Leadership

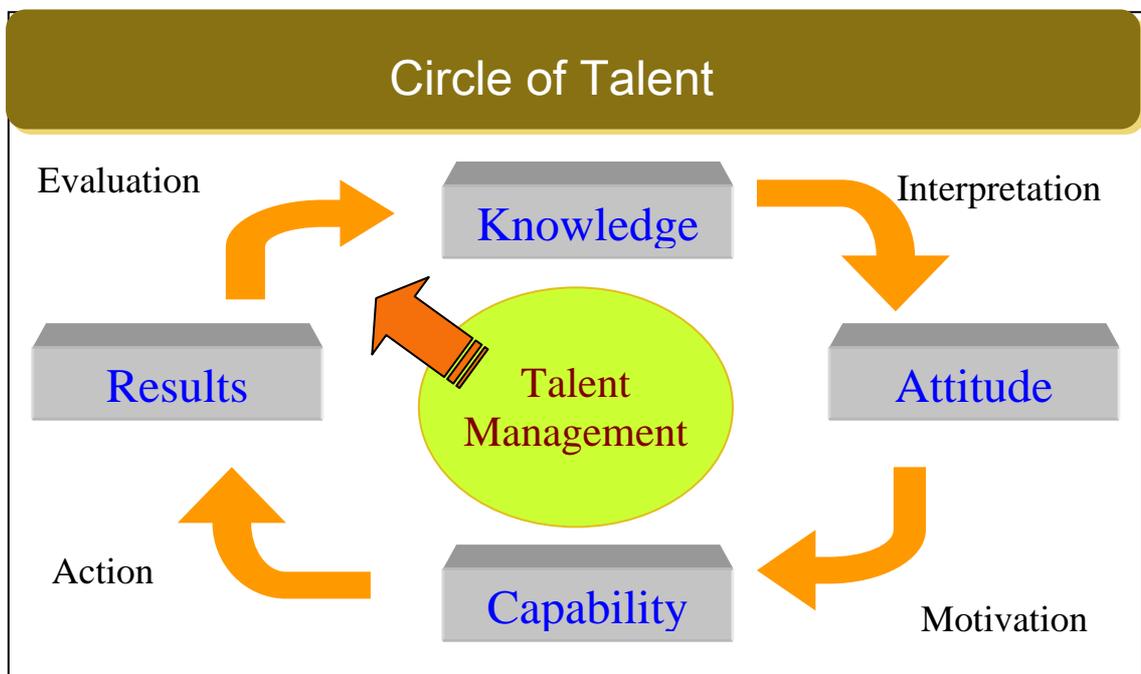## *Reason and Heart of leadership – Reflecting and Challenging your leadership Potential*

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1. Each person in an organisation undergoes a certain basic process with regard to the institution he belongs[1];

Circle of Talent

Evaluation — Knowledge — Interpretation — Attitude — Motivation — Capability — Action — Results — Talent Management

3.1 Each person in the organisation posses certain knowledge about the company and his job that will help him carry out his function in the company. This knowledge when put into practice within the organisation produces a conception of the employees role in the company – "who am I in this company". It is this conception that gives rise to the attitude the employee will have in the company and act as the source of motivation. This motivation will drive is aptitude or talent. The exercise of this talent

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[1] Ideas selected from Antonio Perez Lopez, Pablo Cardona and Pillar-Lombardia

will produce results. These results will be evaluated and in turn give new knowledge to reinforce or weaken the employees identity with the company. This process will give rise to the behaviour of the employee in the company.

3.2 Others factors that will affect the employees behaviour (attitudes and motivation) include;
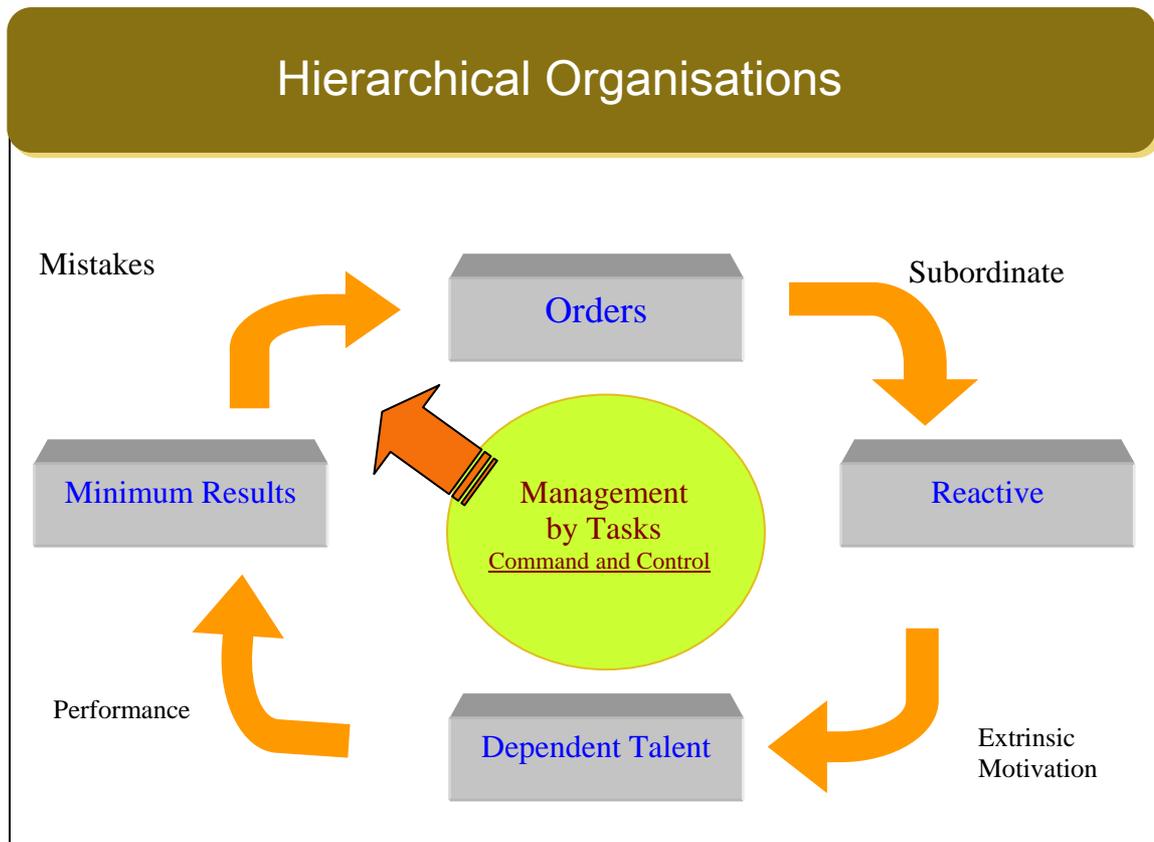
    3.2.1   The companies management system

    3.2.2   The management style

4   Historical Evolution of Organisational Structures

    4.1 The Hierarchical Organisation – Management by Tasks

This theory is founded the management techniques developed by Henry Fayol, Max Weber and Frederick Taylor. The hierarchy of the organisation is built around tasks. The task or job links the employee to the company. The job is a set of tasks that have to be accomplished for the company to realise its objectives.

Hierarchical Organisations

Mistakes

Orders

Subordinate

Minimum Results

Management
by Tasks
Command and Control

Reactive

Performance

Dependent Talent

Extrinsic
Motivation

4.2 The hierarchical structure has the following characteristics;

4.2.1 Forces the employees into a reactive position; perform task or go.

4.2.2 The motivation is exclusively extrinsic-Money or Force. He is not part of the company's objectives or does not contribute value nor make company's processes more efficient. He must understand orders.

4.2.3 High quality skill but low initiative – a dependent talent.

4.2.4 Employee evaluated according to the mistakes he makes.

4.2.5 Bureaucratic management style and its consequences are all the above.

4.2.6 Research has proven that this is not the most efficient when it comes to changing people or environment

4.2.7 Employee performs at minimum standards – Do what he is obliged to do by contract.

4.2.8 People must be assigned jobs and selection process translates into a search for profiles that match the characteristics and requirements of the job to be filled – defined by tasks.

4.2.9 The company therefore looks for only objective and quantifiable selection criteria tested by a variety of measures.

4.2.10 Rigid organisation, with strict control systems.

4.3 Nybo G. in his journal paper[2], concludes that overly detailed job descriptions have become less important and what is more important are more inter-functional profiles to offer flexibility. "Pyramid structures are being flattened, the emphasis is being placed on value creation, results are becoming more important than tasks, and boundaries between departments are being dissolved."

4.4 The Professional Organisation and Management by Objectives

4.4.1 Flattening organisation structure and simplifying procedures gives more organisational flexibility to adopt to change. Here the focus in on objectives.

4.4.2 The management style has evolved to delegation – empowerment. The employee no longer takes orders but knows the companies objectives. he becomes a professional facing a challenge.
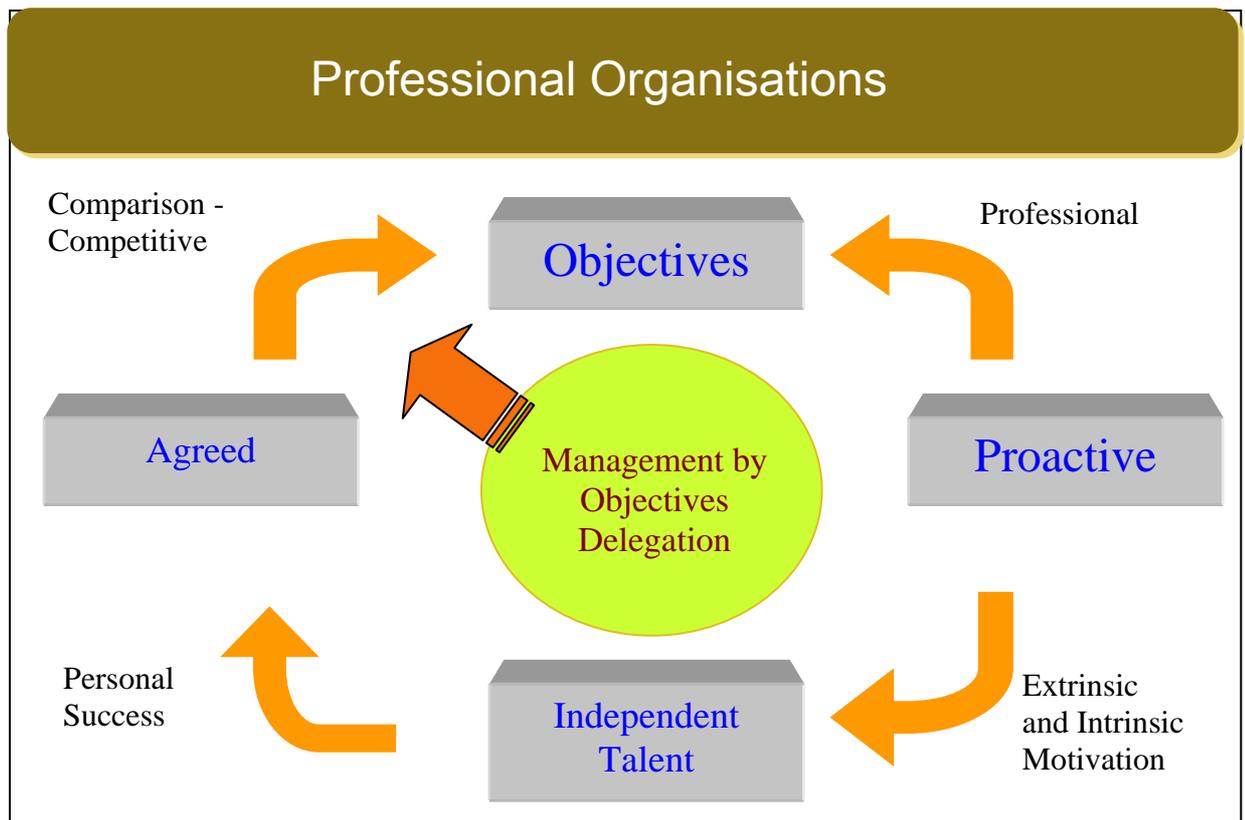
4.4.3 The employee becomes proactive! He shows initiative and adds value by his initiative.

4.4.4 The employee is more concerned than just to earn a wage or obtaining economic benefits.

4.4.5 He has concerns about his professional development.

[2] Nybo G *"Personnel Development for Dissolving Jobs: Towards a Competency-based approach?"*, International Journal of Human Resource Management, May 2004, vol 15, Issue 3.

4.4.6　The employee now has both extrinsic and intrinsic motivation.

4.4.7　He tries out new possibilities, can take risks and overcome difficulties. His talents become more independent in its origin and in its ends. The employee can pursue his own professional objectives.

Professional Organisations

Comparison - Competitive

Professional

Objectives

Management by Objectives Delegation

Agreed

Proactive

Personal Success

Independent Talent

Extrinsic and Intrinsic Motivation

4.4.8　A major step away from MBT. The employee is not a mere subordinate.

4.4.9　Employee has more freedom in designing and performing tasks that will enable him to achieve the objectives of the company.

4.4.10　The objectives define *what* he must do rather than the *how*.

4.4.11　The MBO produces a richer talent than the MBT structure.

4.4.12 The company and the employee engage in a more competitive relation and very often among the employees themselves.

4.4.13 That gives multiple inefficiencies when it comes to setting and accomplishing goals, with bargaining and even cheating to meet objectives.

4.4.14 The defensive attitude becomes more apparent the more aggressive the objectives are.

4.5 The Competent Company – Management by Competencies

4.5.1 Limitations of MBO have become apparent. Lawler[3], advocates that in a changing environment, knowing, analysing and managing competencies of the companies members is more appropriate than any other method in the sense that, in a competitive and changing global environment, knowing, analysing and managing the competencies of company's members is more appropriate because it gives a more realistic picture of the company's real human capital…It is possible to establish an organisational framework in which tasks are made to fit the people, depending of the competency profile of each person working in the organisation.

4.5.2 To do this the crux is to use the company's mission! Hence, the most important process in the formal organisation, such as promotion, scouting for talent, selection, or training, revolve around and are articulated by the mission.

4.5.3 The Company's mission gives shape to the company's identity; i.e. what the company desires to be through the coordinated actions of its members and all those who collaborate with it.

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[3] Lawler EE., "From Job-based to competency-based organisations", Journal of organisational behaviour, 1994, Vol 15, Issue 1.

4.5.4   The strategy and objectives must be known and shared to lead to the coordinated effort towards the mission or goal of the company.

4.5.5   The employee not only knows the objectives but also the ultimate purpose of the company. The employee becomes a member of 'a team with a mission to accomplish'.[4]

4.5.6   The employee's attitude is one of cooperation. More than just proactive, the employee puts all his energy and initiative to achieve the mission, in cooperation with the whole.

4.5.7   In a Competent organisation, there is extrinsic motivation (salary, etc), intrinsic motivation (professional development) and;

4.5.8   **Transcendent Motivation**; which is the satisfaction that an employee feels for contributing to the company's mission and objectives.

4.5.9   He internalises the goal of improving the organisation through his work performance. No private objectives, but rather to meet the organisations needs at any moment.

4.5.10   The mutual needs among the different part of the organisation are known as interdependencies. The organisation develops an interdependent talent.

4.5.11   This is the talent that attends to the needs of the whole and takes those needs into account when making decisions.

4.5.12   This is a more complex and a more effective talent than the purely independent one and requires transcendent motivation.

4.5.13   MBC complements MBO, by adding information on how the objectives are to be accomplished. The competencies are then

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[4] Cardona, P et al., 'How to Develop Leadership Competencies', October, 2005: Eunsa: Pamplona; Pp. 23.

to reflect the company's mission and values. Otherwise the objectives can be seen as arbitrary.

4.5.14   The Leader in this organisation is required to support the subordinate's development and work performance. This is what has become known as *coaching* or mentoring. The manager must also take an interest in their professional development.

4.5.15   The competency system is a tool that greatly facilitates that role by defining the competencies required in each case, describes them in real terms, evaluates them for each employee, and focuses the training effort. Managers are ultimately responsible for the training of their subordinates.

Professional Organisations

Contribution and development

Team member

Missions

Maximum

Management by Competencies

Cooperative

Organisations Improvement

Interdependent Talent

Extrinsic, Intrinsic and Transcendent Motivation

4.6 The situation today is that most companies are still closer to MBT.[5]

4.7 Any move to MBC will need a change in the corporate culture and mentality.

4.8 Otto Walter, in 2003 carried out an empirical study on what are the most common complaints brought up by employees against their bosses. The responses to the question "What are your boss's most common negative behaviours" are indicated below:

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[5] Ibid. pp. 24

Behaviours	%		%
Lack of Respect	49.33	**Not honouring commitments**	21.56
Arrogance	37.47	**Not communicating**	21.29
Not listening	30.32	**Unfairness**	19.54
Being incompetent	28.98	**Being deceitful**	18.46
Not supporting the team	28.17	**Stealing the glory**	17.79
Being aloof and unsympathetic	25.61	**Being distrustful**	17.12
Lack of involvement	24.66	**Lack of courage**	14.69
Failure to keep control	24.66	**Lack of clear objectives**	13.34
Authoritarian	24.26	Not respecting working hours	10.11

Source: Cardona and Garcia- Lombardia: How to Develop Leadership competencies

4.9 In 2001, IESE carried out a study to find out which management competencies companies valued most when hiring managers:

	Competencies		Competencies
1.	Customer orientation	6.	Communication
2.	Leadership	7.	Business Vision
3.	Integrity	8.	Learning
4.	Initiative	9.	Decision making
5.	Team work	10.	Organisation vision