tom Peters* talked about him in his book *Thriving on Chaos* and in his television special: *The Leadership Alliance* which brought *Johnsonville* into national prominence.

The old rule used to be that the job of the leader was to plan, organise, command, coordinate and control - something that *Fayol* had written about in the previous century. *Stayer* had seen his organisation functioning like a herd of buffalo. The leader is the head buffalo - it's hard work for the lead buffalo to keep issuing orders.

One day, *Stayer* realised that what he really wanted was a group of responsible, inter-dependent workers similar to a flock of geese flying in a V-formation each taking responsibility for leadership frequently, changing roles when necessary, as a leader, a follower or even a scout. And as the tasks change, he saw geese being responsible for changing the structure of the group, similar to the geese that fly in a "V" but land in waves.

Stayer talks about the systematic method he developed for transforming buffalo into geese which he calls the Leading The Journey (LTJ) Leadership System. The system is encapsulated in the following model. He describes the journey towards it as being fun and difficult yet exciting and tedious:

Leading the Journey Leadership System Model:

1. Determine focus and direction
   - Vision
   - Customers
   - Great performance
   - Value added strategies

2. Stimulate self-directed actions

3. Develop ownership

4. Remove obstacles
   - Systems
   - Skills
   - Structures
   - Mentalities
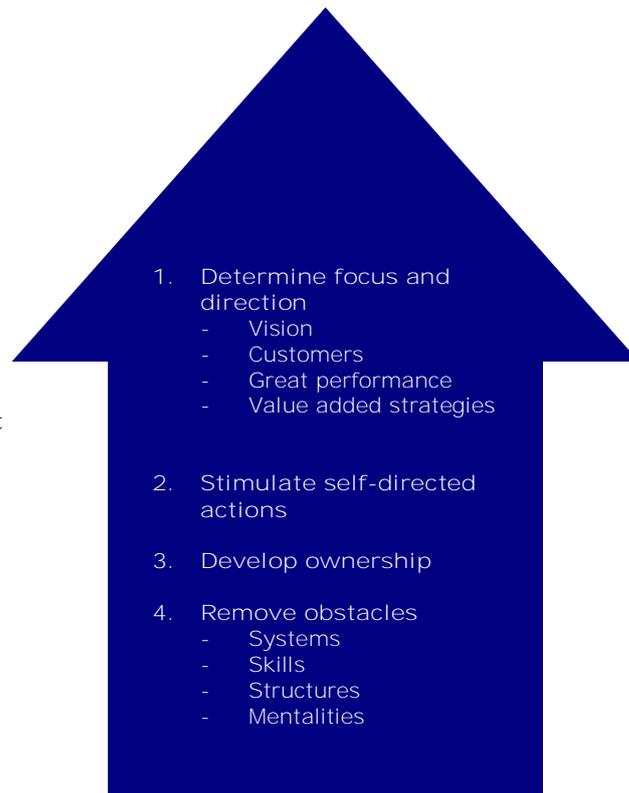
Before *Stayer* had started, the business had signs of quality, and earnings were above average for the industry, but there were other signs showing that it was operating well below its potential. People were uninterested in their work. They didn't care and they were careless and made thoughtless mistakes, wasting time and materials; they didn't accept responsibility for what they did, nor were they committed.

When *Stayer* examined things in detail, he started to ask questions like: *Why is there an employee motivation problem?* He recognised that success was dependent upon the motivation of the people in the business. *Stayer* discovered something important. He saw in himself both the reasons for success as well as failure in his business.

Stayer believed that if he didn't do a particular task, it wouldn't be done properly. He had to learn about putting belief in others (often grimacing at the way they did it without interfering). As he puts it: *"I moved from authoritarianism to abdication"* and in so doing, he forced other people to take decisions and accept responsibility – the problem though was that they weren't ready because until then *Stayer* had been there to be their solution provider. He realised it was just like standing in front of a buffalo herd and ordering them to fly. In short, he had the right idea but was going about it in the wrong way.

The turning point in the business happened in mid-1986, when a large order was in the offing – it could make or break the company. He allowed the people to make the decision on acceptance or refusal of the opportunity. They decided unanimously to accept the order and then worked together as a team to make it succeed.

The rest of the success of *Johnsonville Sausage* flows directly from the initial subtle changes that *Stayer* made to his business. Here are the messages he offers from *Flight of the Buffalo* - there may be a lot of clichés, but the overall theme is outstanding:

Stayer found out that basically people "want to be great". It looks as if he was right because the miracle at *Johnsonville* is such that the business grew in the 10 years from 1981 to 1991 from about $7 million in revenues to about $130 million.

Words like *"continuous learning"* and *"life-time learning"* are heard everyday at *Johnsonville*. Most workers for example take a full-blown course in economics developed with the local community college - as a result it is easy for them to develop and track the budgets. *Johnsonville* employees are encouraged to study anything whether job-related or not.

One employee said *"anything you learn means that you're using your head more, you're more engaged and the more engaged you are then the chances are you'll make a better sausage"*.

Advice from Ralph Stayer in "Flight of the Buffalo"

- If you want people to act as if it's their business, make it their business.

- Focus on people development – not the scoreboard.

- Leadership is all about making it possible for others to follow by thinking strategically and focussing on the right directions, removing the obstacles, developing ownership and taking self-directed actions.

- Focus provides motivation to delight customers.

- If leaders don't develop a vision for their business, the people will perish.

- Find out what bugs your customers that you can fix profitably for them.

- Everyone should be responsible for managing the future if he/she doesn't want to become a thing of the past.

- Ask for enough or you'll get less than you need.

- What your customer is willing to pay tells you what they-and you- think about your products.

- Ask your people what prevents their great performance and then get to work on removing the obstacles.

- People perform what they measure – help them to measure the right things.

- Build systems that focus people's attention on the end-user customer and nobody else.

- Help the right people to get the right information and they will do the right things.

- Change the systems to change the people.

- Get the right people to own the right responsibility.

- The organisation is a reflection of what the leader accepts.

- Old roads lead to old destinations but new roads lead to new places.

Evaluating Leadership Skills

The performance of a business is closely linked to that of its leader. A leader can evaluate their performance by applying the same process to themselves as they would do to the business, that is:

- Stand back and assess their current position objectively.
- Identify their own key performance indicators (KPIs).
- Compare themselves to other leaders and managers.
- Ask others (staff and customers) how well they are doing.
- Set benchmarks against which they can measure their current and future performance.
- Set performance targets to achieve, with time scales and deadlines.
- Assess their own performance by using methods including self review or a 360 degree feedback in which they collect input from their peers, direct reports, and if appropriate, their boss (or main shareholder of the business). A similar method is collegiate or peer review where peers provide a review of performance but which is based on their own expectations.

There are a number of methods and packages available that can be used to evaluate leadership skills, three of which are listed below:

Academy Leadership
www.academyleadership.com/evaluation.asp

LQ Metrics
www.lqmetrics.com/AboutLQMetrics.asp

My Skills Profile
www.myskillsprofile.com/tests.php?test=26

Leadership Training

Business owners and directors could benefit from leadership training. That is, training designed to help them maximise their own and their business' performance. Leadership training can help a leader develop the skills to:

- inspire their team;
- influence others; and
- bring about positive change in their business.

Leadership training is as much about personal development as it is about learning set skills through formal training. For this reason, mentoring is often chosen as the best way to develop leadership potential. Mentoring is an informal, generally unstructured process in which a mentor, usually someone very experienced in business, spends time developing the inner resources of the mentee. It is not a teacher-pupil relationship. Rather, the mentor is more of a guide and somebody against whom ideas can be safely sounded out.

There are many management-training courses in the UK which can help potential leaders translate business objectives into practical actions, make effective use of resources and create a successful team. The Business Link Training Directory holds details of courses currently available. For more information visit:
www.businesslink.gov.uk

Learning Direct runs a "Develop Your Leadership Skills" course which aims to show potential leaders how to:

- organise their resources to achieve the results they want;
- adapt different leadership styles;
- understand the principles of team building;
- be familiar with the principles and practice of good delegation;
- set realistic objectives for their business and how to put them into practice;
- prioritise important tasks;
- turn decisions into actions;
- appreciate the concept of facilitation and how to apply this to develop teams; and
- how to understand the difference between managing and leading.

For more information visit:
www.learndirect.co.uk

Networking is another important type of skills development for business owners and directors. A wide variety of business networks exist - including those for new businesses, young owners and women owners. These allow leaders to learn from other leaders running similar businesses and facing similar obstacles.

For both networking and mentoring, your local chamber of commerce and your local Business Link are useful initial points of contact. You can locate your local chamber of commerce using the British Chambers of Commerce website at www.chamberonline.co.uk

A search on the internet will yield many commercial leadership training providers.

Recommended Reading

Investors in People

Investors in people provide a Leadership and Management Model at their website: www.investorsinpeople.co.uk/IIP/Web/About +Investors+in+People/Leadership+and+Man agement+Model/default.htm

National Occupational Standards

The Management Standards Centre provide National Occupational Standards for Management and Leadership at their website: www.management-standards.org

DTI publications

Inspired leadership: insights into people who inspire exceptional performance.
Results of research into the approach taken and values espoused by inspired leadership and its links to highly successful innovative organisations. URN 04/1363

Getting the best out of your people at work.
Demonstrates the benefits of flexible working, creating a skilled workforce, and diversity and equality in the workplace. Also includes a chapter on inspirational leadership. URN 05/1467
www.ecdti.co.uk/cgibin/perlcon.pl

Fast Company

Fast Company is a magazine that chronicles how changing companies create and compete, highlights new business practices, and showcases the teams and individuals who are inventing the future and reinventing business. To view their feature on 10 current great leaders visit
www.fastcompany.com/guides/greatleaders. html

Secrets of Success

Secrets of Success is a website (and a television programme) that features biographies of very successful and influential entrepreneurs. These biographies, or success stories, include tips and secrets as to how they achieved success in their lives.
To view a feature on 11 current business leaders who share their secrets of success and the leadership styles that have worked for them visit
www.secretsofsuccess.com/leadership

Great Motivation Secrets of Great Leaders
by John Baldoni, published by Higher Education, February 2005, price £11.99.
ISBN: 0071447741

Trump: The Way to the Top - The Best Business Advice I Ever Received
by Donald Trump, published by Crown Publications, October 2004, price £12.99.
ISBN: 1400050162

Strategic Thinking: An Executive Perspective
by Corenlius A.De Kluyver, published by Pearson US Imports & PHIPEs, June 1999, no sterling price, $50-$70 new from USA.
ISBN: 0130209953

The First 90 Days: Critical Success Strategies for New Leaders at All Levels
by Michael Watkins published by Harvard Business School Press, November 2003, price £15.99. ISBN: 1591391105

Learning to Lead: A Workbook on Becoming a Leader
by Warren Bennis, published by Perseus Books, October 2003, price £9.82. ISBN: 0738209058

The Future of Leadership: Today's Top Leadership and Thinkers Speak to Tomorrows Leaders
by Warren G. Bennis, et al, published by Jossey Bass Wiley, May 2001, price £18.95.
ISBN: 0787955671

The 21 Irrefutable Laws of Leadership
by John C. Maxwell, published by STL, January 1999, price £9.99. ISBN: 0785270345

The 7 Habits of Highly Effective People: Powerful Lessons in Personal Change
by Stephen R. Covey, published by Free Press, November 2004, price £12.76. ISBN: 0743272455 (Also available as an Audio book)

The 8th Habit: From Effectiveness to Greatness
by Stephen R. Covey, published by Simon & Schuster (Trade Division), November 2004, price £17.99. ISBN: 0743206827

Encouraging the Heart: A Leader's Guide to Rewarding and Recognizing Others
by Jim Kouzes and Barry Posner, published by Jossey Bass Wiley, March 25, 2003, price £13.50. ISBN: 0787964638

Credibility: How Leaders Gain and Lose It, Why People Demand It
by Jim Kouzes and Barry Posner, published by Jossey Bass Wiley, March 2003, price £13.50. ISBN: 0787964646

Taking Charge: Lessons in Leadership
by Jim Kouzes, Jim Tunney and Warren Bennis, published by Insight Pub Co, February 2004, price $19.95 new from USA. ISBN: 1885640137

The Leadership Challenge by Jim Kouzes and Barry Posner, published by Jossey Bass Wiley, August 2003, price £13.50. ISBN: 0787968331

Further Information

This guide is for general interest - it is always essential to take advice on specific issues. We believe that the facts are correct as at the date of publication, but there may be certain errors and omissions for which we cannot be responsible.

References:
[1] Craig Hickman - Mind of a Manager, Soul of a Leader: published by John Wiley & Sons

[2] "Flight of The Buffalo" by James Belasco and Ralph C Stayer, Warner Books, 1993.