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Examining Leadership:Turning Quality's Eyes Upwards

The quality function should extend to examining and addressing leadership behaviors.

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As quality professionals, we find ourselves in a never-ending search for breakdowns in systems, targeting opportunities for improvement with a relentless eye on the ever-out-of-reach but always-in-sight goal of total quality. Today, quality has multiple roles from assuring product quality, identifying performance gaps and causes, establishing and maintaining standards, and developing systems for continuous improvement throughout supplier/customer networks, to name just a few. Ultimately, quality has become a key participant in an exciting array of activities.

Despite having broad and deep roles, there remains a critical business arena where quality professionals are seldom purposefully engaged. Yet, this arena might be the most important opportunity for quality improvements and for assuring long term company performance. We are referring to the need for companies to give quality free reign to examine leadership. The fact that quality has ignored this domain is not the fault of quality professionals—the norm is to charge quality with improving operational issues, not improve management and leadership capabilities. Indeed, few leaders extend the charge to quality to "look upward." So, day after day and year after year quality continuously labors away fine tuning operational aspects of the business, without focusing on some of the most pressing issues at hand.

To justify adding an upward-looking mandate for quality, self-reflection is needed for company executives. So, let's consider some of the leader-related issues that can corrode the health of a company. These issues, what we term the dysfunctions of management, act stealthily or in-the-open and they fall into one of two camps. The first are strategic dysfunctions and the second are how bosses relate to personnel dysfunctions.

Strategic dysfunctions are almost never given attention by quality personnel. Not that quality is unable to provide good assistance in removing the causes of strategic dysfunctions, but quality is seldom invited to the party, leading to repetitions of the destructive processes at work. Do any of the following sound familiar?

"Yes, business is in a tailspin! But, we could never have seen this coming and even if we could there was nothing we could have done about it." (Just listen to the financial wizards during the present financial crisis.)

"One thing is certain, the difficult situation we are now dealing with has nothing to do with us."

Or how about: "These things were outside of our control" or "We need people to work harder" or "If sales/marketing/quality/etc. would do their jobs, we'd be doing fine," as senior executives pick their target group of the day.

And, the far too often heard, "Given the situation, we'd better be downsizing. It'll cut costs and give more confidence to Wall Street!"

These are examples of executives distancing themselves from failure. Yet, a recent finding suggests that 87 percent of the root causes of revenue stalls are within management's control[1]. These include strategic and organizational factors, from a shortfall in the talent bench, incorrect performance metrics, and innovation management breakdown, to premium position captivity (i.e., overestimation of brand protection). Only 13 percent of the root causes of revenue stalls were due to factors outside the control of management, such as regulatory actions, economic downturn, and geopolitical changes. Ultimately, it's increasingly hard for executives to keep a straight face while saying they couldn't have anticipated events or there was nothing they could have done about a situation. The alternative for executives is to admit they didn't stay abreast of available information, they didn't do scenario planning, or even harder to admit, they got it wrong.

We've seen numerous situations where executives seem to believe that they should appear infallible and that admitting errors is unacceptable. Following this logic, some leaders seem incapable of taking personal responsibility for any failing or wrongdoing. This leads to a slippery slope where leaders blame situations or others when things go amiss (not surprisingly, the financial crisis has virtually no leaders taking credit for their failing companies). As Olson et al. report, failing to write down marketplace assumptions or even the capabilities needed to support strategy and then asserting that having documentation would not matter, are red flags of companies potentially in trouble.

The point is that research increasingly confirms that these strategic dysfunctions are far too common, with executives failing to do their homework and not allowing themselves to think that they themselves have contributed to emerging crises. This is not to say that companies have to create strategic plans the thickness of telephone books. As Phil Crosby has been heard to say, sometimes we spend so much time in the locker room preparing for the game, that by the time we get on the field the game is over. Even so, we do need to plan.[2]

Rigby discusses reactions to a downturn in the marketplace.[3] One of the key mistakes executives can make as a downturn looms on the horizon is to simply act as though the storm will blow over. "Give it another six months, things will improve" or "We are in an insulated market so we'll be fine" or "Not to worry, this geographical location is insulated."

Sound familiar? In such circumstances you need to prepare for the worst because these kinds of comments often prove to be little more than wishful thinking. Unless there is substance behind these claims, when the storm hits and the downturn is in full force, it will be too late to "right the ship." This is when executives often spring into action with quick fixes like layoffs. Yes, a short-term bump in share price may result, proof that Wall Street responds instinctively to "bold, swift management actions." But, long after the headlines are gone, the company has to live with a gutted workforce and with remaining workers now fearful. Even so, this strategy to stave off downturns remains the first reaction of many organizations.

Finally, Rigby points to the final stage—coming out of a downturn. At this time, executives often throw caution to the wind, hoping to ride the coming good times. As result, insufficient vetting regarding spending and creating future reserves can, yet again, threaten companies.

In sum, it too often seems that little is learned from history, meaning that executives stumble from one extreme to another, responding only to the moment, with far too little contingency planning in either good or bad times. In the instance of knee jerk strategic reactions to conditions of the moment, Tom Brown reminds all executives, "What better time than when you're fat and happy to devise a contingency plan for bust times."[4]

We've run into still another strategic dysfunction numerous times, with workers saying: "Why is it that despite the work we have been doing the past several months (or years) to achieve an agreed upon goal, we are suddenly veering in a direction that is undermining all of our work?" or "The boss has only one priority, to bump next quarter financials; but, we're going to pay for it next year." or "I wouldn't be surprised if she gets a promotion from this. But, our brand is going to take years to dig itself out of this mess."

Lodish and Mela state plainly, "If brands are built over years, why are they managed over quarters?"[5] Many leaders continue obeying the pressure of the quarter over the health of the brand. As W. Edwards Deming aptly put it, this misguided focus is one of the deadly diseases.[6]

We'd love to say that in any of these situations, quality should simply step in and take action. Indeed, quality charged with an upward-looking mandate can do much to prevent the consequences of poor strategic decision making. How so? By the very act of utilizing quality tools and processes that prevent their occurrence.

After all, shortsighted actions not only break the spirit of the workforce, these actions harm productivity and can permanently damage brands. What better, more important opportunity for quality personnel than to identify endemic, life-threatening strategic dysfunctions and work systematically to put an end to them? Still, without the tacit support of management, quality professionals can find their own careers at risk because this act of looking upward without the express authority of senior executives has uncertain consequences.

If there is any doubt about the potential for quality to address strategic dysfunctions, leaders need to consider the following thoughts. The very tools and processes that are being used to improve performance in operations are the same tools that can improve management, including direct assistance at improving strategic activities. Yes, quality has a lot to offer strategy because quality is all about building a learning organization that systematically strives for improvements, seeks out and takes advantage of world-class processes, and emphasizes quality in implementation. Quality does this for the betterment of the company and, ultimately, to serve customers profitably.

Of course, making this happen in your company means that senior executives must understand the potential contributions of the quality group. Senior management often needs a bit of hand holding in this arena—far too often leaders are quick at taking credit for successes while being just as quick to find blame elsewhere when performance goals aren't met. This being the case, many leaders might not see the sense of quality looking upward. For those of you who are senior executives, it might be time to self-reflect. For those who understand the important role quality can play strategically, consider getting these words into the hands of your executive champion.

Not to lessen the gravity of the second dysfunction, but how bosses relate to personnel dysfunctions are reflected in companies where employees talk about hating Monday mornings and where employees often feel as though they might as well be beating their heads against a brick wall for all the good their efforts are producing in the office. Ever stop to think about why the *Dilbert* cartoon strip and TV shows like *The Office* are so successful? It is because millions and millions of workers, at all levels in companies, see the all-too-familiar in these shows. Time and time again, employees are living and working in companies that have entrenched breakdowns in how management relates to workers. These breakdowns lead to a host of productivity damaging consequences. Our research into this particular dysfunction has identified a plethora of boss' actions, from bosses playing god, to bosses taking all the credit for good work and outcomes, to spirit-damaging talk directed at workers. Indeed, the list goes on and on.

Take the all too common reference to the hard-nosed boss. Rather than simply saying this is a permanent condition of some leaders, once identified it can and should be addressed. Consider what Goleman, Boyatzis, and McKee say about hard-nosed bosses: These bosses "create toxic organizations filled with negative underachievers."[7] Knowing this, it becomes evident that this kind of leader behavior is incompatible with maximizing performance. Yet, who in the firm is charged with identifying and then correcting this kind of problem? Here again, the people perfectly suited for the task are not typically given the mandate.

Ultimately, this discussion exposes what many quality managers already know—while quality departments are continually making operational improvements, they are seldom tasked with looking upward. As result, quality is prevented from seeing or correcting leadership behaviors, whether strategic in nature or relating to how leaders relate to personnel. In a perfect world, leaders would read this advocacy and take the bold step of activating the potential for quality departments to make upward-looking improvements. If management dysfunctions are strangling the potential of a company, finding out sooner than later can be the difference between success and failure. Surely, no leader wants the latter outcome.

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