

A reality accepted by most professionals engage in any “Continuous Improvement” program implementation, but rarely understood enough to be described accurately is “leadership.”

Over time and in media, the idea of leadership has to grown to being synonymous with executive management at best and as just another skill or trait that makes up the competent manager at worst. Furthermore, when people talk about “developing leaders” they mean developing prospective executive managers. When they ask, “What do the leaders think about this initiative?” they are asking about the views of the executive managers. As Peter Senge pointed out (Senge, 1994), there are two problems with this conception.

1. First, it implies that those who are not in executive management positions are not leaders. They might aspire to “become” leaders, but they do not “get there” until they reach a senior management position of authority.
2. Second, it leaves us with no real definition of leadership. If leadership is simply a position in the hierarchy, then, in effect, there is no independent definition of leadership. A person is either an executive manager or is not. There is nothing more to say about leadership. End of the story. To understand the correct significance of leadership, we must explicitly determine the difference between management and leadership. Failing to make and understand this difference could undermine a successful implementation of a “Continuous Improvement” program.

This chapter delves into the key characteristics and constituents of the leadership dimension necessary to take your enterprise business to the “Continuous Improvement” stage of maturity as described in the previous chapter.

3.1 What Is Leadership?

Enterprise businesses depend upon people who keep the business activities moving along, ensure productivity, and control and schedule the use of appropriate resources, but enterprise businesses also need people who can infuse the business

with purpose and values, help determine the character of the enterprise, and ensure its long-term survival. The skills and competencies required to achieve the first critical activity are substantially different than those needed to achieve the second. The first is the domain of the manager; the second is the domain of the leader. Although most professionals and practitioners engage in any “Continuous Improvement” program implementation continue to confuse the two concepts or make no distinction.

For most people, leadership, or a position of leadership, is a management role with its accompanying tasks and techniques – its technology of control, making decisions, aligning and setting corporate goals, planning, budgeting and directing the effort of the several followers engaged in work. The manager role entails insuring that group activity is timed, programmed, controlled, and predictable. Management is the science or art of achieving goals through people. Whatever the title given, be it top manager, middle manager, director, team or project leader, or department head, etc., the task remains constant: *“to get the job done and keep the people motivated while operating within numerous restrictions such as time, quality, costs, limited resources, rules, and tradition.”*

We view leadership as *“the art of influencing people and to gain their ‘genuine commitment’ to accomplish common organizational goals,”* while management is *“the science of specifying and implementing means needed to accomplish these ends.”*

In today’s work environment, managers have fewer tools to influence employee behavior because coercion is no longer an option. No intelligent manager would hope to obtain in any full measure the “genuine commitment” of people unless he/she felt that he/she was giving them something more than they usually receive from the enterprise business. It is well within the mark to affirm that:

In almost all enterprise businesses, most employees believe it to be directly against their interests to give their employers their ‘genuine commitment,’ and that instead of working hard to do the largest possible amount of work and the best quality of work for their enterprise business, they deliberately work as slowly as they have the courage while at the same time try to make those over them believe that they are working fast.

In order to have any hope of obtaining “genuine commitment” of people, and help the enterprise business move to the “Continuous Improvement” maturity stage, managers must endeavor to create positive work environments that can influence, but not order or command, desired behavioral outcomes.

In most enterprises that have not yet reached the “Continuous Improvement” maturity stage, efforts to increase income, lower expenses, and maximize profit in the short term are built around employees *“compliance” – the forced adherence to plans created through manipulation, punishment, and coercion.* They do not require *“commitment – the innate willingness of people to follow and contribute.”* Either people comply with the instructions, or they know they will be at odds with their manager. Knowing that it is difficult to discern visions from commands when they travel down the hierarchy, savvy senior managers use the power of their position – because they seek to foster more than just compliance.

For “Continuous Improvement” transformation to occur, you as enterprise business executive and manager must realize that your power is in fact limited and lasting transitions and changes – in how individuals think within the enterprise business, what they believe, how they see the enterprise business – are difficult, if not impossible, to achieve through compliance. Individuals cannot be expected to comply with the instructions to increase income, lower expenses, and maximize profit if they are unable to find value in that. They do not change their behavior without knowing what new behavior is expected of them and why. They cannot make decisions unless they have information; then they will make the best decisions they can with the amount of information available to them. Thus little significant transition from the current enterprise business maturity stage to the “Continuous Improvement” maturity stage can occur if it is driven only from the managers. This does not imply that effective management is unimportant.

Making every individual, system, activity, program, and policy countable, measurable, predictable, and therefore controllable are realities of management. While these emphases are important in managing things, they are not used as basis for leading employees within enterprises at the “Continuous Improvement” stage of maturity. Leadership subscribes to a different reality than management and we must look at it differently.

3.2 Leadership Characteristics

Leadership is a transforming values-laden and relationship-based process that occurs in reciprocal relations within a group of people. No one person has sole responsibility for leadership within a group of people. Leadership is provided by anyone who helps create and maintain the performance-enhancing conditions within a group of people, hence within an enterprise business, regardless of whether that person happens to hold a formal leader role.

As a transforming process, leadership implies changing the individuals within a group as well as the group to enable these individual to reach higher stages of accomplishment and self motivation. It releases human potential for the collective pursuit of common goals. This is done by fostering, through business activities, an environment where people have freedom of thought, are comfortable talking about their different values and aspirations for the enterprise as a whole, and can take action to realize their values-laden vision with no fear of persecution or retribution.

Although employees within an enterprise business may isolate some specific definitional elements of leadership, these elements may not be understood fully nor put into practice at all except through the individual’s conception and perspectives.

3.3 Leadership Perspectives

The notion that values play a key role in enterprises provides a way to frame the variety of individual perspectives about values, enterprise business, and leadership. An elaboration of these perceptions is described by Fairholm's Leadership Perspectives Model (LPM), which proposes an interrelated hierarchy of individual's conception about what leadership is (Fairholm & Fairholm, 2008).

The model, illustrated in Fig. 3.1, emerged in part as a result of studying the attitudes and values of practicing organizational leaders, in part from analysis of available past and contemporary literature, in part from observation of leaders in action, and in part from the authors' personal experiences. It is soundly based on both research and practice and is useful, as theory should be, for both descriptive and prescriptive purposes. It is descriptive in the sense of exploring how one may perceive leadership and positioning that perspective into an overarching leadership model.

Fairholm's Leadership Perspectives Model explains the activities, tools, approaches, and techniques required to be effective or successful within each of the five perspectives. The five perspectives, themselves, are legitimate constructs that aid understanding about how individuals may view leadership and together outline a comprehensive leadership model.

The first two perspectives focus on values that relate to organizational hierarchy and authority within the enterprise. The last three take into account a more personal approach to values. Each perspective had its period of prominence in the past. Each is true in that it helps describe some part(s) of the leadership task. They each lay out a logical, rational – although incomplete – pattern of leadership actions. It is only together that they define the full picture of leadership.

Below are brief descriptions of the different stages of leadership that form the basis for Fairholm's Leadership Perspectives Model.

1. *Leadership as (Scientific) Management* – Leadership equals management in that it focuses on getting others to do work the leader wants done, essentially separating the planning (management) from the doing (labor).
2. *Leadership as Excellence Management* – Leadership emphasizes quality and productivity process improvement rather than just product and people over either product or process, and requires the management of values, attitudes and organizational aims within a framework of quality improvement.
3. *Values Leadership* – Leadership is the integration of group behavior and shared values through setting values and teaching them to followers through an articulated vision that leads to excellent products and service, mutual growth, and enhanced self-determination.
4. *Trust Culture Leadership* – Leadership is a process of building trust cultures within which leader and follower (in an essentially voluntary relationship, perhaps from a variety of individual cultural contexts) trust each other to accomplish mutually valued goals using agreed-upon processes.
5. *Spiritual (Whole-Soul) Leadership* – Leadership is the integration of the components of work and self – of the leader and each follower – into a

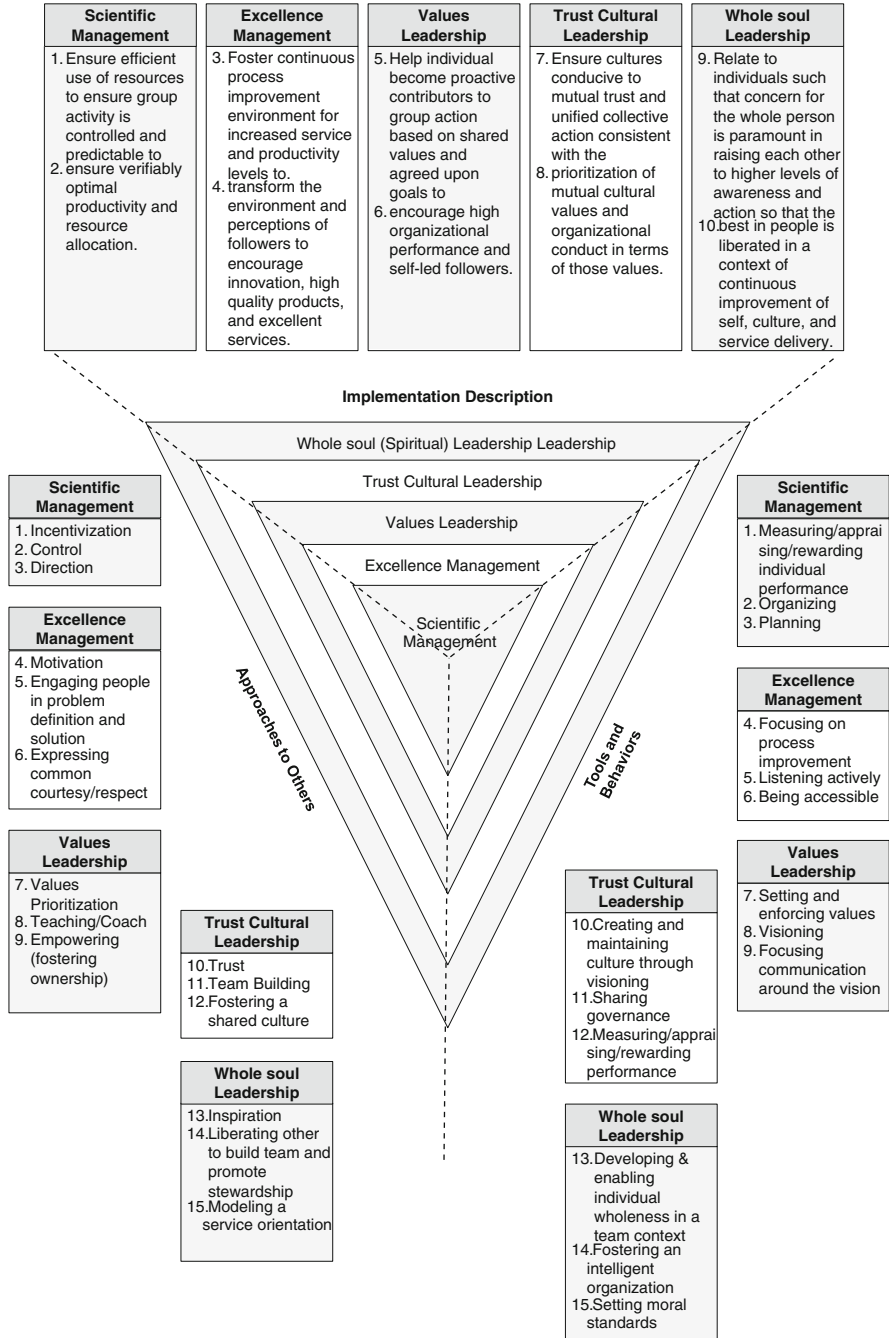


Fig. 3.1 Leadership perspective model (Adapted from (Fairholm & Fairholm, 2008))

comprehensive system that fosters continuous growth, improvement, self-awareness, and self-leadership so that leaders see each worker as a whole person with a variety of skills, knowledge, and abilities that invariably go beyond the narrow confines of job needs.

As Fairholm explains, each leadership perspective in the LPM can be seen in essence as a stable portion of a social hierarchy that displays rule-governed behavior and/or structural constancy.

Looking downward, each subunit serves as an encompassing whole. In this sense, looking down the hierarchy, each perspective looks like a complete view of leadership.

Looking upward, each unit serves to point toward larger, more encompassing ways of engaging or understanding the whole notion. In this sense, each perspective points to and grounds a broader, more holistic view of leadership.

Hence, the LPM explains not only five distinct leadership perspectives, but also how each perspective builds toward a higher, more encompassing and transcendent view of leadership.

3.4 Importance of Leadership for the Transformation

In the process of moving the enterprise as a whole (businesses and customers) from its current stage of maturity toward the “Continuous Improvement” stage of maturity the collective participation of every individual at each levels of the enterprise is required. Every employee at every level within an enterprise must assume leadership role and contribute to the effort.

Knowing that “*genuine commitment*” from any individual is of value only when it is voluntarily and genuinely chosen, we should see leadership as the accomplishment of a “*common goal*” through the direction of people who are genuinely contributing their creative and productive energies to the process of moving the enterprise business to a higher maturity state. Commitment of every employee and the employee involvement should be limited only by his/her analytical and creative capability, and not by his/her position level on the enterprise organizational chart. Leadership as we have defined in the previous section, and advocate in this book, is needed not just to make the “Continuous Improvement” transformation contextualized, focused, and interactive – and so productive at new levels of effectiveness – but to apply systematically the critical resources needed to realize the rich potentials describes for the transformation of the enterprise business and empowerment of individuals.

Just as management and leadership are terms to be distinguished, the terms “leader” and “leadership” are also not synonymous, nor are they interchangeable. A values-laden leader, for example, fosters a positive context environment; that is, an environment where people have freedom of thought, are comfortable talking about their different values and aspirations, and can take action to realize their values-laden vision with no fear of persecution or retribution.

In today's business world, change is chaotic and unpredictable. In such a world, leadership is at a premium and takes precedence over management. Leadership is most needed when enterprise businesses must change direction or style, when they must shift, adapt, or move to respond to changing circumstances. Management, on the other hand, is concerned with production, consistency, and flow. It is most needed in times of stability and predictability.

The leader's authenticity is primordial as he tries to impact enterprise business dynamics such as creativity, relationships, and innovation and attempt to create trusting work environments. Inspired leaders give voice to other, assist them, listen to them, and positively impact their lives. Leaders think differently, value things differently, and relate to others differently. They infuse the group with values, have their own unique expectations for others and seek different results from individuals and from the group than do managers. They impact stakeholder groups in volitional ways, not through formal authority mechanisms.