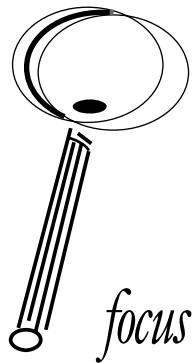


1

What It Means to Be a Leader



Learning Objectives

By the end of this chapter, you should be able to:

- Describe what leadership is.
- List today's biggest leadership challenges.
- Describe the differences between managing and leading.
- List the five leadership skill sets necessary to ensure performance.
- Determine your readiness to assume leadership responsibilities.

Yolanda Martin, Director of Leadership Development at Crandall International, looked at the newest e-mail message in her inbox. The sender was Marques, her long-time colleague in Distribution. The subject line shouted out in all caps: HELP! There was no accompanying message. When she responded, "With what?" the floodgates opened. Marques replied, "Things here are going from bad to worse. We aren't meeting our commitments to wholesalers. Shipments are often late and incomplete. Customers are beginning to complain, and the excellent reputation we worked so hard to build is starting to erode. Since the recent changes in leadership, internal communication has all but dried up, and when we do hear from the top, we're getting mixed messages. We lack the vision and direction we once had. I repeat: HELP!"

This scenario, or one like it, is not uncommon. And more and more organizations seek desperately to develop leaders who can inspire their people and deliver results in an increasingly complex and competitive environment.

THE NEED FOR LEADERSHIP

Today's leaders face many challenges in achieving their goals. Rapid changes in technology, a more diverse workforce, changes in government regulations, worldwide competition and the growing complexity of life in general have increased our awareness of the need for more effective leaders.

Organizations and their members everywhere have a need for leaders who can help them respond to the challenges of the 21st century and achieve their full potential. The benefits of developing leaders include increasing competitive advantage, improving customer service, developing higher quality products, building a more diversified workforce, and surviving and prospering in a global environment.

Whether you are the leader of a volunteer task force, a work team in your company, or an entire organization, there are certain things you need to know and skills you need to develop to be successful. If you are willing to work at developing your leadership potential, this course can help prepare you for the challenges and opportunities of leadership in this new century.

WHAT IS LEADERSHIP?

Despite all the talking, writing, and training on the subject, very few specific definitions of leadership are to be found. Among those who have developed succinct definitions include such noted leadership experts as John P. Kotter, John W. Gardner, and Peter F. Drucker.

John P. Kotter (Kotter, 1988) of the Harvard Business School defines leadership as "the process of moving a group (or groups) in some direction through mostly noncoercive means. Effective leadership is defined as leadership that produces movement in the long-term best interests of the group(s)."

John W. Gardner (Gardner, 1990), the founding chairman of Common Cause and an advisor to four U.S. presidents, says, "Leadership is the process of persuasion or example by which an individual (or leadership team) induces a group to pursue objectives held by the leader or shared by the leader and his or her followers."

Peter F. Drucker (Drucker, 1996), an internationally recognized expert on leadership and a professor at New York University, echoes the follower theme by saying, "The only definition of a leader is someone who has followers." He goes on to say that regardless of a leader's own individual abilities or greatness that "without followers, there can be no leaders."

It would be hard to argue with any part of those definitions. However, getting agreement on a specific definition is not the intention of this course. Today most discussions of leadership revolve around what leaders do and how they do it rather than attempting to provide a specific definition. The focus is on identifying the various skills, competencies, and abilities that leaders need and then providing guidelines on how to be successful.

The focus of this course is on the skill sets that make for solid leadership performance. These skill sets are not limited by the definitions above, but

neither do they contradict the essence of those definitions. Before we list the specific skill sets to be discussed in this course, some additional background on the subject of leadership will help set the stage. Let's begin with a look at:

- Five theories of leadership
- Leadership traits and characteristics
- Leadership impact on performance

Five Theories of Leadership

There have been numerous books and articles written and many studies conducted on the subject of leadership. As a starting point, let's begin with a review of some of the best-known and most widely accepted research and concepts.

Bennis and Nanus's Four Strategies

In the 1980s, Warren Bennis and Burt Nanus (Bennis and Nanus, 1985) interviewed and observed 90 people to help them better understand leadership. Their subjects came from a wide variety of backgrounds that included *Fortune* 200 executives, university presidents, heads of government agencies, coaches, orchestra leaders, elected officials, and public interest leaders. They concluded that there were four strategies that leaders used to take charge of their organizations (see Exhibit 1–1).

- *Attention through vision.* This is the process that creates the focus and direction for the organization.

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Exhibit 1–1

Bennis and Nanus's Four Strategies

1. Attention through vision
 - A mental image of a possible and desirable future state
 - Identifies what's worthwhile for the organization to achieve
2. Managing meaning through communication
 - Develop commitment for the vision
 - Institutionalize the vision
3. Trust through positioning
 - Emotional glue that binds followers and leaders
 - Position the organization to compete
4. Deployment of self
 - Perpetual learning sparks new understanding
 - Development of self-knowledge

Source: Adapted from material in *Leaders: The Strategies for Taking Charge* by Warren Bennis and Bert Nanus.

- *Managing meaning through communication.* Once the vision is developed, leaders have a responsibility for ensuring that the vision is clearly communicated throughout the organization.
- *Trust through positioning.* Trust within the organization is key to the leaders' ability to make their visions clear. Trust maintains organizational integrity and bonds people together. When leaders are trusted, they can move their organizations forward. In turn, their position is respected and supported because their followers trust them.
- *Deployment of self.* Effective leaders spend as much as 90 percent of their time dealing with people issues that surface in an organization. In the process, the best leaders demonstrate a positive self-regard that inspires those around them.

Kouzes and Posner's Five Best Practices

Jim Kouzes and Barry Posner (Kouzes and Posner, 1987) conducted an intensive research effort to identify why people felt they were at their personal best as leaders. They surveyed more than 550 people who were middle and senior level managers in both private and public sector organizations. The result was what they called the five best practices of effective leaders (see Exhibit 1–2).

- *Challenging the process.* Leaders challenge the status quo. They are not tied down to the current way of doing things. Instead, they are always looking for new and better ways.

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xhibit 1–2

Kouzes and Posner's Five Best Practices and Ten Commitments

Best Practices	Commitments
Challenging the process	Search for opportunities Experiment and take risks
Inspiring a shared vision	Envision the future Enlist others
Enabling others to act	Foster collaboration Strengthen others
Modeling the way	Set the example Plan small wins
Encouraging the heart	Recognize contributions Celebrate achievements

Source: Adapted from material in *The Leadership Challenge* by James Kouzes and Barry Posner.

- *Inspiring a shared vision.* They work to develop a vision and then continually communicate that vision throughout the organization so that it eventually becomes a reality.
- *Enabling others to act.* According to the authors, the best leaders help others develop. They practice and encourage the skills of team building, empowerment, and collaboration—all of which are essential to success.
- *Modeling the way.* Leaders demonstrate what they expect from others. They provide an example that others can relate to and follow. The model is critical because it connects the leaders' behaviors with their beliefs.
- *Encouraging the heart.* Leaders are responsible for keeping people going. They encourage people to do their best and go out of their way to celebrate efforts and results.

Farkas and De Backer's Maximum Leadership Strategies

Charles M. Farkas and Philippe De Backer (Farkas and De Backer, 1996) interviewed the heads of more than 160 multinational corporations across North America, Europe, and Asia to discover five ways CEOs approach the leadership challenge. They say that the approach chosen by the CEO is a function of the business situation that exists at the time.

- *The strategic approach.* The chief executive acts as the company's top strategist, systematically envisioning the future and specifically mapping out how to get there.
- *The human assets approach.* The chief executive manages for success through people policies, programs, and principles.
- *The expertise approach.* The chief executive becomes the champion of a specific, proprietary expertise, and uses it to focus the organization.
- *The box approach.* The chief executive builds a set of rules, procedures, and values that essentially control behavior and outcomes within well-defined boundaries.
- *The change-agent approach.* The chief executive acts as an agent for radical change, transforming bureaucracies into organizations that embrace the new and different.

Jim Collins' Level 5 Leadership

Jim Collins, a former member of the Stanford University Graduate School of Business, is the author of *Built to Last*, a national bestseller for five years. In researching his latest book, *Good to Great*, he and his research team (Collins, 2001) found that there was a hierarchy of executive capabilities that they defined as Level 5 Leadership. While they say a leader does not have to move in sequence from Level 1 to Level 5, Level 5 leaders embody all five levels.

- *Level 5: Executive.* Builds enduring greatness through a paradoxical blend of personal humility and professional will.
- *Level 4: Effective leader.* Catalyzes commitment to and vigorous pursuit of a clear and compelling vision, stimulating higher performance standards.

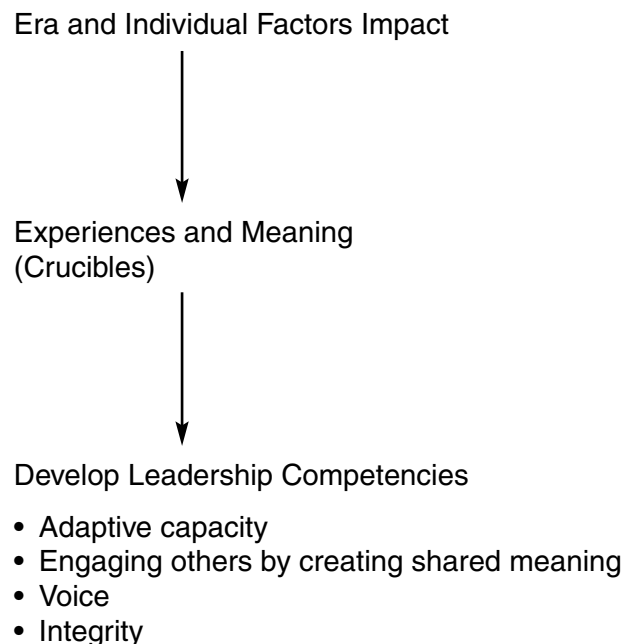
- *Level 3: Competent manager.* Organizes people and resources toward the effective and efficient pursuit of predetermined objectives.
- *Level 2: Contributing team member.* Contributes individual capabilities to the achievement of group objectives and works effectively with others in a group setting.
- *Level 1: Highly capable individual.* Makes productive contributions through talent, knowledge, skills, and good work habits.

Bennis and Thomas: A New Leadership Model

Warren G. Bennis, who has spent over 40 years studying and writing about leadership, and Robert J. Thomas (Bennis and Thomas, 2002) have developed a new leadership model based on their interviews with individuals under thirty-five and over seventy years of age (“geeks and geezers” as they call them). Their model says that both people’s era and individual factors contribute to the way they respond to difficult events and experiences (called crucibles) in their lives. As they emerge from these events, individuals develop their own four distinctive leadership competencies (see Exhibit 1–3).

- *Adaptive capacity.* The ability to look at a problem or crisis and see an array of unconventional solutions.
- *Engaging others by creating shared meaning.* The ability to sell one’s vision by effectively communicating it throughout the organization.

E xhibit 1–3 Bennis and Thomas’ Leadership Competencies



- *Voice*. Having a definite purpose, being self-aware, and having self-confidence in their beliefs.
- *Integrity*. This is composed of three elements, ambition, competence, and moral compass, which have to be kept in balance.



Think About It

After reviewing the five leadership theories outlined in this section, which has the most relevance in your organization? In your personal experience?

Leadership Traits and Characteristics

Some of the earliest leadership studies were based on the assumption that there were a set of traits or personality characteristics that leaders possessed. Over time the emphasis shifted from traits and characteristics to behaviors and actions. Peter F. Drucker (Drucker, 1996) went so far as to say that there was only one personality trait that all the leaders he had encountered had. That trait was “something they did *not* have: They had little or no ‘charisma’ and little use either for the term or for what it signifies.”

Warren G. Bennis and Robert J. Thomas (Bennis and Thomas, 2002) conclude that “traits and other individual factors are given far too much prominence in studies of leadership. Such factors rarely determine an individual’s ultimate success.” Most of the current thinkers who study leadership agree. No matter how desirable it might be to have a definable set of traits or qualities for determining leaders, in the end leadership success depends more on developing and using the skills that move organizations and people forward toward their common goals and objectives.

Leadership Impact on Performance

In all of the definitions and concepts reviewed earlier, the focus on what the leader does was important to the extent that it had an impact on the performance of the followers. Effective leaders are people who help others reach their full potential, who are continually learning, and who make contributions to the organization’s success.

You don't have to be a CEO or a vice president to have an impact on performance. Regardless of your level in the organization, you have opportunities every day to affect the performance of the people on your team. The impact that you have will determine your success as a leader.

The evidence of leadership is performance. If people are doing their jobs, getting results, and moving forward then leadership has been effective. Jim Collins (Collins, 2001) said he told his researchers to downplay the role of top executives in a company's success and to focus instead on other factors. In the end, however, he said the "data won" and they concluded that leaders really do make a difference in performance. Leaders' day-to-day interactions and decisions really do have impact on the people around them. Think about the well-regarded organizations, both public and private, that you are aware of and you will find that most have an effective leader.

The importance of the relationship between the leader and the followers cannot be underestimated. John Gardner (Gardner, 1993) says that one of the most promising trends in leadership "is the growing conviction that the purposes of the group are best served when the leader helps followers to develop their own initiative, strengthens them in the use of their own judgment, enables them to grow, and to become better contributors." The best leaders make it a point to develop more leaders around them.

In the end, it's performance that counts. The performance of individual contributors and of the organization overall are the yardsticks used to measure a leader's effectiveness. For example, as a leader of General Electric, Jack Welch provided a clear direction and vision for a worldwide organization, and he continually focused on its performance.

Whether you aspire to the role of chief executive officer or special task force leader, this course will show you how to acquire the leadership skills you will need to reach your goals. As you complete the course, keep in mind that leadership is not about the position you hold in an organization, it is about the way you impact those around you. Leadership is about what you do and how people respond to your leadership. It doesn't matter whether you are a middle manager or a senior director; the same basic leadership skills are applicable.

MEETING TODAY'S BIGGEST LEADERSHIP CHALLENGES

The need for more and better leaders has never been greater. The challenges awaiting leaders have never been more daunting. Complexity in the business environment, the growing diversity of people and thought in the workplace, scandals that have rocked the business world, and the ever-changing economic landscape place big demands on both present and future leaders. Here are a few of the challenges that await those who aspire to leadership positions.

Complexity Within the Business Environment

There are no simple problems and no simple answers. People often talk about getting back to the basics, but even the basics are complex in today's world. Organizational life contains so many interrelated factors that it sometimes seems like a row of dominoes, where, if one falls, many more will fall as well. A decision in one area has ramifications in another.

The best leaders embrace the challenge of complexity. Max De Pree (De Pree, 1989), chief executive of Herman Miller, Inc. says, "to be a leader is to enjoy the special privileges of complexity, of ambiguity, of diversity." Warren Bennis in *Geeks and Geezers* begins the first chapter by quoting essayist E. B. White, who wrote: "There is a bright future for complexity, what with one thing leading to another."

Computers that were once touted as a way to simplify the way people work have actually added complexity to the workplace. The paperless society that was predicted has wound up being a paper blizzard. Research reveals reports on everything imaginable and some things that once were unimaginable. Every department in the organization seems to have a report that quantifies, synthesizes, and analyzes (perhaps justifies?) the business from the perspective of its employees. Leaders have to sift through the reports and determine which ones contain relevant information on which to base their decisions.

The degree of complexity is likely to continue as more information becomes available and organizations become more aware of how their actions in one area impact their actions in another. Sometimes organizations come to these realizations on their own, and sometimes they need a little prodding from regulatory and legislative initiatives as we have seen in the tobacco and alcohol industries. A few years ago, it would have seemed like satire to see cigarette manufacturers producing public service announcements on the dangers of smoking or beer companies emphasizing the importance of responsible drinking. Today, however, such approaches almost become expected. In the future will we see fast food restaurants delivering messages on the importance of maintaining a balanced diet?

Complexity extends to the awareness organizations must have about how they operate within the laws of the land. The myriad laws at the federal, state, and local levels provide an ongoing challenge to any organization that operates beyond its own state lines. Likewise, new channels of distribution, such as the Web, have created a whole new set of challenges and added complexity for leaders. The world may have never been the simpler place that some imagine, but it is certainly more complex than ever and likely to become more so.

Diversity of People, Thoughts, and Perspectives

Diversity comes in many forms—the most obvious is in people. Leadership is no longer the province of white males. Though they still represent a sizable number of leaders, women and other so-called "minorities" such as African-Americans, Asians, Pacific Islanders, and Hispanics are becoming more evident in leadership roles in many organizations. At PepsiCo, CEO Steve

Reinemund has said that if the company is to achieve its goals it has to replicate within the organization the demographics of its consumers. That means making a commitment to increasing the ethnic and cultural diversity of its senior management team.

Leaders also need to be aware that an increasing number of diverse workers are less willing to be assimilated into existing environments and want to maintain their own sense of identity. Changing demographic trends also are having an impact on the pool of available workers. The result is that in the future there will be fewer workers available to fill key roles in the organization.

Diversity of people naturally leads to diversity of thought and perspective. Situations and problems that once seemed to have clear-cut answers are now being challenged by people with differing points of view. Many people are more willing to share their own insights than before. The best leaders openly solicit these diverse viewpoints because they realize that with them they will be able to make better informed decisions. Leaders who ignore the diverse viewpoints of their colleagues do so at their own peril.

Competition

A major challenge facing many organizations today is the increasing scope of competition at the local, national, and international levels. In retail, for example, the spectrum ranges from so-called superstores that offer hundreds of thousands of items to businesses that specialize in niche products such as health foods or baby furniture. In many cities, the corner grocery store has been replaced by the superstore selling everything from electronics to barbecue grills, greeting cards, videos, flowers, banking services, gasoline, snow tires—and an even wider variety of groceries.

Not only is there competition among the brick-and-mortar businesses, many businesses now have competitors on the Internet. Many people shop from the convenience of their home for just about anything they want or need. Many companies have also learned the value of cross-marketing their products. Companies such as YUM! Brands have combined, in varying configurations, their Pizza Hut, Taco Bell, Kentucky Fried Chicken, Long John Silver's, and A & W Root Beer outlets into multibrand restaurants in the same building to offer customers a wider variety of choices.

Add in the new markets around the world and there are vast opportunities for business—and also for more competition. As organizations seek to “go global” they will have to be prepared to deal with the changes in the way they operate and the types of competition they face. The competition that any one organization sees today will likely increase in the years ahead. The successful leaders will be those who not only enjoy the challenge of competition, but discover new and better ways to differentiate their corporations from the competition.

Ethical Leadership

Ethical behavior is a critical issue for today's leaders, perhaps more so than ever before. Beginning with the Savings and Loan scandals of the 1980s and continuing with the more recent collapse of companies like Enron and its Arthur Andersen "auditors," many people have come to view corporate leaders with a more critical and jaundiced eye. This view is not just held by those outside the organization; the workers inside also often wonder what is going on in their own organizations. Even if everything is aboveboard, their suspicions still are very real.

Ethical dilemmas occur on both a large scale and a small scale. The large-scale problems are usually associated with people's understanding of and willingness to obey laws. These include such negative actions as taking bribes, knowingly violating laws, cheating customers, defrauding financial institutions, or asking people to work overtime without pay. On the so-called smaller scale are the challenges that people face every day in a competitive business environment. These include such things as cutting costs by skimping on quality, not telling customers the whole truth about a product or service, changing the results of surveys to fit the desired outcome, or offering to look the other way in exchange for a coworker who will do the same.

The best way for leaders to deal with these issues is to develop and maintain a personal moral compass that keeps them pointed in the right direction. Their own personal integrity can set the example for others in the organization. They must then go even further by taking specific actions that speak loud and clear to everyone in the organization to let them know that ethical behavior is valued and rewarded. When it comes to ethics, leaders have to set the bar higher so that everyone knows they are serious about maintaining high personal and organizational standards of ethical conduct.

Ethical leadership is a necessity, whether you are a middle manager, a team leader, or a CEO. The people you come in contact with will be watching what you do and what you say. You determine your own standards of ethical conduct, and you determine the impact your standards will have on the members of your team. Some specific actions you can take are described in the section on leadership ethics in Chapter 7.

Ambiguity and Change

There is very little, if anything at all, that is black and white in today's world. This ambiguity requires leaders who are always thinking about what is happening, what they are doing, and the impact the events taking place around them will have on their organizations. What may seem like the best decision today may need to be altered tomorrow. The path that has been successfully followed for several years may suddenly lead to a dead end or to a major crossroads because of new technology, new information, new competition, or societal changes.

The best leaders are those who can deal with the ambiguity of the situation and chart the right course for their organization. The right course inevitably will lead to the need for some type of change. Consider, for example, the advent of drive-through service in many industries. What originally

was primarily in the fast-food industry now can be found in pharmacies, banks, and photo service outlets. Companies that have failed to keep pace with these trends have found themselves left behind.

Because embracing personal and organization change is so critical to a leader's success, the issue will be addressed in more detail later in the course. What follows serves as an overview of the importance of change and some of the ways change impacts today's leaders.

Stephen R. Covey (Hesselbein, ed., 1996) says that we live in a white-water world where the marketplace demands that organizations in all sectors—business, government, health care, social, or nonprofit—must transform themselves. Successful leaders are those who not only acknowledge that change is necessary, they go a step further and embrace change. They use the forces of change in a positive way to move their organizations forward. They realize that to avoid making changes most likely will lead to losing ground and falling behind in meeting the needs of their customers as well as their own team members.

The growth of superstores such as Wal-Mart, Home Depot, Target, Lowe's, and Costco has shown the importance of developing one-stop shopping for a large segment of consumers. Not only do these retailers increase the size of their stores and the product quantities offered to consumers, they also use the Internet as an additional source of revenue. These companies have prospered because they paid attention to their customers and have been willing to adapt to a changing market.

Leaders also have to be willing to change themselves as well as their organizations. They have to have the adaptive capacity (Bennis and Thomas, 2002) to process new experiences and also proactively seek new opportunities. Leaders must be agents of change who help their organizations transform themselves into something new and better. They also have to understand that most people naturally resist change. Successful leaders are those who help their people learn the new rules and then work with them to develop and implement the strategies to make the change work in a positive manner.

Consider the changing face of telephone service in this country. Basic telephone service—I call you and you call me—is a thing of the past. Now most phone service includes one or more of the following: caller ID, call waiting, conference calling, voice mail, fax lines, and high-speed Internet access. Not only has this resulted in more and better services to customers, it has provided numerous support jobs within the industry to keep these features operating properly and to assist customers. Fortunately there were leaders who recognized these capabilities over the years—otherwise we might all still be “ringing the operator.”

As they lead change efforts, effective leaders also have to understand the need to interweave continuity and change (Gardner, 1990). Sudden, wholesale changes can have a devastating impact on people and an organization. Any plan for change has to take into consideration the current environment and identify what current practices can be retained as the change process is carried out. At the same time, making changes cannot be allowed to drag out for an extended period of time or you will lose momentum and the change effort

may ultimately not be successful. Elspeth Murray and Peter Richardson, two professors in the School of Business, Queen's University, Kingston, Ontario, who study change (Murray and Richardson, 2002) say that the first 100 days after announcing a change initiative is where the game is either won or lost and that the second 100 days is about generating unstoppable momentum.



Apply What You Learn

Are You Up to the Challenge?

Take moment now to think about the leadership challenges just discussed. List some of the challenges you face as a leader in your organization and some possible actions you might take to deal with that challenge.

1. Complexity within the business environment

Current challenges: _____

Possible actions: _____

2. Diversity of people, thoughts, and perspectives

Current challenges: _____

Possible actions: _____

3. Competition

Current challenges: _____

Possible actions: _____

Apply What You Learn continued on next page.

Apply What You Learn continued from previous page.

4. Ethical leadership

Current challenges: _____

Possible actions: _____

5. Ambiguity and change

Current challenges: _____

Possible actions: _____

DIFFERENCES BETWEEN MANAGING AND LEADING

Leadership and management are not the same thing, but neither are they mutually exclusive. Being a successful manager does not mean one will be a successful leader. Management skills and abilities, however, don't go away when one becomes a leader. Strong management skills provide the foundation on which effective leaders develop new skills that complement those that made them successful as managers. The differences are largely matters of focus and movement from the smaller details to the bigger picture. Ultimately, the key to success is the ability to integrate new leadership skills with current management skills. Some ways to distinguish the differences between leaders and managers are summarized in Exhibit 1–4.

Leaders Innovate; Managers Administer

Managers usually focus on the daily, weekly, and monthly tasks that need to be done to keep the organization running smoothly. They emphasize meeting short-term deadlines and goals while dealing with the problems that are occurring at the moment.

E**Exhibit 1–4****Differences Between Leaders and Managers**

Leaders . . .	Managers . . .
Innovate	Administer
Seek challenges	Seek to maintain the status quo
Think long term	Think short to mid term
Motivate and inspire	Control
Worry about doing the right things	Worry about doing things right
Have a wide circle of influence	Have limited influence

Management skills provide a foundation for developing leadership skills. Effective leaders have the ability to apply the appropriate skill at the appropriate time and in the appropriate place.

Leaders, on the other hand, often focus on upsetting the daily routine. They are willing to take risks and try new ideas. They don't let the crisis of the day slow them down. Instead, they look for new and better ways of doing things.

Leaders Seek Challenges; Managers Seek to Maintain the Status Quo

Frequently, managers tend to accept the status quo and strive to keep things the way they are. They don't like to rock the boat; in fact, some would rather not get in the boat at all. They want to keep their feet on dry ground. As such, many managers are inclined to resist new ideas and untried ways of doing things. Managers often have too much to do today to worry about tomorrow. They are not concerned about new ways of doing things as long as what they are doing is working. The manager's motto is, "If it's not broken, don't fix it."

In contrast, effective leaders challenge themselves and their people. The best leaders are constantly seeking challenges. They are looking for new worlds to conquer—something different from the norm. They quickly become bored with doing the same tasks over and over. They thrive on doing something they haven't done before and doing it until they succeed. Effective leaders consider improvement a way of life. They tend to ask questions such as: "How can we make this better? What if we did it this way?" Leaders don't pretend to have all the answers, but they do have a lot of questions.

Leaders Think Long Term; Managers Think Short to Mid Term

Leaders have goals that excite and inspire people. Leaders have a vision of what they want the organization and its people to become—a vision that has been shaped with input from the people in the organization. Leaders make it

a priority to communicate that vision so everyone in the organization has a clear sense of the direction. Effective leaders use their vision to motivate their staff to achieve their full potential.

At the same time, effective leaders don't lose sight of their short-term responsibilities. That's where being a good manager remains an essential part of the equation. Those who are successful can focus on both short-term and long-term responsibilities.

Leaders Motivate and Inspire; Managers Control

Successful leaders have the ability to inspire and motivate the people who work for them. Managers, on the other hand, sometimes are more interested in controlling their people. For example, a manager tends to rely on policies and procedures when making decisions about how to interact with employees. A leader, on the other hand, is dedicated and committed to doing what's right regardless of what the policy says.

This dedication and commitment shows in the enthusiasm leaders have for getting the job done. Their enthusiasm rubs off on their people and gets them excited too. The best leaders understand that their people are always watching for clues as to how they should act.

Leaders are truly concerned about satisfying the basic human needs for achievement and recognition. Leaders know that their people want to make a contribution and to have control over what they do. Leaders work with their people to set goals, rather than dictating the goals. Leaders support the efforts of their employees to achieve their goals by providing regular, consistent feedback and recognition when they succeed. Successful managers do many of the same things, which helps them make the transition to leadership positions.

Leaders Worry About Doing the Right Things; Managers Worry About Doing Things Right

Managers are concerned about being efficient, while leaders are concerned about being effective. Managers want to get things done as quickly and efficiently as possible. They want to tie up all the loose ends and make sure all the *t*'s are crossed and *i*'s are dotted. Getting the critical details right takes priority.

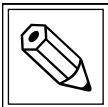
Effective leaders focus on results to be sure that the organization is effective. They aren't afraid to be wrong once in a while, as long as they are trying to be effective. Leaders ask themselves, "Why am I here?" They are constantly challenging themselves to look down the road and to determine how they can be most effective.

Leaders Have a Wide Circle of Influence; Managers Have Limited Influence

Effective leaders not only impact the organization they are part of, but they also influence people outside the organization. They are recognized for the leadership they provide beyond the boundaries of the organization. For

example, leaders such as Jefferson, Ghandi, and Churchill are recognized for the contributions they made beyond their own leadership province. Successful leaders of individual companies are, in turn, recognized as leaders within their industries. Bill Gates is a recognized leader of the technology community in addition to leading his own dominant company.

Many managers, on the other hand, tend to have very little impact outside their own sphere of influence. You can probably think of managers who dominate their own departments, but have little influence with the organization as a whole. Those who make the transition to leadership are people whose opinions and ideas are sought out by others. When they speak, they are the ones to whom upper-echelon leadership listens. They are recognized as the up and coming leaders in their organizations.



Exercise

Leaders and Managers: A Self-Assessment

Leadership is different from management. You can be an effective manager and not be an effective leader. Effective leaders, however, use their management skills to help them be even more successful. They also develop leadership skills that complement their management abilities.

This exercise will help you determine if your current strengths, preferences, and abilities tend to be more management oriented or more leadership oriented. Once you know where you are, you can develop a plan to build on what you do well and work on areas that may need improvement.

Read the statement at both ends of the scale and then circle the number that best indicates where you think you are. Very few people have the same ranking for all the statements.

I like to think about creating new ideas.	5	4	3	2	1	I like to do administrative work.
I am always looking for ways to improve.	5	4	3	2	1	I like the way things are now.
I don't mind taking risks.	5	4	3	2	1	I prefer to avoid taking risks.
I have ideas for the organization's future.	5	4	3	2	1	I am concerned about next week's goals.
I enjoy being around people.	5	4	3	2	1	I prefer working alone.
I would like to have more responsibility.	5	4	3	2	1	I have too much to do already.
I like to make my own decisions.	5	4	3	2	1	I prefer having someone direct me.
I like to motivate people to do more.	5	4	3	2	1	I like to manage with good control systems.
I am enthusiastic about my job.	5	4	3	2	1	Someone else could do what I do.
I don't mind it when things change.	5	4	3	2	1	There is too much change for the sake of change.
I am concerned about doing the right thing.	5	4	3	2	1	I am concerned about doing things right.
I prefer to be the leader of a group.	5	4	3	2	1	I don't mind being a group member.

Total: _____

If you scored 45 or above, you are on a leadership track. If you scored between 35 and 45 you have the potential to develop as a leader. If you scored fewer than 35 points, you will need to make some changes to be effective as a leader.

FIVE LEADERSHIP SKILL SETS TO ENSURE PERFORMANCE

This course focuses on the five leadership areas or skill sets that are shown in Exhibit 1–5 below. When they are developed and fully utilized, these skill sets will help ensure organization performance. The term *skill sets* is used because there are a number of supporting skills that leaders must develop

E Exhibit 1–5
Leadership Model



and deploy in each of the five areas. Effective leaders possess and use a wide variety of skills.

The leadership theories presented earlier in this chapter form the primary basis for the leadership model. The connection between the skill sets and the theories is shown in Exhibit 1–6. The leadership skill sets are drawn from the recurring and consistent messages that emerge from the various leadership theories. Although there is not always a direct one-to-one relationship, there are numerous links between the concepts presented in the theories and the practices outlined in the skill sets. This course provides examples and recommendations on specific practices that leaders can take to turn the theories into effective leadership skill sets.

Because you will need a complete understanding of each skill set, a full chapter is devoted to each one.

E **xhibit 1–6**
Leadership Connections

Leadership Skill Sets	Leadership Theories
Providing direction	<ul style="list-style-type: none"> • Bennis and Nanus: Attention through vision • Kouzes and Posner: Inspiring a shared vision • Farkas and De Backer: The strategic approach • Collins: Level 4: Effective leader • Bennis and Thomas: Engaging others by creating shared meaning
Leading by example	<ul style="list-style-type: none"> • Bennis and Nanus: Trust through positioning • Kouzes and Posner: Modeling the way • Farkas and De Backer: The expertise approach
Enabling others	<ul style="list-style-type: none"> • Bennis and Nanus: Deployment of self • Kouzes and Posner: Enabling others to act • Collins: Level 3: Competent manager
Sharing power	<ul style="list-style-type: none"> • Farkas and De Backer: The human assets approach • Collins: Level 2: Contributing team member
Seeking a better way	<ul style="list-style-type: none"> • Kouzes and Posner: Challenging the process • Farkas and De Backer: The change-agent approach • Bennis and Thomas: Adaptive capacity

1. Providing direction
2. Leading by example
3. Enabling others
4. Sharing power
5. Seeking a better way

Although the skill sets are presented in a specific order, you do not need to develop and implement them in sequence. Leadership is an integrative process, not a linear one. The skill sets are presented in this order only to provide a logical and organized way to discuss each one. Let's briefly look at each skill set and what it includes.

Providing Direction

Providing direction is centered on the visioning process. The best leaders work with their teams to define the organization's values, guiding principles, mission, and vision. Throughout the process these leaders are also concerned about creating alignment between the vision and the organization's strategic plan. Within that organization framework, individual goals are established that are also aligned with the vision.

Once the foundation is laid, leaders focus on making the vision a reality. This process includes developing various methods of communicating the vision and ensuring a mutual understanding among team members of what the vision means. Next, their function is to help build a bridge from the current reality that allows the organization (or division or team) to cross over to the other side to reach the vision. The ultimate objective is to institutionalize the vision throughout the organization so that all team members understand what it means and can see how their jobs contribute to accomplishing the vision.

Leading by Example

People look to their leaders for clues as to how they should act. The best leaders willingly assume responsibility for being a role model. They make a conscious effort to lead by example and to lead with passion. They know that their attitude and approach to the job is what inspires others to act—so they focus on being positive and combating the negative. At the same time, they understand the facts of the situation and do not try to present the situation through rose-colored glasses.

Effective leaders recognize that while they have position power by virtue of their place in the organization hierarchy, they must always act in a manner that continually earns the respect of the people within the organization. These leaders are intent on using their position power in a positive manner and on sharing resources with those who need them. They also recognize the importance of continually developing their own business knowledge and skills to increase their leadership competence and set an example for others.

Aspiring leaders who lack formal position power can take steps to develop their position power, increase their visibility, and show their leadership skills. For example, they can ask for increased responsibility or a bigger workload and then demonstrate their ability to get more done. They can take on new tasks that have not been done previously and demonstrate their ability to organize the tasks and to get the job done. Those who want to be seen as leaders can also make themselves more visible by making oral presentations that put them in front of more senior executives.

Enabling Others

The best leaders realize that they can't do everything themselves. They understand that to even attempt such a strategy is a recipe for almost sure failure. One of their strategies is to grow new leaders who have the capability and capacity to help the organization succeed. They realize that if the organization is to grow, it must continually be developing more leaders.

Effective leaders also focus on stretching their existing team leaders so that they can assume even more responsibilities. They personally act as coaches and mentors or, at the very least, ensure that systems are in place that ensure other leaders within the organization are involved in developing more leaders. The best leaders also take time to provide their team members with a realistic assessment of their performance. They aren't afraid to face the challenge of discussing performance shortfalls. They know that a realistic assessment of performance is critical if people are to perform to their level of capability. Leaders who are successful know that assessment is a two-way street and are also open to having their own performance assessed by those with whom they work.

Sharing Power

Without followers there is no need for leaders. Thus, obtaining and developing followers is by definition a requirement for leadership success. Effective leaders know what qualities to look for in followers and how to best use and develop those qualities to help the organization be successful. They also empower their people by giving them more autonomy, authority, and control over critical parts of their work. Part of sharing power involves building teams within the organization that are committed to making the vision a reality. Effective leaders are able to get people to work together for the common good rather than to wage turf battles that keep the organization from achieving its goals and objectives.

Once teamwork is established, the best leaders also foster a collaborative atmosphere where people's ideas and opinions are valued. They work hard to build trust, both among their people and between themselves and their people. They make the best possible use of the complementary strengths and abilities of their people to move the organization forward. They also are believers in providing recognition and reward when people help the organization achieve its goals. They realize that even the smallest rewards, when applied properly, can have a significant impact on performance.

Seeking a Better Way

Effective leaders are always seeking a better way to do things. They are not satisfied with the way things are, but instead focus on the way things could be. They see problems as opportunities and are always on the lookout for solutions. Effective leaders reward people who are willing to challenge the daily routine and who are willing to take calculated risks to move the organization forward. They fully embrace the idea that “without risk there is no reward.”

Seeking a better way also means focusing on continuous improvement. Effective leaders understand that staying the course can be fraught with pitfalls. They continually benchmark themselves to their competition to determine whether they are moving ahead or falling behind—because they know there is no standing still. As they seek better ways, they remain alert for opportunities, they make timely (but not hasty) decisions, and they demonstrate tenacity. Above all, effective leaders work hard to maintain an entrepreneurial spirit within the organization. A spirit, that when fed, can lead the organization to new heights.

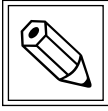
ATTITUDES AND MINDSETS

In addition to the five key leadership skill sets, the attitudes and the mindsets of leaders also play a pivotal role in their success. A separate chapter is devoted to looking at the importance of such things as leadership ethics, servant leadership, leadership by wandering around, developing relationships, and embracing change. These attitudes and mindsets serve to round out and complement the five skill sets because they influence the leaders’ daily plans and actions.

Remember that each of the leadership skill sets, along with the attitudes and mindsets, apply regardless of your position within the organization. Successful organizations need effective leaders at all levels. This course is designed to help you learn and develop the leadership skills you need to be successful.

LEADERSHIP READINESS

You now have an overview of the five leadership skill sets that form the basis for this course. The next step is to determine your current readiness to be an effective leader. The following self-assessment is designed to help you determine where you are currently in relation to the five leadership skill sets and help you prepare a preliminary action plan for your own personal use as you complete the rest of the course.



Exercise

Leadership Readiness: A Self-Assessment

Read each of the statements that follow and rate yourself using the following scale:

5 = Always

4 = Most of the time

3 = Sometimes

2 = Rarely

1 = Never

- _____ 1. I involve as many people as possible in defining the organization's vision.
- _____ 2. I role-model the behaviors I expect of others.
- _____ 3. I challenge people to stretch their capabilities.
- _____ 4. I know how to develop effective followers.
- _____ 5. I am constantly vacuuming up new information.
- _____ 6. I regularly communicate the organization's vision, mission, and values.
- _____ 7. I accept accountability for my contribution to the organization's results.
- _____ 8. I have development plans in place for my people.
- _____ 9. I empower people to do their jobs rather than constantly checking up on them.
- _____ 10. I encourage people to take calculated risks.
- _____ 11. Our strategic plan and our vision are in alignment.
- _____ 12. I use position power in a positive manner.
- _____ 13. I take time to coach people to help them improve their effectiveness.
- _____ 14. I have regular team building activities.
- _____ 15. I regularly compare our success to that of similar organizations.
- _____ 16. I have a plan to bridge the gap between the current reality and the vision.
- _____ 17. I willingly share resources with those who need them.
- _____ 18. I have a mentoring program in place to develop new leaders.
- _____ 19. I encourage people to speak up when they disagree with me.
- _____ 20. I challenge people to come up with ways to improve the way we operate.
- _____ 21. I work hard to make sure the organization's vision is institutionalized.
- _____ 22. I set goals for myself and regularly measure my results.
- _____ 23. I use performance feedback to impact results.
- _____ 24. I make it a point to reward and celebrate successes.
- _____ 25. I encourage people to be like entrepreneurs.

Transfer your self-score for each item into the appropriate space on the following page. Then, calculate the average to determine your current state of leadership readiness for each skill set.

Exercise continued on next page.

Exercise continued from previous page.

Providing Direction

Item	Score
1.	
6.	
11.	
16.	
21.	
Average:	

Leading by Example

Item	Score
2.	
7.	
12.	
17.	
22.	
Average:	

Enabling Others

Item	Score
3.	
8.	
13.	
18.	
23.	
Average:	

Sharing Power

Item	Score
4.	
9.	
14.	
19.	
24.	
Average:	

Seeking a Better Way

Item	Score
5.	
10.	
15.	
20.	
25.	
Average:	

Take a few moments now to review and analyze your results. What are your strengths (4 or 5 ratings)? Where do you need to improve (1 or 2 ratings)? Look both at individual items as well as at the averages. Use the results to develop a personalized preliminary action plan you can use as you complete this course.

It is recommended that you limit your plan to no more than five objectives that you can reasonably accomplish. Set a date for each one and indicate any assistance you will need to accomplish your objective.

Objective	Complete by	Assistance
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

The remaining chapters of this course will help you formulate some strategies to develop the specific leadership skills that can help you be successful in leading your organization.



This chapter discussed what it means to be a leader. First, you learned that while there is no generally agreed upon short definition of leadership, there is agreement that all leaders must have followers. You also reviewed some of the research and concepts that have been offered by people who have studied leaders and their leadership approaches.

Next, today's biggest leadership challenges were presented: (1) complexity within the business environment, (2) diversity of people, thoughts, and perspectives, (3) competition, (4) ethical leadership, and (5) ambiguity and change. You were then asked to think about how these challenges affect you personally.

Six ways to distinguish the difference between leaders and managers were discussed. First, leaders innovate; managers administer. Second, leaders seek challenges; managers seek to maintain the status quo. Third, leaders think long term; managers think short to mid term. Fourth, leaders motivate and inspire; managers control. Fifth, leaders worry about doing the right things; managers worry about doing things right. Sixth, leaders have a wide circle of influence; managers have limited influence.

Finally, you were introduced to the five leadership skill sets that are the basis for this course: providing direction, leading by example, enabling others, sharing power, and seeking a better way. You then completed a self-assessment and set some preliminary objectives for yourself as a leader.



Review Questions

1. Effective leaders build a bridge from the current reality to the organization's: 1. (a)
 - (a) vision.
 - (b) strategic plan.
 - (c) short-term goals.
 - (d) best practices.

2. Leaders differ from managers in that leaders: 2. (c)
 - (a) want all the glory for themselves.
 - (b) primarily focus on doing things right.
 - (c) tend to think of long-term implications.
 - (d) are focused on what needs to be done today.

3. The one thing that all leaders must have is: 3. (b)
 - (a) charisma.
 - (b) followers.
 - (c) personality.
 - (d) a high IQ.

4. According to Bennis and Thomas, leaders are shaped by the difficult events and experiences in their lives. They call these events and experiences: 4. (d)
 - (a) level 5 leadership.
 - (b) ethical governance.
 - (c) power moments.
 - (d) crucibles.

-
5. The concept of stretching people's performance so they do their best is part of: 5. (c)
- (a) providing direction.
 - (b) leading by example.
 - (c) enabling others.
 - (d) sharing power.

