

TWO

Leadership theories, role models – and common sense

“There is nothing so practical as a theory that works”

PROFESSOR BARRY TURNER

“Business leaders have the difficult task of acting as role models every hour of every day”

ANDREW BROWN

The world of business is essentially one where applied, intelligent common sense, allied to the outstanding management of people, money, resources and information, are seen as the critical executive strengths. It is primarily a managerial arena where pragmatism, productive ‘do-how’ and discipline – in the achievement of results – are regarded as the more laudable managerial virtues. In such a world of forecasting, planning, organization, mobilization and control, there is no gain saying the crucial importance of reality, practicality and sound common sense, as key executive competencies.

Almost by default, pragmatism has inevitably assumed the dominant role, in relation to theory, in the practices of management and leadership, within the vast majority of organizations that make up the business world. In

recognition of that position of precedence and preference, it must be said that the management philosophies and so-called practices taught at many business schools, universities and by major consultancies, often bear little relation to the managerial realities of shop-floor leadership, cross-functional integrative management and corporate governance. Clearly, there *are* exceptions to this criticism. In the UK, Exeter University, Warwick, Cranfield, London and Ashridge are among those British business schools whose teaching *does* have its roots in reality, while INSEAD at Fontainebleau, IMD at Lausanne, Stockholm School of Economics, Copenhagen Business School and Nyenrode, in Holland, offer some of the most relevant – and creative – learning experiences available for business leaders, on a par with those of the best US business schools.

D. O. Hebb¹ an American psychologist, made the point that – “theory is a sophisticated statement of ignorance” and in providing learning opportunities for leaders – be they managerial training programmes, workshops, or face-to-face coaching – we need to remain conscious of Hebb’s definition. Taking a different view, Professor Barry Turner² suggests there is nothing so practical as a theory that works. Theories that provides necessary context, perspective and understanding, to practice, offer people both meaning and a sense of purpose, which they might not otherwise find, by being excessively committed to utilitarian pragmatism.

A great many gurus have entered the very testing arena of business leadership and management, over the last hundred years. Their acceptance, survival and professional longevity have depended upon their ability to add *perceived* value to the body of knowledge, understanding and evolving best practices that represent state-of-the-art leadership and management.

Among those who have invested leadership theory with major significance are John Adair, Paul Hersey and Kenneth Blanchard, Noel Tichy, Warren Bennis, Henry Mintzberg, Charles Handy and, most recently,

Jim Collins. All have developed models or concepts of leadership, way beyond mere fad, that have stood – or will stand – the test of time. All have added major value to our understanding and practice of both leadership and management.

This chapter explores some of the practical and applicable ideas of Adair, Hersey and Blanchard, Tichy and Collins.

1. Professor John Adair

A former soldier and subsequently lecturer at the at the Royal Military Academy, Sandhurst. John Adair³ held the first Chair in Leadership at a British university. A prolific author and public speaker, he has developed and promoted the concept of '*Action-centred leadership*' shown in figure 3, below.

Action-centred leadership – the model and constructs

Adair's model of leadership is based upon three key functions of leaders, i.e.:

1. Achieving the task
2. Maintaining the team
3. Meeting the needs of the individual

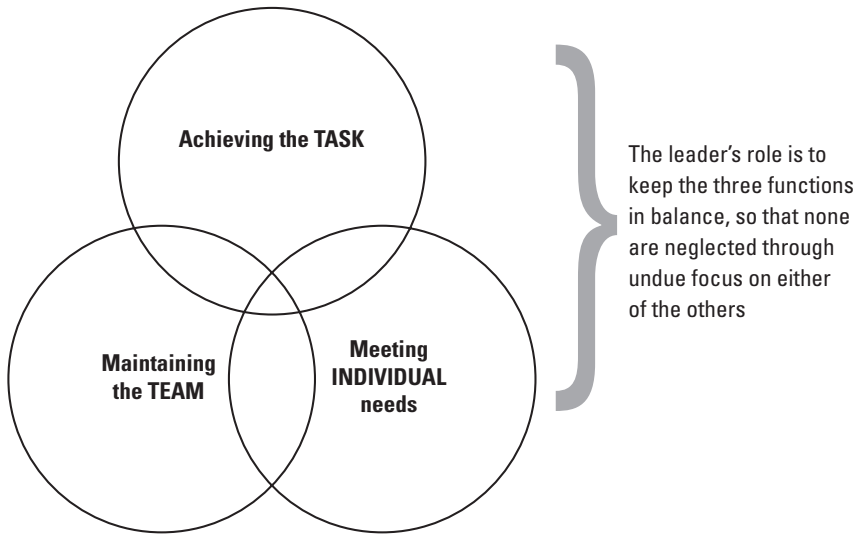


FIGURE 3: THE ADAIR LEADERSHIP 'TRINITY'

Adair's model has been extensively used since the 1960's and is acknowledged as being a pragmatic and relevant basis for the day-to-day leadership and management of tasks, teams and individuals, at any level, from shop-floor to Boards of directors.

The central notion of *maintaining equilibrium of focus*, between – *meeting the demands of the task, maintaining the team and meeting the needs of individual team members* – is a major guide to leaders and provides a practical yardstick for self-monitoring, self-development, training and coaching. The model, as a whole, provides a relevant discipline in exercising close-quarter leadership and lends both form and focus to that highly engaged style of leading and managing.

2. Paul Hersey and Kenneth Blanchard

Early in the 1970's Hersey and Blanchard⁴ developed their concept of 'Situational leadership'.

The basic premise of their model is that the *functioning maturity of the team members* is a major determinant of the 'style' and focus that need to be adopted by leaders, in order to elicit the optimum productive responses from people.

'Functioning maturity' is the degree to which people are sufficiently:

1. Competent to successfully undertake the task given them
2. Confident to cope with the challenges posed by the task
3. Committed and motivated to undertake the task

Plotting a range of leadership styles, based upon 'appropriateness' of behaviour, against a comparable continuum of team member *functioning maturity*, from 'low' to 'high', the **Situational Leadership** model is shown in figure 4, below.

For example, leader style **S1** ('Telling') where the leader explains, tells, coaches, trains, as appropriate, is most likely to be the approach necessary to help team members to understand exactly what is expected of them, where their functioning maturity is low (**M1**).

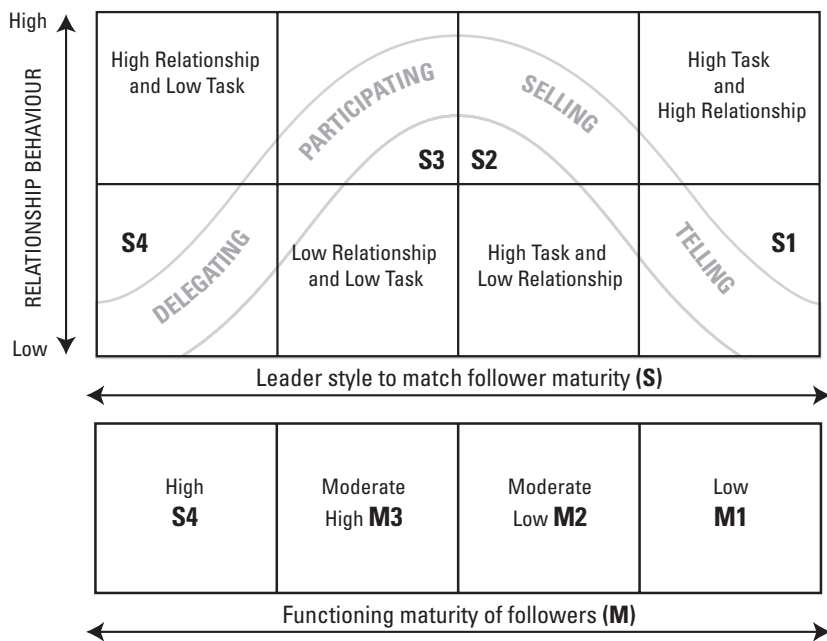


FIGURE 4: THE SITUATIONAL LEADERSHIP MODEL

Similarly, where the team members are all competent, confident and committed (**M4**), then the appropriate leader style would be **S4** ('Delegating' and, one might add, empowering).

Had such a concept of leadership been understood – and *practised* – in the 'bad old days', at British Leyland, it might have prevented some of the ignorance, confused reactions and costly mistakes that followed one senior executive's public statement, at the company's then newest plant, composed largely of people with no experience of working in a car factory – "With effect from April, we will adopt an open, participative style of management" (i.e. level S3/S4).

April was two months off, the workforce was almost universally at a functional maturity level of M1 and, with few exceptions, most managers were operating, themselves, at levels M1 and M2.

Leadership, as such, was virtually non-existent and the operators had organized and marked off the areas under the overhead production line, as a succession of badminton courts, mini football pitches and spaces for other pastimes, during the frequent stoppages and consequent down-time. What was desperately needed, short-term, was some very effective S1 close-quarter leadership!

The Situational Leadership model is a relevant and practical tool. Like John Adair's 'three circle' concept, it can be used as another set of personal development benchmarks, in building and giving necessary form to managers' evolving leadership styles.

Equally, as with 'Action-centred leadership', the 'Situational leadership' model is widely known in the UK and using its logic as a basis for leader development is often a matter of revisiting previous learning. Furthermore, it is a concept that lends itself readily to the development of a common leadership language and practices *throughout an organization*, as does the Adair model.

3. Noel Tichy

Tichy⁵ an American academic, who is well known for his study of transformational leadership (see chapter 3) and leader development of other leaders, evolved the concept of the **Leadership 'engine'**. His model is based upon the premise that leaders are essential, as the energizing and driving force in collective activity. Tichy sees leaders, necessarily, as committed, focused, tough individuals of high energy, who lead by example. Tichy regards the effective mobilization of people – including other leaders – as central to the leader's role and primary contribution to the organization.

The Leadership 'engine' has three distinct facets to it, as is shown in figure 5.

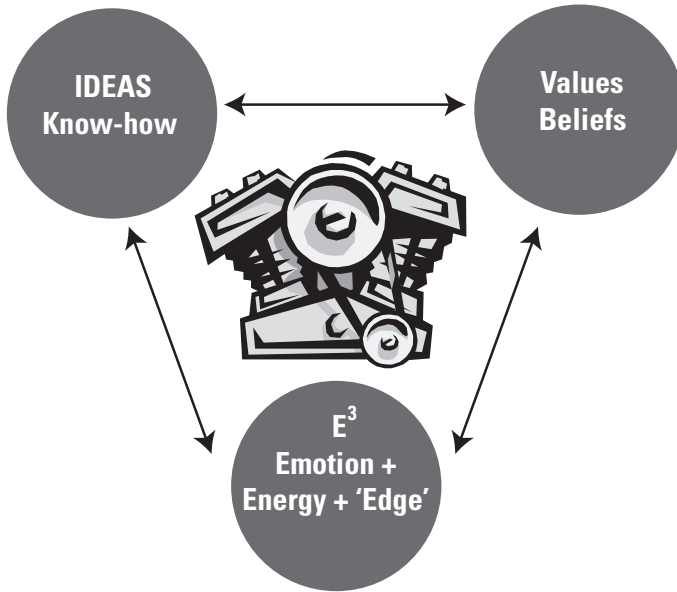


FIGURE 5: THE LEADERSHIP ENGINE

In more detail, the three essential components of Tichy's Leadership engine are:

1. **Leaders are responsible for ensuring that there are sufficient ideas and information flowing, that are relevant to the task on hand.** The leader's role may, variously, be to generate, stimulate, trigger, or foster new or fresh thinking on an issue, or problem. Leaders, themselves, are not the fount of all knowledge, but their task is to make sure that sufficient insight, intuition, logic and intellectual energy is made available to deal effectively with the challenges facing the team.
2. **In leading by example – 'walking the talk' – leaders provide a continual living demonstration of the values which represent the core culture of the team or group.** Day-to-day, through

integrity and consistency, their role is to define and exemplify what their group stands for and believes in.

In many cultures – including those which collectively constitute the British way of doing things – there can often be a fine and subtle line between integrity and pretentiousness. Usually those on the receiving end, sooner rather than later, distinguish the real thing from the inauthentic and spurious.

The third component is what Tichy defines as the E3 Factor. This, in turn, is made up of three elements:

- Emotion and drive to get the job done well.
- Energy and the ability to energize others and create energy and synergy where none existed previously.
- ‘Edge’ – which is the the ability to take necessary tough decisions and remain resolute and resilient, in conditions of adversity or high pressure. If leaders with ‘edge’ go down, they don’t stay down, but rather live by a philosophy of – ‘So, life gives you lemons – then make lemonade!’

In Tichy’s terms, ‘Edge’ represents the difference in leadership style between those who will win – and those who will lose, in today’s competitive world.

Leaders with edge give a business speed, decisiveness, boldness and ‘raw’ energy. Leadership edge can apply to decisions about where to invest time, money and resources, for optimum payback and where and how best to add value to the business.

Equally, edge may give the necessary reality to ‘people’ decisions, about individuals’ performance, jobs, roles, careers and futures.

Edge is the very opposite of what Arnold Toynbee described as the ‘*condition of ease*’ – in essence, a leadership ‘plateau’ of:

- lack of acuity, focus and sharpness

- Absence of a will to win
- Failure to recognize and respond effectively, in time, to critical challenges within their environment

As Tichy states – *“This is the ultimate failure of leadership...”*

4. Jim Collins

Author of the best-selling book, *Good to Great*, one-time McKinsey research analyst, former Stanford professor and proponent of the controversial ‘*first who... then what*’ principle, Jim Collins⁶ emerges as one of the most exciting and challenging of the current management gurus. His findings on leadership are as surprising as the conclusions that he came to about the ways in which ‘good’ companies achieve sustainable greatness and he has evolved from his extensive research, in over 1400 companies, what he defines as ‘*Level 5 leadership*’.

Working by logical, incremental steps, in a highly disciplined and focused way, Level 5 leaders look first to get the right people onboard – and in the right roles (and get rid of the wrong people) before they ask the question ‘*what?*’. In other words, their first priority is the right people and *then* they set the right direction. They are also consistent leaders with a strong sense of accountability and high ‘*say-do*’ credibility. Collins and his research team found that the so-called Level 5 leaders tended to work consistently and diligently, over considerable periods of time, at developing a ‘*flywheel*’ effect, to create ever-increasing momentum, in transforming their companies from good to great. Collins identified several more unusual, or unexpected, characteristics, among the ‘*good-to-great*’ leaders, including a readiness to confront brutal and often unpalatable facts, such as, for instance:

“We’re at least 20% over-manned in our manufacturing operations. Why?”

“The pace, nature and direction of transformation of this organization have overtaken the HR manager’s knowledge and competency levels and are way beyond her professional experience. There is no longer a place for her, in this seat, on this ‘bus’. We must find a replacement, within 3 months.”

“This supplier has successively taken us for a ride, for at least the last 18 months. As a result, we’ve incurred avoidable losses of over £350,000. How, precisely, did this happen?”

“Yield of first quality tiles, in production, has been running at around 73%, for the last 3 weeks, when it should have been consistently over 95%. What, exactly, do we need to do differently?”

Level 5 leaders focus just as much upon what they and the business need to STOP doing and what should be abandoned, as they do on what new practices and processes they need to adopt, in the interests of greatness. Shedding much loved brands, products and practices (often hallowed by little more than the passage of time) can be one of the toughest decisions that CEO’s and their Boards have to make. These, too, are the decisions that demand that leaders persist and don’t waver in the face of opposition and ridicule from those with vested interests in preserving the status quo.

Confronting hard reality and working through the ‘Stop doing’ list, moves a business closer to what Collins describes as the ‘Hedgehog Concept’ and, in turn, provides a further logical basis for necessary transformation. *Hedgehogs provide the analogy because of their ability to recognize the one big, critical factor facing them and so they are able to break down the complex, and multi-facetted, into a fundamental and focused single idea* (as opposed to foxes, who know a great many varied and small things and may diffuse and spread their efforts too widely). Most good-to-great leaders it seems, from Collins’ study, are ‘Hedgehogs’, rather than ‘Foxes’.

In the form of another ‘unholy trinity’ (figure 6) the Hedgehog Concept is best portrayed as three intersecting circles, representing much needed, disciplined thinking, in the form of three pivotal questions:

- What can we be best in the world at? (and, equally important – what can we not be best at?)
- What is the economic denominator that best drives our economic engine, e.g. profit per ‘x’?
- What are our core people deeply passionate about?

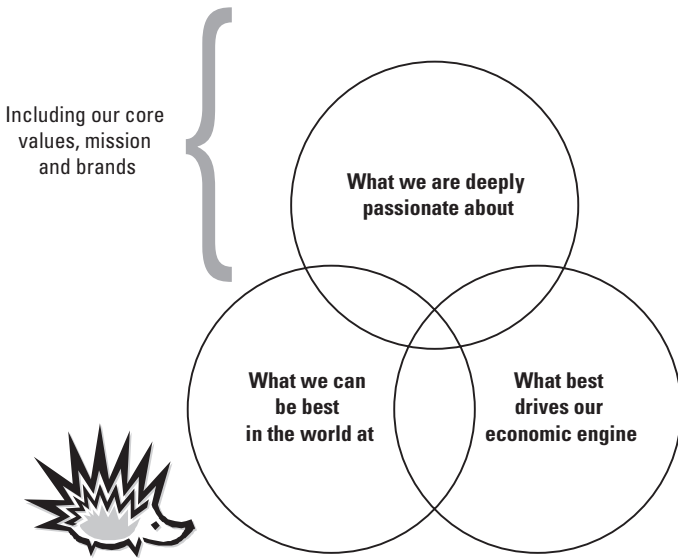


FIGURE 6: THE ‘HEDGEHOG CONCEPT’

Level 5 leaders, according to Collins’ study are essentially disciplined people who lead through an unusual combination of *professional drive* (strong focus on the business – not themselves) and *personal humility* (as opposed to arrogance and egotism).

Figure 7 sets out the interplay of the two characteristics which underpin the principal good-to-great leadership style and focus.

'GOOD-to-GREAT' – what makes the difference?		
'Level 5' Leaders lead by:		
PROFESSIONAL DRIVE	X	PERSONAL HUMILITY
Create outstanding results		Show compelling modesty
Demonstrate unwavering resolve		Act with quiet determination
Set and maintain standards		Channel ambition into the company
Assume responsibility for poor results		Credit others with success

FIGURE 7: 'LEVEL 5' LEADERSHIP STYLE

All of the above models and concepts, from John Adair's 'Action-centred Leadership' to Jim Collins' 'Level 5 Leadership', provide practical insights into the functions, roles and processes which, together, make up organizational leadership. Each one offers something that virtually everyone, in a leadership role within the business world, can use as a basis for developing and enhancing their own competencies and style, as a leader – especially if they are prepared to take on the challenges of becoming a better close-quarter leader.

Close-quarter leadership, both as a mindset and as a series of carefully-honed practices, is so-described because the process depends upon high leader awareness, focus and commitment to others' success. The parties involved, necessarily, become professionally engaged, as closely as possible, with very clear intended aims and outcomes, that might not otherwise be achievable, through more 'distant', less focused leadership.

Such styles of leadership are best developed by:

- Coaching by a competent, experienced close-quarter leader with specific results-based feedback.
- Bespoke – as opposed to general – leadership training, with participant and tutor feedback.
- ‘Reverse’ coaching, where team members, on the receiving end of the individual’s leadership, give him/her feedback and coaching on the felt impact of that leadership style.
- Regularly analyzed ‘incident-method’ self-review and feedback, facilitated, explored and constructively built upon by a trusted, credible third party.
- If and where available, appropriate role-models.

One problem is that there are, as yet, too few role-models of the kind needed to provide sufficiently credible examples, for others to follow and emulate.

The ‘classical’ leader role-models so often quoted – Mandela, Gandhi, Churchill, Richard Branson, Archie Norman, Lee Iacocca, or Jack Welch are all, in their differing ways, examples of great leaders. All are, or were, charismatic leadership icons on a grand scale – several of them being dynamic, larger-than-life personalities. A major factor with role-models is recognizing when such icons actively corrupt, or simply no longer *represent*, currently defining values, needs and realities. In other words, at which point – and why – would you cease to follow Hitler, General Custer, Napoleon, Ernest Shackleton, or even Winston Churchill?

Low-key ‘thinking’ leadership

As we saw in chapter one, however, currently emerging highly successful leaders, in the world of business, tend to operate in more low-key ways to achieve sustainable transformation and greatness, for their businesses. By and large, they don’t fit the outgoing, extravert stereotype of the traditionally accepted leadership role-model. They are leaders of a different ilk, creating new, *involving* operational environments, where the cultural, economic and social imperatives that determine leadership ability and style are changing dramatically – where the traditional critical leader message – “*Follow me and I will lead you to a better world...*” becomes re-defined as – “*Together, we will build a better world...*” Among their key directional competencies are:

1. The ability to reduce complexity to profound and manageable simplicity.
2. Strong, clear sense of necessary direction.
3. The ability to identify the real priorities for concerted action.
4. Resolute single-mindedness in the dedicated pursuit of those priorities.
5. The acuity to ask the sort of questions that will ignite necessary change and transformation.
6. High awareness and insight in their ability to mobilize and move others in the direction required.

Such leaders typically *act* like thinking people, while they *think* like action-oriented individuals, focusing strongly on the requisite goals and outcomes of the business – not their own image and personal standing. However, there are some disadvantages – even dangers – in low-key, ‘quiet’ leadership styles. Deflecting interest away from themselves and into the business can make a leader appear as colourless, devoid of charisma and lacking in personality. Communication skills – and the related demonstrable ability to inspire others – remain as essential elements of a leader’s expected repertoire of talents. Thus there is a fine line between *professional* low-

profile leader styles that *do* deliver – and acquiring a reputation as a ‘grey nonentity’ who collects the rewards, while others, of higher visibility, are assumed to be doing all the hard work.

In her very cogent article – on the UK’s more publicity-shy heroes, which appeared in the February 2004 edition of the Institute of Directors journal *Director* – Jane Simms⁷ identified some of Britain’s very successful ‘dark horse’ CEO’s and Chairmen who generally shun the limelight. Most appear to avoid becoming cult figures, or media personalities, and focus their energies and commitment in very targeted ways on the business. Her impressive list includes Terry Leahy, CEO of the highly successful Tesco Supermarket chain, CEO John Peace, whose Company GUS outperformed the FTSE All Share by 134%, since his appointment in 2000, Julian Richer, Chairman, Richer Sounds who is highly regarded by customers, investors and his own people alike and Rose Marie Bravo, CEO, Burberry, who has transformed an ailing brand the into a leading ‘must have’ fashion item, growing capitalization from £200 million to £1.4 billion, in just four years.

Maintaining a low profile and avoiding becoming an icon or symbol, when clearly successful and under public pressure to assume the role of a cult figure, may be difficult in the extreme. The City, the press – and business in general- want successful role-models and frequently add their own ‘colouring matter’ to make them appear larger than life. Manfred Kets de Vries, Professor of Leadership Development at INSEAD business school states – *“People project fantasies onto them and they become a walking symbol, which can be very hard to carry”*.

It is also very human and very natural to want to receive recognition and bouquets, in an age where brickbats and public criticism, often barely short of defamation, have become an established occupational hazard for CEO’s and other senior business leaders. ‘Good’ publicity, and cultivated leader ‘brand image’, can undoubtedly be good for the business and some low-profile leaders have been criticized for not projecting their personal profiles sufficiently, in the public interests of their companies.

Clearly, it is possible to lead effectively, in a low-key and very focused way, without unnecessary narcissistic ‘baggage’ contaminating the process and so taking the leader’s eye off the critical ball. Leahy, Peace, Richer, Bravo and many others, are living evidence of the success of understated, but exceptionally talented, high-achieving leaders. Collins’ research and Simms’ findings – about leaders and leadership – would seem to reaffirm, on both sides of the Atlantic, Alexander Pope’s adage:

“...Charms strike the sight, but merit wins the soul” – and, it would seem, ensures sustainable longer-term business success.

Experience and theory – a necessary synthesis

Nothing can entirely replace direct experience, as the most practical source of learning for leadership.

However, when a manager says – *“I’ve had 30 years’ experience of leading and managing...”* we need to know if those were 30 years in which the most important lessons were continually drawn, explored and learned from. Or – was it one year’s experience more or less repeated 30 times over?

Theory, which is relevant – *and which works* – lends context and perspective to experience and helps to provide critical links and insights which enhance, focus and give direction to learning. Moreover, theory may invest experience with a significance that otherwise might not be there.

As was stated in the Introduction to this book, leadership is currently one of the most discussed and yet least understood phenomena in the world of industry and business. The theories, constructs and models reviewed in this chapter are all offered as practical and essentially *complementary* tools for understanding more of the processes, skills and mindsets fundamental to sound leadership practice. Furthermore, used in conjunc-

tion, they provide insights into the *roles, functions and responsibilities* of leaders – and, therefore, some of the expectations people may legitimately hold of those who lead them. They are offered not as an ‘either-or’ selection of ideas, but as a collection of concepts and models which, together – and used selectively – provide a practical basis for *both progressive coaching and managed self-development*, for leaders

The first concept, John Adair’s **Action-centred leadership** model, emphasizes the importance of keeping in balance, the leader’s personal direction of effort between achieving task objectives, maintaining effective, aligned teamwork and mobilizing individual team members’ commitment.

Hersey and Blanchard’s **Situational leadership** model is based upon the leader’s need to recognize – *and respond appropriately to* – the degree to which those involved can and will successfully achieve the task objectives facing them. Thus the leader’s *style* needs to *match and complement* the functioning maturity of those being led.

Noel Tichy’s **Leadership engine** highlights the importance of the *leader’s contribution* to group performance, by generating/facilitating ideas and solutions, identifying and crystallizing necessary group values and, through what he terms the ‘E-3’ Factor, i.e. – leading with emotion (passion), energy and ‘edge’ (toughness).

The fourth model is that of Jim Collins, which he terms ‘**Level 5 leadership**’. According to Collins’ extensive research, Level 5 leaders are essentially low-key, but disciplined thinkers who are dedicated to making their businesses great. They succeed as leaders through a combination of *high professional drive aimed at outstanding delivery – and personal humility*. They give due praise to others for success and take the blame when things go wrong. Rather like the philosophy of Wellstream Northsea, manufacturers of high quality steel tubing for the oil industry, Level 5 leaders appear to lead by a personal code of – “*We commit. We deliver – and there are no excuses*”.

Currently, much of the most relevant research into leadership ‘best practice’ consistently identifies *strong directional sense*, with its attendant skills of acuity, focus and the ability to identify the real priorities, as a critical competency ‘cluster’ of successful leaders.

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