

# The Quality Management FORUM



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## Leadership Vision and Strategic Direction

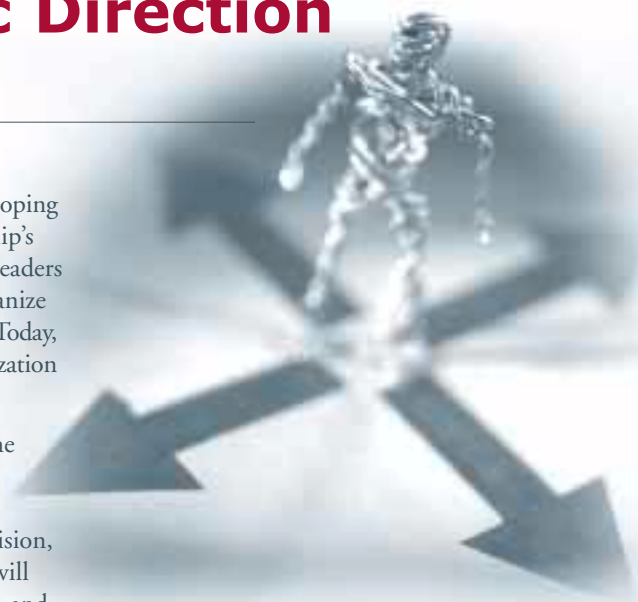
By Don Brecken

Creating a compelling vision and developing a strategy to achieve it, is one of leadership's primary functions. Historically, only top leaders understood the vision well enough to organize human and material resources to achieve it. Today, however, leaders at every level of the organization must understand the vision.

This article provides an overview of the leader's role in creating the organization's future. It examines leadership vision, the underlying themes common to effective vision, and how vision works on many levels. It will also examine how leaders formulate vision and strategy. Finally, this article will discuss the leader's contribution to achieving the vision.

### Strategic Leadership

Excellence in organizational performance does not come about by accident. It is a conscious choice made by organizational leaders. Top leaders know their organization's environment, have a five- or ten-year vision for the organization, and set believable plans to achieve their vision. However, in this complex and ever-changing world, anticipating the future can be very difficult. The authors of "Leaders: The Strategies for Taking Charge," Warren Bennis and Burt Nanus, agree and add that the "...problems of organizations are increasingly complex. There are too many ironies, polarities, dichotomies, dualities, ambivalence, paradoxes, confusions, contradictions, contraries, and messes for any organization to understand and deal with."<sup>1</sup> This complexity explains why many leaders are more comfortable focusing on clear, short-term goals than on uncertain, long-term visions.



But what will the future hold for those who fail to consider it? Failing to anticipate your customer's future needs, for instance, could put you at risk of losing business to competitors who do anticipate these needs and are able to fulfill them. This means leaders must anticipate their future needs and position their organization properly to fulfill those needs. It is the responsibility of organizational strategic leadership to consider the external and internal business environment and make sense of complexity when creating the organization's vision, mission and strategies, and planning their implementation.

### Leadership Vision

Organizational leaders must create a compelling vision that will inspire and motivate their employees. A vision is more than just a dream. "It is an ambitious view of the future that everyone in the organization can believe in, one that can realistically be achieved, yet offers a future that is better in important ways than what now exists."<sup>2</sup> Vision is what guides

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everyone in an organization down the same path and at the same pace. When a vision is clearly articulated and followed "... everyday decisions and actions throughout the organization respond to current problems and challenges in ways that move the organization toward the future rather than maintain the status quo."<sup>2</sup> An organization's vision must link the present to the future, energize people and garner commitment, give meaning to work and establish a standard of excellence.

#### **Vision links the present to the future ...**

Vision is about getting from here to there; from what's going on today to what must happen tomorrow. The trouble with today's organizations is that managers spend most of their time dealing with current problems and relatively little time contemplating, visualizing and preparing for the future. Successful leaders are those who handle the daily challenge of obtaining short-term goals and focus on the future as well.

#### **Vision energizes people and garners commitment ...**

A powerful vision will challenge people to give their best effort. "Vision needs to transcend the bottom line because people are willing, and even eager, to commit to something truly worthwhile, something that makes life better for others or improves their communities."<sup>2</sup>

#### **Vision gives meaning to work ...**

Employees need to know their work has meaning. Work is more than just a paycheck for many. People love having a larger purpose for what they do and they want to feel pride in their work. A good vision can give larger meaning to work by clarifying its purpose, its interrelationship with other work and its impact on the organization as a whole.

#### **Vision establishes a standard of**

**excellence ...** Vision provides measures by which contributions to the organization are gauged. "A good vision brings out the best by speaking to the hearts of employees, letting them be a part of something bigger than themselves."<sup>2</sup> A good vision clarifies an image of an organization's future, lets employees see how they can contribute, and enables employees to reach higher-levels of excellence.

Is there a standard "how to" book for creating leadership vision? Not according to Max DePree, author and chairman and CEO of Herman Miller, Inc., who writes, "Leadership is an art, something to be learned over time, not simply by reading books. Leadership is more tribal than scientific, more a weaving of relationships than an amassing of information,"<sup>3</sup> Powerful and effective visions, however, have five common themes: "they have broad, widely shared appeal; they help organizations deal with change; they encourage faith and hope for the future; they reflect high ideals; and they define both the organization's destination and the basic rules to get there."<sup>2</sup>

#### **Mission Statements**

Organizations with powerful and effective visions will likely have a mission statement. "The mission is the organization's core broad purpose and reason for existence. It defines the company's core values and reason for being, and it provides a basis for creating the vision."<sup>2</sup> An organization's mission should communicate what the company is about. As such, it should be persistent and not change too often. Typically, a mission has two parts: *the core values* and *core purpose*. The core values are what guide the organization. The purpose "...captures people's idealistic motivations for why the organization exists."<sup>2</sup>

Some companies choose to combine their vision and mission statements. What is important to remember about the two is that the vision continually evolves, while the mission remains relatively constant. The mission should endure to lend stability to the organization in times of change and guide strategic choice and decisions about the future.

#### **Strategy Formulation**

Strong, powerful organizations require more than just vision and mission statements to be effective. They need to formulate strategies to translate vision, values and purpose into action. This is called strategic management. "Strategic management is the set of decisions and actions used to formulate and implement specific strategies that will achieve competitively superior fit between the organization and its environment so as to achieve organizational goals."<sup>2</sup> The strategic leader must find this fit and translate it into action. The leader must develop strategies. Strategies are the general plans of action that consider the allocation of resources and other activities that help the organization meet its goals.

"To remain competitive, leaders develop company strategies that focus on three qualities: core competencies, developing synergy and creating value for the customer."<sup>2</sup> *Core competence* is what the organization does well. Synergy occurs when two or more elements of the organization combine to produce something greater than the sum of the individual parts. *Value creation* is the basic value a customer receives from the purchase and use of a product or service. Failing to formulate strategies that translate vision, values and purpose into action will be wasteful of an organization's resources and not provide value.

Strategic leaders find ways to create value for customers by formulating strategies that focus on core competence and attainment of synergy. Richard Hays, author of "Internal Service Excellence," hints at this synergy when he writes, "The value provided to [the] final customer is created through the contribution of a sequence of separate incremental actions, each a link in a 'chain of value' that produces final customer need satisfaction."<sup>4</sup> These separate incremental actions described by Hays are the result of strategy formulation.

## Strategy in Action

Transforming an organization's vision, mission and core competence into strategies is not enough to achieve organizational excellence. Leaders must also ensure these strategies are implemented. This is the most important and the most difficult part of strategic management. Strategy implementation involves using several tools to turn strategy into action. Strong leadership is the most important tool for strategy implementation. Leaders need to ensure the new strategy is resourced properly, understood and implemented, and people are motivated to adopt the new strategy. Authors Bennis and Nanus contribute by adding, "Leadership is 'causative,' meaning that leadership can invent and create institutions that can empower employees to satisfy their needs."<sup>1</sup> Therefore, leaders are responsible for making decisions about changes in structure, systems and policies to support their organization's strategic direction.

## The Leader's Contribution

Leaders can make a significant difference in their organizations. "One of the most critical jobs of the leader is deciding the vision for the future and linking the future with strategic actions."<sup>2</sup> Although today's successful organizations depend on the active involvement of all employees, leaders are still ultimately responsible for establishing organizational direction through vision and strategy. When leaders fail to fulfill these responsibilities, their organizations struggle. When leaders succeed in fulfilling these responsibilities, they can make a big impact on their organization's future.

Leaders decide the direction for their organizations based on facts, rational analysis, intuition, personal experience and imagination. Consequently, a leader's contribution and impact can be measured by the extent to which they are able to:<sup>2</sup>

- articulate the vision, mission and strategies
- allocate the resources required for their implementation
- inspire those who must embrace and achieve the organizational goals

- provide rewards appropriate to those who contribute to achieving the vision

Finally, strategic leadership is about gaining control over the direction an organization is heading. It's also about change — transforming the organization from its present state to a more meaningful future state. Tom Peters, author of "Thriving on Chaos," calls this a paradox. "The core paradox," writes Peters, "...that all leaders at all levels must contend with is fostering (creating) internal stability in order to encourage the pursuit of constant change."<sup>5</sup> A successful leadership vision will consider this paradox and establish a strategic direction that manages the organization's transformation to achieve its vision.

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