

# North American Management Briefs

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## You Should Know...

### Class Warfare Coming?

According to the US Department of Labor median pay for CEOs of large corporations rose 27% in 2010. Pay increases for all workers in private industry rose by 2.1% in 2010 reports *USA Today*.

**The Point:** It does seem a little out of balance.

### Role Reversal

A prison inmate at the Erie County Correctional Facility in New York broke up a fight between two corrections officers who were brawling over...a bag of potato chips.

**The Point:** Maybe it will be on YouTube.

### Great HR Work

In responding to a wave of suicides from overworked assembly-line workers manufacturing iPhones and iPads in China, the management is forcing all new workers to sign pledges that they will not kill themselves.

**The Point:** Some things you just cannot make up.

### That's Growth

The *Los Angeles Times* reports the US Coast Guard has raised its weight estimate for the average US boat passenger from 160 to 185 pounds. This will reduce the maximum passenger capacity of ferries and charter boats in US waters.

**The Point:** The economy may be soft, but at least we're eating well.

### May's Quote

*"An error does not become a mistake until you refuse to correct it."*

John F. Kennedy

## Leadership Part II

Several years ago this newsletter addressed the subject of leadership and described its components based upon the landmark work done by Dr. Daniel Goleman of Harvard on the subject. It was easily the most popular newsletter and as such we would like to address the issue again in light of today's business environment.

Succeeding in business requires taking risks. Managers that are fearful don't take even the most measured risks. Fear is more acute during difficult economic times, exactly when we most need to take risks. That's where leadership comes in. Leadership provides confidence and minimizes fear of risk taking.

Leadership then is an essential management tool and... encouragingly we all can improve our leadership skills.

The qualities traditionally associated with leadership are intelligence, toughness, determination, and vision. They are certainly required for success, but are not by themselves sufficient to produce a successful leader. Successful leaders are distinguished by a high degree of emotional intelligence. Its components are self-awareness, self-regulation, motivation, empathy, and social skills.

Yes, these sound "soft" and unbusinesslike, but Dr. Goleman conclusively proved that there are direct ties between emotional intelligence and measurable business success. Let's review.

- **Self-awareness**, the ability to recognize and understand one's own moods, emotions, and drives.

- **Self-regulation**, the ability to control or redirect disruptive impulses and moods.
- **Motivation**, a passion to work for reasons that go beyond money or status.
- **Empathy**, the ability to understand the emotional makeup of other people.
- **Social skills**, proficiency in managing relationships and building networks.

Note that four of the five components of emotional intelligence relate directly to how one interacts with others and herein lies the secret. Leadership requires followership. No matter how skilled a leader, if he/she hasn't earned the trust and respect of the followers, they will be ineffective. Personality and leadership style, be it democratic or autocratic, is nowhere near as important as fostering followership which in turn minimizes fear, which in turn reduces the risk in decision making.

**The Point:** Fear is the most destructive element to successful organizational decision making and leadership is the most effective antidote.

### Countries with the Highest Tax Rate (Total as % of GDP)

1	Denmark
2	Sweden
3	Italy
4	Belgium
5	Finland
6	Austria
7	France
8	Norway
9	Hungary
10	Slovenia

Source: OECD and World Bank