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.

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 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.

- 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.

In 2004 Wal-Mart Stores, Inc. published a vision statement identifying 3 basic values and core beliefs of the company. These are analogous to IBM's 3 core values.

• 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

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.

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?

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?	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Demonstrate good judgment?	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Solve problems effectively?	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Cite evidence to support your	opinion:		
Make suggestions (Rx) to impr	ove 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 <i>leader</i> :			
Show respect for all people?			
	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Serve the interests of others?			
	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Follow the golden rule?			
	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Cite evidence to support your	opinion:		
Make suggestions (Rx) to imp	prove 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 <i>leader</i> :			
Keep job knowledge current?			
	needs improvement 1-5	acceptable	a current strength 11-15
Stay focused on the task?			
	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Have stamina to succeed?			
	needs improvement 1-5	acceptable 6-10	a current strength 11-15
Cite evidence to support you	ur opinion:		
Make suggestions (Rx) to in	mprove 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.

NOTES AND ANECDOTES

ORGANIZATIONS IN PROGRESS

Figure 2-1 shows five phases in the life of an organization. Each phase includes a period of evolution when growth takes place and a period of revolution when crisis threatens the continued development and possibly the existence of the organization.

The following is a description of the typical periods of growth and crisis for each of the five phases:

- Phase 1: Growth through Creativity. In its earliest period, an organization's activities are usually centered around the development of products and markets. Top leadership is devoted to these goals. Communication between leaders and followers is frequent and informal. People may work long hours for low pay in anticipation of future benefits.
 - *Crisis of Leadership.* As the organization grows, it becomes increasingly difficult to handle the rapidly swelling staff using the old, informal methods. Leaders become overworked and harried by administrative details. A "crisis of leadership" leads to the first revolution. Founders, frequently incapable or unwilling to change habits and styles, may have to step aside in favor of individuals who can focus and organize the organization's activities.
- Phase 2: Growth through Direction. Under strong and capable organizers, the
 organization may experience a period of sustained growth. A functional structure is
 introduced. Accounting systems, budgets, and personnel policies are adopted.
 Communication becomes more formal with policies, reports, and memos replacing wordof-mouth customs. Responsibilities are divided between upper level policy makers and
 lower level specialists.

Crisis of Autonomy. Lower level leaders, however, become increasingly frustrated and demand more autonomy and room to exercise their own initiative. With upper level leaders reluctant to give up authority, a new revolutionary period is at hand.

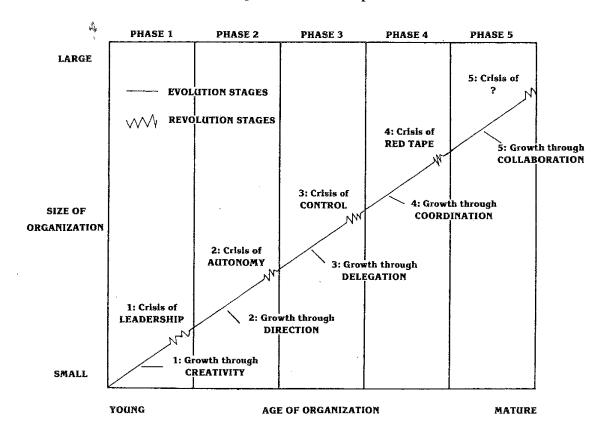


FIGURE 2.1 Five Phases of Organizational Development

Source: Reprinted by permission of the Harvard Business Review. An exhibit from "Evolution and Revolution as Organizations Grow" by Larry E. Greiner (July/August 1972). Copyright © 1972 by the President and Fellows of Harvard College; all rights reserved.

- Phase 3: Growth through Delegation. The successful organization will install effective
 decentralization and empowerment activities in answer to the crisis of autonomy. Greater
 responsibility is given to lower-level leaders. Top executives stay out of day-to-day
 operations, often concentrating on acquiring new units for the organization.
 Communication from the top is less frequent.
 - *Crisis of Control.* Decentralized leaders are able to penetrate new markets, respond faster to customers, and develop new products. Eventually, however, top leaders may attempt to return to a centralized structure because of a sense of loss of control. This attempt brings on a new revolution, the "crisis of control." The organization must find a new solution to coordinating problems.
- *Phase Four: Growth through Coordination.* This evolutionary period is characterized by the installation of systems for achieving organizational efficiencies and economies. Under the initiation of top leaders, decentralized units are merged into clusters and

groups, each of which is expected to show satisfactory return on invested capital. Central staff personnel are added to initiate, control, and review programs for line managers.

Crisis of Red Tape. These changes encourage more efficient use of company resources, and field leaders learn to justify their actions more carefully to headquarters. Tension gradually builds, however, between line and staff and between headquarters and the field. A revolution develops as rules and regulations begin to interfere with problem-solving activities.

• Phase 5: Growth through Collaboration. In response to the crisis of red tape, a flexible and pragmatic approach to management develops. Groups and interdivisional teams perform tasks and solve problems. Headquarters' staff is held to a minimum, and the focus of their efforts is to support and facilitate the success of field personnel. Leaders are trained in behavioral skills so they can improve organizational performance. Many of today's organizations are in this stage of evolution.

Crisis Unknown Revolution and crisis may center around the psychological saturation of members who become emotionally and physically exhausted by the intensity of teamwork and the heavy pressure for innovative solutions. There may also be pressure for representation on organizational boards, as already exists in many European countries. At present, the situation is "crisis unknown."

LEADERSHIP CHALLENGE

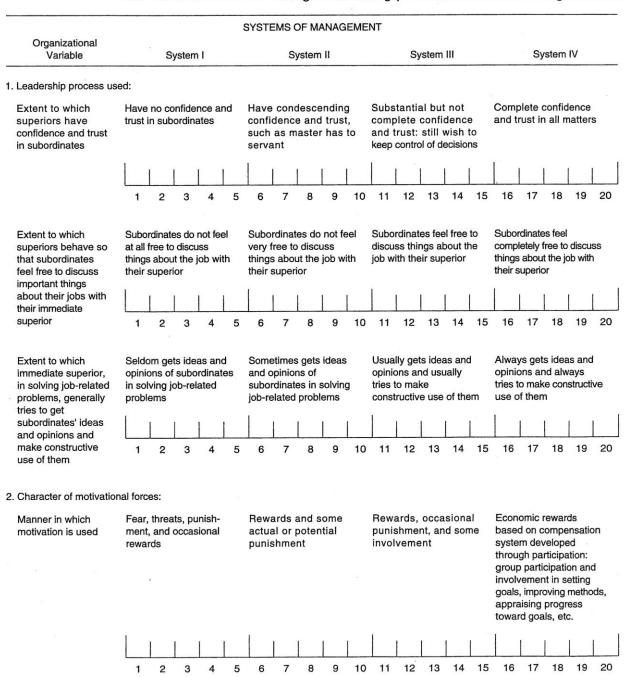
At each phase of an organization's development, effective leadership is necessary to resolve crises and sustain community.

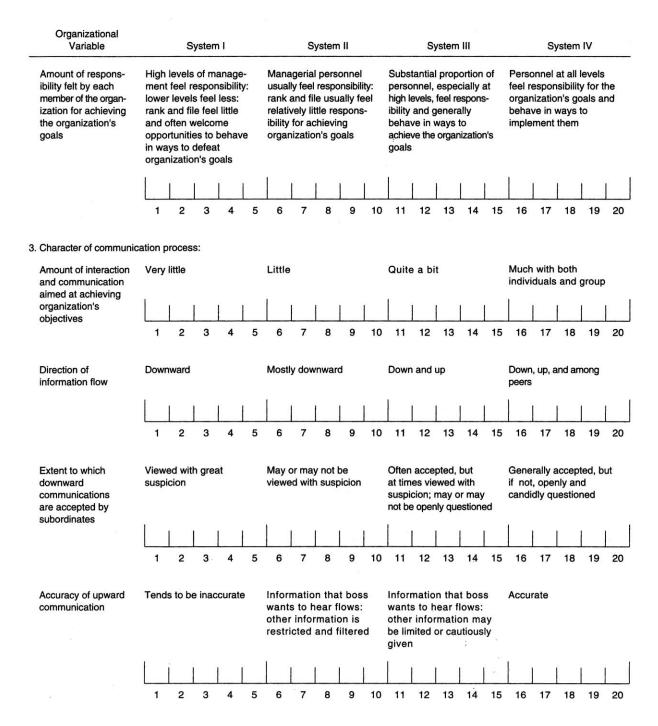
Herman Maynard, Jr., and Susan Mehrtens, authors of *The Fourth Wave*, identify the challenges facing today's leaders: 1) creating work environments where people feel safe; 2) fostering truth-telling in all dealings; 3) articulating clear and consistent goals, as well as explicit values to guide member behavior; and 4) facing and resolving dysfunctional practices within the community. To meet these challenges, the authors prescribe a structure based on community, a locus of control based on personal commitment, and an atmosphere that supports freedom of expression, respect for all people, and lifelong learning.

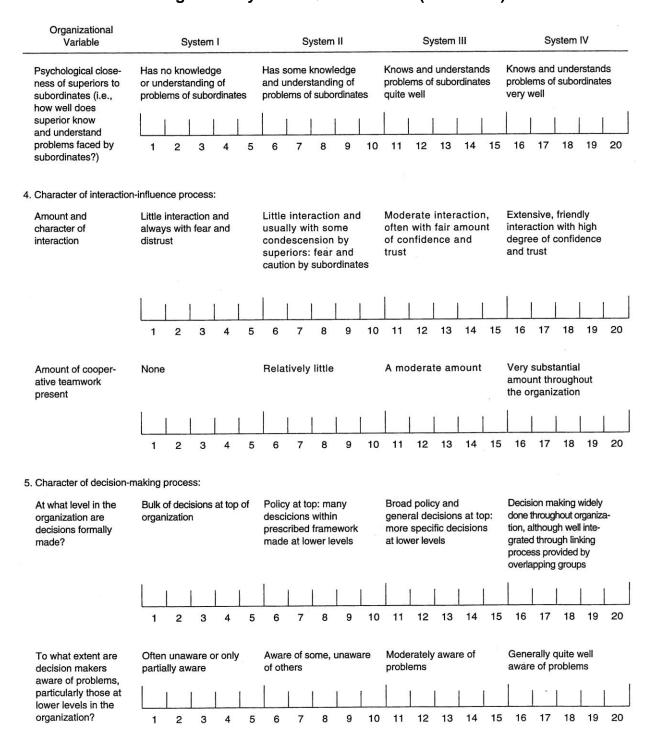
EXERCISE 2.2 Management Systems Questionnaire

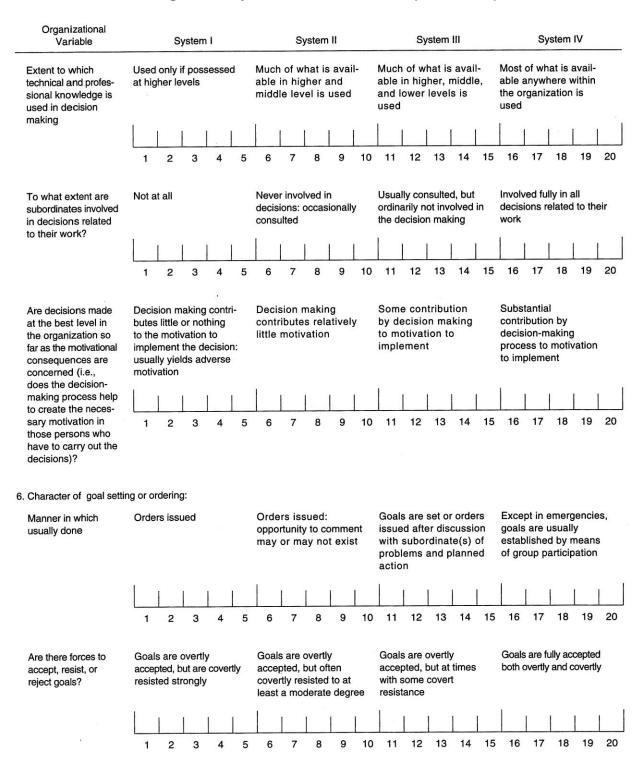
This questionnaire evaluates management practices in seven key areas: leadership, motivation, communications, teamwork, decision making, goal setting, and controls.¹

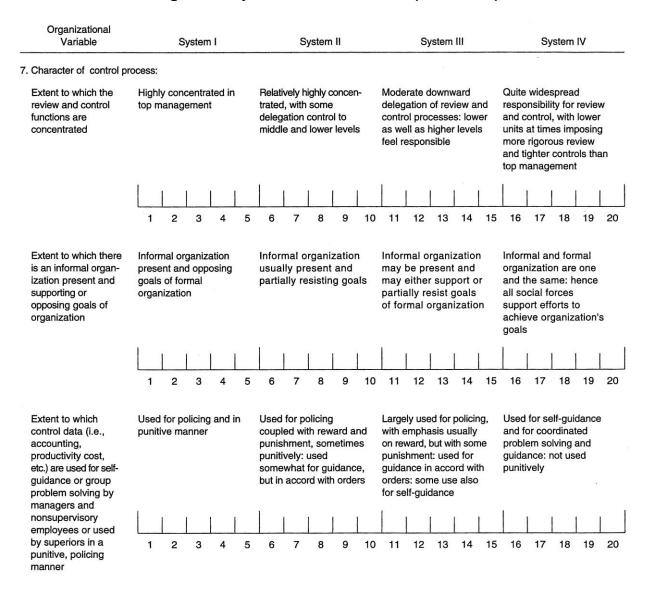
Evaluate each organizational variable on a scale of 1 to 20 (1 is low; 20 is high). Place a checkmark in the scale grid indicating your assessment of the organization.











Source: The Human Organization: Its Management and Value by Rensis Likert, copyright © 1967, McGraw-Hill, Inc. Reprinted with permission.

Scoring

To determine your organization's score on the Management Systems Questionnaire, complete the following steps.

Step One

Calculate the average score for each of the seven key management systems areas:

1.	Leadership processes:	Total divided by 3 = average score
2.	Motivational forces:	Total divided by 2 = average score
3.	Communication processes:	Total divided by 5 = average score
4.	Interaction processes:	Total divided by 2 = average score
5.	Decision-making processes:	Total divided by 5 = average score
6.	Goal setting:	Total divided by 2 = average score
7.	Control processes:	Total divided by 3 = average score

Step Two

Enter the seven average scores on the Organizational Evaluation Chart, Figure 2.2. Connect these with straight line to show a pattern of strengths and areas for improvement. Figure 2.3 shows an example.

FIGURE 2.2 Organizational Evaluation Chart

ORGANIZATIONAL EVALUATION CHART

Organizational
Variable System I S
Leadership 1 2 3 4 5 6 7

	8	20	8	20	8	8	20
≥	19	61	19	19	19	19	19
System IV	8	8	8	8	8	8	18
S	17	16 17 18	16 17 18 19	16 17 18 19	17	17	17
	16	16	16	16	91	16	16
	15	15	15	15	15	15	15
=	4	4	4	4	4	4	41
System III	5	13	13	13	5	13	13
Sy	9 10 11 12 13 14 15 16 17 18 19 20	9 10 11 12 13 14 15	10 11 12 13 14 15	10 11 12 13 14 15	10 11 12 13 14 15 16 17	10 11 12 13 14 15	6 7 8 9 10 11 12 13 14 15 16 17 18 19
	=	=	=	11	=	#	1
	10	9	10	10	10	10	10
=	6	6	6	6	6	6	6
System II	80	8	8	8	8	8	8
S	7	7	7	7	7	7	7
	9	9	9	9	9	9	9
7	5	5	2	2	5	5	2
_	4	4	4	4	4	4	3 4 5
System I	က	က	3	က	3	3	ဇ
Ś	Ŋ	. 0	2	2	2	2	1 2
	-	-	-	-	-	-	-
		Sall Indiana	A	200000000000000000000000000000000000000			

Motivation

Communication

Interaction

Decision making

Goal setting

Controls

FIGURE 2.3 Organizational Evalution Chart

ORGANIZATIONAL EVALUATION CHART EXAMPLE

Organizational Variable		Ø.	System	_			Sy	System II	_		Se .	Sys	System III	_			Sys	System IV	>	
Leadership	_	8	က	4	22	9	^	80	6	10	Ξ	12 13 14 15 16	5	4	15	16	17	8	19	20
Motivation	_	8	က	4		9		8	6	<i>þ</i>	\ =	₹ 2	13	4	15	16	17	8	19	80
Communication	_	8	က	4	22	9	_	8	6	<u>/</u>		12	13	14 15	-	16	17	18	19	02
Interaction	_	8	က	4	5	9	7	80	6	0	 	12	13	4	15	16	17	8	19	20
Decision making	_	N	က	4	5	9	_	80	6	\ 6	=	5	13	4	15	16	1	8	19	8
Goal setting	_	8	80	4	5	9	7	80	د ه >	10	Ξ	12	13	4	15	16	17	18	19	20
Controls		2	က	4	2	9	_	8	6	9	11 12 13 14 15	12	13	4	15	16 17		18	19 20	20

Step Three

Total the average scores for the seven key areas. Then match the overall score with the corresponding management system and evaluation.

Overall Score	Management System	Evaluation
105-140	System IV	Enlightened; successful; best
		organizational climate
70-104	System III	Supportive; positive; good organizational climate
35-69	System II	Impoverished; needs work; unsatisfactory organizational climate
7-34	System I	Exploitive; failing; poor organizational climate

EXERCISE 2.3 Organizational Norms Questionnaire

Introduction

Norms of behavior influence employee morale and productivity in every organization. Norms can be supportive or harmful to the organization. This questionnaire identifies norms of behavior in ten important categories:

- 1. organizational/personal pride;
- 2. performance/excellence;
- 3. teamwork/communication;
- 4. leadership/supervision;
- 5. profitability/cost effectiveness;
- colleague/associate relations;
- 7. customer/client relations;
- 8. innovativeness/creativity;
- 9. training/development;
- 10. candor/openness.

Directions

You are asked to predict what most employees in your organization would think or do if another employee behaved in a particular manner. For example, the first item reads:

If an employee in your organization were to criticize the organization and the people in it . . . most other employees would:

To complete this statement, choose one of the following alternatives:

- A. strongly agree with or encourage it;
- B. agree with or encourage it;
- C. have or express no opinion;

Source: Reprinted from John E. Jones and J. William Pfeiffer (eds.), The 1977 Annual Handbook for Group Facilitators (San Diego, Calif.: University Associates, Inc., 1977). Used with permission.

- D. disagree with or discourage it;
- E. strongly disagree with or discourage it.

Choose the alternative that you think would be the most common response of most employees, and place the corresponding letter in the blank space following each item. Complete all 42 statements in the same manner.

If an	Employee in Your Organization Were to:	Most Other Employees Would:
1.	Criticize the organization and the people in it	
2.	Try to improve things, even though the operation is running smoothly	
3.	Listen to others and try to get their opinions	
4.	Think of going to a supervisor with a problem	2
5.	Look on himself or herself as being responsible for reducing costs	
6.	Take advantage of another employee	
7.	Keep a customer or client waiting in order to look after matters of personal convenience	
	***	S
8.	Suggest a new idea or approach for doing things	
9.	Actively look for ways to expand his or her knowledge in order to be able to do a better job	
10.	Talk freely and openly about the organization and its problems	5
11.	Show genuine concern for the problems that face the organization and make suggestions for solving them	1
12.	Suggest that employees should do only enough to get by	
13.	Go out of his or her way to help other members of the work group	
14.	Look on the supervisor as a source of help and development	

15.	Purposely misuse equipment or privileges	
16.	Express concern for the well-being of other members of the organization	
17.	Attempt to find new and better ways to serve the customer or client	
18.	Attempt an experiment in order to do things better	
19.	Show enthusiasm for going to an organization-sponsored training and development program	
20.	Suggest confronting the boss about a mistake or something in the boss's style that is creating problems	
21.	Look on the job as being merely a paycheck	
22.	Say that there is no point in trying harder, as no one else does	
23.	Work alone, rather than work with others to try to get things done	
24.	Look on the supervisor as someone to talk with openly and freely	
25.	Look on making a profit as someone else's problem	
26.	Make an effort to get to know co-workers	
27.	See the customer or client as a burden or obstruction to getting the job done	
28.	Criticize another employee who is trying to improve things	
29.	Mention that she or he is planning to attend a recently announced organization-sponsored training program	,
30.	Talk openly about problems facing the work group, including personalities or interpersonal problems	
31.	Talk about work with satisfaction	
32.	Set very high personal standards of performance	1
33.	Try to make the work group operate more as a team	

34.	Look on the supervisor as the one who sets the goals and standards of performance for the work group	
35.	Evaluate expenditures in terms of the benefits they will provide for the organization	
36.	Always try to treat the customer or client as well as possible	
37.	Think of going to the boss with an idea or suggestion	
38.	Go to the boss to talk about what training one should have in order to do a better job	
39.		
40.	Work harder than what is considered to be the normal pace	***************************************
41.	Look after oneself before the other members of the work group	
42.	Do his or her job even when the supervisor is not around	

Scoring

On the ten scales below, circle the value that corresponds to the response you gave for each item on the Organizational Norms Questionnaire. Total your scores for each of the ten categories, and follow the mathematical formulas. The results are your final percentage scores.

I. Organizational/Personal Pride

Item			Response		
	A	В	\mathbf{C}	D	\mathbf{E}
1	-2	-1	0	+ 1	+ 2
11	+ 2	+ 1	0	- 1	-2
21	-2	- 1	0	+ 1	+ 2
31	+ 2	+ 1	0	- 1	-2
Total Score	. ÷ 8 ×	100 =		Final % S	Score

II. Performance/Excellence

Item			Response		
	A	В	\mathbf{C}	D	\mathbf{E}
2	+ 2	+, 1	0	-1	-2
12	-2	- 1	0	+1	+ 2
22	-2	- 1	0	+1	+ 2
32	+ 2	+ 1	0	- 1	-2
40	+ 2	+ 1	0	-1	- 2

Total Score \pm 10 × 100 = \pm Final % Score

III. Teamwork/Communication

Item			Response		
	A	В	\mathbf{C}	D	\mathbf{E}
3	+ 2	+1	0	-1	-2
13	+ 2	+ 1	0	-1	-2
23	- 2	- 1	0	+1	+ 2
33	+ 2	+ 1	0	-1	-2
41	-2	– 1	0	+ 1	+ 2
Total Score	÷ 10 ×	100 = _		_ Final %	Score

____ . 10 × 100 _____ 1

IV. Leadership/Supervision

Item			Response		
	\mathbf{A}	В	\mathbf{C}	D	\mathbf{E}
4	+ 2	+1	0	-1	-2
14	+ 2	+ 1	0	-1	-2
24	+ 2	+ 1	0	-1	-2
34	+ 2	+ 1	0	-1	- 2
42	+ 2	+ 1	0	-1	- 2
Total Score	÷ 10 ×	100 = _		_ Final %	Score

V. Profitability/Cost Effectiveness

Item			Response		
	A	В	\mathbf{C}	D	${f E}$
5	+ 2	+1	0	- 1	-2
15	-2	-1	0	+1	+ 2
25	-2	-1	0	+ 1	+ 2
35	+ 2	+1	0	-1	-2
Total Score	_ ÷ 8 ×	100 =		Final % S	core

VI. Colleague/Associate Relations

Item		æ:	Response		
	A	В	\mathbf{C}	D	\mathbf{E}
6	-2	-1	0	+1	+ 2
16	+ 2	+ 1	0	- 1	-2
26	+ 2	+1	0	-1	-2
Total Score	_ ÷ 6 ×	100 =		Final % S	core

VII. Customer/Client Relations

Item			Response		
	A	В	\mathbf{C}	D	\mathbf{E}
7	-2	-1	0	+1	+ 2
17	+ 2	+ 1	0	-1	-2
27	-2	-1	0	+ 1	+ 2
36	+ 2	+ 1	0	-1	-2
Total Score	_ ÷ 8 × 10	0 =	Fina	al % Score	

VIII. Innovativeness/Creativity

Item	Response								
	A	В	\mathbf{C}	D	\mathbf{E}				
8	+ 2	+1	0	-1	-2				
18	+ 2	+1	0	-1	-2				
28	-2	-1	0	+1	+ 2				
37	+ 2	+1	0	- 1	-2				
Total Score	÷ 8 × 10	0 =	Fina	al % Score					

IX. Training/Development

Item			Response		
	A	В	\mathbf{C}	D	${f E}$
9	+ 2	+ 1	0	-1	- 2
19	+ 2	+ 1	0	-1	-2
29	+ 2	+ 1	0	-1	-2
38	+ 2	+ 1	0	-1	-2

Total Score $_$ \div 8 \times 100 = $_$ Final % Score

X. Candor/Openness

Item	Response								
	A	В	\mathbf{C}	D	\mathbf{E}				
10	+ 2	+1	0	-1	-2				
20	+ 2	+ 1	0	- 1	-2				
30	+ 2	+ 1	0	-1	-2				
39	+ 2	+1	0	-1	-2				
Total Score	÷ 8 × 10	0 =	Fina	d % Score					

Instructions

For each of the ten categories, enter your final percentage score from the score sheet, and then plot that percentage by placing an X on the following graph at the appropriate point. (Negative percentages are plotted to the left of the center line; positive percentages are plotted to the right.) Next, connect the X's you have plotted with straight lines. The result is a profile of organizational norms (see Figure 2.4).

Interpretation

The higher the percentage for each category on the Organizational Norms Questionnaire, the more effective the organization is and the more satisfied employees would be expected to be. The following is a description of each category:

- Organizational/personal pride. High scores in this area represent a concern for the health of the organization, its vitality, and its success. The work itself is rewarding, and problems are looked on as challenges rather than as causes for apathy or defeat.
- II. Performance/excellence. Favorable ratings in this area represent striving for personal and organizational excellence. High standards of performance are the norm.
- III. Teamwork/communication. Organizations in which members share information and help one another usually experience high morale and productivity, while organizations with restricted communications and less cohesive groups typically experience failure.
- IV. Leadership/supervision. Leadership refers to technical skill, consideration of employee problems, and strength of character. Without effective leadership, a group or organization will not be successful.
- V. Profitability/cost effectiveness. Employees must be aware of economic factors relating to organizational success. A lack of concern for company property and expenses often indicates poor morale.

Figure 2.4 Profile of Organizational Norms						
	Graph					
Final -100% - score	50% 0%	+50% +100%				
	111111					
	111111					
	111111					
	111111					
Ne		Positive				
	Final -100%	Graph Final -100% -50% 0%				

- VI. Colleague/associate relations. People need social interaction and a sense of belonging. Unless conditions in the organization satisfy these needs, reduced commitment and poor job performance can result.
- VII. Customer/client relations. The behavior of each representative of the organization reflects on the integrity and professionalism of the entire organization. A poor attitude or misconduct by one employee may result in a poor reputation for all employees.

- VIII. Innovativeness/creativity. Employees who exercise creativity show interest in their work. The distinction should be made between a grumpy complainer and an employee who is trying to develop better methods for the benefit of the organization.
- IX. Training/development. Training and development for all levels and classifications of employees is important for organizational effectiveness and employee satisfaction. Training builds skills, relationships, and commitment.
- X. Candor/openness. A high score in this area represents honest and free-flowing communications. Such openness is necessary if an organization is to accomplish its performance objectives as well as meet the social and psychological needs of its employees.

The Organizational Norms Questionnaire can be used for team building and organizational development. For team building, group profiles can be developed to diagnose problems and make improvements. For organizational development, a profile can be developed showing the overall strengths and weaknesses of the organization in the ten categories. This profile can be used as a basis for maintaining or improving overall effectiveness.

A useful exercise is for the leader to compare his or her self-evaluation on the *Leadership Physical* with the evaluation of colleagues. Points of agreement and disagreement can be explored, and actions can be taken to improve as needed.

EXERCISE 2.4 MANAGEMENT EFFECTIVENESS AUDIT

-11 - Talanananan		eading, rele the rating). unable a comments or		or ions				
		uning, organizing, l ating each item, ci senting the highest ings. When you are ." When you have ded under "Comm		Comments or Recommendations				
		Complete this questionnaire to evaluate the management processes—planning, organizing, leading, and controlling—as they are generally practiced in your organization. In rating each item, circle the number on the scale that represents your evaluation (I through 5, with 5 representing the highest rating). Each item should be rated independently without looking back to previous ratings. When you are unable to rate an item, indicate why in the space provided under "Unable to Rate." When you have a comment or recommendation regarding an item, write this in the space provided under "Comments or Recommendations."		Unable to Rate (Explain Why)				
		ate the managen practiced in you evaluation (1 thr without looking ice provided und item, write thi	Planning		Broad partici- pation in developing plans	Clear, exact	Involvement, identification	
JIT		onnaire to evalu 7 are generally I represents your d independently why in the spa why in the spa on regarding an	Pla	Rating Scale	1 2 3 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	64 62 74 75	2 2 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	
IVENESS AUI	suc	Complete this questi and controlling—as the, number on the scale that Each item should be rate to rate an item, indicate to rate an item, indicate ment or recommendations."			Plans formed by few at the top	Confusing, conflicting	Indifferent, little interest	
MANAGEMENT EFFECTIVENESS AUDIT	Directions	Com and con number Each ite to rate a ment or Recomm			 Who participates in formulating plans for the organization? 	 Are plans clear and easy to understand? 	 Are plans valued and shared by all responsible for their accomplishment? 	
MAN					1. Wi	2. An	3. Ar by acc	·

Fully reasonable	Very realistic	Very appropriate	Policies well defined	Effective for implementation	Performance standards determined	
N	ıΩ	ro	JO.	ıo	JO.	
4	4	4	4	4	4	
က	က	က	က	က	ო	
64	61	6.1	64	61	61	
7	1	-		7	1	
Not reasonable	Not realistic	Not appropriate	No policy formation	Poorly developed, inappropriate	Standards indefinite, not defined	
 Are plans reasonable in light of available physical facilities, supplies, and equipment? 	5. Are plans realistic in consideration of the number and training of employees?	 Are plans based on appropriate market or targetservice group forecasting? 	7. Are policies formulated to serve as guidelines in ac- complishment of plans?	8. Are operating procedures developed so that plans can be attained?	9. Are performance standards specified, including time limits, quantities, and qualities?	

Organizing Unable to Rate Comments or Resplain Why) There are neither gaps in responsibilities 2 3 4 5 authentic 2 3 4 5 teamwork 1 2 3 4 5 teamwork There is a balance between consideration of consideration of parts and managing according to plans and managing according to plans and according to plans and according to plans and an age of the parts and according to plans and an age of the property of the property of plans and according to plans and according to plans and an age of the property of the plans and according to plans and an age of the plans and according to plans and an age of the plans and according to plans and an age of the plans and according to plans and and according to plans and according to plans and according to the plans and the plans are plant and the plans and the plans and the plans are plant and the plans are plant and the plant and	
rganizing There are neither overlaps nor gaps in responsibilities Open, authentic Genuine teamwork High respect There is a balance between consideration of people's feelings according to plans and	
20	
ting Scale $O_{\rm N}$ \sim 2 3 4 5 \sim 2 5 \sim 2 5 \sim 2 5 \sim 2 7 \sim 2 8 \sim 2 8 \sim 2 8 \sim 2 9 \sim	procedures
ting 2 2 2 3 3 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	
, 4 2 0 0 0 0	
There are either overlaps or gaps in responsibilities insincere Everyone for themselves of respect of respect of respect morale and productivity	
10. Are responsibilities divided among individuals and groups in such a way as to assure the most effective attainment of the organization's goals? 11. Are communications open, accurate, and timely between individuals and work groups? 12. Do employees trust each other? 13. Do employees respect each other? 14. Is either consideration of people's feelings or doing a job according to procedures overemphasized?	

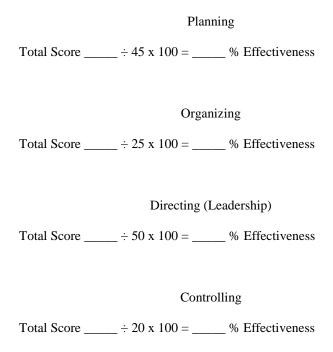
	Comments or Recommendations				
	Unable to Rate (Explain Why)				
Directing	Rating Scale	Respect expected only when earned	Individualized approach to work; respect for differences	Approval and praise are common	Every effort made by leaders to keep fol- lowers up to date on what is happening
Di		1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	2 8 4 10
		Respect demanded, even when not earned	No room for creativity; conforming behavior required	Approval or praise never occurs	Followers not kept up to date on plans or activities
		 Are subordinates expected to respect leaders, even when actions do not merit respect? 	16. Are subordinates free to work at their own pace and style as long as the job is accomplished?	17. Do leaders give subordinates approval and praise for work, thus reinforcing performance?	18. Do leaders keep subordinates informed on a regular basis?

Comments or Recommendations						
Unable to Rate (Explain Why)						
	Cooperation is emphasized and competition is used where appropriate	Fully free to talk with leaders	Leaders value employees' ideas	Strong spirit of teamwork exists between leaders and followers	Leaders are genuinely con- cerned with employees' problems	Free; respect for differences
Rating Scale	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	2 3 4 5	63 63 44 70	62 62 4, 70
,	Competition weakens coopera- tion between members	Reluctant; poor communications	Leaders disregard employees' ideas	Cooperation is nonexistent	Leaders are not concerned with employees' problems	Restrictive; pressure for conformity
	19. Is competition between individuals and work groups encouraged to such an extent that cooperation suffers?	20. How free do subordinates feel to talk with leaders?	 Are employees' ideas sought, given full consideration, and used if worthy? 	 How much cooperation exists between followers and leaders? 	23. How concerned are leaders with problems faced by subordinates?	24. How tolerant are leaders toward different types of subordinates?

	Comments or Recommendations				
	Unable to Rate (Explain Why)				
Controlling		Very workable procedures	Controls are constructively used, no detraction from personal initiative	Corrective actions are implemented appropriately	Guidance and problem solving
Соп	Rating Scale	2 3 4 5	1 2 3 4 5	24 60 44	т са сь 4.
		No workable procedures	Control is over- emphasized, discouraging per- sonal initiative	Corrective actions are not implemented appropriately	Policing and punishment
		25. Are there workable procedures for evaluating performance?	26. Is control emphasized to such an extent that personal initiative is discouraged?	27. Are corrective actions implemented when performance does not meet standards?	28. What are reporting, comparing, and corrective procedures used for?
		25. A fe	26. I a	27. A n	28. V th

Scoring and Interpretation

Total the scores received for each section of the Management Effectiveness Audit, and follow the formula below. The result is the percentage of managerial effectiveness for your organization.



The higher the percentage of effectiveness in all four management processes, the greater the success the organization can expect to experience during each phased of development—creativity, direction, delegation, co-ordination, and collaboration. Effective management practices attract and keep the best employees, and this results in the best quality of work and the best quality of work life.

Φ APPLICATION Agreement On Direction – Planning Guide

Directions

Use the following worksheets to review the past, evaluate the present, and plan the future of an organization or group.

Yesterday - Individual, Community, and Societal Influences

	· ·			
Pre-1990				
	Forces and Impactors – People and Events			
Individual	Company/Organization	Industry/Profession/ Society		
	-	-		
	1990's Forces and Impactors – People and Events			
Individual	Individual Company/Organization Indu			
	<u> </u>			

2000 to Present Forces and Impactors – People and Events		
Individual	Company/Organization	Industry/Profession/ Society

Prouds and Sorries

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

Planning Guide

A vision without a task is a dream, A task without a vision is drudgery, A vision with a task is the hope of the world.

A vision with a task is the hope of the world.		
	Church window in Sussex, England, c. 1730	
	urpose or Mission n for Existence)	
A vision is: - Leader	r initiated I and supported by members	
- Compr - Positiv	rehensive and detailed re and inspiring - Vision –	

Broad Goals to Achieve the Mission (Enduring Intentions to Act)		
1		
2.		
3.		
4.		
5. _.		
	– Vision –	

Core Values (To Measure the Rightness and Wrongness of Policies and Action)		
•		
•		
•		
– Vision –		

Stakeholders and Benefits (What It Will Mean to Achieve the Vision)	
Customers/Clients:	
•	
Employees/Members: • •	
•	
Owners/Managers:	
•	
•	
Society:	
•	
Others:	
•	
•	
- Vision -	

SWOT Analysis (Environmental Scan)	
Strengths:	
Weaknesses:	
•	
Opportunities:	
Threats: •	
Strategic Planning –	

Strategic Initiatives (strategic, measureable, realistic, timely (SMART) obectives)		
•	Short – term:	
•		
•		
•	Intermediate:	
•		
•		
•	Long – term:	
•		
•		
	- Strategic Planning -	

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

PLAYERS			
Adversaries	Allies		
- St	trategic Planning –		

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 out 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 stockholders. 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 these views.

Φ APPLICATION

What Makes A Good Business Plan

Prepare a business plan, approximately 5 pages, including:

- 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)
 - 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.

Activity: Prepare a business plan for a company/organization.

DISCUSSION QUESTIONS 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?
- 4. Describe the psychological climate of your organization. Discuss current strengths and weaknesses.
- 5. What role does leadership play in determining the climate in your organization? Give examples of leaders and their influence.
- 6. Consider the folklore of your organization. What stories are told about people and events? Are these positive or negative? What does this suggest about the organizational climate?
- 7. Gather into groups to discuss organizational climate? Who has experienced an exploitive or impoverished climate? Who has experienced a supportive or enlightened climate? What should organizations do to develop a healthy climate—reward systems, organizational clarity, standards of performance, warmth and support, leadership practices, etc.? Be specific.

Art of Leadership 5th Edition Manning Solutions Manual

Full Download: http://testbanklive.com/download/art-of-leadership-5th-edition-manning-solutions-manual/ Part 02 - The Power of Vision

8. Consider examples of organizational success stories in the private, public and non-profit sectors. What influence does organizational climate have on the success of these organizations?