

# **Leadership**

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Conference**

**Gene Easley, Ph.D.  
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# 4 Popular Myths About Leadership

- Everyone can be a leader
  - Not true
- Leaders deliver business results
  - Not always
- People who get to the top are leaders
  - Not necessarily
- Leaders are great coaches
  - Rarely

# Warren Bennis on Leadership

“A **leader** knows what he/she wants, **communicates** those intentions successfully, **empowers** others, and knows when and how to **stay on course** and **when to change**”

(Bennis: University of So. Calif.)

# Prime Qualities of Leadership Character

1. **Self-confidence**
2. Willingness to accept **Responsibility**
3. **Patience** (to listen & being a good listener)
4. **Empathy** (toward others, especially subordinates)
5. Ability to live with **Imperfect Solutions**
6. **Balanced view** of his/her **motivations, abilities, and limitations**

# Importance of Self-Confidence

- **Self-confidence** forms the core of managerial/leadership character
- **Good leadership character** is an absolute necessity in order to be an effective leader
- **Developing and improving self-confidence is a continuous process**

# 7 Attributes Essential to Leadership

(Warren Bennis, USC)

1. **Technical competence** (in one's field)
2. **Conceptual skill** (strategic thinking)
3. **Track record** (history of achieving results)
4. **People skills** (ability to communicate, motivate and delegate)
5. **Taste** (ability to identify & cultivate talent)
6. **Judgment** (making difficult decisions timely with imperfect data)
7. **Character** (qualities who define who we are)

# **Personal Characteristics of Effective CEO's/General Managers\***

- 1. Ambitious**
- 2. Achievement oriented**
- 3. Comfortable with power**
- 4. Emotionally stable**
- 5. Temperamentally optimistic**
- 6. Above average intelligence, but not brilliant**
- 7. Moderately strong analytically**
- 8. Intuitively strong**
- 9. Personable**
- 10. Very knowledgeable about their businesses and organizations**
- 11. Very knowledgeable about their industry**

**\*(Based on study of CEO's and GM's of major co's by Harvard Business School)**

# Practices of the Effective Executive

(Peter Drucker)

1. Managing your **time**
2. Focusing your efforts on making **contributions**
3. Concentrating your efforts on those **tasks** that are **most important** to **contributions**
4. Making your **strengths productive**
5. Making **effective decisions**

# What Makes an Effective Executive

(Based on Drucker's 65-year Consulting Career)

- **Effective Executives ask:**
  1. What needs to be done?
  2. What is right for the enterprise?
- **Effective Executives:**
  3. Develop action plans
  4. Take responsibility for their decisions
  5. Take responsibility for communicating
  6. Are focused on opportunities rather than problems
  7. Run productive meetings
  8. They think and say “we” rather “I”

# What Good Leaders Do

1. Good leaders ask **“What Business should we be in?”** and they revisit that question often
2. Good leaders **know what their business model should be—opportunities & threats**
3. Good leaders **know their competitors—their competitors strengths and weaknesses—** and Good leaders **know their competitors as well as they know their own company**
4. Good leaders are always concerned about their co’s **competitive advantage and how to SUSTAIN their competitive advantage**
5. Most importantly, **good leaders know what their customers want**

# **The 8-Stage Process of Creating Major Change**

**(John Kotter—Harvard Business School)**

- 1. Establishing a Sense of Urgency**
- 2. Creating the Guiding Coalition**
- 3. Developing a Vision and Strategy**
- 4. Communicating the Change Vision**
- 5. Empowering Broad-Based Action**
- 6. Generating Short-Term Wins**
- 7. Consolidating Gains and Producing More Change**
- 8. Anchoring New Approaches in the Culture**

# 1. Establishing a Sense of Urgency

- Examining the market and competitive realities
  - Where is our firm in relation to the competition?
  - What is the market outlook for the future
- Identifying and discussing crises, potential crises, or major opportunities
- **DON'T BE COMPLACENT**

# Complacency

- **Success brings about complacency**
  - Good Revenue, good profits, good market share
- Successful firms should always have a **sense of urgency**
  - e.g., Wal-Mart, Toyota, Microsoft, etc. are very successful, but have a sense of urgency—to maintain market-share, improve earnings, improve competitive advantage (WM relentless pursues cost reductions with suppliers, etc.)
  - Successful firms pursuing government business should have a sense of urgency to understand the customer's requirements—not what you think they should have

# Why Study Jack Welch?

- 20 years tenure as CEO of General Electric—one of the longest for a Fortune 500 company
- Mr. Welch did an excellent job of managing and growing a highly diversified and global firm
- He did a superb job of mentoring and coaching leaders—one of which was his own successor (Jeff Immelt) and the now ex-CEO of Home Depot (Robert Nardelli), and CEO of The Boeing Company (Jim McNerney—went from GE to 3M to Boeing)
- Mr. Welch established the “template” for the modern CEO in America

# Welch on Being a CEO

1. Self-Confidence
2. Integrity
3. Setting the Tone
  - The organization takes its cue from the person at top
  - Personal intensity of the Leader determines org's intensity
4. Maximizing an Organization's Intellect
  - Taking everyone's best ideas and transferring them to others
5. People First, Strategy Second
6. Informality (in organizations vs. bureaucracy)

# Welch on Being a CEO Cont'd

- Passion (by everyone)
- Stretch Goals
- Celebrations
- Appraisals all the time
- Competitors
- The Communicator
- Employee Surveys
- Your Back Room is Somebody Else's Front Room

# Jack Welch: What Leaders Do

1. Leaders relentlessly upgrade their team. They evaluate, coach, and build self-confidence.
2. Leaders make sure people not only see the vision, they live & breath it.
3. Leaders get into everyone's skin, exuding positive energy & optimism.
4. Leaders establish trust with candor, transparency, & credit.
5. Leaders have the courage to make unpopular decisions and gut calls.
6. Leaders probe and push with a curiosity that borders on skepticism, making sure their questions are answered with action.
7. Leaders inspire risk taking & learning by setting the example.
8. Leaders celebrate.

# 4 E's of GE Leadership

(Jack Welch)

1. Very high **Energy** levels
  2. The ability to **Energize** others around goals
  3. The **Edge** to make tough yes-and-no decisions
  4. The ability to consistently **Execute** and deliver on their promises
- Welch says the 4 E's are connected with one P—**Passion**

# Drucker's Influence on Jack Welch

- When Welch became CEO of GE, Drucker posed two questions that changed the course of Welch's tenure as CEO of GE
  - **“If you weren't already in a business, would you enter it today?”**
  - **“If the answer is no, what are you going to do about it?”**
- Those questions led Welch to his first big transformative idea: “That every business under GE's umbrella had to be either No. 1 or No. 2 in its class.”—if not, the business had to be fixed, sold, or closed.
- The **two questions became GE's core strategy** to help Welch re-make GE into one of the most successful American corporations

# Welch on Ranking Employees

- Differentiation by the “Vitality Curve”
  - The Top 20 (A players)
  - The Vital 70 (B players)
  - The Bottom 10 (C Players)
- It’s the Passion that separates the As from Bs
  - Bs are the heart of the company and GE tries to make them As
  - Some Bs can be As but every B player does not have the ambition to go further
- Cs are the procrastinators and usually don’t deliver
  - You can’t waste time on them—need to be redeployed

# A Manager's Obligation

- Each supervisor/manager/leader has an obligation to create an environment that provides for the subordinate employees and organizations to perform at their best
- Manager/leader should help people develop self-confidence
- The best leaders coach and develop talent
- Good leaders are secure people, not afraid to share knowledge with their subordinates, peers, and superiors

# How Can You Improve Your Leadership Skills?

- **If you are not as self-confident as you should be, work on it**
- **Get out of your comfort zone. Good salary, non-challenging job or non-stretch jobs can keep you in your comfort zone. If you stay in your comfort too long, you may never get out. You will be unhappy and your contributions will be sorely lacking**
- **If you are a manager and in your comfort zone, odds are that you are not nearly as good a manager as you could be—and you are probably not a leader—your subordinates deserve more—your firm or organization deserves more.**
- **Don't bad-mouth your management even if you could lead better than he or she can. And be loyal.**<sup>22</sup>