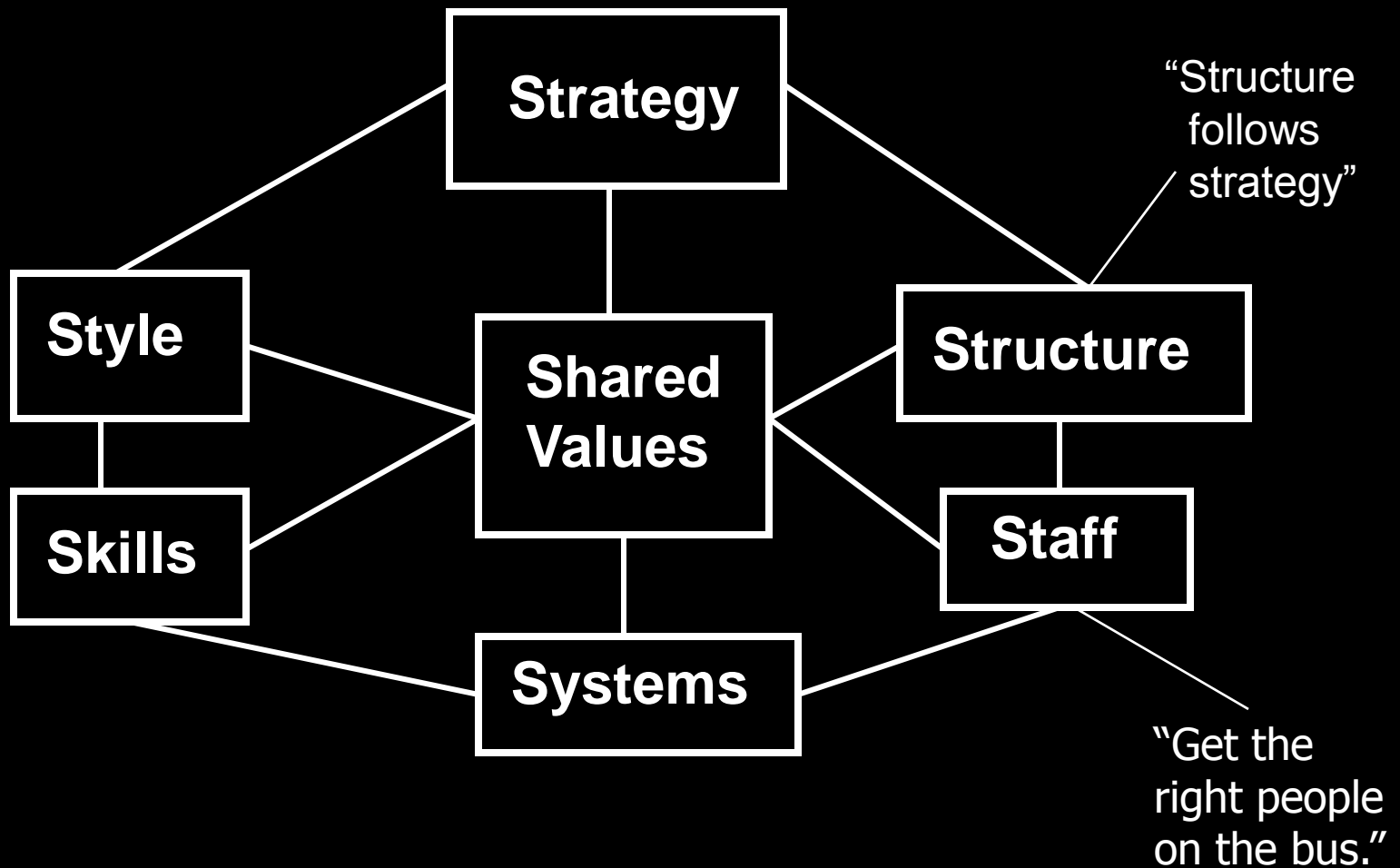


What Is Leadership; What Is Management?



KALDI'S COFFEE ROASTING COMPANY

The McKinsey Seven-S Model



What Is Leadership?



Bennis & O'Toole On Leadership*

- “Leadership is a combination of personal behaviors that allow an individual to **enlist dedicated followers** and create other leaders in the process.”
- “...they **demonstrate integrity, provide meaning, generate trust, and communicate values.**”
- “...they energize their followers, **humanely push people to meet challenging goals**, and all the while develop leadership skills in others.”
- “Real leaders, in a phrase, **move the human heart.**”
- An effective leader is a “pragmatic dreamer.”

* “Don’t Hire the Wrong CEO,” Warren Bennis and James O’Toole, *Harvard Business Review*, May-June 2000.

Kotter on Leadership

- Leadership is about coping with change.
 - Focuses **on change and innovation**
 - Focuses on the **big picture**
 - Focuses on **strategies** that take **calculated risks**
 - Focuses on **people's values and dignity**
- You can't manage people into battle; they need, deserve, and want to be led.



Leading Change

- According to Kotter, there is an eight-stage process of creating change: *
- Establishing a sense of urgency
- Creating the guiding coalition
- Developing a vision and strategy
- Communicating the change vision

* *Leading Change*, John P. Kotter, Harvard Business School Press, 1996.

Leading Change

- Empowering broad-based action
- Generating short-term wins
- Consolidating gains and producing more change
- Anchoring new approaches in the culture



Leadership

- Leaders are popular with followers.
 - Bosses aren't
- Leaders take orders from below and give credit (*Employees First, Customers Second*)
 - Bosses give orders from above (hierarchical, command-and-control) and take credit
- Leaders create trust in an organization.
 - Trust is the grease that makes an organization work.



Leadership *

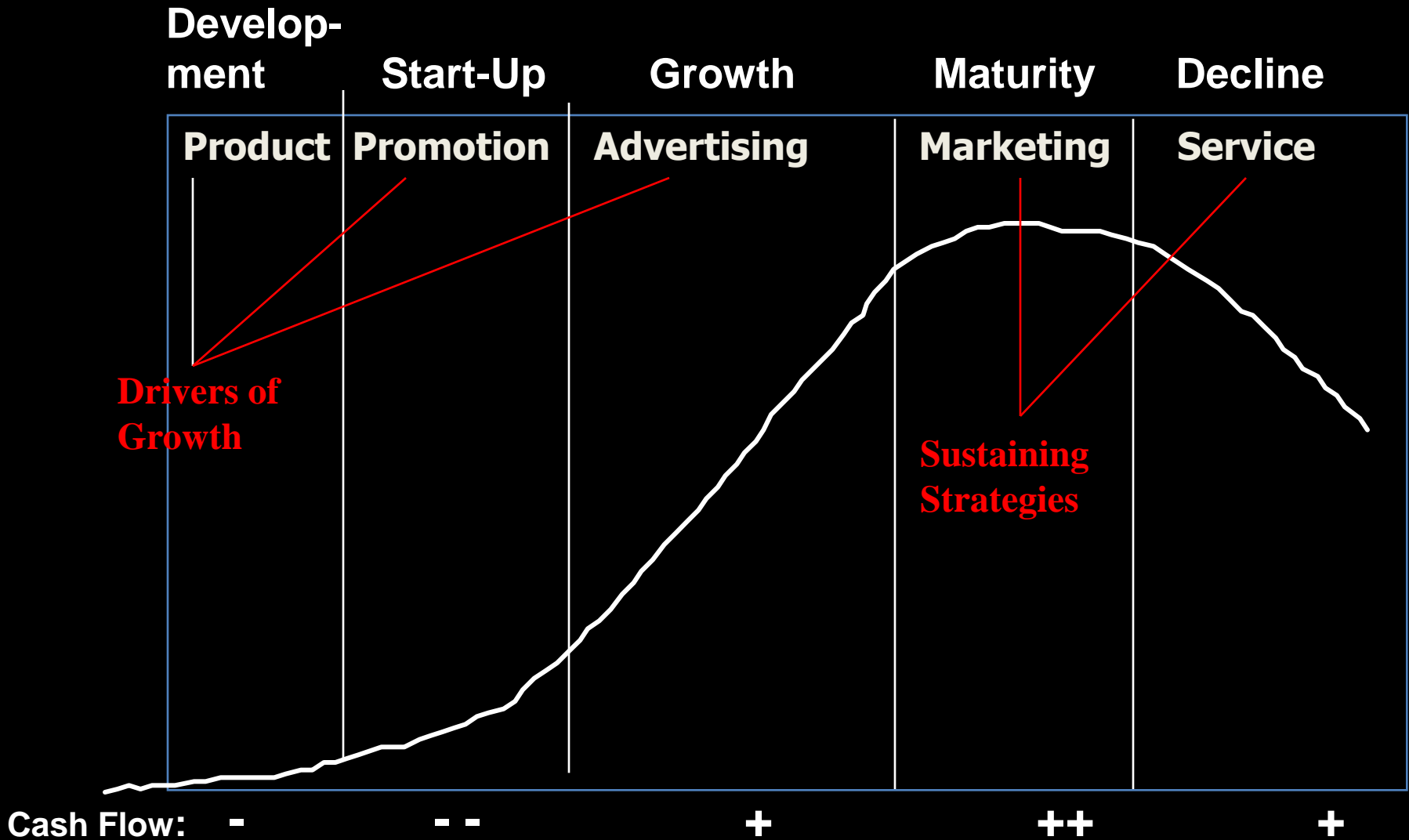
- "... the key...to leadership, as well as to the garnering of a following, is the **effective communication of a story.**"
- "... the most fundamental stories fashioned by leaders concern issues of **personal and group identity...**"
- "... must in some way help their audience members think through who they are."

Leadership *

- “The most powerfully transforming executives possess a paradoxical mixture of **personal humility and professional will.**”
- “They are timid and ferocious. Shy and fearless.”
- “They are rare -- and unstoppable.”

“Level 5 Leadership,” Jim Collins, *Harvard Business Review*, January 2001.

The Business Cycle



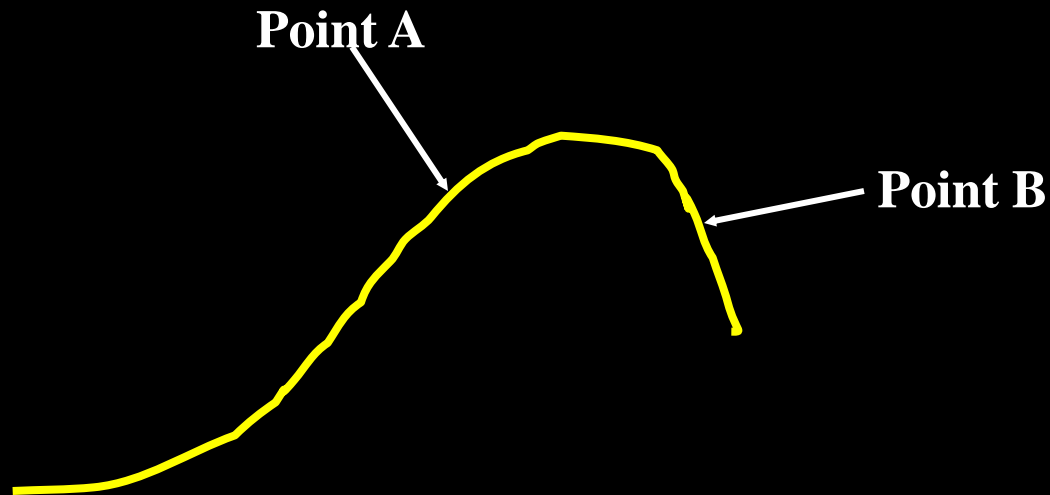
Different Stages in the Business Cycle Call For Different Leadership Qualities

- ❑ Development – Visionary
- ❑ Start-up – Entrepreneur, salesperson
- ❑ Growth – Promoter, salesperson, visionary
- ❑ Maturity – Marketer, manager
- ❑ Decline – Customer relationship management (CRM)



Leadership: Vision *

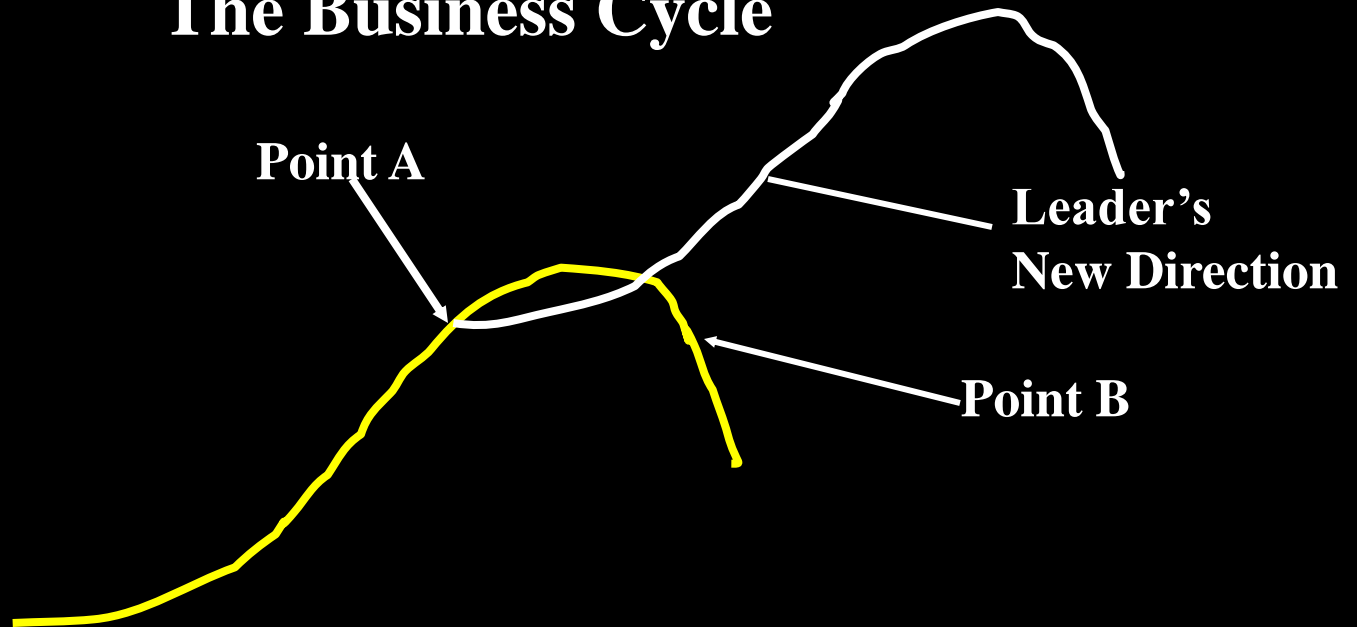
The Business Cycle



* *The Age of Paradox*, Charles Handy, Harvard Business School Press, 1994

Leadership: Vision

The Business Cycle



What Is Management?



Mintzberg On Management

- Henry Mintzberg on what management *should* be about:
 - “Management is not about controlling people but about facilitating human collaboration.” *

* Henry Mintzberg, *Managers Not MBAs*, 2004, San Francisco: Berrett-Koehler, p.293.

Kotter on Management

- Kotter says management too often is about coping with complexity:
 - Focuses on details, order and consistency
 - Focuses on short-term results
 - Focuses on eliminating risks
 - Focuses on efficiency and bottom-line values
- All the wrong things.



What is Management?

- “The skill of getting results with the cooperation of other people.” Peter Drucker
- Key words:
 - Skill
 - Results
 - Cooperation
 - People



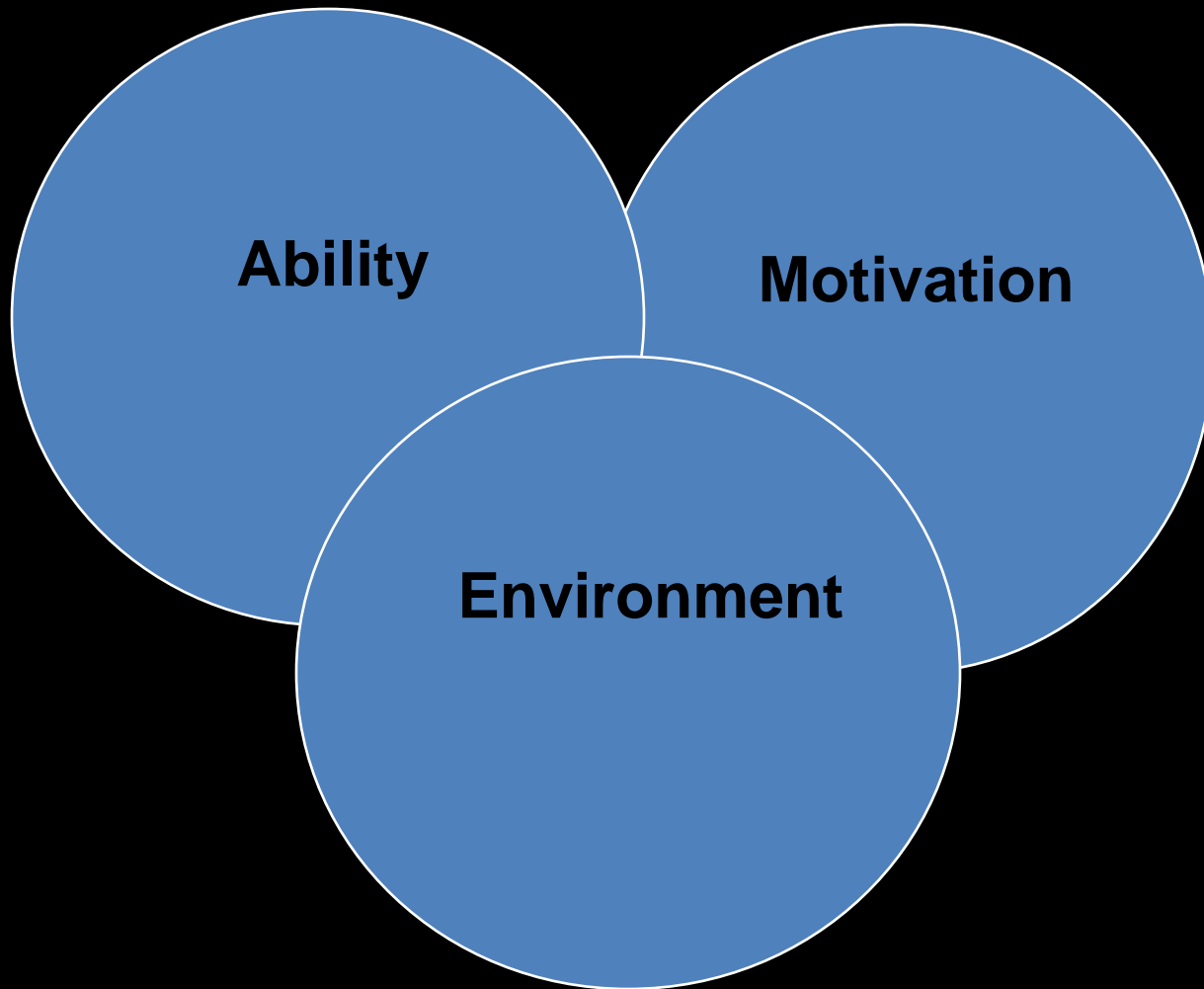
What Is Management?

- **Skill** - Management skills can be learned.
- **Results** - Politically defined
- **Cooperation** - Cooperation is more productive than competition.
- **People** - People skills and people knowledge are more important than any other skills or knowledge.

What is Management?

- “Getting ordinary people to perform in an extraordinary way.” Peter Drucker
- Performance:
 - Ability
 - Motivation
 - Environment
- Performance is achieved through people.

Performance



Performance

- Ability:
 - Intelligence *
 - Linguistic
 - Logical/mathematical
 - Musical
 - Bodily/kinesthetic
 - Spatial
 - Interpersonal
 - Intrapersonal
 - Naturalist
 - Ethical/Spiritual
- Talent
 - Inherent-- *The Soul's Code*.
- Skills
 - Learned through repetition – deliberate practice
- Knowledge
 - Acquired

* *Intelligence Reframed*, Howard Gardner, Basic Books, 1999

Performance

□ Motivation:

- Intrinsic (Internal satisfaction from doing the job —preferred by creative people)
- Extrinsic (External rewards such as money, recognition — preferred by salespeople)
- Managers must know which appeals to which person and manage accordingly

□ Environment:

- Core values and culture
- Management style
- Leadership style

Managing Performance

- Managing performance is keeping leadership style, management style, core values, and culture in alignment.
 - A difficult balancing act that requires adaptability, flexibility, and taking responsibility for results
- A vital core value is dedication to teamwork:
 - “We are all angels with only one wing, and the only way we can fly is by embracing each other.”

The Rules Of Management Have Changed

- The rules of management have changed because the game has changed.
 - The functions of management have changed
 - The old functions of management were based on a command-and-control model



The Old Functions of Management

- Planning
 - Yearly
- Organizing
- Motivating
- Controlling
- Evaluating
 - Usually yearly evaluations tied to a raise and that led to planning for next year.

The New Functions of Management

- Strategic Planning
 - Flexible, adaptive, speed
- Coordinating/Aligning
- Empowering
- Facilitating collaboration
- Coaching
 - And modeling behavior



People Skills

- Stanford Business School Study:
 - Re-interviewed members of class of 1968 in 1978 and 1988.
 - The results showed that the most successful graduates had only two things in common:
 - They all graduated in the bottom half of the class.
 - They were all **popular** – had people skills.



Caring

- Sam Walton:
 - “The way management treats the associates is how the associates will then treat customers”
 - Never forget this as a leader or manager
- The operative concept is **caring**--for associates and customers
- Best management and leadership mantra = “Help people get better.”

