

LMI Journal



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CEO Agenda In Extraordinary Times

By Tom Northup

In these extraordinary times, the economic equivalent of a 100-year flood, company sales have declined as much as 50 percent from last year to this year over the past few months. The uncertainty as to how deep the recession will get and the how long it will last affects all of us. Worse yet, nobody has experience dealing with such problems.

For the CEO, the first priority is to take action to ensure survival. Leaders must take steps to ensure that cash flow remains positive. However, if all they do is circle the wagons and wait for the turn-around, they will miss tremendous opportunities.

In such times, leaders must rethink key aspects of the enterprise: its strategies, processes and talent, and they must do it in weeks and months, not years. Leadership's role is greatly magnified as a company struggles to adjust to rapidly changing economic realities.

Outstanding leaders recognize this wider role. Even as they ensure that the company will survive, they also look for opportunities to position the organization for future competitive advantage.

Leadership culture is the single most important factor in determining the level of organizational productivity and results. Good managers get results through others. A great manager achieves results through other people and develops them in the process.

Thus four initiatives are crucial to driving future opportunities for success:

1. Focus on core competencies.

Understand the success factors your clients use when they determine with whom to place orders. These key factors drive your marketplace. Determine the gap between where you are now and the outstanding level valued by clients. Implant this level of performance into the core competencies in your company. The quicker you master these competencies the sooner you will develop a competitive advantage.

2. Target opportunities intentionally instead of reacting to problems.

The difference between these two approaches is the difference between a weak organization that will not meet its long-term performance objectives and an organization positioning itself for an outstanding, profitable future.

Opportunity comes from either developing new markets or taking different approaches to current markets. Of these, current markets have more potential to develop quickly. Some leaders despair that their market volume has declined but don't realize that even at these lower levels, the size of their market is still substantial, particularly in relation to market share. In the past when the market expanded, sales teams became comfortable order takers. In today's environment the CEO's high payoff activity is to recommit the sales



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team to selling to core competencies and to meeting key success factors.

For example, one company is a supplier to the 3M Company. They have met rigid requirements in multiple areas for three years and have earned the highest rating with 3M. The challenge is to translate this core competency into competitive advantage in their market place.

3. Embrace change.

Make acceptance of change part of your organizational culture. The economic environment has conditioned employees to understand the need for change. Take advantage of this. CEOs play a crucial role in change management. Ultimately, people execute change. If you need to improve or add a new process, you need to get your people on board to create the results you want.

Your people drive it. When you don't share power with your employees as you discover the need for change and don't involve them in the change plan, they become "change plan critics." Managers who participate in setting direction become intellectually and emotionally committed.

The effective leader understands the connection between sharing power, motivation and change. When the CEO shares power with his management team he is building their personal motivation. Real change is self motivated.

A great manager develops employees. He understands that his success depends on the success of his employees. The effective leader lets his staff know he wants them to succeed personally; that they are important to him and the organization.

Employees have the letters MMFA emblazoned on their forehead: Make Me Feel Appreciated. People follow the leader not for what they can do for her but what she can do for them. Developer leaders are empathetic to the needs of employees; particularly important in today's environment.

Bad economic times are not the time to reduce people development. With the current uncertainty we can strengthen self motivation by demonstrating to employees that we care. As a practical matter, helping employees reach their professional goals will help the organization reach its goals. The combination brings success. Now is precisely the time to strengthen your results culture of motivated employees working together as a team to ensure the viability of the company.

Today everyone, managers and employees, are challenged by uncertainty. Will they have a job? Are they feeling guilty for keeping a job when associates have lost theirs? For most people it is difficult to be upbeat at the very time

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they need a strong positive attitude. The CEO needs to actively drive positive mindsets.

4. Upgrade Your Own Skills

For the CEO who is experiencing the same negative attitudes as employees it is difficult to be effective. Personal leadership is key. If we can't lead ourselves, how can we expect to lead our organization? You are a role model. Everything counts. Your personal leadership is a reflection of you and your expectations for you and your organization. Your employees observe you and your traits. John Maxwell is fond of saying, "People do what people see."

There is no better time than now to strengthen two important success traits in ourselves and our employees: a positive mental attitude and self motivation. Develop the one percent concept in yourself and throughout the organization. If we can improve our effectiveness one percent a month, a tiny amount, through compounding we will have doubled our effectiveness in about five years. This is an exciting concept that over time will build positive mental attitudes throughout the company. Tiger Woods has expressed this concept very well, "The greatest thing about tomorrow is I can be better than I am today." In today's environment, building positive attitude is key to current performance and future competitive advantage.

Every organization is perfectly designed to get the results they're now getting. Every organization has two things in common, a present and a future. During the present we program our future. If the future you envision is different from your present, you need to change the way you do things today. The economic maelstrom we are experiencing highlights the need for immediate change. We don't have the luxury of time. Everything is compressed. In this environment effective leadership culture and working through employees to focus on opportunity is critical to future success. CEOs who make a commitment to development build a proactive organization that can identify, develop and realize opportunities in the short term and year after year

When we focus, target opportunity, embrace change, and upgrade our skills, we develop strategically with purpose.

Realize Success with Performance

Performance on the job is an important key to realizing success. Though the specifics may vary, all your tasks can be categorized as planning, organizing, leading, and monitoring organizational resources.

Using these broad categories as a guide, take time to write out for yourself a list of the most important career goals. Your list might include statements similar to these:

- To gain new skills in a particular area of leadership
- To reduce the amount of stress and tension at work
- To make more time for planning
- To encourage others to accept more responsibility
- To increase team commitment to shared goals
- To raise productivity in the work group
- To devise workable tracking systems for team projects
- To become more valuable to the organization
- To prepare for future career development and financial security

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Developing Potential



David Byrd
President, LMI

Human potential represents the greatest asset of any organization. Human potential, however, can only be considered an asset if it is consistently developed.

Training and development are vital functions for any organization. The purpose of training is to impart knowledge and skills necessary to effectively fulfill the everyday operations of the organization. The purpose of development, on the other hand, is to enhance the use of the organization's untapped, human potential. Increased productivity is directly related to the development of the organization's untapped, human potential.

Many organizations unwittingly spend a lot of money on training while ignoring development; then ask the question, "Where is the return and how can we measure it?" Training will never deliver a return in the absence of development.

If I may, allow me to answer some basic but consistent questions; first, "What is development?" Development is a process which permanently impacts those behaviors, attitudes, actions, and systems directly related to enhanced organization performance. Notice that development is a permanent process. Notice also that development is directly related to performance and is measurable.

Training imparts knowledge and skills while development enhances behaviors and improves performance. Every organization needs both in order to see return and measure results. The measurement of results must be directly related to performance.

LMI has over 40 years of experience in the field of "development." We would welcome the opportunity to answer any questions you may have as to how the LMI Process can unlock the potential of your organization.

Until Next Time,

David Byrd
President, Leadership Management Institute™

Recognizing the Power of Persuasion

Gaining perfect agreement about every question is not possible. But if a team is to work together effectively, some provision must be made to identify goals and methods for reaching them to which all team members can subordinate their own personal preferences. You, as the leader, are responsible for bringing about such a consensus. The tool for accomplishing this purpose is the power of persuasion.

Acceptance of the role of leader ethically binds you to use authority, influence, and logic in leading others to act in the best interests of the organization. Persuasion is clearly the preferred choice of the effective leader.

Consider the following techniques for becoming more persuasive as a leader:

◆ Build a solid reputation.

Establish a reputation for honesty and integrity. Be the kind of individual who deserves respect. The ancient philosopher Aristotle recognized the importance of character when he said, "Character is the most effective agent of persuasion."

Character is best observed in attitudes and actions. Character is demonstrated by doing what you say you will do. Character is the Golden Rule of persuasion. Strengthen your character, and you strengthen your power to persuade.

◆ Create a climate of mutual trust.

In addition to establishing a reputation for honesty and integrity, do all you can to create a climate of mutual trust. Be a team player, be patient, be fair, be objective, be tolerant, be forgiving. Distrust in an organization creates game playing, faultfinding, blaming, politics, and other destructive behaviors. But when everyone in the organization knows they can trust what you say and what you do, they tend to model their behavior after yours, and they are more likely to follow your leadership.

◆ Listen attentively.

Careful listening is often more persuasive than polished

speaking. In addition, you gain many good ideas that may not have occurred to you. Be willing to compromise and incorporate some of the ideas of others as far as possible and still accomplish your objective. Achieving the goal is your purpose—not imposing all of your ideas about how to achieve it.

◆ Prepare to persuade.

Have all the facts and issues clearly in mind before attempting to persuade. Anticipate possible objections and prepare for them. Be supportive if defensiveness or hostility surfaces in the reactions of team members. Be sure that you are right most of the time.

If you customarily speak before you are fully informed, people soon begin to react defensively to everything you say. Prepare your case and present it with brevity and clarity.

◆ Demonstrate positive attitudes.

Plan every action with the intent to produce the best possible results for the organization, for top leadership, your peers, and for team members. When you adopt a positive attitude toward your own responsibility as a leader, every action you take benefits the organization and creates goodwill with your co-workers.

The ability to persuade works best when you sincerely care about your team members. True concern ensures that your persuasive powers are directed toward mutual benefits for both individual employees and the organization.



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Motivate by Rewarding Productivity

Maintaining a motivational climate sets the scene for maximizing the talents and abilities of the individuals who compose the organization. People who are motivated, who maintain a positive attitude toward the organization and their role in it, and who are enthusiastic about their work look for opportunities to grow and develop. They want to grow in personal effectiveness, in career standing, and in job productivity. The most effective impact a leader can make on the “bottom line” – the place where all productive effort must eventually be evaluated – comes through helping team members develop and utilize more of their full potential.

Giving Recognition

People want to be recognized. Recognition fulfills one of the basic human needs, the need for acceptance by others. If excellence is not recognized, people resort to problem behavior to provoke some attention. Positive recognition is preferable to negative, but some recognition is vital.

Recognition should be planned, appropriate, and prompt. Many organizations give certificates, pins, or other recognition on employment anniversaries at five- or ten-year intervals. These are helpful in building organizational loyalty, but they recognize only time spent – not job effectiveness.

An effective recognition and reward system contains both formal and informal segments. Formal recognition includes awards for duration of service and competitive awards established by the organization and offered to employees. The nature of the total organization, department, or work group determines, to a large extent, the type of awards that are given and how they will be presented.

Formal recognition and rewards are most effective when they meet these qualifications:

1. It is realistic to believe that they can be earned.
2. In the case of competitive rewards, conditions are fair and everyone involved is treated equally.
3. Recognition is prompt and appropriate for the action required to earn it.

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Formal recognition may be the presentation of some award that can be displayed in the work place, perhaps a certificate or plaque. An award may be presented privately to the recipient, or it may be presented at an appropriate time in the presence of co-workers. Announcement of an award may be made in the organization’s newsletter or other employee publication, or through the local media.

Informal recognition is also important to morale and to promoting individual growth. Give informal recognition frequently; it is most effective when given immediately following the desired behavior. Make it sincere and in proportion to the importance of the situation. If someone quickly locates a piece of information you need to respond to an important e-mail, express your thanks for their help. A one-on-one expression of gratitude is sufficient. On the other hand, when a virus invades computer systems and a supervisor quickly organizes emergency measures to prevent serious damage, gratitude should be expressed more publicly.

Rewards and recognition should be meaningful and specific. If a leader tells a new receptionist, “You’re good on the phone,” the receptionist has no idea what behavior to repeat. But if the leader says, “Mr. Stevens says he likes to call our office because you always offer to connect him to voice mail if I’m on another line. Thank you for helping us make a good impression on our clients,” then the receptionist knows what behavior is being praised and can repeat it confidently.

Maximizing personal productivity helps team members to grow in personal effectiveness, in job performance, and in career standing. It also helps meet organizational goals. As you establish and maintain a motivational climate, your success as an effective, motivational leader increases.

Accept the Challenge of Superb Leadership

Most leaders are concerned about two types of results: Their own personal success and success of the organization. Although the two areas may seem distinct, in a practical sense they cannot be separated. The purpose of a leader is to achieve results through the activities of other people. Those “other people” together with the leader make up the team or organization. If this group of individuals fails, the leader shares in that fate. If the leader fails, the organization’s goals are not achieved. On the other hand, when the leader succeeds, the organization benefits directly; and when the team reaches its goals, the leader shares in the rewards.

Leadership effectiveness plays a vital role in your ability to achieve your personal goals. Whatever you do to improve your leadership success adds directly to your personal success. Because your purpose as a leader is to achieve results through directing the activities of others, this program has been designed to help you become a more effective, motivational leader. In addition, some actions are suggested to improve your own performance and that of others.

Leaders interact with team members in at least three important ways:

▲ **Personal Development** – The most practical and cost-effective approach to increasing production is, in most cases, to become a developer of people. Effective leaders multiply the effects of their own personal growth by inspiring and directing their team members to undertake their own program of personal development. As team members gain new skills and become more productive in their work activities, the effectiveness of the organization knows no boundaries. As a developer of people, effective leaders provide both formal and informal training. Formally, they are responsible for providing structured training opportunities. Training includes orientation for new employees, specific instruction regarding job responsibilities given by leaders or someone they assign, and organized training groups. Topics for training include anything needed to make people more effective on the job. Informal training opportunities allow leaders to serve as role models as well as making use of opportunities for personal, one-on-one interactions to offer coaching for improvement, encouragement, and



reinforcement of progress. Effective leaders treat people with the concern they deserve; people are, after all, the organization’s most important and valuable asset.

▲ **A Leader of People** – Leaders provide direction for the organization. They show people where to go and help them define the best path for reaching that destination. As leaders earn the respect of their team members, and as individuals follow their leadership, they provide not only direction but also planning, organization, and control to ensure accomplishment of the organization’s goals. Along the way, leaders furnish evaluation, correction, and encouragement to overcome obstacles. Real leadership

goes beyond giving orders and directions and demanding unquestioning obedience. Genuine leadership involves gaining commitment from those you lead so that they understand their part in the overall purpose of the organization and are committed to achieving success. Leadership involves the ability to communicate, to persuade, to encourage, and to inspire people to take meaningful and productive actions. Powerful results flow from team members willingly following a leader who is enthusiastically committed to effectiveness and success.

▲ **A Builder of a Team** – Effective leaders build a diverse group of people into a smoothly functioning team. Sometimes the people in an organization all work hard, believe in the purpose of the organization and are loyal, but the organization fails to achieve its goals. Team members may all possess a similar vision of the organization’s ultimate goal, but they move along different paths in working toward its achievement. The people involved are not working as a team. Teamwork emphasizes improved interpersonal relationships; it makes use of the participation of the team members in planning and in carrying out actions in a partnership for success. Effective leaders help each team player receive the proper assignment, ensure the team member knows how to execute the task, and are committed to producing measurable and appropriate results. Consequently, effective leaders hold each team member accountable and provides feedback to support continued success.

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Training and Developing People

Training and development are not luxuries you and your organization may choose to indulge in; they are essential for maximum efficiency, productivity, and job satisfaction. Some people complain that they are too busy to take time for training and development either for themselves or their team members. Actually, you must train and develop both yourself and your team members to ensure the future success of your organization. The busier you are, the more critical it is to gain new skills and knowledge and to teach your team members.

If you want freedom to do your job better, train and develop the individuals whose work you supervise. The person who grumbles, "I can do it faster myself than I can teach someone else," will be slaving at that job 10 years from now. Such shortsighted behavior traps people into spending a large portion of their time performing at a lower level than they are actually capable of and neglecting to use more of their own potential. And, of course, such short-sighted behavior robs team members.

The training and development of team members contributes some of these benefits, if not all of them: • Increased productivity • Higher quality product or service • Higher morale and more positive attitudes toward work • A more flexible team as a result of cross-training • Lowered employee turnover • Fewer team member complaints or other negatives • Better use of all resources • Higher goals among the team members and within the group • Greater job fulfillment and satisfaction.

A continuous program of training and development creates a more flexible and versatile work force. Training and development pay off intangibly in a greater spirit of cooperation and tangibly in the reduction of costs and increase in productivity. Begin now to accept the exciting challenge of developing more of the potential of your team members and of training them to assume some of your present responsibilities. This no-limits approach raises everyone to a higher level of expertise.

Principles of Learning

When you function as an instructor, coach, or mentor, remember that no teaching has occurred until learning takes place. You may expect that when you give instructions or show others how to perform some task, they should understand and be able to perform. But since your team

members are unable to read your thoughts as you demonstrate or explain how to perform a task, they may be left with gaps in their knowledge or misunderstandings about processes. Here are some basic principles of learning:

Principle One: Individuals must be ready to learn. To teach, you must have the interest and cooperation of the prospective learners. Mention some benefits they will receive from learning the task or responsibility, and show by your attitude that you are genuinely interested in helping them succeed. Encourage them to believe in their own abilities and let them know that you do not expect them to learn the new skill perfectly all at once. Persuade them in a positive, upbeat way that training and development are

essential to improving the organization's productivity.

Principle Two: Learners must benefit. Use every opportunity to reinforce team members' understanding of how they will profit, either directly or indirectly, from training and development. People may resent and resist learning new tasks if they see no reason for doing so. Communicating clearly the specific benefits of learning

something new makes your efforts to teach more effective. Point out that their efforts to improve their skills and capabilities will keep their job satisfaction at a high level.

Principle Three: Feedback enhances learning. Devise a system by which team members know both the mistakes they make and what they do particularly well. This kind of feedback speeds the learning rate, helps correct errors, and ensures that learning will be more satisfactory. Be generous with honest praise, and learning occurs at a faster rate and reaches a higher level. Praise and recognition at every opportunity reinforce correct performance. Retrain when performance is unsatisfactory.

Principle Four: Reinforce learning through spaced repetition. Since habit comes only with repetition, it is important that people repeatedly perform correct procedures over a period of time. Learning occurs best when practice is spaced out rather than concentrated all at once. People absorb knowledge and create new habits more accurately by spending a brief time, perhaps an hour, for six or eight consecutive days than by spending eight hours in one day. Because the principle of spaced repetition helps break old habits and establish new ones, use it consistently to reinforce new learning.



Bridging the Gap Between Potential and Performance

Since 1966, Leadership Management Institute™ has been bridging the gap between potential and performance by helping organizations and individuals evaluate their strengths and opportunities through implementation of the unique and proven LMI Process™.

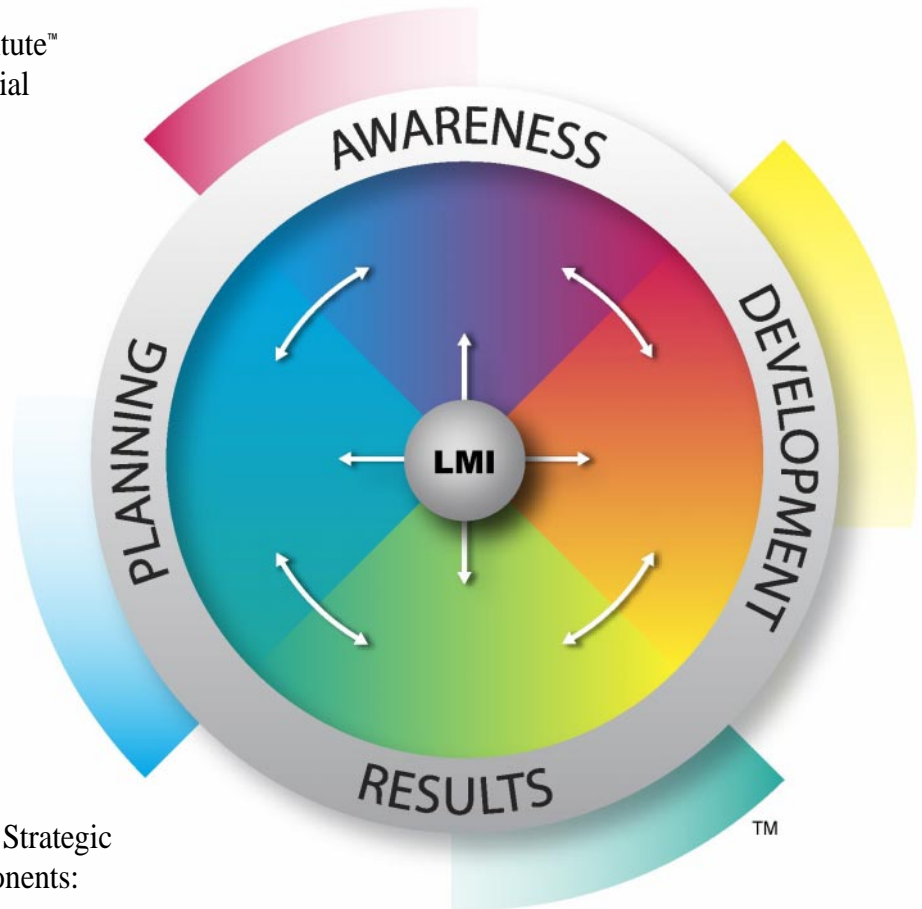
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- Develops leaders who, in turn, empower their people to use their untapped talents and abilities.
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