

SOLUTIONS MANUAL



The Art of Leadership

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PART TWO—The Power of Vision

Major Purposes of Part Two

Part Two focuses on three important subjects—the power of vision, the motive to lead, and organizational climate.

Part Two Objectives

After completing Part Two, your students should be able to better understand:

- The importance of vision for leadership success;
- The leadership qualities needed for steering organizations through periods of change;
- Strategies for successful leadership;
- Motives for assuming the challenge of leadership;
- The importance of organizational climate; and
- The ethical climates of organizations—profit maximizing, trusteeship, and quality of life management.

NOTES AND ANECDOTES

Strategies For Successful Leadership

There are many models of what it takes to be a good leader. Thomas Neff and James Citrin provide one that is based on extensive polling, financial analysis, and structured interviews. In their 1999 book *Lessons from the Top*, they identify seven strategies for effective leadership. Leaders at all levels of responsibility in all types of organizations can use these strategies to succeed.¹

- **Create a vision.** A successful leader goes to the company's roots, builds on the things the organization does best, and develops a winning plan.
 - **Build a great team.** Great leaders surround themselves with people whose skills and experiences complement their own, and whose passion, attitudes, and values are closely matched to theirs.
 - **Inspire employees to greatness.** Communicate continuously, listen carefully, and genuinely tolerate failure as a learning experience.
 - **Create a flexible, responsive organization.** The best leaders design their organizations to make sure decisions can be made fast.
 - **Use reinforcing reward systems.** Make recognition and compensation consistent with achieving the mission, living the values, and executing the strategy of the organization.
 - **Retain top performers.** Have good perks, memberships, stock options, and other incentives so top performers won't leave.
 - **Lead with integrity.** Integrity builds trust in leaders that is critical for high performing organizations.
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NOTES AND ANECDOTES

In 2004 Wal-Mart Stores, Inc. published a vision statement identifying 3 basic values and core beliefs of the company.

- **Respect for the Individual**
“ ‘Our people make the difference’ is not a meaningless slogan – it’s a reality at Wal-Mart. We are a group of dedicated, hardworking, ordinary people who have teamed together to accomplish extraordinary things. We have very different backgrounds, different colors and different beliefs, but we do believe that every individual deserves to be treated with respect and dignity.”

Don Soderquist
Senior Vice Chairman, Wal-Mart Stores, Inc. (retired)

- Service to Our Customers
We want our customers to trust in our pricing philosophy and to always be able to find the lowest prices with the best possible service. We're nothing without our customers.

"Wal-Mart's culture has always stressed the importance of Customer Service. Our Associate base across the country is as diverse as the communities in which we have Wal-Mart stores. This allows us to provide the Customer Service expected from each individual customer that walks into our stores."

Tom Coughlin,
Vice Chairman, Wal-Mart Stores, Inc.

- Strive for Excellence
New ideas and goals make us reach further than ever before. We try to find new and innovative ways to push our boundaries and constantly improve.

"Sam was never satisfied that prices were as low as they needed to be or that our product's quality was as high as they deserved – he believed in the concept of striving for excellence before it became a fashionable concept."

Lee Scott,
President and Chief Executive Officer of Wal-Mart Stores, Inc.

Source: 2004 Wal-Mart Stores; www.wal-mart.com

NOTES AND ANECDOTES

Max DePree, management author and retired chairman of Herman Miller, Inc., writes, "Healthy companies come from healthy leaders." Just as one takes a physical exam to evaluate personal health, so can the leader take a Leadership Physical to evaluate leadership performance. The occasional checkup can be used to reveal strengths and areas for improvement.²

Approximately 500 years ago, Niccoló Machiavelli wrote in his classic book *The Prince* that a leader should discourage unrequested advice, but he went on to say that a great leader is a great asker and a patient hearer of the truth. Once a year, the caring leader should visit with someone who understands leadership, knows his condition, and can provide objective evaluation and prescription for good leadership performance.

The following exercise includes a *brain scan*, *heart check-up*, and *fitness test* to evaluate leadership performance. Current status is less important than what the leader does with the data. What steps are taken to stay great or improve? ³

EXERCISE 2.1: LEADERSHIP PHYSICAL

Complete the following evaluation of leadership performance. Evaluate the performance of yourself or someone you know in a position of leadership. Respond to each question by placing a number from 1 to 15 (1 is low, 15 is high). Also include evidence to support your opinion and suggestions (Rx) to improve.

BRAIN SCAN: SETTING DIRECTION

By creating a vision and a strategy to succeed, the leader gains the *respect* and *confidence* of followers.

Does the leader

Chart the correct course?	<input type="checkbox"/> needs improvement 1-5	<input type="checkbox"/> acceptable 6-10	<input type="checkbox"/> a current strength 11-15
Demonstrate good judgment?	<input type="checkbox"/> needs improvement 1-5	<input type="checkbox"/> acceptable 6-10	<input type="checkbox"/> a current strength 11-15
Solve problems effectively?	<input type="checkbox"/> needs improvement 1-5	<input type="checkbox"/> acceptable 6-10	<input type="checkbox"/> a current strength 11-15

Cite evidence to support your opinion:

Make suggestions (Rx) to improve performance:

EXERCISE 2.1: LEADERSHIP PHYSICAL (continued)

HEART CHECKUP: CARING ABOUT PEOPLE

By showing consideration for others, the leader gains the *trust* and *loyalty* of followers.

Does the leader:

Show respect for all people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Serve the interests of others?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Follow the golden rule?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	needs improvement 1-5	acceptable 6-10	a current strength 11-15

Cite evidence to support your opinion:

Make suggestions (Rx) to improve performance:

EXERCISE 2.1: LEADERSHIP PHYSICAL (continued)

FITNESS TEST: ACHIEVING RESULTS

Through attention to detail and persistent hard work, the leader gains *credibility* and the *support* of followers.

Does the leader:

Keep job knowledge current?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Stay focused on the task?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Have stamina to succeed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	needs improvement 1-5	acceptable 6-10	a current strength 11-15

Cite evidence to support your opinion:

Make suggestions (Rx) to improve performance:

Summary Scores and Interpretation

- Scores 9 - 53 = Needs improvement in leadership performance
- Scores 54 - 90 = Acceptable leadership performance
- Scores 91 - 135 = Current strength in leadership performance

Any item rated 1-5 should be addressed and improved for leadership success.

Prouds and Sorries

Today Company/Organization		
Organizational Elements	Prouds	Sorries
People	_____ _____ _____	_____ _____ _____
Products	_____ _____ _____	_____ _____ _____
Policies	_____ _____ _____	_____ _____ _____
Processes	_____ _____ _____	_____ _____ _____
Practices	_____ _____ _____	_____ _____ _____
etc.	_____ _____ _____	_____ _____ _____

Planning Guide (continued)

**Broad Goals to Achieve the Mission
(Enduring Intentions to Act)**

1. _____

2. _____

3. _____

4. _____

5. _____

– Vision –

Planning Guide (continued)

**Core Values
(To Measure the Rightness and Wrongness of Policies and Action)**

- _____

- _____

- _____

– Vision –

Planning Guide (continued)

**Stakeholders and Benefits
(What It Will Mean to Achieve the Vision)**

Customers/Clients:

- _____
- _____
- _____
- _____

Employees/Members:

- _____
- _____
- _____
- _____

Owners/Managers:

- _____
- _____
- _____
- _____

Society:

- _____
- _____
- _____
- _____

Others:

- _____
- _____
- _____
- _____

- Vision -

Planning Guide (continued)

**SWOT Analysis
(Environmental Scan)**

Strengths:

- _____

Weaknesses:

- _____

Opportunities:

- _____

Threats:

- _____

– Strategic Planning –

Planning Guide (continued)

Strategic Initiatives
(Strategic, Measurable, Action-Oriented, Realistic, Timely Objectives)

Short – term:

- _____
- _____
- _____
- _____

Intermediate:

- _____
- _____
- _____
- _____

Long – term:

- _____
- _____
- _____
- _____

– Strategic Planning –

Planning Guide (continued)

CRITICAL SUCCESS FACTORS (What Great Performance Looks Like)	
1)	
2)	
3)	
4)	
5)	
6)	
– Strategic Planning –	

Planning Guide (continued)

Specific Assignments (Projects and Activities)		
Individual or Unit A	Current	New
_____	_____	_____
_____	_____	_____
_____	_____	_____
Individual or Unit B	Current	New
_____	_____	_____
_____	_____	_____
_____	_____	_____
Individual or Unit C	Current	New
_____	_____	_____
_____	_____	_____
_____	_____	_____
Individual or Unit D	Current	New
_____	_____	_____
_____	_____	_____
_____	_____	_____
Individual or Unit E	Current	New
_____	_____	_____
_____	_____	_____
_____	_____	_____
Individual or Unit F	Current	New
_____	_____	_____
_____	_____	_____
_____	_____	_____

– Tactical Planning –

Φ APPLICATION
The Importance of Vision

Consider the Credo of Johnson & Johnson

We believe our first responsibility is to the doctors, nurses, and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security on their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens—support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholder. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

Assignment: Discuss the importance of having a vision for organization success, and use true-life examples to support their views.

Φ APPLICATION

What Makes A Good Business Plan

Prepare a business plan, approximately 5 pages

1. An executive summary (3 or 4 paragraphs)
 - Description of the company/organization – what it is, it's size, it's growth (future plan)
 - Current stage of development – 2 or 3 strengths, 1 or 2 accomplishments
 - Makeup and status of senior management team – number, experience, chart
2. A marketing section (3 or 4 paragraphs)
 - Information on the industry the company/organization is competing in – trends, profit potential
 - Marketing plan – customer/client profile; market needs; geographic analysis of market
 - Analysis of how and why the company/organization's marketing efforts are different from competitors', especially unique strengths
3. A products and services section (3 or 4 paragraphs)
 - Description of product or service and where it is in life cycle (new or mature)
 - Future product research and development efforts
 - The status of copyright or patent applications
4. A manufacturing/production and distribution section (3 or 4 paragraphs)
 - Description of the logistics of manufacturing/production process
 - Current manufacturing/production capacity and percentage of use
 - Description of the distribution system
5. A financial information section (3 or 4 paragraphs)
 - financial statements for current year and three previous years, if applicable (Appendix)
 - Financial projections for the next three to five years (including basis assumptions for sales, cost of sales, cash flow, balance sheets and key statistics such as current ratios, debt/equity ratio, and inventory turnovers)

Part 02 - The Power of Vision

- Listing of current lawsuits filed by or against the company/organization

A good business plan is readable, interesting, complete, and to the point (approximately 5 pages, plus appropriate appendices). Appendices can include division/department action plans, financial and other supporting data, time line of projected goals and activities.

DISCUSSION QUESTION AND ACTIVITIES

To personalize the subject of *the power of vision*, ask your students to consider questions such as these:

1. Discuss the power of vision as it relates to leadership effectiveness.
2. How does Martin Luther King, Jr. evoke his vision of what could and should be in his famous "I Have a Dream" speech? Has our American society achieved this ideal dream?
3. What forces—people and events—have influenced current attitudes toward leadership in the American workplace?

¹ Thomas J. Neff and James Citrin, *Lessons from the Top: In Search of the Best Business Leaders* (London: Penguin, 2000).

² Max DePree, *Leadership Is an Art* (New York: Doubleday, 1989); and Harold J. Leavitt, *Managerial Psychology* (Chicago: University of Chicago Press, 1964).

³ Robert Rosen and Lisa Burger, *The Healthy Company: Eight Strategies to Develop People, Productivity, and Profits* (New York: Putnam, 1992); Harold J. Leavitt, *Corporate Pathfinders* (Homewood IL: Dow Jones-Irwin, 1986); Garry Wills, *Certain Trumpets: The Call of Leaders* (New York: Simon & Schuster, 1994); and Frances Hesselbein, Marshall Goldsmith, and Richard Beckhard, *The Leader of the Future* (San Francisco: Jossey Bass, 1996).