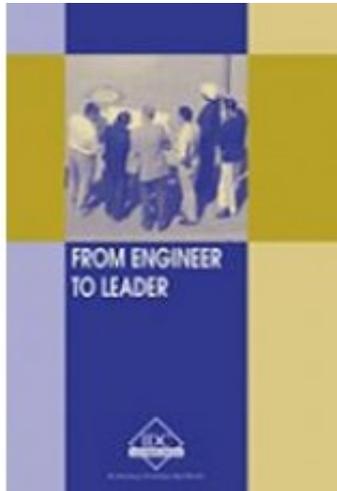


## LA-E - From Engineer to Leader



**Price: \$65.95**

**Ex Tax: \$59.95**

### **Short Description**

This manual is written for the mid-level manager and technical professional wanting to update their leadership skills and position themselves to adopt a leadership role in their organization. Most engineers will spend the majority of their careers in some leadership capacity, most are dissatisfied with the transition from engineer to leader. Much of this frustration is the result of a lack of preparation and training.

### **Description**

This manual is written for the mid-level manager and technical professional wanting to update their leadership skills and position themselves to adopt a leadership role in their organization. Most engineers will spend the majority of their careers in some leadership capacity, most are dissatisfied with the transition from engineer to leader. Much of this frustration is the result of a lack of preparation and training.

This manual examines the importance of creating results through people by starting with personal leadership and then growing to being a leader of people. The key components of effective leadership is the ability to develop, motivate and equip people by being able to communicate clearly, manage conflict, develop creativity and coach effectively.

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### **First Chapter**

#### **Introduction to Leadership**

##### 1. Introduction to Leadership

Learning objectives

By the end of this module, you should be able to:

- Understand the use of accelerated adult learning methodologies
- Explain the five stages of learning
- Explain how this program is different for engineers
- Explain the changing paradigms for a new leader
- Understand the difference between leading a team and working in a team
- Explain the need for leadership
- Define leadership
- Explain a leader's three main roles

##### 1.1 Program introduction

The program offers an intensive two day experience that will challenge participants in line with accelerated adult learning principles. The two days are designed to be dynamic and engaging, building on the pre-existing knowledge and skills of the participants. The highly skilled presenters work with the participants to explore specific current issues and help contextualize their learning to their level of development and application.

Participants are guided through key topics such as personal leadership, being people smart, communication skills, conflict management, creativity development and coaching. Whilst we recognize that participants cannot become experts in such a short time, they can certainly identify the important issues on which to focus and lay a foundation (see Stages of Learning section below). This comprehensive manual also provides a valuable resource as participants embark on a journey of continuous learning. Participants have enjoyed the fact that this

program brings a diverse range of topics into a coherent framework that is easily understood. These vital leadership skills provide a breadth of understanding through a focus on common themes that wind through the program through the stimulating exercises and application tools. With new content and new learning methods, this program offers an outstanding development opportunity for all current and future leaders.

This program is recommended for entry to mid level managers and technical professionals wanting to update their leadership skills and position themselves to adopt a leadership role in their organization in the near future. Participants come from the Public and Private Sector and from both local and overseas businesses.

This program examines the importance of creating results through people by starting with the participant's own personal leadership and then moving from that to being people smart. The key components of effective leadership is the ability to develop, motivate and equip people by being able to communicate clearly, manage conflict, develop creativity and coach effectively. Most importantly if you want people to be effective members of your team you need to be people smart, with regards to yourself and others.

The program is designed around the following key principles:

- Keeping it simple
- Accelerated adult learning
- Application practices
- Commitment to ongoing application
- Providing practical tools
- Having fun

#### 1.1.1 Accelerated adult learning

There are two types of learning – **cognitive** and **experiential**. Cognitive learning involves the academic acquisition of knowledge. Experiential Learning evokes a desire on the part of the participant to learn. By using simulated scenarios and situations, adult participants are encouraged to relate the simulated scenarios to real life situations and learn from these experiences. This program uses the current experiences and future requirements of the participants to build learning around models and practical examples specific to the topic. Participants are then encouraged to reflect on these and consider how they will apply them to their own workplace.

The qualities of Experiential Learning are:

- Personal involvement
- Self-initiation
- Self-evaluation
- Open mindset

Instead of having a trainer who lectures and takes people through a manual, this program utilizes professional and qualified facilitators whose roles are to guide participants through the learning process. This approach encourages each person to become responsible for their own learning, and more importantly the application of that learning back in the workplace. The specific roles of the facilitator are to facilitate learning by:

- Setting a positive climate for learning
- Clarifying the expected outcomes
- Organizing and providing resources
- Balancing the intellectual and emotional aspects of learning

Learning is further facilitated by:

- Total participation of the participant
- Self-evaluation as the main method of assessment
- Focusing on learning (not teaching)
- Practical application

Adult learning is unique because adults are self-directed and expected to take on responsibility for their own lifelong learning.

The four assumptions of Adult Learning are:

- Adults need to know why they are learning something
- Adults need to learn experientially
- Adults approach learning as problem-solving

- Adults learn best when the topic is of immediate value

### 1.1.2 Stages of learning

As displayed in Figure 1.1, there are five levels of learning.

#### Figure 1.1 The levels of learning

##### Unconscious incompetence

You don't know what you cannot do. For example a three year old child does not know they cannot drive a car. This stage is characterized by:

- Ignorance/bliss
- No discipline
- No skills
- No mastery

##### Conscious incompetence

You know what you cannot do. For example a ten year old that does know they cannot drive a car. This stage is characterized by:

- Painful awareness
- Inadequacy
- Self-consciousness
- Unskilled
- No mastery
- "Hard" and "difficult"

##### Conscious competence

You know what you can do. For example a sixteen year old teenager has read the book, but needs to think through every step to drive a car. This stage is characterized by:

- Easy – discipline
- Confidence

- Adequacy
- Growing mastery
- Skilful

### Unconscious competence

You don't know what you can do. In other words, you do it automatically. For example an adult that has been driving for years and does it automatically. This stage is characterized by:

- "Piece of cake"
- Mastery
- Intuitive – skills
- Habitual
- Programmed

### Conscious competence of unconscious competence

You know what you do when you do things automatically. This stage is important when you need to train somebody to do something that comes automatically for you. So it is the ability to break a skill down into teachable steps, when you yourself don't need the steps or at least not consciously. For example a driving instructor that knows exactly the steps that are applied to drive. This stage is characterized by:

- Higher – knowledge of skills of a master trainer of excellence

When we read a book or do a traditional course, we generally progress to Stage 2 by the time we are finish. Accelerated adult learning methodologies attempt to progress some learning to Stage 3 by facilitating skills practise on the major areas. It also stimulates the need and desire for further learning so that the provided resources can be utilized to take identified skills to Stages 4 or 5 with enough practise back in the workplace.

#### 1.1.3 Learning methodologies

To ensure successful learning and transfer of new behavior to the workplace participants will encounter a variety of learning methodologies. Group activities are used extensively to impart workplace principles, and an Application Log which identifies how and what will be applied are completed throughout the

program. The aim is to develop participants that are not dependent on trainers and workshops but who become independent, lifelong learners who are able to continuously learn from their experiences in the workplace.

Our approach is aligned with a life skills coaching methodology which consist of six stages:

- Stimulus: a problem situation is presented - designed to engage the participants
- Evocation: the participants reacts to and defines the problem
- Objective Enquiry: the participant is presented with information to add to their current understanding
- Skills Practise: where the participant practise skills in a artificial environment
- Skills Application: where the participant applies knowledge and skills to the solution of the problem as close as possible to real life
- Evaluation: where the participant reflects on what was done and learnt and how to use that in the future.

#### 1.1.4 Learning materials

This manual will be referred to by the facilitator. It is used as a tool to provoke discussion, stimulate ideas and relate course content to the day-to-day lives of the participants. The manuals also become a 'point of reference' after the workshops when the participant is back in the workplace. It is designed to be packed with tools for immediate application in the workplace.

#### 1.2 How is leadership for engineers different?

*There is no 'right' answer to many management issues. There is only a series of options*

- Nigel Robinson, CEO Maunsell

### **The Engineer and the Leader**

A man is flying in a hot air balloon and realizes he is lost. He reduces height and spots a man down below. He lowers the balloon further and shouts, "Excuse me,

can you tell me where I am?" The man below says, "Yes, you're in a hot air balloon, hovering 30 feet above this field." "You must be an engineer", says the balloonist. "I am", replies the man. "How did you know?" "Well", says the balloonist, "everything you have told me is technically correct, but it's of no use to anyone." The man below says, "You must be in leadership." "I am", replies the balloonist, "but how did you know?" "Well", says the man, "you don't know where you are, or where you're going, but you expect me to be able to help. You're in the same position you were before we met, but now it's my fault."

Engineers who move up to leadership often face an adjustment period that involves adopting a whole new skill- and mindset. They must let go of their affinity for hard numbers and straightforward answers, and learn to embrace ambiguity. There is no 'right' answer to many management issues. There is only a series of options and the leader has to decide which option fits best in the circumstances. Leadership deals with ambiguity; with situations where answers don't exist in a right-and-wrong structure. It is a whole new career for engineers, but people don't treat it as such.

Surveys about the highest paying jobs in the U.S. shows that the median salary for Engineering Managers ranks not too far behind doctors, attorneys, and CEOs (typical CEO base salary, not the extreme high end of the scale that often makes the news). The reason good Engineering Managers are paid well is because it's a very difficult job that not many people with engineering backgrounds want ? and even fewer are highly qualified for the role.

Michael Aucoin, author of *From Engineer to Manager: Mastering the Transition*<sup>[i]</sup> found that most engineers will spend the majority of their careers as managers, most are dissatisfied with the transition. He says: "Much of this frustration is the result of lack of preparation and training." Gary Hinkle, president of Auxilium writes: "An Engineering Manager needs soft skills to be effective. Often, too much emphasis is placed on technical ability as a primary job requirement. Without the ability to influence others, make good decisions and manage many priorities, top-notch technical skills aren't going contribute much to the management of the team."<sup>[ii]</sup>

Leading people is essentially the same no matter what the industry. Leaders in all industries need to be 'people smart'. There is however, a slight shift in emphasis for industries where a high level of technical expertise is required.

First, the behavioral styles in technical industries is slanted towards the more detailed and analytical profiles. This program will therefore put more emphasis on the leadership styles of people that come from these behavioral backgrounds and

the leadership skills required to lead people with these behavioral styles.

Second, people with detailed and analytical profiles generally apply information better when they can understand it first. This manual does therefore contain more detailed explanation and background information than for non-technical industries. It should however be noted that knowledge does not automatically translate into application. Understanding is required first. Understanding is developed by combining knowledge and skills practise. Participants can therefore expect to have to apply knowledge in various skills practise exercises. Detailed and analytical profiles generally find these techniques are stretching them out of their comfort zones, but they often look back to realize that not only is it the best way to learn and grow but it is also true to the daily experience of being a leader.

Third, detailed and analytical profiles (most engineers and technical professionals) are known for working well on their own. They are very task oriented and often masters in their technical fields. Leadership, on the other hand, is all about working with people. There is therefore a stronger emphasis of seeing people as people and not as the means to accomplish another task.

### 1.3 Engineer to leader – changing paradigms

As Figure 1.2 illustrates, making the transition from doing the role of an engineer to the role of a leader requires for progressively more focus and time to be spent on activities that lead the team and less on working in the team. The time spent leading the team increases as the leader moves up in the organization.

#### Figure 1.2 Engineer to Leader - Changing Paradigms

There are three critical dimensions an engineer must transform if he/she is to be successful at a leadership level in the organization:

- Their concept of their role
- The skills required by the new role
- Changes in certain attitudes and mindsets

#### 1.3.1 Changes in their concept of the role

## A new role

The person must change the concept they hold of their organizational role from a performing role (doing the work) to a leadership role (serving the team). A 'role' is a set of expected behaviors. To be successful in a given role, a person must master the requirements of the particular role, its responsibilities and skills. The first challenge facing a new leader is for them to change their concept of the new role. This, in turn requires:

- an understanding of the concept held of the old role
- an understanding of the concept required by the new role
- an action plan for change

## A new way to manage time and prioritize tasks

Performance activities must receive less emphasis and leadership activities must receive greater emphasis. Most newly appointed leaders feel comfortable doing the work they used to do. There is a need to move from being an operator to being a leader. An increasing amount of time will have to be spent in meetings, reading, planning and organizing, and much less time spent in technical, operational work. The tasks of a leader will take priority over the tasks of an engineer.

## An ambiguous role

An individual must accept the change from a well known and understood role to an unknown or partially ambiguous role.

## Different goals to attain

An individual must accept a change from working upon goals which have been previously established for them to a situation in which they are expected to have a greater degree of influence in setting those goals. The person must become proactive in setting goals rather than reactive.

### 1.3.2 The skills required by the new role

#### A change in skill set is required

An individual must make a change from a role in which the primary emphasis was on technical skills to one where there is relatively greater emphasis upon interpersonal and administrative skills. Leadership roles typically require work

related to interpersonal skills such as motivation, communication and coaching. These skills are required in order to get results through other people. Leadership roles also require administrative skills such as planning, organizing people, conducting meetings, budgeting, performance reviews and managing resources.

New skills are being developed on the job

An individual must be able to accept change from a situation in which the skills they possessed were relatively well developed to one in which the skills required by the new role are relatively undeveloped. There is a typical period of adjustment where the individual grapples with the process of learning new skills, and feels frustrated because their performance is not up to a personal standard.

Delegate instead of being delegated to

An individual must accept a change from a situation in which the ability to delegate tasks is unimportant to one which is very important.

### 1.3.3 Changes in certain attitudes and mindsets

#### **Less direct control over activities and results**

An individual must make the transition from a situation in which they have relatively direct ability to control the results of activities for which they are responsible to one in which the control is indirect because it involves the efforts of other people. This part is difficult for many (if not most) people to accept, and yet it must be accepted if a person is to make the successful transition to a leadership role. If this 'decreasing degree of control' is not accepted, the leader may want to 'be involved in everything', or have 'all the significant facts', or have 'all significant decision's' checked before they are made. The leader becomes bogged down in detail, and in reality, is not doing just their own work but the work of others as well. Lower productivity from subordinates may develop because they are continually being checked by the boss. Their motivation and professional development may also suffer. The 'desire for control syndrome' is a fundamental problem for many managers.

#### **Subordinates might have greater technical knowledge and skill**

A new leader must make the transition to a situation in which the people being lead may possess greater technical knowledge or skill than them. A leader is not necessarily the 'best person with the spanner'. It is quite common for leaders to find themselves leading people who possess greater technical skills than they

have. It is personal challenge to accept and feel comfortable in such a situation. People who struggle with this tend to hire only weaker people.

### **A new source of self evaluation**

An individual promoted to a managerial position must develop the capacity to evaluate themselves based on the performance of the people being lead rather than on their own performance. A leader must increasingly derive their personal satisfaction from the performance and achievements of the people reporting to them.

### **An appreciation for the value of constructive conflict and assertiveness**

In developing a person's capacity to be a leader, a person may have to overcome the desire to avoid conflict and confrontation.

### **Finding more ways to legitimately praise people**

An individual must develop the ability to praise subordinates. Our culture does not reward flattery. There is sometimes even a bias against praise. Yet the need for human self esteem is fundamental, and praise to work done well is a valued reward for people. The leader must develop the ability to provide legitimate praise to their subordinates, for the absence of praise is really equivalent to criticism.

### **Setting goals for others**

A leader needs to be able to set goals for other people and feel comfortable about it. Many people feel uncomfortable in either asking or telling people what to do. Some are even fearful, and may opt to it themselves. A successful leader must develop the skills required, and have confidence in being able to set goals for both themselves and subordinates. Sometimes the goals are set by the leader, other times in partnership with the subordinate.

## 1.4 The leadership imperative

### 1.4.1 Forces of change

Everybody in business knows that the business environment of the twenty-first century is different from what it was twenty or thirty years ago. In fact, the

business world today is vastly different from what it was just five years ago. There can be no doubt that the world is changing more rapidly and has become more chaotic, demanding, and competitive than ever before.

#### 1.4.2 The business environment throughout most of the second half of the twentieth century

For organizations, the business environment was relatively stable and predictable and offered numerous opportunities for growth. An organization was assured of at least a degree of success and profitability as long as it produced moderately good products or services and made productive use of its employees. It could gain competitive advantage with relative ease by controlling its sources of raw materials or by obtaining low-cost financial capital and physical assets. Some organizations also gained competitive advantage because they had government created protection from competition.

For people, too, the old environment was also relatively stable and secure. Most employees who worked for governments or large corporations lived under a “loyalty contract,” a tacit agreement with their employers that if they were loyal, they could have a comfortable life with that organization. They had not just a job but a career that included the security of a regular pay cheque, benefits, and retirement income. Even for employees not covered under a loyalty contract, the growth and power of the union movement provided many of them with benefits and protections that guaranteed a good quality of life.

#### 1.4.3 Today's business environment

For most organizations today, the sense of stability and assured success is in question. It is no longer easy to find competitive advantage and, once found, to maintain it for very long. New threats seem to come from everywhere: start-ups, international competitors, legal changes, new technologies. Most organizations must fight tooth and nail to secure their profits and continue their growth. Most also regularly struggle to find qualified people for their leadership and knowledge work jobs. As a result, the past decades have seen the downfall of many venerable companies, as well as the overnight birth and death of many seemingly smart start-ups — for example the many failed dot-coms that originally seemed destined for success.

For most people, the new employment environment is equally insecure. The promise of a steady job has all but disappeared, with millions of workers downsized, furloughed, laid off, or voluntarily choosing to move from company to company. Many people have found that they simply don't have the skills needed

to compete in the marketplace, having lost their personal competitive advantage and their value as human capital. Many of today's workers are finding that although they still have jobs, they are falling behind the business, scientific, and technical needs that organizations have.

These starkly contrasting sketches of the business environment are the result of five major changes:

- The globalization of competition
- The rapid development of scientific and technical knowledge
- The death of the loyalty contract
- Changing workforce demographics
- Shortage of competent leaders

Of course, not all of these have affected or will affect every organization in the same way, but most organizations have felt or will feel the impact of at least several of them. Most people, too, will feel the impact of several of them at some point during their careers.

#### 1.4.4 Globalization of competition

The old days of limited competition are over. With the disappearance of communist and totalitarian regimes in many parts of the world, more and more countries are opening up to foreign business and trade. While this increasing globalization has created new markets and growth opportunities for many existing organizations, it has also dramatically elevated the level of competition in nearly all industries.

Many new competitors exist. Over just the past decade, we have seen the emergence of a coalition of Western European countries into a major new economic power, the emergence of India as a global competitor in software and technology, the entrance of the formerly socialist or communist Eastern European bloc countries into the world market and the awakening of the Chinese and Southeast Asian dragons. Each of these developments has created competitors searching for profits, dominance, and new markets. Many of these newer competitors have distinct advantages in areas ranging from geographical proximity to important markets to high-skilled, relatively low-wage workforces to large storehouses of financial capital with which to buy new plants and equipment as well as to acquire other companies.

While some organizations have found expanded profits in the new global markets, many others have struggled due to increased competition and the complexities involved in operating on the global stage. Globalization has also had a negative impact on millions of people whose jobs have been transferred to foreign countries where the labor is cheaper. They have been forced either to find new jobs, often at lower pay, or to retrain themselves to compete in new industries. If it hasn't already, at some time in the future, globalization is likely to dramatically affect your career, and you will face some important choices about how to manage your career in this new era of global competition.

#### 1.4.5 Rapid development of scientific and technical knowledge

In the past several decades, the bar has been significantly raised with respect to the level of scientific and technological knowledge that organizations need in order to compete. And there is every reason to believe that the growth of new knowledge will continue to accelerate.

The amount of knowledge now required to be competitive has altered the core of what organizations do, the types of products they produce, and how they operate, as well as where they can find competitive advantage. Entire industries, including communications, entertainment, consulting, housing, banking, finance, retailing, and manufacturing, have been forced to rethink their strategies and how they go about their business.

Changes in technology have also caused many of the world's most venerable companies to completely change their direction or invest large amounts of capital to develop new products or to acquire new technologies. And like dinosaurs, a few historic companies (Polaroid and Westinghouse, for example) have been vanquished by faster, smarter competitors who were able to invent or adopt new technologies.

Perhaps the most vivid example of the rapid evolution of technology and its impact on organizations is the Internet. In the blink of an eye, the Internet created a host of new competitors that served customers in new and different ways. While many Internet companies accomplished little other than the expenditure of huge amounts of investment capital, many others truly succeeded in changing the world (think of Amazon, Google and eBay), creating the need for competitors to adopt new business models.

Meanwhile, the demand for increased scientific and technical knowledge has put significant pressure on workers everywhere. Increasingly, today's employees in developed countries must have highly sophisticated skills with respect to

managing information, developing knowledge, and dealing in abstract concepts. They need to have the ability to think, analyze, and problem-solve. Fewer workers are needed to do the mind-numbing, repetitive manual tasks that formerly dominated the work scene. These are being done by machines or sent to low-wage economies. Needless to say, it has become absolutely clear that people who cannot keep pace with scientific and technological change are quickly losing their value as employees.

#### 1.4.6 Death of the loyalty contract

Throughout most of the twentieth century, organizations maintained a tacit agreement with their workers that as long as they were generally productive, their jobs and a reasonable pension plan were guaranteed. This was often referred to as the “loyalty contract.”

However, globalised competition, the rise of technology, and the increasing demand for knowledge workers with state-of-the-art skills has made maintaining the loyalty contract unrealistic in the case of most companies. More and more organizations have realized that buying their workers’ long-term loyalty is simply not a good investment.

Despite its honorable tradition, today the loyalty contract is in many ways counter productive. By providing employees with a relatively secure and comfortable lifestyle, it serves to attract and retain only those people who want secure, predictable employment situations. It does not attract or retain those who want to be part of an entrepreneurial organization or who want to be part of a rapidly changing, technologically advanced, or knowledge-intensive organization. A loyalty relationship also does little to encourage individuals to learn new skills, keep up with technology changes, and keep the company financially competitive.

Beginning in the 1980s, more and more companies ended their loyalty contracts. In retrospect, it is clear that most of these organizations had no choice. At that time, laying off their workers was the best way these firms could adapt to the dramatic changes in their businesses. To have done otherwise would have been fatal for them.

The death of the loyalty contract has had enormous repercussions in today’s business environment. One of its major effects has been on the cost, availability, and attitudes of good labor. Most people, especially younger workers, understand and accept that loyalty to their organization is largely a losing proposition. As a result, many of them are no longer willing to be dependent on their employers or amenable to accepting practices and decisions that are not advantageous to

them. Without the benefits of the old loyalty contract, today's employees are demanding substitutes such as challenging work, opportunities for learning, work life balance and substantive rewards. And when they do not get what they want, today's workers are quick to move on to more attractive employment situations.

The change is significant: Organizations can no longer count on their members' loyalty, so they must continuously compete for talent. They have to focus on attracting and hiring the most talented people and retaining their existing talent. Because of the increased mobility of individuals, organizations are changing the fundamental way they are thinking about their employees. They are looking for approaches to manage them that are advantageous to both themselves and their employees.

#### 1.4.7 Changing workforce demographics

Many industrialized countries are facing the burden of an aging population. A high percentage of the workforce is approaching or has attained the traditional age of retirement. This demographic shift is a result of a combination of lower birth rates and longer life expectancies. Although many potential retirees can remain in the workforce, they have to be sold on the idea of continuing to work. Figure 1.3 shows the significant increase in forecasted annual retirements in Australia. The figures are doubling from about 70,000 in 2007 to 140,000 in 2012.

Figure 1.3

Annual Retirements 1950 to 2050

#### 1.4.8 Shortage of competent leaders

The other force behind the growing scarcity of skilled labor is our underperforming educational systems and increasing dysfunctional society and family structures. It is accepted in the business world that our schools simply do not produce enough well educated students who are capable of doing the type of complex knowledge work that is increasingly needed in today's world. Fewer and fewer new graduates leave school ready to handle the challenges and intricacies of today's competitive environment. Particularly lacking are people with strong leadership and people management skills. Even though our educational system still produces some level of technically competent people, there is a growing need for employees that are competent in 'soft skills'.

When it comes to leadership, the importance of competent leaders cannot be underestimated. As the environment become more complex, the difference between an average leader and an exceptional leader rises dramatically. If you examine a simple, repetitive assembly line job, the difference between the best performer and the worst may only be a few percentage points in productivity. However, because of the leverage of influence, the difference between an exceptional leader and an average one can be 1,000 percent or more.

In the old competitive environment, many jobs did not require highly competent leadership for an organization to be successful, so the demand for exceptional leaders was relatively limited. Many organizations simply did not need to make it a priority to fill jobs with exceptional leaders, other than at the very senior levels of management and in a few key functional areas. In most cases, organizations were satisfied to fill jobs with managers who could perform at a “good enough” level because the environment was not particularly challenging or difficult and how well it was done did not have a significant impact on the organization’s overall performance.

In the new competitive environment, the situation is radically different. There is now an undeniable need for highly competent, skilled leaders, and many corporations are having trouble finding enough of them. With more and more environmental complexity and personally demanding jobs, creating an extraordinary workforce is a constant challenge, while the payoff from staffing with exceptional leadership can be tremendous.

While the ups and downs of birth rates and economic cycles will affect the labor market over short time spans, the shortage of highly qualified human capital is likely to remain a reality for decades.

#### 1.4.9 The new competitive advantage

The five major changes we have just reviewed show every sign of continuing. There is little question that we will experience a further globalization of business and even more competition. The demand for competent leaders and skilled knowledge workers will continue to grow as organizations need to commit more resources to developing and delivering new and more complex products and services. And there is no stopping the increasing need for skilled people to handle more and more complex business management issues, products, and decision making. In light of the increasing demand for talent, people are more and more likely to see themselves as free agents.

In the future, organizations will undoubtedly need to meet new challenges if they

are to survive and thrive. To do this, organizations must learn how to attract, retain, motivate, organize, and manage talented individuals. People are the key to helping organizations stay ahead of change and to having a competitive advantage. This calls for a new type of relationship between organizations and people, one that recognizes the true importance of human capital.

Like financial capital, people need to be treated with care, respect, and commitment if the organization expects them to stay invested. It must also provide them with the returns they need. Just as in managing financial capital, organizations cannot afford to waste their human capital or risk having it go to places where it can get a better return. Like financial capital, human capital needs to be carefully allocated, utilized, and managed.

By developing as an exceptional leader you are the solution to the biggest problem faced by businesses this century. Not only will you be the solution as the kind of person that is desperately needed on the team, but your skills as a leader will also mean you can develop, motivate and equip more solutions to the problem. In other words, not only will you help to fill the leadership gap but you will also be able to develop other leaders that can help to fill the gap. This will increase your value to an organization exponentially.

## Figure 1.4 The increasing leadership gap

### 1.5 What is leadership?

Leadership is simply the ability to get things done with a group of people. It involves three key functions.

#### 1.5.1 Developing the team

Developing a team is all about having the right people in the right roles. The key components are to select the right people, coach and train people already on the team and to remove people that are not right or open to developing. In his book *Good to Great*, Jim Collins [iii] says that great companies do not first figure out where they want to drive the bus and then get the people to take it there. They first get the right people on the bus (and the wrong people off the bus) and then figured out where to drive it. This is not only true for organizations as a whole but also for smaller groups or teams within organizations. Great leaders

understand that if you have the right people on the bus (team), the challenge of how to motivate and manage them largely goes away. The right people don't need to be tightly managed or fired up; they will be self-motivated by the inner drive to produce the best results and to be part of creating something great. The right people will find the resources to do what needs to be done. Depending on the role and level of leadership, 'the right people' are more often defined by soft skills such as attitude, mindset, values and personal leadership rather than by technical skills.

### 1.5.2 Motivating the team

Part of being a good leader is understanding what motivates people and knowing how to communicate and coach people in a way that helps them connect with those motivating factors. People make decisions about how hard to work based on their expectations about the results and rewards for their effort. At a practical level, this involves aligning each individual's needs, values and desires with that which might be provided by doing the job and being part of the team. And then the ability to communicate that clearly to the individual, and often also the team. In the end, it is important to remember that high performance is voluntary.

### 1.5.3 Equipping the team

Equipping the team is about the ability to see or discover what resources are needed to do the task at hand. This includes:

- giving direction of where the team is heading,
- sourcing the necessary cost effective equipment, software, systems to get the job done, and
- organizing and coordinating the availability of the right people and resources as and when needed at the various stages.

### 1.5.4 Leadership and management

Warren Bennis says: "Management is getting people to do what needs to be done. Leadership is getting people to want to do what needs to be done. Managers push. Leaders pull. Managers command. Leaders communicate."<sup>[iv]</sup> After a comprehensive literature review, Steven Covey summarizes the differences between leadership and management as shown in Table 1.1<sup>[v]</sup>.

Table 1.1

*Differences between leadership and management*

<b>Leadership</b>	<b>Management</b>
People	Things
Spontaneity, serendipity	Structure
Release, empowerment	Control
Effectiveness	Efficiency
Programmer	Program
Investment	Expense
Principles	Techniques
Transformation	Transaction
Principle-centred power	Utility
Discernment	Measurement
Doing the right things	Doing things right
Direction	Speed
Top line	Bottom line
Purposes	Methods
Principles	Practices
On the systems	In the systems
“Is the ladder against the right wall?”	Climbing the ladder fast

In practise leaders have to perform some management activities and managers require leadership skills to perform their management activities. Even individuals that do not have a specific leadership or management role still require personal leadership skills to be productive at their work. To keep it simple the program will use the words leader and leadership, knowing that it is applicable to the roles of leaders, managers and even individuals that are not directly involved in leadership or management roles.

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