

# INTRODUCTION

When you are one of the leaders responsible for your organization's performance, you need to find methods to energize your company's strengths *right now*, whether your current operation is at its best or in decline. *Leaders First* provides these methods by showing your leaders how to create and maintain an effective *structure of leadership*.

Your most direct route to sustained performance improvement is through the development of a more effective structure of leadership—all of those arrangements your senior managers have in place to organize, establish productive working relationships and set up decision making processes that will assure the reliable delivery of your organization's critical outcomes.

*Leaders First* uses a real-time case study of the top level managers in Blue Range General Contractors, a fictional company. It details how outmoded leader work relationships generate rework, lapses in follow-through and other performance problems. It shows how these shortcomings have an immediate and sometimes devastating impact on operations, relationships with others and results.

*Leaders First* describes, in plain language, what deep foundation elements you can construct in order to help your organization thrive. It details how your leaders can create the order and direction needed to realize the mission and vision of your organization.

It shows your company's leaders how to anticipate, sort out and integrate effective responses to the demands of your stakeholder groups—including customers, employees, suppliers, subcontractors, regulators and others. It shows what arrangements your leaders can use to transcend their individual limitations and work together to produce better overall results. In addition, it demonstrates how a well

organized structure of leadership becomes an ever-present agent, anticipating, inspiring and guiding everyone's interactions with customers, co-workers and constituents, even when leaders are absent.

When performance improvement initiatives fail, they most often fail at the leadership level. An effective structure reduces the complexity of leadership, making the act of leading easier. It allows your organization's members to integrate *strategic priorities* with *everyday operations* and achieve both at the same time. It outlines clear communication, coordination and collaboration processes. Ultimately, effective leadership can provide your company with a defined and lasting competitive advantage.

### ***What Makes Leading Difficult?***

Whether you find yourself in favorable or unfavorable market conditions, outmoded leader relationships will make your attempts to perform more difficult.

In the early years of my professional career, I was fascinated by the study and application of leadership theory and fortunate to work with some proficient leaders who were great role models and mentors. Later, after gaining more education and working for years as a facilitator and trainer in leader development centers, I consulted with executives concerned about why their companies' performance was falling short of expectations. These organization improvement projects were invaluable learning opportunities. They made possible nose-to-nose comparisons between popular leadership theories and the real-time actions of busy leaders.

I became enlightened in my early interviews by what individual company leaders revealed during the assessment phase of their change projects. Many expressed frustration at the regular conflicts they had with the other leaders of their group. They believed their colleagues were tripping them up. They maintained that hit-or-miss

communication and coordination interfered with their individual and team progress. Many claimed their difficulties were due to *personality conflicts* among the leaders. They were claiming their colleagues' lack of follow-through was causing everyone's performance to suffer. They were frustrated by the others' empire building and use of organizational politics to run roughshod over their individual goals and plans—all of which was sapping enthusiasm and initiative on all fronts.

After digging deeper, checking facts then studying theories of leadership and organization behavior, I concluded the leaders in these organizations were blaming—and rebuking—one another about systemic problems over which individual leaders had little control. That is, no one was taking responsibility for their group's confusing interactions and problems, and there was no clarity and agreement about basic outcomes, roles and accountabilities. To compensate, leaders were dressing themselves for combat in order to fulfill even the rudimentary requirements of their positions. This meant personality conflicts, instead of being a driving force behind lower performance, were instead just another symptom of the inadequacies of the way they had organized their senior managers.

### ***An Outmoded Structure of Leadership Tends to Isolate Leaders***

When a group of leaders is unable to recognize how their inadequate arrangements are causing their errors and omissions, they begin to distrust one another. Then, despite any individual leader's best efforts to retain them, their uncoordinated and conflicting actions and decisions drive customers away.

Within an outmoded set of work relationships, underperforming leaders tend to retreat and work in isolation in order to protect themselves and the integrity of their individual functions. Meanwhile, they do not realize how they all are suffering from the inadequacies of their outmoded arrangements:

- They fail to comprehend how their errors are trickling down, creating problems and rework for the operations staff.
- They have little or no agreement on the critical outcomes of their organization.
- They suffer from gaps, overlaps and confusion in their roles.
- Their reporting structure does not position them to work together toward the company's strategic priorities.

### ***What Is a Leaders First Structure of Leadership?***

Completing six steps, listed below, will lead to an effective, durable and useful structure of leadership. You build your leadership structure through the successive completion of each step. The recommended order of completion for these steps is sequential because the design of later steps depends on those established earlier. They are as follows:

1. **Step up to responsibility:** Individual leaders agree to take on and control problems they generate at their level and, in doing so, commit themselves to improving the organization's overall results.
2. **Define critical outcomes:** Leaders agree on the minimum set of critical outcomes they must deliver in order to assure the survival and ultimate prosperity of the organization.
3. **Grant and accept accountability:** Leaders step up to *accept*, and agree on whom they will *grant*, the accountability for delivering each critical outcome.
4. **Integrate roles:** Leaders integrate their roles to ensure the delivery of their own outcomes while complementing those of others.
5. **Design a strategic reporting structure:** Leaders agree on how they will reflect the priorities of their strategic vision in their

reporting structure. They agree on the functional arrangements they will follow to deliver their outcomes—authority, information flow and so on.

6. **Track performance:** Leaders agree on what performance indicators they will use to gauge how well individual outcomes satisfy customers and other key constituents and measure progress toward strategic priorities.

Putting in place the first step—stepping up to responsibility—can be demanding. Nevertheless, without it, your leaders are not committed to complete the other steps.

Steps five and six define the reporting structure and performance indicators. The leaders design these in order to support and reinforce your organization's strategic priorities. Remaining steps, two, three and four, are at the heart of the *Leaders First* structure of leadership: Developing the outcomes, accountabilities and roles your leaders need to navigate their fast-paced and complex daily interactions. These steps require the most in-depth conversations and the most persistence. They require your leaders to put their heads together and perform as a team. Their efforts in this phase can lead to operating innovations and enhance performance across their entire organization.

### ***What Are Some Signs of a Well-Functioning Structure of Leadership?***

You can recognize a well-functioning structure of leadership by the way your leaders interact with one another. Consider whether your current leader group has interactions like these:

- Your organization's leaders seek out one another to coordinate and communicate. They volunteer to accommodate one another's needs.

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- To resolve grievances, they initiate informal conversations with one another. They treat others' complaints as serious matters.
- Your leaders manage their differences in a friendly and relaxed manner. For example, they use humorous comments to highlight foibles in others and in themselves.
- They offer quick apologies when inadvertent errors or omissions occur. They step up, as individuals, to accept responsibility for problems. They work on solutions together.
- They seek one another out in the event of serious disruptions to work or relationships. They volunteer to institute improvements in their own units that will be useful for all.
- Even when stumped by a very difficult challenge, they still believe the performance of their organization remains, in large part, a consequence of their combined actions. In the face of uncertainty, they pull together. They solicit each other's fresh and sometimes uncomfortable perspectives as they seek out innovative and novel solutions.

### ***How to Read This Book***

In *Leaders First*, the leaders of Blue Range General Contractors are attempting to initiate their own performance turnaround. Three approaches are used to present their process for restructuring:

- The primary Blue Range storyline shows how the leaders develop their skills, arrive at new expectations and adjust their priorities while they design, negotiate and establish the details of an effective structure of leadership.
- Figures are used to illuminate important problems, double binds and assumptions. They illustrate the turnaround tools and process steps the leaders are using.

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- At certain intervals, concept boxes present the rationale, underlying assumptions and implications of the leaders' choices.

You may choose to read *Leaders First* straight through and incorporate each storyline, chart and concept box as it occurs. On the other hand, you may prefer to read the concept boxes first and the storyline later. If you would like to understand the concepts and ideas before jumping into the case, so be it. Regardless of which approach you follow, refer to the organization chart just before Chapter 1 and repeated again in Appendix B. It diagrams the leaders' names and their areas of responsibility, which the managers refer to throughout the book.

While the critical outcome statements for Blue Range are fictional to protect the confidences of real clients, they are approximations of those composed by a number of actual leaders. The basis for the illustrations and worksheet exhibits you will find throughout the book are real leadership structure design projects completed in a variety of organizations over many years. These illustrations and worksheets show ways you can present your own data and information in a leadership restructuring. Visit [www.GeneMorton.com](http://www.GeneMorton.com) to obtain specific answers to your questions about how these worksheets are used, to read supplementary materials and to join in a dialogue between readers and the author about the issues and applications of *Leaders First*.

Because a poorly designed leadership structure can have destructive impacts on your operation, and because an effective one can even improve your healthy operations, now is a great time to begin your organization's leadership renewal. While you read *Leaders First*, notice the extent of influence the structure of leadership can have on your organization. Notice how you can expand your expectations of what is possible for yourself and for your leaders. Observe how the conversations among the Blue Range leaders create better working relationships and smoother, more efficient operations. In addition, notice how the

satisfaction of your customers, employees and suppliers/subcontractors can become more attainable as your leaders design an effective structure of leadership and deliver your organization's essential outcomes.

**Figure 1: Blue Range Leaders Organization Chart**

This organization chart shows the functions and positions of the leaders and key staff at Blue Range. For your easy reference, this chart appears again in Appendix B.

