

Importance of leadership

[Business](#), [Leadership](#)



Chapter 1 The Importance of Leadership D. Quinn Mills Leadership How to Lead, How to Live © 2005 D. Quinn Mills. All Rights Reserved. Leadership: How to Lead, How to Live Few things are more important to human activity than leadership. Effective leadership helps our nation through times of peril. It makes a business organization successful. It enables a not-for-profit organization to fulfill its mission. The effective leadership of parents enables children to grow strong and healthy and become productive adults. The absence of leadership is equally dramatic in its effects.

Without leadership, organizations move too slowly, stagnate, and lose their way. Much of the literature about organizations stresses decision-making and implies that if decision-making is timely, complete, and correct, then things will go well. Yet a decision by itself changes nothing. After a decision is made, an organization faces the problem of implementation—how to get things done in a timely and effective way. Problems of implementation are really issues about how leaders influence behavior, change the course of events, and overcome resistance. Leadership is crucial in implementing decisions successfully.

Each of us recognizes the importance of leadership when we vote for our political leaders. We realize that it matters who is in office, so we participate in a contest, an election, to choose the best candidate. Investors recognize the importance of business leadership when they say that a good leader can make a success of a weak business plan, but that a poor leader can ruin even the best plan. 10 The Importance of Leadership Who Will Gain from Leadership? Do you want to be a leader? Or, if you're already a leader, do you want to improve your leadership?

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Do you want to affect what other people do—to help them accomplish important goals? Do you want to point the way in your organization? Do you want to climb the promotion ladder to positions of higher authority and greater pay? Leadership will make these things possible. You should read this book if:

- You are interested in leadership and how it affects you. You plan to lead an organization or are already in a leadership position. You are interested in developing yourself to meet the challenges you will confront in a leadership role. You wish to make a difference in the world through leadership.
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The Meaning of Leadership What is leadership? It is a process by which one person influences the thoughts, attitudes, and behaviors of others. Leaders set a direction for the rest of us; they help us see what lies ahead; they help us visualize what we might achieve; they encourage us and inspire us. Without leadership a group of human beings quickly degenerates into argument and conflict, because we see things in different ways and lean toward different solutions. Leadership helps to point us in the same direction and harness our efforts jointly. Leadership is the ability to get other people to do something significant that they might not otherwise do. It's energizing people toward a goal. Without followers, however, a leader isn't a leader, although followers may only come after a long wait. For example, during the 1930s Winston Churchill urged his fellow Englishmen to face the coming threat from Hitler's Germany. But most Englishmen preferred to believe that Hitler could be appeased—so that a war could be avoided. They were engaged in wishful thinking about the future and denial that the future would be dangerous. They resented Churchill for

nsisting that they must face the danger. They rejected his leadership. He had very few followers. But finally reality intruded—Germany went too far and war began. At this point Churchill was acclaimed for his foresight, and became prime minister of the United Kingdom during the Second World War. During this period almost all Englishmen accepted his leadership willingly. True leadership is sometimes hard to distinguish from false leadership, which is merely a form of pretending. Winston Churchill was a real and great leader. But there are also people who wish to appear to be leaders, but aren't actually.

They say that they are leading others; they posture as if they are setting direction and inspiring others. Yet often they are merely pretending. There's an old saying that the way to become a leader is to find a parade and run to the front of it. We refer to a person "leading" a parade, but walking at the front isn't really leadership unless the person in front is actually choosing the direction! If the person isn't choosing the direction, then being at the front of the line is merely a way to pretend to be a leader. 12 The Importance of Leadership Leadership can be used for good or ill.

Hitler seemed to be a leader of the German people, but he set an evil direction. He had great leadership skills, but put them to terrible uses. Sometimes people in business use leadership skills to exploit others. Sometimes people in charitable organizations use leadership skills to benefit themselves rather than the people they are supposed to help. Leadership skills can be perverted to pursue bad ends. The Importance of Ethics The danger that leadership will be perverted is why ethics are so important to

good leadership. Ethics are the inner compass that directs a person toward what is right and fair.

Only if a person has an inner ethical compass can he or she be sure that leadership qualities will not turn to evil ends. Learning to lead with good objectives is the only purpose of this book. So let us say that those who do harm are not leaders at all; we recognize that they may be influential and persuasive, but we will not think of them as leaders. With confidence that you, good readers of this book, will put leadership to noble ends, we go forward. The Work of the Leader Taking a leadership position means several things: A leader must have a vision of the future for the organization and its members. 3 Leadership: How to Lead, How to Live EXECUTIVE SUMMARY 1-1 TAKING A LEADERSHIP POSITION Taking a leadership position means: • • Having a vision about what can be accomplished. Making a commitment to the mission and to the people you lead. Taking responsibility for the accomplishment of the mission and the welfare of those you lead. Assuming risk of loss and failure. Accepting recognition for success. • • • A leader must be able to express his or her vision clearly and in a compelling manner so that others are engaged by it. (See Executive Summary 1-1. A leader has to make a commitment to his or her vision, to the organization, and to the members of the organization. A leader can't be committed one day and uninterested the next. People will judge a leader by his or her commitment, and will commit themselves no more than the leader does. A leader assumes a considerable amount of responsibility— not just for the mission that he or she urges others to accept, nor just for the organization he or she heads, but

for his or her followers, their lives and efforts, as well. 14 The Importance of Leadership A leader assumes risk.

If there is no risk, little leadership is required. If the effort is easy and certain to succeed, anyone can, and probably will, “lead” it. But where the effort entails a risk of failure, then many people will quail before the challenge and leadership is necessary to get people to make the commitment and the effort to succeed. In most organizations, one associates high levels of leadership with high levels of authority. The chief executive of a company usually plays more of a leadership role than people at lower levels of the hierarchy in the firm. It is the same in notfor-profits and government agencies.

The higher on the job ladder a person is, the more she is expected to exhibit leadership. In the military, however, the opposite holds true, and for a very good reason. In the military the greatest leadership challenge is to get other people to risk their lives in combat. Generally, the higher one goes in the chain of command, the less exposure he has to the battlefield, and the less exposure to men and women who are in combat. The officers who have responsibility for commanding soldiers in combat have the greatest leadership challenge, for they must get others to risk their lives.

Michael Jordan’s brother is an army sergeant major leading a deployment in Iraq in which he is responsible for more than 2, 000 soldiers. Offered an opportunity to leave his assignment in combat, he chose to stay with his unit in harm’s way. In so doing, he accepted one of the military’s most significant leadership challenges. 15 Leadership: How to Lead, How to Live The first

responsibility in a position of leadership is to have a vision. (See Executive Summary 1-2.) The visionary leader must create his or her concept of what the organization can accomplish.

A business leader may be leading a few people in a department or an entire company; a military leader a small squad or an entire army. The vision may be smaller when the group of people is small; and much broader when the group of people is large, but it must be forward-looking and exciting in either case. EXECUTIVE SUMMARY 1-2 VISIONARY LEADERSHIP Visionary leadership requires:

- • Creating a vision, a mission, and a strategy. Communicating the vision/mission/strategy and getting buy-in. Motivating action. Helping an organization grow, evolve, and adapt to changing circumstances. • •

The leader must also provide a mission—what needs to be done—and a strategy, a path, for how to accomplish the mission and achieve the vision, a way for the group to get there. But having an exciting vision, an exciting mission, and a careful strategy is not sufficient. A leader must clearly communicate them. Only if people grasp the vision can they commit to it, and buy-in is crucial to motivating action. Finally, a vision cannot be rigid and unchanging; it must adapt 16 The Importance of Leadership to changing circumstances, growing and evolving. Otherwise it becomes outdated and obsolete, and loses its power to excite and motivate people.

Leaders versus Administrators and Managers Leadership is not the same thing as being in a position of authority. It is possible to be a boss in a company without being a leader. A boss can be more of an administrator than a leader. Conversely, an administrator can be effective in his job

without being a leader. The administrator is a bureaucrat— whether in government or in business—a person who keeps careful records and sees that things are done according to the rules. On the other hand, a leader can be effective without being an administrator—leaving rules, regulations, and their enforcement to others.

Administration is not as exciting a topic as leadership, but it is almost as important. The success of organizations depends to a great degree on how well they are administered. A manager is often thought to be primarily an administrator. But a manager is not an administrator; management requires a special set of skills of its own. And being a manager is different from being a leader, as we shall see below. So there are three roles: administrator, manager, and leader. A manager has the broadest role, and a good manager has much of an administrator and a leader in him or her.

A manager needs to set direction and inspire others to get work done (leadership functions) and he or she needs to keep records and see that rules are followed (administrative functions). 17 Leadership: How to Lead, How to Live The manager is a necessary combination of leader and administrator. (See D. Quinn Mills, Principles of Management, Waltham, MA: MindEdge Press, 2005.) But leadership is the most important of the three roles. Administrators What does an administrator do? (See Executive Summary 13.) An administrator applies rules and regulations generally developed by top executives of an organization. In the government, the key rules and regulations are often issued by legislative authorities like the U. S. Congress). He or she keeps records and fills out forms necessary to take

administrative steps (like getting employees paid or reimbursing an employee for travel expenses). EXECUTIVE SUMMARY 1-3 ELEMENTS OF ADMINISTRATION The elements of administration are: • • Making rules and regulations Making decisions that apply and interpret rules and regulations Keeping records Filling out forms • • 18 The Importance of Leadership Managers What does a manager do? See Executive Summary 1-4.) He or she makes plans and creates budgets that set forth in great detail how something will be accomplished and how much money and other resources (e. g. , people, office space) are necessary to accomplish those plans and budgets. He decides who is going to be assigned to the necessary tasks and how they will fit into the organization. She supervises the actions people take, ensuring that they are doing the right things, that no money is being misappropriated or wasted (we call this “controlling”), and when problems arise she helps to resolve them.

Finally, by combining these tasks into a coherent whole, the manager makes the organization operate efficiently. Running an organization effectively requires administration, management, and leadership. Leadership is ordinarily in shorter supply than administrative or managerial competence. Leadership is more important and more demanding for most people. Fewer people are able or willing to be leaders, so it tends to be a higher calling than administration or management. There is a large literature discussing the differences between leaders and managers.

There is also an important distinction to make between leaders and administrators. In general, a leader takes a broader view and points an

organization toward necessary, even critical, change. The core of the criticism in the literature is that organizations of all sorts (corporations, government agencies, and not-for-profit organizations) tend to be over-managed (and/or over-administrated) and under-led. Because of over-management and overadministration, organizations are slow to make necessary changes and achieve less than what they could.

This is a substantial criticism that points to the importance of leadership. 19 Leadership: How to Lead, How to Live EXECUTIVE SUMMARY 1-4 ELEMENTS OF MANAGEMENT The elements of management are: • • • • • • Planning and budgeting Setting direction Organizing and staffing Aligning the efforts of many people Controlling Decision-making and problem solving Motivating and inspiring people The Nature of Leadership True leadership is special, subtle, and complex. Too often we confuse things like personal style and a position of authority with leadership. • Leadership is not primarily a particularpersonalitytrait.

A trait closely linked to leadership is charisma, but many people who have charisma (for example, movie actors and sports figures) are not leaders. Leadership is not primarily a set of important objectives. It involves getting things done. • 20 The Importance of Leadership • Leadership is not primarily a formal position. There have been great leaders who did not hold high positions—for example, Martin Luther King, Jr. and Jeanne d’Arc—and there are people who hold high positions who are not leaders at all, but administrators who don’t want to rock the boat. Leadership is not primarily a set of behaviors.

Many leadership manuals suggest that what defines leadership is things such as delegating and providing inspiration and vision; but people who are not leaders can do these things, and some effective leaders don't do them all. • Many discussions of leadership confuse any and all of the above—personality, important objectives, formal position, specific behaviors—with leadership. (See John P. Kotter, *What Leaders Really Do*, Boston: Harvard Business School Press, 1999.) But leadership is more than any of the above characteristics. It's a process by which one influences the thoughts and behaviors of others in a substantial way.

It may involve charisma, important objectives, a formal position, and a particular set of behaviors, but it is not limited to any of them. Effective leaders are often very complex people. Writing about Oliver Cromwell, the Lord Protector of England during the English civil wars of the seventeenth century, a foremost historian marveled at the complexity of his personality. “ There was no single Cromwell, “ he wrote, “—that is, a clear-cut individual... Instead, there was a multiplicity of Cromwells, each linked to the other by his enormous vitality...Firstly, there was the very human, simple and compassionate man, a visionary and a romantic.

Secondly, there was a violent, boisterous and irascible bully. Thirdly, there was the resolute and iron-willed general...Fourthly, the calculating politician, the man of expedients who had no guiding principles. 21 *Leadership: How to Lead, How to Live* And lastly, there was...the Cromwell...who, as the interpreter of God's will, was capable of committing any atrocity. ” (J. F. C. Fuller, *A Military History of the Western World*, Volume 2, New York: Funk &

Wagnalls, 1955, p. 110. Because leaders can be so complex, we must be careful in our generalizations about leaders and their personalities. But not all leaders are such complex personalities, which is good for most of us who aspire to leadership. Examples of Leadership Leadership in Business In the 1980s Harley-Davidson was almost knocked out of business by competition from other firms. To survive, it needed to change dramatically. Rich Teerlink, the company's leader, was able to save the firm financially, but with the pressure off, the challenge of continuing to improve seemed even more daunting.

Could Teerlink get his managers and employees to make the significant, and to many of them inconvenient, changes necessary? He did it by building a different company, one driven from the bottom up by employees rather than from the top down by managers. It's a story of successes and failures, advances and setbacks, dead ends and breakthroughs, ending in a much stronger company than before. (Read the inspiring story in Rich Teerlink and Lee Ozley, *More Than a Motorcycle: The Leadership Journey at Harley-Davidson*, Boston: Harvard Business School Press, 2000. 22 The Importance of Leadership Leadership in Government When Charles O. Rossotti became commissioner of the Internal Revenue Service (IRS) in 1997, the agency had the largest customer base—and the lowest approval rating—of any institution in America. Mired in scandal, caught in a political maelstrom, and beset by profound management and technology problems, the IRS was widely dismissed as a hopelessly flawed and dysfunctional organization. Rossotti—the first businessperson to head the IRS—transformed the much-maligned agency.

In the glare of intense public scrutiny, he effected dramatic changes in the way the IRS did business—while the agency continued to collect \$2 trillion in revenue. Through heated congressional hearings, encounters with Washington bigwigs, frank exchanges with taxpayers and employees, and risky turnaround strategies, Rossotti demonstrated leadership against daunting odds. (Read this enlightening story in Charles O. Rossotti, *Many Unhappy Returns: One Man's Quest to Turn Around the Most Unpopular Organization in America*, Boston: Harvard Business School Press, 2005.) 23