

# **Leadership Matters**

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## **Why A New Understanding of Leadership Matters**

Leadership matters. Great leaders are needed in all sectors of society. Great leadership can be developed as a blend of Vision, Relationships, and Execution. This article presents examples of all three, distinguishes leadership from management, defines leadership work in three areas, and introduces profiles of leaders and organizations.

In order to be successful in the global entrepreneurial age, the executive and manager must develop strong leadership skills. As the organization vision expands worldwide the value of a diverse set of relationships based on shared values becomes critical in executing the multiple missions of a global organization.

In the global entrepreneurial age the true challenge of leadership is for the leader to use their intelligence to inspire and influence change through strong relationships with people who see the benefit of being part of the future vision. In contrast, the traditional management approach would be to establish the structure and rules of engagement based on perceived economic benefit for both sides. Other factors such as societal, community, environmental or political forces are not usually considered in developing these rules of engagement. Building strong relationships requires leaders to consider these other factors.

With high bandwidth communication networks and the international community of Internet users in constant communication, information is readily available. The manager cannot readily control access to key competitive information. A successful leader uses this technology to lead from knowledge according to values espoused by the organization.

The ideal is to develop leaders, rather than managers, who balance the dimensions of Vision, Relationships and Execution.

## **How I Came to Know This**

My knowing of why leadership matters is both deeply personal and professional. It started with growing up in Washington DC in the 1930s and 1940s. The importance of leadership was apparent as the US emerged from the depression of the 1930s, builds the economic and military-industrial base to fight and win WWII, and then provided the direction and resources to rebuild Europe and Japan.

On a personal note, I saw my father using his intelligence to complete a graduate degree in political science in the 1930s when so many people were in poverty; and I saw my mother develop relationships with people in high places that opened up opportunity for us all. I have been a

technology leader, a corporate executive, a venture capitalist and always a teacher along the way. I have gotten to know and understand a number of powerful leaders during my lifetime.

I have come to understand how a person starts with a strong core belief that forms the basis for inner vision. From this inner vision leaders develop an outer vision that they build on to achieve extraordinary results for the world around us. For these leaders this has always been a personal journey where committed personal relationships were the key to success in achieving their vision.

Many of the thinkers about leadership discuss leadership as being personal. A person's intelligence is important in being a good to great leader. Leaders use their intelligence to accomplish their leadership work.

Intelligence in our society is usually described in terms of "thinking intelligence" that comes from using our minds. Other aspects of our intelligence come from our feelings and intuition. The basis for our intuition is sometimes called our instinctive intelligence coming from the gut, as in having a gut feeling about something.

I have been inspired by seeing a great leader in action. I have learned that my appreciation is another form of respect for the significance and value of the accomplishment of a person making a positive difference. From the inspiration and appreciation I get the motivation that supplies the energy for me to take leadership action.

### The Leader's Journey

From what I have seen a person starts the leader's journey when he or she comes to believe they can use their intelligence to create the future. Leaders do the following:

**As a leader** I believe I can inspire a vision of a better future.

**As a leader** I will develop the relationships that share that vision and enable them to act in achieving the vision.

**As a leader** I can insure they learn the leadership skills and practice these skills to the point of excellent execution.

Leadership is readily understood if it is viewed simply as the work done by leaders. The leadership work can be broken down into three functional leadership work elements. Exemplary leaders perform all of these leadership work elements very well.

The **Vision** work

The **Relationship** development work

The **Execution** work

The **Vision** provides the inspiration and direction for the people of the organization. The **Relationships** are the connection with people that share the vision. Achieving maximum **Execution** of the vision requires in-depth knowledge and daily practices. We call this description of leadership the **VRE Leadership** model, since it represents a person doing all aspects of leadership work. A complete leadership job requires doing all aspects of **VRE**.

In my experience observing leaders, I have seen people who often operate from a dominant aspect their intelligence. Three fundamental aspects of a person's intelligence are defined as the thinking intelligence, emotional intelligence and instinctive intelligence. An example of a Thought Leader, a Heart Felt Leader and Instinctive Leader are illustrated here.

**Thought leaders** – Provide the Vision that inspires others. Sometimes called visionary or creative leaders.

Dr. T is a researcher who after many years of dedicated work has solved a very complex problem. With her technical team she has developed an innovative solution. This solution has the promise of revolutionizing the industry. Dr. T is very knowledgeable and has learned to process information and complex abstract data very well. She has gotten to the point of being able to clarify and focus the thinking around complex technical issues. She is a powerful Thought Leader with a very clear vision of how this solution should make a significant difference.

**Heart felt leaders** - Through their feelings and emotions develop the valued based Relationships that share the Vision.

Mr. H is a manager who is also a friend. He always has time to listen and provide advice to anyone who asks for help. He develops strong deep relationships based on shared values. As the team leader Mr. H works hard to insure the team succeeds. As a person he is interested in his people and is very nurturing. His teams have had an outstanding record of success over the years. He is a Heartfelt Leader able to develop the relationships that share the vision and will be the leaders to achieve the vision.

**Instinctive leaders** – Through instinctive, intuitive decision-making will cause the Execution of the Vision.

Mr. E is a manufacturing manager who has run numerous high volume complex manufacturing lines for many years. He has learned that it takes diligence every day to get maximum results. As a result he spends at least 5 hours every day on the lines assessing the situation and giving real time direction with or without any regard for the line supervisors. For him the production results are all that matters. There maybe a few bruised and battered bodies in his wake. He is an Instinctive Leader able to make quick decisions based on many years of practice.

These characters each illustrate how they do leadership work as they operate from an obvious dominant part of their intelligence.

## Leadership and Management

There is a clear distinction between leadership and management.

Leadership has been described as the work is done by a leader who uses intelligence to succeed. Complete leadership starts with the vision and builds relationships with the people who share the vision and who will take on the task of achieving the vision. The dominant leadership styles have been described above.

Management uses structure, rules and processes in order to control and predict results in a more stable situation. The success of management is seen in the industrial empires where people can be used interchangeably and as replaceable parts.

## Leadership Matters

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Each dominant style of leadership has its own kind of leadership work, and management tasks associated with it. The following table shows the Vision work that comes from Thought Leadership and the management work that follows.

<i>VRE Leadership</i>	<i>Thought Leadership</i>	<i>Management Practice</i>
<b>VISION</b>	Develops an inspiring <b>Vision</b> that is shared. <b>Clarifies</b> the vision and maintains a <b>focus</b> on the mission using certain strategic goals.	Breakdown the mission into elements and set up specific objectives.

The following table shows the Relationship work that comes from the Heart Felt Leadership and the management work that follows.

<i>VRE Leadership</i>	<i>Heart Felt Leadership</i>	<i>Management Organization</i>
<b>RELATIONSHIPS</b>	Develops relationships based on ethical values, positive attitudes and constructive behaviors where there is <b>agreement and engagement</b> .	Establish the organization rules, hires the right people and develop best practices.

The Execution work that comes from Instinctive Leadership and the management that follows.

<i>VRE Leadership</i>	<i>Instinctive Leadership</i>	<i>Management Direction</i>
<b>EXECUTION</b>	Establishes a <b>culture of discipline</b> that operates with <b>in depth knowledge</b> with <b>daily key practices</b> . <b>Enables others to act</b> with maximum delegation.	Build high performance leadership teams, build and execute the action plans, determine clear results.

### VRE and Positive Attitudes Make Great Leaders

Leadership when described as the work done by leaders makes leadership more understandable. There is a definite clear difference between leadership and management. Both are needed. Better management comes after good leadership work is done to provide the direction for management.

Powerful leadership comes from operating with positive attitudes. The behavior of the leader is a reflection of the leaders' core values that show up in their personal attitudes. In my experience powerful leadership comes from strong values that produce positive attitudes and constructive behavior. A leader operating with negative attitudes has to resort to force in order to get performance from the people. As a leader you can make the conscious decision to be a truly powerful leader by operating from positive attitudes.

## Conclusions

Using the VRE concept it is easy to understand the performance of an organization based on their leadership. Here are some examples of using the VRE concept to describe organization performance based on how well all aspects of the leadership work is done.

A good performing organization achieving predictable results	<b>VRE</b>
A great performing organization exceeding expectations	<b>vRE</b>
An organization with big vision unable to execute very well	<b>V<sub>RE</sub></b>

Both leadership development and the leadership challenge in an organization can be readily understood with the VRE concept.

The Technology Leaders' challenge is Innovation meaning having a big Vision **V**

The Corporate Executives' challenge is mainly Execution that is achieving maximum **E**

The Entrepreneurs' challenge includes both big Vision **V** and Execution **E**. This complexity is often the undoing of the start-up entrepreneur and explains the high failure rate of start-up companies.

Leadership matters, and when it is properly developed and focused, can bring the right balance of Vision, Relationships, and Execution, with positive attitudes, to each leadership challenge. I would appreciate your feedback on how well this goal was accomplished. I can be reached at [fgreene@nvcap.com](mailto:fgreene@nvcap.com).

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This article is an extract from *Leadership Matters – The Leadership Guide* © by Frank S. Greene to be published in 2006. It is also the basis for an article to be published at the Kellogg School of Management at Northwestern University. Talks on this approach to understanding leadership have been given at the business schools at Santa Clara, Stanford, and Kellogg School and at the engineering school at Purdue.