THE INFLUENCE OF LEADERSHIP IN IMPLEMENTING MANAGEMENT SYSTEMS

ILIE NAE
Faculty of Engineering and Management of Technological Systems, "Politehnica" University, Bucharest, Romania, naeilie@yahoo.com

GHEORGHE SOLOMON
Faculty of Engineering and Management of Technological Systems, "Politehnica" University, Bucharest, Romania, ghe.solomon@gmail.com

IRINA SEVERIN
Faculty Engineering and Management of Technological Systems, "Politehnica" University, Bucharest, Romania, irina_severin2003@yahoo.com

Abstract: *This paper presents a new perspective of the implementation of Management Systems within organizations in order to increase the success rate. The objective is to analyse how the leadership could influence positively or negatively the implementation, according to the leadership approach chosen. It offers a method to analyse the maturity of the leadership for any organization, based on existing leadership models, completing these models with specificities of a Management System. The Maturity Grid is extended to key elements of the Organizational Leadership: Strategic Planning, Process and Performance. The results expected are to change the current understanding of leadership during a Management System implementation(leadership seen as a principle) to an active leadership, implemented at organizational level. It propose an alternative of the classic management approach, to a Performance Management approach, that integrates naturally the leadership in all processes and methods.*

Key words: Leadership, Management System, Organizational Leadership, Performance Management

Introduction

The implementation of a Management System became a prerequisite for any company who wants to succeed in complex and challenging environment. For an organization it's critical to function in a structured framework and make work together different people, sometimes having multi-cultural context.

A Management System could be designed for specific topics such as quality, environment, health, safety or performance. For most of these subjects, ISO defined standards containing requirements and implementation guidelines. Apparently the implementation is easy, and just by answering to the requirements, the results are guaranteed and in the very next day the change is done: employees are motivated and more productive, customers are satisfied and the shareholders see how the business is growing.

In reality, things are completely different and the Management System is implemented with important resistance and months of hard working in order to understand practically how to apply "the standard" to the specificities of the company.

A normal question which rises is "Why does it happened ?". A reason is that the requirements of "the standard" are not fully matching with the company culture and goals. Other reasons are linked with the low involvement of the top management and consequently of the employees. At the same time, another important fact which is damaging the Management System implementation is that the final picture is not enough clear for the company. The result is that the new Management System is perceived by the company as a slowing-down process instead of a catalyst for increasing productivity and customer satisfaction.

The situation above is describing a classic way of implementation, where the companies are getting at the end a certification but in reality the System is sabotaged. All this happens when the leadership is not appropriate and the commitment is low.

This paperwork tries to analyze in detail few aspects of the importance of the leadership in such implementations and offer practical solutions to overcome the blocking points. It will offer a method to identify the maturity of the leadership within the company and will propose three types of approaches that could be considered depending on context.

Leadership models and diagnosis method in Management Systems implementation
2.1 The importance of Leadership

Leadership is generally described as a process of influencing the activities of an organized group in its efforts toward goal setting and goal achievement(Stogdill 1950, p. 3). When we are speaking about companies we must consider the entire context, including the external constraints. So, we are dealing with a complex situation, where leading people needs to be supported by reliable communication channels, good work conditions, ergonomic lean processes, sustainable development and resources to satisfy the stakeholders.

Before starting the implementation of a Management System, it is absolutely necessary to identify the current status of the company. Nowadays this diagnostic is done through audits, checking if the requirements of the "standard" are fulfilled. Given the fact that on leadership there is no specific requirement, leadership being just a principle, this will lead in most of the cases to a "inexplicable" difficulty to sustain the implementation.

In order to overcome such situations, a specific leadership assessment is highly recommended. On people level : motivation, involvement and development, the method used to realize this diagnostic is by using existing leadership models. The most suitable model is Situational Leadership model, developed by Paul Hersey and Ken Blanchard.

The core concept behind this approach is the flexibility of the leaders to change their leadership style based on the task to be accomplished and the maturity of the people. The two authors defined four leadership styles and four maturity levels. The model propose the correlation between the maturity and the style to be adopted.

Table 1: Situational Leadership model

Maturity level	Leadership style to be adopted
M1 : Low maturity	**S1** : Telling / directing
M2 : Medium maturity / unable but willing	**S2** : Selling / coaching
M3 : Medium maturity / capable but unwilling	**S3** : Participating / supporting
M4 : High maturity	**S4** : Delegating

Source: Management of Organizational Behaviour

2.2 Organizational Leadership Maturity

In order to implement a Management System is not enough to know the level of the maturity of the people, but also the level of the maturity of the organization, how the organizational leadership is deployed. The organizational leadership has three general features : setting up the direction(strategic planning), performance management and the concept of change(Bratton, 2004).

Based on this model and considering the components of a Management System, this specific diagnostic should be done on three main aspects providing the Maturity level : strategic planning, processes and performance. In order to ensure an effective organizational leadership, all these aspects must be considered as a whole.

The "Strategic planning" refers to the "way" that the company is designed and intends to be successful. It includes 4 elements: the Vision, the Mission, the Values and Management/Production System.

The "Processes" refer to the practical interactions between people and results (product/service). The processes have no direct link with the leadership, but indirectly offer a major support. These processes are aimed to be improved by the people, through their active involvement, so must be adapted and lean designed, fully integrated and correctly measured.

The "Performance" refers to the method and execution way of following the Strategic Planning, and finally going through the "Processes" will achieve the expected result.

Table 2: Organizational Leadership Maturity grid

	Strategic planning	Processes	Performance
M4	Improvement Methods and Excellence models: Lean, SixSigma,etc	Productivity driven	Performance management
M3	Own Production/Management System	Fully Integrated	Effective Communication channels
M2	Vision, Mission, Values	Applied and continuously improved	Individual objectives & Evaluation System
M1	General company policy	Resources are available	Enthusiasm

M1 : this level of maturity is most of the time typical for small companies, focused on present time, but understanding how important is to improve their way of management. Traditionally, these companies will start with the Quality Management System and most probably will use an external consultant to implement it. The involvement of the people is low and only the commitment of the top management sustain the implementation.

M2 : this level of maturity is typical for medium size companies who defined their own identity and goals. The leadership is expressed and the management strive for continuous improvement. A standardized ISO management system (quality/environment/safety) is likely to be implemented. What is still missing is the own way of management that could lead to not adapted and effective actions.

M3 : this level of maturity is typical for big companies who achieve a high level of knowledge and management. Having an authentic Management System, the company is focused on productivity and effectiveness.

M4 : this level of maturity is typical for large companies who are driven by productivity and efficiency. The Management System is highly supported by excellence models that combined with an effective Performance Management bring exceptional and sustainable results.

Leadership approaches for effective Management Systems
3.1 Selection of the approach

Based on the diagnosis of the organizational leadership, different kind of approaches could be considered as feasible solutions. It's important to make the difference between tactics and approaches. In leadership, tactics are more used in punctual situations and short term results. Approaches are more linked with long time and sustained implementation, targeting a specific objective and achieving it via indirect means.

Considering the four maturity level for Organizational Leadership grid, specific approaches are recommended.

For each level M, the objective is to achieve the M+1 level.

Leadership approach A1 : for M1 level is recommended to internalize the implementation of the system in order to increase the involvement of the people. The communication is the key factor that will help the implementation. A special attention must be paid on processes. The people must go through the process of change both in behaviour but also from process management point of view.

Leadership approach A2 : for M2 level is recommended to adopt a particular vision about the Management System and try to adapt it as much as possible to the company needs. This it doesn't mean that the standardized and certified system will not be maintained anymore. As long as a clear system of objectives and evaluation is implemented, the transparency of these processes must be considered as a priority. The leadership style deployed by Jack Welch at General Electric it is the foundation : candid approach and differentiation.

Leadership approach A3 : for M3 level is recommended to secure the appropriation of the new Unique Management System. An important effort should be done in order to train and coach all employees in order to enable and sustain the system. A Participative leadership style(Kurt Lewin, 1939) is recommended.

Leadership approach A4 : For M4 level is very important to keep people motivated and involved. The high efficiency and effectiveness of the system could be perceived by the employees as a robotic one focused too much on results and less on their needs. A Delegative leadership style(Kurt Lewin, 1939) is recommended.

3.2 Transition from classic Management to Performance Management

The most effective way of practicing and implement leadership approaches is to integrate it into each phase and level of management. It is not sufficient to use leadership only during implementation, but also to sustain this approach as a normal way of acting, on a daily basis. This could be effectively done through Performance Management.

The Performance Management is a dynamic process, focused on efficiency and centred on results, using different tools and analytical methods. Sometimes this process is supported by technology. The Performance Management links the Strategic planning with Operational planning, Financial planning and Business model. The main principles are : Establish and deploy dedicated resources, Refresh and Comunicate Strategy, Cascade and Manage Strategy, Improve performance, Manage and Leverage Knowledge. (Paladino, 2007).

Table 3: Comparison Management vs. Performance Management

Management	Performance Management
Based on general requirements	Based on specific company needs
Focused on Management	Focused on Performance
Continuous improvement	Dynamic improvement - agility
Focused on standard	Focused on innovation
Leadership as a principle	Leadership daily active
Short term planning	Medium term planning
Likely to become Bureaucratic	Lean

Conclusions

For a Management System implementation, the leadership should be considered much more than just as a "principle" of the system. Instead, it must be a dynamic and active factor at both levels : individual and organizational. This approach must go beyond the classic leadership models (motivate and involve people).

Any Management System implementation requires a deep analysis of the foundation and of the capability of the organization to change. The maturity of the Organizational Leadership must be assessed in order to adopt an effective and appropriate approach.

The most efficient way to have a sustainable leadership is to have it integrated it naturally in daily activities. This is possible through Performance management process which enables teams and processes to provide expected results.

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