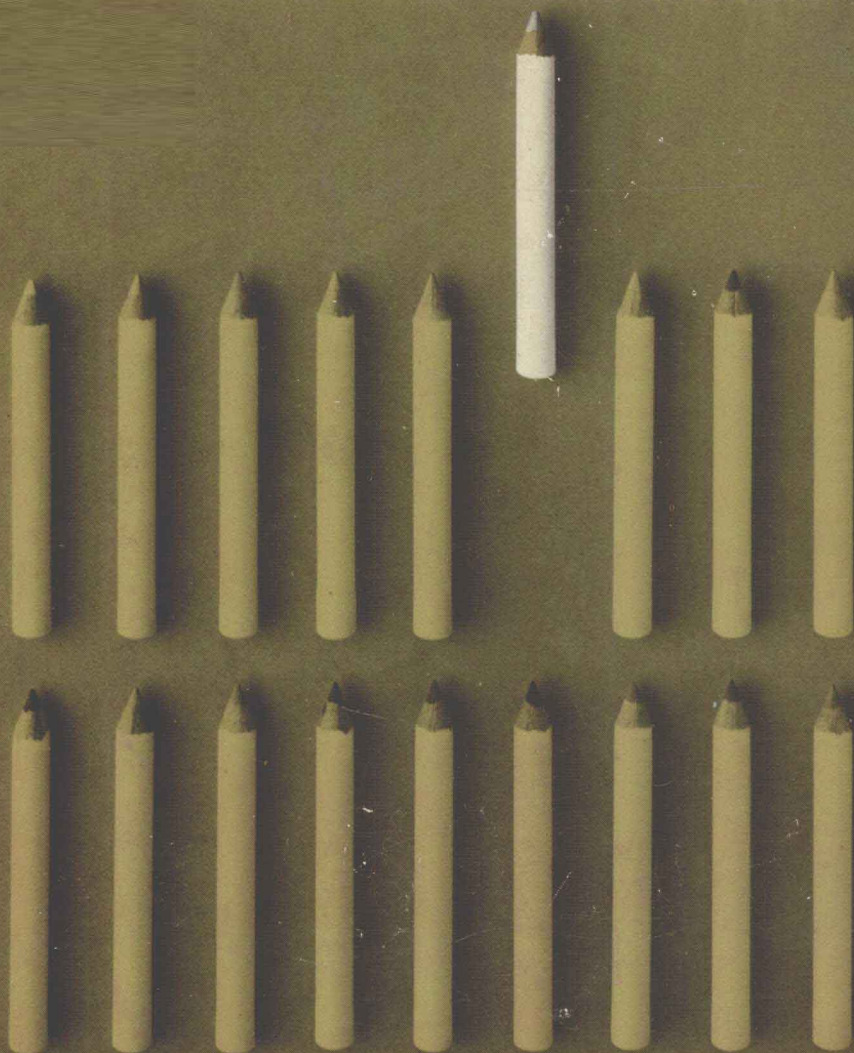# LEADERSHIP

Strategies For Organizational Effectiveness

James J. Cribbin

LEADERSHIP

strategies for organizational effectiveness

James J. Cribbin

amacom

A Division of American Management Associations

© 1981 AMACOM
A division of American Management Associations, New York.
All rights reserved. Printed in the United States of America.

Third Printing

preface

The outstanding characteristic of organizations today is the number of antagonistic forces that are colliding head-on: stringent corporate requirements versus employee aspirations; sophisticated technological systems versus the social system; integrated production processes versus worker expectations; impersonal jobs versus subordinate satisfactions; neat interfacing networks versus human needs; intricate structures versus a sense of identity; cost and profit pressures versus personal progress and growth; stability versus innovation; uniformity versus change; conformity versus creativity; company growth versus constrictive regulations; corporate profit seeking versus demands of society. The clash of thesis and antithesis goes on unendingly.

How can practicing managers evolve a new synthesis from these opposing phenomena so that the organization's inherent potential energy can be made kinetic, not only for their own benefit but also for that of their subordinates and the organization? The simplest, least expensive, and most realistic strategy is to become both effective managers *and* effective leaders. Management is largely an action-oriented cerebral process. Leadership is principally an action-oriented interpersonal process. Assuming that you are already intent on increasing your managerial skills, this book seeks to help you improve your leadership competence.

There are five possible approaches to becoming a more

adept leader. You can rely on your own experience; the errors may far outnumber the trials. You can plow through the more carefully done research; most executives lack the luxury of time for this laudable endeavor. You can study how proven leaders have acted; helpful as this can be, it assumes that what worked well for one person, in his or her unique situation, will work equally well for another. You can read non-books that promise you salvation without effort; this is usually a self-deceptive venture in pep talks and puffery. Finally, you can examine some of the more significant research findings, reflect on how different leaders have coped with a variety of situations, and formulate a leadership-development program custom-tailored to you and your milieu. The chapters that follow facilitate your efforts to do just this.

I express my genuine appreciation to a number of people who assisted in the preparation of this book: to the managers who forced me to sharpen my ideas; to the editor who transmuted the manuscript into something far better than it was originally; to Claire Chrystal and Mary Mullaney, who transformed my hieroglyphics into intelligible prose; and to those publishers who permitted me to use copyrighted materials.

James J. Cribbin
Professor of Management
St. John's University
President
Cribbin Management Associates

contents

the real meaning of ROI: why shortchange yourself?

The Realities of Managerial Leadership

Competition is keener than ever before within and between industries. Productivity is a nettlesome problem. Scarce organizational resources are diffused because of legislative and social considerations, rather than focused on the primary purpose of the firm. Darman and Lynn, of the John F. Kennedy School of Government, estimate that 40 percent of corporate capital investment decisions are determined by factors other than the interests of the company, its shareholders, or its employees.[1]

At times, corporations are unduly influenced by specialists in law, accounting, and finance, some with limited or no line experience. Such specialists are absolutely essential. But the Olympian numerical perspective from the 30th floor of headquarters sometimes distorts the manufacturing, marketing, sales, and human realities at the operating levels, as many a sour acquisition has demonstrated. Abernathy and Hayes, of the Harvard Business School, contend that a new breed of manager is needed to reindustrialize and revitalize America: one adept at nurturing new technologies, building dynamic organizations, opening new markets, and developing more

productive people; one who, in a nutshell, "is willing to sweat and bleed to make things happen." [2] Some interesting data support their viewpoint. From 1968 to 1978, the number of patents issued in Japan increased by 372 percent, while the number issued in the United States declined by 10 percent. In the past 15 years, Japan and West Germany have doubled their numbers of scientific personnel, but the number of those trained in similar disciplines in America has declined between 5 percent and 10 percent. However, during the seventies, our lawyer output increased by 83 percent.[3] Small wonder that legal fees are now approximately 1 percent of the GNP!

What is needed is leaders at all levels who will be sensitive to the 12 realities listed below.

Leading in Times of Changing People

The manager-leader might ponder six realities regarding the work force today.

People Think. For the first time in the history of the world, management must cope with employees who have been trained to think for themselves rather than to bow low before someone else's say-so. We no more know how to manage such people than we know how to educate them.

People Are No Longer Meek. Put succinctly, the meek are weary of waiting to inherit the *dirt!* The middle class, which makes any country prosperous, is becoming more restive. For instance, one study indicates that honors students seek the following characteristics in their future careers: interesting work, self-development, high-quality work, respect, and freedom on the job.[4] Such employees are disinclined to be docile or passive.

People Are Self-Interested. To an extent unknown 25 years ago, subordinates ask, "What's in it for me?" This is not selfishness but an all-too-human self-centeredness. Small wonder that career loyalty takes precedence over corporate fidelity, that competent subordinates are opportunistic and mobile. Psychologically, no relationship that satisfies primarily the needs of only one party can endure long. In light of this,

it is amazing that more strident demands for an improved quality of work life surprise some managers!

People Expect to Be Heard. A supportive culture prompts employees to voice ideas and opinions with the expectation that they will be heeded. Interestingly, the culture has run ahead of research. It has been found that when a system exists for employees to influence their managers, productivity and morale almost always improve.

People Are More Expensive Than Ever. When labor was cheap and readily replaced, the main criterion for hiring labor was low cost. Today, a company like IBM invests over $2,000,000,000 annually just on fringe benefits. Under such conditions, the main criterion must be value received, not low cost. Labor must be efficient and more productive, not cheap.

People Have Great Potential. Experts have estimated that the average person is actualizing about 10 percent of his or her human potential. Not one study indicates that the average worker is working at anything near his or her true capability. Here is a key challenge of leadership—to unleash and channel the untapped talent that exists at every level in any organization.

For some managers, the changing values of the work force are discomforting; for others they are a threat. They yearn for the "good old days." Such reactions are not for you. Leaders, like therapists, confront reality with a clear eye. They accept it even when it is unpleasant and have strategies for capitalizing on it or at least coping with it. It is as simple, and as difficult, as that!

Leading in Times of Turbulence

More often than not, people change in response to a changing environment. The following societal trends are crucial for the manager-leader to understand.

The Knowledge Explosion. A baby is born tonight. By the time he or she attains the age of 50, knowledge will have multiplied a nimumum of 32 times. Take any field with which you are familiar, and consider the possibilities for growth. It would be difficult to make too farfetched a projection.

The Technological Implosion. Centuries ago Bacon claimed that knowledge was power. Today this is a fact. The rate of technological change is mind-boggling. No longer can the manager-leader expect to use yesterday's experience to give today's answers to tomorrow's opportunities.

Agglomerates and Alienation. The trend is clear: the strong are getting stronger, and the weak are being merged out of existence. This may bring joy to those who wield power in the executive suite, but its impact at the lower levels may be less than motivating.

In the course of a dinner talk to the sales force of a large company, I asked, "What is your greatest problem?" Out of the dark came a cry, "Does anyone know I'm out there?" This was followed by another shout, "Does anyone give a damn?"

What employee wants to feel like a helpless cog in a complex organization that he or she neither understands nor influences? Here is a challenge for you as a leader: to preserve the human touch, to make work feel meaningful and contributions feel valid, to engender identification with a purpose, not merely with an organization.

Vague Value Systems. The sixties were the "me decade," the seventies the "helpless decade," and the eighties may well be the "faithless decade." Richard C. Gerstenberg, former chairman of General Motors, once noted, "I am concerned about a society that has demonstrably lost confidence in its institutions—in the government, in the press, in the church, in the military—as well as in business." [5] Interestingly, the *Harvard Business Review* surveyed upper management and discovered that 70 percent preferred traditional business ideology—entrepreneurship, individualism, competition, and minimum government intervention. But 73 percent felt that by 1985 communitarianism would prevail—concern for the community, power equalization, government-business coordination, and participatory democracy.[6] On the other hand, one is

reminded of Adam Smith's comment, "I have never known much good done by those who affected to trade for the public good." Be that as it may, leaders must have sound values which serve as their North Star, wheel, and rudder, preventing them from yielding to the pressures of the moment.

Economic Imperatives and Moral Mandates. Each day the manager walks the fine line between economic musts and ethical oughts, at times with little guidance from the organization. To complicate the situation, some firms tend to reward those who attain outstanding short-term results, perhaps at the expense of long-term goals, or ignore the means whereby short-term objectives are achieved. When this happens, managers are tempted to abide by the 11th Commandment, "Don't get caught."

The two different viewpoints are brought out clearly in the following quotation from Donald Ephlin, head of the UAW's Ford department:

> "Top management is really convinced of the need for quality, but the pressure at the local level is for productivity and the foremen will cheat a bit to get the numbers. But if they do it now, we're going to raise hell." [7]

Administrative, Technical, and Human Systems. Complex organizations require managerial skills of a polished quality. Technology has brought an inflow of experts, each group with its own territorial imperatives, provincial allegiance, jargon, and trained incapacities. Technical sophistication often brings the hidden costs of lessened collaboration. Undergirding the administrative and technical systems is the social system consisting of group and individual needs, perceptions, attitudes, norms, behavior patterns, pressures, aspirations, mores, goals, and reward-punishment codes—all interacting within the matrix of the formal and nonformal organizational structures. The interaction of these factors constitutes an interesting potpourri for the manager, at times supportive, at times bothersome, at times frustrating.

The Manager-Leader and the 12 Realities

What can you do about these realities, most of which are beyond your power to control or even influence? You can do the *essential* thing, which is to reflect on how these realities affect *your* people, in *your* work environment, in *your* organization, in *your* community. You can take into account not only the constraints that these realities impose, but more importantly, the opportunities they present. At least then you will be reality-oriented—no mean achievement in any endeavor!

The True Meaning of ROI

If leaders are to capitalize on the realities we have described, they must adopt a new interpretation of ROI. To finance specialists, this term means return on investment. But to the leader, these initials have more significant meanings that go beyond the hackneyed bottom line.

Return on Ideas. Organizations probably need idea transplants more than society needs heart transplants. Good ideas are not hard to unearth, but profit-producing ideas are more difficult to come by. The Japanese with their quality circles and some European and North American firms have shown the wealth of ideas that lie dormant in any firm. The job of the leader is to build a system to identify and act upon profit-oriented ideas. This matter is discussed more fully in Chapter 15.

Return on Improvement and Innovation. If an organization is to avoid the stigma of being a mere "me-tooer," it must create a climate that boldly declares: (1) the worst enemy of the best is the good enough, and (2) people can improve anything that has been devised if they are let free and rewarded for doing so. This is also discussed in Chapter 15.

Return on Individuals. A Polish worker on strike commented, "If you stand up and work, or lie down, you get paid the same." How many managers in their daily behavior demonstrate a genuine belief in the potential of employees to grow and contribute? How many strive day in and day out to help

their subordinates actualize their potential more fully? How many are convinced that apathy and creativity are both results, not causes, and have strategies to minimize the former, to enhance the latter? No one knows, but you can answer these questions for yourself with respect to your people.

Return on Interaction. Friction and cooperation, conflict and collaboration, jurisdictional disputes and respectful interdependence are all forms of interaction. Answer for yourself the return on interaction that each organization is getting, judging by the comments of lower-level managers in two different companies: "One thing I like about this place is that if you need another department's help, you're pretty sure to get it." Contrast this remark with the statement of another manager, "Ask another group for help around here and you get the reaction, 'It's not our job.' We use position descriptions largely for defensive purposes." Leaders realize that jealousy, infighting, and parochialism represent money falling through the organizational cracks.

Return on Interface. The purpose of the nerve ring of the starfish and that of the manager are similar, as Maier has pointed out: both enable the subunits to work more effectively together than they could separately. Sever the ring, and the rays of the starfish churn away vigorously but with little coordination. Let managers forget their accountability for maximizing interdependence through effective coordination, and the same phenomenon occurs. This all sounds like theory until one calculates the profit dollars lost in the following incident.

Things were going well in constructing a new 17-story, $30 million office building in Minneapolis. Then an errant computer served up 12,056 windows, all the wrong size. To make matters worse, because of the way they were made, the windows could not be cut to size.[8]

Return on Integrity. Emerson said it all when he remarked, "What you are thunders so loudly, I cannot hear a word you say to the contrary." Managers who refuse to try to model in

their own behavior what they wish to engender in their people are no leaders at all.

Return on "Inthusiality." One part enthusiasm and one part vitality, "inthusiality" connotes a contagious spirit that the manager has for the importance of the work done. Likert's studies have shown this to be one of *the* characteristics of effective supervisors. "Inthusiality" does not mean the frenetic activity best described as energetic stupidity. Rather, it implies a conviction that the work done is meaningful, though hardly dramatic; contributing, though hardly glamorous.

The leader agrees with the finance experts that ROI refers to the bottom line. He or she, however, is more concerned with those intervening variables that produce the bottom line. Surely, any organization with a climate that stresses the importance of a rich return on ideas, improvement, innovation, individuals, interaction, interface, integrity, and "inthusiality" will have but one problem with its bottom line: it will be surprisingly large!

Myths Regarding Organizational Leadership

If clear notions regarding the real meaning of ROI are essential, it is no less important to get rid of some of the rubbish still surrounding leadership. Here are some of the more common forms of rubbish:

You Gotta Have Personality. Even today, one finds an occasional manager questing for those magical traits that will make him or her a leader. This continues in spite of the fact that, as Jennings concluded, "Fifty years of study have failed to produce one personality trait or set of qualities that can be used to discriminate between leaders and nonleaders." [9] Certainly it is favorable if the manager has, or at least is working on, those behavioral characteristics which Stogdill's massive review of the research shows to be commonly found in leaders: ability to enlist cooperation, administrative ability, attractiveness, cooperativeness, nurturance, popularity, interpersonal skills, social participation, and tact. Task-related traits are also significant: need for achievement, drive for responsibility, initia-

tive, responsibility in pursuit of objectives, and task orienta-
tion.[10] It is far more important, however, to actualize more
fully those assets that you already possess, to prevent irremed-
iable limitations from causing you to waste time and energy,
and to acquire those skills which will make you more effec-
tive. This is a far more challenging and rewarding task then
chasing some will-o'-the-wisp called personality characteris-
tics.

You Gotta Be Democratic. The contributions of the compe-
tent should be sought out. It is essential that people be in-
volved and feel responsible for a decision and its outcome. But
democracy is a political philosophy. It is not a theory of man-
agement. Besides, there is a danger that a pseudodemocracy,
where everything must be reduced to a vote, will take over. As
one manager said, "We discuss everything around here un-
endingly. We discuss and discuss and then come up with a
mediocre decision so everyone will be satisfied." Participa-
tory democracy is excellent if it does not degenerate into a
popularity contest and if it results in better courses of action.
But at times it becomes a "wet-finger" approach to leadership:
whichever way the wind blows, the manager bends. One
wonders about those managers who are reluctant to take a
lonely position based on convictions when such a posture is
called for.

You Gotta Have Genes. Whether leaders are born or made is
a futile question. One cannot ignore heredity and the bless-
ings and banes that it imposes. Unfortunately, nothing can be
done about one's antecedents. More important is the determi-
nation of the leader to make the most of what has been inher-
ited. When P. G. Wodehouse was asked how he became such a
fine writer, he replied, "I haven't the foggiest notion. But I can
assure you of this: I wanted to awfully much." William Penn
once said, "No cross, no crown." More important than genes is
a willingness to pay one's dues for professionalism. There are
no quick fixes in leadership.

You Gotta Be Cute and Clever. This is ths advice of the
climber, the manipulator, and the Machiavellian. It is bad ad-
vice. There are no truly stupid people, even though we all do
stupid things at times. Even people who may be dull in school

tend to be bright in life. Trick them once and the relationship is poisoned.

You Gotta Have Charisma. Vince Lombardi, Muhammad Ali, John F. Kennedy, and such folk are fascinating because of that animal magnetism called charisma. There are three things wrong with charisma: (1) no one really knows what it is, (2) no one knows how to acquire or increase it, and (3) it makes the followers dependent and docile, not interdependent and self-assertive. Besides, if you have charisma, you certainly do not need this book.

You Gotta Have the Right Situations. All leadership is situational. The situation is a necessary arena in which the leader must operate. To a considerable extent it can make or break the leader, but to attribute too much to the situation is a mistake. It's better to think of the matter as a pair of scissors. One blade represents what the leaders bring to the situation—their philosophy, education, experience, talents, competence, skills, attitudes, and so on. The other blade represents the situation that provides the leaders with both constraints and opportunities. The skill resides not in the situations but in the managers' deftness at making their behavior congruent with the realities.

You Gotta Be Aggressive. The fact of the matter is that aggressiveness is often the first overreaction of the basically weak. Strong people rarely find it necessary to be more than prudently assertive. Leaders are like experienced physicians. They have a repertoire of behaviors on which they can call to meet the contingencies of a given task or situation. They are flexible rather than the rigid victims of habit. If there is a time for forcefulness, there is also a time for a more subtle approach.

Facts About Organizational Leadership

What the Leader Is Trying to Be

What managers seek to be can be summed up in three words: *appropriate, compatible,* and *consistent.* They try to