

Mayberry Newsletter

The W. E. Mayberry Center for Quality and Performance Excellence

Tennessee Technological University • College of Business Administration • Fall 2003



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Perspectives On Performance Management Evolution

By Dr. Curt Reimann

The Malcolm Baldrige National Quality Award Conference (Spring '03) was the 15th such conference since the creation of the Award in 1987. During the conference I discussed with many colleagues the changes we've seen over the 16 years as well as the current challenges facing those who seek to understand and improve organizational performance and thereby enhance U.S. competitiveness. Interestingly, almost all of our observations made reference to changes in how businesses operate, in the national economy and in the international scene, all of which affect how the performance management disciplines are shaped and applied. Because the evolution of quality and performance management is a central theme of the Mayberry Center, I have summarized below some of the key observations and perceived challenges that arose in my discussions with colleagues.

** Quality and



performance management concepts and tools have spread rapidly around the world, paralleling the globalization of markets. [See article by Gary Floss in this newsletter.] As a result, the U.S. now faces tough competition from numerous nations, many of which have major wage-level advantages over the U.S. The fact that high quality goods are now being produced in nations where wages are 10% or less of those in the U.S. places enormous price pressures on U.S. companies. It forces them to focus on productivity--leading to the outsourcing of components and even jobs. The pressures are greatest in

manufacturing. The combined effects of growth in overseas manufacturing and productivity gains in the U.S. have led to a loss of more than 2 million manufacturing jobs in the U.S. in the past 3 years. All U.S. states have lost manufacturing jobs during this period. The service sector is also coming under similar pressures and is responding in similar ways. Advances in information technology and reductions in telecommunication costs have resulted in U.S. companies outsourcing many service jobs, such as call centers and software development, to

(Cont'd on page 2)

Perspectives *(continued from page 1)*

low-wage nations. Such migration of service jobs is likely to accelerate in the future.

** In the U.S. itself we are seeing steady spread of quality and performance management concepts across economic sectors. Originating mainly in manufacturing and service businesses, the concepts are being adopted by health care, education, and government. State award programs, especially Tennessee's TQA, have been very important to this spread. Approaches are becoming more measurement/outcome oriented, resulting in changes in management requirements and accreditation standards.

** Driven in part by changes in the global marketplace, performance management practitioners are gaining a better appreciation that the central aim of such management is enduring competitiveness, not quality per se. In the 80s and 90s, product quality, especially vs. Japan, was the key performance dimension of focus in the U.S., because many U.S. companies had fallen far behind their Japanese competitors in this important area. But competitiveness is multidimensional and changing; remaining competitive now demands achieving high and improving performance in many performance dimensions--innovation and productivity, for example. There is currently great emphasis in U.S. businesses and other organizations on cost reduction, brought about by price competition and budget pressures.

** Over the years, quality and performance management have appeared in a variety of forms and names. Examples include TQM, ISO 9000, and Six Sigma. Differences occur in structure, formality,

targets, and organization--even within each of these variants. Most observers acknowledge that success with the human factors--leadership, vision, and culture--lags far behind that of the technical factors. Many organizations launch initiatives that seek to blend and integrate technical and human factors. Compared with the 80s and 90s, priority setting and alignment are better, but failure rates remain high. [See article by Curt Reimann in 2002 Newsletter.]

** Major challenges ahead include better performance management of R&D, product development, innovation, and value creation. These are especially important to the U.S., because U.S. wage scales are usually too high to support competing on price in mature markets. Many observers believe that this has major implications for state and regional economic development, making universities, university consortia, and university-business partnerships more important than ever.

** In the 80s, business schools, for the most part, addressed issues of quality and performance management mainly as topics in operations management. Relevant texts and business cases covering performance management in a comprehensive way were few. This picture has changed and continues to change. A wide variety of texts and cases are now available to support preparation of business students and executive education. Such cases often illustrate the interconnections among many business school disciplines and thus serve as excellent source materials for capstone experiences.

** Along the evolutionary path of performance management, important societal areas--environment, ethics, and security--

are slowly being integrated into systems-oriented management. Although organizational core values usually include such key areas, management systems often treat related requirements as separate. It is becoming increasingly important for students of business to gain a more holistic view of business requirements and how such requirements are operationalized in an integrated manner. Inclusion in business strategy and linkage to operations are critical to success.

** Among the key challenges faced by quality and performance management, initiatives that attempt to cross organizational lines have become more important and have proven to be quite difficult to deploy. In business, this challenge includes management of supply chains and alliances. Even greater challenges lie ahead in health care, education, government, and regional economic development. Within organizations, knowledge sharing and knowledge management remain formidable challenges, often because organizational units have differing cultures and incentives.

The above observations and examples are intended to illustrate the importance, dynamism, and difficulties associated with the evolution of performance management. Hopefully, they also underscore the importance of viewing performance as a central business discipline--too important and too complex to relegate to a small part of operations management. Modern systems thinking brings the implications of performance management into all aspects of organizational leadership and management and thus into all business disciplines. ♦

Activities and Accomplishments 2002-2003

The Mayberry Center's purpose is to increase awareness and enhance development of performance excellence related practices in business and education on a local, state, and national level. This is achieved by conducting and disseminating research, implementing projects and activities, conducting workshops for practitioners, and instructing students in undergraduate and graduate classes. The Mayberry team, consisting of Chairholder Curt W. Reimann, President Robert Bell, Dean Bob Niebuhr, Mayberry Professor of Management R. Nat Natarajan, and Mayberry Graduate Assistants Chad Meador, Sandra Robbins, Brad Leimer, and Robert Stanton have contributed to this mission during the past year. Activities carried out in 2002-2003 include:

- The Mayberry Advisory Board met during October 28 and 29, 2002. On that occasion, members of the Board interacted with students at the College of Business Administration (COBA) reception and visited various classes within COBA. They participated as panelists in a discussion on leadership, organized by MBA students (see highlights in this newsletter).
- The Mayberry Board members attended a presentation by Dr. Susan Elkins, Dean of the School of Interdisciplinary Studies and Extended Education (ISEE), on the programs and plans for ISEE.
- The Mayberry Chair continued its partnership with



Marie Williams, board member, in the classroom.

the TTU School of Interdisciplinary Studies and Extended Education (ISEE). Dr. Reimann serves as an advisor on planning to ISEE.

- The 2003 Mayberry Lecture will be delivered by Victor Tang of IBM (now on sabbatical at MIT) on October 23, 2003.
- Dr. Reimann serves on the Technical Committee for the Juran Center for Leadership in Quality, Carlson School of Management, University of Minnesota.
- Dr. Reimann serves on the American Society for Quality (ASQ) Juran Medal Committee.
- Mayberry Graduate Assistants Chad Meador and Sandra Robbins served on the Tennessee Quality Award (TQA) Board of Examiners for 2002; Brad Leimer and Robert Stanton are serving on the 2003 TQA Board of Examiners.
- Mayberry Graduate Assistant Sandra Robbins attended the Quest for Excellence Conference (see report in this newsletter).
- President Bell served on the Panel of Judges and Board of Directors for the Tennessee Quality Award Program.
- Dr. Reimann gave guest lectures on performance management topics in COBA classes.



Board member Jack Swaim speaking to students.

Activities and Accomplishments 2002-2003 *(continued from page 3)*

- Dr. Nat Natarajan co-authored a paper with Dr. Bonita Barger on the Baldrige Organizational Profile as the diagnostic and organizational analysis tool in business courses. It was presented at the Decision Sciences Institute National Conference in San Diego in November, 2002. In Summer 2003, he developed and taught an online operations management course in the Distance MBA program.
- Dr. Reimann joined President Bell and ISEE Dean Elkins in a benchmarking visit to East Tennessee State University (ETSU) and Northeast State Technical Community College. The visit included discussions of ETSU's regional economic development activities.
- Dr. Reimann serves as an advisor to the Council on Competitiveness in connection with the Council's efforts to develop and disseminate best practices in competitiveness-driven security management, in support of the Department of Homeland Security.
- Past Mayberry Graduate Assistants, Brian Bowman and Cass Larson, visited TTU for discussions with current Mayberry Center participants. Brian and Cass shared their observations and experiences in the business world, with special emphasis on performance management. ♦

New Advisory Board Members



The Mayberry Center welcomes the new members of the Advisory Board Bill Nusbaum (Manufacturing Consultant, Tennessee Manufacturing Extension Program), Joe Dehler (Vice President, Business Process

Improvement, Carlson Companies) and Steven Hoisington (Vice President, Quality, Controls Group, Johnson Controls, Inc.). We look forward to their participation in the Center's activities. ♦

Where are they now?

Recently we heard from Stephen Flatt, a former Mayberry Graduate Assistant. Here is what he had to say:

“It sounds like things at Tech are going strong. I heard the ads about the Distance MBA courses; it sounds like an exciting program. I hope the response has been good. I have been a busy guy lately. After being at Doane Pet Care in Brentwood for two years as a

Supply Chain Analyst, I was promoted to Logistics and Operations Manager for our Customer Fulfillment Group. I am responsible for logistics to our customers, order efficiency, customer satisfaction measurements, order management, network capacity management, etc. I am currently working hard on alternative sourcing options.

My wife Kristy and I bought a

house two years ago at an auction and we have completely restored the house. The house, located in Goodlettsville, TN, was originally built in 1939. The house definitely keeps us busy. I am becoming more active in APICS and have been studying for my CPIM certification. I enjoy keeping in touch with the happenings at Tech.”

Congratulations, Stephen. Keep up the good work. ♦

2003 Baldrige National Quality Program Quest for Excellence XV

By Sandra K. Robbins

An exciting city, a delightful hotel, incredible food, and friendly people intertwine to create the setting for one of the world's most highly-esteemed quality award conferences – the Quest for Excellence Conference, held annually in Washington, D.C. As a Graduate Assistant in the Mayberry Center at Tennessee Technological University, I received the distinct honor of attending this year's conference. To say that the 2002 Award Winners were "outstanding, knowledgeable, and astounding" does not adequately describe the accomplishments the three winners shared with conference attendees. My association with Dr. Curt Reimann allowed me the opportunity to meet and talk with some of the key players in the Baldrige National Quality Program.

Participation as an Examiner for the 2002 Tennessee Quality Award

Program equipped me with many of the tools used for evaluating what the Baldrige Award applicants strive to exhibit in their applications and site visits. The processes involved in meeting the requirements are rigorous and exacting. Many applicants submit applications for several successive years before obtaining recognition as a model for others. The award recipients for the 2002 award year include Motorola's Commercial, Government & Industrial Solutions Sector (manufacturing), Branch-Smith Printing Division (small business), and SSM Health Care (health care). For more information on these award winners please visit www.quality.nist.gov. This year marks the first year for an award recipient in the field of health care and I was delighted to attend all of the information sharing sessions for SSM Health Care.

SSM Health Care supports 23,000 employees in the fields of outpatient, inpatient, emergency,

and ambulatory surgery settings throughout Illinois, Missouri, Oklahoma, and Wisconsin. The system owns, manages, and affiliates with 21 acute care hospitals and three nursing homes in its service area. The 130-year old organization is sponsored by the Franciscan Sisters of Mary and is a not-for-profit health facility based in St. Louis, Missouri. Several SSM administrative team members shared with attendees the incredible journey that led to the successful implementation of the requirements for the prestigious Baldrige Award for Excellence.

The most important "takeaway" I brought back to Tennessee Technological University is that a company — large or small, global, national, or regional — can succeed in meeting and maintaining the stringent requirements of the Baldrige criteria. In return for years of intense teamwork, persistence, and unfaltering dedication, award winning companies become well-oiled machines with excellent customer service.

The criteria for the Baldrige Award program are continually assessed and updated to reflect the "best-in-class" standards. This year's conference was an eye-opening experience for me and I am certainly much more appreciative of the level of success that can be obtained by embarking on this amazing award process. In short, the Baldrige National Quality Program simply works! ♦



From left to right: Marie Williams, Dr. Curt Reimann, Sandra Robbins.

Quality Concepts Travel Very Well

By Gary D. Floss, Managing Director, Bluefire Partners

Over the past “school year,” I have had an extraordinary opportunity to travel to a number of diverse locations around the globe as a combination of business and pleasure trips. In these travels, two truths have emerged or certainly been reinforced. First, the world is becoming ever so much smaller in terms of travel opportunities and communication capabilities. This probably goes without saying in today’s world with lower cost airfares in a tough economy and the rapid communication and knowledge transfer capabilities of the Internet. Second, and more to the point of this article, is the realization that the basic principles and core values of quality (or performance excellence) as represented in the Malcolm Baldrige Criteria model travel very well.

I am sure many of us appreciate that the search for a systematic methodology to sustain organizational improvement over time occupies the attention of many leaders. Such a methodology exists in the form of the Malcolm Baldrige Performance Excellence Criteria. These criteria, first introduced into the United States in 1987, are also the basis of or correlate tightly with many other countries’ performance excellence criteria systems around the world. Over the past 10-15 years, these criteria have been utilized by many organizations in these countries and their stories are often fascinating. While the application of these criteria over the long term is not an easy journey, the rewards are significant, not only in terms of financial payback but also in terms of contributions to the local communities and their stakeholders. I would submit that the core values of the Baldrige criteria (see below) provide a basis for performance excellence that is transportable to any organization and culture. The visits I have had over several months, starting last September, provide evidence for the assertion. In each of the locations that I visited, at a minimum there exist practitioners busily making “this stuff” work. At the more mature locations, there are in-country performance excellence award recognition programs patterned after the Baldrige criteria. In two of the locations, the conference included recognition of the past year’s quality in excellence award recipients.

Baldrige Core Values:

- Visionary Leadership
- Customer-Driven Excellence
- Organizational and Personal Learning
- Valuing Employees and Partners
- Agility
- Focus on the Future
- Managing for Innovation
- Management by Fact
- Social Responsibility
- Focus on Results and Creating Value
- Systems Perspective

Here are the stops I have enjoyed over these past several months with some salient facts and observations:

Venue 1:

- Beijing, China
- 8th Asia Pacific Quality Organization Conference, September 16-18, 2002 – local host was China Association for Quality
- Theme of Conference – Quality for Economic Globalization
- My paper was entitled: “A User-Friendly Deployment of Performance Excellence Criteria” (paper showing how an organization can begin to deploy Baldrige in a less-intimidating manner than some organizations have experienced in getting started)
- Paper topics included: ISO 9000, Business Excellence Model, quality management techniques and tools, service quality, quality on the Internet, ISO 14000, customer satisfaction, quality and information techniques, Six Sigma, people management and people satisfaction, statistical thinking and techniques, breakthrough approaches

- Tracks: Excellence in Business, Customer Satisfaction, Quality Culture, Industrial Quality Management, Six Sigma, Management Systems and ISO 9000, Quality Methods and Tools
- Conference also included 2002 China national QM award ceremony and the International Asia Pacific Quality Award ceremony
- Included CEO forum on quality: speakers included Charles Aubrey, formerly Sears and BankOne; Zhang Ruimin, CEO of Haier Group (a very large appliance manufacturer in China); Lai Bingrong, Senior Executive of Motorola, China; Horst Schulze, formerly President and COO of Ritz-Carlton Hotel; Ying Yeh, VP of Eastman Kodak in China; Lennart Sandholm, Chairman of Sandholm Association, consultants from Sweden who have long consulted in China; and Wang Xiaoyan of Legend, a PC maker in China and recipient of the Chinese Quality Award
- Key themes from talks, papers, panel discussions: leadership, customer-focused excellence; partnering with suppliers; importance of branding: the Haier Group tailors branding to the culture (U.S. – What the World Comes Home To; Europe – Haier and Higher; Middle East – Discover It in the Heier World; Asia – No More Waste); creating loyalty – comes from providing “personalization”; corporate values important; say yes to customer; get more comfortable with the data - statistics are key metrics
- Strong Six Sigma tracks with a number of Chinese companies including the military beginning to apply the philosophy and tool sets

Venue 2:

- October 8-17, 2002
- Brazil (3 speaking engagements at quality conferences) – south (Porto Alegre, Rio Grande de Sul state); central (Sao Paulo); north (Salvador, Bahia state)
- Speaking on behalf of the American Society for Quality as a Board member; note that Brazil has 5000+ ASQ members
- All sites had recognition for Quality Awards for excellence patterned after the Baldrige Award
- Key themes: leadership, environmental management, development of employees; innovation and community participation

- One of the award recipients here spoke at the recent American Quality Congress conference in Kansas City – Santa Casa de Porto Alegre Hospital titled: From the 1980’s Revival to World Class on its 200th Anniversary

Venue 3:

- Indonesia
- Large telecommunications company in Asia-Pacific
- 5 weeks: October 31 – December 2, 2003
- As part of team of 7, reviewed 8 Baldrige-based applications, conducted site visits, prepared reports and presented findings for corporate headquarters site, training division, and 6 operating divisions
- Key themes: leadership, employee innovation, community involvement, strategic and operational planning, approach to listening to customer, openness to benchmarking best practices

Venue 4:

- Tanzania, East Africa
- January 14—February 2, 2003
- Safari and game park site managers practicing “delight-the-customer” initiatives developed from active customer-listening posts

Venue 5:

- May 2-9, 2003
- Aruba, Dutch Antilles
- Initiated a Baldrige-based award in 1998 (Qualifier—currently on-hold pending additional funding from the government)
- Early participants come from tourism infrastructure
- Large hotel complex – Qualified for ISO 14000 (Environmental management)

Sustaining an ongoing quality journey is hard work and takes perseverance and constancy of purpose. After a set of visits such as above, it is much easier to keep one’s motivation and focus on continuing to drive for excellence and sharing with others. ♦

Competing on Innovation

By Dr. R. Nat Natarajan

Innovation is important to the growth of economies and businesses. Almost a half century ago, Robert Solow in his growth accounting model found that a major portion of the variation in economic growth in the U.S. can be explained as due to “technical progress.” Until relatively recently, economists like Solow have treated innovation as a phenomenon that is determined outside the economic processes. Businesses certainly know the importance of innovation to their success and even survival. Many firms include the number of, and the revenue from, new products/services in their key business performance metrics. However, it is worth noting that the processes of innovation and R&D usually are not addressed in business school curriculums. For the U.S. firms, competing on innovation is one of the remaining avenues to success in the global market place. U.S. firms will find it increasingly difficult to retain the production of goods and services in the U.S. while competing on price alone. Communication and information technologies are accelerating the migration of many of the processes of such firms to locations where they can be performed more cost-efficiently (see Dr. Reimann’s article in this newsletter). About 70% of spending on R&D in the U.S. takes place in the private sector. Yet, the processes of innovation and commercialization are the ones businesses--in the U.S. and elsewhere--find most challenging to manage. This is primarily due to the fact that they are viewed as influenced more by chance and fortuitous circumstances than by purposeful managerial decisions. Recent evidence suggests that while chance plays a much greater role in certain types of innovation, the process can be, and indeed has become, more routine and predictable. The insights about such processes can enhance the performance of the processes of innovation and their commercialization. They are relevant to businesses and governments as well.

In his recent book, William J. Baumol, an economist from Princeton University, attributes the unparalleled growth record of free-enterprise economies in the creation of technological innovations and boosting the living standards to the following factors [1].

1. Entrepreneurship that is encouraged by incentives for productive innovation.
2. Rule of law especially with regard to enforcement of contracts and intellectual property rights.
3. Trading in technology for profitable dissemination of the know-how.
4. Large firms that compete based on innovation rather than price within an oligopolistic industry structure.
5. These large firms make innovative activities routine, reducing the uncertainty associated with the outcomes of these activities.

The U.S. economic and legal system, by and large, already ensures the first four of the above factors. Therefore, it is left to a firm trying to innovate to take advantage of those conditions by better management of the process mentioned in the last factor. There are worrisome signs that this may not be happening. As a case in point, in the R&D intensive pharmaceutical industry, the rate of introduction of new drugs has slowed down. It now takes about 12 years to translate an idea into a new drug on the shelves of pharmacies

[2]. The drugs that do not make it to the market absorb about 70% of the high and increasing development costs. While the complexity of regulations has increased, low productivity in R&D and a lack of innovations in manufacturing technologies to support large scale production of new drugs seem to be the major contributing factors.

The key sub-processes for taking an innovation to the market and their critical success factors have been analyzed by Vijay Jolly [3]. They are: 1) imagining the dual purposes of technology and the market; 2) incubating the technology to define its commercial potential; 3) demonstrating that potential in product and process contexts; 4) promoting the adoption of the new technology; and 5) sustaining commercialization. While these sub-processes are specialized and create value independently, they have to be linked by other

“I think there is a world market for maybe five computers.”

Thomas Watson,
Chairman of IBM,
1943

processes that bridge the interstices. They are respectively: a) mobilizing interest and endorsements (linking sub-processes 1&2); b) mobilizing resources for demonstration (linking 2&3); c) mobilizing market constituents (linking 3&4); and d) mobilizing complementary assets for delivery (linking 4&5).

Sub-process 3 has received a lot of attention from practitioners and researchers who have focused on integrated product and process development carried out by cross-functional teams. This approach has speeded up product development and made better use of information from the internal functions, suppliers, and customers while addressing quality and manufacturing issues up front. But focusing on any one of the sub-processes will lead to sub-optimal results--the challenge lies in managing the entire innovation-to-commercialization chain (some of these issues will be addressed by Victor Tang in the forthcoming Mayberry Lecture). The term "process management" here is to be interpreted as making such decisions as budgeting for R&D investments, allocating resources, and measuring performance to terminate or proceed to the next sub-process.

Partnerships now play a vital role in technology commercialization. The various facets of a technology can be classified as: 1) technological principles; 2) process; 3) software; 4) materials; 5) components; 6) equipment and devices; and 7) systems. According to Jolly, when technology development was based on heuristic knowledge, only one organization which had the knowledge, gained through trial and error experimentation, could work on each facet and also integrate all of them into the final product [3]. The market existed only for the end product that embodied the technology. However, as technologies become more science-based, a market for each facet emerges. Now specialist organizations like universities can work on developing a particular facet [3]. Such partnerships, while creating new opportunities, also present challenges in terms of partner selection and protection of proprietary knowledge.

Given the public goods character and the spillover benefits of innovations, intervention by the government to nudge the process along can be justified. It can address market failures which occur at the earliest stages of the commercialization chain by various policy instruments. For instance, it can signal the importance of a new technology by formulating challenging projects

at the national level and by recognizing achievements. It can facilitate transactions by generating and disseminating information. It can affect the demand for a technology by establishing standards, providing tax incentives and financial support. It can also encourage supply of technologies by supplementing private R&D. The last two decades have witnessed the passage of legislation designed to encourage technology commercialization. For example, the National Competitiveness Technology Transfer Act of 1989 has enabled private firms access to the technologies and research facilities of the national laboratories through cooperative research and development agreements (CRADAs). The same act has also altered the mission of the national laboratories. The transfer and commercialization of their technologies is now an important part of their mission.

Finally, one may ask if there is still a role for the inspired individual who shouts, "Eureka"? Baumol's answer is a resounding yes [1]. In fact, such lone inventors are the chief source of out-of-the-box, radical innovations. Supply of such innovations will remain uncertain because it is conditioned by sociological and personal factors. Many successful entrepreneurs have recounted how they were broke and/or crazy enough to do what they did! They often lack the capital and business infrastructure. That is where the venture capitalists and large firms can step in and play the complementary role in taking the innovation further along to create market value for it. ♦

1. Baumol, William J. **The Free Market Innovation Machine: Analyzing the Growth Miracle of Capitalism**, Princeton University Press, 2002.
2. "Mercky Prospects," *The Economist*, July 11, 2002.
3. Jolly, Vijay K. **Commercializing New Technologies: Getting from Mind to Market**, Harvard Business School Press, 1997.



"There is no reason anyone would want a computer in their home."

Ken Olson,
President,
Chairman and Founder
of Digital Equipment Corp.,
1977

Excerpts From the Panel Discussion on Leadership

By Dr. R. Nat Natarajan and Brad Leimer

On October 29, 2002, the MBA students organized a panel discussion on “Leadership: Issues and Challenges.” The Mayberry Advisory Board members Jack Swaim, Marie Williams, and Jesse Johnston, Jr., participated as panelists. The students raised the issues in the form of questions. Dr. Reimann moderated the discussion. Here are some highlights of the discussion. For video and other details please visit <http://iweb.tntech.edu/ttimmerman/leadershiplibrary.htm>.

On characteristics of leadership role models:

- Individuals who have the capability to bring about change for the good of the organization and the world.
- Leaders who have a vision. They understand the ends and means relationships. They take the time to do the important things and deliver results.
- Tough but fair. One who would listen, dedicated to excellence, and intolerant of failure.

On leadership’s changing roles and responsibilities as organizations become more diverse:

- Transition from command and control to becoming a coach, mentor, developer, listener. Setting high

expectations and following up with role model behaviors. Gets you out of the comfort zone, helps the employees grow.

- Organizations are becoming more diverse because opportunities are being offered to more and more people. Now the organizations are much more representative of the communities we live in around the world. We are forced to be in touch with the natural constituencies of the markets and the employees’ populations. It is a forcing function for leaders to get in touch with the diversity around them. It is a great opportunity for leaders to take advantage of in terms of people segments, market segments, and partnerships. They can tap into the new capabilities and strengths in terms of decision-making styles, and talents that diversity brings. This can provide a competitive advantage. It is an opportunity waiting to be grabbed.

On the pace of change today and how today’s leaders can overcome resistance to change:

- The world has changed more rapidly not just in the immediate past but over decades starting with air travel making the world a much smaller place. Now huge advances in communication capabilities are bringing about rapid change. Resistance to change is quite normal. But education, leadership, and empowerment will help overcome some of that resistance.
- Yes, the world is changing rapidly and it is a positive reality. Leadership can deal with it through the lessons learned, lifelong learning, their own education, education of people, and using the synergy of people to own change.
- Travel and communication breakthroughs have made the world more close knit now. What it means for leaders is that there are interdependencies they have to recognize. The relevant system for leadership is different now as the world has become more inclusive. A systemic





perspective is needed to understand the drivers of change. The leaders also need to put people in touch with these drivers, so they understand them and participate in change. This enables change to be friendlier and safer and people can drive change instead of feeling that they are being driven by it.

On how leadership has helped panelists get where they are today:

- The biggest effect different leaders had on me has been the opportunity to learn what works and what does not work and emulate the role models. You can learn from poor leaders also. You learn what to avoid.
- As a woman, acting like a leader and answering what then were some legitimate questions about women as leaders was an issue. Leader's confidence in me helped establish my credibility to do the job.
- The key term that comes to my mind is respect. I have learned much from the leaders from the respect they have for the people they work with and the respect they earned from that.

On leadership styles:

- There are a lot of leadership styles out there. My view is that the most effective leaders can recognize what is appropriate and use the right style at the right time. Different situations call for different styles. For instance, a crisis calls for being

directive. The real challenge for leaders is being able to diagnose the situations, being flexible enough and having broad enough leadership styles. It is important – but difficult – to understand yourself, your leadership style, where you are effective and where you are less effective. As you challenge yourself and grow, understanding who you are, and what you are comfortable with is also the key to what style is the appropriate style for you.

- It is really situational leadership. The key issue is to establish the trust and communication with people. Then as you diagnose the situation and apply the appropriate style they will trust you to use the right skills to drive the organization's goals.

- As you leave here and begin your careers you need to understand your leader's style. Learn how you can perform well with the leader. Odds are that you are not going to change your leader! So you ought to learn to work well with the leader.

On how information technology affects leadership:

- Online, real time knowledge means leadership based on fact, not feel. It gives people the ability to work smart.
- It is an empowering tool—a tool for doing more and doing things better.
- Internally it is an enabling tool. Externally, it can be a differentiator in the marketplace. It helps you understand market opportunities better. ♦

In times of change, learners inherit the Earth, while the learned find themselves beautifully equipped to deal with a world that no longer exists.

**Eric Hoffer
(1902—1983)**

Jesse Johnston, Jr., Retires



On behalf of the Mayberry Center team, we want to congratulate Jesse Johnston, Jr., upon his retirement from Milliken & Company, and thank him for his many contributions to the Mayberry effort. Those of us who have been part of the Mayberry Center over the past seven years are most fortunate to have had Jesse's advice and friendship. As a member of the Mayberry Board, Jesse has shared his rich experiences and perspectives gained over a long and distinguished career in a truly world-class company. Jesse's sharing has touched many lives...students, faculty, and colleagues... as those of us who know him well have seen in countless ways. We wish Jesse and his wife a long and healthy retirement, and encourage him to keep in touch with his friends at TTU. ♦

Newsletter prepared by K'Cindra Cavin, Sandra Robbins, Brad Leimer, Robert Stanton, Dr. Nat Natarajan and Dr. Curt Reimann. It is also available on the Mayberry website. Your comments are welcome.

THE W. E. MAYBERRY CENTER FOR QUALITY AND PERFORMANCE EXCELLENCE

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