

Steps to Leadership

The Center for Asia-Pacific Exchange

Before you begin

What is leadership in your own words? What is it not?



WHAT LEADERSHIP IS...AND IS NOT

Overview:

- ❖ Leaders in History
- ❖ Leadership in Theory
 - Ambiguous Leadership Traits
 - Attractive Goals and Workable Programs
 - Order and Structure
 - Persuasive Communications
 - Distinctive Behavior and Role
- ❖ Leadership in Business
- ❖ Executive Leadership Defined

Key Terms:

Bewildering: extremely confusing

Whiz kid: a youthful and exceptionally intelligent, successful, or influential person in a given field

Solvent: able to pay debts

Every decade sees a **bewildering** number of changes in the leadership of major organizations. The reasons for the changes are often obscure. The results are unpredictable. Some changes in leadership bring about significant successes. Other changes result in disaster.

Just consider, for example, these recent changes in corporate leadership in the United States:

- Michel C. Bergerac, a professionally educated, system-oriented executive, replaced as chairman the hard-driving, charismatic, often irrational Charles Revson, founder of Revlon, Inc., a major cosmetics manufacturer. After the death of its unique founder, the company did not slide

backward. Instead, under Bergerac it recovered, in sales and profits.

- Roy Ash, former **whiz kid** at Ford Motor Company and Litton Industries, was selected to breathe vitality into the slumping but **solvent** Addressograph-Multigraph company. Within three years, Ash had been fired by the board of directors, and the company had to begin bankruptcy procedures.
- Lee Iacocca, former president of Ford Motor Company, was fired by Ford and immediately hired by Chrysler Corporation to rescue it from imminent doom. By dint of personal energy and persuasiveness, Iacocca gained support from

Key Terms:

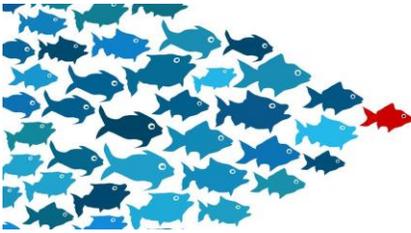
Stodgy: heavy, dull, or uninteresting

M.B.A.: Master of Business Administration

TWA: Trans World Airlines

Dichotomy: division into two parts, kinds, etc.

Germane: closely or significantly related; relevant



distributors, the financial community, the company's work force, and the federal government. Soon thereafter, Chrysler was the only American auto manufacturer able to show a gain in sales.

- RCA had three presidents in nearly as many years, with few if any improvements in its situation. In its latest attempt to put the company back on track, RCA hired an ex-college professor and management consultant, Thornton Bradshaw, away from ARCO petroleum company. His intellectual approach had made ARCO a leader in its field, and RCA hoped that Bradshaw could make his leadership magic work for it.
- **Stodgy**, British-owned Cunard Line brought in a thirty year-old **M.B.A.** as chief executive officer to revitalize its leadership. Within four years, Ralph Bahna, whose principal experience had been with **TWA**,

boosted the firm's reputation, market share, and profits while still keeping afloat the world's largest luxury liner, the Queen Elizabeth 2.

The list of examples, in small companies as well as large, is endless. And it raises these important questions: What makes one executive succeed where others fail? Why do so many apparently qualified individuals fail to get results in new situations?

Experts believe that the answers lie not so much in the intellectual and technical capacity of the individual as in the qualities of leadership that he or she projects.

LEADERS IN HISTORY

During the Civil War, General Joe Hooker was commander of the Union Army at the battle of Chancellorsville in 1863. He should have been one of America's great military leaders. At the time, Hooker was sure that he was; so were his troops, and so was the President of the United States, Abraham Lincoln. But the opposing general, Robert E. Lee, put Hooker to the test at Chancellorsville and found him badly wanting.

Technically, and by training, Hooker was a great general. In the final test of battle, however, his character was found to be badly flawed, and his troops suffered greatly because of it.

Britain's Field Marshal Viscount Bernard Law Montgomery, the hero of El Alamein in World War II, illustrates the **dichotomy** often found in powerful leaders. "There

were two Montgomery's," observes Drew Middleton, military affairs correspondent for The New York Times. "One an innovative, highly professional soldier who revised tactics, training, and operational planning of the British army and then led that army in a series of victories unequalled since Wellington's day; the other, a vain, egocentric, objectionable man whose loyalty to friends and family was always in doubt."

Adolf Hitler, despite his reputation as a powerful leader, appears in retrospect to have been more of a tyrant than a leader. Accordingly, his example is not particularly **germane** to business executives.

The difference between the leadership approach of Chiang Kai-shek and that of Mao Tse-tung, however, is more instructive. Chiang appealed to the masses on the basis of nationalism and the threat of Japanese invasion. Mao, on the other hand, appealed to more fundamental needs of the Chinese people for freedom and fulfillment in their lives. Ironically, Mao ultimately suppressed much of the freedom he had obtained for his followers.

Winston Churchill ably fulfilled Britain's needs in a time of great despair only to fail later in peacetime and to be cast aside for a mediocre successor whose party, significantly, was more in tune with the peacetime needs of the British people.

Mahatma Gandhi illustrates a much broader kind of leadership than those mentioned above. It

Key Terms:

Sine qua non: something that is absolutely needed

Prosaically: commonplace or dull

Coercion: the use of force or intimidation to obtain obedience

Interplay: reciprocal relationship, action, or influence

originated in the militant and anticolonialist sentiments of his followers and their desire for independence and culminated in an even deeper appeal to the dignity and self-realization of the Indian masses.

Most, if not all, of the great leaders of history seem to have made their mark in times of intense conflict. Thus, many who are remembered favorably were purely military leaders.

There were a great number of other leaders, however, whose influence was less fleeting and far deeper in its appeal to the basic psychological needs of their people. Examination of notable battles and great wars, of triumphs, disasters, and major shifts of history, repeatedly demonstrate the critical role played by those chosen for leadership. It is not exaggeration to conclude that in business, too, managerial leadership is the *sine qua non*.

LEADERSHIP IN THEORY

Because of its critical importance, leadership has been subjected to an enormous amount of study, especially in recent years. Unfortunately, the conclusions drawn from this research have been

fragmented, often contradictory, and not always instructive.

A number of the conclusions, however, warrant the attention of business managers.

AMBIGUOUS LEADERSHIP TRAITS. Most people attribute to their leaders such desirable traits as courage, integrity, and compassion, while denying or minimizing the existence of unattractive qualities such as greed, cruelty, and selfishness. Successful leaders possess undesirable as well as desirable traits, and the optimum proportions are unknown. Thus, attempts to identify good leaders by descriptive characteristics are generally unsuccessful. Apparently, it is by their works that you will know them. Or, more **prosaically**, the ends attained by leadership justify the means.

ATTRACTIVE GOALS AND WORKABLE PROGRAMS. Successful leaders are not only goal-oriented; they also have a program for attaining their goals. These leaders sense the goals that are important to their subordinates and then are able to show them the effective means of reaching common goals. The leader, in these instances, becomes the personification of common purpose. He or she has the vision, for example, to see the value to the organization of achieving a target market share and the skill to map out a coordinated plan for pursuing it.

ORDER AND STRUCTURE. Leaders have the knack of providing order in disordered circumstances. They perceive the relationships among

people and functions that will be effective and have the force or persuasion to structure and maintain these relationships. A certain manufacturing plant manager, for example, may enter his shop to find it in disarray, the workers idle and confused because of an unexpected breakdown of equipment. In quick time, he will realign the various job assignments to make the employees productively occupied once again.

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PERSUASIVE COMMUNICATIONS.

Leadership that is wholly dependent on the authority of position or status is **coercion** rather than leadership. True leadership is based on the ability to persuade; hence today's concern for managers who communicate effectively. Persuasive communications, in turn, depend on understanding human interests and motives.

And it requires the leader to visualize the connection between (1) an employee's expectations and (2) the path the leader feels is most suitable for the individual as well as for the organization. Leaders who are persuasive are expert in showing subordinates the relationship between *cause* (what it is in the best interest of the subordinate to do) and *effect* (what the ultimate outcome or reward can be if the order or instruction is carried out properly).

Key Terms:

Equitable: just or fair

Paradox: something (such as a situation) that is made up of two opposite things and that seems impossible but is actually true or possible



Emphasis on human **interplay**.

Effective leaders are sensitive to the interaction of human resources to their environment. They discover how to minimize differences between individuals and how to transfer their energies to the pursuit of group goals. It is a social process, wherever it is carried out - in community endeavors or in business. As a consequence, more often it is the group that confers the leadership role on the manager, with the expectation that he or she, more than any other person, will be able to structure and stimulate the group in its goal-seeking activities.

When employees believe that the boss really knows what's best for the company and for them, they will look to that manager for direction and leadership. They not only accept the authority associated with managerial position and status; the instinctively expect the leadership to come from that individual.

The expectation of an appropriate reward. Probably the most instructive theory of leadership

perceives a reciprocal relationship, and exchange, between leader and subordinate. In effect, the subordinates require that three conditions be filled before they will respond to the leader's orders and instructions:

- *The activity requested must be related in a positive manner to some sort of reward for completing the task successfully.* Subordinates want to know in advance what they can expect if they follow a particular order or accept a specific assignment. The leader must be prepared to reciprocate in a consistent manner (even though the "reward" is simply the withholding of punishment). In other words, the subordinate is asking (if only by implication), "What's in it for me?" and the superior is replying (also, if only by implication), "You will get a pat on the back" - or a promotion, or continued employment, or whatever - "and each time I ask you to do this and you do it properly, the outcome will be the same."
- *The assurance that effort will, in fact, lead to accomplishment.* Subordinates want to know whether or not they can carry out the task or assignment successfully. They may say, "Am I really capable of doing this the way you want it done? Are your goals set so high that no matter how hard I try I cannot meet them?" To which the leader replies, "Let me restate exactly what I want you to do so that it

is absolutely clear. Additionally, I have evaluated what I'm asking you to do and also your knowledge and skills, and I am sure that you can do the job successfully if you apply yourself. Moreover, I'll be standing by to give you advice or some sort of assistance if you run into genuine difficulty."

- *A reward (or punishment withheld) that is worth the effort required to carry out the task successfully.* The subordinate asks some variation of this question: "Is the reward attractive enough to me for what I've got to do to earn it?" The leader reciprocates: "It is in line with - what others receive for doing similar things. And, to the best of my knowledge of what is important to you (money, security, advancement, respect, status, enjoyment, leisure) it is an **equitable** exchange."

The expectancy, or exchange, theory of leadership, then, depends on: the subordinates' certainty (1) their effort is related to a reward, (2) that they have the competency to accomplish what is asked of them, and (3) that the reward is sufficiently in line with what they value most.

DISTINCTIVE BEHAVIOR AND ROLE.

Above all, leadership requires the performance of unique and purposeful acts and the fulfillment of a unique and meaningful role.

This explains a curious **paradox**: leadership is rarely derived solely

Key Terms:

Indispensable: extremely important and necessary

from power; instead, it tends to generate its own power.

This power comes to an individual from doing the right kinds of things (arranging the work properly, providing clear and considerate instructions, offering criticism constructively, demonstrating a concern for employee welfare, and the like). Power also comes to the manager who understands and fulfills the *role* that subordinates and associates expect from him or her. This role derives from what the subordinates wish the manager to do for them. The more **indispensable** the manager's role appears to be the fulfilment of the subordinates' goals, the more likely the subordinates are to accept and energetically follow that leadership.

Carrying out this unique role is complex and trying. A marketing manager, for example, may feel that she will make her biggest contribution to the sales staff by calling on important customers with them. The sales staff may, instead, find the manager a far better leader, not in the field but in the office, where she devotes her energies to providing them with proper home-office support and guidance.

LEADERSHIP IN BUSINESS

The fields of leadership action lie not only inside a business enterprise but also in its marketplace.

Leadership in business operates in two basic contexts; (1) one-on-one encounters between superior and subordinate, and (2) group interactions between the manager and the immediate staff and employee work force. Business leadership also operates between the manager and the company's customers and suppliers, both singly and in trade groups.

Leadership requires the performance of unique and purposeful acts and the fulfillment of a unique and meaningful role.

Leadership for the manager, however, operates on still another front. He or she must also set the directions for the company's products or service (such as pricing, development, and distribution) and for the company itself. It is this unique requirement - that makes business leadership so difficult and demanding.

Furthermore, the employee and the product cannot stand alone. Employees are motivated to do their best work when they can relate to product and company success. Salespeople, for example, will not enthusiastically sell for long a product that has not been wisely selected and priced.

Conversely, the best of products will not succeed unless the manager in charge can persuade the sales staff of its suitability and saleability. Thus, leadership tends to be double-edged. The manager must continually blaze a path forward for the company and its products and

must likewise infuse the staff with a belief in the soundness of those paths. As Arjay Miller, former president of Burroughs Corporation and Dean of Stanford University Graduate School of Business, observes, the two essentials of successful leadership are: (1) the capability to perceive what should be done, and (2) the ability to influence other people to achieve results.

EXECUTIVE LEADERSHIP DEFINED

Fundamentally, executive leadership has this in common with all other kinds of leadership: it requires an ability to influence the actions of others. This influence must include the ability to recruit and retain followers who are effective in the attainment of organization goals.

The sources of this influence stem initially from the executive's power base in the structure of the organization. But in the long run, an executive's influence depends upon the ability to persuade by reason and personality and to demonstrate from accomplishments that the overall goals (and the programs for attaining them) are in concert with the interests and capabilities of all subordinates and associates.

Further, executive leadership requires (1) the foresight, intellect, and judgment demonstrated by creativity or innovation in functional areas of finance, product, process, and market development, and (2) the inner force needed to devise and administer complex operating, and control structures.

Key Terms:

Presume: to take for granted; assume

Finally, executive leadership is characterized by the ability to weld

together the human and the entrepreneurial aspects.

When executive leadership is defined in these ways, leadership improvement can be approached optimistically. This definition

presumes that leadership can be acquired and improved. Leadership, which is defined by behavior—what to do and how to do it—can be learned by a manager.

Comprehension Questions

1. From the real-life examples of business leaders given by the author, who is one example of a successful leader? Who is not?
2. List at least two conclusions from research on leadership that should be afforded the attention of business managers.
3. What are the three conditions necessary for an employee to respond to a leader's orders and instructions?
4. According to Arjay Miller, what are the two essentials of successful leadership?
5. How is executive leadership characterized by the author?

Reflection Questions

1. The author writes, "Successful leaders possess undesirable as well as desirable traits, and the optimum proportions are unknown. Thus, attempts to identify good leaders by descriptive characteristics are generally unsuccessful." Do agree or disagree with this statement? Explain why.
2. The author mentions multiple times, that a good leader is able to persuade and keep their followers by showing that their goals are the same as their followers. What do you think could happen to this relationship of leader and follower if their goals didn't align with each other?

Additional reading for those interested:

6 Steps for Improving Leadership Alignment (<http://www.forbes.com/sites/brentgleeson/2016/08/29/6-steps-for-improving-leadership-alignment/2/#4105e4a844e2>)

10 Traits of Great Business Leaders (<http://www.forbes.com/sites/michakaufman/2014/09/05/10-traits-of-great-business-leaders/2/#5144640c544c>)

The Most Important Leadership Competencies, According to Leaders Around the World (<https://hbr.org/2016/03/the-most-important-leadership-competencies-according-to-leaders-around-the-world>)