SUSTAINABLE LEADERSHIP:
THE FUNDAMENTAL SOLUTION TO LASTING SUPERIOR STAFF PERFORMANCE

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ABSTRACT

The Hawthorne experiments of the 1920s laid the foundation of leadership research, in particular into the question of 'how does a leader achieve greatest staff performance?' In the ninety years of extensive effort and vast literature being generated, there is still today no systematic, scientific and causal answer to this question. Major effort was invested in resolving the question by many researchers which suggests that there are underlying issues not yet grasped that erode the effort and reduce the efficacy of the solutions. We explore these underlying issues and provide a solution to the question of leadership that is scientific, causal and suggests a permanent solution to the question 'how does a leader achieve greatest staff performance?

Keywords: logic, applying philosophy, performance, human resources management, theory and practice, leadership.

INTRODUCTION

In a recent discussion the CEO of a mid-sized retail chain (twenty white- and brown-ware stores with a revenue of $NZ300,000,000) was bemoaning the shortage of good store managers. The chain had effective leadership development programs, in-store coaching support, but it was still struggling. The Sales Vice President who was also at the meeting asked the CEO the difference in store gross profit generated respectively by being a good or a weak store manager. The CEO paused and said 'good about $NZ300,000 to very good at about $NZ500,000 store gross profit per year'. Better leadership can change the very face of the profit and loss.

The conversation continued by the Sales VP pressing the point that with that difference why was the CEO hesitating in paying another $50,000 per year to get better managers? The CEO agreed, they did recruit at a higher level, it worked and over two years they improved results by an average of $NZ170,000 store gross profit per year.

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The retail chain dealt with the leadership issue in the traditional manner that is by recruiting 'better people'. There are constraints on the process of seeking better people, first they are not always available, second there are real financial risks, third, it is no panacea and it does not always work.

The research question of leadership now comes into sharper focus: Can a solution to gaining superior team performance be systematised to the point that an 'average' manager can be guided to deliver at least at the 'good' scale as rated by the CEO? Can a solution be constructed that is scientific, systematic and causal and assures the CEO of at least 'good' results (Little 2008i)?

THE UNDERLYING INTELLECTUAL ISSUES ERODING LEADERSHIP SOLUTIONS

There are three main issues that erode research and in particular erode the range of solutions and construction of models to guide leaders in achieving better performance from their teams.

Management is Part of Social Science

All management and all 'organisations' involve people and all such topics and issues derived from these topics are created by people. The science of people is social science and all management and organisation issues derived are part of social science. This in itself is innocuous enough, but the consequences are not. It follows that all the intellectual issues that pervade and hinder social science must apply in all management science. For any model to be real it needs to be causal, but what is cause and how is it applied in social science and what does it even mean to discuss cause in social science? What are the intellectual tools to be used in management and are they valid tools? It means that what is discussed in management science must bear sensibly to what is discussed in other divisions of social science. So how can we discuss motivation without considering it as derived from a general theory of psychology? Furthermore it is very difficult to discuss the idea of 'organisation' without relating it in some way to insight into what the term means, how is it manifest and how it impacts on behaviour.

We could avoid these intellectual issues and seek arguments that we can do research to identify the best of those actions that work, and promote those to improve results without necessarily considering all the underlying issues. However, in effect this is what has been done since the Hawthorne studies and forms the basis of modern work and research, yet we have no solution and we have not really progressed beyond the insight of ancient great leaders such as Julius Caesar or Alexander the Great.

In the modern world the economy (and political and social infrastructure) is not able to be operated by means of a very few great people, it needs greater effectiveness by a very large number of people which means more people need to be able to lead effectively.

An Organisation is Separate from People

There are two very important aspects to this issue, the first is practical and the second is ontological. By way of an example let's imagine all the staff of an organisation were killed and replaced immediately by other people. Now let's assume that the organisation's name did not change, the reporting relationships did not change, the business processes did not change, the culture and style of the organisation did not change, nor did the image and acceptance of the organisation in the minds of the clients. Nothing changed except the people. Second the organisation can be sued, it can own things and it has social and legal obligations. These arguments obviously lead to the view that organisations exist independent of people. The separation of organisation from people leads to the ontological issue: If the organisation exists independent of people, then what is it that exists? This issue demands that we investigate what the term 'organisation' means, since it is not enough to 'define' an organisation, we also need to specify 'what it is' in an ontological sense.

The general theory of psychology addresses the crucial question of the body and mind problem, the existence of ideas as causal in human affairs, and provides a clear and unequivocal definition and analysis of cause and how it applies in social science. The theory is therefore thoroughly scientific, causal and built by using defined and clearly understood tools of theory creation (Little 2000c). These tools are applied to the question of the link between strategy, outputs and staff behaviour.

An organisation has a physical presence by way of forms, materials, buildings etc, but this is far from all. An organisation also influences human behaviour, but how? With the background of Little's theoretical structure (Little 2000a, Little 2000b, Little 2000c) we can say that an organisation is an 'idea that influences behavior', with issues of ontology considered and resolved in the discussion on existence of ideas, and with the analysis of 'influences' with its causal implications also considered in the prior discussion on cause. It is important to understand the depth of the structure, not merely the general theory of psychology which is derived from the structure, because to merely focus on the theory misses the crucial point (Little 2000d, Little 2000e, Little 2000f). These aspects are also addressed elsewhere in this article.

The ontological definition of organisations and its basis in the existence and causal influence of ideas which is also related to the epistemological position of Popper (1972) who argued knowledge existed independent of the knower. The ontological status of an organisation as an entity in its own right therefore leads to a number of questions.
- Does the idea 'organisation' have an internal structure?
- If it does have an internal structure, what is it?
- How does the idea 'organisation' influence people, and is the internal structure implicated?
- Can the factors that most influence people be identified and organised into a model and then used by team leaders to achieve greater team performance?

These questions lead us to consider the issues of strategic thinking which are outlined below.

Strategic Thinking Determines the Quality and Integrity of Science

Imagine drafting a marketing plan for a new product, what is required? First we need do research such as 'what is the likely target market? How big is it? What communication channels can be used? What are the likely communication costs? What are the competitors? How strong are they? And so on… In relation to such questions, the **topic** to be discussed is 'what then is an effective plan for the new product?' The **ground** is the questions we need to address prior to addressing the **topic**. We simply cannot draft a plan without addressing the prior questions at least to a degree to enable us to understand their potential impact on the topic. The answers to the questions of ground provides the platform for addressing the topic and simultaneously limits the solutions to the topic, limits what we can and cannot say of the topic. For example, if we can find no accurate information on competitors, then our marketing plans must be in line with issues such as qualification, and the assessment of the plan must be within the bounds defined by the fact we only know competitor names and do not know their strength or degree of market penetration.

The issues of ground are those that could potentially impact any solution to the topic, so the issues of ground need to be assessed to clarify the extent to which they impact the topic. Establishing the assessment of the issues of ground thereby limits the range of solution to the topic, since what can be said of the topic cannot fall outside the bounds defined by the analysis of the ground. Should this be done and if the issue of ground could yet impact on the topic in some unknown way, it would then demand a qualifying statement to the solution to the topic which could read "… in the absence of full understanding of '' or "… we speculate that…". This approach to strategy is defined as "first things first'' (Little 2000a, Little 2008f). It applies in all intellectual endeavours, of which business strategy is merely an example, so it applies in science (Little 2000d). An example is strategic human resource management (SHRM) in the firm.

Let's first consider what we mean by SHRM. Graetz, Rimmer, Lawrence and Smith (2006:218) state that it is "The design and implementation of internally consistent policies and practices, which are aligned with the organisation's strategy, to ensure employees contribute to the achievement of business objectives." Various perspectives however exist from behavioural to resource-based perspectives, as well as being integrated with the corporate and business strategy (Armstrong & Baron 2002, Guest 1997, Legge 1995).

The definition by Little (2003) that SHRM is the alignment of staff behavior with the specific annual goals and targets derived from the strategy is more focused on the quality of mind of the staff, since to align behaviour has the prerequisite of aligning the mind. Processes and policies can be perfect, well implemented, but if treated as administrative, even signed off as an administrative action, they will have no lasting impact on the organisation results. SHRM is about the alignment of minds then actions and that cannot be achieved without the willing consent of those whose minds must be aligned (Little 2008c, Little 2008d).

The list of issues of ground would therefore include at least the following: Are people different from the firm? If they are not, then how can this be justified, and if they are what then is the firm? Can any theory of SHRM be put forward that does not consider the issue of the nature and status (the existence) of a firm in relation to the nature and status (the existence) of people? This is the ontological problem implicit in the question of a theory of

strategic human resource management. Can any legitimate or remotely valid theory of SHRM be offered without considering the ontological and normative problems intrinsic in the ground of the topic? Let's now consider the following:

- What is the relationship between the variables of any potential theory of SHRM and the values of those variables? This leads to the issue of whether or not success is intrinsic to the theory, or arises as a value of variables. This is the normative problem intrinsic in any theory of SHRM.
- If the ontological and normative issues are to be addressed, how can they be without addressing general ontological issues, that is establishing what is that must generally exist, with the firm being some detail of what generally exists?
- Can any resolution of the normative issues be reached for a theory of SHRM without considering the issues of the relation between the general and the particular and the relevance of this problem to the nature and structure of science?
- Is any theory of SHRM intended or able to offer causal insight into the manner of the firm and its change and development? How can any consideration of these issues be separated from the general problems of the causality of human mood and conduct, since it is people who populate the firm?

It can be deduced from the preceding analysis that failure to deal appropriately with the issues of ground will result in the following qualifying assertion:

- In the absence of a general theory of psychology and of knowledge, and in the absence of any understanding of the factors linking people to the firm, and without analysing whether or not people are separate from the firm and without fully locating our comments within social science, we speculate about SHRM.

SUMMARY OF THE UNDERLYING ISSUES WHICH ERODE LASTING SOLUTIONS TO LEADERSHIP

- Management not integrated effectively into social science with the result that fundamental issues in social science were not fully acknowledged as issues in management and organisation discussions leading to limited options as solutions to the research questions.
- Failure to address fundamental issues that must be resolved prior to seeking solutions to any question in management and organisation theory resulting in weak models and theory based on incomplete analysis.
- Ontological confusion as to the nature of an organisation which again restricts the range of solutions on management and organisation topics.

The Topic

The central topic can now be summarised as follows: Can a solution to gaining superior team performance be systematised to the point that an 'average' manager can be coached and/or guided to deliver superior results?

The main topic can now be also broken down into related and more detailed issues where these more detailed questions beginning to focus attention on the direction we need to follow to find the solution to the question that is the topic:

- What exactly are the features of the entity 'organisation' that most impact human behaviour?
- How exactly is staff behavior linked to organisation strategy and outputs?
- How do the features of the entity 'organisation' impact human behaviour? That is what aspects of the causal model describing human behaviour are impacted by what aspects of the entity organisation?
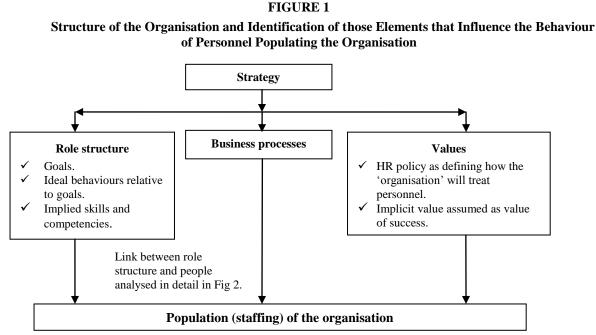
The Issues of Ground

Crucial issues of ground are as follows, with some already having been addressed. If our solution is to be lasting, fully science, and causal, then:

- What is cause and how does it apply in social science? (Little 2000e, and 2000d)
- How can ideas exist?
- What is science and how do ethics of science have a bearing on the topic and how do we manage the topic?
- What is a general theory of psychology about which we can be certain, and thereby base our understanding of an organisation and how the factors of an organisation impact on people?
- What tools can we use to analyse in order to build the model we propose so that the model is workable?
- How does the model and the process of building relate and being described within the general theory of psychology?
- What is the epistemological status of the model we propose and how does that relate and fit within the general theory of knowledge describing how any and all knowledge must relate to the object of that knowledge?
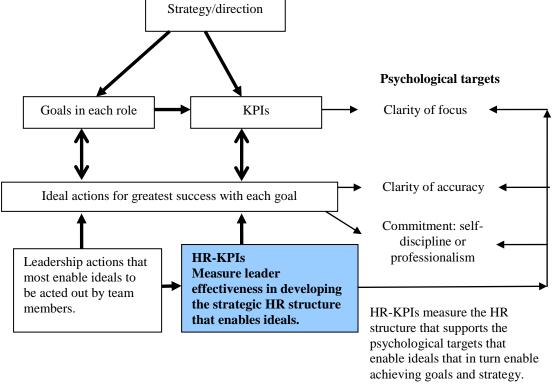
THE PROPOSED MODEL

The theory of the organisation (Little 2003) and the proposed model is based on the solutions to the above questions. The diagrammatic summary is presented below, in Figure 1 summarising the internal structure of the ideal organisation highlighting those elements directly impacting on human behaviour and represents the concepts presented in this paper.

FIGURE 1

Structure of the Organisation and Identification of those Elements that Influence the Behaviour of Personnel Populating the Organisation

Source: Developed by the authors

To continue with the process of model building, Figure 2 shows the details of exactly how the performance factors in the organisation are directly linked to factors in the psychology of the person.

FIGURE 2

Linking the Details of the Role Structure to Definite Psychological Targets

Source: Developed by the authors.

Aspects relating to leadership priorities which flow from the model are discussed in the next section.

LEADERSHIP PRIORITIES A CONSEQUENCE OF THE MODEL

The proposed model is based on the fact that the organisation is separate from people, with the idea 'organisation' having the internal structure as above, and that internal structure is then linked to key aspects of human psychology. The HR-KPIs monitor the extent the team leader implements the processes derived from the model and that enact the model in their team. The model can be simplified as shown in Figure 3 below.
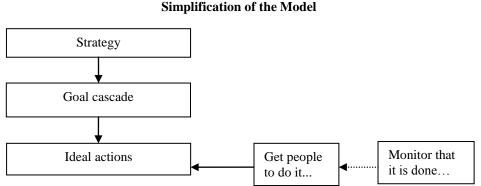
FIGURE 3
Simplification of the Model

Source: Developed by the authors

The priorities that emerge are as follows (Little 2008h).
- Set the strategy. Is the strategy realistic and achievable?
- Establish the team structure and allocate goals. Are the outputs/goals/Key performance factors (KPIs) clear? In making them clear the key issue is whether the KPIs satisfy the strategy since the KPIs are fully driven by the needs and expectations of the 'organisation' and not by the people expected to do the work.
- Identify the actions (ideals) needed for each goal. Are the actions demanded by each goals/KPIs clear and if the actions are delivered with commitment will the goals be achieved? The actions are determined completely by the goal and the requirement to achieve the goal.
- Gain acceptance that people want to be successful in their work life: The cultural request is they act exactly as a sports person must act, that is apply self-discipline to do the key things (ideals) as needed when needed.
- Gain agreement on actions (ideals) needed to get results. Do people accept the actions as realistic and accept that if the actions carried out with commitment, the goals will be achieved.
- Coach people in emotional intelligence as the basis of their professionalism. Are people 'professional' in that they 'see' the requirements as derived from strategy, 'see' the actions needed, and 'see' those actions as 'performance' in the role they accept. Thus exactly as any sports person would do, the requirement is for them to act out the agreed actions with commitment in order to achieve the results.

It must be noted that ideal actions are defined as 'those action that provide the greatest opportunity to achieve the best result'. For example, practicing golf putting on the green would be seen as an 'ideal action' if the goal is to improve one's golf score, and 'securing sufficient qualified leads to enable budget at current close ratio' of a deal would be an ideal action in sales.

THE FUNDAMENTAL QUALIFICATION

In order to refine the focus on sustainable leadership, it is essential to reflect on the concept of motivation as well. Motivation is a much discussed topic in management literature; and it is well understood that motivation lies in the mind of a person with the individual fully in command of their own mind and hence only able to 'motivate' themselves. Cummings & Worley (2009:751) define motivation as "The conditions responsible for variation in the intensity, quality and direction of ongoing behaviour". The fundamental basis on which motivation rests is the person's innermost desire for themselves and the commitment to their own life and fulfilment.

The fundamental qualification concerning motivation is as follows: Do you wish to be successful in your work life? Then: do you wish to be successful in your job? It is obvious that the person must state 'yes' to both questions. People may not fully mean it, because if they do not perform they will face the failure of their integrity. If they say 'no' then the advice is to replace such people as soon as possible since they will always represent a 'hole' into which effort is poured for limited results.

These questions are not 'motivational' and not intended to be. They are qualifying questions and represent a system of filtering people, but more particularly represents a process of making people at least reflective on their responsibilities and attitude to work and to the success of their community to the extent that organisations contribute to community wealth. The questions represent the choice people must make, and this choice is not the responsibility of the leadership. It is rather a fundamental choice everyone must make from which the leadership can guide and work with the people to enable them to be as successful as they can be and/or choose to be. Other key organisational issues are summarised below based on the model and researched by Little (http://www.opdcoach.com/article_index.php).

PROFESSIONALISM AND THE KEY CULTURAL DEMAND

Any organisation has the implicit value of success as derived from the intent of the founders, because every organisation is formed with the intent to succeed (Little, 2003). Personnel are then asked by managers to decide if they wish to be successful in their work life. They are then introduced to clarity of focus and clarity of accuracy. Thereafter they choose to attach positive or negative emotions with the images in their minds of them acting according to the requirements of the goals and KPIs they accept. If they choose to be successful, then the result is the cultural request to be self-disciplined and to conduct themselves at work according to the demand of the job, and not according to the demand of their inherent psychological factors. The commitment to self-discipline at work is defined as professionalism, and improving professionalism is the core cultural requirement of every organisation (Little 2003).

SEPARATION OF PERFORMANCE AND SUCCESS

A review of some literature (Browning & Edgar 2004; Blanchard & Thacker, 2007, Cumming & Worley 2009, Nel, Werner, Haasbroek, Poisat, Sono and Schultz 2008) reveals that there is not a clear distinction between performance and success, with both tending to relate to goals and goal achievement. With the model presented in Figure 2, there is, however, a clear and precise distinction, namely that success is achieving the set organisational targets and performance is the committed delivery of the ideals. So, for example, a sales person may act out the ideals with energy and commitment, but because of the economy, product or competition which they have no control over, they cannot achieve the results. The sales person may thus have performed very well, but success was not achieved. This distinction has numerous practical implications for performance management and performance based remuneration.

ENGAGEMENT AS VISUALISATION

Little (2003) proposes a new definition of 'engagement' based on the model presented in Figure 2 which entails personnel visualising themselves as acting according to the ideals and associating positive emotions with the images of them acting out the ideals. This activity is commonly recognised in the general psychological literature and is termed "visualisation". This technique is also commonly used in sport in particular and emerges here as equally critical in personnel performance in organisations where it could be utilised to improve their overall performance. The action needed for a person to be successful is first memorised as a list, then visualised, then positive emotions are associated with the visualised actions, and finally a person is guided to review and assess their skill at each ideal and how they may improve their performance by improving implementation of the ideals. Guiding people through this process is the fundamental leadership role. Development of competencies is then the generalisation of this very direct development of the skills with actions needed to be successful in the particular job (Little 2008g).

TIGHTENED DEFINITION OF KEY ORGANISATIONAL FACTORS

The model results in a much clearer insight and tighter definitions of key business factors which are perceived as follows. **Coaching** emerges as the process of establishing clarity in the minds of personnel and guiding their mental engagement with the ideals **Training** is the process of improving the skills (and developing competencies) of personnel to act out the ideals (Little 2008b). **Motivation** is guiding personnel to commit to success in their work life and accept the necessary consequence of that which is needed for self-discipline to act out ideals as and when needed in their job. **Development** in the first instance is the process of guiding personnel to adopt greater self-discipline at work then guiding their intellectual development enabling them to deal effectively with a broader range of commercial situations (Blanchard & Thacker 2007, Erasmus, Loedolff, Mda and Nel 2010).

CONCLUSION

The model is based on an in-depth integration with all items of ground in social science which secures a solid intellectual base and gives the model is strength and certainty. With the model as sole necessary 'conceptual template or transparency' 'average' managers are guided to achieve above average results (2008h). Learning to apply the model to a team is like learning to ride a bicycle, once learned it is usually never forgotten. A person may get 'rusty' but it always quickly returns. A team leader needs no other insight nor is the insight of the model ever likely to be altered being thoroughly grounded in theories of cause, psychology, and knowledge. The model is the only way staff psychology can be linked to organisational strategy and outputs. Application of the model is therefore the only way to ensure sustainable leadership leading to lasting and superior staff performance (Little 2008e).

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