

LEADERSHIP FOR TOMMORROW

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Leadership is the ability to influence individuals or groups to think, feel and take positive action to achieve goals.

Leading is the energizing component of management. In the past, leadership was viewed as “direction from the top” – where a vision of a future ideal state was revealed, the playing field was defined and the challenge to achieve goals was set into motion. Then, the management of a company assumed sole responsibility for assuring results.

Work is not done at the top, however. Today, companies are more concerned with the kind of leadership it takes to make great products, deliver outstanding service, cut costs and gain additional satisfied customers. This kind of leadership comes from a wellspring of talent and commitment among workers close to the customer and to the work. We call this kind of leadership self-directed.

Self-directed leadership challenges every team member – regardless of level – to help solve problems, improve quality, increase market share and create the kind of work environment that encourages people to do their best. You will recognize these kinds of companies because leadership is obvious. Top management sets the pace, and individuals and groups make decisions and take action deliberately and independently. If you work in such a company now, you know the meaning of what Nike projects in their statement, “Just Do It!”

Secrets of Breakthrough Leadership presents a model for self-directed leadership useful in leading yourself, your group and your organization. Self-directed leadership is based on your ability to understand and utilize the three core components of the AIM Leadership Model:

- **Action** – The ability to initiate strategy and change that serve as a catalyst around which others can align their efforts and together produce results that meet or exceed organizational, individuals and team goals. Action creates results that reflect a company’s vision, values and business and market strategy. Each action encourages a new action in others. Leadership strives for leveraging all positive actions together.

- **Influence** – The ability to cause others to willingly take a course of action and accept responsibility to pursue an outcome you desire. The power to influence others is at its best when listening and responsiveness to individual and group needs combine to produce actions, which achieve goals. These goals benefit the business, the organization and its members.

- **Motivation** – The ability to harness one’s own drive and succeed at having individual needs met in step with achieving organizational and group goals. Motivation comes both from within yourself and from outside sources, as people inspire thought and ignite their work environment. This support encourages everyone’s best contributions. Leadership and followership change hands easily, and the focus is always on “How good can it be?”

The AIM Leadership Model will help you expand your understanding and effectiveness as a leader in your organization. It will help you become more self-confident and skilled in taking a leadership role, whether you are formally responsible for leading a division, work group or team. It will help you even if you are using informal ways to lead and influence team members, people in other parts of the company or your boss.

Self-directed leadership has come full cycle from where early theories of leadership began. The skills of effective leadership are not only now known to be learnable, but today's companies expect all people to lead in ways that matter most to product and process quality, company success and customer satisfaction. Leading is looked at as a servicing role. No longer do leaders chart the course for others without first listening to their followers, their leaders and other contributors. Self-directed leadership is self-responsibility for leading and following the right decisions for the right reasons.

Direction setting becomes a matter of group intelligence related to the experience of the market place and the company's technical capability to respond best to customer needs. Self-directed leaders learn how to listen and respond to the needs of others both within and outside the company. Self-directed leaders learn how to build alliances with others in a mutually sustaining process of action, influence and motivation. Finding the focus of this process is critical.

Leadership vs. Management

Management is keen on *doing* things right. Leadership is more concerned with doing the *right* things. There is a major distinction between thinking and acting as a manager and as a leader. The complex and creative work of individuals in companies today requires people to learn *both* management and leadership skills. The more competitive the marketplace, the more strategic and "on purpose" work behaviour needs to be.

Leadership demands initiative and calculated risk-taking to try new ideas and to think and work differently than ever before. Management must deliver ongoing "best practices" to assure quality and customer satisfaction. Leadership depends on self-confidence and using one's sixth sense to link industry and business experience with the marketplace needs of the future. Management depends on control and accountability for today's performance. Leadership relies on creativity and responsibility for the future.

Companies and individuals need to develop *both* leadership and management capabilities and become adept at assessing when and how to use them. Historically, U.S. business schools have developed people to excel in the strategic and efficient management of capital to deliver higher rates of return. But there is a recent and dramatic turn in what both business schools and companies are expecting in management- development programs. Leadership is the key new ingredient.

There is a grid contrasting leadership and management according to the corporate research of Harvard's John Kotter. Management capabilities focus on the hard science and core skills required to implement business decisions. Leadership draws its strength from developing a compelling rationale for *why* businesses should act in certain ways. Leadership focuses on vision and values and inspires people to believe and commit themselves to achieve goals.

The following descriptions of management and leadership identify specific behaviours and skills to expand your capabilities as an effective manager and leader.

Leadership

We must repeatedly ask the basic leadership question:

"Are we doing the right things?"

In its simplest form, leadership may be thought of as continually asking that single question. Leaders take the responsibility and **action** to **influence** and **motivate** a process of investigation that keeps everyone throughout the company buzzing to find out the answers to the questions, "Are we doing the right things?" The "right things" about which leaders should be concerned address two core components:

1. **Business, Market and Customer Strategy** – Your "AIM" is on developing practices that add value to the products and services which respond to the needs of customers and make the company an industry leader. Leadership's job here is to provide:

- Vision and mission
- Direction

that build a *strategic* purpose coupled with a sense of *urgency* to act.

2. **Organization Employment** – The focus is on creating a daily working environment where employees establish and outperform their own standards. Business strategy and expectations align with goals. Workers participate in all critical processes and make daily decisions which impact directly on the company's success. Participation, commitment and self-directed leadership are the norm. Leadership's "job" here is to:

- *Share* the role of creating and nurturing the company's culture.
- *Shape* and embrace the company's *core values* and
- *Unleash* its potential to create work processes and systems that produce desired results by developing people to manage change and transitions.

Keep focuses on those two core components as you go through the **AIM Leadership Model**. You will be discovering ways to put these critical elements of leadership into practice and gain the respect and support of your co-workers. The **AIM Leadership Model** supports you in making a difference. This self-directed leadership difference will:

- *Impact* the kind and quality of the products and services the company delivers
- *Determine* how satisfied the customers are with the results
- *Guarantee* that you and the company are achieving results that keep you both out in front.

Leadership is both art and science. It is disciplined, creative and propelling. Leadership underlines our relationship with work, our customers and other members of the organization. Leadership at all levels in all people is about taking responsibility for results. Leadership is required in strategy, planning, work processing and evaluation. Leadership initiative throughout the organization is not a choice but a requirement for companies to be successful. Remember, the practice of leadership everywhere in the organization keeps focused on the question, "Are we doing the *right* things?"

Management

Management, on the other hand, has assumed the responsibility for "Doing things right." For decades, business people have focused on how to perfect the key functions of management: planning, organizing, staffing, directing and controlling. These activities were clustered among managers who were given the formal power to direct the work of others. Over the past 100 years, management practices reflect our changing and emerging view of what we believe people are capable of.

Frederick Taylor's Scientific Management

Frederick Taylor, an early 20th century productivity expert, influenced the organization of the U.S. manufacturing management system and dictated how work has been organized for much of this century. The management system was a rationale constructed to meet the unprecedented needs of a vast consumer market. It was based on Taylor's views of how he thought people needed to be managed and featured:

- hierarchical structure
- a formal chain of command
- position authority
- specialized functional departments
- job descriptions and responsibilities
- clear procedures and tracking systems

It was management's responsibility to harness technical and human resources to produce high volume. Managers and supervisors directed and controlled both work and workers.

Scientific- management theory reflects **Douglas McGregor's Theory X**, which basically views human beings as resistant to work and more responsive to clear direction and control. Taylor based his theories on physical science and thought that the "man most capable of doing the work was incapable of understanding the organization of the work." He thought, therefore, workers could not develop "general laws or rules" to reflect the science of work. Taylor saw clear divisions in *natural* ability among workers and managers. McGregor's *Theory X* person avoids responsibility, performs only under threat of punishment and wants security above all.

Modern Management for tomorrow

Perfecting mass – production operations demanded a well- greased management system that reflected hierarchical structure and authority as well as functional departments that produced specific parts of the whole. Today, work teams typically are more engaged in producing the whole and do not require the control and monitoring of Taylor’s scientific- management structure. Rather, today’s operations require creative and fast-moving processes that integrate organizational resources quickly.

Modern management reflects **McGregor’s Theory Y** where a person is viewed to have a *natural* capacity to expend both physical and mental ability at work and play. *Theory Y* people exercise self-direction and self-control and can produce organizational results when they are committed to the goals and if the rewards support their achievements. *Theory Y* people are creative and energetic, seek responsibility and frequently go unchallenged in bureaucratic and hierarchical organizations. *Theory Y* people are in high demand today. The principles of *Theory Y* form the base for self- directed leadership and point toward what is required in the development of the new workers.

Kotter’s Management and Leadership Model

Harvard Business School’s John Kotter has earned high marks from business people from his research and pragmatic models contrasting leadership with management. In the late 1980s, Kotter researched the experience of 200 executives in 11 U.S. corporations: American Express, ARCO, ConAgra, Digital Equipment Corporation, Kentucky Fried Chicken, Eastman Kodak, Mary Kay Cosmetics, NC, Pepsi-Cola, Procter & Gamble and SAS.

Kotter’s research included both personal interviews and written assessments and reports where people told of their experiences witnessing successful management and leadership practices in their organizations. They were asked how they believed management and leadership differed. They were asked to identify key behaviours – what people actually did – that constituted both “highly effective management” and “highly effective leadership.” Finally, participants were asked to identify what their companies needed from both in order to prosper over the next decade. The chart “Comparing Management and Leadership” summarizes the findings.

Kotter’s research has helped to define the distinctly different behaviours of management and leadership. Reports and assessments from the companies Kotter interviewed provide an operational view of what leadership and management each contribute to the functioning of organizations. Kotter’s research adds significantly to our understanding of the leadership dimension of work as something beyond charisma.

One of Kotter’s key findings is that companies in the 80s were over-managed and underled. Companies frequently got lost managing systems without real insight about leading the industry or the people who delivered the results. A lot of dollars were spent on training and development without a clear understanding of the overall competencies required for marketplace success. Companies competing in a global economy with rapid change in markets and technology need to develop standards for both management and leadership. Deploying leadership incentives and management rationale and know-how among people at all levels of the organization are essential for the development, growth and continued success of companies.

Shifting the Focus to Strong Leadership

Over the past century, U.S. industry has been much more focused on strong management. Companies that emphasize a more traditional management approach are characterized by:

- Planning and Budgets
- Policies and Procedures
- Controls and Monitoring
- Predictability and Stability

Kotter's Management and Leadership Grid		
	Management	Leadership
Creating an agenda	Planning and Budgeting – establishing detailed steps and timetables for achieving needed results and then allocating the resources necessary to make that happen.	Establishing Direction – a vision of the future, often the distant future, and strategies for producing the changes needed to achieve that vision.
Developing a human network for achieving the agenda	Organizing and Staffing – establishing some structure for accomplishing plan requirements, staffing that structure with individuals, delegating responsibility and authority for carrying out the plan, providing policies and procedures to help guide people and creating methods or systems to monitor implementation.	Aligning People – Communicating the direction by words and deeds to all those cooperation may be needed so as to influence the creation of teams and coalitions that understand the vision and strategies and accept their validity.
Execution	Controlling and Problem- Solving – monitoring results vs. plan in some detail, identifying deviations and then planning and organizing to solve these problems.	Motivating and Inspiring – energizing people to overcome major political, bureaucratic and resource barriers to change by satisfying very basic, but often unfulfilled, human needs.
Outcomes	Produces a degree of predictability and order and has the potential of consistently producing key results expected by various stake-holders (e.g., for customers, always being on time; for stockholders, being on budget).	Produces change, often to a dramatic degree, and has the potential of producing extremely useful change (e.g., new products that customers want, new approaches to labour relations that help make a firm more competitive).

Although many of these companies experienced success in relatively stable economies, today's rapidly changing marketplace requires more emphasis on the bigger picture. Companies need to respond to changes in customer needs, competitive products and advances in technology. A shift is required, with more emphasis on strong leadership. Strong leadership is characterized by:

- Vision and Strategies
- Motivation and Inspiration
- Transition and Positive Change
- Satisfied Customers

We are teaching the management and the management competences, but the modern demand of innovative economy in Russia needs the innovative leaders. That is the task for education in modern high schools to teach the managers who are leaders. Only such kind of manager-leader can increase the economy, can choose the innovative way of development and find the effective methods to achieve the goals innovative economy in Russia and makes the country powerful force in the world economy.