

**From management to
LEADERSHIP**

Bruno Christensen

**From management to
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**- a history of recovery
from disaster and
learning from the
experience**

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From management to LEADERSHIP

- a history about recovering from disaster
and learning from the experience

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Foreword by the author

The intention of the book is to give practical, everyday explanations for many of the complicated theories that exist within management and leadership, and also to put these theories into practical use in examples and presentations. Top managers want to make experience-based decisions. They do not want to make complex and integrated decisions because as we learn everyday: the unintended consequences of decisions more often than not outnumber the intended ones. Unfortunately, there are no education programmes available in true leadership. What we have tried with the book is to present practical tools for a top manager or a student of leadership to assemble information and experience and knowledge before they act. Leadership is decision-making on how to deal with the future.

The book itself falls in three parts. In the beginning our hero lives the romantic illusion of most managers: that things will change for the better in a miraculous way just because they are involved. In the second part he wakes up and discovers that hard work and a lot of preparation will solve many of the current problems, especially the ones concerned with leading people and processes. The third part is the revelation of understanding the force of true leadership: when you think, plan and do you actually do have the chance to create and impact your future. If you do not decide your own future, someone else will do it for you.

To give the reader an opportunity to delve deeper into the book and its secrets we have designed a learning experience in a separate section of the book. Here each chapter is

reviewed and a few questions about understanding it have been added. You may add further questions as you feel the need. The student has here an opportunity to go further into the material either alone or in the company of others.

You will also read about bc+pm's Personality Test. The test is available on the home page of bcpm.dk. At the end of the book you will find a Proposal for an ISO Standard for Management and the Management System Elements. This proposal is included to serve as a discussion point in the learning process for leadership and management.

The book may be used by students who want an insight into the actual situation in a company in trouble, and by business universities or commercial high schools who would like to give their students this knowledge. It may also be used as a recipe for organisational development in a company. The procedures and the tools are all very practical and well documented. Enjoy your reading. If you have any comments about the book or the experience do not hesitate to contact me at my e-mail address bc@bcpm.dk.

Finally, I would like to thank our Project Manager, Dr. Dieter Gunz, Fachhochschule Liechtenstein, and two other participants from the original project group, Thommy Mayr, Management Center Innsbruck, Austria, and Jørgen Graven-gaard, Environmental Management Consulting Ltd, Cap D'Antibes, France.

Copenhagen, September 30th 1999

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The Project manager's foreword

This book is the result of a truly European co-operation in a EU-project managed by the Fachhochschule Liechtenstein - University of Applied Sciences, within the framework of the LEONARDO DA VINCI Programme from 1996-1998. The initial idea arose during the development of a teaching programme „ECOQUAL – Integrated Management of the Environment, the Economy, and the Quality.“ The partners in this project came from three different countries and four different organisations to develop a completely new and different education and training package on management and leadership. This basic idea developed into a total concept of understanding about the economic integration of balancing the demands of the environment with the demands of total quality. Until to-day there have been no education or practical training packages available, neither basic nor advanced.

The partners decided in 1998 to bring in a creative writer and author with a solid understanding of the concepts of management and leadership. He was to write a story that could describe the connection between these elements and create the basis for a new leadership model. Based on practical examples and events from real life situations the story should illustrate the connections and the concepts. The leitmotif for the book is the death of the owner of a company which has not been managed in balance with the demands of modern times. But the curiosity of the owner's son and his willingness to do things differently brings the company safely through the looming disaster.

The book is very suitable for students of management who will get an inside look to the real life of a manager and a leader and get an understanding of the difficulties and the hard work of a modern manager. At the same time they get an understanding of the road to integrated management as expressed through the leadership of the manager.

The author has a long and successful career in a world-wide enterprise. He has published several practical books on management and personal leadership and he works to-day as a very successful management consultant in Denmark. Experienced specialists and experts in the fields of the Environment and Quality Management have together with teachers and personnel from the Learning Industry produced valuable and practical input from their experience. In this way the book represents the practical knowledge and competence of many people in an living format. This should make the study and the understanding of the concepts a lot easier for both students, young managers and senior managers.

Vaduz, September 30th 1999

Dr. Dieter Gunz
Fachhochschule Liechtenstein
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Chapter 1. Why me?

I am sitting on the balcony of the Prince Regent Hotel in Ryde on the Isle of Wight watching the boats on the Solent. There are many boats out to-day. We are in the middle of Cowes Week and all the big races are on. This year I am not doing any competitive sailing. A couple of years ago I participated in the Fastnet Race. That was an experience in a class of its own. Except for going around the World or sailing in the America's Cup the Fastnet Race is one of the toughest contests in sailing.

My skipper then was an old friend, Jock McCracken. He is Scottish to the hilt. Great yachtsman, tough, and as hard as nails. He is a business consultant and obviously a good one. He can afford to own a boat nearly double the size of my own. His boat is a Finnish construction and a very expensive one. Jock is coming around in a moment as we are playing a round of golf to-day at the Osborne House Golf Club. When you are not sailing yourself, watching boats on the water becomes a bit boring after a while. He plays golf the same way that he sails his yacht, full power at all times. For a Scotsman his sailing skills are greater than his golfing skills.

I got up from my seat to get a fresh glass of orange juice, and I happened to get a glimpse of myself in the mirror over the bar. Here you see Peter Hodson. For a man of 52 I am not too ugly. I am a little over 6 feet and I still weigh the same as I did when I got married nearly thirty years ago. My hair is

combed straight back and there are no grey stains as of yet. Last year I exchanged my previous heavy glasses for some modern wired ones. They are much lighter and give me a younger look. From these statements you may consider me a vain person, which I am not, but my wife always said that when a man passes a mirror, he can not resist the temptation to look at himself whereas women always look at other women.

My wife, Mary, and I were sailing-mates, and we have sailed all over the world, alone, or with the kids when they were younger. She was American, and we met when I was studying in the States. She died three years ago in a car accident. It was a devastating shock for me when it happened, so suddenly, on a road with no traffic, and she was alone in the car. As the Policeman said: "It is one of those things that cannot be explained." I went mad for a week, but I think that I have now got over this terrible and meaningless loss. I have not felt a need for a serious relationship with another woman although I have since met and befriended a few.

I have just come back from Colchester where my father died two weeks ago, so I had to go back for the funeral. It had brought back all the memories from Mary's funeral, and I hated churches and their ceremonies. I have never been able to hold back my tears when I am in a church. Most of the times I have been there have been for funerals. The trip back had been a test of strength in more ways than one. My mother and my brother both wanted me to return to the factory and take over after Father. I had fended them off and said that I wouldn't mind sitting on the Board, but I did not see myself throwing myself into a 24 hour a day job again. I tried being the Managing Director for Hodson Works for three years while father was still alive. That episode in my life ended in a big row between my father and myself and he

took over the reins again at the age of 72. Although we maintained a neutral friendship ever since the break, I was unhappy that my father and I did not make up before he died.

Three months ago I sold my shares in a highly specialised job shop that worked for the film industry making special effects. My old friend from the years at Exeter University, Jeremy Winter, suggested after the break with my father that I should join him and set up the special effects job shop in connection with Pinewood Studios, where he had a lot of contacts already. I never quite understood, why he wanted me in on the business as he was doing fine on his own. But we built the job shop up over three years and employed more than twenty people. We have delivered special effects to all the great movies over the last years and a few of the bad ones. We sold out to one of the big film companies, who wanted us to continue as managers, but after three months it proved to be a mistake. When we were the owners we could say no to a Film Director if he wanted something stupid or a cheap solution to a special effect. This you cannot do as an employee.

Jeremy and I have each gone our separate ways, but we are great friends, and we will undoubtedly work together again some day. He was now living in Manchester whereas I had bought a small house in Maidenhead which was only half an hour by car from Pinewood Studios. The house is perhaps not small by ordinary standards, but compared to our family house in Wivenhoe in Essex it was quite small, only three bed-rooms and two bathrooms. Not that I need the space, living on my own, but it is a good house for entertaining and for guests who stay for a while.

It was funny to see myself in the mirror, as I was dressed half as a golfer and half as a yachtsman. My shoes were Dockers and my trousers Levi's. I was wearing a sailing-

man's tee-shirt and a golf shirt over it. My baseball cap carried a huge advert for Hempel Marine Paint. The shoes were an error. I had forgotten my golf shoes back home in Maidenhead so I would either have to play golf in my Dockers or invest in a new pair of golf shoes when we got out to the course.

Jock came running up the stairs to the balcony. He is always full of energy. In his wake followed my brother, Hugh. They are about the same height, but from there the comparison ends. Jock is a wiry Scot, hard eyes, hard body, cropped hair, whilst my brother is just short of 6", lovely brown curly hair, he is handsome on the burly side and he is always fidgeting with his glasses. We are both near-sighted, not much, but enough for us both to need glasses. I have always been envious of his good looks. When we were young he would always be surrounded by young women who looked at him with admiring eyes. He is a Classics Don at Cambridge University, he has a sharp wit, and he likes to spice his conversations with quotations either from the ancient Greeks, Romans, or Shakespeare. Where I look the same today as when we were in our twenties, he has gained some weight and his hair is considerably longer. He is four years younger than me, but we have always been quite close as we are even to-day.

Jock said: "I found this young man clambering around downstairs trying to find you. So I brought him up." It is typical of Jock to call Hugh 'young man'. They are both of the same age. I summoned the waiter and asked my guests what they wanted. Jock wanted a large beer whereas Hugh wanted a Campari Tonic. I knew instantly that our golfing date was out. Hugh did not play golf.

I did not have to wait long before Hugh burst out with his message: "You have to come home and help Mother to run

the company. The managers are at each others throats, we are losing money, and George is not capable of running the business. He was Father's good friend, but that does not qualify him as a good leader. It seems that everything has gone wrong since Father died, and problems that he would have solved in a split-second are haunting us endlessly."

You could see that he was upset. His cheeks were reddish and he was constantly fiddling with his glasses. It was Jock who stepped in: "How bad is it?" He never wasted words on anything. Hugh took out some papers that the accountants had prepared and we started to go through all the numbers. He was right, of course. Things were bad. The bank wanted to reduce our debt, immediately. We were losing money every month and despite the fact that our revenues were falling, the pay-roll was on the rise.

Jock was an expert in these matters, and he was a big help in explaining both the troubles and the potential solutions. Hugh was very impressed by Jock. I have known Jock for quite some time, but even I was impressed by his immediate and intimate understanding of our situation. I knew that Jock was a Business Consultant, but I did not know that he was a so-called "Company Surgeon" and productivity expert who would come into a company and find the easy and quick ways out of the trouble.

I certainly did not want to become the MD again, and I saw in Jock a solution, a way out for myself. I was so impressed with his knowledge and understanding that I did not feel the slightest hesitation in asking him if he would help us. I don't think that any consultant would have said no to this task. It looked straight forward, and Jock was the man.

We had given up playing golf to-day, but instead I bought them a good lunch at "Hare and Hounds", one of the many

excellent little inns that you find on the Island. Later we agreed to meet in two days time in Colchester to visit the factory and talk to everybody involved in this matter. I called my mother and told her that we would come up, and she invited us all to stay with her in the family house in Wivenhoe. It is funny to think that when Hugh and I went to school at Whitmore near Norwich, one of the best Public Schools in the East, our class mates nicknamed us Ivanhoe. But of course there were 4 years between us, and when he arrived at the school I was one of the prefects, albeit in another House than his, and by then they had stopped using my nickname.

I met with my mother in Wivenhoe and we had a long talk. I kept my earlier stand on the issue and said: "No, I would not take over after Father, and no, I would not move back to either Colchester or Wivenhoe. I would help George Batten and Jock with some guidance, but basically I would give them a free hand to clear the problem with the bank and the declining sales figures. But I would help them do another task of importance. I would find a new MD over the next month or two and introduce him to his work." My mother was not happy with this decision of mine, but she understood that I did not want to come back to Wivenhoe where Mary and I had lived together for more that 15 years.

I had a long talk with George Batten about the situation and what to do about it, and I introduced him to Jock. They seemed to get along excellently. George is of about the same height as Jock, but outweighs him by at least 4 stones. We had identified a method of getting money fast by selling a piece of land which was situated near the main road out of Colchester. Both McDonald's and Sainsbury's were interested in the location as it was perfectly suited for either a shopping centre or a large petrol station with a McDonald's or even both.

Chapter 2. The suitors

I had promised my mother and the management group that I would find a couple of candidates for the job as Managing Director. We did not want to advertise in any of the local newspapers, so I asked a head-hunting company to help identifying candidates. The head-hunters had their offices in Sunningdale in the Old Round House, a lovely place just next to the famous golf-course. They had a series of experts and researchers, and they used a particular personality test based on the ideas of Ichak Adizes. I had a special relationship with Ichak Adizes. In my younger years I had studied in the US and during a 2 week course I had met with and learned from Ichak with extreme pleasure.

Their personality test was based on the PAEI profiles, P stands for Producer, A for Administrator, E for Entrepreneur, and I for Integrator. As I did not want to interfere too much with the activities back home I spent quite some time with one of their researchers identifying candidates. The researcher had endless questions about the personality of the existing managing group. As she said: “There is no such thing as the perfect manager in one person”. What a good leader could do was to establish a balance among the members of the management group based on their personality traits.

They also wanted to know which skills were needed to support the already existing skills pool. I had never thought of the people that I knew so well as a group, only as individuals in their own right. I know that my father would never have found a new man who would fit perfectly with the existing group, as Father wanted a multitude of opinions and skills. Both viewpoints are right, of course. In order to have creative power you need a difference of opinion, and in order to achieve results you have to be able to work as a whole.

I had no fixed opinion about any of these viewpoints, not even what age I would prefer for the new MD. Should we find a young dynamic one or one with lots of experience. Should it be a woman or a man? Just being non-racist !

Because of my lack of prejudice or preconceived opinions I probably spent more time with the consultants and their prospects than was common practice. But they seemed to appreciate my interest and the time I spent with them. In the end they came up with four candidates, all distinctly different, all were men, but they were all very well qualified from the point of technical and managerial skills. So near the end of the month that I had planned to spend on this issue, I had interviews with all four of them, one at a time over four consecutive days.

The first one was Albert Gregson. He was a very handsome man in the mid-forties, very distinguished, nicely dressed, with an aura of control around him. His Curriculum Vitae was perfect down to the last detail. He showed his latest practical experience first, so that you immediately had a feeling for his most recent skills, and the list continued backwards in time to his university and school days.

He did not sit down until I had asked him. He started with a compliment to the factory. He had bothered to travel to Colchester to have a look at the company as part of his presentation. He commended the good order he had experienced on the premises. He meant that good working order and practices were a necessity in any production company. I asked him about his present job and why he wanted to change.

“We have a problem in Scantek that we do not seem to be able to get out of. Our incoming orders have been falling over recent years, and it just seems as if we are stuck in an impossible situation. We have quite a number of large investors who want to get a reasonable yield from their investment and they allow us very little time to build up the organisation.”

He also said that the sales department was badly organised and there were no signs that they would change anything within the near future. He was now looking for alternative career avenues where he would have the final say in these matters. I asked him if he had any sales experience to substantiate his claims. I should have known better, of course he had, and I should have remembered that from his CV. Our conversation went on for quite some time, and it was as if he knew what I was going to ask next and he was well prepared for everything. When I tried to jump mentally in the conversation and do something unexpected he would bring us back on track with a few well chosen phrases or comments. He was extremely impressive.

I had taken notes during our interview, and when we finished I produced the following overview of my viewpoints and observations. I have supplemented the notes with Adizes PAEI profile from the head-hunting consultants:

Notes on Albert Gregson pAei

- 45 years old
- Strong-willed with a forceful and driving personality
- Extremely facts-oriented
- Officer type
- He was worried that I would stay on as working Chairman
- He wanted order and structure
- He was, no doubt, an excellent planner
- He would demand a strong organisation and a competent personal staff
- He would punish quickly when necessary
- He could say no
- He had some of the same strength and charisma as Father
- He had the same aura of infallibility as Father
- He did not show much interest in the history of the company
- He was always perfect
- He resembles Adam Porter, our finance director, albeit a very human one.

I do not think it necessary to go through each interview in detail, so I will just show you my notes and final comments. They must help me make up my mind to find the new and perfect MD for our company and to prepare me for my presentation to the Board of Directors.

My next guest was Paul Stevens, and he was 38 years old. He was not as elegantly dressed as Albert Gregson, but his tweed jacket was of excellent quality. He was a mechanical engineer from Bristol University and he had a lot of practical experience from production companies. At present, he was factory manager with one of the larger British production companies. He wanted to join a smaller organisation where he would have sole responsibility for the results, and where he had a chance of taking it all in at a glance. I liked him at

once and I was convinced that he would create excellent results for Hodson Works.

The notes on Paul Stevens Paei

- Extremely result-oriented
- Had a motivating and pleasant personality even though you could feel the iron hand for good results behind his pleasant exterior
- His personal style was inspiring although to some extent also formally demanding
- He is a very practical man
- He would love to take off his jacket and start to work immediately
- If everybody else failed he would bring in the results himself
- He did seem a bit reluctant to start new ideas and new processes
- He was a very well qualified engineer, and he knew everything there was to know about JIT production
- He would not start new activities if they hampered productivity
- He seemed industrious and sympathetic
- He very much resembled our foreman, Ronald Anders, and that is not at all bad.

The third applicant was Eric Spence. He was dressed rather more flamboyantly than either of the first two. He was fifty, but seemed much younger. At the moment, he was working as a consultant with one of the major consultancy companies where his work was Business Process Re-engineering, BPR. He had been involved in some of the latest published successes with this technique. He was full of good ideas to solve our pressing problems. His reasons for wanting to change his job was that he needed to work with the flesh and blood of real problems after a long career as a consultant. We had a long inspiring interview, and there was no doubt

that he would add a lot of new ideas to our business processes, our production methods, and even our products. I was very impressed by his driving power and flaming energy.

Comments on Eric Spence paEi

- He was inspired by our long historical background and could see that as a power for carrying us into the next century
- He was full of new ideas
- He could see endless opportunities for Hodson's with new products and new markets. He was a really creative man.
- He had the constant teasing look in the eye as if he turned things upside-down just for the fun of it
- He did not seem frightened by conflicts and he would surely use them as a creative power
- He gave the impression that he was used to having his way and having his ideas implemented
- He would not be stopped by rules and regulations of any kind
- Small errors or irritants would never slow him down
- He resembled a high class Gordon Martin, our Paint Shop Manager.

The last one of the four was Iain Kilkenny. At the moment he was the personnel manager in a large industrial conglomerate, but he had worked as a foreman, planning manager, staff manager, and factory manager with one of our largest suppliers. He had an engineering degree from Exeter University, so we had a lot to talk about even though he was 5 years my junior. He had supplemented his earlier education with a Masters Degree in Management and Organisation from London University, so he was extremely well prepared for the job.

Although he had a very Scottish name he was born in the neighbourhood. He did not play golf, but had on several occasions represented Essex in cricket. He had a pleasant personality, and he was interested in everything about human nature. Our interview lasted long into the evening, and we shared a good meal in one of the little inns in Sunningdale. We talked as if there was no age difference between us, and as if we actually had been to Exeter together.

Notes on Iain Kilkenny paeI

- He was a super communicator and an adept negotiator
- He was very keen to understand my viewpoint when discussing an issue and he seemed to be able to understand anything and everything
- He would not solve conflicts with the sword, but through negotiation
- He did not ask about the present situation with the company, but perhaps he already knew
- He talked a lot about ethics and the moral obligation, and he was very keen on including the factory workers in the management process. His ideas on people were inspiring and unorthodox
- Time did not seem important to him. Even as the evening went on he seemed to have all the time needed for this special event
- He was a human being, in the best meaning of that expression
- He resembled Henry Dixon, our factory manager, who is always able to soothe the rough waters in our meetings.

I liked all four of them, and if we could have afforded it I would have hired them all. I knew that it would be extremely difficult to choose between them, but the choice was mine alone. I could surely put the blame on the Board of Directors if we made the wrong choice, but I knew that in the end, I would be responsible. Who should manage my inheritance

for the time to come? Who could make the investment in the factory and the company a profitable one? Who could make the company grow? Who could make the factory workers and the other employees accept the chaotic times ahead? Who could carry the flaming sword that would lead us into the next century? Who would be the practical man that kept us all in our places when everybody else just wanted to have it their way?

I put my notes aside to read them later and to make up my mind before the meeting with the Board of Directors. I knew that their approval was just a necessary rubber-stamp, and yet, I felt even more responsible for the outcome of this decision than many of my earlier ones.

When I arrived in Colchester the following morning the first person to welcome me was Annie Logan, our Personnel Manager. She had been hired into the job by my father, and as I know my father and his dislike of female managers she must be good. We had met shortly before and had been properly introduced. She is a good-looking woman, nearly as tall as myself, high cheek-bones, brown eyes, brown hair with a lot of curls that were being restrained by her very serious office-like hair-do. She must be in the mid-forties, and I found her very attractive.

But she was not there to charm me, at all. After having said "Hello" she said: "We have a serious problem on our hands. This man that you have commissioned is wreaking havoc in the organisation, and everything he does or has done has turned into catastrophes. He has aggravated our relations with the factory workers, and the managers are threatening to resign as a group. Except George, of course, who is his puppet-on-a-string."

It was not the kind of welcome I had expected. Jock had seemed so competent and his suggestions had looked and sounded so right. “But what about the piece of land down near the highway that was supposed to create enough cash for the other corrective measures?” was all that I could respond. I was totally dumb-founded, and I felt like an idiot with my friendly smile to this messenger of bad tidings. She looked at me as if it was my fault, all of it. There was no kindness in the brown eyes that looked at me now. I was to blame, and she was taking the brunt of it as Personnel Manager, but now she was giving me the information, hard and direct.

“This marvellous piece of land that you are talking about was a time-bomb. Under it there are residues of more than fifty years of dumped chemicals from the Paint Shop. But this is not the worst part of it. Obviously George and Jock must have known, because they are making a deal with the City Council to buy the land at a very low price, so that the City can sell it to the new buyers at a big profit. Their thinking was that it would not be our responsibility to clean the soil, and obviously they were in cahoots with one of the Council-members. So we have now a big potential scandal on our hands. It has not yet reached the newspapers, but it will not be long before we are the bad guys of the East Coast.”

“So, we didn’t get any money?” was my shaken response. “No, we didn’t, and we will not get any until we have cleared the mess and cleansed the soil. And even then I doubt that anyone will buy it after the bad publicity we will get.” There was no consolation in her words or in her voice. “But this is not all. Your precious heroes have fired the entire R&D Department with the excuse that we were not doing any research anyway. They did not ask me before they did it. They behaved like Roman Emperors and you could