Blanchard on Leadership and Creating High Performing Organizations

LEADING AT A HIGHER LEVEL

THE SUMMARY IN BRIEF

Management expert Ken Blanchard, co-author of The One Minute Manager, and his colleagues at The Ken Blanchard Companies have spent more than 25 years helping good leaders and organizations become great and stay great. Now, for the first time, they’ve brought together everything they’ve learned about outstanding leadership. In this summary, they show managers and leaders how to go beyond the short term and zero in on the right target and vision. They also describe how companies can empower people and unleash their incredible potential.

A key aspect of Blanchard’s philosophy involves treating customers right. This summary explains his three secrets for learning how to accomplish this and turn customers into “raving fans.” Other skill sets that are detailed include the three keys to empowerment, the three skills of a situational leader and the three skills of a self leader.

Experts from The Ken Blanchard Companies who contributed to the lessons presented in this summary include founding associates Marjorie Blanchard, Don Carew, Eunice Parisi-Carew, Fred Finch, Laurence Hawkins, Drea Zigarmi and Pat Zigarmi. Also contributing were consulting partners Alan Randolph, Jesse Stoner, Susan Fowler, Fay Kandarian, Judd Hoekstra and Scott Blanchard. Together they present more than 25 years of breakthrough leadership insights.

This summary of Leading at a Higher Level will show you:

✓ How to ground your leadership in humility.
✓ Ways to focus on the greater good of people and the organization.
✓ Why it is important to have an engaged work force of self leaders.
✓ How to go beyond the short term and zero in on the right target and vision.
✓ Ways to deliver legendary, maniacal customer service and earn raving fans.
✓ How to determine your leadership point of view.

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What Is Leadership?
For years we defined leadership as an influence process. A better definition of leadership is the capacity to influence others by unleashing the power and potential of people and organizations for the greater good.

When the definition of leadership focuses on goal accomplishment, one can think that leadership is only about results. Yet accomplishment is not enough. The key phrase in the second definition is “the greater good” — what is best for all involved. Leadership should not be done purely for personal gain or goal accomplishment: It should have a much higher purpose than that.

When you are leading at a higher level, you have a “both/and” philosophy. The development of people is of equal importance to performance. As a result, the focus in leading at a higher level is on long-term results and human satisfaction. Leading at a higher level, therefore, is a process. It can be defined as the process of achieving worthwhile results while acting with respect, care and fairness for the well-being of all involved. When that occurs, self-serving leadership is not possible. It’s only when you realize that it’s not about you that you begin to lead at a higher level.

1. Provider of Choice: To keep your customers today, you can’t be content just to satisfy them; you have to create raving fans. Raving fans are customers who are so excited about the way you treat them that they want to tell everyone about you.

2. Employer of Choice: Today’s workers seek opportunities where they feel like their contributions are valued and rewarded.

3. Investment of Choice: All companies require funding sources, through stock purchases, loans, grants or contracts. To be willing to invest, people must believe in the company’s viability and performance over time.

The HPO SCORES Model
Because of their flexibility, nimbleness and responsive systems, high performing organizations (HPOs) remain not only successful and respected today but are also poised to succeed in the future. HPOs demonstrate results consistently over time.

SCORES is an acronym that represents the six elements evident in every HPO. An HPO SCORE hits the target consistently because it demonstrates strength in each of these six elements:

S = Shared Information and Communication. Information needed to make informed decisions must be readily available to people and openly communicated.

Is Your Organization High Performing?
Those who want to lead at a higher level need to understand what a high performing organization looks like and what is necessary to create one. They need to aim for the right target.

The Right Target: The Triple Bottom Line
In high performing organizations, everyone’s energy is focused on not just one bottom line, but three bottom lines — being the provider of choice, the employer of choice, and the investment of choice. The triple bottom line is the right target and can make the difference between mediocrity and greatness. The leaders in high performing organizations know that their bottom line depends on their customer, their people and their investors.
Serving Customers at a Higher Level

The second step in leading at a higher level is to treat your customers right. While everybody seems to know that, few organizations are creating raving fans — devoted customers who want to brag about them.

Scoring With Your Customers

In high performing organizations, everything starts and ends with the customer. This is a radical shift from organizations whose business design put the customer at the end of the chain. For example, at the renowned Golden Door Spa, all systems are set up to wow the customer. Everyone knows that his or her job is to exceed expectations and to back up the key front-line person at that moment.

In high performing organizations, management has regular face-to-face contact with customers — not only with devoted customers, but also with those who are frustrated, angry or not using the organization’s products and services. Leaders are passionate about developing sophisticated knowledge of customers and sharing the information broadly throughout the organization.

Decide, Discover and Deliver

There are three secrets to treating your customers right and turning them into raving fans:

- **C = Compelling Vision.** When everyone supports such an organizational vision — including purpose, picture of the future and values — it creates a deliberate, highly focused culture that drives the desired business results.

- **O = Ongoing Learning.** HPOs are constantly focusing on improving capabilities through learning systems, building knowledge capital and transferring learning throughout the organization.

- **R = Relentless Focus on Customer Results.** HPOs understand who their customers are and measure their results accordingly. Everyone passionately holds and maintains the highest standards for quality and service from their customers’ perspectives.

- **E = Energizing Systems and Structures.** The systems, structures and processes in HPOs are aligned to support the organization’s vision, strategic direction and goals.

- **S = Shared Power and High Involvement.** In HPOs, power and decision making are shared and distributed throughout the organization, not guarded at the top of the hierarchy.

Leadership Is the Engine

If becoming a high performing organization is a destination, leadership is the engine. While the HPO SCORES model describes the characteristics of a high performing organization, leadership is what moves the organization in that direction.

The Power of Vision

When leaders who are leading at a higher level understand the role of the triple bottom line as the right target — to be the provider of choice, employer of choice and investment of choice — they are ready to focus every-
Empowerment Is the Key

How do the best-run companies in the world beat out the competition day in and day out? They treat their customers right. They do that by having a work force that is excited about their vision and motivated to serve customers at a higher level. So how do you create this motivated work force? The key is empowerment.

Empowerment means letting people bring their brains to work and allowing them to use their knowledge, experience and motivation to create a healthy triple bottom line. Leaders of the best-run companies know that empowering people creates positive results that are just not possible when all the authority moves up the hierarchy and managers shoulder all the responsibility for success.

Researcher Edward Lawler found that when people are given more control and responsibility, their companies achieve a greater return on sales than companies that do not involve their people. Scholar Thomas Malone believes that empowerment is essential for companies that hope to succeed in the new knowledge-based economy.

The Three Keys to Empowerment

To guide the transition to a culture of empowerment, leaders must use three keys:

1. **Sharing Information.** One of the best ways to build a sense of trust and responsibility in people is by sharing information. Giving team members the information they need enables them to make good business decisions. High performing organizations continually look for ways to incorporate knowledge into new ways of doing business. Michael Brown, former chief financial officer of Microsoft, says, “The only way to compete today is make your intellectual capital obsolete before anyone else does.”

2. **Discover.** After you decide what you want to have happen, it’s important to discover any suggestions your customers may have that will improve their experience with your organization. What would make their experience with you better? Ask them!

3. **Deliver +1 Percent.** Now you have to figure out how to get your people excited about delivering this experience, plus a little bit more. The responsibility for establishing a shared vision rests with the senior leadership.

PART THREE: TREAT YOUR PEOPLE RIGHT

Situational Leadership: The Integrating Concept

If empowerment is the key to treating people the right way and motivating them to treat your customers right, having a strategy to shift the emphasis from leader as boss and evaluator to leader as partner and cheerleader is imperative.

Is the direct report new and inexperienced about the task at hand? Then more guidance and direction are called for. Is the direct report experienced and skilled?
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That person requires less hands-on supervision. All of us are at different levels of development depending on the task we are working on at a particular time. To bring out the best in others, leadership must match the development level of the person being led. Giving people too much or too little direction has a negative impact on people’s development.

Situational leadership is based on the belief that people can and want to develop, and there is no best leadership style to encourage that development. You should tailor leadership style to the situation.

Leadership Style

There are four basic leadership styles in situational leadership: directing, coaching, supporting and delegating. These correspond with the four basic development levels: enthusiastic beginner, disillusioned learner, capable but cautious performer and self-reliant achiever.

Enthusiastic beginners need a directing style, disillusioned learners need a coaching style, capable but cautious performers need a supporting style and self-reliant achievers need a delegating style.

Development level is not a global concept, but it’s task-specific. Development level varies from goal to goal or task to task. An individual can be at one level of development on one goal or task and be at a different level of development on another goal or task.

The Three Skills of a Situational Leader

To become effective as a situational leader, you must master these three skills:

1. Diagnosis. You must determine the development level of your direct report. The key is to look at competence and commitment.

2. Flexibility. When you are comfortably able to use a variety of leadership styles, you have mastered the skill of flexibility. As your direct reports move from one development level to the next, your style should change accordingly.

3. Partnering for Performance. Partnering opens up communication between you and your direct reports and increases the quality and frequency of your conversations. Leadership is not something you do to people, but something you do with people.

Self Leadership: The Power Behind Empowerment

Managers must learn to let go of command-and-control leadership styles, because soon they will have no choice. In the 1980s, a manager typically supervised five people — in other words, the span of control was one manager to five direct reports. Today, companies have more mean-and-lean organizational structures, where spans of control have increased considerably. Now it is common to find one manager for 25 to 75 direct reports. Add to that the emergence of virtual organizations — where managers are being asked to supervise people they seldom, if ever, meet face to face — and we have an entirely different work landscape emerging.

The truth is that most bosses today can no longer play the traditional role of telling people what, when and how to do everything. More than ever before, companies today are relying on empowered individuals to get the job done.

Creating an Engaged Work Force

People need to be trained in self leadership. Organizations on the leading edge have learned that developing self leaders is a powerful way to positively impact the triple bottom line.

For example, Bandag Manufacturing experienced the value of self leadership after a major equipment breakdown. Rather than laying off the affected work force, the company opted to train them in leadership. A funny thing happened. Direct reports began holding their managers accountable and asking them to demonstrate their leadership capabilities. They were asking managers for direction and support and urging them to clarify goals and expectations. Suddenly, managers were studying up on rusty skills and working harder.

When the plant’s ramp-up time was compared to the company’s other eight plants that had experienced similar breakdowns in the past, the California plant reached pre-breakdown production levels faster than any in history. The manufacturer studied other measures, too, and concluded that the determining factor in the plant’s successful rebound was primarily the proactive behavior of the workers, who were fully engaged and armed with the skill of self leadership.

The Three Skills of a Self Leader

Self leaders must be actively developed by teaching people skills and mental attitudes that foster empowerment. Here are the three skills of self leadership:

1. Challenge Assumed Constraints. An assumed constraint is a belief, based on past experience, that limits current and future experiences.

2. Celebrate Your Points of Power. The five points of power are position power, personal power, task power, knowledge power and relationship power. The sole advantage of power is the ability to do more good.
Getting feedback on your points of power can be an enlightening experience. The best way to increase your power base is to gather people around you who have points of power you don’t have.

3. Collaborate for Success. Self leaders take the initiative to get the direction and support they need to achieve their goals. The direct reports of self leaders diagnose their own development levels on a particular goal or task and take the initiative to get from their managers the leadership style they need to succeed.

Partnering for Performance

At its best, leadership is a partnership that involves mutual trust between two people who work together to achieve common goals. When that occurs, both leader and follower have an opportunity to influence each other.

Partnering for performance, the third skill of effective situational leaders, provides a guide for creating such side-by-side leadership relationships. It is a process for increasing the quality and quantity of conversations between managers and direct reports. These conversations not only help people perform better, but they also help everyone involved feel better about themselves and each other.

The best way to improve people’s job satisfaction is to help them perform well. That requires a good formal and informal performance management system.

An Effective Performance Management System

An effective performance management system has three parts:

1. Performance Planning. After everyone is clear on the organizational vision and direction, it’s during performance planning that leaders agree with their direct reports about the goals and objectives they should be focusing on. Goal setting, diagnosis and matching are part of performance planning.

2. Performance Coaching. This is where the pyramid is inverted and the hierarchy is turned upside down on a day-to-day basis. Now leaders do everything they can to help direct reports be successful. At this stage, managers work for their people, praising progress and redirecting inappropriate performance.

3. Performance Review. This is where a manager and direct report sit down and assess the direct report’s performance over time. When progress-check meetings are scheduled, open and honest discussions about the direct report’s performance take place on an ongoing basis, creating mutual understanding and agreement.

Situational Team Leadership

Teams can execute better and faster and change more easily than traditional hierarchical structures. They have the power to increase productivity and morale or destroy it. When working effectively, a team can make better decisions, solve more complex problems and do more to enhance creativity and build skills than individuals working alone. The team is the only unit that has the flexibility and resources to respond quickly to changes and new needs that have become commonplace.

Organizations can no longer depend on hierarchical structures and a few peak performers to maintain a competitive advantage. The demand now is for collaboration and teamwork in all parts of the organization.

Not only are teams hard-core units of production, they also provide a sense of worth, connection and meaning to the people involved in them. A study of 12,000 male Swedish workers over a 14-year period revealed that workers who felt isolated and had little influence over their jobs were 162 percent more likely to have a fatal heart attack than were those who had a lot of influence in decisions at work and who worked in teams. Data like this — combined with the fact that teams can be far more productive than individuals functioning alone — provide a compelling argument for creating high-involvement workplaces.

The Reality of Teams

A team is defined as two or more people who come together for a common purpose and who are mutually accountable for results. Some teams achieve outstanding results no matter how difficult the objective. High-performing teams cross all walks of life and vary in size, complexity and purpose. Although each outstanding team is unique, all share certain characteristics.

Building highly effective teams, like building a great organization, begins with a picture of what you are aiming for — a target.

The High Cost of a Disengaged Work Force

According to a 2003 Gallup study, “actively disengaged” people — workers who are fundamentally disconnected from their jobs — are costing the U.S. economy between $292 billion and $355 billion a year. The Gallup survey found that 24.7 million workers (17 percent) are actively disengaged. These workers are absent from work 3.5 more days a year than other workers, or 86.5 million days in all. Statistics show an even less engaged work force worldwide.
Organizational Leadership

Just as team leadership is more complicated than one-on-one leadership, leading an entire organization is more complicated than leading a single team.

Constant change is a way of life in organizations today. How do managers and leaders cope with the barrage of changes that confront them daily as they attempt to keep their organizations adaptive and viable?

They must develop strategies to listen in on the conversations in the organization so that they can surface and resolve people’s concerns with change. They have to strategize hard to lead change in a way that leverages everyone’s creativity and ultimate commitment to working in an organization that’s resilient in the face of change.

Directive Behavior for Organizational Change

Behaviors that provide support in leading organizations are primarily related to facilitating the change process and inspiring everyone to work together. Buy-in and cooperation are increased when change leaders listen to and involve others at each step of the change process. This means sharing information broadly across the organization, asking for input, sponsoring pilots, celebrating small successes and recognizing people who are changing.

Leading Change

There are eight change leadership strategies, as well as their outcomes, that describe a process for leading change that is dramatically different from how change is introduced in most organizations.

Eight Change Leadership Strategies

Strategy 1: Expand Opportunities for Involvement and Influence (Outcome: Buy-In). This strategy must be used consistently throughout the change process. Once a leader has diagnosed people’s stages of concern, the leader must learn to use the appropriate change strategy and corresponding behaviors to address the specific concerns people have in each stage of organizational change.

Doing so significantly increases the probability of implementing successful change because it expands opportunities for involvement and influence.

Strategy 2: Explain the Business Case for Change (Outcome: Compelling Case). This strategy addresses information concerns. When leaders present and explain a rational reason for the change, the outcome is a compelling case that helps people understand the change being proposed, the rationale for the change and the reason the status quo is no longer a viable option.

Top 10 Reasons Why Teams Fail

Being aware of the following pitfalls is important so that you can avoid them in the teams in which you participate:

1. Lack of a sufficient charter that defines the team’s purpose and how it will work together.
2. Inability to decide what constitutes the work for which they are interdependent and mutually accountable.
3. Lack of mutual accountability.
4. Lack of resources, including time, to do the job.
5. Lack of effective leadership.
6. Lack of norms that foster creativity and excellence.
7. Lack of planning.
8. Lack of management support.
9. Inability to deal with conflict.
10. Lack of training on all levels on group skills.

Strategy 3: Envision the Future (Outcome: Inspiring Vision). This strategy addresses both information and personal concerns. When leaders envision the future, they create an inspiring vision that motivates people in the organization and unleashes their power and potential.

Strategy 4: Experiment to Ensure Alignment (Outcome: One Voice and Aligned Infrastructure). This strategy is for personal and implementation concerns. When leaders engage others in planning and experimenting, they encourage collaborative effort and help build the infrastructure that is needed to support the change.

Some of the strongest resistance to change occurs when reality differs from expectations. Understanding the current expectations of those affected by the change is critical if leaders are to manage and shape or transform those expectations effectively.

Strategy 5: Enable and Encourage (Outcome: New Skills and Commitment). This strategy is for implementation and impact concerns. When leaders enable and encourage people throughout the organization to embrace the change, associates can develop new skills and make a deeper commitment to the organization. After determining the roles, responsibilities and competencies required for lasting change, skill gaps need to be closed.

Strategy 6: Execute and Endorse (Outcome: Accountability for Results). This strategy is for impact and collaboration concerns. When leaders execute and endorse the change, they create conditions for account-
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ability and early results. Follow through on your promise to recognize and reward behavior you expect, and follow through on your promise to impose consequences for anyone attempting to derail the program.

Strategy 7: Embed and Extend (Outcome: Sustainable Results). This strategy is for collaboration and refinement concerns. Organizations should spend 10 times more energy reinforcing the change they just made than looking for the next great change to try.

Strategy 8: Explore Possibilities (Outcome: Options). This strategy is for refinement concerns. By involving others in exploring possibilities, you immediately lower information concerns when a new change is announced, because people are “in the loop” about deciding what needs to change.

Responding to others’ concerns and paying attention to how you increase involvement and influence at each step in the change process is the best way to build future change receptivity, capability and leadership.

PART FOUR: HAVE THE RIGHT KIND OF LEADERSHIP

Servant Leadership

When people lead at a higher level, they make the world a better place because their goals are focused on the greater good. Making the world a better place requires a special kind of leader: a servant leader.

Robert Greenleaf first coined the term “servant leadership” in 1970 and published widely on the concept for the next 20 years. Yet it is an old concept. Mahatma Gandhi, Dr. Martin Luther King Jr. and Nelson Mandela are examples of leaders who have practiced this philosophy.

What Is Servant Leadership?

Leadership has two parts: vision and implementation. In the visionary role, leaders define the direction. It’s their responsibility to communicate what the organization stands for and wants to accomplish.

The responsibility for this visionary role falls to the hierarchical leadership. The visionary role is the leadership aspect of servant leadership. Servant leaders feel their role is to help people achieve their goals. They try to find out what their people need to be successful. They want to make a difference in the lives of their people and, in the process, impact the organization.

Determining Your Leadership Point of View

Research shows that effective leaders have a clear, teachable leadership point of view and are willing to teach it to others, particularly the people they work with.

If you can teach people your leadership point of view, they will not only have the benefit of understanding where you’re coming from, but they’ll also be clear on what you expect from them and what they can expect from you. They may also begin to solidify their own thinking about leadership so that they can teach others too. Some say that learning, teaching and leading should be inherent parts of everyone’s job description.

Seven Questions

In determining your leadership point of view, you should be able to answer these seven questions:

1. Who are the influencers (leaders) in your life who have had a positive (or, in some cases, negative) impact on your life, such as parents, teachers, coaches or bosses?
2. Think of your life purpose. Why are you here, and what do you want to accomplish?
3. Which of your core values will guide your behavior as you attempt to live your life “on purpose”?
4. Given what you’ve learned from past leaders, your life purpose and your core values, what are your beliefs about leading and motivating people?
5. What can your people expect from you?
6. What do you expect from your people?
7. How will you set an example for your people?

In developing your own leadership point of view, don’t be hard on yourself. This might be your first time thinking about your beliefs about leading and motivating people.

As you develop your own leadership point of view, the world needs more leaders who are leading at a higher level. Perhaps the day will come when self-serving leaders are history, and leaders serving others are the rule, not the exception.