Leadership

"Let me digress for a moment and say how I handled men in the army at all times and particularly in war-time in the Eighth Army and in 21 Group. I made the soldiers partners with me in the task which lay ahead. I took them into my confidence, explained the problem and how we would solve it, told them what they had to do and how success or failure on their part would affect the master plan, and finally told them how the job would be done - and when. In war, the soldiers then won the battles; I didn't. And when we weren't fighting, I saw to it that they had every possible amenity in the way of good meals, newspapers, mail from home, concert parties, leave and so on. In peace-time the men's wives were visited by the officer's wives and their families were looked after in times of need. All this produces a comradeship between officer and man, between a general and his troops and the comradeship of the army is a great and wonderful thing - as I know well. But of course it is not so easy in industry. ..... The essence of an army is discipline, whereas the essence of democracy is freedom; soldiers have to obey orders, workers have to be persuaded."

Field-Marshal, The Viscount Montgomery of Alamein KG GCB DSO.

"I like to talk in terms of the challenge of leadership. I define the challenge of leadership as the ability to get people - underline that; that's very important -because leadership is about leading people - to willingly, underline that word willingly, do that which they ordinarily would not do. ...... We are indeed asking people to do the very thing that all of us in the crib know instinctively not to do and that's risk our lives."

General H Norman Schwarzkopf.

"The thing I remember most remember about Frank Whittle at that time was his total absorption in what he was doing – a total concentration which impinged itself on the very atmosphere surrounding him. It was very hard for anybody to evaluate him because he was a many-ssided person who had a charming naivete. He trusted people, and believed everybody was motivated by the common good. I had the utmost respect for him as a leader and, of course, for his genius"

R G Voysey.

All of us in our time have met a leader. Put simply, we have felt better for having met them. On rare occasions we may have felt inspired. These people appear to have a rare gift - they make us feel good about ourselves. They are tolerant, almost indulgent, towards us.

If we have met this leader in a business situation we are likely to feel:

- Confident.
- Clear on what has to be done and our role.
- Determined to help achieve the objective.

Much has been made of the Japanese habit of making decisions through consensus and participation. It seems likely that, in many situations, it is the only way they can make decisions. However, it has the great benefit that the three goals described above are achieved.

Compare, and contrast this, with meeting somebody who wants us to feel good about them - even if this is only in a spirit of sycophancy. Their modus operandi seems to be "when the going gets tough, the tough get going", our achievements become their achievements and our ideas are either ignored or become theirs. The more we please, the more we have to please. In many instances it is not sufficient that they should win, we also have to lose.

If we encounter these people in a business situation, we are likely to feel:

- Apprehensive.
- Confused, fearful and, possibly, angry about our role.
- Indifferent to the objective.

Montgomery defined leadership as "the capacity and will to rally men and women to a common purpose, and the character which will inspire confidence". He suggested that leaders:

- Are motivated by an inward conviction which appeals to their followers. In other words, leaders have visions.
- Have a deep, great and genuine sincerity.
- Are selfless and have an absolute devotion to the cause they serve.
- Have an ability to dominate, and finally to master, the events which encompass them; and that a failure in this area leads to a loss of confidence.
- Are decisive.
- Are good at picking people.
- Must have a genuine interest in, and a real knowledge of, humanity.
- Will "throw their bonnet over the moon" in situations which favour boldness having done everything possible in the way of preparation.

Interestingly, this also provides an excellent description of successful Japanese leaders such as Soichiro Honda and Takeo Fujisawa, the co-founders of Honda Motor; Akio Morita, the founder of Sony; Konosuke Matsushita; and Kazuo Inamori, Chairman of Kyocera and DDI Corporation.

The Winning Streak, In Search of Excellence and Managing on the Edge noted that leadership was important. However, their interpretation of its role and importance differed.

This may have been a reflection of different cultural biases and, in particular, the American predilection to seek a universal set of rules based on the primacy of analysis. For example, Montgomery was of the view that leaders are made. Drucker, on the other hand, whilst noting that the manager was the dynamic and life-giving element in every business and that without his leadership the resources of production remain resources rather than production; ultimately concluded that leadership could not be created or promoted, taught or learned.

In Search of Excellence

The importance of leadership was recognised early in the research. Whilst Peters and Waterman expressed a preference to discount the role of leadership heavily based on a strong belief that the excellent companies had to be the way they were because they possessed a unique set of cultural attributes that distinguished them from the rest. What they actually found was that a strong leader (or two) was associated with almost all the excellent companies. One of their conclusions was that the excellent companies had developed cultures that incorporated the values and practices of great leaders with the result that their shared values survived for decades after the passing of the original leader(s).

In this they appear to be both seeking a universal rule and describing what Walter Lippman has suggested is the final test of a leader: "he leaves behind him in other men the conviction and will to carry on".

The Winning Streak

In The Winning Streak it was noted that leaders were visible and that communications were of critical importance. The leaders of the companies provided a clear mission which they believed in passionately and which they invited others to subscribe to. By contrast, in the unsuccessful companies studied, there was frequently massive confusion about top management's long term objectives. The importance of integrity and the influence of the family founder were also noted.

Finally it was noted that, in a survey based on 5000 employees at General Motors which was followed-up by a similar survey at AT&T, Dr Richard Ruch found the tasks employees associated with top management were:

- Informing employees ahead of time about changes that affected their jobs.
- Caring about how employees felt about their work, and being open and honest in dealing with employees.
- Giving serious consideration to employee suggestions.
- Giving supervisors enough authority to get the job done.
- Making a strong commitment to serving the customer.
- Having the ability to solve major company problems.
- Running a socially responsible organisation.
- Providing the new services and products required to meet competition.
- Placing more emphasis on the quality, rather than the quantity, of work.

Managing on the Edge

Pascale:

- Identified three different forms of leadership - managerial, transformational and charismatic.
- Concluded that transformational and managerial leadership were not mutually exclusive.
- Concluded that it was doubtful whether charismatic leadership could, in itself, secure a genuine transformation.

He defined managerial leadership as an administrative orientation whose aim was to get the maximum out of the existing organisation. Transformational leadership was viewed as a style of leadership that was required to obtain quantum leaps of performance in an organisation.

Andy Grove, co-founder and CEO of Intel, was used to illustrate the managerial end of the leadership continuum. Pascale noted that Grove's strengths included a first-rate mind, the ability to get to the heart of a problem, and that Groves had a masterful grasp of both strategy and tactics.

He questioned whether people could both "lead and manage". He concluded that some, such as Thomas Watson Jr and Konosuke Matsushita, could. But, in other cases, it might be more appropriate to use a pair of opposites in the form of a CEO and a COO such as at Ford, Hewlett-Packard, Honda, Sun Microsystems and Sainsbury. He also noted the dangers of pairing similar people.

Donald Petersen, who at the time was President of Ford Motor company, was chosen to exemplify transformational leadership. Pascale described Petersen's approach as low-key and low-profile and that, Petersen viewed the role of an executive as a "prodder, facilitator and catalyst".

Lee Iacocca was used to illustrate charismatic leadership. Pascale's conclusions were that charismatic leadership had more to do with the power of the leader's personality and that a distinction needed to be drawn between a financial turnaround and a genuine organisational transformation. His conclusion was that, at the time, Chrysler was only incrementally better than in its pre-incarnation crisis.

Points Arising

It is interesting to note that, as far as one can tell, all the leaders referred to in In Search of Excellence, The Winning Streak and Managing on the Edge - with one possible exception - display virtually all the leadership attributes described by Montgomery.

A common characteristic of all the successful companies seems to have been that they had a large number of leaders, together with leadership in depth. For example, Peters and Waterman's product champions were clearly motivated by a deep inner conviction which they pursued with devotion. They had followers. They had the ability to master the events that surrounded them.

It is a moot point whether the "Vectors of Contention" proposed by Pascale actually exist in the form he described them - or whether this was an elegant piece of post-hoc rationalisation. It seems more likely that constructive tension is created, either, by the trade-offs that have to be made to maintain the positive commitment of stakeholders, or, by the pairing of two opposites in positions of leadership.

In this respect it is interesting to outline the history of IBM up until the resignation of John Akers.

The leadership of Thomas Watson Jr, who was chairman of IBM until 1970, was balanced by Frank Cary - "*when Watson used to blow, Cary was almost the only one who dared to stand up to him*"[i].

Frank Cary was chairman of IBM from 1972-1980. Cary surrounded himself: "*with people who would tell him what was really going on and weren't afraid to confront him if they thought some major project was taking the wrong approach with its technology*". It was Cary who both financed and created the environment in which IBM developed the PC.

John Opel, who has been described as: "*so low on the charisma scale he barely registered*", succeeded Frank Cary. During his tenure, IBMers were encouraged to win arguments without offending colleagues, the company became risk averse and indulged in financial engineering on a grand scale. This resulted in record, but unsustainable, earnings in 1984.

John Akers, who took over from Opel in 1985, was described at the time as a "natural leader". Sadly, by this time, the environment was no longer predictable and IBM was no longer open to and connected with it. Akers could not engineer the required transformation. By 1991, Akers put in place: "*a series of events that would cost him the support of most of his senior managers and just about everyone lower down the company*". This culminated in the demotion and subsequent resignation of George Conrades - a great leader who was "*also unusual because he stood up to Akers*". John Akers resigned in March 1993.

It seems that more people have elements of the leader about them than might, at first, be appreciated. In terms of its human dimensions, leadership may be a special case of the interpersonal classification system developed by Coffey. This simple model is shown below

Empathy

	Hostile	Warm
Dominant	Despot	Leader
Submissive	Waiter	Follower

(Power is the vertical axis label spanning Dominant and Submissive)

Of potentially more interest and explanatory power is to view this matrix as a cusp catastrophe as shown below.
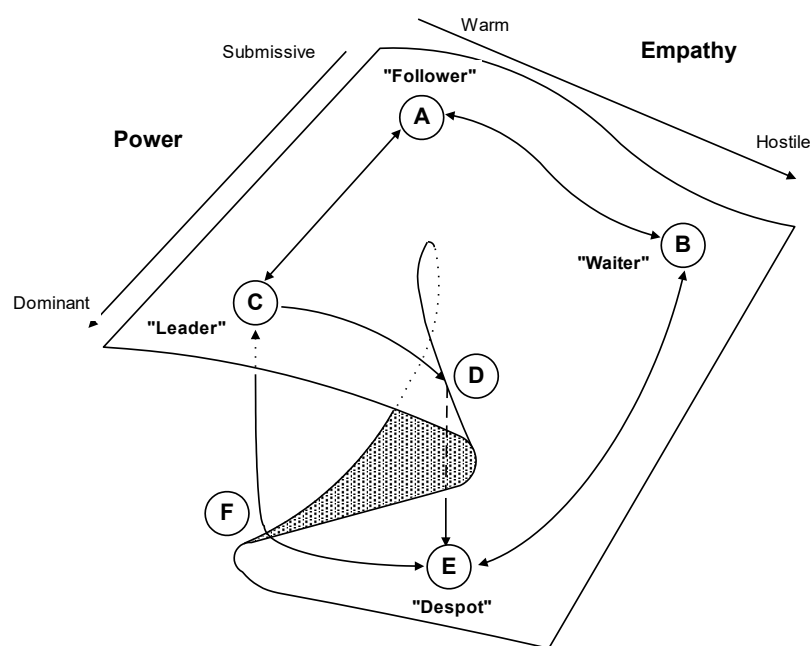
What this suggests is that leaders are dominant and empathetic people who use positive feedback to gain commitment and build confidence. They thereby enable ordinary people to do extraordinary things. Concomitantly they can be exceptionally decisive, to the point of ruthlessness, if the integrity of the organisation is threatened.

However, they need to be controlled by powerful, but constructive, negative feedback. If, for whatever reason, leaders lose this feedback and start to believe in their own infallibility, then they can easily become dangerously autocratic.

An overall consequence of good leadership is that the organisation will tend to develop an "extrovert" personality.

The performance of extrovert and introvert companies has been studied by Professor Cuno Pümpin. He has shown that introverted companies focus on cost cutting or technological goals, whereas extrovert companies focus on marketing, customer satisfaction and service. Extrovert companies generally perform better in profit terms.

If so many of the successful and highly respected companies had strong leadership, how did they meet their end?