

# Seven Leadership Principles to Effectively Lead Any Organization

Leading and operating an organization successfully requires managing it in a systematic and visible manner. Success should result from implementing and maintaining a management system that is designed to continually improve the effectiveness and efficiency of the organization's performance by considering the needs of interested parties. These leadership principles are adapted from the ISO 9001 Quality Management System Standard.

Top leadership should establish a customer/-oriented organization

- a. By defining systems and processes that can be clearly understood, managed and improved in effectiveness as well as efficiency and
- b. By ensuring effective and efficient operation and control of processes and the measures and data used to determine satisfactory performance of the organization.

## Principle 1 - Customer Focus

### Rationale

*Sustained success is achieved when an organization attracts and retains the confidence of customers and other interested parties on whom it depends. Every aspect of customer interaction provides an opportunity to create more value for the customer. Understanding current and future needs of customers and other interested parties contributes to sustained success of an organization*

### Statement

Customer focus means putting your energy into satisfying customers and understanding that profitability comes from satisfied customers. Top Leadership should communicate customer needs and expectations throughout the organization. An active management system strategy encourages open communication thorough out the organization so all departments are on the same page.

A fluid management system helps organizations analyze customer requirements, define the processes that contribute to the achievement of a product or service that is acceptable to the customer and keep those processes under control. It also provides the framework for continual improvement to increase the probability of enhancing customer satisfaction. It provides confidence to the organization and its customers that it is able to provide products and services that consistently fulfill requirements.

### Key benefits:

- Increased revenue and market share obtained through flexible and fast responses to market opportunities.
- Increased effectiveness in the use of the organization's resources to enhance customer satisfaction.
- Improved customer loyalty leading to repeat business.
- Enhanced reputation of organization that can lead to expanded customer base.



## **Actions to take:**

- Research and understand customer current and future needs and expectations.
- Ensure that the goals and objectives of the organization are linked to customer needs and expectations.
- Communicate customer needs and expectations throughout the organization.
- Measure and monitor customer satisfaction and take appropriate actions.
- Systematically manage customer relationships.
- Ensure a balanced approach between satisfying customers and other interested parties (such as owners, employees, suppliers, financiers, local communities and society as a whole).
- Actively manage relationships with customers to achieve sustained success.

## **Questions to ask**

- How are customer needs identified, communicated and promoted throughout the organization? How are future customer needs identified?
- What is done to meet customer requirements? How measured? Are they exceeded?
- How is customer satisfaction measured? Are corrective actions taken when there are problems? How is this information used by management to improve the quality management system?
- Are customers satisfaction surveys used? Are there active or passive measures of customer satisfaction? Does the organization only measure customer complaints (dissatisfaction)?

# **Principle 2 - Leadership**

## **Rationale**

*Creation of unity of vision, purpose and engagement enables an organization to align its strategies, policies, processes and resources to achieve its objectives.*

## **Statement**

Leaders at all levels should establish unity of purpose and direction of the organization. They should create and maintain the internal environment in which people become fully involved in achieving the organization's vision. Leadership, commitment and active involvement of the top leaders are essential for developing and maintaining an effective and efficient system to achieve benefits for interested parties.

## **Key benefits:**

- People will understand and be motivated towards the organization's vision, purpose, goals and objectives.
- Activities are evaluated, aligned and implemented in a unified way.
- Miscommunication between levels of an organization will be minimized.



## **Actions to take:**

- Communicate the vision, mission, values, future, goals and objectives throughout the organization to increase awareness, motivation and involvement.
- Decide on actions to take to accomplish the organization's vision throughout the organization.
- Establish a culture of trust and integrity.
- Ensure that leaders at all levels are positive examples to people in the organization.
- Create an environment that encourages the involvement and development of people.
- Provide people with the required training and freedom to act with responsibility and accountability.
- Inspire, encourage and recognize people's contributions.

## **Questions to ask**

- How are the vision, mission and values established, maintained and promoted throughout the organization? Where is the evidence?
- How are goals and objectives flowed to appropriate levels of the organization? How are they measured? How is this information used by top leadership to monitor performance of the organization's overall vision?
- How does leadership promote awareness of customer requirements throughout the organization?
- How does top leadership assure that appropriate processes are established and documented?
- How does top leadership assure an effective and efficient quality management system is established and maintained? What evidence is available to support this claim?
- How is customer focus promoted and maintained in the organization?
- Is there evidence available that top leadership is actively involved in creating a sense of purpose and unity within the organization? How do they help assure people are actively involved in the achievement of goals and objectives? Are the human needs of the organization being met?

# **Principle 3 - Involvement of people**

## **Rationale**

*To manage an organization effectively and efficiently, it is important to involve all people at all levels and to respect them as individuals. Recognition, empowerment and enhancement of skills and knowledge facilitate the engagement of people in achieving the vision, goals and objectives of the organization.*

## **Statement**

People at all levels are the essence of an organization and their full involvement enables their abilities to be used for the organization's benefit. It is essential for the organization that all people are competent, empowered and engaged in delivering value. Competent, empowered and engaged people throughout the organization enhance its capability to create value.

## **Key benefits:**

- Improved understanding of the organizations goals and objectives by people in the organization and increased motivation to achieve them.
- Enhanced involvement of people in improvement activities.



- Enhanced personal development, initiatives and creativity.
- People being accountable for their own performance.
- People eager to participate in and contribute to continual improvement.

#### **Actions to take:**

- Communicate with people to promote understanding of the importance of their individual contribution.
- Promote collaboration throughout the organization.
- Facilitate open discussion and sharing of knowledge and experience.
- Empower people to determine constraints to performance and to take initiatives without fear.
- Recognize and acknowledge people's contribution, learning and improvement.
- Evaluate people's performance against their personal goals and objectives
- Accept ownership of problems and responsibility for solving them.

## **Principle 4 - Process approach**

#### **Rationale**

*An organization's management system is composed of interrelated processes. Understanding how results are produced by this system, including all its processes, resources, controls and interactions, allows the organization to optimize its performance.*

#### **Statement**

A desired result is achieved more efficiently when activities and related resources are managed as a process. For an organization to function effectively it has to identify and manage numerous linked activities. Any activity using resources and managed to enable the transformation of input into output, can be considered a process.

#### **Key benefits:**

- An increase in the confidence of customers and other interested parties as to the consistent performance of the organization.
- Transparency of operations within the organization.
- Improved, consistent and predictable results.
- Lower costs and shorter cycle times through effective and efficient use of resources.
- Encouragement and involvement of people and the clarification of their responsibilities.

#### **Actions to take:**

- Define objectives of the system and processes necessary to achieve them.
- Establish clear authority, responsibility and accountability for managing key activities.
- Understand the organization's capabilities and determine resource constraints prior to action.
- Focus on factors such as resources, methods, and materials that will improve key activities of the organization.



- Evaluate risks, consequences and impacts of activities on customers, suppliers and other interested parties.
- Continual improvement of processes based on objective measurement.
- Ensure the necessary information is available to operate and improve the processes and to monitor, analyze and evaluate the performance of the overall system.

### Questions to ask

- How is the interaction between the processes of the quality management system documented? Where is the information kept? How is it made available to the appropriate individuals? How is training provided for this process?
- Tell me how you perform this activity? Show me?
- What is the input into this process? What is the output?
- How does the output from this process link to another process?
- What are the objectives of this process? Where are they defined?
- How do you know when it's being performed correctly? What measurements of the process are taken?

## Principle 5 - Improvement

### Rationale

*Improvement is essential for an organization to maintain current levels of performance, to react to changes in its internal and external conditions and to create new opportunities.*

### Statement

Leadership should continually seek to improve the effectiveness and efficiency of the processes of the organization (proactive), rather than wait for a problem to reveal opportunities for improvement (reactive). Improvements can range from small-step ongoing continual improvement to strategic breakthrough improvement projects. The organization should have a process in place to identify and manage improvement activities. These improvements may result in change to the product, service or processes, or even to the organization.

### Key benefits:

- Improved process performance, organizational capabilities and customer satisfaction.
- Enhanced focus on root-cause investigation and determination, followed by prevention and corrective action.
- Improved ability to anticipate and react to internal and external risks and opportunities.
- Heightened drive for innovation.
- Flexibility to react quickly to opportunities.



## **Actions to take:**

- Promote establishment of improvement objectives at all levels of the organization.
- Ensure people are competent to successfully promote and complete improvement projects.
- Employ a consistent organization-wide approach to continual improvement of the organization's performance.
- Provide people with training in the methods and tools of continual improvement.
- Track, review and audit the planning, implementation, completion and results of improvement projects.
- Educate and train people at all levels on how to apply basic tools and methods to achieve improvement objectives.
- Integrate improvement considerations into the development of new or modified goods, services and processes.

## **Questions to ask**

- Is there evidence of continual improvement in the organization? Is it anecdotal or the result of planning and involvement of top leadership?
- Are there processes in place supporting continual improvement?
- How is this information used to improve products and/or services?
- Are the results of continual improvement communicated to the organization? Are there rewards for employees when quality objectives are met or exceeded?

# **Principle 6 - Evidence based decision making**

## **Rationale**

*Decision-making can be a complex process, and it always involves some uncertainty. It often involves multiple types and sources of inputs, as well as their interpretation, which can be subjective. It is important to understand cause and effect relationships and potential unintended consequences. Facts, evidence and data analysis lead to greater objectivity and confidence in decisions made.*

## **Statement**

Decisions based on the analysis and evaluation of data and information are more likely to produce desired results. Effective decisions are based on the analysis of data and information

## **Key benefits:**

- Informed and improved decision making processes.
- Increased ability to demonstrate the effectiveness of past decisions through reference to factual records.
- Increased ability to review, challenge and change opinions and decisions.
- Flexibility and speed of joint responses to changing market or customer needs and expectations.
- Improved operational effectiveness and efficiency.



**Actions to take:**

- Determine, measure and monitor key indicators to demonstrate the organization's performance.
- Ensure that data and information are sufficiently accurate, reliable and secure.
- Make data accessible to those who need it.
- Analyze and evaluate data and information using suitable methods.
- Make decisions and take actions based on factual analysis, balanced with experience and intuition.
- Ensure people are competent to analyze and evaluate data as needed.

## **Principle 7 - Relationship management**

**Rationale**

*Interested parties influence the performance of an organization. Sustained success is more likely to be achieved when an organization manages relationships with its interested parties to optimize their impact on its performance. Relationship management with its supplier and partner network is often of particular importance.*

**Statement**

For sustained success, an organization manages its relationships with interested parties, such as suppliers, volunteers and vendors.

**Key benefits:**

- Common understanding of goals and values among interested parties.
- Enhanced performance of the organization and its interested parties through responding to the opportunities and constraints related to each interested party.
- Optimization of costs and resources.
- A well-managed supply chain that provides a stable flow of goods and services.

**Actions to take:**

- Establishing relationships that balance short-term gains with long-term considerations.
- Pooling of expertise and resources with partners.
- Identifying and selecting key suppliers.
- Clear and open communication.
- Sharing information and future plans.
- Establishing joint development and improvement activities.
- Inspiring, encouraging and recognizing improvements and achievements by suppliers.

