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KEY INGREDIENTS FOR SUSTAINED EXCELLENCE

by

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The pursuit of sustained excellence constantly challenges large and small organizations. What are the key ingredients for each particular establishment? What level of attention should be appropriated to differing internal levels? An analysis of recently published theories on sustained excellence identified recurring themes of leadership, planning, and empowerment. The significant departure from past theories rested in a consistent undercurrent to more deeply integrate stakeholders into decision making processes. These new concepts advocate paradigm shifts from past theories which centered on maximizing technological advantages and exclusively reserving decision making to the management team. Review, analysis, and comparison of many respected authors on organizational dynamics surfaced three prevalent themes of principle-centered leadership, growth based preparatory planning, and progressive empowerment as pivotal to achieving and sustaining high individual and organizational performance levels. Persistent advocacy for individual commitment to a shared vision in a mutually respectful, proactive environment dominated all the reviewed concepts of organizational dynamics. The impetus for success consistently rested on seeking, attaining, and enlightening the resolve of individuals to commit to personal growth, creativity, and responsibility toward effective achievement of personal and organizational visions and goals. Leadership, planning, and empowerment, properly focused, contain the capacity to elevate individualistic potential and deliver sustained excellence through the collective whole?s commitment to synergetic growth and interdependent productivity.

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Abstract

The pursuit of sustained excellence constantly challenges large and small organizations. What are the key ingredients for each particular establishment? What level of attention should be appropriated to differing internal levels? An analysis of recently published theories on sustained excellence identified recurring themes of leadership, planning, and empowerment. The significant departure from past theories rested in a consistent undercurrent to more deeply integrate stakeholders into decision making processes. These new concepts advocate paradigm shifts from past theories which centered on maximizing technological advantages and exclusively reserving decision making to the management team.

Review, analysis, and comparison of many respected authors on organizational dynamics surfaced three prevalent themes of principle-centered leadership, growth based preparatory planning, and progressive empowerment as pivotal to achieving and sustaining high individual and organizational performance levels. Persistent advocacy for individual commitment to a shared vision in a mutually respectful, proactive environment dominated all the reviewed concepts of organizational dynamics. The impetus for success consistently rested on seeking, attaining, and enlightening the resolve of individuals to commit to personal growth, creativity, and responsibility toward effective achievement of personal and organizational visions and goals. Leadership, planning, and empowerment, properly focused, contain the capacity to elevate individualistic potential

and deliver sustained excellence through the collective whole's commitment to synergetic

growth and interdependent productivity.

Chapter 1

Key Ingredients Of Sustained Excellence

The quest to attain sustained excellence has challenged academics and executives around the world throughout history, but never more importantly than in today's volatile operating environment. Since World War II, corporate America and US research institutes contributed the majority of the successful organizational concepts and models used currently around the globe. Some of the more prominently successful models, at least until recently, included General Motors, IBM, and Kodak. Nevertheless, the recognition of foreign competitors gaining on, and in select cases outperforming, US organizations in historically US dominated specialty fields resonated a challenge to corporate America's survival. In the ensuing publishing frenzy on excellence, many different possible combinations of likely ingredients, each applied in varying proportions, to achieve and sustain success surfaced. Research into current market dynamics, coupled with objective outlooks into the workforce of tomorrow, repeatedly advanced three key ingredients to future sustained excellence: Leadership, Planning, and Empowerment. Interestingly, they do not truly differ greatly from the core principals of past successful models, but are in serious need of re-affirmation and expansion given today's technical revolution in global communications and the emerging workforce.

Each of the three areas will be reviewed for relevance to attaining, and sustaining, organizational excellence in the three following chapters. Attention to integration throughout the organization, possible impact of varying degrees or types of application, and potential future dynamics forms the research's structural architecture. The final section ventures to forward that future sustained excellence must be individualistically achieved through application of specifically relevant proportional quantities of each of the three key ingredients: Leadership, Planning, and Empowerment.

Chapter 2

Leadership

The Art of Leadership liberates people to do what is required of them in the most effective and humane way possible. Thus, the leader is the "servant" of his followers in that he removes the obstacles that prevent them from doing their jobs. In short, the true leader enables his or her followers to realize their full potential.

—Max Depree

Why depend on leadership for sustained excellence? Why not focus on expanding management processes or procedures? This common question resounds throughout organizations. The answer lies between the differences in capabilities of the two functions and the rapidly evolving situational dynamics being encountered by organizations today. Advances in technology, a trend toward commercial markets globalization, near instantaneous global communications, shorter turn around times of products from concept to market delivery and a relatively stable global security outlook are combining to require organizational changes for survival, much less excellent performance. Leadership contains the capacity to proactively influence the potential of an organization beyond its established horizons and evolve to a higher level of excellence in surmounting the uncertainties of these changing times. Management focuses on the processes of an organizational structure and its procedures to bring clarity and efficiency of purpose. Constructive application of proactive noncoercive leadership, through

leaders' actions and communications, fosters trust and respect throughout an organization enhancing team efforts. The application of improving management skills generates greater process productiveness and in all likelihood infrastructure savings. Leadership's primary goal provides a common vision and direction that should integrate everyone into the accomplishment of their organization's goals. Management's primary function searches continuously for the most efficient resource allocation to fulfill that vision. In the aggregate, the greater potential for sustained excellence lies with leadership because it deals with the source of highest potential in any organization, people.

A supportive point for the increased importance of leadership lies within its unique capacity to address change.[1] John P. Kotter notes in a recent article "Leadership, by contrast (to management), is about coping with change. Part of the reason it has become so important in recent years is the business world has become more competitive and more volatile." (page 104). The dramatic impact of recent global changes, several mentioned above, justifies an increased emphasis on leadership. This heightened emphasis should not be construed to negate the importance of management within any organization. All organizations must effect the appropriate management process to properly allocate their resources for the most economical achievement of their intended goals. Nevertheless, leadership contains the key to sustained excellence.

Prior to proceeding with an analysis of leadership, a definition is warranted regarding the central theme of this presentation, sustained excellence. The definition of leadership used within this analysis portrays the capacity to proactively influence the potential of an organization beyond its acknowledged horizons for progression to a higher level of excellence through synergy of effort. The definition's key point being the terms

'proactively influence the potential of an organization'. This terminology relates specifically to the high value placed on relationships between an organization's leadership and followership. Similar to basic tenets in Stephen R. Covey's book "Principle-Centered Leadership"[2] and Joseph C. Rost's article "Leadership Development in the New Millennium,"[3] the definition acquires its power through primarily noncoercive relationships built on trust and respect with the acceptance of a well articulated, integrated organizational vision.

The subject matter will be presented by subdivision into three fundamental aspects of leadership and a glimpse into the evolution required for future leadership excellence. The first section concentrates on a review of the leadership influences at various levels within an organization and suggests areas justifying additional attention to promote continued high levels of performance. The second section deals with the subject of leadership traits and their importance in the relationship of leaders and followers. The third section discusses various forms of leadership power and their respective potential. A final section will present anticipated challenges of the future and offer areas of focus for leadership development to sustain excellent performance levels.

Varying Levels of Organizational Leadership

The demand on leadership competency escalates in analysis of upward progression through any organization consisting of more than one level or hierarchical plateau. Organizational structures expects varying leadership competencies to fulfill diverse demands present at each different hierarchical plateau. The "Management Excellence Framework" (MEF) suggests that first-line supervisors, managers, and executives should

have some commonly held basic core leadership competencies.[4] These would include such things as interpersonal skills, oral and written communication skills, problem solving abilities, flexibility, decisiveness, technical competence, and self-direction. Leadership is the common denominator throughout all three levels encompassing the employment of these skills in varying degrees. Further, the MEF suggests these levels build sequentially upon each tier's additional competencies to the mastery of leadership skills at the executive level. Bill Creech supports this concept in *The Five Pillars of TQM* reflecting on how Japanese auto manufactures focus on leadership from their smallest team elements to the most senior officers.[5]

The aforementioned leadership proficiencies relates equitably well on the floor of a manufacturing plant to the corporate board room. Nevertheless, each organizational level requires additional leadership skills development and application. The two lower levels of the organizational spectrum focus on personnel and process management. A first-line supervisor's efforts converge on developing skills in conflict resolution, team building, and human resource management. The manager's level focuses on creative thinking, planning and evaluation, financial and technology management, and general management controls. Both levels achieve success through appropriate application of these skills by direct action with, or indirect influence of, their colleagues. The leadership skills employed at each of these levels needs to provide motivation and guidance for their colleagues in the environment that they are working within. This influential impact surfaces with the appropriate application of the aforementioned skills in conjunction with the trust and respect that successful supervisor's and manager's establish. Both first-line supervisors and middle level managers should interact frequently, and with the executive

level in supportive roles. The executive officer respectively should support each lower level's leaders through visible interactions and mentoring. Frequent supportive interaction resoundingly demonstrates the singular purpose and drive of the organization toward the envisioned goal(s).

The critically significant potential of any organization's success resides in its senior level executive leadership. Executive officers fulfill the crucial responsibility of providing organizational vision and direction in conjunction with previously mastered leadership skills at lower levels within the organization.[6] They direct organizational energy in fulfillment of determined goals. The senior executive must formulate a clearly comprehended vision that integrates and motivates the entire organization to produce beyond independent individual actions to achieve organizational synergy. They develop within the organization a clear mission statement that captures the dynamic energy of all stakeholders (e.g., management, employees, customers, and suppliers). This mission statement should invigorate stakeholders to constantly seek higher levels of personal and professional achievement.[7] The senior executive must actively extend the vision's and mission statement's comprehension to all levels of the organization through personal interaction with individuals and small groups.

In summary, the three basic leadership competency levels depend on each other's effectiveness to accomplish their respective tasks. Executive level leadership carries far more responsibility then the other two levels due to its greater sphere of control and influence. First line supervisors, dealing predominantly with people, look to managers for inspiration and support due to their previous experiences in daily matters. Likewise, prudent managers seek the counsel of senior executives while developing skills necessary

to succeed at their organizational level. Nevertheless, the executive's vision and direction, properly developed and articulated, provides the crucial impetus for all three levels of an organization to achieve collective sustained excellence. The executive leader personally sets the personal performance standards for the organization and inspires all stakeholders to rise to the challenge of a better future.

Leadership Traits Foundation for Sustained Excellence

Many studies have identified varying characteristics in successful leaders, but some are found more repetitively than others. Commonly recognized traits include integrity, strong oral and written communication skills, vision, energy, courage, and compassion. An analysis of these predominant traits would indicate that colleagues, above, below, and at similar levels within an organization, look for personal proactive inspiration from leaders to achieve greater levels of excellence and personal satisfaction. Thus, a leader exerts response-generating influence of others through personal interactions, role modeling, and clear articulation of vision and direction. Their colleagues accept or reject the proffered leadership based primarily on trust and respect merited by appraisal of the leader's sincerity in his or her actions. The natural daily application of the leader's basic personal characteristics verifies their sincerity to the professional relationship.

Stephen R. Covey, in *Principle-Centered Leadership*, supplements this perspective by voicing his belief that effective, influential leadership must be based on an individual's consistent exercise of sound personal principles.[8] Covey forwards that the study, acceptance, and application of such principles molds individuals into natural leadership roles.[9] The concept of principle-centered leadership depends heavily on such

characteristics as integrity, courage, and strong communication skills to build trust and respect between individuals. In relation to organizational excellence, Covey repeatedly stresses the importance of seeking quality commitment on a personal basis prior to expecting the emergence of high quality organizational productiveness. It is the leader, exercising principles through their personality traits, that focuses a group into a more productive, synergetic fulfilled organization. The leader becomes the nucleus of an organization's capabilities through interpersonal relationships founded on colleague's observations of their personality traits applied while accomplishing their stated intentions.

Richard Beckhard stresses the importance of the relationship between a leader and those that follow their inspiration.[10] Sustained excellence cannot be achieved without positive, conducive relationships. The interdependence of the two parties, built through continuous contact, seeks and receives confirmation of commitment through a leader's actions. Integrity and compassion build trust. Courage establishes respect through demonstrative commitment to one's personal and professional convictions. Communicative traits articulate vision and empathy. Personal energy stimulates others to higher performance plateaus. While all of these are influential, not every leader need have each in equal proportion. Every effective leader develops their own style based on a individually distinctive combination of personal characteristics. In final analysis, personal leadership traits form the foundation of a leader's ability to inspire colleagues to sustained excellence.

Impact of Various Types of Leadership Power

Stephen Covey recognizes the common existence of three basic types of power: coercive, utility, and principle-centered.[11] He proceeds to suggest that these three methods produce different results, demonstrated by reviewing the effects of each type on the productivity of a leader's colleagues. The first two power types depends on the level of authority a leader may exercise over followers or their ability to offer some form of compensation. The latter power type, principle-centered, grounds its success in establishing trust and respect between a leader and followers. It functions best through a noncoercive relationship that inspires followers to higher performance.

The first power type, coercive, centers on fear. The follower performs strictly in response to apprehension of the consequences of non-compliance. An individual generally reverts to this power type out of insecurity and a lack of self-confidence in their motivational leadership abilities. The second power type, utility, finds its capabilities based on guarded cooperation. The follower executes their detailed responsibilities in expectation of some form of equitable compensation. The leader exercises this power type through offering something that the follower wants, such as financial compensation, a certain assignment, promotion, or bonus. Neither of these two power types promotes colleagues to actively engage personally unique capabilities in resolving organization problems or tasks. Both tend to seek only fulfillment of the assigned task. They neglect the possible complete integration of the vast spectrum of abilities residing in colleagues into fulfillment of the organization's objectives. Examples of use of these types of power can frequently be found in structured multi-layered organizations.

Stephen Covey's argument for the exercise of principle-centered power persuasively suggests that higher levels of performance can be expected from individuals who are led in a respectful, cooperative manner. Exercise of principle-centered power energizes colleagues to greater levels of accomplishment through an individual's integration into the development and achievement of organizational goals. The successful leader generates this infusion through adherence to ingrained personal principle-centered leadership traits. They recognize and incorporate colleagues' concerns and needs in organizational planning, thus warranting faith and trust. This provides the leader with highly motivated and dedicated followers. The leader who exercises principle-centered power captures and succinctly directs the enthusiasm of associates toward an organizations' objectives.

Donald T. Phillips demonstrates President Lincoln's use of the principle-centered power type in many examples provided throughout his book *Lincoln on Leadership*. It specifically notes that "Lincoln did not abandon his principles once he attained the White House. As president, Lincoln attempted to gain commitment from individuals through openness, empowerment, and coaching." (page 40). Many of today's senior executive officers stress this noncoercive power type to their subordinates in recognition of its success. Principle-centered power builds an individual's capabilities repertoire and self-esteem through respect and trust. This integrates the whole individual into the work versus only applying enough effort to complete the assigned task. It motivates individuals to do more than just fund weekend activities. The leader applying principle-centered noncoercive leadership power induces higher employee commitment to organizational goals, the ultimate goal of all leaders.

Preparing for the Challenges of Tomorrow

Changing global political dynamics and technical advances will alter the formula of success more each day. Work force demographics should further impact organizational effectiveness as the post-Baby Boom generation thoroughly permeates the prospective pool of employees. Previously successful methodologies will succumb to these new conditions due to lack of preparation, inflexibility, and inefficient use of decreasing resources. Leaders need to recognize and develop personal leadership skills further to successfully overcome these challenges, now and into the future. Hierarchical organizations, dependent on coercive or utility power, will prove ineffective against flatter organizations with motivated workforces which readily respond to stakeholder anxieties and issues in a timely manner. Strong leaders will be required who have the confidence and strength of character to lead by relinquishing the tight rein of past organizational structures. C. William Pollard artfully describes tomorrow's leader in the Drucker Foundation book *The Leader of the Future*, "A leader who is willing to serve can provide hope instead of despair and can be an example for those who want direction and purpose in their life and who desire to accomplish and contribute. This leader is the leader of the future."(page 243).

Joseph C. Rost argues that the future focus needs to be on leadership development vice that of the leader development.[12] His approach emphasizes the need for leaders to further sharpen interpersonal relationship skills that support noncoercive leadership. The future workforce, with a different perspective of themselves and the work place, will require closer attention to reach their potential. Stephen R. Covey stresses the importance of interdependence as the key to success.[13] The importance of individual independence

folds into a strength that can create interdependence within a collective group. That group's capabilities exponentially increases due to their interdependent approach to problem resolution and goal achievement. Both authors build the case of interpersonal relations relevance as the cornerstone for future sustained excellence.

As in the past, but more critically in the future, the need for leaders to clearly articulate vision, core values, and mission will substantially increase as colleagues search for a more fulfilling role in society. This vision will provide a goal where the leader's colleagues can enthusiastically focus energy. The core values will provide a common base of principles to establish stakeholder interaction. The mission will provide viable avenues of approach to fulfill the vision through application of core values. The successful leader obtains personal commitment to the vision through his or her interpersonal efforts to generate synergy. The leader's personal actions in interpersonal relationships will determine their effectiveness with a workforce seeking validation of personal worth and creditability. Achievement of truly interdependent commitment will mean the difference between success and failure in tomorrow's more competitive environment. Acknowledgment and achievement of interdependency will vastly increase the potential to achieve sustained excellence in any organization.

Summary of Leadership Ingredient

Sustained excellence depends upon consistent quality leadership rather then management. Successful proactive noncoercive leadership, applied appropriately at each organizational level, provides inspiration to each and every stakeholder. Successful executive leaders contribute a clearly articulated vision and performance standards for the

organization through personal interactions and the use of every opportunity to deepen stakeholder comprehension of integrated teamwork benefits. A successful leader, through application of integral leadership characteristics in their unique leadership style will establish productive interpersonal relationships through persistent demonstration of organizational and personal commitment. Leaders recognize the need to integrate every unique individual capability present within stakeholders for the synergetic benefit of the organization to achieve sustained excellence. They endorse and uphold the concept of noncoercive principle-centered leadership as the most conducive method to adapt to new challenges looming on the horizon for tomorrow's leader. Bill Creech annotates in *The Five Pillars of TQM* "it's the caliber of the leadership that sorts out the winners from the losers." (page 391).[14] Thus, sustained leadership excellence is achieved through consistent principle-centered leadership, critically important at the executive level, in unwavering application of personal leadership traits that build the necessary foundation of trust and respect required by any successful leader for long term positive influential impact.

Notes

[1] John P. Kotter, "What Leaders Really Do," *Harvard Business Review* (May-June 1990): 104.

[2] Stephen R. Covey, *Principle-Centered Leadership*, (New York: Simon & Schuster, 1992), 249.

[3] Joseph C. Rost, "Leadership Development in the New Millennium." *The Journal of Leadership Studies* Vol. 1 No. 1 (November 1993): 99.

[4] US Office of Personnel Management, "*Management Excellence Framework*," (Washington, DC: Executive & Management Policy/Assessment & Development Branch, 1992), 1.

[5] Bill Creech, *The Five Pillars of TQM* (New York: Penguin Books USA Inc., 1994), 296.

[6] Timothy Nolan, Leonard Goodstein, J. William Pfeiffer, *Plan or Die: 10 Keys to Organizational Success*, (San Diego: Pfeiffer & Company, 1993), 32.

Notes

[7] James A. Belasco & Ralph C. Stayer, *Flight of the Buffalo*, (New York: Warner Books, Inc., 1994), 93.

[8] Covey, *Principle Centered Leadership,* 31.

[9] Covey, *Principle Centered Leadership*, 18.

[10] Richard Beckhard, "On Future Leaders," *The Leader of the Future* (New York: Peter F. Drucker Foundation, 1996), 125.

[11] Covey, *Principle Centered Leadership*, 101-108.

[12] Joseph C. Rost, "Leadership in the New Millennium," *The Journal of Leadership Studies*, Vol. 1, No. 1 (November 1993), 193-194.

[13] Stephen R. Covey, *The 7 Habits of Highly Effective People*, (New York: Simon & Schuster Inc., 1989), 51.

[14] Creech, *The Five Pillars of TQM,* 391.

Chapter 3

Planning

If you know the enemy and know yourself, You need not fear the results of a hundred battles, If you know yourself but not the enemy, For every victory gained, you will also suffer a defeat If you know neither the enemy nor yourself, You will succumb in every battle.

—Sun Tzu

The second ingredient for sustained excellence resides in an organization's ability to adequately prepare itself to accommodate future possible real-world dynamics while simultaneously fulfilling its visionary goals. Organizations primarily depend upon planning to chart varying course options. Planning generally orientates an organization by reviewing essential resources, environmental influences, analyzing alternative paths to the goal, and determining the best possible avenue to achieve their desired results. The hardest aspect, and ultimate goal, of planning is to identify possible consequences of uncertainties prior to their impact on organizational operations and resolve them in the most efficient manner possible. Realities of today's dynamically changing customer requirements add the need for any planning model to include versatility and flexibility. It must be able to distinguish, monitor, and exploit global trends.[1] Planning provides the wherewithal to proceed from today's organizational state to desired visionary goals, in the most efficient manner possible. It allows decisions to be made in an educated enlightened manner. Proper planning sustains excellence by removing excess efforts through

preparation and elimination of possible inhibitors to successful achievement of desired outcomes. This section will review planning's important impact at varying levels of organizations. Leaders at every level need to incorporate planning, to alternative degrees, into their operations. Several basic planning approaches will be presented with analysis towards their strengths and weaknesses. The third section will discuss the viability of scenario planning, one of the reviewed basic planning approaches. A summary of planning aspects that could lead an organization towards sustained performance excellence will close the chapter.

The Roles of Planning Throughout an Organization

Planning, to some degree, impels itself into every decision-making level within an organization. Senior executive officers implement it in determining long range goals and strategic visions. Middle level managers utilize planning models to allocate personnel and material resources to execute processes and procedures necessary to fulfill long range goals and strategic visions of executive managers. First-line supervisors call upon it to assist in placing controlled assets against present or pending problems. The difference of these fluctuating planning levels primarily resides in their time related horizon. All are important because each fulfills crucial aspects of the overall organizational goals. Each level of planning will be addressed subsequently in clarification of their individual defining aspects. Nevertheless, it is clear that executive level planning decisions carry heightened influence as their decisions ripple down throughout the organization and affect decisions undertaken by lower level decision-makers. Further expansion on executive level planning will be saved until the close of this section after clarification of

generally successful planning characteristics and review of implementation at the managerial and supervisory levels within the organization.

The commitment to advance planning, its implementation, and subsequent critique provides an organization with a clearer perspective regarding its performance in relation to its consumers needs. Planning for the volatility of today's rapidly changing operating environment requires greater interaction between all three levels of the decision-making process to reduce the time required from issue identification to resolution. This quickening of the decision process behooves greater involvement of all organizational members. As Perry Smith points out in *Taking Charge,* "A major goal of a planning system is to encourage creativity and innovation throughout the organization." (page 113).[2] This broadening of collective knowledge through planning sessions exponentially increases an organization's ability to adequately close any gaps between resource allocation and qualifying factors necessary to meet sustained performance excellence. True commitment to planning should consummate sustained excellence at each of the leadership levels within an organization.

At the first-line supervisory level, planning focuses ordinarily on short-range issues. The time frame of focus for leaders at this level should range from present day responsibilities out to a period of three to six months. The supervisor plans for appropriate application of available resources against known requirements. These need to include such varying items as personnel issues (counseling, leave, training, and rotation), operational constraints, and environmental restraints. The supervisor, using the senior executive leader's articulated vision, mission, and core value as guidance, may turn to middle level managers for clarification of intent and additional allocation of resources.

Beyond that, the supervisor should be free to apply available resources against prerequisites to produce the most effective exchange for resources. Conducive, solicitous planning sessions with colleagues promotes interdependent integration into the commitment to preparatory planning. Successful supervisors realize these benefits and accordingly schedule planning sessions to maximize organizational participation. The planning should generally encompasses relatively simple direct exchange arrangements of known assets against predominately known issues.

Middle level managerial preparation expands the planning horizon to closely integrate with supervisory level plans but should reach beyond that time frame to a period of minimally twelve to thirty-six months from the present day. Similar to that of the supervisor, the manager monitors personnel issues, operational constraints, and environmental restraints. Their augmented responsibilities could include such organizational aspects as major capital infrastructure investment and divestiture planning, systems development, and procedural analysis, development, and implementation. Their planning routinely interacts with related efforts at the senior executive level. Planning at this level emphasizes re-distribution of resources to meet anticipated evolving demands on organizational entities as progression towards determined goals is realized. Managerial planning needs to provide guidance to supervisory levels regarding the intent and nature of executive level goals. Simultaneously, it's responsible to funnel feedback of executive level decisions upon their and the supervisor's level of operations to senior organizational levels in a timely constructive manner. The planning process at this level collates fairly complex and unforeseen issues into the planning system in the most efficient manner possible, while assisting upper and lower levels of the decision making

process to remain on course to achieve the ultimate organizational goal of sustained performance excellence.

The planning system residing at the senior levels of any organization controls the organization's potential for future survival, let alone sustained excellence. One, arguably the most important, key responsibility of executive decision-makers consists of defining the organizations vision, mission, and core values. These three things, clearly articulated, should integrate every individual within the organization to participate in the planning system. It grants the individual comprehensive insights to the principles of the organization and its goals. Stephen Covey suggests, properly articulated and disseminated within an establishment, it should provide all organizational members "a moral compass."[3] This concept allows group members the ability to expand interdependency by establishing clear parameters for planning actions. Basing decisions on established core values, seeking closure on visionary goals, while fulfilling determined missions, decreases response times to consumer needs.[4] Successful integration of vision, mission, and core values into regular planning and operating decisions provides senior executives the opportunity to address issues more than three years in the future, strategic planning.

Beyond articulation of a common beginning ground for lower level planning, senior executives need to address long range planning and strategic planning. Long range planning, extending from three to possibly ten years, consistently interacts with managerial-level planning to determine appropriate business decisions for future sustained excellence. Subject matter could easily include current product improvements, consumer research and development, new product introduction, or, possibly even, product

line divestiture to ensure continued adherence to the organization's visionary goal. In order to prepare for long range planning, the senior executive must be cognitively aware of both internal and external operating environment variances. They need to quickly grasp the potential impact of competitor actions, government legislation related to their industry, and technical advances relevant to contemporary operations or goals. The key point in long range planning resides in facilitating senior executive decisions on known commodities versus exploratory investigations to determine future ventures.

Senior executives should also ensure adequate planning time centers on futuristic strategic planning. Senior executive vision should determine appropriate time horizons sufficient to meet each organization's outlook capacity. Present operating environment volatility justify increasingly higher percentages of senior executive time spent with independent corporate strategic planners. Strategic planners need to provide executives with a simplistic analysis of identified trends and probable futuristic impacts to the operating environment.

In summary, planning needs to persistently occur at all levels within an organization. Efforts to base the planning on commonly shared values produce synergy by preventing unnecessary micromanagement and permitting senior corporate officers to focus predominantly on key concerns. Senior executives anchor the planning system with the capability to provide a clearly articulated baseline for all levels of planning, to overview of all levels of organizational planning to varying degrees, and to prepare the organization for progression to the next plateau of performance incorporating futuristic trend analysis and exploitation.

Alternative Approaches to Planning

If strategic planning provides the basic survival planning for an organization, justifiably it should eliminate as many uncertainties as possible. The reduction of influential variances on decisions can be approached from numerous diverse perspectives. The common perspectives reviewed here include strategic planning based on instituting systematic warnings of debilitating influences, trend extrapolation, incorporation of vision, and scenario building. Each of these strategic planning approaches potentially provides valuable insights to reduce possible uncertainties but some progress further than others in clarifying the best chartered course for an organization to pursue towards sustained excellence.

One common perspective formulates strategic planning through preemptive organizational actions to provide warnings of possible detrimental operating environment conditions. An example of this type of strategic planning can be portrayed in recent increased corporate reliance on customer satisfaction surveys to evaluate their service or product effectiveness. These customer critiques can provide an organization with valuable insights into the satisfaction and possible future desires of their vocal consumer pool. Another example could be reflected in an organization's determination to base future actions on identification of specific competitor or consumer actions. This type of strategic planning approach depends heavily on actions of end users or competitors to identify product or service shortcomings. The viability of this method decreases daily due to today's quicker paced, less forgiving operating environment. The luxury of predominantly reactive behavior has been lost with the indoctrination of recent communications, manufacturing, and technical computing advances. All organizations

now need to pursue more aggressive proactive strategic planning approaches to remain competitive even in small niche markets.

Pursuit of trend extrapolation demonstrates a more proactive approach to strategic planning. Aggressive market research and analysis can provide futuristic outlooks for potential trends but this system can harbor unpredictable risks when not all aspects of the issue have been credited with the proper weight in the final decision. Cocoa Cola's decision to aggressively promote a new improved basic cola in the 1980s was well received until their consumers learned that the former cola formula would no longer be available. Market research and analysis both strongly heralded the pending success of the new cola formula. Nevertheless, the critical question concerning consumer acceptance regarding the removal of the old formula from circulation had not been asked. The research and analysis predicted correctly the new formula's success but only within the parameter that it had set for itself. This one example should not serve to devalue trend extrapolation beyond recognition that it is not the sole solution for strategic planning, it routinely reduces market uncertainties for numerous organizations with high degrees of success.

Carl Builder and James Dewar support the application of organizational vision to facilitate strategic planning. They promote the belief that a clearly articulated vision automatically reduces the number of uncertainties by rendering most variables irrelevant, or of manageable importance, in planning for the strategic goals.[5] Adherence to a firmly entrenched vision, founded on integrated core values, reduces vacillating distractions from organizational goals. This concept appears to provide the greatest degree of certainty to future operations, but rests unwaveringly on the assumption that the

organizational vision prudently evolves with operating environment realities. The retention of vision validity remains one of the hardest goals for any organization to sustain in today's rapidly progressing global market. Unless totally uninhibited mindfulness is pursued to keep the vision valid, a neglected organizational vision can easily and quickly lead any establishment into obscurity.

The perspective of scenario building culminates many aspects of the above perspectives while simultaneously challenging the horizons of the previous approaches. Scenario building stresses the education of the decision makers through in-depth unrestricted "what if" scenario building sessions.[6] It highly values products of the previous approaches such as trend extrapolation analysis, but advocates unequivocally the importance of an all encompassing data assimilation from diverse sources. The potential capability of this approach amplifies possible successes achieved via the organizational vision approach by inspiring increased comprehension of operating environments dynamics and proactively preparing for possible unforeseen impediments to reaching vital organizational goals.

The above approaches all carry merit to aid strategic planning but scenario building contains the highest potential of future success. The basis for this assessment rests on its reliance on diverse data collection beyond normal niche market environments. The utilization of this data in strategic conversations exponentially prepares an organization to better maneuver itself for future operations.

From Strategic Conversations to Scenario Building

The unique aspect of scenario building, as outlined in *The Art of the Long View* by Peter Schwartz, lies in the concept that people must be enabled to reperceive acquired mental models of the way everything interacts. Scenario building challenges an individual to seek unique information beyond generic sources and contest the assumption that what led to success yesterday will be effective tomorrow. Its goal is not to construct an accurate picture of the future, but to promote a more comprehensive knowledge of reality's dynamics. This expanded understanding procreates better decisions through enlightenment.[7] Numerous organizations have successfully plied this approach to challenges faced in turbulent years, Royal Dutch/Shell is an often referenced pioneer in scenario planning. Their focus dwelled on expanding their manager's personal mental models of reality. Shell's growth, during lean times for the international oil industry, stems largely from their ability to transform mental models through conducive strategic conversations in relation to alternative scenario settings. These conversations, combined with analysis of alternative future scenarios, enabled Shell to react more effectively to largely unforeseen market fluctuations.

Peter Senge emphasizes the importance of challenging mental models and similarly advocates constructive strategic conversations in his book *The Fifth Discipline*. He incorporates this into one of his five theoretical disciplines for successful learning organizations. His research supports the concept that organizations which continuously strive to improve comprehension of their operating medium will sustain higher degrees of performance through discerning decision making. Mental model comparisons provides a pivotal point for learning organizations in that individuals must open their privately held

mental models for scrutiny and dialogue in comparison with others' models and situational dynamics.[8] Such open comparison of personal mental models requires identification and inspection of an individual's core assumptions regarding their manner of interaction with the surrounding environment. This undertaking responds to the current belief that an organization's operating foundations resides in its leaders mental models of thinking patterns and interactions with personnel and systems.[9] A higher level of performance necessitates a shift to a clearer understanding of surrounding realities and their impact on the operating environment and organizational goals.

Scenario building, through open active interchanges, provides an opportunity for an organization to consider alternative futures prior to their arrival. Advance consideration of several varied scenarios greatly enhances an organization's ability to integrate evolving operating realities in advance or as they occur. The construction of potentially applicable scenarios requires in-depth dialogue, research, and assumption identification. The effectiveness of scenario building in strategic planning resides not in identification of alternative futures, but in the education process of decision makers to more comprehensively and effectively interpret future market development. The development and analysis of diverse scenarios aids leaders in long term outlooks and also in the execution of daily functions.[10] Its true beneficial power lies within the expansion of decision maker's knowledge levels.

Summary of Planning Ingredient

Sustained excellence depends primarily on preparatory planning efforts. The Boy Scouts of America motto *Be Prepared* promotes this concept in the most basic sense.

Nevertheless, an organization needs to go beyond just being prepared, it needs to advocate and execute advance planning throughout its entire infrastructure. Planning at all levels needs to be guided, supported, and coordinated in its focus, intensity, and goals by the organization's senior executives. Their focus should resemble the planning concept of "moral compassing" promoted by Stephen R. Covey in *Principle Centered Leadership*. There, he advances the viewpoint that senior officers should clearly articulate and support the desired principles for the organization. This clarification of organizational principles allows subordinates to act independently using the organization's vision and core values as "moral compass" in execution of daily functions and planning efforts.[11] Sustained excellence necessitates all levels of an organization to engage in effective planning in preparation of future operations. The lack of planning opens organizations to increased environmental vulnerabilities and market fluctuations, fails to develop corporate assets to accommodate changing global and organizational dynamics, and possibly can lead to the organization's demise.

Scenario building provides a very comprehensive approach for preparing an organization for future sustained excellence. Its incorporation of continued learning, liberalization of insights, and requisite challenge of basic operating assumptions enable it to more proactively prepare an organization to effectively overcome future hurdles. The technique of encouraging revision of entrenched mental models promotes a consistent broadening of corporate decision makers' knowledge and experience foundation. Such an endeavor reduces exponentially the impact of future uncertainties on organizational operations by preparing realistically for a wide spectrum of possibilities. This type of organizational preparation additionally provides keener understanding of external and

internal organizational operating realities. It exalts a higher degree of performance by allowing proper focus of energy on the truly important matters in the most timely manner.

Appropriate organizational planning, depending heavily on senior executive strategic and long range planning efforts, paves the way for sustained excellence. Its absence, while not prohibiting the possibility of excellence, generally precludes optimum organizational synergy, thus denying an organization from attaining its true potential. Planning can provide true situational awareness and develop decision makers to more capably handle future situations. As General Bill Creech implies in *The Five Pillars of TQM,* preparatory planning is fundamental to success.[12] Planning focuses the prerequisite emphasis on the correct organizational issues to sustain excellence.

Notes

[1] Karl Albrecht, *The Northbound Train* (New York: American Management Association, 1994), 60-62.

[2] Perry Smith, *Taking Charge* (New York: Avery Publishing Group, Inc., 1988), 113.

[3] Stephen R. Covey, *Principle Centered Leadership* (New York: Simon & Schuster, Inc., 1991), 94-100.

[4] Timothy Nolan, Leonard Goodstein, and J. William Pfeiffer, *Plan or Die? Ten Keys to Organizational Success* (San Diego: Pfeiffer & Co., 1993): 38-47.

[5] Carl H. Builder and James A. Dewar, "A Time for Planning? If Not Now, When?" *Parameters* Vol. 24, No. 2 (Summer 1994): 10-12.

[6] Peter Schwartz, *The Art of the Long View* (New York: Bantam Doubleday Dell Publishing Group, Inc., 1996), xiv-xv.

[7] Ibid., 9.

[8] Peter Senge, *The Fifth Discipline* (New York: Bantam Doubleday Dell Publishing Group, Inc., 1994), 8-9.

[9] Ibid., xiv.

[10] Nolan, *Plan or Die! 10 Keys to Organizational Success*, 104-108.

[11] Covey, *Principle Centered Leadership*, 94-100.

[12] Bill Creech, The Five Pillars of TQM (New York: Truman Talley Books/Plume, 1994), 138-142.

Chapter 4

Empowerment

No company or institution can amount to anything without the people who make it what it is.

—Max DePree

The third ingredient for sustained excellent performance focuses on the primary asset of most, if not all, organizations, their workforce. Personnel traditionally form the most dynamic variable in any organization. Unfortunately, the synergistic potential of today's diverse workforce remains largely untapped. Reluctance to accept and integrate flatter organizational structures and intrinsic personal inhibitions in decision makers rank high in precluding full interdependence of most workforces. The promise of workforce empowerment resounds in numerous successful commercial and public endeavors. A short, yet prominently known, list could easily include Rubbermaid, Royal Dutch/Shell, IBM's recent resurgence, Sony, and numerous other large and small corporations. Yet, full employee empowerment continues to be employed less frequently than such historic management techniques as Management By Objectives in deference to the perception that professional managers continue to hold the preponderance of necessary knowledge to attain sustained excellence. It has been asserted that this perception evolved through introduction of a power transfer from shareholder-owners to professional managers early

in this century, who monopolized and centralized the decision-making process. This corporate control system sought, and still pursues, a shorter outlook and emphasized near-term returns.[1] Empowerment reverses this by seeking to transfer ownership to each individual within the workforce. It divests responsibility to the working level where more complete understanding resides concerning the affected process. It pursues a personal level of commitment from all employees, for their personal and the organization's ultimate benefit. Its ultimate goal resides in the synergy achieved of exponential efforts where the sum equates to more then the basic aggregate of the workforce.

Empowerment requires three key commitments for successful integration in today's organizations. The first basic requirement of empowerment resides in establishing and sustaining trust between all members of the workforce. Trust embodies the foundation for empowerment, its absence results in ineffective dependence on higher organizational echelons for even the most minute guidance. The second commitment must be to the proactive exchange of information in all directions within an organization. Communications, critical in all endeavors, fulfills a crucial role in empowerment. It allows trust to accumulate through the conducive exchange of ideas and perceptions. These first two are crucially interdependent for excellence to be even a possibility. The third key commitment, intellectual capitalism, asserts individual commitment to organizational goals as the method to achieve true sustained excellence. All three depend in equal proportion to the success of the other for empowerment to achieve increased organizational synergy. The product of increased effectiveness, derived from full adherence to these commitments, overwhelmingly supports any establishment's efforts to integrate the concept of empowerment within its employees. A more flexible productive

workforce, empowered to fulfill organizational goals, virtually guarantees future sustained excellence.

Trust and Communication

Trust forms the bedrock of any effort to empower employees. Established in advance and simultaneous to ongoing operations, trust can provide all levels of an organization with the confidence that interdependent action will be proactively pursued in fulfillment of organizational goals based on shared principles and values. Its development requires mutual commitment from all parties. Stephen R. Covey creatively equates trust to an "Emotional Bank Account" which sustains relationships through deposits and withdrawals by interacting members. These deposits and withdrawals represent interactions occurring between either individuals or groups. Increased deposits results in elevated levels of trust and generates subsequent higher levels of independence based on faith established through previous performance.[2] Withdrawals from the account, possibly in the form of commands without full interaction between the affected parties, expend mutual confidence in the relationship. Care must be executed to maintain the account on the ledger's positive side. Without trust, professional relationships revert to some form of restrictive control parameters to ensure adherence to organizational goals. Such parameters are often found in the form of generically constructed regulations, broad enough to cover most situations, but generally not totally applicable to any given situation. This type of situation stymies creative ideas and actions, virtually limits performance to the rate of oversight and guidance provided by the regulations or pending additional instructions from senior managers. Trust generates synergistic efforts through

commitment to shared values, personal integrity, sincere interaction, understanding of individual concerns balanced with organizational imperatives, and the core desire of people to constructively participate in a honorable creative organization of which they can be immensely proud. Professional trust, given and received, dramatically extends the operating horizon of an organization confronting today's global environment realities.

Communications plays a large part in establishing the necessary trust to advance organizational empowerment. It is imperative that more than just information discharges occur, comprehension derived from sincere listening constitutes the ultimate goal in communicating. Genuine comprehension graduates organizational efforts to new performance plateaus through objective examination of multiple frames of reference. This examination, openly advocated throughout the organization, encourages individuals and groups to enlarge their own frames of reference through impartial analysis of alternative viewpoints. This endeavor seeks not to promote immediate acceptance, but rather a critical review of the currently held frame of reference in light of the different perspectives of dissimilar models. Communication exchanges must complete a full information dialogue (offered, received, scrutinized, affirmed, and feedback provided) to attain full effectiveness. Also, they must transpire supportively in oral, written, and behavior formats. Sincere listening seeks proactive message exchanges through all three spectrums. The most closely observed format, and thus probably most important, is definitely the behavior of organizational members.[3]   A manager or employee instructing one thing but doing something counter to their instructions quickly erodes the effectiveness of the communications exchange, to say nothing of the detrimental effect on mutual trust. Proper communications empowers through clear articulation of operating

parameters and expectations, in conjunction with articulated common values and organizational goals.

The final point for this section resides in the fact that communication and trust must occur at the one-to-one level first to be fully effective. They mutually support each other in the give and take of any relationship and feasibly form the foundation leading toward more effective organizational operations. Constructive relationships need to be nurtured through open frank communication exchanges and actions that foster long term trust between individuals.[4] The relationship generated builds the personal and organizational confidence necessary to progress to elevated plateaus of empowerment and effectiveness.

Intellectual Capitalism

The formula for sustained excellence experiences fluctuations in the equation's controlling variables due to a wide range of factors. The predominant modern day factor determining potential success resides in the effective integration of stakeholder ideas and talents into organizational goals. This concept departs from past formulas by its primary reliance on individuals' intellectual capital as the determining factor for success vice location or technological advantages.[5] Global advances in communications, manufacturing and marketing techniques, and worker education levels place higher productivity potential on human intellect than on tangible assets. The concept of straight line planning, organizing, commanding, coordinating, and controlling fails to realize the potential of today's work force and limits an organization's output to its tangible assets' capabilities. Intellectual capitalism challenges today's organizations with a paradigm

shift to fully engage stakeholders in effectively executing the responsibility for achieving and sustaining an organization's reputation for premium products or services.

Intellectual capitalism implementation empowers stakeholders through active integration into executing the operating process. Belasco and Stayer persuasively assert that four principles must be addressed for intellectual capitalism success in their book *Flight of the Buffalo*. The first principle would transfer ownership for product and service quality to the people actually doing the work. The second dwells on creating a conducive work environment that promotes individual pride in work performance and champions responsible individuals in executing personal, sectional, and organizational group performance. The third principle encourages individual development of personnel capability and competence. The final principle advocates improving the learning speed of stakeholders to advance their latent talents in the rapidly changing marketplace of today and tomorrow. Clearly the focus resides in integrating personal responsibility for performance and instilling the desire for increasing rates of private and organizational continuous improvement. Interestingly, this concept reverberates through many recent studies on organizational performance. Peter Senge, in *The Fifth Discipline*, professes the successful firm of the future, defined as a learning organization, needs to focus on the disciplines of systems thinking, personal mastery, mental models, building shared vision, and team learning.[6] Once again, the focus poignantly dwells on personal perspectives vice an organizational or structural focus. The more clear selling point, however, resides in intellectual capitalism's attention to transferring performance responsibility to the accountable person, the one doing the job.

Successful ownership transfer generally produces additional beneficial side affects. First, ownership generally accompanies personal desire to do the very best possible as it is a reflection of the individual. Simultaneous to an individual's increased effectiveness, it fosters peer pressure to further integrate colleague's interactions in the most effective manner possible.[7] This desire drives the quest for improved communications, more fluid work processes, and greater interdependence of stakeholders. Subsequently, improved communications cultivates greater comprehension of the operating process and its surrounding environment.   Combined with all the above, ownership induces greater levels of personal initiative, commitment, and innovation.[8]

The integration of stakeholders into organizational goals through intellectual capitalism empowerment draws upon an organization's core crucial asset, its personnel. Their empowerment through the principles described is not easy nor quick, but it can be accomplished. Actually, it needs to be accomplished by many organizations if they are to attain and sustain the degree of excellence being required of competitive firms in today's global markets. Increased reliance on individual efforts, sustained by implementation of intellectual capitalism principles, should significantly improve any firm's chances of achieving its organizational goals.

Summary of Empowerment

Sustained excellence reliance on a trustful environment, robust communications, and intellectual capitalism concepts is exonerated regularly by firms supplying high quality products and services. Stakeholders associated with successful firms talk proudly of empowerment's positive impact on the quality of their work process, product, or service.

They acknowledge the right and responsibility to ensure only the best effort goes into the delivered goods. Empowered, they personify sustained excellence. The most fundamental point behind these successes is the realization that organizations can only be greater then the sum of its parts through synergetic individual efforts. Many firms continue to be even less then the sum of their parts due to fracturing compromises between management and labor, inevitably due to low trust environments.[9] Successful synergy can only be attained through stakeholder empowerment, engagingly activated through intellectual capitalism, permeating throughout the organization and setting the tone for individual ownership and interdependence.

Notes

[1] James A. Belasco and Ralph C. Stayer, *Flight of the Buffalo* (New York: Warner Books, Inc., 1993), 47-48.

[2] Stephen R. Covey, *The 7 Habits of Highly Effective People* (New York: Simon & Schuster, Inc., 1989), 188-200.

[3] Max DePree, *Leadership is an Art* (New York: Bantam Doubleday Dell Publishing Group, Inc., 1989), 101-108.

[4] Stephen R. Covey, *Principle Centered Leadership* (New York: Simon & Schuster, Inc., 1992), 112.

[5] Belasco, *Flight of the Buffalo,* 48-49.

[6] Peter Senge, *The Fifth Discipline; The Art & Practice of The Learning Organization* (New York: Currency Doubleday, 1990), 5-11.

[7] Bill Creech, The Five Pillars of TQM (New York: Truman Talley Books/Plume, 1994), 131.

[8] Ibid., 390-391.

[9] Ibid., 390.

Chapter 5

Conclusions

Response-ability is the ability to choose our response to any circumstance or condition.

—Stephen R. Covey

The three ingredients for sustained excellence comprise a significant challenge for any organization to fully implement. Their integration into practice could require numerous paradigm shifts. Some groups will probably resist some or all of the concepts but collective perseverance will reap the benefits of a more productive organization. The advantages that come with successful integration of proactive noncoercive leadership, preparatory planning focused on development of stakeholder comprehension, and true empowerment of all organizational individuals include a much more versatile, committed workforce.

Leadership should focus on developing a clear articulate vision for the organization with stakeholders' involvement. Leaders, especially senior executives, should aggressively ensure all organizational layers understand and adhere to shared values and organizational goals. Persistent attention should be applied to advocating the importance of all individual efforts toward ensuring the final product or service reflects the highest quality. Principle centered leadership will generate the conducive environment for

sustained excellence through the generation of mutual respect and commitment to a mutually developed vision.

Planning should prepare an organization for future operations and is essential at all layers of an organization. Its guiding factors, organizational vision, shared values and ultimate goals, provide stakeholders with the framework upon which to build their concepts of future work processes. Executive level planning needs to extend beyond future work process development into a greater comprehension of future uncertainties and preparations to resolve potential concerns. Scenario building provides a very dynamic tool to expand learning processes and challenge the validity of preconceived mental models. The value of scenario building lies within its capacity to extensively prepare an individual for more effective problem resolution in the future. As stated earlier, effective planning focuses the prerequisite emphasis on the correct organizational issue in the most competent manner through interdependence and mutual growth.

Empowerment should enable an organization to expand its potential by seeking fuller commitment of stakeholders. Prerequisites for success include the establishment and sustenance of a trustful work environment and robust communications. Both foster greater interactions and support between all personnel affiliated with the product or service provided. Intellectual capitalism furthers the gains from high trust and strong communications by transferring ownership responsibility to the people actually executing the work processes. It seeks to increase the involvement of all personnel in actively supporting organizational goals with personal initiative, creativity, and innovation. Intellectual capitalism's principles of pursuing personal development and increasing learning rates compounds the general concept of empowering everyone within the

organization to attain full potential. Empowerment truly carries the capability to move an organization from equaling less then, or minimally, the sum of its parts to exponentially exceeding the aggregate total through true synergy of personnel efforts.

In closing, sustained excellence depends first on the personal level and then on the organizational level of commitment. The commitment of an organizations' individuals to its vision, mission, and values is key in determining its level of success. Leadership, planning, and empowerment, properly focused, contain the capacity to elevate individualistic potential and deliver sustained excellence through the collective whole's commitment to synergetic growth and interdependent productivity.

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