



The Third Dimension of Quality leadership **By John P. Leach**

Two major functions of leaders are generally accepted in management literature and leadership studies (Lippitt, 1961, pp. 9-10; Johnson, 1970, p. 129). One is to achieve group goals. This requires a leader to develop a vision of the future and create innovative strategies to achieve that vision. In this regard, the leader is a visionary and a change agent.

The second function of a leader is to maintain and strengthen the group in order to improve its stability and ensure satisfaction of individual members. In this regard, the leader is a stabilizer and model of behavior. The paradox is that a leader is viewed both as a change agent and as a group stabilizer. Reconciling the two is the criterion of an effective leader.

There is a third function of a good quality leader. This dimension of leadership is seldom found in research studies and is the dimension least frequently practiced. This third function is based on the most fundamental and most recurrent theme in leadership literature, and that is the concept of influence. Influence and leadership are not necessarily equated, yet the capacity to produce effects on others is presumed. If one has the power to affect the values, beliefs, thoughts, feelings, and the quality of the actions of others; this power must carry with it a moral obligation.

Competition in the global market continues to grow. Organization leaders continue to search for the competitive edge. Michael E. Porter (2003), a Harvard Business School professor and a leading authority on competition, claims: "Today's dynamic markets and technologies have called into question the sustainability of competitive advantage. Under pressure to improve productivity, quality, and speed in the past, managers have embraced tools such as TQM, benchmarking, and re-engineering. Dramatic operational improvements have resulted, but rarely have these gains translated into sustainable profitability....As managers push to improve on all fronts, they move further away from viable competitive positions" (Porter, 2003). There is one competitive advantage to reach sustained profitability in the 21st century. And that is to be found in the third dimension of leadership, positive influence.

Now, standards of quality found in ISO and Six Sigma ® programs are also crucial to business leadership models. Leadership skills need to be updated, consciously pursued and studied in order to maintain the highest quality of workplace productivity. Interpersonal Skills develop



positive influence and were so often looked at in terms of secondary importance in the past, but have now become a recognized asset that gives companies critical competitive advantage.

The Business of Business Is People

Leadership studies over the centuries have not yet developed a precise, universally accepted definition of the concept of leadership. They have, however, repeatedly shown aspects of a quality leader's relationship with his or her followers:

- Leadership is dependent on followers.
- Leadership takes place in a social system.
- Leaders function in a human context.

The implication is that production, performance, and profits are the outcome of people, their actions, and their relationships. Customers, employees, suppliers, strategic partners, and shareholders are but classifications of people. The continued belief that business models, strategies, organizational structures, policies and procedures are based on monetary capital and material resources is a mind-set carried over from the defunct Industrial Age.

Organizations are made up of human beings doing human things with and for other human beings. People are capital, and information, knowledge, and learning are resources in our new Information and Knowledge Age. People are assets. Human knowledge, relationships, and learning form the basis for high production, high performance, and high profits. The business of business is to optimize human behavior and human relationships in the 21st century.

Followers look up for guidance. The collective morality and ethics of a group is the product of the character and principled behavior of its leader. Steven Covey (1989) puts it this way:

If...my character is fundamentally flawed, marked by duplicity and insincerity—then, in the long run, I cannot be successful. My duplicity will breed distrust, and everything I do...will be perceived as manipulative. It simply makes no difference how good the rhetoric is or even how good the intentions are....In the last analysis, what we are communicates far more eloquently than anything we say or do (pp. 21-22).

Followers imitate their leaders. Unprincipled behavior by the leader leads to unethical behavior of the followers. There is little difference between an Adolph Hitler and a Mahatma Gandhi except the personal character of each. Unethical leaders are not true leaders. They are misleaders. They mislead their followers. Poor quality leadership equals a poor quality company.



Unethical practices by leaders create unnecessary and unwanted problems. Some examples are increased litigation, government regulation, whistle-blowing, criminal indictments, watchdog organizations, activist groups, and labor strife. Such problems bleed time, energy, and resources. In the long term, they reduce production, performance, and profits. McFarland (1994) and co-authors sum it up like this: “The only way we can believe in our leaders is if they display impeccable integrity and tell the truth consistently. A healthy culture—with ethics and integrity as its foundation—provides an environment where people believe in their leaders, believe in their worlds, and believe in the organization...” (p. 119).

The 21st Century Competitive Advantage

A competitive advantage is all about being different. In the 21st century leaders who base business models on principled behavior are different. Organizations built on honesty and integrity gain reputations that sharply differentiate them from other organizations. A good quality reputation attracts and creates long term relationships among shareholders, customers, employees, suppliers, and strategic partners. Bringing “...out the best in employees and executive is not just smart business—it’s also an obligation of leadership” (Fast Company, June 2003, p. 18). The collective integrity of the workforce brings a synergy to an organization’s productivity, performance, and profitability.

Summary

The third dimension of quality leaders is to create an ethical and principle-centered organization of people. Dick DeVos, President of Amway, observes: “Putting principle above matter can mean short-term losses or letting an opportunity slip by.” Yet he believes that, “...in the long run the principle-centered organization not only builds a good reputation; it reaps greater profits (DeVos, 1997, p. 37).

Ethical behavior cannot be delegated. It can only be inspired by a leader’s exemplary behavior. The competitive advantage is not something that a leader will find “out there someplace”. It is very personal. It lies within you.