Leadership and Team Building

What are the qualities of good leaders? What makes them successful? Think of some of the greatest leaders of all time. What made them stand out from others? We may think of adjectives such as "heroic," "charismatic," and "strategic." These are all leadership qualities, but what really makes for a strong and successful leader?

Successful leaders are able to influence others. They use their innate qualities to inspire a workforce, a team, or a nation to achieve goals. Leaders can see beyond themselves and beyond the task at hand to look at achieving long-term goals by utilizing their strengths combined with the strengths of others. Effective leaders are able to manage relationships with others and create positive outcomes.

Winston Churchill often comes to mind as one of the greatest leaders in history. He was a talented orator and politician, but what made Churchill a phenomenal leader was his ability to mobilize and strengthen the will of his people through his words and policies. Although his strategic actions were often criticized at the time for being impulsive, Churchill allowed his belief in democracy and his intolerance for fascism to dictate his wartime policies. It was not only his passion for the policies but his ability to carry out his plans that made him a successful leader.

Leadership, such as that demonstrated by Churchill, is about inspiring others and doing the right thing. Leaders make change happen, but their values remain steady and unchanging. Most leaders not only have a long-term perspective on goals, but they also have innovative ways of achieving their goals.

World leaders and business leaders alike can create triumph from disasters. Leaders learn from failure and have a steadfastness of purpose that keeps them focused on a goal or objective in spite of near-term setbacks or adverse conditions. Leaders are flexible in their execution and will make midcourse corrections and iterative improvements—leaders "bend but don't break." They inspire those around them to stretch and do their best to fulfill the organizational mission. Leaders are able to energize those around them in order to create desired results without compromising their ethical standards.

LEADERSHIP VERSUS MANAGEMENT

Management is doing things right; leadership is doing the right things.

—Peter F. Drucker

Although sometimes used synonymously, leadership and management can be quite different. Leaders may be managers, but not all managers are leaders. So just what are the differences?

While managers tend to have their eyes on the bottom line, leaders are more often looking toward the horizon, trying to find new opportunities for growth and development. A manager is usually satisfied with the status quo, whereas the leader is often challenging it.

Leadership often involves reinventing the job; strong leaders create their role in an organization or in the world system. Managers are often responsible for executing the task at hand, not thinking of future goals. Managers are responsible for maintaining, but leaders look to innovate. Managers may involve employees in their activities, but often on a "need to know" basis. Leaders, in contrast, work to inspire those around them by trying to help others gain personal growth and development from their activities and by turning weaknesses into strengths.

Companies that have "leader-managers" throughout the corporate hierarchy are the most successful.

ROLES OF MANAGERS

Management is often expressed as the process of achieving an organization's objectives through guiding development, maintenance, and allocating resources. The primary roles of managers are planning, organizing, leading, and controlling.

Planning

> *The very essence of leadership is that you have to have vision.*
> *You can't blow an uncertain trumpet.*
> —Theodore M. Hesburgh

Planning is the process of determining a course of action for future conditions and events with the goal of achieving the company's objectives. Effective planning is necessary for any business or organization that wants to avoid costly mistakes. There are four different types of planning that are associated with management: strategic, tactical, operational, and contingency planning.

Strategic planning involves creating long-range goals and determining the resources required for achieving these goals. Strategic planning is the most far-reaching level of planning and involves plans with time frames from one to five years. Essential to the notion of strategic planning is that it involves an assessment and consideration of the organization's external environment, and that the organization is adaptive to these outside, noncontrollable variables, adjusting and possibly redirecting its strategy to account for this changing environment.

Tactical planning denotes the implementation of the activities defined by the strategic plans. Generally, tactical planning involves shorter-range plans with time frames of less than one year.

Operational planning involves the creation of specific methods, standards, and procedures for different functional areas of an organization. In addition, the organization chooses specific work targets and assigns employees to teams to carry out plans.

Contingency planning involves the creation of alternative courses of action for unusual or crisis situations. In today's society, companies are placing greater importance on contingency planning in order to respond to crisis situations. For example, realizing the impact of terrorism on businesses in the wake of September 11, 2001, many companies have developed contingency plans to respond to potential terrorism events.

Organizing

This management role involves blending human and capital resources in a formal structure. The manager will divide and classify work by determining which specific tasks need to be carried out in order to accomplish a set of objectives.

Leading

Managers also have the role of leading or directing employees and plans. Some managers may be more successful at leadership than others. The goal of leading is to guide and motivate employees in order to accomplish organizational objectives. This role involves explaining procedures, issuing directives, and ensuring that any mistakes are corrected.

Controlling

Controlling allows a manager to measure how closely an organization is adhering to its set goals. It is also a process that provides feedback for future planning.

1. *Setting performance standards.* A company needs to set the standards by which performance will be measured. In a sales organization it may be sales growth or quarterly sales figures. Perhaps the manager will set the dollar amount for sales that are to be made that quarter.
2. *Measuring performance.* Using the previous example, measuring performance for sales will require tallying up the number of sales made during the quarter.

3. *Comparing actual performance to the set performance standards.* Now the difference between the set performance sales and the dollar amount of actual sales made during the quarter must be determined.

4. *Taking the necessary corrective action steps.* If the sales were much below the set level, it is important to analyze what went wrong and try to correct it.

5. *Using information from the process to set future performance standards.*

LEADERSHIP STYLES

> *Leadership is the art of getting someone else to do something you want done because he wants to do it.*
>
> —Dwight D. Eisenhower

Individual managers have their own styles of managing, and within organizations there is often a predominant style of leadership. The predominant leadership styles—autocratic, democratic, and laissez-faire—have many variations. We can compare and contrast the effectiveness of each of these styles as it affects employee performance.

Autocratic Leadership

This style of leadership is both directive and controlling. The leader will make all decisions without consulting employees and will also dictate employee roles. Micromanaging is a form of autocratic leadership in which upper management controls even the smallest tasks undertaken by subordinates. The autocratic style of leadership limits employee freedom of expression and participation in the decision-making process. It may result in alienating employees from leadership and will not serve to create trust between managers and subordinates. Further, creative minds cannot flourish under autocratic leadership.

Autocratic leadership may best be used when companies are managing less experienced employees. U.S. companies operating in less developed countries often use autocratic leadership. It allows the parent corporation more control over its overseas investment. In countries

where the government controls the economy, U.S. corporations often use autocratic leadership because the employees are used to making decisions to satisfy the goals of the government, not the parent corporation.

Managers should not use the autocratic leadership style in operations where employees expect to voice their opinions. It also should not be used if employees begin expecting managers to make all the decisions for them, or if employees become fearful or resentful.

Democratic Leadership

This style of management is centered on employee participation and involves decision making by consensus and consultation. The leader will involve employees in the decision-making process and they will be encouraged to give input and delegate assignments. Democratic leadership often leads to empowerment of employees because it gives them a sense of responsibility for the decisions made by management. This can also be a very effective form of management when employees offer a different perspective than the manager, due to their daily involvement with work. A successful leader will know when to be a teacher and when to be a student.

Democratic leadership may best be used when working with highly skilled and experienced employees. It is most useful for implementing organizational changes, for resolving group problems, and when the leader is uncertain about which direction to take and therefore requires input from knowledgeable employees. One of the downsides of democratic leadership is that it may lead to endless meetings and therefore create frustration among employees if used for every decision made by a company. Democratic leadership is not a good idea in situations when the business cannot afford to make mistakes—for instance, when a company is facing a crisis situation such as bankruptcy.

Laissez-Faire Leadership

Delegating work works, provided the one delegating works, too.
—Robert Half

This free-rein form of leadership, if it is to be successful, requires extensive communication by management with employees. It is the style

of leadership that makes employees responsible for most of the decisions that are made, and in which they are minimally supervised. Employees are responsible for motivating and managing themselves on a daily basis under this leadership style.

Laissez-faire leadership may best be used when employees are educated, knowledgeable, and self-motivated. Employees must have the drive and ambition to achieve goals on their own for this style to be most effective. Laissez-faire leadership is not a good idea in situations where employees feel insecure about the manager's lack of availability or the manager is using the employees to cover for his or her inability to carry out his or her own work. This type of situation can create resentment and result in an unhealthy work environment.

As with many categories that describe business concepts, an organization and its leadership may apply any or all of these leadership styles. For instance, the managing partners of an architectural firm may utilize autocratic leadership style with the lower levels in its clerical and administrative functions but employ a democratic or laissez-faire leadership style with its professional staff of architect-associates and partners.

Transformational and Transactional Leadership

Two additional styles of leadership worth exploring are transformational and transactional. Both have strong ethical components and philosophical underpinnings.

Transformational Leadership. Leaders who have a clear vision and are able to articulate it effectively to others often characterize this style of leadership. Transformational leaders look beyond themselves in order to work for the greater good of everyone. This type of leader will bring others into the decision-making process and will allow those around them opportunity to learn and grow as individuals. They seek out different perspectives when trying to solve a problem and are able to instill pride into those who work under them. Transformational leaders spend time coaching their employees and learning from them as well.

Transactional Leadership. This leadership style is characterized by centralized control over employees. The transactional leader will control outcomes and strive for behavioral compliance. Employees under a transactional leader are motivated by the transactional leader's praise, reward, and promise. They may also be corrected by the leader's negative feedback, threats, or disciplinary action.

The most effective leadership style is using a combination of styles. Leaders should know when it is best to be autocratic and when to be democratic. They can also be transformational and transactional at the same time; these are not mutually exclusive styles and in fact can complement one another extremely well.

LEADERSHIP AND MOTIVATION

An important role for a leader is motivating employees to do the best job possible. There are many ways a leader can motivate employees, and many of them do not require additional monetary compensation.

Sometimes motivation is brought about through creative means. The Container Store, a Dallas-based retailer, offers its employees free yoga classes, a personalized online nutrition diary, and a free monthly chair massage. These techniques help relieve employee stress and make workers feel appreciated. The company has ranked near the top of *Fortune*'s 100 Best Companies to Work For since 2000.

Open communication is also a key to motivating employees. When employees feel that they will be listened to and managers openly discuss matters with employees, a trusting relationship is created. At Harley-Davidson's headquarters executives don't have doors on their offices, creating an open, trusting environment.

Another method to motivate is to ensure that employees are matched up with the right job. It is the leader's job to learn what employees' abilities and preferences are and match them accordingly to tasks that utilize their skills and when possible match with their preferences.

If a leader is a good role model, showing enthusiasm for his or her work and pride in the company, this will positively affect employee motivation.

At W. L. Gore, a salesperson's motivation will come from the approval of his or her peers. Compensation is based on rankings by the sales team members. Further, the company bases monetary rewards or bonuses on long-term growth and customer retention, unlike most companies that base bonuses on the bottom line. Gore also presents a Proud Octopus award trophy to employees who have performed "special achievements" during the quarter.

CORPORATE CULTURE

A corporate culture is the system of beliefs, goals, and values that an organization possesses. Many aspects of an organization influence the corporate culture including workplace environments, communications networks, and managerial philosophies.

Strong cultures cause employees to march to the same beat and create high levels of employee motivation and loyalty. Corporate culture also provides control and structure to the company.

Having a strong corporate culture is not always the key to an organization's success. If the corporate culture is an obstacle to change, it can hinder a company's performance and ultimately its success. A misdirected culture can lead employees to strive for the wrong goals.

Leadership and Culture

Leadership style is extremely important in an organization, as it often affects the organization's culture. Which style of management is right? It depends greatly on the type of organization and on the top management within the organization.

If managers are strong leaders, their style of leadership often predominates throughout the different levels of management within the organization. The leadership style is then responsible for creating the culture of the organization. There are good and bad hallmarks for leadership within an organization. If the corporate leadership style is deceptive, then often the management culture within the organization will be deceptive. The same would hold true if the leadership was ethical.

It takes a strong leader to create a lasting culture within an orga-

nization. For ordinary leaders it can take years to shape the attitudes and environment; only an extraordinary leader is capable of making revolutionary change.

Characteristics of Successful Corporate Culture

Here are some examples of characteristics of successful corporate cultures. By no means is this list exhaustive.

Caring. This involves employees taking responsibility for their actions, caring about both the customer and the good of the company. It creates high-quality customer service and a positive atmosphere in which to work.

Challenge. If the CEO of a company states that employees should "think outside the box," but then squashes ideas because of their perceived chance of failure, a contradictory environment is created. In this type of situation, a challenge to conventional thinking and performing causes employees to fear losing their jobs; creative employees will leave and a culture of yes-men will be created.

Risk. A successful company will be able to manage risk and even turn it into a strategic and profitable advantage. It involves paying attention to reputation and earnings. Employees must anticipate the consequences of their decisions and actions. This type of risk management can add significant shareholder value.

Ethics. Often ethics can be the glue that holds the culture of an organization together. An effective leader should create a written ethical code for the organization. This code of ethics should not only be enforced but continuously reinforced. The employee's ethics should serve as a standard by which performance is evaluated.

Focus. There is a saying, "If you don't know where you are going, then any road will take you there." A leader has done his or her job well if the managers have a sense of continuity, if they know where the company or organization is heading. If managers feel that the direction of the organization is decided on by which way the wind is blowing

that day, goals will not be met. It is important for employees to know where they are going and what they should be achieving, and it is the job of the leader to define this for them. The leader should always know where he or she is going at all times.

However, this does not mean that a leader should not be willing to change. In fact, a leader should be an agent for change, because stagnation does not often lead to success. It is important that while being accepting to change a leader is able to align employees with goals.

Trust. Mutual trust is an important hallmark of effective leadership. Management should trust the leader and the leader should trust management. It is important to note that micromanaging can kill the trusting culture. When employees come to trust one another, it creates a team environment, where everyone is working for the common goals of the organization.

Merit. Organizations often meet their goals by rewarding employee performance based on merit. Merit systems create fairness and help to further foster a team environment.

LEADERSHIP TRENDS

In today's competitive environment, leaders are continually searching for new ideas and approaches to improving their understanding of leadership. Here are thumbnail descriptions of current leadership trends.

Coaching

A new trend in effective leadership, coaching, has become extremely popular throughout different organizations. This style of leadership involves guiding employees in their decision-making process. When coaching, management provides employees with ideas, feedback, and consultation, but decisions will ultimately be left in the hands of the employees. Coaching prepares employees for the challenges they will face. The lower an employee's skill and experience level, the more coaching the worker will require. The interactions that an employee

has with the manager are the best opportunities they have for enhancing their respective skills. Coaching enables the employees to excel at their tasks. Instilling confidence in employees is extremely important. If management conveys the belief that employees will exceed expectations, it helps them do so.

A good coach will draw out the strengths of each employee and focus on how those strengths can be directed most effectively to achieve the organization's purpose and objectives. A good coach will also facilitate personal development and an improvement process through which the employee will be able to play a more effective role in achieving the organization's purpose and objectives. An effective coach also realizes that each employee is unique, with different strengths and weaknesses, and that a coaching strategy must reflect this individualistic approach.

Employee Empowerment

As organizations and companies become increasingly borderless, employee empowerment becomes ever more important. This trend in leadership has allowed employees to participate in the decision-making processes. Employee empowerment is also a method for building employee self-esteem and can also improve customer satisfaction. It also ties them more closely to the company goals and will serve to increase their pride in their work and loyalty to the organization.

Global Leadership

As corporations become increasingly international in scope, there is a growing demand for global leaders. Although many of the qualities that make a successful domestic leader will make a successful global leader, the differences lie in the abilities of the leader to take on a global perspective. Global leaders are often entrepreneurial; they will have the ambition to take their ideas and strategies across borders. They will also have to develop cultural understanding; global leaders must be sensitive to the cultures of those working under them, no matter where they are based. Global leaders must also be adaptable; this is part of accepting the cultural norms of different countries in which they are operating. They must know when to adapt the operational

structure of the organization or adjust their leadership styles in order to relate to those around them. However, as adaptable as they must be, the global leader should not adapt his or her ethics or values to suit local tastes. Global leaders must also serve as role models, fighting corruption, not giving in to it.

Equitable Treatment

An important trend in leadership is the equitable treatment of employees. This does not mean that each employee will be treated the same; it means that every employee will be given the amount of individual attention they require, and it will involve leadership knowing his or her employees. A good leader will get to know employees well enough to give them what they need in order to best perform. For some employees that may mean more structure; for others it may mean more freedom. Some employees may need to be monitored more carefully, while others may work better independently. Leaders must know how to bring out the best in employees and how to build solid relationships with them; the most effective way of doing this is by getting to know them individually.

Feedback

Employees thrive on feedback, and by providing feedback and communicating effectively, managers can give employees the tools they need to improve their performance.

Providing feedback will not dampen employee morale in most cases, but will allow opportunities for employees to learn from their mistakes and move on to performing their tasks better. Positive reinforcement should be used to encourage employees' positive behavior, but when criticism is necessary, make sure it is constructive. Managers can do this best by telling employees exactly what was observed and how they interpreted it; this also will allow employees to better understand what the manager saw in their performance and to explain if there has been a misunderstanding. The 360-degree assessment tool discussed in Chapter 1 provides an effective means of feedback. This type of open dialogue between management and employees creates a more trusting atmosphere and is more likely to generate positive performance results.

PURSUING A LEADERSHIP ROLE

When pursuing a leadership role in an organization, it is important to gain insight into effective leadership.

Firsthand Experience

Draw upon your firsthand experience in leadership roles; think of the lessons you have learned from leading clubs, teams, or other groups.

Leader Memoirs

It is also important to read about other leaders. Most world leaders read books about leaders whom they admire. The books provide important insights into what it takes to be a leader and how to make decisions.

Find a Mentor

Learning from an accomplished leader is a great way to improve your own leadership abilities; find someone in your organization or community whose leadership you admire and ask this person to serve as your mentor; they will probably be flattered and happy to help.

Research

It is important to research management and leadership trends and to learn skills and techniques that are relevant to the particular field in which you are working so that you can then implement them.

TEAM BUILDING

"Teamwork" is defined as a group of people working together to achieve a common goal. Team members are mutually responsible for reaching the goal toward which they are working. Team building is a process meant to improve the performance of the team and involves activities designed to foster communication and encourage cooperation.

Additionally, the objective is to avoid potential disputes and problems and to keep the morale of team members high.

Many different industries and organizations use teams to accomplish goals, because people working together can often achieve more than they could individually. How do you know if you need a team to complete a project? Ask yourself the following questions: Can I achieve this goal by myself? Do I have the resources and time to undertake this project? Can other people or a team of other people be more effective than I would be in achieving this goal? If your answers favor the involvement of others, it's time to consider forming a team.

In an increasingly complex environment, organizations are using a team approach to bring a diverse set of skills and perspectives into play. An effective use of teams often draws upon a creative approach of bringing together specialists who combine their efforts and develop intrateam synergies to meet the challenges of their often complex organizational environment.

An example of an industry that often uses teamwork is the construction industry. A successful construction project cannot take place without the formation of teams. A design team will be formed at the beginning of the project and is made up of architects, engineers, and project consultants. The design team alone, however, will not be able to complete the project. They will also need to form a team with the owner of the project and the contractor.

TYPES OF TEAMS

Throughout different organizations there are different types of teams that are used to accomplish goals. Two of the most common team varieties are problem-solving and cross-functional teams.

Problem-Solving Teams

These teams are formed for a temporary period until a problem is solved, and then they disband. Team members often consist of one level of management. Let's say XYZ Corporation has lost 10 percent of its North American market share to MNO Widgets. XYZ wants to get this back by increasing sales across North America. All of XYZ's re-

gional salespeople will be called in to form a team to regain that market share. Although their regional focus will remain, they will have to work together to solve the problem of regaining that market share, and when they achieve that goal, they will individually work on maintaining their hold in their market.

Cross-Functional Teams

This type of team is made up of members from different areas of the business and often from a common managerial level.

If a shampoo company wants to bring a new conditioner to market, a team will be formed and its members will consist of managers from different departments such as brand management, product development, market research, and finance. It is also likely that there will be involvement by marketing, communications, and design when the product comes closer to being launched.

STAGES OF TEAM DEVELOPMENT

Team development has been broken into four stages: form, storm, norm, and perform.

Forming the Team

The first stage involves assembling the team and defining the goals, which should provide focus and be attainable. It is important that the team leadership understands the strengths of each of the team members in order to assemble a cohesive team. Often in the forming stage, team members will be extremely polite to one another; they will be feeling each other out.

An example of a goal that the team may set would be the project schedule. For a construction team, for example, there are many stages of the project that should be completed in a certain time frame to ensure that the project is completed on time for the owner. The design team designates the appropriate amount of time for the construction phase in which the builder will make a profit. It is important to agree upon and set this schedule from the beginning.

Storming Stage of Team Development

The second phase involves coordinating efforts and solving problems. If the teamwork starts to slip because of a difficult problem, it is necessary for the team members to get the project back on track. Team members should be conscious of the team's health and whether the team is taking steps in the right direction to reach the goals. It may be necessary to think creatively about approaches to solving a problem.

Communication is extremely important to effective team performance in the storming stage. Effective teams communicate clearly and openly about problems. Ineffective communication can cause unnecessary tension and stress to team members. It is important that communication be relevant and responsive. Relevant communication is task-oriented and focused. Responsive communication involves the willingness of team members to gather information, to actively listen, and to build on the ideas and views of other team members.

Establishing Team Norms

The project norms are an informal standard of conduct that guides the behavior of team members. This stage involves defining team roles, rights, and responsibilities. It is important to establish these norms at the beginning of the team-building process in order to avoid problems along the way. In addition to allocating responsibilities, it may also be necessary to allocate the risk that is to be undertaken by each team member. Each member of the team should have a sense of ownership of the project.

Allocating responsibility also means establishing a team leader. Team leadership should not be a top-down effort, but should be more of a coaching role. The team leader must act as a cheerleader, encouraging the team members to work together, providing ideas, and serving as a role model.

There is often a period after the team has been formed when a conflict of personalities or ideas will arise. Team members begin to show their own styles; they are no longer worried about being polite. At this stage, there will be pessimism on the part of team members in relation to the project and there may also be confusion.

Team Performance Stage

By this stage, the team is working together effectively, problems have been smoothed out, and achievements begin to become evident. A great deal of work will be accomplished at this stage. The team will be able to tackle new tasks easily and confidently. They will be comfortable using creative means. It is essential at this point to evaluate and report on progress that has been made.

Project Completion and Team Disbanding Stage

The last phase of the project is completion. Often at this time the team will evaluate the results, debrief, and take time to learn and improve its processes for use in future team-based projects.

SUMMARY

Leadership can greatly affect an organization, both by determining its success in the market and by defining the corporate culture. Strong, ethical leadership is extremely important in today's business climate. Although there are several different leadership styles, some of the most effective leaders are able to tailor their management practices to suit employee needs. Leadership is not only about being a great speaker or politician; it is about having a vision and being able to make that vision a reality.

Team building is another important aspect of business today. Many companies use teams to complete projects, and building an effective team is necessary to complete a project. Teams are most successful when they have a "coach" who is able to help see them through some of the more difficult stages of the team-building process.

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