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## Leadership Styles

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Pros and cons

by Praveen Gupta



Considering the leadership at Motorola and General Electric provided by stalwarts such as Bob Galvin and Jack Welch, respectively, I believe that two leaders with totally different styles can get similar results using the same tools. When I worked at Motorola in Bob Galvin's time, there was a rule that any employee who had worked more than 10 years at the company couldn't be laid off without Galvin's permission. On the other hand, a default rule to lay off 10 percent of its personnel every year was a common practice at GE. Both rules worked.

Betsy Morris's recent feature article "[Sorry, Jack: The new business rules](#)" in *Fortune* magazine articulates that rules proven in the past may not work well today. I also believe that the past doesn't guarantee the future. I have the highest regard for Jack Welch because of his accomplishments at GE, but I don't agree with the "10 percent out every year" rule. W. Edwards Deming taught us that one shouldn't grade employees, because their performance is affected by the systems of the organization. Statistically, employee performance exhibits a normal distribution. The challenge is to improve the average performance of employees in an organization, rather than terminate the bottom 10 percent.

Having job security can cause lax performance, while fear of being laid off causes insecurity and disloyalty, which also leads to lax performance. Not worrying about losing a job may lead to higher performance. At the same time, fear of losing one's job can also lead to improvement in efficiency and better results. The differences aren't clear.

If leadership pursues sustained, profitable growth, both approaches can be selectively utilized. In the knowledge age, growth will come from thousands of ideas of intellectually engaged employees, while profit will increase with more focus and management's sound execution of strategies. Freedom to think promotes innovation and the fear of layoffs drives more effort to increase profits.

When an employee's job is secure and performance is poor, organizations must have a good feedback system to ensure the desired level of performance. When performance suffers because employees feel their jobs are insecure, the organization should counsel them about their slack performance and apprise them of the expected outcomes.

At Motorola, I was able to bring out my best performance because of incentives, encouragement to take risks and my supervisors' exemplary work ethics, which I still maintain. When people are scared of losing their jobs, they're tense even while doing work they love. People quickly become emotional. They think about leaving at the earliest opportunity, they spend more time criticizing top management and the bad vibes adversely affect employee morale. I'm sure firing people is an unpleasant experience, even for managers. How many of us would feel good doing that?

If one asks employees which style of leadership they prefer, I'm sure the answer would be the one that gives them freedom to try their ideas, more say in their goal setting and performance management, and a sense of belonging, along with the feeling of job security. On the other hand, I can also understand that highly motivated individuals don't fear the 10 percent layoff rule, because such people are secure within themselves. This topic is clearly open to discussion, which may lead to a hybrid solution that utilizes the strengths of both approaches.

This hybrid style of management may include empowering employees with decision-making authority and applying a performance-based layoff rule. With such an arrangement, leadership empathizes with the other employees and strengthens their skills to produce the desired results and hold them accountable for their decisions.

I see a need for better accountability for decisions at all levels of management. Such an arrangement can bring out the best throughout the organization, resulting in success. In the absence of such an arrangement, leadership simply applies the 10 percent layoff rule or some other similar rule to employees who have little control over their performance or the performance of the company.

The style of an organization's leader can bring out the best in all employees by effectively utilizing

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incentives and communicating consequences, instead of relying on the rote application of a formula.

**About the author**

*Praveen Gupta, president of [Accelper Consulting](#), writes a monthly column for InsideSixSigma. He has been involved with Six Sigma since its inception at Motorola. He helps organizations in solving a variety of problems, or in capitalizing on opportunities for improvement. He has authored several books including Six Sigma Business Scorecard (McGraw-Hill Professional, 2003), and The Six Sigma Performance Handbook (McGraw-Hill Professional, 2004). He's the developer of the Six Sigma Business Scorecard, 4P-model of process management and a new innovation methodology—Brinnovation.*

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