THE SIGNIFICANCE OF PROJECT LEADERSHIP DURING THE LAUNCHING OF A NEW BRAND IN THE MARKET

By

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ABSTRACT

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Today the companies' growth comes through projects. A kind of project is the launching of a new brand in the market. During the project implementation, many problems or difficulties take place which could make the project to lose its direction. The project manager who is responsible for the project has to develop his leadership skills keeping it, on track. These skills concern the influence of project manager to the stakeholders. Lack of leadership sets the brand development in danger and the company in economic troubles. During this thesis, elements like the leader competencies, the leadership style and brand problems will be identified and the results will be reported.

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1. INTRODUCTION

1.1. Nature of study

Today, the world economy is growing through projects. The globalization because of the technology improvement brought a lot of changes to the economic environment and the global growth. The basic tool for this growth is the projects development. All the companies try to expand their activities through projects implementation. The kind of projects could be many and different. Project could be the construction of a mall, the clinical research for a new medicine, the problems resolution of an earthquake or the launching of a new brand in the market. In all the cases, the development procedure remains the same. The main characteristics of the procedure are the change and the targets orientation. The unsafety, the ambiguity and the workforce changes are the basic elements of the environment in which the projects are developed.

A kind of project is the launching of a new brand in the market. It's sure that a lot of brands are launched every year. A brand could target to an international market (for example Asia through China, India and Thailand) or to a local market (for example Greece). The brand development concerns the image of the company and not only a product launching. Through the name of a brand, a lot of products could be launched.

The responsibility for the project success belongs to the project manager who has to develop the appropriate actions for the targets accomplishment. But during the brand development, a lot of problems could happen and make the project inefficient and lose its direction. As a result the project could fail and the company could experience economic problems and lose its reputation. For this specific case, project manager has to use many of his skills. The skill of leadership is the most important.

The main characteristic of leadership skills is the influence of others. The elements which compose this skill will be analyzed during this thesis. Also, the necessity of project leadership and its impact to the brand launching success will be shown.

1.2. Needs assessment

The results of this study could be useful for the project manager, the project team and the whole company. During the project of a brand launching, the expected benefits are the following:

for the project manager

The project manager could improve his abilities, collect project experience, develop his leadership style, train himself to the problems solving, be change receptive and take quick decisions. All these benefits could give to the project manager the appropriate advantage for future projects.

for the project team

The members of the project team could learn to work collectively, respect the others colleagues, leave egoisms out of work, keep experience for future projects, be oriented to the results, train themselves to be cool to the work pressure, be open minded and change receptive. The previous elements can give to the project team members the know-how for future projects and useful lessons for their life.

for the whole company

Because of the specific project, the whole company could improve its culture, change the administrative procedures, develop the employees' abilities, expand its activities and improve its income. These benefits could influence the future growth of the company and the development of its employees

1.3. Purpose of study

The purpose of this study is to identify the full role of project manager as leader and the importance of leadership during the specific project of brand launching. In this way, the thesis will research elements about the project leadership and problems or other parameters which are related to the brand development. Elements which will be analyzed are:

- Competencies of project manager as leader

- Leadership style

- Problems of brand development

- Solutions through the leadership concept

1.4. Significance to the workplace

It's sure that leadership plays a vital role to the company growth. Because of the technology improvement and the changes in the economic environment, the human resources and their management are the most important piece of the company today. Leadership which serves the management of human resources can give directions and solutions. In this way, leaders have to use their competencies and their experience, aiming to manage the workforce effectively, towards the organization goals. In the next paragraphs, the elements which affect the leadership concept will be analyzed indicating its significance.

1.5. Relation to the program of study

The PM 506 course (Managing Projects with People and Teams) presented the skills of a project manager as a leader and his duties in the project process.

The PM 503 course (Project Communication Management) presented the communication procedure and the significance of leadership in developing it.

The PM 502 course (Leadership Principles for Project Managers) presented the development of leadership, including the decision making and the different styles of it.

2. PROBLEM STATEMENT

2.1. Problem statement

Many times, during the launching of a new brand in the market, the lack of project leadership makes the project lose its direction.

2.2. Rationale

The launching of a new brand in the market is a project which contains many activities and phases. During the project lifetime the project manager has a lot of duties. The main duty is to lead the project in a certain direction which can give the expected results.

As Jack Welch (former CEO of General Electric) said : "The genuine leader is someone who can express a vision and then get people to carry it out". Many times the leader forgets his role and spends his time in tasks which are assigned to the project members or actions which are out of his responsibilities. Also during the execution of the project, the situations make the leader change his priorities and select solutions which are not appropriate or out of the project scope. In addition, in uncertain or over-worked situations, the project members are confused about their responsibilities and the leader has difficulties giving direction and empowering them, because he is confused and exhausted with the work load too.

Sometimes, the leader doesn't give the appropriate attention to his team. He forgets to enforce the team spirit, to set objectives or to encourage in a difficult situation. It's essential for a project leader to "make the team members feel and believe that they play a vital part in the success (or failure) of the team" (Richard Hodgetts, 1968).

All the above are samples of conditions that can make the project leader lose control and lead the project in a wrong direction. This lack of leadership can lead the project to failure, can cause the employees to lose jobs and become full of doubts about their capacities, and can put the company in danger.

2.3. Hypothesis/objectives

When launching a new brand, defining and agreeing to the specific roles and responsibilities, the project manager has to keep a project on track, and avoid obstacles or risks due to lack of clarity and direction in project leadership

3. LITERATURE REVIEW

3.1. Overview

The review of literature for this dissertation is based on findings from many books and internet sites. Some books were the main material for many courses of this graduated program and some others not. The master concept was the findings collection about definitions like project management, leadership and brand development. Additionally to this material, there are many elements about trends of the new era.

3.2. Project management procedures

Today the companies' growth comes through projects. These projects make things happen and change the current situations. Generally, project is a temporary endeavor undertaken to create a unique product, service or result (PMBOK, 2004).

3.2.1. Definition

In addition to the previous paragraph, today there is the need about the management of projects. According to this logic, project management is the application of knowledge, skills, tools and techniques to project activities, to meet the project requirements (PMBOK, 2004).

3.2.2. Project management development

The projects have some special characteristics. According to Kerzner (2006) the projects:

- have a specific objective to be completed within certain specifications

- have defined start and end dates

- have funding limits

- consume human and nonhuman resources (i.e. money, people, equipment)

- are multifunctional (i.e. cut across several functional lines)

The project management has to notice the specific needs of a project and accomplish duties according to these needs. Generally the project management has to be developed in an environment with three constraints: time, cost, performance (Kerzner, 2006). At the following figure (Lewis, 2000) we can see a pictorial presentation for the constraints of project management.
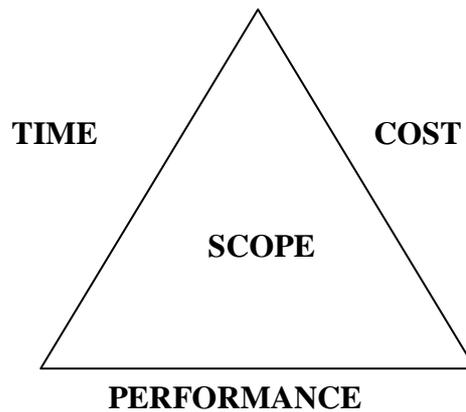
Figure 1: The constraints of project management

The other crucial point for the project management implementation is the understanding of projects lifecycle. At the following table (Lewis, 2000) the phases of a project are shown.

Phase 1	Phase 2	Phase 3	Phase 3	Phase 4
CONCEPT	**DEFINITION**	**PLANNING**	**EXECUTION**	**CLOSEOUT**
-Marketing Input -Survey of Competition	-Define problem -Develop vision -Write Mission Statement	-Develop strategy -Planning implementation -Risk management	-Do all work -Monitor progress -Corrective action	-Final Reports -Lessons-Learned -Review

Table 1: The phases of a project

At the phase 1 there are the initial ideas about the subject of a project and the first researches about its necessity. At the phase 2, the goals are defined and the mission of the project is approved. At the phase of the planning, the project plan is

built and all the parties approve it. The project plan consists of a lot of sub plans like the risk management plan, the quality plan or the resource plan. At the phase of execution the project plan is in action. During this phase the project team monitors the project works and try to correct any faults. At the phase of closeout, the project team gives the final result of the project to the customer (internal or external) and keeps records about the lessons learned for future projects.

3.3. Project leadership

After the assignment from the company about the project, the man who is responsible for the accomplishment of project targets is the project manager. "The project manager must effectively and comfortably wear many different "hats" or roles, when leading a project" (Flannes & Levin, 2001). Because of the different phases, the situations and the difficulties, the project manager has to play 4 roles. According to Flannes & Levin (2001) the roles are:

- leader

The key behaviors of leader are the articulation of project vision, the motivation of team members towards the vision and the team representation to the stakeholders

- manager

The key behaviors of manager are the creation of operations structure, the track compliance with performance, cost and time and the reports to the stakeholders

- facilitator

The key behaviors of facilitator are the clear communication, the resolution of conflicts, the empowerment of team members to act with volition and confidence and the obtainment of the needed project resources.

- Mentor

The key behaviors of mentor are the modeling of desired team, the help of team members for problem solving and career pathing and the interest of team members' personal development.

The acting of every role depends on the project manager choice about the project phase and the situations. In this dissertation the role of project manager as leader will be developed.

3.3.1. Definition

"Leadership is a process whereby an individual influences a group of individuals to achieve a common goal" (Northouse P.G., 2004). According to this logic we can define that the project manager tries to develop his skills about the vision and the direction of the project which must be communicated effectively to the stakeholders.

3.3.2. Leader characteristics, competencies, skills and profile

According to Einsiedel (1987) the characteristics of an effective project leader are:

✓ *credibility*

Credibility refers to a combination of the manager's expertise and trustworthiness in the eyes of the project stakeholders. It's sure that the project manager who has a reputation for successfully management of similar projects would be taken more seriously than one who has not managed similar projects

✓ *creative problem solver*

The project manager must have the skills to identify symptoms, analyze the problem and give quick and creative solutions. Many times, this kind of decision making, requires solutions out of the procedures

✓ *tolerance for ambiguity*

Because one of the main characteristics of a project is the ambiguity, the project manager must be ready to accept it. The experience and the maturity can give a sense of tolerance

✓ *flexible management style*

The project manager must adjust his management style to the situation. For example a certain style must exist at the phase of planning but different when a conflicts sense exists at the phase of execution

✓ *effective communication skills*

The effective project manager must receive, develop and transmit complex messages during the communication procedure with the stakeholders. The communication is one of the essential and crucial elements of the project

In 1998 Peter R. Scholtes described the competencies of project manager. According to his theory the "new competencies" of leaders are:

✓ The ability to think in terms of systems and knowing how to lead systems

✓ The ability to understand the variability of work in planning and problem solving

✓ Understanding how we learn, develop and improve; leading true learning and improvement

✓ Understanding people and why they behave as they do

✓ Understanding the interaction and interdependence between systems, variability, learning and human behavior; knowing how each affects the others

✓ Giving vision, meaning, direction and focus to the organization

These competencies will be used at the section of results where they will be analyzed.

In addition to the previous competencies, the project manager must develop the following skills (Posner B. Z., 1987):

- ✓ *Communication skills*

- ✓ *Organizing skills*

- ✓ *Leadership skills*

- ✓ *Team building skills*

- ✓ *Coping skills*

- ✓ *Technological skills*

The list of the skills will be used at the section of results and will be analyzed.

Keeping in mind the previous competencies and skills, someone could try to compose his profile. Joseph White (2006) believes that the leadership profile can be represented in a pyramid where the characteristics are divided in 4 dimensions. These dimensions are:

- ✓ great leader requirements

This dimension concerns the ability to be hard and soft and the instincts and the experience to know what each situation requires.

- ✓ reptilian requirements

These requirements refer to the leader ability to be aggressive, analytical and competitive

- ✓ mammalian requirements

These requirements refer to the ability of being nurturing, cooperative, accommodating and teaching

- ✓ foundation requirements

This dimension concerns the desire of the leader to be responsible and be in charge. All the dimensions are shown on the following figure:
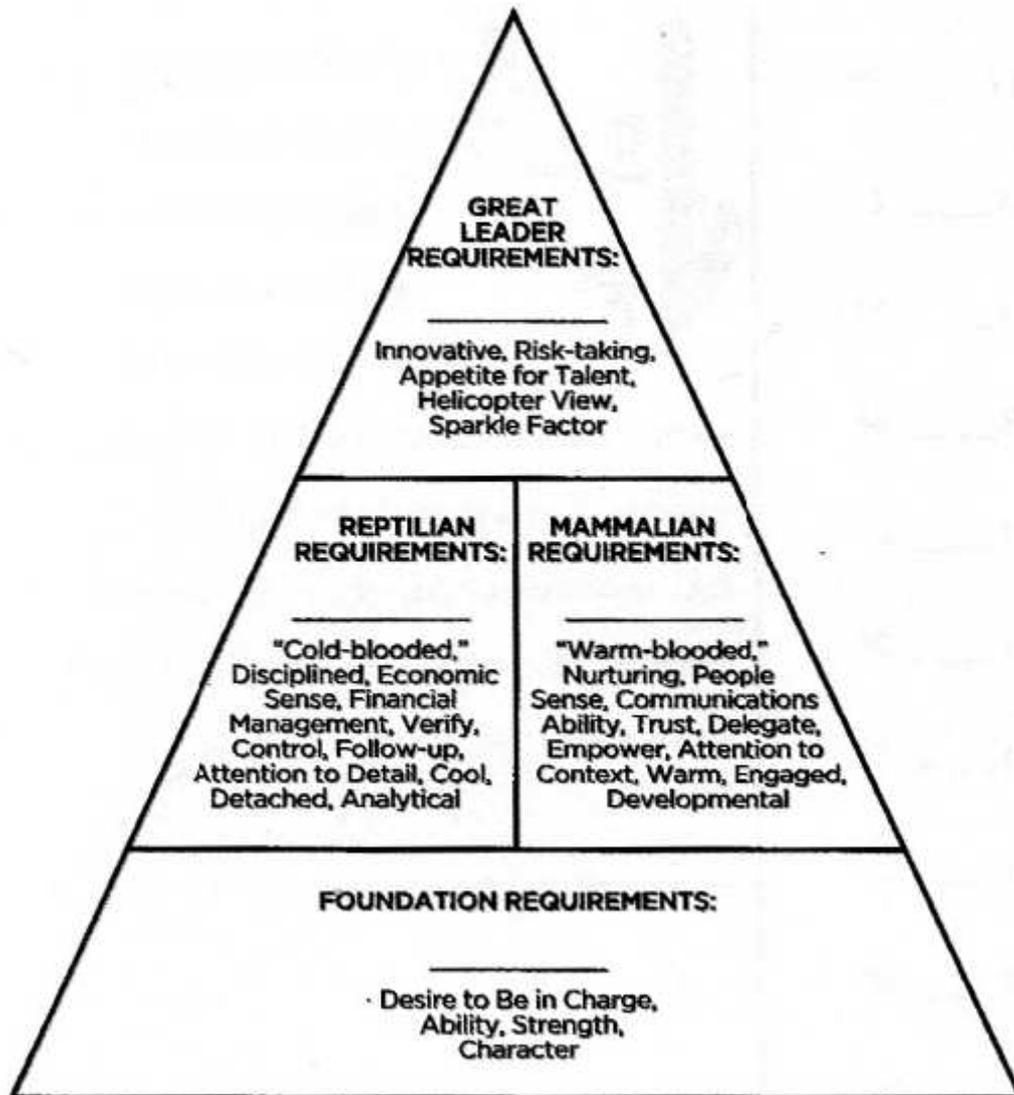
Figure 2: The dimensions of leadership profile

3.3.3. Leader style

During the implementation of a project, the manager has to react in many ways. These ways can be mentioned as leadership styles. The main leadership styles (Slevin D. P. & Pinto J. K., 1991) are the following:

- *Autocrat*

In this case the project manager takes all the decisions without the participation or the opinions of other project members. He uses little or no information and he takes the responsibility for everything

- *Consultative autocrat*

This kind of leader takes information from the team members but he doesn't give any authority to them about opinions or decisions. He keeps the decision-making authority for himself

- *Consensus autocrat*

There are leaders who give the chance to the team members to express their opinions. They create environment of dialogue and permit discussions between the team members. After that, they allow and encourage the team members to take decisions according to the results of the dialogue

- *Shareholder manager*

In this case, the leader allows to the team members to take decisions without or with a little sense of control. The team has the authority for the final decisions.

3.3.4. Situational approach

It's sure that the decisions of a leader depend on the conditions or the situation of a project. This approach named *situational approach* to leadership and asserts that the best way to manage or supervise, depends on the environment in which a manager functions (DiMarco, Goodson, Houser, 1989).

According to the concept of situational leadership, Paul Hersey in 1985 developed the *Expanded Situational Leadership Model*. Hersey, declares that the leadership decision styles are four:

- Leader-made decision

- Leader-made decision with dialogue and/or explanation

- Leader and Follower-made decision or Follower-made decision with encouragement from leader

- Follower-made decision

The theory of Hersey will be used at the section of results and will be analyzed through the parameters of the decisions

3.3.5. Leadership effectiveness through company culture

Many researchers believe that the leadership style is influenced from the culture of the company. Elmes and Wilemon (1988) believe that "the awareness of culture helps project managers "read" as well as "speak" the language of the surrounding culture. This communication skill helps them develop plans, strategies and visions that are more likely to be understood and accepted".

Smirchich and Stubbart (1985) define culture as "the degree to which a set of people share many beliefs, values and assumptions that encourage them to make mutually reinforcing interpretations of their own acts and the acts of others". In this way, the result is that if project managers understand and adjust their actions to the company culture, they could avoid obstacles or conflicts which are based on the misunderstandings.

3.3.6. Leadership ethics

According to Northouse (2004), "ethics is concerned with the virtuousness of the project leaders and their motives. Ethical theory provides a system of rules or principles that guide the leader to take decisions about what is "wrong or right" and "good" or "bad" in a particular situation". Generally, ethics has to do with what leaders do and who leaders are.

Northouse supported that the ethical leadership has certain principles which are based on Aristotle's world view. According to these principles, Ethical Leaders:

▪ respect others

The leader must give sense to others ideas and allow them to express their desires.

▪ serve others

This principle is based on the thought that the actions of leader must give benefits to the others (followers).

- are just

This principle satisfies the human need for justice. The actions of leader must be fair, without preferences to any member of the team.

- are honest

The leader must tell the truth. If the opposite exists, a lot of misunderstandings and antipathies will be created between the team members or the followers

- build community

The actions of leader must give sense to the common goal. The common goal has a large meaning which gives benefits to the team members, the whole company and the society.

3.3.7. Leadership development and actions

Michael Maccoby (2007) believes that the basic leadership is contained in the philosophy of 4 Ps: Purpose, Process, People and Presentation. Maccoby applied this philosophy during leadership training procedures, but he believes that it can be expanded for all leadership shapes.

The 4 Ps philosophy contains the following elements:

Purpose

Leaders often get stuck in a web of misunderstanding about the purpose of a project. To gain motivated collaborators, leaders must articulate a clear and meaningful business purpose.

Process

Processes are leadership instruments. To use them well, leaders need systems thinking to understand how these processes interact and serve the organization purpose.

People

If someone wants to select leaders, he has to look for these qualities, but above all to find people who respond to real needs and have innovative ideas. In other words, someone has to select people who want to lead for the common good, not those who just hunger for personal power.

Presentation

Leadership involves communication. When a leader describes purpose or takes a position, he doesn't only communicate words but he also communicates himself. In this way, emotions, attitudes and body language can say more than words about honesty, conviction, feelings to the people a leader want to lead.

3.4. Brand development concept

Every company wants to expand its activities and to maximize its profits. One of the tools for this goal is the development of a new brand in the market. The ways and the procedure of implementation are parts of the business strategy.

3.4.1. Definition

American Marketing Association defines a *brand* as "a name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competition".

In addition to the previous definition, "*branding* is the endowment of product and services with the power of brand" (Koetler P. & Keller K.L., 2006). "Branding isn't just about marketing. A company's brand is the sum of all that experiences customers have with that company"(LePla F.J. & Davis S.V. & Parker L.M., 2003)

3.4.2. Brand benefits

According to Brad VanAuken (2003), the strong brands deliver the following benefits to organizations:

- Increased revenues and market shares

- Decreased price sensitivity

- Increased customer loyalty

- Additional leverage with retailers (for manufacturers)

- Increased profitability

- Increased stock price and shareholder value

- Increased clarity of vision

- Increased ability to mobilize an organization's people and focus its activities

- Increased ability to expand into new product and service categories

- Increased ability to attract and retain high quality employees

3.4.3. Brand equity

"Brand equity is the added value endowed to products and services"(Koetler P. & Keller K.L., 2006). Brand equity indicates the way customers think, feel or act against the brand. It's a kind of relationship between the brand (and its owner company) and the customers. "Successful brands create wealth by attracting and retaining customers. When a company creates this type of customer preference and loyalty, it can build a strong market share, maintain good price levels and generate strong cash flows. This in turn drives up the share price and provides the basis for future growth"(Doyle, 2002).

The brand equity could be shown through the following pyramid (LePla F.J. & Davis S.V. & Parker L.M., 2003).

I'm committed

I'm loyal

I prefer

I'm aware
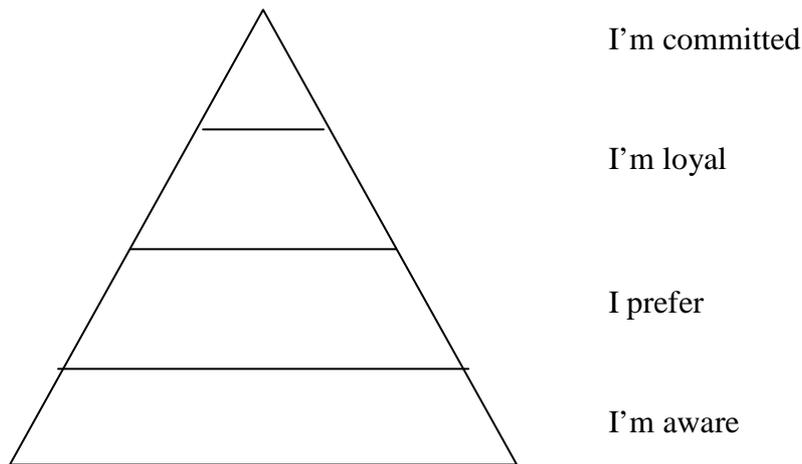
Figure 3: The pyramid of brand equity

3.4.4. Brand customer experience

When a brand is launched in the market, the customers experience its characteristics. The procedure of this experience is shown to the following figure (LePla F.J. & Davis S.V. & Parker L.M., 2003).

BRAND PROMISE → COMPANY ACTIVITIES → CUSTOMER EXPERIENCE

Figure 4: The procedure of customer experience

According to the figure, the company has to create the promise of certain benefits which will be obtained if the customers (of the target-market) purchase the products or services of the brand. After this, the company has to communicate the promise to the customers through the appropriate actions. At the next stage the customers

experience the benefits of the brand and decide if the products (or services) of the brand satisfy their desires.

3.4.5. Brand Management Process

The strategic brand management process contains 4 steps (Koetler P. & Keller K.L., 2006):

- Identifying and establishing brand positioning

During this step the project team has to research the market, find the competition and set the share-goal of the market

- Planning and implementing brand marketing

One of the important points of the procedure is the marketing perception. At this phase the project team has to set objectives, to develop analyses, to plan actions, to make financial estimations.

- Measuring and interpreting brand performance

During this phase the project team has to set the objectives and the measures on the thought how the brand meet the customers needs

- Growing and sustaining brand value

The project team has to implement the plans and track the actions which develop the brand

3.4.6. Brand equity measurement

It's very important for the company to measure the volume of the brand equity in the market. This measurement procedure named benchmarking which "is the process of measuring certain aspects of the brand, then comparing those same ones into the future" (LePla F.J. & Davis S.V. & Parker L.M., 2003).

According to LePla , Davis & Parker(2003) the brand benchmarking has three kind of measurements:

- The *internal* measurement which counts how the company employees live the new brand

- The *external* measurement which counts the level of customers' commitment about the new brand

- The *brand ROI* (Return On Investment) measurement which counts the connection between the brand equity expenses and the revenues.

3.4.7. Brand extension

Many times a company uses an established brand to introduce a new product. This is the brand extension (Koetler P. & Keller K.L., 2006). The benefits from this kind of brand development (Brad VanAuken, 2003) are the following:

- Helps to clarify and broaden brand meanings to consumers

- Reinforces and builds upon key brand associations

- Extends the brand's reach and relevance to new consumers

- Creates brand "news"/"buzz"

- Lays the groundwork for future extensions

3.4.8. Global branding

Global branding describes the efforts of a company to expand its products and services to the world community. The benefits for this kind of efforts are the following (Brad VanAuken, 2003):

- Economies of scale (production and distribution)

- Lower marketing costs

- Laying the groundwork for future extensions worldwide

- Maintaining consistent brand imagery

- Quicker identification and integration of innovations (discovered worldwide)

- Preempting international competitors from entering domestic markets or locking you out of other geographic markets

- Increasing international media reach (especially with the explosion of the internet)

- Increasing international business and tourism

3.4.9. Brand problems

Brad VanAuken (2003) in his book "Brand Aid" describes many brand problems. These problems will be used and described at the results section of this thesis

3.5. International trends

During the project development, many trends influence its progress. These trends influence people personal life too. Generally, the new trends describe the new era and the new environment of work.

3.5.1. Globalization and its influences

Today there is the concept of global village in which "telecommunication and transportation technologies have effectively reduced time and distance effects to produce a single worldwide economic community" (Decenzo D.A. & Robbins S.P., 2005). The influences to the companies from this global perception are:

➢ The *downsizing* which is "the activity in an organization aims at creating greater efficiency by eliminating certain jobs" (Decenzo D.A. & Robbins S.P., 2005). In this way many employees lose their job and a sense of uncertainty seems to be one of the characteristics of the new era. The results of this action are:

- o The *outsourcing* which is a "sending work "outside" the organization to be done by individuals not employed full time with the organization" (Decenzo D.A. & Robbins S.P., 2005). This activity aims to reduce the cost and improve the company effectiveness

- o The *off shoring* which "describes the relocation of business processes from one country to another (www.wikipedia.org). This activity aims to reduce the cost and improve the company effectiveness too.

➢ The *mergers and acquisitions* (abbreviated M&A) which concern "the aspect of corporate strategy, corporate finance and management dealing with the buying, selling and combining of different companies" (www.wikipedia.org). According to this logic, the business environment changes, creating a continuous tendency of changes to the life of organizations and employees.

3.5.2. New management trends

The main element of the future management trends is the change. The trends which indicate the *change* are the following:

➢ *Project-based organizations* replace the traditional ones. "Flat, flexible organizational structures are becoming the norm, replacing the hierarchical, bureaucratic structures of the past" (Flannes & Levin, 2001). In this way the project management gives a competitive advantage for future organizations to succeed

➢ The *teamwork* sense which makes "workers from different specializations in an organization, increasingly must work together to successfully complete complex projects" (Decenzo D.A. & Robbins S.P., 2005).

➢ *Virtual workforce* which means that workers haven't a single place where they conduct all of their business. Technology changed the communication and the

organizations, groups and teams moved "from a physical environment to a virtual environment to save money, increase efficiency, raise productivity and span everything from organizational boundaries to international time zones" (O'Rourke, IV, J. S., 2001).

➢ *Cultural diversity* on projects. Because of the global economy the workforce consists of different cultural workers with different language, education, beliefs, social status and religion. "Differences in the management style, the communications, the importance of time management, and the use of technology, power and authority create challenges for project managers" (Flannes & Levin, 2001).

➢ *Participative management* gives to employees more responsibilities, helping to make decisions. Because the companies want "to facilitate customer demands and fulfill corporate expectations, today's employees must be more involved. Group decision making gives these employees more input into the processes and greater access to needed information" (Decenzo D.A. & Robbins S.P., 2005).

3.6. Summary of literature review

The previous review of literature gives a lot of information about the meaning of project management, leadership and brand development. Many issues of this review will be used at the section of results helping the completion of this thesis

4. METHODOLOGIES AND PROCEDURES

For the development of this study, the research material will be based on the literature review findings. In this way, there isn't any independent research but the findings from books or articles. The research areas and the related material are the following:

❖ *The competencies of an effective leader*

For the definition of leader competencies, the study of Peter R. Scoltes (1998) will be used.

❖ *The leadership skills effect*

The research of Barry Z. Bosner (1987) will be used, indicating the leadership skills effect to the project performance

❖ The situational leadership style of project manager

 For this area, the theory of Paul Hersey (1985) will be used. This theory is developed through a leadership model named *Expanded Situational Leadership Model.* For the support of this model, the results of a discussion with Hersey will be presented.

❖ Problems/difficulties during the launching of a new brand in the market

The results of Brad VanAuken (2003) study will be useful for the definition of branding problems

Following the previous logic the need and the significance of project leadership will be shown, giving results for future brand development

5. RESULTS

During this chapter the results of the research will be referred according to the methodologies procedure. This procedure concerns the following areas:

❖ *The competencies of an effective leader*

In 1998 Peter R. Scholtes presented his study about the competencies of a leader. The competencies are:

The ability to think in terms of systems and knowing how to lead systems

The leader must have a system thinking concept. "System thinking encompasses a large and fairly amorphous body of methods, tools and principles, all oriented to looking at the interrelatedness of forces and seeing them as part of a common process" (Senge, P., Roberts, C., Ross, R.B., Smith, B.J., & Kleiner, A, 2005). According to this logic the leader must know that every part of a system has its own purpose which can affect the others. In this way he can understand the causes and the effects which influence the whole system.

The ability to understand the variability of work in planning and problem solving

Today, the work environment is very unstable. A lot of problems, errors, overestimates, underestimates, special events or conditions affect the work. The leader must show tolerance to this ambiguity. Additionally, he has to be flexible and give quick and innovative solutions.

Understanding how we learn, develop and improve; leading true learning and improvement

Scholtes believes that there are two trends related to learning. The increasing life span and the frequency of technological, economic, social and political change. These two trends lead to the concept of continuous learning. The leader must develop ways about the continuous learning of the employees and the improvement of their abilities

Understanding people and why they behave as they do

It's very important for a leader to understand the behavior of the employees. Scholtes believes that the behavior is related with the expectations of a person. According to this logic, the leader has to improve the communication with the people, establishing a sense of relationship. His target is the trust and the respect of the employees which could help him to motive, encourage or empower them about the project goals

> *Understanding the interaction and interdependence between systems, variability, learning and human behavior; knowing how each affects the others*

Scholtes supports that today's problems and needs are complex. All the approaches and the solutions are not simple. The terminology of Dr. Deming's about the profound knowledge seems to affect all the actions. In this way the understanding of complexity and the better study of the causes, could give better results to problems resolutions

> *Giving vision, meaning, direction and focus to the organization*

Every leader has to give the direction. As James Kouzes and Barry Posner (1983) said "There's nothing more demoralizing than a leader who can't clearly articulate why we're doing what we're doing". The leader has to describe the vision which is the common dream about the company's direction. Additionally the leader has to give meaning to the company's work, giving the sense of goals.

❖ *The leadership skills effect*

In 1987 Barry Posner conducted a research between many project managers. The result was almost 1400 statements. These statements concluded into six skills levels. The investigated issue was what project manager skills (traits, characteristics, attributes, behaviors and techniques) make a difference in successfully managing projects. The skills and the percents are shown to the following board.

Project Managers Skills
Communication Skills (84%) Listening Persuading
Organizing Skills (75%) Planning Goal-setting Analyzing
Team Building Skills (72%) Empathy Motivation Esprit de Corps
Leadership Skills (68%) Sets Example Energetic Vision (big picture) Delegates Positive
Coping Skills (59%) Flexibility Creativity Patience Persistence

Technological skills (46%)

Experience

Project knowledge

Table 2: Project Managers Skills

84% of the respondents answered that the communications skills are the most essential. These skills concern the ability of project manager to listen and convince. It's sure that a good level of communication can give less faults and misunderstandings and more productive actions

75% of the respondents answered that the organization skills are the second essential. Project manager must have the ability to plan, analyze and set goals. These abilities make the project manager to create the administrative procedures for the project.

72% of the respondents answered that the team building skills are essential too. Project manager must motivate and create a team spirit (esprit de Corps) for the project team.

68% of the respondents answered that the leadership skills are very important. Abilities like the vision establishment, people empowerment, and good examples setting are essential for the project manager. Using these skills the project manager establishes the project direction "into" the minds of stakeholders.

59% of the respondents answered that coping skills are very useful. These skills concern the ability of project manager to be flexible, creative, patient and persistent. Many times the project manager has to use these abilities for the problems overcoming.

46% of the respondents answered that the technological skills are useful too. These skills concern the experience and the project knowledge. In this way the project manager has the knowledge to evaluate the project members' work.

According to the results of Posner investigation, the leadership skills can influence the management of the projects in the percentage of 68%. It's an analogy which indicates that leadership skills development gives important benefits to the projects.

❖ *The situational leadership style of project manager*

In the section of Literature Review, it's referred that the situational leadership concept describes how the decisions or the behavior of leader are influenced from the project situation or conditions. In 1985 Paul Hersey developed the *Expanded Situational Leadership Model*. This model is shown to the following figure:
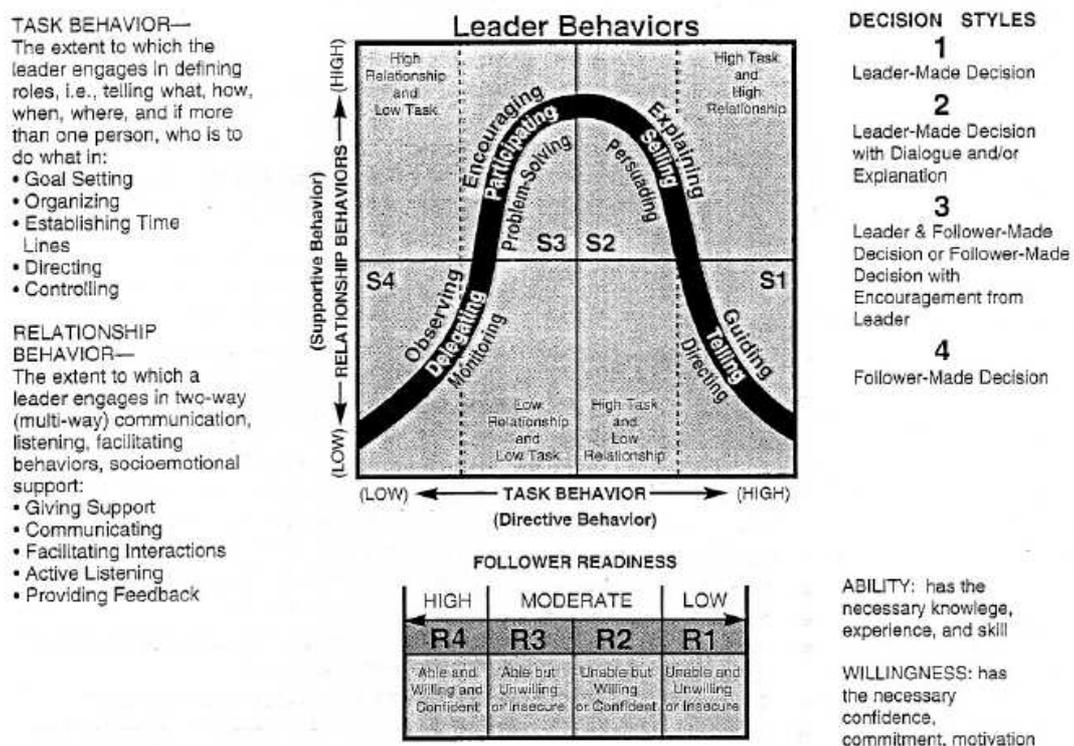

Figure 5: The Situational Leadership Model

Hersey supported that Situational Leadership model is based on:

- the direction (task behavior) that leader gives

- the socio-emotional support (relationship behavior) that a leader provides

- the "readiness" level of employees on a specific task

The most important issue of the previous figure is the leadership styles. According to the figure, the styles are the following:

- (S1)- Leader-made decision

The leader takes the decisions with little or no information from the project members

- (S2)- Leader-made decision with dialogue and/or explanation

The leader takes the decisions after a dialogue with the project members

- (S3)- Leader and Follower-made decision or Follower-made decision with encouragement from leader

The leader encourages the project members to participate to the decisions.

- (S4)- Follower-made decision

The leader allows to the project members to take decisions with no control.

In 2000 Dr Hersey had a discussion with Charles W. Blackwell who is professor of management. The full text of discussion is attached to the appendix. During this discussion, Hersey supported many ideas about leadership and he analyzed his Situational Leadership model. He supported that leadership is simply the process of influencing someone to do something that he or she might otherwise not do. For Hersey, leadership is influence. He said that anyone can exercise leadership. People lead based on their expertise and their relationship power, not just based on their job title. According to Hersey words, leaders use two different types of behavior to influence others. The task behavior and the

relationship behavior. The task behavior provides clear and specific directions to employees. The relationship behavior supports the employees through interpersonal relationships. In this case the important part is knowing when to provide each type of behavior in the influence efforts.

Hersey supported that his model can work when the leader analyzes the situation and provides the appropriate leadership style. Also he said that the Situational Leadership model teaches the leaders how to match their leadership style to the readiness level of the employees. Learning to analyze employee readiness is really the key of the model. The readiness of the employees depends on the task. One employee can be ready to do one task and unprepared to do another. Therefore, the leader has to provide different combinations of relationship or task behavior according to the need of the individual employee as he or she does a specific task.

❖ *Problems/difficulties during the launching of a new brand in the market*

In 2003 Brad VanAuken named many problems which could affect the launching of a new brand in the market. The problems are:

1) *The cumulative result of gradually and incrementally decreasing product or service quality to reduce costs.*

It's an old story where the marketers trying to reduce costs, give to the customers less quality than they expect. This could give negative results for the company in a long term.

2) *The cumulative effect of raising product or service prices at a greater than inflation over time(inviting low-end market segments and competitors)*

This fact could make the consumers to leave the brand because it doesn't offer a good value for them any more. This situation could lead the consumers to the competitors easily

3) *Focusing on short-term profitability at the expense of long-term revenue growth*

This problem happens when the company hasn't developed a long term plan (for example a business plan) which can set financial goals. This element can influence the reputation of the company

4) *Limiting the brand to one channel of distribution or aligning the brand too closely with a declining channel or trade*

The company has to deliver the brand through many channels, targeting to its expand. If it happens the opposite fewer consumers will know its existence

5) *Reducing or eliminating brand advertising*

It's important for the company to develop and keep for the brand promotion an advertising plan. Many studies have shown there is a strong relation between advertising spending and revenues.

6) *Applying branding decisions at the end of the product development process versus treating brand management as the key of all of your enterprise's activities*

According to Brad VanAuken a brand is a source of promise to the consumer. The company has to plan the brand and then to decide the products or services for the promise support.

7) *Confusing brand management with product management*

Brand management is more holistic than product management that refers to specific marketing activities. Consumers develop relationships with the brands, not with products.

8) *Defining your brand too narrowly, especially as a product categor*y

The brand shouldn't be defined only with a product. It must have the ability to be extended to more products and services. It must be more general and give the opportunity to the parent organization to grow. For example General Electric changed the promise to its customers. From "General Electric: Better living through electricity" to "GE: Imagination at work"

9) *Failure to extend the brand into new product categories when the core category is in decline.*

It's very important for the organization to have the appropriate issues for the necessary decisions. If financial elements and realistic assumptions show that the brand is in decline, it's better for the organization to quit the effort for the introduction of new products or services in the market.

10) *Overextending your brand into different categories and markets so as to completely blur the brand's meaning and points of distinction*

One of the most dangerous points of a brand extension into new products is the misunderstanding of the customers about what the brand corresponds or promises. The products or the services of a brand must concern a certain category

11) *Frequently changing your brand's positioning and message*

When a brand changes the positioning and the promise, seems to be a new brand. Many big companies like Coca-Cola and Marlboro, keep their brand concept for many years. Any brand changes must be based on customer demand researches.

12) *Creating brands or sub brands for internal or trade reasons, rather than to address distinct consumer needs*

Any brands or sub brands must be launched only for the satisfaction of customer need. But many times, companies create brands because some executives want to cover positions with their preferable assistants or because they want to sell products to other distribution channels than they exist (for example discount markets).

13) *Launching sub brands that inadvertently reposition the patent brand in a negative light*

Many companies launch sub brands like Coca-cola light from Coca-cola. These actions must be very careful because they can make the customers to forget the core concept of the brand

14) *Overexposing the brand to the point that it becomes uncool*

When a brand is exposed everywhere, seems to be very common. This situation tires the customers who keep negative feelings about the certain brand.

15) *Well-known, high-profile brands are often targeted by special interest groups who want to make public statements about their causes*

Some special groups like environmental activists, human rights defenders or others try to strike big brands and companies like Nike, Wall-Mart for many reasons. Through these companies they try to communicate their demands and their existence

16) *Treating brand management primarily as "logo cops"*

The brand management is used from many companies for the change of their structure or the shift of actions and strategies. The changes through the brand management must be led from the upper management of the organization.

17) *Viewing brand equity management as a communications exercise, but ignoring it in other business processes and points of contact with the consumer*

The brand equity is not imposed only through a communication action like advertisement. It's very important for a company to develop integrated procedures like customer service department, interactive communication through internet and customers demand research.

18) *Not delivering against the communicated brand promise*

The brand promise can be experienced from the customers only if the employees of the company support the effort. For this reason it's essential for the company, the existence of an internal brand plan which could ensure the better brand delivery through the training of the employees.

19) *Not linking brand planning to the business' strategic planning process*

Brand plan must be part from the strategic business plan of a company. If there isn't relation between them, the goals of the company will not be defined easily and understandable from the employees.

20) *If you are the market leader, following challenges because it's easier and produces more immediate results, rather than creating new ways to meet consumer needs*

It's easier for a market leader company to play with the competitors' rules. This makes the company leader to be always ahead. But this situation can create problems in a long term because there will be not any brand differences with the competitors.

21) *Not applying the latest product and service innovations to your flagship brand because it is getting too old and stodgy (a self-fulfilling prophecy)*

Every company must respect the old brand and the money which have been invested for its conservation. Many times the disregard of the old brand and new products launching through a new brand is very dangerous. The reason is that it can confuse the customers and make huge economical problems

22) *Defining your target consumer too broadly (for instance, women ages 18 to 65).*

It is mentioned before that the brand must be more general. In this way more new products (oriented to different target-groups) can be delivered through the brand.

6. DISCUSSION, CONCLUSIONS, RECOMMENDATIONS

6.1. Discussion

The previous results gave some special issues about the meaning of leadership in the current era. It's mentioned in the literature review that the special trends of the era are the downsizing, the communication improvement, the project-based organizations, the changes in the workforce acquisition and the new ways of work. These trends indicate that the most crucial point for the companies today is the management of human resources. The prioritization about the technology acquisition or massive production belongs to the past. Today because of the globalization, the companies try to save money and transfer activities and departments where the cost is low (for example India or China). In this way the human resources remained the only issue which can be managed from the companies today. Therefore, the human resources management is the need of the companies. Leadership is the most important process which can serve this need.

The key word about leadership is the influence. It's the element which can empower people to achieve goals. As the companies have to accomplish projects

goals successfully in an unstable global environment, the role of leadership seems to be useful and productive.

The skills of project manager as leader which are referred at the section of results indicate that leadership is a factor of project success. According to the survey of Posner (1987), leadership skills affect the management of the projects with the percentage of 68%. Additionally the competencies and the style of the leader define the solutions and the decisions. The leadership style is always adjusted to the situation (situational leadership) and the reactions of leader must give benefits to the whole company.

In the case of a new brand launching, the project leader has to ensure the brand equity, to develop the brand process and to solve possible brand problems. The study of Brad VanAuken about the branding problems gives an important impulse through which the project manager can start to investigate possible barriers or difficulties during this specific project. At every problem project manager has to implement a different style of leadership. He has to keep in mind that the human resources are the most crucial and vital issue of the company and also that today's brands have global characteristics.

Additionally, the project manager has to orientate the project results towards the customer satisfaction. The brand promise, the company activities and all the brand development must serve the customer need and his commitment to the company. Measures and efforts for the better performance are necessary. Also, any brand must have global characteristics. As the information delivery is continuous and easy, the customer adjusts his demands to the global community characteristics. The project manager has to influence all the stakeholders about this specific concept and create the appropriate environment for any change acceptance.

Leadership affects the project at every phase. At the phase of definition the leader has to set the vision and give the direction about the problem definition and the mission. At the phase of planning, he has to set a sense of team building, energize the project members and develop their abilities. The skills of project leader about the flexible problem solving, the encouragement of team members and the feedback to the initial vision and goals must be in action at the phase of execution. The closure of the project is very crucial because it indicates the success or the failure of the project. The project leader has to keep the team members motivated and encourage them about their future. Also at all the phases, the project manager has to communicate effectively with all the stakeholders and try to convince them about the project procedure.

By inference the project leadership is an essential factor for the successful project completion. The lack of elements like the vision establishment, the team building sense, the energized employees, the development of people abilities and the encouragement of the team members, the satisfied internal and external "customers" lead the project to lose its direction.

6.2. Conclusions

"Leadership involves influence; it is concerned with how the leader affects followers. Without influence, leadership does not exist" (Northouse P.G., 2004). For the specific case of this thesis, leadership concerns the influence about the project of a brand launching. During the project lifetime the project manager has to lead the project according to the scheduled structure towards the final target. The actions of leader must concern the management of human resources through the vision setting, the empowerment, the motivation, the training, the flexible problem solving, the

orientation on targets, the establishment of team spirit and the creation of winner sense. Also he has to convince customers like the top management of the company (internal customers) or the distributors and the agents (external customers) about the project goals. All these elements could make the project members to improve their abilities, to be tolerant to the pressure, to participate to the decisions and to keep experience for future projects.

The main competences of leader concern his abilities to communicate, to understand the system work and the culture of the company and to make the people to go towards the project goals. The style of leadership differs from the personality of the leader, the project situation and the readiness of the employees. This concept of situational leadership fits to the main elements of the project nature which are the ambiguity and the change.

For the case of brand launching the project manager has to focus his perception on the brand equity. The actions for this perception concern the adjustment of brand management demands to the project management procedure. Issues of the brand management concept could be the sales and marketing analysis, acquisition or production cost analysis, risk plan about possible brand problems or a total brand strategy. All these could be developed during the project lifetime, using the appropriate project management tools and techniques. Elements like the risk management plan, the cost-benefit analysis or the quality plan are essential for the brand equity establishment.

The importance of project leadership for the brand launching concerns the influence of all the stakeholders towards the setting targets. In this way the project manager has to develop his leadership skills through the appropriate communication channel and convince the stakeholders about the project procedure and success.

6.3. Recommendations for actions

Additionally for the better resolution of problem statement, the project leader has to face the facts through two views. A *global view* which can indicate the effects for all the company and a *close view* which can give solutions for the specific problems.

The *global view* can be shown through the balanced scorecard method, giving results for the four perspectives of a company (customer satisfaction, internal business process, learning growth and financial effects). Balanced scorecard method is a system thinking tool which can give financial metrics that measure the performance of company's vision and strategy (Robert S. Kaplan and David Norton, 1992). The project manager can develop a plan through this method, which will define the targets and the initiatives for the brand development.

The *close view* could adjust the leadership style of project manager to each brand problem separately. This dimension could be helpful for the facing of the problem statement. Also, the brand equity which indicates the level of customer satisfaction and the value of the company can be stronger. The leadership adjustment shows flexibility and change adoption which are the main elements of the new era.

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APPENDIX

The following text is presented to the *leadership development* web

(http://www.leadershipdevelopment.co.uk/).

Lessons in Leadership

An Interview with Paul Hersey

Dr. Paul Hersey, Founder and CEO of the Center for Leadership Studies (CLS), is

internationally known as an educator, trainer, lecturer, and conference leader. He has

influenced managers and leaders in over 150 countries and has helped introduce

Situational Leadership to more than a 1000 business and industrial organizations

including Mobil, IBM, Caterpillar Tractor, Harris, and Illinois Bell to name a few. Dr.

Hersey (Doc to his friends) is the author of many books. His Management of

Organizational Behavior: Leading Human Resources, is one of the first organizational

behavior book published, and is still one of the most popular texts. Doc has also

written a number of books dealing with the Situational application of influence.

Among the titles are The Situational Leader, Situational Parenting, Situational

Selling, and Situational Service. In each book, the practical application of the

Situational model is explained. The Center for Leadership Studies, located in

Escondido, California, is the hub of activity from which the training programs are

delivered. The author has had the pleasure of participating in the training at CLS and

is a certified trainer of Situational Leadership.

Introduction

Dr. Hersey accepted an appointment as Distinguished Visiting Professor at the Wayne

Huizenga Graduate School of Business and Entrepreneurship of Nova Southeastern

University for the Fall of 2000 term. He and his wife, Suzanne, moved to South

Florida for three months while Doc provided a unique educational opportunity to

more than 100 students and faculty members. This interview was conducted during that three month learning experience. Doc is fond of saying that if he has special skills in leadership and management it is because he has stood on the shoulders of giants. His giants include Douglas McGregor and Carl Rogers. This author has had the privilege of sitting at the feet of the master for which he is grateful.

Blackwell: *Based on your many years of consulting with Fortune 500 companies and your experience teaching Organizational Behavior, have you come up with a definition of leadership that you can share with us?*

Hersey: Actually it's very simple. Leadership is simply the process of influencing someone to do something that he or she might otherwise not do. Leadership is influence. Now, many people have a problem with this definition because they equate influence with manipulation. The way I see it, there is nothing wrong with influence as long as you are influencing someone to accomplish something that advances organizational goals and their own goals at the same time. That's a win-win situation. If, however, you attempt to influence someone to do something which is harmful to them while advancing your own personal goals or even organizational goals, that is manipulation and sets up a win-lose dynamic. This is not what we mean by leadership.

Blackwell: *So, you're saying that leadership occurs every time a manager successfully influences an employee as long as it is in a win-win scenario?*

Hersey: Not just managers. Anyone can exercise leadership. As long as you are in a position to successfully influence someone else's actions, you are exercising leadership. Yes, typically we think of leadership as being exercised by managers to subordinates, but often we are in a position to influence our peers or even those who are above us in the hierarchy. Strict hierarchical considerations are not as important

today as they once were. People lead based on their expertise and their relationship

power, not just based on their job title.

Blackwell: *So leadership can be exercised by anyone at any level of the*

organization? But what do leaders actually do that set them apart from others? How

do they exercise this influence?

Hersey: The way I see it, leaders use two different types of behavior to influence

others. Actually, this model goes back to the Ohio State Studies and the University of

Michigan studies which began back in the late 1940s. These studies showed that

leaders can engage in task behavior and relationship behavior. While the University of

Michiganstudies looked at leaders as predominantly using either task-focused

behavior or relationship-focused behavior, the Ohio State Studies suggested that

leaders could use one or the other or both in varying degrees. Task and relationship

behaviors were both seen as independent variables and an infinite number of

leadership styles are thus possible. To be useful, however, a model has to be simple,

so the Ohio State researchers settled on a diagram with four quadrants. The X axis

showed task behavior from low to high and the Y axis showed relationship behavior

from low to high. Quadrant 1 or Style 1 exhibited high task behavior and low

relationship behavior. Quadrant and Style 2 used high task behavior as well as high

relationship behavior. Quadrant and Style 3 included low task behavior but high

relationship behavior and Quadrant and Style 4 relied on low amounts of task and

relationship behavior. The Situational Leadership Model is actually based on the Ohio

State Studies. Research has shown there is no one best style. Each quadrant or

leadership style was the most effective leadership style in certain situations. For

example, in a crisis situation when time is an important variable, style 1 (high task,

low relationship) is appropriate. When the room is on fire, there's no time to call a meeting and ask how everyone is feeling. It's time to get the heck out of the room!

Blackwell: *Can you back up for a minute and explain what you mean by task behaviour and relationship behavior?*

Hersey: In terms of the Situational Leadership Model®, which also recognizes these two types of leadership behaviors, I define task behavior as directive behavior or providing guidance to employees. In other words, you are exhibiting task behavior when you tell an employee what to do, how to do it, when it needs to be done, where it should be done, and who is going to do it. This behavior provides clear and specific directions to employees. On the other hand, relationship behavior entails two way communication, facilitating behavior, active listening, and socio-emotional support. Relationship behavior can be called supportive behavior. You are supporting the employee through interpersonal relationships. The important part is knowing when to provide each type of behavior in your influence efforts.

Blackwell: *I notice you concentrate on behavior as opposed to philosophy or even attitudes. Is there a reason for that?*

Hersey: Actually, there is a very important distinction between attitudes and behavior. Many other leadership theories concentrate on philosophy of management or attitudes—whether a leaders is democratic or participative by nature, for example. In Situational Leadership, we teach that behavior is far more flexible than attitudes or values which are internal. You can teach someone how to behave to get optimal results in a given situation. It's all a matter of analyzing the situation and providing the appropriate leadership style.

Blackwell: *You mentioned other leadership theories, and certainly there have been a lot of them over the years. Some, like the Managerial Grid, retained their popularity*

for quite awhile. Yet, it seems from the literature as well as the number of training programs still being conducted in Situational Leadership that this theory has been around for more than 30 years and is still alive and well. How can you account for its endurance and adaptability?

Hersey: Precisely because it is not a theory. It is a model. Theories are fun to read and use to conduct doctoral research, but Situational Leadership is a practical model which is user-friendly and immediately applicable to almost all leadership scenarios. It has also proven to be applicable all over the world. Situational Leadership is 'organized common sense' and is centered around identifying how people learn and influence. While the model is complex in some ways, it is really culturally non-biased, thus its transferability is simple. We look at a frequency distribution of learning styles, educational levels, and organizational structure, then apply the model. When we train people in the Situational Leadership Model®, we teach them how to match their leadership style to the readiness level of the employee. Learning to analyze employee readiness is really the key to the whole model. After all, prescription without diagnosis is malpractice!

Blackwell: *So, 'diagnosis' is an essential part of the skills you are trying to teach with Situational Leadership.*

Hersey: Absolutely. Situational Leadership provides a way to be just as professional as those in other disciplines, such as law and medicine. It also says that we can't just write prescriptions. What Situational Leadership teaches is that you need to do your diagnosis first and then act on it to provide those things that can make a difference.

Blackwell: *Isn't what you now call "readiness" the same as "maturity level" in the original version of Situational Leadership.*

Hersey: Well, yes and no. In the beginning, we sought to match leadership style to the maturity level of the employee. We categorized employees into one of three levels of maturity from M1, least mature and needing lots of guidance to M4, most mature and needing very little help from the supervisor. As our research evolved, however, we found that "employee readiness" was a richer and more appropriate category to use to diagnose the needs of the employee. For one thing, unlike maturity level, employee readiness varies depending on the task. An employee can be very "ready" to do one task, and very unprepared to do another. The leader, therefore, has to provide different combinations of relationship and task behavior according to the need of the individual employee as he or she does a specific task. So, it's not just different strokes for different folks, but different strokes for the same folks in different aspects of their lives.

Blackwell: *How exactly do you define employee readiness and how does a leader know how ready an employee is when it comes to a specific job?*

Hersey: The leader needs to learn to constantly diagnose the performance needs of followers or their readiness to perform that specific task or function. Remember, readiness applies to a specific task, job, objective or goal. Readiness is a function of ability and willingness. You need both ability and willingness for a specific task. They are interacting variables. Willingness effects ability and vice versa. To go a bit further, "ability" is the knowledge, experience and skill that the specific task requires. You might call this part of readiness "task maturity." "Willingness," on the other hand, relates to the confidence, commitment, and motivation to that specific task. This would be akin to "psychological maturity." The Situational Leadership Model recognizes four general stages of readiness. R1 is called "unable and unwilling" or "unable and insecure." Now these are two different employee profiles. The unable and

unwilling person demonstrates no current knowledge or skill for doing the job and is not the least bit interested in learning. In fact, this person may be proud of not doing the job. Often, the unable and unwilling person has regressed from a more able employee. Something has happened to tick him off with the organization and he is now an unwilling participant. On the other hand the "unable and insecure" person is also not able to currently do the job, but she is not reveling in her refusal; instead she merely lacks confidence. She feels she can't learn to do it. For example, my friend's daughter works for a Fortune 500 company and has been taking advanced training in a new computer system the company is rolling out. At this point, she feels frustrated, confused, and stressed. She is even thinking about quitting. Why? Because she feels she will never learn the new system and that everyone else knows more than she does. Here is the case of a long-time, very effective employee becoming an R1 because of the fear of failure. What she needs is a good dose of task behavior, a lot of instruction and guidance, and someone to give her a bit of confidence as well.

Blackwell: *So even with an R1, you need to lead with some relationship behavior?*

Hersey: Absolutely. If you look at the Situational Leadership® Model, the prescribed style of leadership never goes to zero. The leader always uses a combination of relationship and task behavior; the difference in the 4 styles is in the proportion of relationship and task behavior which is used. For the R 1, we prescribe Style 1 (S 1) or "telling." The telling style is high on task behavior and low on relationship behavior. In the example I just gave you, my friend's daughter needs a lot of specific instruction, onthe- job training, and a supervisor who will give her the time and direction she needs to do the job. The next readiness style is called R2 and this employee is "unable and willing" or "unable and confident." Here again, the skill level of the employee is not adequate to do the current task, but unlike the R1

employee, the R2 is willing, maybe anxious, to learn. Or the employee is willing and confident of his or her ability to learn. In this case, the appropriate leadership style is S2, which we call "selling." Here the leader uses much more relationship behavior and a good deal of task behavior as well. Now, with the willingness and confidence of the employee secure, the leader can supplement her instructional, task behavior with socio-emotional support and explanations of why something should be done a certain way. Often a new employee starts off as an R2. They don't yet have the training to do the job well, but they are motivated to do a good job.

Blackwell: *As employees learn the job and gain more confidence, I assume they need less task behavior and more relationship behavior.*

Hersey: Yes, that is true, at least for awhile. But remember, ones readiness level changes from task to task. If you treat someone the same way all the time no matter what he or she is doing, you are not giving them what they need. I like to think of it as "reading them, leading them, and succeeding with them." Constant observation and judgment as to readiness level is key. Let's look at R3 for a minute. The R3 is "able and unwilling" or "able and insecure." This person is presently demonstrating the skills necessary to get the job done, but she may be unwilling or unmotivated due to some circumstance. Let's say that Tom is still doing his normal fine job but he is demotivated because of the five customer service representatives in the department, he is handling 40% of the calls and yet his raise is the same as everyone else. Tom is thinking about working less hard because he feels he is being inequitably rewarded. The S3 leadership style, participating, will use lots of relationship behavior to mend fences with Tom and show him how valuable he is. On the other hand, the able and insecure R3 also needs a high dose of relationship behavior to give him the encouragement and confidence he needs. Let's say Andy has completed the

Situational Leadership training course with flying colors and has all the skills necessary to teach the course. But, Andy, hasn't taught the course by himself before so he's nervous as to how he will do. The successful leader will offer some help, encourage Andy, remind him how much he knows and how well he did in training class, and in other ways bolster Andy's confidence until he becomes an R4.

Blackwell: *So, when someone gets to be an R4, then they really can be turned loose without much leadership intervention at all?*

Hersey: Well, yes and no. The R4 is "able and willing" or "able and confident" and the appropriate leadership style is S4 of "delegating." Relatively low amounts of task and relationship behavior are appropriate, but the supervisor still needs to keep in touch because ultimately she is responsible and accountable. Plus, remember the R4 may be self-sufficient in one task, but be an R3 or even an R2 in another task.

Blackwell: *So, the secret to effective leadership, then, seems to be matching the leadership style with the readiness level and checking this match frequently and adjusting your style as the readiness level for a given task changes. But, isn't this hard for the average manager—to change his or her style at will, sometimes many times in the same day?*

Hersey: Actually we've been very successful in teaching leaders how to diagnose readiness level. After training, leaders frequently begin thinking in the Situational Leadership jargon. That is, they see people as R1, R2, R3, or R4 in their various tasks and they know which type of leadership style to demonstrate. It's all a matter of applying the right amounts of relationship and task behavior after a correct diagnosis has been made. It's like riding a bicycle; once you've mastered the basic principles, you rarely fall off and skin your knee.

Blackwell: *I notice that your model includes four styles. With so many styles available why did you choose four?*

Hersey: I have often said that in order for a model to be successful it should be based on organized common sense. What we attempted to do was to provide a simple model, something that people could carry around with them. My dad worked for Bell Labs and held over 50 patents dealing with the telephone system. When people were first given telephone numbers they made all kinds of mistakes. Most numbers were five or six digits. Research proved that as long as the numbers were in sets of four or less fewer mistakes were made when dialing a number. People can handle sets of ones, twos, threes, and fours with little difficulty. So that's where the "four" came from in Situational Leadership®. It seemed to be the best number for people to remember. We didn't want the model to get too complicated. It would be used more if it was easy to remember.

Blackwell: *Fred Fiedler developed the Contingency Leadership model. What are the differences between that model and the situational model?*

Hersey: Well, one of the major differences is that I believe we can help people learn to change their behaviors so that they don't have to be replaced. I believe that leaders can learn to positively impact different kinds of situations. I further believe that through training, individuals can become more effective leaders in a variety of situations. The similarities would include that both models conclude that both the task-oriented and relationship-oriented elements of leadership are vital to the successful leader or manager.

Blackwell: *Well Doc, our time is about up and I would like to thank you on behalf of the many readers of this interview, the many students and faculty at the Huizenga Graduate School of Business at Nova Southeastern University, and the users of the*

Situational Leadership model, for your time and wisdom. Not only for the time spent

doing this interview but your willingness and ability to share your knowledge

throughout the years.

Thank you very much.

About the Author

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