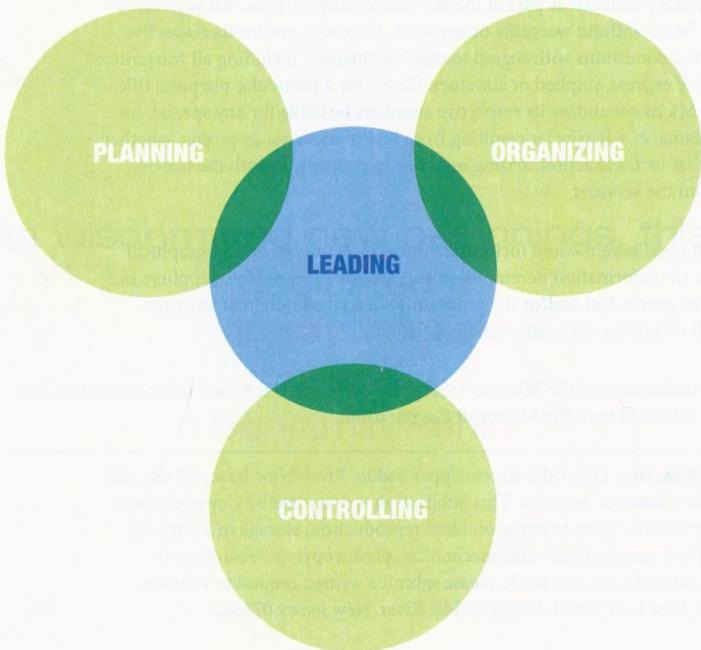


# Management

## A Focus on Leaders

Second Edition



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PEARSON

Boston Columbus Indianapolis New York San Francisco Upper Saddle River  
Amsterdam Cape Town Dubai London Madrid Milan Munich Paris Montreal Toronto  
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**Objective 1.1**

Describe why managers must also be leaders.

## 1. Why Do Managers Have to Be Leaders?

In recent years environmental, technological, and social changes have had profound effects on individuals, families, communities, and governments everywhere. These changes have affected the ways in which businesses and organizations are designed, organized, managed, and led, as well as the ways in which people do their jobs and relate with one another at work. Along with these changes come new responsibilities for leaders, managers, and employees alike.

### Today, Everyone Needs to Be a Leader

Today, *everyone needs to be a leader*. The challenges and opportunities we face in our businesses, organizations, and communities are huge. This means that we must contribute the best of who we are—our talents, skills, and creativity—so we can successfully make positive, ethical business decisions in the midst of our changing world.<sup>1</sup>

Change is good, but it requires us to work and lead in different ways. Consider the following: More and more people around the world have access to information, technology, and a better way of life. Changes in global politics, economics, and societies demand that businesses be linked to social factors in ways never seen before. For example:

- The balance of world economic and political power is shifting from West to East, resulting in turmoil and uncertainty, as well as great hope.<sup>2</sup>
- Partly because of better access to food, clean water, and health care, the human population is growing at an unprecedented rate, as is the demand for resources such as land, water, education, and jobs (**EXHIBIT 1.1**).
- Open Educational Resources (OER) are rapidly expanding access to education and information around the world.<sup>3</sup>
- Rapidly expanding access to telecommunications means that people around the world are far more interconnected than in the past, but increased industrialization and globalization mean that environmental resources are at risk.
- Ongoing changes in the world's climate are cause for concern.
- Some groups and individuals continue to be left out of the advances and benefits that positive economic changes, computers, and advanced telecommunications can provide.
- Partly as a result of the Great Recession that began in 2007, capitalism itself is being challenged.<sup>4</sup>

**EXHIBIT 1.1**

What benefits and risks accompany global population growth?

Source: Bildagentur/Glow Images



The rapidly changing world we live in means that the days when some people led, some managed, and others just blindly followed orders are gone. In your career, you will be called on to do all three: lead, manage, and follow.

### What Being a Leader Means for You

What do these changes mean for you at work? You will be called on to respond ethically, positively, and powerfully to the many transformations that are occurring in our world. This requires you to know your own values as well as your organization's ethical code and to make good decisions—often very quickly and without complete information. To do so, you

must engage in analytical thinking and rely on your intuition. You will also need to build strong, trusting relationships with others and communicate well with people at all levels of the organization. Developing your self-awareness, your capacity for empathy, and your ability to manage yourself well in stressful situations are key components for building these relationships. Understanding and managing your own and others' emotions are also invaluable in this endeavor. This is called emotional intelligence.<sup>5</sup> Self-awareness, self-management, and empathy, among other skills, enable you to inspire people; build powerful and effective teams; deal with conflict; and guide, coach, and mentor others.<sup>6</sup> People all over the world are working hard to understand what it means to be a great leader today.

You have choices about what you do, how you live your values, and how you influence others. You have opportunities all the time to *lead* other people, no matter what role you hold in an organization. Now, think about your own experience: Have you worked in a job where your manager directed *everything* you did every day? Were you also influenced by colleagues and your boss's boss? Did you manage *yourself* some of the time? It is highly unlikely that all your instruction and guidance came from your manager, and it's even less likely that you were influenced only by people above you, or that you yourself had no influence. Rather, you were guided by all the people around you, as they were by you.

Many dynamic young leaders understand that everyone needs to be a leader today. They lead—and live—in a way that inspires people. They help others succeed. Dolores Bernardo, leadership development manager at Google, is one such leader. Her wise and noteworthy advice is in the *Leadership Perspective* feature.

Just think about the implications of what Dolores Bernardo says. What if every one of us thought of ourselves as a leader? What if you decided to see yourself as a leader *now*, rather than waiting until you are more advanced in your career? What if

## Leadership Perspective

Companies like Google truly understand that success depends on creating an environment where everyone can bring their best selves to work: their talents, their passions, and their leadership. Dolores Bernardo's mission is to bring this strategy to life and to ensure that Google's unique, diverse, and innovative culture enables every single person in the company to lead. Let's look at what she says about what it takes to be a great leader at work and in life today.

*I think of leadership as a verb—it's about taking action. It's about inspiring others to come along with you. It's about taking the time to reflect. And it's about taking the time to build connections and relationships with people so they believe in what you are trying to do—and so they believe in you.*

*Anyone can be a leader at Google. That's the only way any of our companies will succeed today. If every single Googler feels empowered to innovate, to create new products and improve on existing ones, we'll not only keep up*

*with the changes that are happening around us, we'll be the change. Each one of us needs to think this way: we can't just respond to change, we have to lead change. Our success hinges on our ability to understand the needs of all Google's hundreds of millions of users. The unique perspective that each person brings to leadership is what makes Google's products serve our diverse user community.*

**Source:** Personal interviews with Dolores Bernardo conducted by Annie McKee, 2009 and 2012.



● **Dolores Bernardo**  
Leadership Development Manager at Google:  
“I think of leadership as a verb...”

we all took seriously our responsibility to inspire others, reflect on our actions, and build positive, powerful relationships? If we all acted this way, we'd have a much better chance of harnessing the brain power we need to face the challenges and opportunities in our organizations, our communities, and the world.

Still, many people don't see themselves as leaders. Part of the reason for this is that from the time we were small, we have been taught that leadership and authority go hand in hand with certain roles: parent, school principal, business owner. It's true: All of these roles require leadership. What's different today is that we can't simply rely on others to lead. We all need to be leaders, no matter what position we hold.

### Discussion Questions

1. Think about the groups you are part of, including groups associated with your family, friends, school, and work. Who looks to you for leadership in these groups? What do they expect from you? How do you inspire them to follow you?
2. Complete the "Whom Do You Lead" exercise to discover the ways that you are a leader (■ EXHIBIT 1.2).

#### ■ EXHIBIT 1.2

##### Whom Do You Lead?

1. On the chart on the following pages, brainstorm and write a list of several of the groups you belong to. Break these groups down as much as you can (e.g., instead of writing "family," note the various branches and groups within your family; instead of writing "work," describe your immediate team, the organization around it, and groups that you touch or have some responsibility for). Be sure to also list groups in which your authority is informal, and your "title" isn't the only source of your power. Finally, consider other arenas where you guide, advise, and help people.
2. Next to each group, label or name your role (e.g., "sister" or "brother"; "oldest cousin"; "team leader"; etc.).
3. For each position, formal and informal, describe your role (e.g., "I am the person everyone comes to when there is a conflict in the family"; "I am the one who knows the professor"; "I am the designated team leader").
4. For each of your roles, write who looks to you for guidance, help, and vision and describe what they look for from you. Be as specific as you can (e.g., "My family looks to me to resolve problems"; "My team looks to me to understand their needs, provide help, remove obstacles, and share information"; "My boss looks to me to deliver on my promises").



My groups	My role	Description of my role	People and groups who turn to me for help, guidance, or direction	What people look for from me

Continued on next page >

My groups	My role	Description of my role	People and groups who turn to me for help, guidance, or direction	What people look for from me

**Source:** Adapted from Annie McKee, Richard Boyatzis, and Frances Johnston. 2008. *Becoming a resonant leader*. Boston: Harvard Business School Press.

### EXHIBIT 1.2 Continued

## 2. What Is the Difference between a Manager and a Leader?

What's the difference between a manager and a leader? Let's first consider what each of the words means. The verb *manage* comes from the Italian *maneggiare* (to handle). Back in the 1500s, the word referred to the handling of horses. The root of *maneggiare* comes from the Latin word *manus* (hand). Notice that *handle*—meaning *to control*—has a similar origin, in this sense: A person's hand is a tool for physically controlling the environment. The meanings of these words were eventually extended and are now used to refer to controlling and handling resources in organizations.

The word *leader* can be traced back to Old English *lædan* (to guide; to cause to go with one). It is also a form of *lian* (to travel). So, the word leader can be interpreted as someone who guides others on a journey. This way of looking at leadership is about *influencing* rather than forcing people to go in a particular direction.

So, a **manager** is an individual who makes plans; organizes and controls people, production, and services; and who regulates or deploys resources. A **leader** is a person who influences and inspires people to follow. There is no reason whatsoever that a manager can't be a leader, or that a leader can't manage. In fact, the political, social, and technological changes of recent years require all of us to do both

#### EXHIBIT 1.3.

Some leaders really *get this*—and they work to hone the skills that will enable them to both lead and manage effectively as the world changes rapidly. This is important in all industries, but particularly so in those that are technology dependent and tied to changes in societies, such as media. Viacom, which includes brands such as MTV, BET, Nickelodeon, and Paramount, to name just a few, is one such company. Henry Moniz, Chief Compliance Officer, Chief Audit Officer, and Global Head of Strategic Business Practices, shows us exactly how important it is to manage and lead for today's world, not yesterday's, in the *Leadership Perspective* feature.

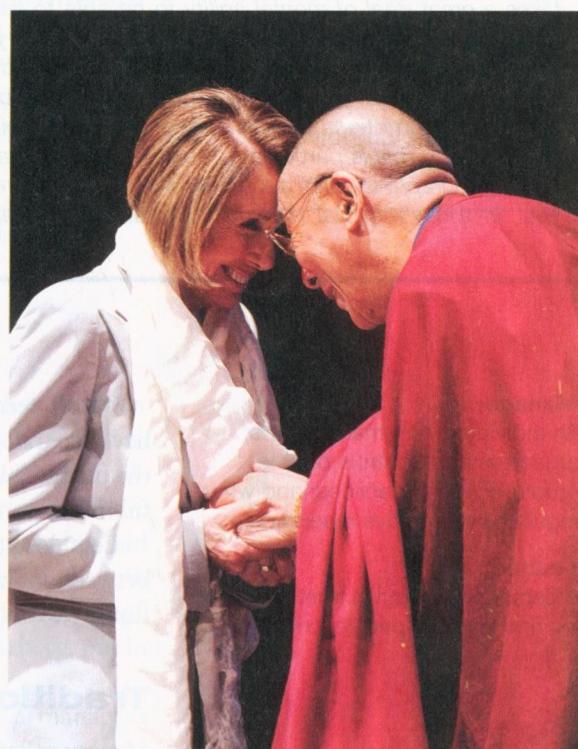
As Henry Moniz points out, there are a number of skills that cross the boundaries between management and leadership: authenticity, vision, openness, and embracing change, to name just a few. These skills can't be reserved for leaders anymore.

**Objective 1.2**  
Differentiate between managers and leaders.

### EXHIBIT 1.3

What responsibilities does the Dalai Lama, the spiritual leader of Tibet, share with Nancy Pelosi, the first female speaker of the U.S. House of Representatives?

**Source:** Oliver Douliery/Abaca Press/MCT/Newscom



## Leadership Perspective

Henry Moniz is a remarkable man and an outstanding leader. His story is anything but ordinary, and he is dedicated to bringing what he learns from his life to his career. Here's what he has to say about being a great leader and manager:

*"Great leadership starts with being authentic. If you aren't, and you don't really believe in what you are trying to accomplish, then no one will follow you. Position alone no longer confers authority. And staying authentic can be a challenge as you and your function and/or company evolve. If you lose sight of what you are and what really matters to you, and how that all relates to your pursuit of the broader goals, you can become perilously untethered."*

*At the same time that you are continually refining how to embody and inhabit those grander goals, you must also be able to communicate your vision in a clear way—even if it is not entirely clear as yet how you will realize it. In fact, it's impossible to predict all of the components you will need to achieve your big picture goals, but if you aren't authentic and your teams do not believe in you and understand and believe in your vision, they can't help you and you won't go anywhere good.*

*A key skill for executing against your vision is deciphering the context in which you are operating; that is, understanding the situation—in all its complexity—around you, your team, goals, company, industry, the market, relevant economies, etc. Understanding the context is critical to giving proper weight to the loads of information pouring over your desk and isolating the "relevant" pieces. This enables you to eliminate spurious variables and avoid being overwhelmed. It also takes a great deal of mental agility to be able to see things from many perspectives without getting lost. Can you stay open to new approaches, information and ideas without being side tracked by extraneous ones, and then go back and alter your assumptions even as you continually assimilate new data points? This is particularly relevant if you operate in diverse geographies, with people who are very different from you. In today's global markets, different people approach*

*work, rules, problem-solving, etc., very differently. For example, in some cultures one must have lunch, tea, and/or dinner many times before you even think of doing business, developing the relationship is key. In U.S. business culture, we tend to jump right in, and can become impatient in situations like those, much to our detriment ultimately.*

*While this all seems logical, it is of course, useless without the ability to drive people to work together on common goals. People often take positions which at first blush may seem to be at odds. When those positions are not aligned with the larger interests of the organization, the leader must step in to correct the distortions. Do you have the strong, core sense of self, confidence and patience required to confront others who are being excessively and perhaps, needlessly, oppositional, rigid and closed minded?*

*Finally, to be a great leader, manager and follower, you need to learn to embrace change, which is inevitable in this increasingly dynamic world. It has become a cliché, but too few people actually do it. It starts, of course, with a mindset of change representing opportunities, getting comfortable with taking calculated risks and accepting that you won't always succeed (at least not on the first try any way). But without risk, there is no real growth, or true success, in life or at work.*



### ● Henry Moniz

Chief Compliance Officer, Chief Audit Officer, and Global Head of Strategic Business Practices at Viacom:  
"...if you aren't authentic and you don't have a vision, you won't go anywhere."

**Source:** Personal interview with Henry Moniz conducted by Annie McKee, 2012.

### Manager

An individual who makes plans; organizes and controls people, production, and services; and who regulates or deploys resources.

### Leader

A person who is out in front, influencing and inspiring people to follow.

We all need to manage *and* lead. However, historical views and much of the research have separated management and leadership and assumed that people are either one or the other. This type of differentiation between management and leadership is not useful in our complex organizations.

Let's look at the early research and perspectives on which this differentiation between management and leadership was based. Once we understand these assumptions, we can begin to adjust them to fit today's world.

### Traditional Views of Managers and Leaders

Managers have been encouraged to focus their energies on problem solving and controlling resources, while leaders have been encouraged to focus on vision, inspiration,

and the wider environment. Managers have been taught to see the *independence* of their tasks and responsibilities in relation to their division or functional unit, whereas leaders have been encouraged to view and oversee the *interdependence* of all tasks, people, and functions in the organization, rather than picturing them as isolated, self-contained “silos.”

Managers are expected to be tactical, implementing the strategic vision of their leaders like good soldiers. Managers are tasked with establishing and administering order and control to reduce complexity. In contrast, a leader is expected to thrive on chaos and possess a unique vision for the organization. Research has sought to articulate these perceived differences, as shown in ■ **EXHIBIT 1.4**.

In summary, one could say that managers have traditionally been expected to occupy themselves with the status quo. Leaders, on the other hand, have been called on to ask important questions about the organization’s future: “Where are we going?” “How are we going to get there?” “What if?” Also, whereas a manager has historically been seen as someone who does things “right,” a leader is more often pictured as someone who can be called on to “do the right thing.”

#### ■ EXHIBIT 1.4

#### A Traditional View of What Managers and Leaders Do

Managers Tend to . . .	Leaders Tend to . . .
<ul style="list-style-type: none"> <li>• Control resources.</li> <li>• Be problem solvers.</li> <li>• Seek efficiency.</li> <li>• Be comfortable with order.</li> <li>• Be concerned with how things get done.</li> <li>• Play for time and delay major decisions.</li> <li>• Seek compromises.</li> <li>• Identify goals that arise out of necessity.</li> <li>• Adopt impersonal attitudes toward goals.</li> <li>• Coordinate and balance opposing views.</li> <li>• Avoid solitary activities.</li> <li>• Work from low-risk positions.</li> <li>• Avoid displaying empathy.</li> </ul>	<ul style="list-style-type: none"> <li>• Create and provide resources through motivation.</li> <li>• Be comfortable with uncertainty.</li> <li>• Function well in chaotic environments.</li> <li>• Be concerned with what events and decisions mean to people.</li> <li>• Seek solutions that do not require compromise.</li> <li>• Take highly personal attitudes toward goals.</li> <li>• Identify goals that arise out of desire.</li> <li>• Inspire strong emotions.</li> <li>• Be comfortable with solitude.</li> <li>• Work from or seek out high-risk activities.</li> <li>• Have meaningful, highly personal mentorship relationships.</li> <li>• Be empathic and actively read others’ emotional signals.</li> </ul>

**Source:** Adapted from Zaleznik, Abraham, 1992. Managers and leaders: Are they different? *Harvard Business Review* (March–April): 126–35.

#### What Managers Actually Do

So what exactly does a manager do? Noted scholar Henry Mintzberg decided to answer that question by following managers on the job and recording their daily activities. Despite the fact that this research was conducted many years ago, Mintzberg’s findings are important and continue to be relevant today. This is because we still have a mistaken image that managers spend their time on an orderly set of planning and organizing activities. In fact, as Mintzberg discovered, a manager’s work is fraught with meetings, pressure to deliver performance results, and a great deal of “fire fighting,” or constantly addressing unexpected issues. Managers, according to Mintzberg, put in long work hours and work at an intense pace.<sup>7</sup>

Based on this research, Mintzberg came up with a solid outline for a manager’s “job description” as described in ■ **EXHIBIT 1.5**. Each of the three broad categories—informational, interpersonal, and decisional—is a category into which multiple roles

fall. The *informational* category includes the roles of monitor, disseminator, and spokesperson. The *interpersonal* category includes the roles of figurehead, leader, and liaison, and the *decisional* category includes the roles of entrepreneur, disturbance handler, resource allocator, and negotiator.<sup>8</sup>

Today, many of these roles and activities are expected of more people—people who may not formally be called “managers.” That’s because during the past two decades, many businesses and organizations have streamlined operations and decision making. Whereas it used to be that only managers—and many times, senior managers—did things like disseminate information, foster innovation, or negotiate contracts, nowadays nonmanagerial staff is often empowered to do these things.

Today’s managers also *lead*. As you will see in Chapter 2, *The Leadership Imperative*, a vast amount of research has been done on leadership behavior. The early studies about leadership looked at personal characteristics and physical, intellectual, and psychological traits. Later research focused on leadership behaviors and styles and the importance of being able to adapt one’s approach to a particular situation.

#### EXHIBIT 1.5

#### Henry Mintzberg’s Managerial Roles

Category	Role	Organizational Function	Example Activities
Informational	Monitor	Responsible for information relevant to understanding the organization’s internal and external environment	Handle correspondence and information such as industry, societal, and economic news and competitive information
	Disseminator	Responsible for the synthesis, integration, and forwarding of information to other members of the organization	Forward informational e-mails; share information in meetings, conference calls, webcasts, etc.
	Spokesperson	Transmit information to outsiders about organizational policy, plans, outcomes, etc.	Attend management meetings; maintain networks between the organization and stakeholders
Interpersonal	Figurehead	Symbolic leadership duties involving social and legal matters	Attend ceremonies; greet visitors; organize and attend events with clients, customers, bankers, etc.
	Leader	Motivate, inspire, and guide employees’ actions; provide opportunities for training; support appropriate staffing	Build trusting relationships with employees; build effective teams; manage conflict
	Liaison	Build and maintain relationships between the organization and outside entities	Work on external boards; create and maintain social networks (real and virtual) with key stakeholders
Decisional	Entrepreneur	Scan the organizational environment for opportunities; foster creativity and innovation	Participate in strategy and review meetings for new projects or continuous improvement
	Disturbance handler	Manage organizational problems and crises	Participate in strategy and review meetings that involve problems and crises; get involved directly with key issues and people
	Resource allocator	Take responsibility for allocation of all types of organizational resources	Create work schedules; make authorization requests; participate in budgeting activities
	Negotiator	Represent the organization during any significant negotiations	Negotiate with vendors and clients; settle disputes about resource allocation

Source: Mintzberg, Henry, *The Nature of Managerial Work*, 1st Ed., © 1973. Reprinted by permission of Pearson Education, Inc., Upper Saddle River, New Jersey.

More recently, research has focused on bringing various fields of study together to help us understand what it means to lead effectively. For example, research in the areas of management, psychology, and neuroscience is helping us understand that social and emotional intelligence competencies, ethics, and the responsible use of power are key to great leadership. Emerging from this research is the growing understanding that one of the foundations of good leadership is self-awareness: the capacity to reflect on, articulate, and understand one's emotions, thought processes, and physical responses to certain situations (like stress). Throughout this book, we will encourage you to develop self-awareness as the first step in becoming an outstanding leader.

In this section, we have looked at the traditional views of what managers and leaders do, and we've made a case that at work, everyone needs to be both a manager and a leader. We all need to learn skills that will enable us to plan, organize people and resources, and control processes. We also need to learn to show people who we are and what we stand for and to demonstrate skills and competencies that will enable us to inspire others to follow our lead. Finally, we need to learn how to follow others. Leadership is not a one-way street. We all lead, and we all follow.

### Discussion Questions

1. Think about the last time you worked on a project with a group at work or in school. What did you and others do that could be described as "managerial" behavior? What did you and others do that could be described as "leadership" behavior?
2. Consider Mintzberg's managerial roles in Exhibit 1.5. Which of these roles are easy for you to play or come to you naturally? Which roles do you think you need to learn more about or learn how to do better?

## 3. What Is the Other Side of the Leadership Coin?

Without followers, there are no leaders. So although we must strive to develop self-awareness, focus on our values and ethics, and learn to lead responsibly, we also need to learn how to follow.<sup>9</sup> Think about your own experience: More than likely you have been in the position of trying to lead a group in which some members simply didn't want to follow you. They wanted to do their own thing, they resisted being influenced, or they caused disruption. Often, this kind of behavior doesn't arise because people fundamentally disagree with what is being asked of them—they just don't want anyone else telling them what to do. In today's highly interconnected complex organizations, this attitude just doesn't work.

What does it mean to be a good follower? Bookstores and workshops are full of information on how to be a good leader, but there is less about what it takes to be an effective follower. That's partly because we simply don't know as much about followership. From Plato to Machiavelli to the researchers and philosophers of today, leaders and leadership have captured our imaginations, not followers or followership. For some, even the idea of following leaves a bad taste in the mouth. Why is that? It might be partly because in many cultures followership is seen in a very negative light.<sup>10</sup> How many times have you heard followers described as "mindless sheep"? This attitude is a significant problem in today's flatter, more networked organizations where the line between who is leading and who is following is often blurred.<sup>11</sup> When you think about it, *everyone* in an organization is a follower—even the CEO (chief executive officer). Despite being at the very top of the organization, he or she follows the wishes of customers, or the mandates of governing bodies like the board of directors. We all follow others, every single day of our lives.

### Objective 1.3

Explain what is meant by the "other side" of the leadership coin.

So, what does it really mean to be a good follower? Does it mean we give up our power, our opinions, or our strength? Hardly. In fact, it's exactly the opposite. Being a good follower means being able to understand what we need to do to support leaders—and everyone else—in achieving our shared goals. Being a good follower means finding ways to teach and guide others, even when we don't have direct authority or the right to tell people what to do. Being a good follower means being *involved*.

Good followers, according to Harvard professor Barbara Kellerman, are actively engaged and supportive of their leaders and the organization's goals. She proposes a model that can help us understand how to be an effective follower that also includes what to be on guard against.<sup>12</sup> As you can see in ■ EXHIBIT 1.6, Kellerman's model includes five types of followers: isolates, bystanders, participants, activists, and diehards.<sup>13</sup>

Good followers know how to use their skills and enthusiasm in support of the work that needs to get done. They also help to create an environment that is full of excitement and shared commitment. They support their leaders, but they don't follow blindly: They respond appropriately to bad leaders, too. When, for example, a good follower is asked to engage in unethical behavior, or even questionable behavior, he or she finds a way to have the right conversations with the right people so no transgressions occur. Influencing our leaders like this is often called **managing up**—a useful skill you will want to learn and practice.<sup>14</sup>

A final word, for now, on followership: One of the most respected leadership scholars in the world, Warren Bennis, notes that acceptable characteristics of both leaders and followers are often different from culture to culture.<sup>15</sup> For example, the concept of empowerment is highly culture dependent and means something different to employees around the globe.<sup>16</sup> As organizations become more globally integrated, these cultural differences are likely to become increasingly important.

Large organizations are complex systems, and their fate in a globally competitive environment may very well depend on how well leaders understand and respond to followers, as well as how we all learn to follow when things change and the rules of engagement are different.<sup>17</sup>

So, although we started this chapter with the statement "Today, everyone needs to be a leader," we now add "... and everyone needs to be an effective follower."

## ■ EXHIBIT 1.6

### Types of Followers

- **Isolates:** Isolates are nonresponsive or indifferent to their leaders. They are typically found in large organizations. They do their jobs and make no effort to stand out.
- **Bystanders:** Bystanders are exactly what the name implies. They are not engaged in the life of the organization. They are observers and spectators rather than active participants, passively doing their jobs and offering little active support.
- **Participants:** Participants are actively engaged and make an effort to support and impact the organization. If they agree with a leader, they will support him or her. If they disagree, they will oppose the leader.
- **Activists:** Activists feel even more strongly about their organizations and leaders than participants and act accordingly. When supportive, they are eager, energetic, and engaged. When they disagree strongly with what a leader does, they are vocal and will take action.
- **Diehards:** Diehards are passionate about an idea, a person, or both and will give all for them. When diehards consider something worthy, they become dedicated.

In the next two sections we will introduce ways that “people issues” can be dealt with and enhanced at work. In the first section, “What Is HR’s Role in Managing and Leading Today?” we will focus on things that can be done by HR (human resources) to support people and skill development. In each chapter we will address HR issues relevant to the particular topics covered in the chapter. In the second section, “What Can We All Do to Become Excellent Managers, Leaders, and Followers?” we will explore ways that all of us can become better leaders.

### Discussion Questions

1. When have you been a good follower? What inspired you or encouraged you to take up this role in a positive way?
2. What do you do when you are expected to follow someone, yet you know what he or she is doing is wrong or could be done better? How effective are you at influencing that person from the follower position?

## 4. What Is HR’s Role in Managing and Leading Today?

Human resource (HR) management includes the strategic approach to managing and developing an organization’s workforce. Unfortunately, the complexity of this endeavor is often underestimated because many people are unaware of the broad range of leadership roles HR plays within the organization. HR differs from other forms of management in that it focuses on the wider organization through implementation of recruitment, training, compensation, and labor relations strategies. It is important for you to understand these roles because no matter what your position in an organization, you will be touched by HR in some way. Additionally, reflecting on HR’s unique leadership perspective may help you as you consider the type of leader you want to be.

Strategic human resource management has often been described as a cycle, at least since the early 1980s. The best known cycle was introduced in a seminal book in 1984, which defined the field of human resource management. In it, authors Fombrun, Tichy, and Devenna introduced a cycle that linked selection, performance, appraisal, rewards, and developments.<sup>18</sup> The model provided a framework for understanding the leadership roles that human resource managers play in their organizations. As the field has grown, so has our understanding of the complex interrelations of employees and their organizations.

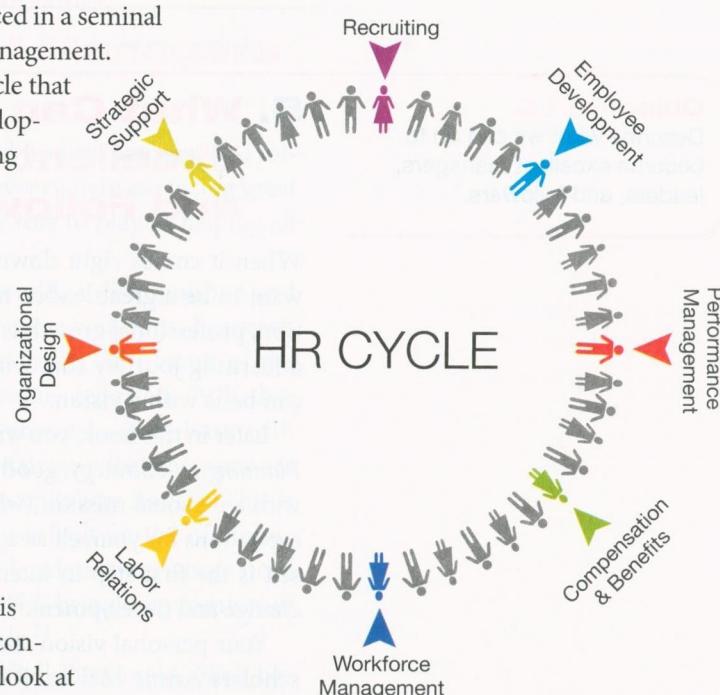
With this new understanding, it is clear that the HR Cycle must take into account HR’s role with regard to the company and organized labor, introducing new areas to the cycle like workforce management, labor relations, organizational design, and strategic support.<sup>19</sup> These additions have provided a more holistic and comprehensive view of the strategic role that HR plays.

As you can see in the HR Cycle in **EXHIBIT 1.7**, HR is responsible for a number of key activities. These are often considered HR’s areas of technical expertise. Let’s take a closer look at each of these areas.

### Objective 1.4

Summarize HR’s role in managing and leading.

**EXHIBIT 1.7**  
The HR Cycle.



**Recruiting:** Handling employee selection, hiring, succession planning, and staffing.

**Employee development:** Providing leadership development and job or career-related training for employees through a variety of means, such as training programs, tuition reimbursement, seminars, cross-training, online learning, and self-directed learning.

**Performance management:** Providing processes and programs to identify, measure, and plan for the development of employees' skills.

**Compensation and benefits:** Providing schemas and technical processes to support employee compensation and benefits such as health care, flexible vacation time, flexible work schedules, travel, the company car, the executive washroom, the corner window, status, sense of purpose, etc.

**Workforce management:** Managing the size and shape of the workforce through activities such as organizational development and programs to support strategic issues.

**Labor relations:** Managing relations between internal and external groups (e.g., trade unions) that set standards for how employees are to be treated.

**Organizational design:** Studying organizational design issues and creating or recreating job descriptions, work design, organizational structures, and interorganizational relationships.

**Strategic support:** Conducting research and providing support on people-related issues.

HR's role in supporting great leadership cannot be underestimated. As we move through this book, we will explore how HR uses these areas of expertise to foster leadership at all levels of the organization.

### Discussion Questions

1. Look at the eight roles within the HR Cycle. In your opinion, are some of these roles more important than others? If so, which ones, and why?
2. Leaders of many organizations have said the now famous phrase: "People are our greatest asset." What do you think this means? Can you come up with an example from your own work experience or that of someone close to you where you found this not to be true? Explain.

#### Objective 1.5

Describe what we can do to become excellent managers, leaders, and followers.

## 5. What Can We All Do to Become Excellent Managers, Leaders, and Followers?

When it comes right down to it, great leadership doesn't happen by accident. If you want to be a great leader, manager, and follower, you will need to work at it. In addition, professional growth is not possible without personal growth. The best way to start a learning journey that will help you to become the best person and best leader you can be is with a vision.

Later in this book, you will develop a learning plan. Also, as you will learn in Chapter 5, *Planning and Strategy*, good plans start with a mission and a vision. A learning plan starts with a personal mission (what you believe to be your purpose in life) and a vision (your aspirations for yourself as a person). We call this your "ideal self." Articulating your ideal self is the first step in intentional change, which is a process that results in sustainable change and development.<sup>20</sup>

Your personal vision starts with your hopes and dreams for yourself as a person. As scholars Annie McKee, Richard Boyatzis, and Frances Johnston wrote in *Becoming a Resonant Leader*, "Our dreams help to determine what we become, because a compelling

and meaningful vision provides us with the optimism, strength, energy, and efficacy we need to move confidently toward the future.”<sup>21</sup> Our dreams feed our personal vision and our image of our ideal self. Hope—a belief in a more positive, feasible future, and a sense that we can make it happen—also feeds our vision. In addition, our core identity—our values, beliefs, and philosophy—is also a key element. As a way to begin to articulate a personal vision, reflect on the following questions and statements:

1. What is your highest purpose in life? What do you think you are meant to do and be?  
If I could accomplish only one thing in life, it would be to . . .  
Something I would like to do before I die is . . .  
If I could change anything in the world, it would be . . .
2. If I had as much money as I could ever need, I would . . .
3. In 10 years, my ideal life will include (reflect on loved ones, friends, work, lifestyle—anything that is important to you) . . .

Now, simply take the time to jot down a few themes you see in your responses to these questions. By doing this, you will begin to get a sense of what is most important to you. You will also practice pattern recognition, another key tool in planning.

Considering the themes you see in your writing, and thinking about your life holistically, write a few paragraphs that describe your ideal life in five years. Include key relationships, roles, work, where you live, your lifestyle, and anything else that is important to you.

### Discussion Questions

1. Why is it important for you to create a personal vision now, while you are in college? How might this help you choose a career or find an organization where you will fit in well?
2. Who in your life today can help you think about your future? What advice do you think they might give you about your personal vision?

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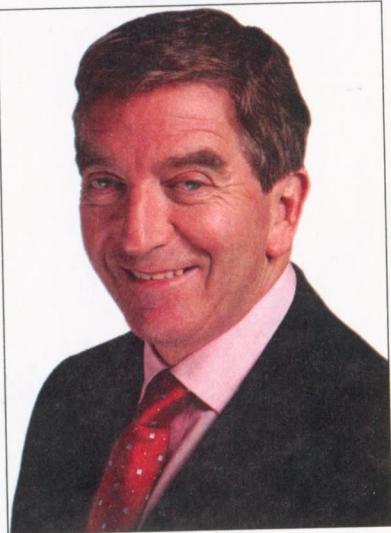
## 6. A Final Word: Changing World, Changing Expectations of Managers and Leaders

In this chapter we have made a case for learning to be a good leader, manager, and follower. Our world today requires this from all of us. People everywhere are facing great challenges and great opportunities, and business has a huge role to play in helping all of us create a better future.

We end this chapter with a few words from Niall FitzGerald, a distinguished and world-renowned leader. During the autumn of 2011, there were widespread protests calling attention to the difficulties people were—and are—facing as a result of the Great Recession. As *The Economist*, a well-respected magazine, reported, “Whether [the protesters] are inspired by the Occupy Wall Street movement . . . they burn with dissatisfaction about the state of the economy, about the unfair way that the poor are paying for the sins of rich bankers, and in some cases about capitalism itself.”<sup>22</sup> This is not to say that capitalism has failed, or that business is solely at fault for the economic woes faced by many today. However, the situation is clear: Leaders everywhere need to take actions to build a more sustainable model—one that will bring the promises of capitalism, meritocracy, and democracy to many more people.<sup>23</sup>

Some leaders have been doing this for years, including Niall FitzGerald. Niall has had a long and distinguished career: former chairman and CEO of Unilever, chairman

Niall FitzGerald, Chairman of the Boards of the British Museum and Hakluyt & Co.: Acceptance Speech for the Business Alumnus of the Year Award.<sup>24</sup>



of Reuters, and deputy co-chairman of Thomson Reuters, to name just a few. Today, he is chairman of the Board of the British Museum and also chairman of Hakluyt & Company. In all of his roles, throughout his life, he has sought to learn and to have the courage to do the right thing, even when it wasn't popular.

In a speech given recently at his alma mater, University College, Dublin, Ireland, Niall shares wisdom you can take to heart and use at work and in life today. He calls on business and all of us to consider what it will take to rebuild our companies and, more importantly, trust. Here's part of what he says:

*The financial crisis has left many disillusioned with bankers, business people, and politicians. There are questions about the equity of capitalism and free enterprise. People are angry—some would say enraged—there is little trust in leaders.*

*Young people face more expensive education, higher taxes, less generous benefits, and longer working lives than their parents. Homes are either expensive beyond reach or indebted beyond their value. Jobs are elusive or nonexistent. In Europe and the U.S. over 20% of those under 25 have no work—in Spain it is a horrific 50%.<sup>25</sup>*

*And it is not just the young. The middle aged face falling real wages and diminished pension rights. The elderly are seeing the value of their saving eroded while the cost of care escalates.<sup>26</sup> In the meantime bankers are back to huge bonuses, business leaders seem immune from austerity, and politicians are increasingly irrelevant. The gap between rich and poor widening—resentment between generations deepening—and no one holds themselves accountable.*

*So, why so bleak . . . ? I am an optimist.*

*It seems to me that the very problems we confront may present us with our biggest opportunity. A chance to look again at how we best combine wealth creation with the spreading of prosperity. A reminder to those of us in business that we have a wider responsibility than just the bottom line. You cannot over time have a successful business in a broken society. The renewed understanding that leadership is a privilege not an entitlement. A leader has a chance to leave a mark on society which is beyond their personal bank balance. A rediscovery that true and lasting satisfaction comes from giving rather than taking.*

*My generation was given freedom to pursue our dreams and the means to achieve them. We must now invest in the next generation so that we will be remembered with respect for what we helped others to achieve. It can no longer be about ME and ME but about leaving something behind which is truly sustainable. And in the era of the adoration of celebrity we should remember that:*

*There is no limit to what a man can achieve as long as he does not care who gets the credit.*



# EXPERIENCING Leadership

## LEADING IN A GLOBAL WORLD

### Your Global Team

Organizations worldwide are recognizing that their workforces are becoming increasingly more diverse every day as they hire people of every race, nationality, religion, and age group. So, how do you lead such culturally, religiously, and ethnically diverse groups?

Imagine you are a team leader for a major global organization. Eight team members report to you: two are American, two are from India, two are from the Middle East, and two are from Brazil.

Do some brief online research of these cultures. Be sure to note religious, political, and social differences that may have an impact on your management style. After you have some knowledge of cultural differences, answer the following questions in teams or individually:

1. What are the fundamental differences among my team members?
2. What are the fundamental similarities among my team members?
3. What things can I do as a leader to make my team comfortable, culturally speaking?
4. What can my team do to make me a more effective leader?

## LEADING WITH EMOTIONAL INTELLIGENCE

### What Kind of Follower Are You?

Mature leaders and managers are actively engaged in developing themselves and their relationships with their followers.

Think of a situation in which you were a follower. It could have been on a sports team, project team at school, or a work team at your job. Now think about the various characteristics you brought to your role as a follower. Answer the following questions:

1. What was right or wrong, good or bad with the leadership/management that led to you exhibiting these characteristics?

2. What could leadership/management have done to change the type of follower characteristics you exhibited?
3. Do you naturally gravitate to those follower characteristics? Why or why not?

## LEADING WITH CRITICAL THINKING SKILLS

### Leadership and Management—What's Different, What's the Same?

The daily operations of any organization require planning, organizing, controlling, and leading—all of which must be managed effectively. In other words, today's organizations require managers and leaders to share responsibilities. Still, leaders are often viewed as more strategic, while managers are viewed as more tactical.

Imagine you have been selected to identify key management and leadership duties for a new company that is manufacturing an electric car called the Mongoose. The company has already identified financial backers and acquired an automobile manufacturing facility from another car manufacturer. Your company wants to offer the Mongoose to the public in 10 months.

In teams or individually:

1. Make a list of responsibilities the **leadership team** must address immediately, the day the car is offered to the public, and in the months following the car's release.
2. Make a list of responsibilities the **management team** must address immediately, the day the car is offered to the public, and in the months following the car's release.
3. Look for overlaps in your two lists of duties and responsibilities. It may help you to create a matrix in order to identify shared responsibilities.

## ETHICAL LEADERSHIP

### Recognizing the Good and the Not So Good

The world has changed dramatically over the last decade, and in organizations today, everyone needs to be a leader. Now, more than ever, ethical leadership needs to become the rule, not the exception.

In teams or individually, choose two or three leaders from the list below. Perform a brief Internet search by typing the leader's name and "leadership" or "ethical" into your favorite search engine. Use your research to answer the following questions:

1. Do you believe these individuals are, or were ethical leaders? Do they do the right things for both their businesses and their communities?

## KEY TERMS

Manager, p. 7

Managing up, p. 12

Leader, p. 7

Leadership, p. 7

Transformational leadership, p. 7

Transactional leadership, p. 7

Charismatic leadership, p. 7

Contingency leadership, p. 7

Transformational leadership, p. 7

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Contingency leadership, p. 7

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Charismatic leadership, p. 7

Contingency leadership, p. 7

2. Are these leaders good role models for ethical leadership? Why? Why not?
3. What are the good and bad qualities of these leaders? Make a short list.

A. Steve Jobs

B. Jeffrey Skilling

C. Ann Mulcahy

D. Jeffrey Hollender

E. Melinda Gates

F. Hillary Clinton

G. Charles Schwab

H. Howard Shultz

## MyManagementLab

Go to [mymanagementlab.com](http://mymanagementlab.com) for Auto-graded writing questions as well as the following Assisted-graded writing questions:

- I-1. Do you think of "leadership" as an active verb or a role some people hold? How would each of these views affect how leaders behave?
- I-2. Think of a specific leader that you respect. Who (or what) does this leader follow? Why?
- I-3. Mymanagementlab Only — comprehensive writing assignment for this chapter.

# CHAPTER 1 Visual Summary

## 1. Why Do Managers Have to Be Leaders? (pp. 4–7)

**Objective:** Describe why managers must also be leaders.

**Summary:** It is important for you to know what leadership means to you. In organizations today, everyone must be a leader because globally, many social, political, and economic changes must be faced. You will be called on to make good decisions, act ethically, and inspire others throughout your career.

## 2. What Is the Difference between a Manager and a Leader? (pp. 7–11)

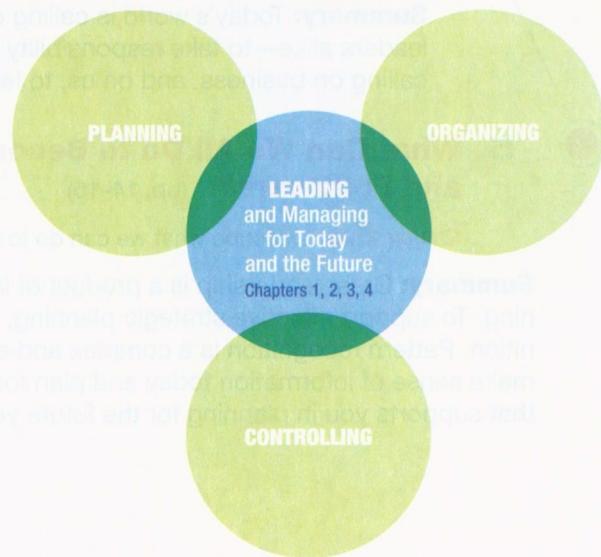
**Objective:** Differentiate between managers and leaders.

**Summary:** Managers and leaders have traditionally been seen as different. The managerial role has traditionally been viewed as one that reduces complexity, whereas leaders are expected to “thrive on chaos.” The truth, however, is that everyone needs to develop both managerial and leadership skills. We all need to be able to see the “big picture,” as well as be able to plan, organize, and control people and resources.

## 3. What Is the Other Side of the Leadership Coin? (pp. 11–13)

**Objective:** Explain what is meant by the “other side” of the leadership coin.

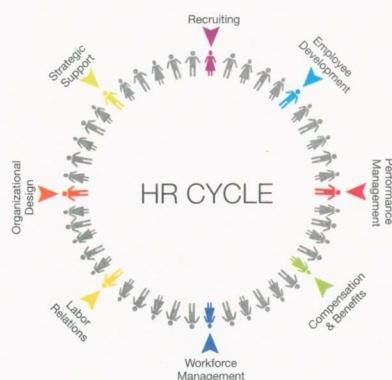
**Summary:** All leaders need to be able to follow, and all followers need to be able to lead. Indeed, it is hard to imagine any role in work or society that does not include both leading and following in some fashion. Approaching leadership and followership as skills to be developed is a critical challenge for today’s managers. Furthermore, the concept of “managing up” reminds us that responsible followership includes the ability to help your boss become a better leader.



## 4. What Is HR's Role in Managing and Leading Today? (pp. 13–14)

**Objective:** Summarize HR's role in managing and leading.

**Summary:** Human resource management is important to the management and development of an organization's workforce. In particular, HR focuses on handling “people issues” in positive ways that enhance the individual's work experience and the organization's structure and function. HR relies on its expertise in a variety of areas—including recruiting, employee development, and workforce management—to achieve these goals. HR's unique approach to leadership impacts every member of an organization.



## 6. A Final Word: Changing World, Changing Expectations of Managers and Leaders (pp. 15–16)

**Summary:** Today's world is calling on all of us—employees, managers, and leaders alike—to take responsibility for our organization's actions. Society is calling on business, and on us, to lead in a socially responsible way.

## 5. What Can We All Do to Become Excellent Managers, Leaders, and Followers? (pp. 14–15)

**Objective:** Describe what we can do to become excellent managers, leaders, and followers.

**Summary:** Great leadership is a product of learning, experience, reflection, and strategic planning. To support effective strategic planning, you must develop your capacity for pattern recognition. Pattern recognition is a complex and extremely important competency that allows us to make sense of information today and plan for tomorrow. In addition, developing a personal vision that supports you in planning for the future you desire will make you a better planner and leader.

# Management of Quality

## Management of Quality

### Improvement Crucial

Over 1 billion dollars in cost savings were made by companies that implemented quality improvement programs to eliminate manufacturing problems.

### Chapter Objectives

- Lead by example
- What is quality?
- What is quality management?
- What is lean manufacturing?
- Plan for success
- Lead by example
- Implementing quality
- Lead through example
- What is quality?
- Lead by example
- What is quality?
- Implementing quality
- Lead by example