Public Utility Leader

Public Utility Leader

WWW 5800

7 contact hours
9 CC10 hours

The traditional definition of leadership is evolving in today's multi-generational and multi-cultural workplace. Whether you are an operator, team leader or superintendent this course will give you the tools and skills needed to be successful in leading others in a diverse workforce. Participants will learn the difference between a leader and a manager; how to effectively delegate work and set realistic goals and expectations; and how to document performance and provide constructive feedback. Other topics will include performance evaluation dos and don'ts and how to reward and recognize good performance.

1. Identify differences between a leader and a manager.
2. Identify successful ways to delegate work.
3. Discuss strategies to set realistic goals and expectations.
4. Illustrate how to document performance and provide constructive feedback.

Agenda:

8:00 AM to 8:30 AM	Introduction
8:30 AM to 10:00 AM	Leaders and managers
10:00 AM to 11:30 AM	Work delegation
11:30 AM to 12:30 PM	LUNCH
12:30 PM to 1:30 PM	Setting goals and expectations
1:30 PM to 2:30 PM	Documenting performance
2:30 PM to 3:30 PM	Constructive feedback
3:30 PM to 4:00 PM	Post-test; Evaluations

Public Utility Leader

LEADERSHIP
Challenges   Motivation
Strategy   Teamwork
Vision   Goal
Management

McET

ENVIRONMENTAL, HEALTH,
AND SAFETY TRAINING

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Process Training Sessions

Before class starts, please:
- **Sign in** on Attendance Sheet
- **Fill out** registration form

During class, please:
- **Asks questions**
- Feel free to get up and leave the classroom at any time (e.g., rest rooms, phone calls, etc.)

At the end of class, please:
- Answer questions on post test
- Evaluate the class on form provided

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Housekeeping

- Start time – 8:00 am
- Please mute/silence cell phones
- 10-minute Breaks – every hour
- Lunch ~ 11:30 am – 12:30pm
- End class ~ 3:30 – 4:00 pm

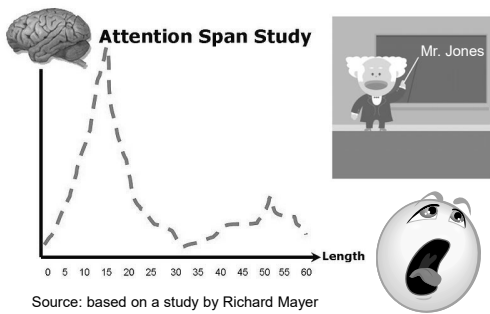Utility Leadership   3

Instructor Expectations

- Begin and end class on time
- Be interactive
- Share experiences and needs
- Less lecture, more discussions
- ***Make this an enjoyable and informative experience!***

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Attention Span - Lectures

Attention Span Study

Mr. Jones

Length

0   5   10   15   20   25   30   35   40   45   50   55   60

Source: based on a study by Richard Mayer

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Ground Rules

- Discussion is encouraged
- Participate at your own comfort level
- Use terms and examples, we all can understand
- Everyone is different, so please show respect for others in the room
- Listen with an open mind
- Express opinions and ideas

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Introduction

Class Objectives

Why are we Here?

- To discuss leadership styles along with skills and competencies needed by utility leaders
- To **promote** effective management performance success through employees
- To consider how to **sustain** high performance management…

Learning Objectives

1. To define an effective utility leader
2. To identify what utility leaders need-to-know:
   - The organization
   - Themselves
   - Their organization employees
   - Empowerment – employee, team and leadership roles
3. To discuss the emergence of:
   - "Effective Utility (Water and Wastewater) Management" (2008/2017)

Learning Objectives

- Explain why utility leaders and employees are key contributors to organizational effectiveness
- Identify the needs of first-time and established leaders
- Explain how organization dynamics influence the style, effectiveness and efficiency of utility leaders

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AGENDA

I. Mission, Vision, Values, Strategy
II. What is Leadership?
   a. Are leaders born or made?
   b. Leadership Theories
   c. Effective Leaders
III. Effective Utility Leadership
IV. Leadership versus Management
   a. Effectiveness versus Efficiency
   b. Effective Utility Performance

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Ice Breaker and Discussion

- Let's introduce ourselves:
  - Name
  - Job location
- Facilitated discussion:
  - How does your organization recruit/promote utility leaders?
  - Is there room for improvement in the hiring/promotion process?
  - How motivated are most leaders?

    (Allow 20 to 30 minutes for reflection and discussion)
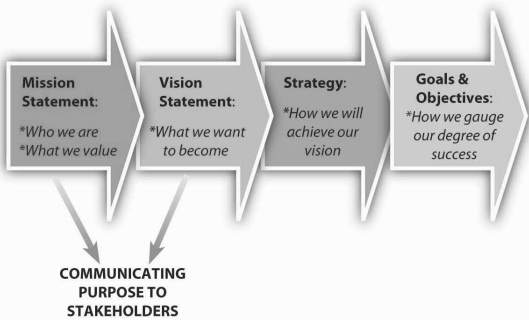
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Effective Utility Performance

Mission, Vision, Strategy, Values

Mission, Vision, Strategy

| Mission Statement: *Who we are *What we value | Vision Statement: *What we want to become | Strategy: *How we will achieve our vision | Goals & Objectives: *How we gauge our degree of success |

COMMUNICATING PURPOSE TO STAKEHOLDERS

Mission, Vision, Strategy

- **Mission** - Purpose for existence; defines business in terms of product and quality
- **Vision** - Dream or a picture of what's to be achieved; provides direction and focus
- **Strategy -** A plan; how the plan will be executed to achieve end-results of a Vision
- **Values** - principles or standards of behavior judged important to the mission
- **Objectives and Goals**- How to achieve desired results in measurable terms

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Example Mission Statement

"We are innovative professionals working together to provide safe drinking water and lead environmental protection efforts for today and tomorrow."

"We produce safe drinking water, clean wastewater discharges, exceptional quality biosolids, and renewable energy using integrity and innovation."

Simplified Vision Statement
Environment and People – the Best of Both

Vision, Strategy, and Objectives

SMART
- Specific
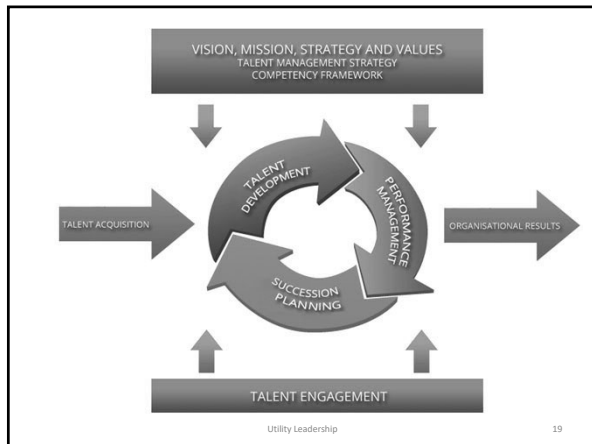- Measurable
- Achievable
- Realistic
- Time-related

Mission, Vision, Strategy

True leaders see things differently. They are guided by another belief more in keeping with the competitive world in which they live. They believe, "If it ain't broke, you're not looking hard enough."

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Strategic Organizational Alignment
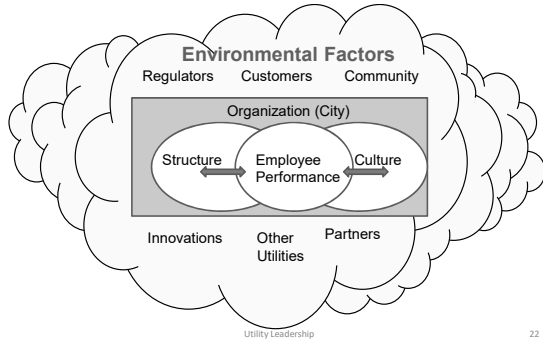

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Mission, Vision, Strategy

- An organization that is aligned behind its strategy will execute and achieve results
- However, counterproductive behaviors and cultures that take root can impede an organization's strategy and ultimately its success
- Strong organizations make teamwork and collaboration top priorities

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What Affects Employee Performance?

Environmental Factors

Regulators   Customers   Community

Organization (City)

Structure   Employee Performance   Culture

Innovations   Other Utilities   Partners

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Employee Motivation

"I can fix don't know, but I can't fix don't care…!"

Anonymous

DON'T KNOW

DON'T CARE

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The pursuit of mediocrity is always successful

Organization Mediocrity

- Causes of organization mediocrity - Poor plans, bad performance measures, weak management, unmotivated workforce
  - Lack of meaningful, results-oriented performance measures
  - Failure to address management deficiencies
  - Poorly defined program purpose
  - **Poor employee performance and morale**

Employee Performance

- Today's Utilities **_are focusing_** on motivating employees:
  - Employee growth and development (Morale)
  - Diversity and inclusion (Cultural perspectives)

MOTIVATION

GOAL   VISION   ADMIRE   SUPPORT   TEAMWORK   MENTOR   PERFORMANCE   SUCCESS

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Employee Performance

- **All** employees:
  - Play a critical role in organizational performance
  - Share in the accountability and ownership of organizational success

Motivating Employees

- Leaders and managers:
  - Concentrate on bringing out the best in people
  - Embrace a perception that employees are assets
  - Give employees the tools to empower themselves and make valuable contributions
  - Recognize that employees want to succeed in their jobs and are happier and more productive when they do succeed

Frederick Herzberg's Motivation Factors

Motivating Factors	Hygiene Factors	
Achievement	Company Policy	Demotivators if not adequate
Recognition	Supervision	
Responsibility	Relations - Boss	
Challenge	Work Conditions	
Promotion	Pay & Benefits	
Growth	Co-Workers	
	Job Security	

Motivating Others

- Employee Involvement
- Self-Directed Work Teams
- Integrated Technologies
- Organizational Learning
- Process Improvements
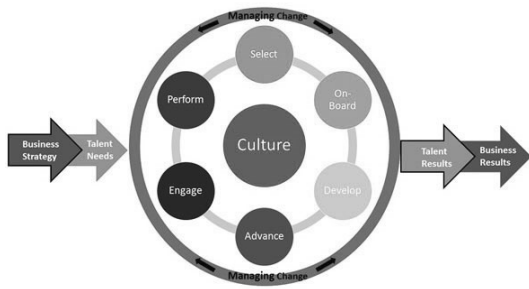
What's the Challenge in the W/WW Industry

"No single intervention or change can fix every problem. But if **employee behavior** is ignored, then nothing else will work as well as it might."

Dan Goleman, "Working with Emotional Intelligence", 1998; and "The Emotionally Intelligent Workplace", 2001
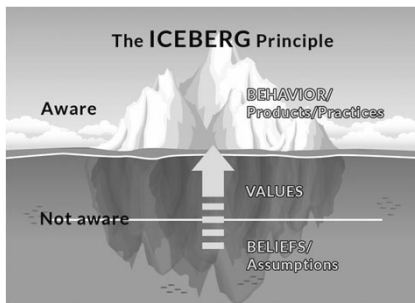
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Developing Organizational Culture

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Developing Organizational Culture

The **ICEBERG** Principle

Aware — BEHAVIOR/Products/Practices

Not aware — VALUES — BELIEFS/Assumptions

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Strategic Outcomes

- **Operational excellence**
- Organizational competency and culture
- Community engagement
- New ideas and innovations
- Watershed partnerships that enhance collective management
- Diversified revenue

What is Vision?

- The ability to see the present as it is and formulate a future that grows out of and improves upon the present
- An idea of the future; an image, a strongly felt wish
- A target toward which a leader aims their energy and resources

Effective Utilities

Communicate a Mission, Vision and Strategy

When shared by employees, a vision can keep an entire company moving forward in the face of difficulties, enabling and inspiring leaders and employees alike. Moving toward the same goal, individuals work together rather than as disconnected people brought together because of having been hired coincidentally by the same organization.

Key Strengths of Utilities

Strong and Inspiring Visions:

High Performance Organizations develop a strong vision that excites and challenges employees with an envisioned, meaningful, compelling and persuasive vision.

Mission, Vision, Strategy

- **Organizations whose leaders have no vision** are doomed to work under the burden of mere tradition
- They cannot prosper and grow because they are reduced to keeping things the way they have always been; status quo; they are guided by the saying, "If it ain't broke, don't fix it."

Common Components

Leadership
Stakeholders
Culture
Strategy
Talent

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Common Components

- **Leadership** – Do leaders (at all levels) exemplify the behaviors that support the culture and allow the workforce to execute the strategy?
- **Stakeholders** – Is the organization prepared to anticipate, adapt, and act on customer demands and regulatory changes?
- **Strategy** – Are strategies aligned with stakeholder needs? More importantly, is the organization aligned to ensure the execution of those strategies?

Common Components

- **Talent** – Can the organization recruit, develop, and retain the right talent to maintain a competitive advantage and achieve desired business outcomes?
- **Culture** – Does the organization's culture enable an empowered workforce to execute the strategy at the speed the utility requires?

Effective Utility Organization Framework

- ***Cultural characteristics:***
  - Empower and encourage people - give employees freedom to decide and act
  - Establish clear, strong and meaningful core values
  - Develop and maintain a performance-driven culture
  - Create a culture of transparency, openness and trust
  - Create a shared identity and a sense of community
  - Develop an adaptive culture to achieve long-term success

Utility Leadership

What is Leadership?

WHAT IS LEADERSHIP?

What is Leadership?

Leadership is a behavior,
not a position.

It's about having the courage and spirit to move from whatever place you're in to make a significant difference.

Source: Kouzes & Posner, *"The Leadership Challenge"*

What is Leadership?

- "Leadership:
  - Isn't:
    - Seniority, title or position in the hierarchy of a utility
    - Management; "Management is doing things right; leadership is doing the right things" – Peter Drucker
  - **Includes:**
    - "Empowering others" – Bill Gates
    - "Looking into the future and seeing the organization, not as it is, but as it should be" – Jack Welch
    - "The capacity to translate vision into reality" - Warren Bennis
    - "Influence - nothing more, nothing less" - John Maxwell

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What is Leadership?

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What is Leadership?

- **DEFINITION**: "Leadership is a process of influence and social interaction, maximizing the efforts of others and achievement of a goal"
  - Leadership:
    - Stems from *social interaction influence*, not authority or power but people skills and emotional intelligence
    - Requires others, and that implies "*others*" don't need to be "direct reports"; maximizes *others'* efforts
    - No mention of personality traits, attributes, or title; many leadership styles and paths
    - Includes *a goal*, not just influence with no intended outcome

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Utility Leadership

Are Leaders Born or Made?

Are Leaders Born or Made?

- Since Thomas Carlyle and the Great Man Theory (1840s) the question has divided people into three camps:
  - Those who think leaders are born with innate leadership abilities (i.e., nature)
  - Those who believe leaders are tested, forged and developed under adversity (i.e., nurture)
  - Those who feel that both nature and nurture are essential for a leader's development

Are Leaders Born or Made?

BORN OR MADE?

Leadership Trait Theory	Behavioral Theory of Leadership
Born	**Made**

Trait Theories	Behavior Theories
Leader effectiveness based on personal characteristics	Leader effectiveness based on task and relationship orientation
Assumes leaders are born	Assumes leaders can be trained
Theories' goal – select leaders	Theories' goal – develop leaders
Leader must have certain inherent, innate qualities	Leaders have more "democratic" kinds of qualities
Focus on mental qualities	Focus on leader actions

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Trait Theory of Leadership

Trait Theory of Leadership

Knowledge of the business
Initiative
Tenacity
Energy
Decision Making Skills
Flexibility
Creativity
Charisma
Emotional Intelligence
Drive and Motivation
Confidence
Honesty and Integrity

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Behavior Theory of Leadership

Self   Social

Recognition

Self Awareness   **Social Awareness**

Self- Confidence   Empathy

Emotional Self Awareness   Organisational Awareness

Accurate Self Assessment   Understanding the environment

Regulation

Self Management   **Social Skills**

Self- Control   Influence

Trustworthiness   Inspirational Leadership
Conscientiousness   Developing others
Adaptability   Influence
Drive and motivation   Building bonds
Initiative   Team Work and Collaboration

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Behavior Theory of Leadership

- Most effective leaders are alike in one crucial way:
  - All have high levels of emotional intelligence (E.I.) or emotional quotient (E.Q.)
  - Intelligence quotient (I.Q.), experience and technical skills are threshold requirements

IQ gets you hired

EQ gets you promoted

Leadership and Management

- Both theories teach managers valuable lessons about management and leadership
- Different people and organizations understand leadership differently
- Both trait and behavior theories contain significant limitations
- Trait and behavior theories are the basis for the leaders "made or born" debate

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Are Leaders Born or Made?

"Of course leaders are born…then they are made"

Anonymous

Are Leaders Born or Made?

- Individual characteristics given at birth, like confidence, creativity, and effective communication, impact the type of leader someone is, whether relational, strategic, or administrative
- But life-long, real-life development of a leader impacts his or her effectiveness
- While *nature* impacts **how** one leads, *nurture* impacts the **effectiveness** of one's leadership

Are Leaders Born or Made?

- For instance;
  - Abraham Lincoln, Martin Luther King, Jr., Nelson Mandela, Maya Angelou, Eleanor Roosevelt, Steve Jobs, Bill Gates, Mark Zuckerberg, and Warren Buffett…all were (and are) great leaders
  - They each succeeded in their own sphere, whether it be business, politics, humanitarianism, or literature…and each with unique situations, strategies and paradigms
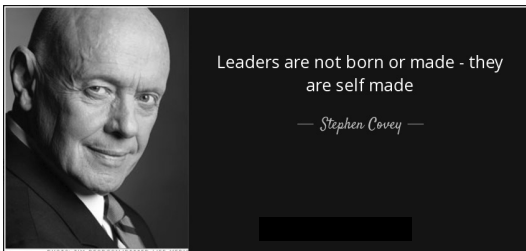
Are Leaders Born or Made?

Leaders are not born or made - they are self made

— *Stephen Covey* —

Utility Leadership

Theories of Leadership

Theories of Leadership

Theories of Leadership

THEORIES OF LEADERSHIP

- Great Man Theory
- Trait Theory
- Behavioral Theories
- Contingency Theories
- Charismatic Leadership Theory
- Transactional Leadership Theory
- Transformational Leadership Theory

Evolution of Leadership Theories
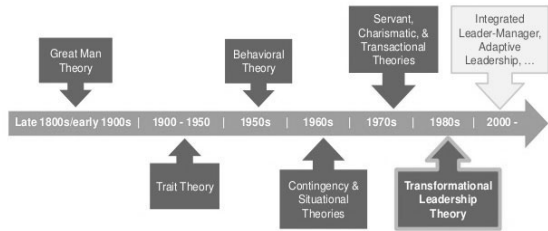
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Theories of Leadership

- "Great Man" Theory (1840s):
  - "Born to lead" (not made)
  - Portray great leaders as heroic, mythic and destined to rise to leadership
  - Leadership - primarily a male quality, especially in terms of military leadership
  - Very much a "nature" approach to explaining leadership

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Great Man Theory

Great Man Theory
In the 1840s Thomas Carlyle suggests **great leaders are born, not made.**

INTRINSIC LEADERSHIP TRAITS DEFINING A DESTINED LEADER:

Intelligence   Sociability
Confidence   Charisma
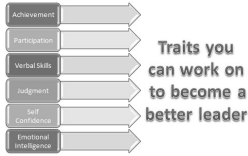
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Theories of Leadership

- Trait Theories (1930s – 1940s):
  - Assume people inherit certain qualities and traits that make them better suited to leadership; again a nature approach
  - Often identify personality or behavioral characteristics shared by leaders, e.g., extroversion, self-confidence, and courage

Achievement
Participation
Verbal Skills
Judgment
Self Confidence
Emotional Intelligence

Traits you can work on to become a better leader

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Trait Theory

Trait Theory (2)

In the early 1900s, researchers **summarized traits held by great leaders throughout histories.**

PROPOSAL - ORGANIZATIONS WILL BE BETTER IF LEADERS HOLD THESE TRAITS:

- Intelligence
- Confidence
- Determination
- Integrity
- Sociability
- (5) The Big Five Personality Factors

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Theories of Leadership

- Behavior Theories (1940s – 1950s):
  - Assume leaders are made, not born; a "nurture" approach
  - Focuses on the actions of leaders, not on mental qualities
  - People can *learn* to become leaders through teaching, learning and observation

Behavioral Theory

Leadership behaviors can be taught.
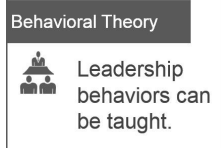
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Behavioral Theory

Behavioral Theory

3 Rooted in the behaviorism movement in the 1950s, this theory asserts that **people can learn how to become leaders through teaching and observation.**

VIEWING LEADERSHIP AS A SET OF BEHAVIORS:

1 Research Behavior of Leaders

2 Create a Behavior Taxonomy

3 Identify Key Leadership Styles

TASK vs RELATIONSHIP BEHAVIOR

BLAKE AND MOUTON'S

CONCERN FOR PEOPLE

MANAGERIAL GRID
CONCERN FOR PRODUCTION

MANAGERIAL STYLES ❸ MIDDLE-OF-THE-ROAD MANAGEMENT
❶ IMPOVERISHED MANAGEMENT ❹ AUTHORITY-COMPLIANCE MANAGEMENT
❷ COUNTRY CLUB MANAGEMENT ❺ TEAM MANAGEMENT

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Theories of Leadership

- Contingency (Situational) Theories (1960s):
  - Focus on environmental variables that might determine which style of leadership is best suited for the situation
  - According to this theory, no leadership style is best in all situations
  - Success depends on leadership style, qualities of the followers and aspects of the situation

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Contingency Theory

Contingency Theory ④

SUPPORTIVE
DIRECTIVE

In the contingency approach, the leader's approach to making decisions **depends on the context and external factors.**

LEADERS MUST MATCH THEIR STYLE TO THE **COMPETENCY & COMMITMENT OF FOLLOWERS** INDICATED BY THEIR DEVELOPMENT LEVEL

DIRECTIVE
SUPPORTIVE

DIFFERENT COMBINATIONS LEAD TO 4 CATEGORIES:

High Low   High High   Low High   Low Low

FOLLOWERS MOVE ALONG THE DEVELOPMENTAL CONTINUUM

COMMITMENT   **COMPETENCE**

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Theories of Leadership

- Charismatic Theories (1970s):
  - Ability to charm and persuade
  - When an organizational leader is capable of inspiring and triggering emotional responses in followers, that leader is said to be charismatic
  - True charismatic leadership evokes genuine emotional changes in others

CHARISMATIC LEADERSHIP

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Theories of Leadership

- Transactional (Management) Theories (1970s):
  - Focus on the role of supervision, organization and group performance
  - Base leadership on a system of rewards and punishments
  - When employees are successful, they are rewarded; when they fail, they are reprimanded or punished

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Transactional Theory

5 Leader-Member Exchange Theory
The quality of an exchange between leaders and their followers **impact responsibilities and decisions of followers and how leaders treat them.**

THE LMX THEORY is centered on the **RELATIONSHIPS & INTERACTIONS** between ====== **LEADERS & FOLLOWERS**

THESE RELATIONSHIPS HAVE THREE STAGES

❶ ROLE TAKING
Leader assesses the abilities and talents of a new follower

❷ ROLE MAKING
Exchanges between leader and follower create a negotiation in which the subordinate's role is determined

Throughout this process, research shows that
IT HELPS TO BE SIMILAR TO THE LEADER

❸ ROUTINIZATION
The social exchange between leader and follower becomes established

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Transactional Theory

Transactional Leadership Theory ⑥
This theory refers to the leadership styles based on exchanges between leaders and followers, **and are transactional in nature.**

FOR EXAMPLE
A manager offering a promotion to employees in exchange for effort and performance

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Theories of Leadership

- Transformational (Relationship) Theories (1980s):
  - Focus on connections formed between leaders and followers
  - Motivate and inspire people by helping group members see the importance and higher good of the task
  - Focused on the performance of group members, but also want each person to fulfill his or her potential
  - High ethical and moral standards

Transformational Theory

⑦ **Transformational Leadership Theory**
Transformational leaders have vision and passion, and inspire change in people they lead; **this style of leadership is a process that changes people.**

TRANSFORMATION CAN OCCUR IN FOLLOWER'S VALUES, LONG-TERM GOALS, STANDARDS, EMOTIONS, AND ETHICS

THE FOUR I'S
========
IDEALIZED INFLUENCE
Leaders act as a role model for followers and set standards of excellence
INSPIRATIONAL MOTIVATION
Leaders use visions of organizational success, shared responsibility and togetherness
INTELLECTUAL STIMULATION
Leaders stimulate creativity and challenge the status quo
INDIVIDUALIZED CONSIDERATION
Leaders provide support and understanding to employees on an individual level and personally invest in their lives and careers

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Theories of Leadership

- Participatory Theory (1960s):
  - **System 1. - Exploitative Authoritative**: decisions made by the leader only
  - **System 2. - Benevolent Authoritative**: leader considers employees but makes decisions alone
  - **System 3. - Consultative**: leader listens to employees' ideas, but still makes the final decision
  - **System 4. - Participative**: leader shows great concern for employees' ideas and includes them in the decision-making process

Adapted from Rensis Likert, The Human Organization, (New York: McGraw-Hill, 1967)
Adapted from Marvin Weisbord, "Why Organizational Development Hasn't Worked (So Far)"

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Likert's Organizational Systems

	SYSTEM 1 (Exploitative Autocratic)	SYSTEM 2 (Benevolent Autocratic)	SYSTEM 3 (Consultative)	SYSTEM 4 (Participative)
COMMUNI-CATION	Down Only	Mostly Down	Up and Down	Up, Down, and Sideways
GOALS SET	Top Down	Top Down	At Top, with Consultation	Group Participation
TEAMWORK	None	Little	Some	Much
EMPLOYEE MOTIVATION	Security Money	Status	Growth Recognition	Identity Achievement Influence
EMPLOYEE ATTITUDES	Hostile	Mixed (toward negative)	Mixed (toward) positive	Favorable
OUTPUT	Mediocre	Fair to Good	Good to Excellent	Excellent

Adapted from Rensis Likert, The Human Organization, (New York: McGraw-Hill, 1967)
Adapted from Marvin Weisbord, "Why Organizational Development Hasn't Worked (So Far)"

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Participative Theory

Participative Leadership Theory (8)

Involvement in decision making improves the **understanding of decision-makers.**

LEADER PARTICIPATION DEPENDS ON THEIR INVOLVEMENT OF TEAM IN DECISION MAKING

| EXPLOITATIVE | BENEVOLENT | CONSULTATIVE | PARTICIPATIVE |

Decision by Leader Only — — — — — — — — Great Concern for Employees Ideas & Inclusion in Decision Making

THE PARTICIPATIVE LEADERSHIP THEORY WORKS BEST WHEN

THE TASK IS	&	THE FOLLOWER NEEDS
AMBIGUOUS UNCLEAR UNSTRUCTURED		AUTONOMY CONTROL CLARITY

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Effective Leaders

Effective Leaders

- "Emotional intelligence, more than any other factor, more than I.Q. or experience, accounts for 85% to 90% of (a leader's) success at work. I.Q. is a threshold competence. You need it, but it doesn't make you a star. Emotional intelligence can." – Warren Bennis

Balanced performance & decision making

Self awareness
Motivation
Self management
Social skills
Empathy

Five Components of Emotional Intelligence

- ***Self Awareness:*** ability to recognize and understand moods, emotions and drives as well as their affect on others
- ***Motivation:*** a passion to work for reasons that go beyond money and status
- ***Self Management:*** ability to control and redirect disruptive impulses and moods
- ***Social skills:*** proficiency in communicating, managing relationships and building networks
- ***Empathy:*** ability to understand the emotional make up of other people

Build Self-Awareness

- Assess yourself and the situation
  - What do I and others perceive as my strengths?
  - What do I and others perceive as my development needs?
  - What are the requirements of my current and future assignments?
  - What are the types of challenges that would aid my development?

Communication

Communication Skills
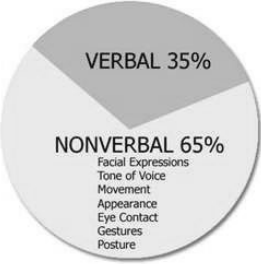
- Communicate well with:
  - Upper manager
  - Team members
  - Customers
- Communications might involve:
  - Giving bad news
  - Enforcing organizational rules

Key Elements Of Successful Communication

- The words you use
- Your tone of voice
- Your body language

Albert Mehrabian (1967)

Effective Communication

Key Concepts

VERBAL 35%

NONVERBAL 65%
Facial Expressions
Tone of Voice
Movement
Appearance
Eye Contact
Gestures
Posture

- Non-Verbal
- Feedback Loop
- Active Listening
- Pause
- Open Ended Questions
- Language Barriers

The most important thing in communication is hearing what isn't said.
Peter Drucker

Successful Speaking Strategies

- **Significance** –clear communication is powerful
- **Substance** – make it meaningful/important
- **Sincerity** – honest & authentic
- **Sell it** – believe in your vision & message
- **Say it Again & Again** – constantly refer to your vision
- **Stance** – be aware of your nonverbal communication
- **Specialize** – talk TO people, not over their heads or beneath them
- **Study** – be prepared, have a compelling argument
- **Style** – find your unique speaking style, personality
- **Simplify** – use small, short words; simple messaging
- **Stories** – include original stories and personal examples
- **SMILE**

Effective Leaders

- Emotional intelligence (E.I.) or emotional quotient (E.Q.) is the ability to:
  – Accurately perceive your own and others' emotions
  – Understand the signals that emotions send about relationships
  – Manage your own and others' emotions
- Sometimes referred to as "people skills" or "soft skills"

Effective Leaders

- The greatest leaders have a combination of skills essential to effective leadership such as:
  – Self-awareness and regulation
  – Self-motivation, social skills, and empathy
- They are learned every day through real-life relationships with other people

Effective Leaders

- The difference between a great leader and an average one largely hinges on emotional intelligence
- Just like any other skill, emotional intelligence skills can be learned and are the cornerstone of great leadership

Effective Leaders

DANIEL GOLEMAN

LEADERSHIP:

THE POWER *of* EMOTIONAL INTELLIGENCE

SELECTED WRITINGS
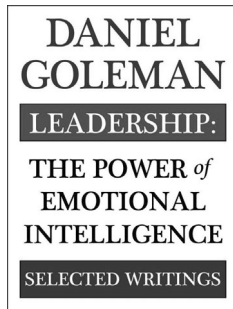
Effective Leaders

- Note the importance of "people skills' in the following "Five Rules of Leadership"
  - *Shape the future – "Strategic thinker"*
  - *Make things happen – "Executive"*
  - *Engage today's talent – "Talent manager"*
  - *Build the next generation – "Human asset developer"*
  - *Invest in themselves – "Self-learner"*
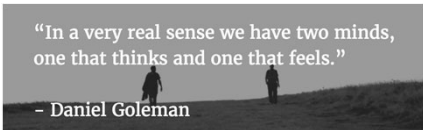
Effective Leaders

- *Shape the future – "Strategic thinker"*
  - Focuses on the question, "Where are we going?"
    - Strategists have a vision about the future and position organizations to create and respond to that future
    - Figure out where the organization needs to go; make sure others understand the direction as well
    - Test ideas against current resources (money, people, organizational capabilities)
  - Collaborates with others to figure out how to get from the present to the desired future

Effective Leaders

- "A leader is one who knows the way, goes the way and shows the way" – John C. Maxwell
- "Leadership is not domination; it's the art of persuading people to work towards a common goal" - Daniel Goleman

"In a very real sense we have two minds, one that thinks and one that feels."

– Daniel Goleman

Utility Leadership   97

Effective Leaders

- *Make things happen – "Executive"*
  - Focuses on the question, "How will we make sure we get to where we are going?"
    - Translates strategy into action and puts systems in place for others to do the same
    - Keeps promises to multiple stakeholders; actions revolve around discipline for getting things done and the technical expertise to get the right things done right
    - *Sees that performance measures are designed to track improvement progress*

Utility Leadership   98

Effective Leaders

- Understands how to make change, assign accountability, make and delegate decisions, and ensure teams work well together

Strategy

Change

Leadership

Utility Leadership   99

Effective Leaders

- *Engage today's talent – "Talent manager"*
  - Answers the question, "Who goes with us on our business journey?"
    - Identifies skill requirements, communicate extensively, and ensure employees turn in their best efforts
    - Generates intense personal, professional, and organizational loyalty
    - Helps employees develop themselves for the good of the organization

Utility Leadership   100

Focus - Employee Satisfaction

- Recruitment and Retention
- Codes of Conduct and Performance Policies
- Awards, rewards and compensation
  - Fair Pay
  - Incentive Pay/Bonuses
  - Skill Based Pay

Utility Leadership   101

Effective Leaders

- Know how to identify, recruit and engage talent to get results; ensure short-term results through people

Utility Leadership   102

Talent Management Lifecycle

- "The systematic attraction, hiring, deployment and development of individuals who are of particular value to the organization, either because they fulfil critical roles, or they possess high future potential"

Talent Management Lifecycle

- Recruitment and Selection:
  - Job descriptions and behavioral- and competency-based interview questions
- Onboarding:
  - New hire orientation, code of business conduct
- Performance Management and Recognition:
  - Performance goals and assessment, rotational assignments, mentoring, networking, career-pathing
- Development, Training and Succession Planning:
  - Core behaviors training, leadership programs

Employee Involvement

- Teach, mentor and motivate
- Provide knowledge, skills and information required to make good decisions
- Remove the barriers to empowerment; "bureaucracy busting"

EMPOWER ENHANCE ENGAGE ENABLE

Creating a Support System

- Identify coaches and mentors
  - Support you in acquiring a specific skill or overcoming a hurdle
  - Provide new perspectives
  - Provide constructive feedback about your progress
- Identify educational resources, coursework or training programs

Effective Leaders

- *Build the next generation – "Human asset developer"*
  - Answers the question, "Who stays and sustains the organization for the next generation?"
    - Ensures organization has long-term competencies required for future strategic success; succession planning
    - Helps future leaders be successful
    - Builds a workforce plan focused on future talent and helps employees see their future careers within the organization

Cultural Perspectives

- Age/generation
- National origin
- Race
- Sexual orientation
- Religion
- Disability
- Gender
- Education
- Work role/experience
- Personality
- Customs
- Geographic location
- Functional discipline
- Languages used
- Values
- Communication style
- Work Style
- Learning style
- Economic status
- Family situation
- Military experience
- Philosophical perspective

American Workforces are Changing
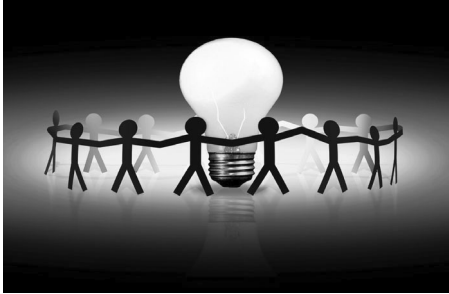
Distinction Between Diversity and Inclusion, Affirmative Action and EEO

Diversity and Inclusion	Affirmative Action	Equal Employment Opportunity
Leveraging differences in the workforce to achieve better results	The effort to achieve parity in the workforce through outreach and eliminating barriers in hiring	The enforcement of statutes to prevent employment discrimination

Benefits of Workforce Diversity and Inclusion

- Creates a work environment that allows everyone to reach their full potential
- Provides multiple perspectives on problem solving
- Better performance outcomes
- Increases employee productivity
- Improved understanding of those you work for, with, and around
- Increased retention rates
- Boosts employee morale

New Metaphor for American Culture

- Instead of "melting pot", consider a vegetable soup metaphor
- You can easily identify the unique flavors of the individual parts
- Members of various cultural groups may not want to be assimilated, they want their tastes, looks, and texture to remain whole
- To reap the benefits of diversity, you must employ *inclusive* work strategies

Cultural/Generational Differences

- Individual vs. **team work** orientation
- Visual vs. auditory vs. tactile learning styles
- Expressive (Extraverted) vs. introverted behavior
- Physical vs. non-physical
- Emotive vs. reserved personality
- Assertive vs. acquiescent behavior
- Gregarious vs. solitary social style
- Work vs. family focus
- Divergent vs. convergent thinking
- Long term vs. short term career planning

Effective Leaders

- *Invest in themselves – "Self-learner"*
  - Personal proficiency - learn from success, failure, assignments, books, classes, people, and life itself
    - Passionate about their beliefs and interests, they expend enormous personal energy on and give great attention to whatever matters to them
    - Effective leaders inspire loyalty and goodwill in others because they themselves act with integrity and trust
    - Decisive, confident and impassioned, effective leaders are capable of bold and courageous moves.

Effective Leaders

- Passionate about their beliefs and interests, they expend enormous personal energy on learning and give great attention to whatever matters to them

"Leadership and learning are indispensable to each other."

– John F. Kennedy

Effective Leaders

- Leadership traits can be grown and developed through training, self-learning and general life experiences
- Great leaders go through several stages of development:
  - Readiness
  - Willingness
  - Ability to lead

What is Learning?

- Understanding how and why we see things the way we do
- Challenging those judgments
- Developing new interpretations and new ways of seeing things
- Creating new possibilities for effective action
- It's personal, it belongs to the learner
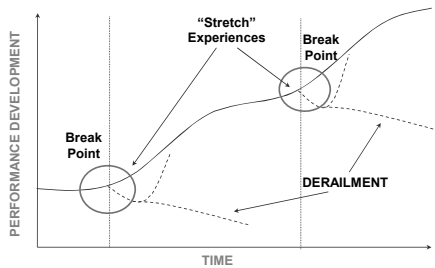- It's a continual journey

What Stretches Leaders?

- Common stretch experiences

  - Challenging job assignments
  - Significant other people
  - Hardships
  - Studies at pivotal moments

Learner Derailment

What does it take to be a learner?

- Admit that we don't know
- Recognize that there's an emotional dimension to learning; it takes courage and trust
- Let others be our teachers
- Make learning a priority
- Trust the process

Organizational Learning

- Build a continuous learning and improving organization
- Encourage personal learning, growth and change; requires seeking and using feedback
- Redesign, reengineer and reinvent key strategies, organizational structures and systems
- Benchmark and study "Best Practices"

Organizational Learning

- Gather information to anticipate change and prepare for adaptation
- Information put into the organization's memory to use in future situations
- Share information across functions
- Employees who are given room to grow are happier and show better performance than those who are micro-managed

Organizational Learning

FOUR ELEMENTS OF ORGANIZATIONAL LEARNING

Leaders are committed to organizational learning:
- Clear vision and goals for organizational learning
- Champions and role models

SUPPORTIVE LEADERS

CULTURE OF CONTINUOUS IMPROVEMENTS

Culture values organizational learning:
- Aligned beliefs and values
- Reinforcing incentives
- Commitment to measurement of results

Organizational learning processes are embedded into daily workflows:
- Defined processes to set learning agenda and capture, distill, apply, and share knowledge
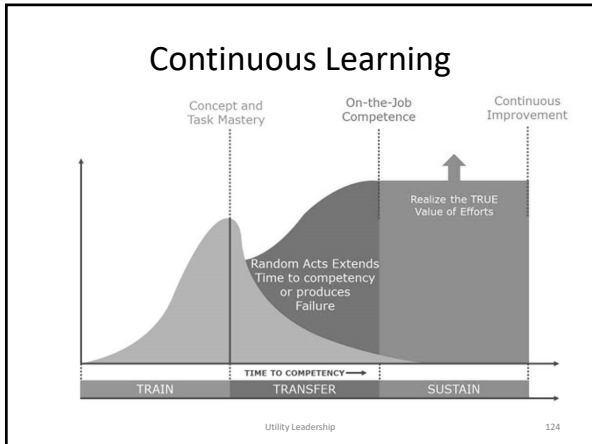- Technology platforms

INTUITIVE KNOWLEDGE PROCESSES

DEFINED LEARNING STRUCTURE

Organizational structure is aligned to support organizational learning:
- Defined roles and responsibilities for capturing, distilling, applying, and sharing knowledge
- Networks and coordination

Continuous Learning

Concept and Task Mastery

On-the-Job Competence

Continuous Improvement

Realize the TRUE Value of Efforts

Random Acts Extends Time to competency or produces Failure

TIME TO COMPETENCY →

| TRAIN | TRANSFER | SUSTAIN |

Utility Leadership
124

Learning is unpredictable

If you could predict it,
it wouldn't be learning.

Utility Leadership
125

Effective Leadership

ARE YOU AN EFFECTIVE LEADER?

Utility Leadership
126

Utility Leadership

Effective Leadership Utilities

Utilities Require "Leadership" Not Just Management

- Political Cycles and Changes

- Reinventing Government

- Competitiveness

- Labor Challenges

- Threat of privatization

Effective Utility Leadership

- What does "leadership" mean today?
- This question has become critical for water and wastewater utilities faced with an unprecedented array of challenges
- John Kotter (1996), in *Leading Change,* states that a leader:
    - ". . . defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles"
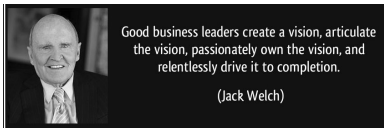
Effective Utility Leadership

- Water utilities are "operational excellence organizations" providing customers with:
  – Consistent, reliable, and dependable drinking water and wastewater services at low costs, which meet regulated water quality standards
- For a utility to successfully accomplish its mission, leadership must be aligned with the way the organization provides value to its customers

Utility Leadership 130

Effective Utility Leadership

- An important aspect of Kotter's leadership definition is that leaders "align people with an organization's vision"
- But what are the behaviors of utility leaders that define alignment?

Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion.

(Jack Welch)

Utility Leadership 131

Effective Leader Behaviors

- Effective leaders:
  – Create a vision
  – Develop followership
  – Implement the vision
  – Follow through
  – Achieve results
  – Encourage team playing

effective leaders have a vision

Utility Leadership 132

Effective Leader Behaviors

- "Great leaders always seem to embody two seemingly disparate qualities. They are both highly visionary and highly practical." John C. Maxwell
- "If you can't influence people, then they will not follow you. And if people won't follow, you are not a leader. That's the Law of Influence." John C. Maxwell

Utility Leadership 133

Effective Leader Behaviors

- Creating a vision and developing followership are leadership-oriented behaviors
  - Figuring out where the utility should head and moving people in that direction
- Implementing a vision, following through, and achieving results are management-oriented behaviors
- Team playing is about how the leader relates to people, e.g., people skills

Utility Leadership 134

2009 AWWA Leadership Study[1]

- Study data indicated that utility leaders included in the study were:
  - Often reluctant to take on leadership roles
  - More comfortable with the management, technical and process side of work
  - Careful and tended to do what worked well in the past

[1] JANUARY 2010 I JOURNAL AWWA • 102:1 GERSTBERGER & GROMALA

Utility Leadership 135

2009 AWWA Leadership Study

- The study data also indicated that utility leaders included in the study were:
  - Reluctant to function in a results-oriented manner
  - Reluctant to hold their employees accountable
  - Complacent and often refrained from monitoring what was happening in their organizations

Utility Leadership   136

2009 AWWA Leadership Study

Pattern #1:

- Focus on leadership behaviors did not necessarily increase with age or tenure of the leader
- Therefore, the practice of promoting based on seniority may be providing a disservice to the organization from a leadership perspective

Utility Leadership   137

2009 AWWA Leadership Study

Pattern #2:

- Not all utility leaders were taking a proactive leadership roles in the operation of their organization
- Some leaders apparently cannot or believe they cannot significantly influence the direction or results of their organizations

Utility Leadership   138

2009 AWWA Leadership Study

Pattern #3:

- Most leaders tend to focus more on hands-on involvement in day-to-day activities (tactical) rather than in looking ahead and planning the future (strategic)

Utility Leadership 139

2009 AWWA Leadership Study

Pattern #4

- There was a decided lack of focus on visionary results on:
  - Following through in implementing a vision for the organization
  - Making the vision a reality

Utility Leadership 140

Effective Utilities

Frameworks

Effective Utilities

- Four Frameworks:
  – Likert's Organizational Systems (LOSs) – 1967
  – Balanced Scorecard (BSC) – 1992; 1996
  – High Performance Organizations (HPOs) – 1992
  – Effective Utility Management (EUM) – 2008; 2017

Likert's Organizational Systems

	SYSTEM 1 (Exploitative Autocratic)	SYSTEM 2 (Benevolent Autocratic)	SYSTEM 3 (Consultative)	SYSTEM 4 (Participative)
COMMUNI-CATION	Down Only	Mostly Down	Up and Down	Up, Down, and Sideways
GOALS SET	Top Down	Top Down	At Top, with Consultation	Group Participation
TEAMWORK	None	Little	Some	Much
EMPLOYEE MOTIVATION	Security Money	Status	Growth Recognition	Identity Achievement Influence
EMPLOYEE ATTITUDES	Hostile	Mixed (toward negative)	Mixed (toward) positive	Favorable
OUTPUT	Mediocre	Fair to Good	Good to Excellent	Excellent

Adapted from Rensis Likert, The Human Organization, (New York: McGraw-Hill, 1967)
Adapted from Marvin Weisbord, "Why Organizational Development Hasn't Worked (So Far)"

Balance Scorecard Framework

- Kaplan and Norton; 1992, book in 1996
- Four basic perspectives:
  - **Financial** – tracking financial performance
  - **Customer** – tracking customer satisfaction, attitudes and service delivery performance
  - **Internal processes** – tracking internal operational performance to meet customer objectives
  - **Learning, growth and innovation** – tracking human resources, employee development, culture, capital assets, technology, informational systems, etc.

Utility Leadership 4

Balance Scorecard Framework
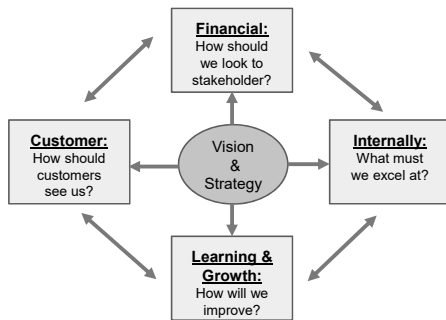
Utility Leadership 5

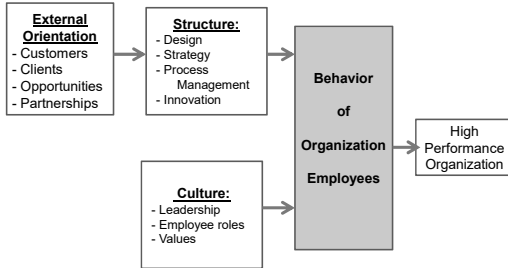## High Performance Organization Framework

- Brokaw, G.S. and Mullins, J.M., "In Pursuit of Higher Performance", Public Manager (~2007)
- De Waal, A, "What makes a High-Performance Organization?" Global Professional Publishing (~2012)
- De Waal, A, "The High-Performance Organization Framework" http://www.hypocenter.com (2016)

Utility Leadership 6

High Performance Organization Framework

(A. A. de Waal – 2012)

External Orientation
- Customers
- Clients
- Opportunities
- Partnerships

Structure:
- Design
- Strategy
- Process Management
- Innovation

Culture:
- Leadership
- Employee roles
- Values

Behavior of Organization Employees

High Performance Organization

Utility Leadership 7

With the End in Mind…

- High Performing, Effective Organizations:
  - Maintain organizational structures **and cultures** that reinforce qualities of life in the workplace
  - Harness the natural energy of employees
  - Jolt employees into a realization of how much better their performance could/should be
  - Designed for results and self sufficiency rather than elaborate supervisory control
  - Focus on getting work done right the first time, rather than detecting or controlling errors

Utility Leadership 8

High Performance Utility Culture

- Five characteristics of a High Performance Utility cultures:
  1. Establishes **values** aligned with organization's mission and long-term goals
  2. Employee performance motivated through **performance measurement**
  3. **Training**; employee development
  4. **Teamwork**; building teams
  5. **Operational excellence**; mindset

Utility Leadership 9

3

High Performance Utility Culture

10 Qualities of High Performance Cultures:

1. **Collaboration**
   - Employees cooperate, respect and work well with each other
2. **Innovation**
   - Encouragement of new ideas
3. **Agility**
   - Adapting to new ideas
4. **Communication**
   - Sending, receiving, and understanding messages
5. **Support**
   - Resources and guidance provided

What is Collaboration?

"Collaborating is different from working together as a group. A group can work together, support each other and share ideas, and yet each participant pursues his/her own objectives and results. A collaborative team works together towards COMMON goals and results and the team holds the GROUP responsible for the outcomes."

Katzenbach and Smith, 1993

High Performance Utility Culture

10 Qualities of High Performance Cultures:

6. **Wellness**
   - Policies/resources in place to help employees maintain physical/mental health
7. **Work Environment**
   - Safe and comfortable work environment
8. **Responsibility**
   - Employees accountable for their actions and able to make independent decisions

High Performance Utility Culture

10 Qualities of High Performance Cultures:

9. **Performance Focus**
   - Employees know what determines success in their role and they are rewarded or recognized for achievement

10. **Mission and Value Alignment**
    - Employees know, understand, and believe in the organization's mission and values

---

Effective Utility Performance

- ICMA (~1995 – 1997):
  - ICMA - International City/County Management Association
    - "Accountability for Performance Measurement and Monitoring in Local Government"
    - "Comparative Performance Measurement, Data Report"

Effective Utility Performance

- AMWA and AMSA (~1998 – 2000):
  - AMWA - Association of Metropolitan Water Agencies (Executive Director, Diane Van De Hei)
  - AMSA - Association of Metropolitan Sewerage Agencies (Executive Director, Ken Kirk)
  - Public Sector Handbooks (Hagler Bailly Services, Inc. and EMA Services, Inc.):
    - "Thinking, Getting and Staying Competitive"
    - "Creating High Performance Business Services"

Effective Utility Performance

- EPA, AWWA, WEF and others: "Effective Utility Management (EUM)":
  - "A Primer for Water and Wastewater Utilities"
  - 2008 – First Edition
  - 2017 – Updated Edition

Utility Leadership 16

Effective Utility Leadership

- In 2008, USEPA and several service-related associations identified effective leadership as one of five keys to a utility's future success
- Two elements are significant for the future success and survival of an organization:
  - Creating of a sound leadership-development and succession-planning process
  - Sustaining a trained and experienced workforce (including managers and supervisors)

Utility Leadership 17

Effectively-Managed Water Sector Utilities

- Origins:
  - May 2, 2006: EPA, AMWA, APWA, AWWA, EPA, NACWA, NAWC, and WEF formalized effort to promote "effective utility management"
  - "Initial report" issued in 2008, "Findings and Recommendations for a Water Utility Sector Management Strategy"
  - "Updated Report" issued in 2017

Utility Leadership 18

Final Results and Recommendations

- "Final Report" Identified two primary building blocks of effective water utility management:
  - Five Keys to Management Success
  - Ten Attributes of Effectively-Managed Water Sector Utilities

Effective Utility Management (EUM)

Five Keys to Management Success

- Five Keys to Management Success:
  - **"Leadership"**
  - **Strategic Business Planning**
  - **Organizational Approaches**
  - **Performance Measurement**
  - **Continual Improvement Management Framework**
- Represent approaches and systems that foster utility management

Keys to Management Success

- **Leadership**
  - Plays a critical role in effective utility management, particularly in the context of driving and inspiring change within an organization
  - ''Leaders'' refers both to individuals who champion improvement, and to leadership teams that provide resilient, day-to-day management continuity and direction
  - Effective leadership ensures the utility's direction is understood, embraced, and followed on an ongoing basis throughout the management cycle

Utility Leadership   22

Keys to Management Success

- **Strategic Business Planning (Vision)**
  - Strategic business planning helps utilities balance and drive integration and cohesion across the "Ten Attributes"
  - Involves:
    - Taking a long-term view of utility goals and operations
    - Establishing an explicit vision and mission that guide utility objectives, measurement efforts, investments, and operations

Utility Leadership   23

Keys to Management Success

- **Organizational Approaches**
  - Establishing a "participatory organizational culture" that actively seeks to engage employees in improvement efforts
  - Deploying an explicit change-management process
  - Utilizing implementation strategies that seek early, step-wise victories to build momentum and motivation

Utility Leadership   24

Keys to Management Success

- **Performance Measurement**
  - A focus and emphasis on performance measures and targets
  - The backbone of successful continual improvement management and strategic business planning
  - Successful performance measurement tends to be viewed on a continuum, starting with basic internal tracking and moving on as needed to:
    - More sophisticated base-lining and trend analysis
    - Development of key performance indicators
    - Inclusion of externally-oriented measures speaking to community sustainability interests
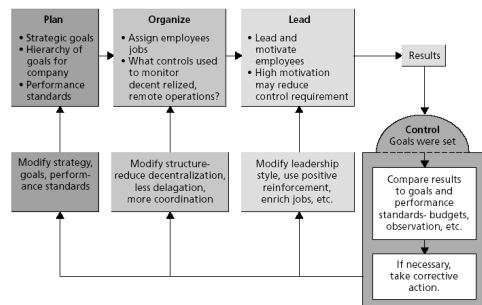
Planning

- Process of identifying and selecting appropriate goals and courses of action
  - Human resources planning
  - Financial planning
  - Strategic planning

Planning and Performance Management Process

Controlling and Monitoring

- Evaluating how well the organization or employee is achieving goals and taking action to maintain or improve performance
- Outcome: ability to measure performance accurately and regulate efficiency and effectiveness

Planning

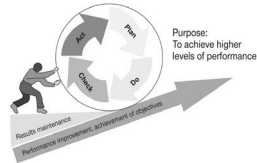Rewarding

Monitoring

Reviewing

Keys to Management Success

- **Continuous Improvement**
  - Commit to:
    - High quality results
    - Meet stakeholder (e.g., customers, regulators) needs
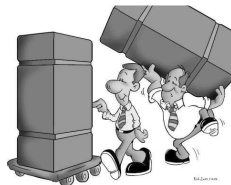   - Encourage all employees to do their own quality planning and checking

Act   Plan

Check   Do

Purpose:
To achieve higher levels of performance

Results maintenance

Performance improvement, achievement of objectives

Quality Improvement

- Create a learning organization
- Manage change
- Use data for decisions to improve policies, programs and outcomes

Total Quality Management

TQM-ESSENTIAL COMPONENTS

- focus on consumer
- involve all employees
- **TQM**
- continuous improvement
- accurate evaluation
- quality improvement

Ten Attributes of Effectively Managed Water Sector Utilities

- The Ten Attributes of Effectively-Managed Water Sector Utilities indicate where utilities should focus their attention and what they should strive to achieve
- The attributes can be viewed as a continuum of, or a set of building blocks for, management improvement opportunities

---

Ten Attributes

The Ten Attributes:

Product Quality	Infrastructure Stability
Customer Satisfaction	Operational Resiliency
Employee and Leadership Development	Community Sustainability
Operational Optimization	Water Resource Adequacy
Financial Viability	Stakeholder Understanding and Support

The Attributes are not listed in any order as utility managers will determine their relevance and relative importance based on utility circumstances

Attributes

- **Product Quality**:
  - Produces potable water, treated effluent, and process residuals in full compliance with regulatory and reliability requirements
  - Product is consistent with customer, public health, and ecological needs

Attributes

- **Customer Satisfaction**:
  - Provides reliable, responsive, and affordable services in line with explicit, customer-accepted service levels
  - Receives timely customer feedback to maintain responsiveness to customer needs and emergencies

Attributes

- **Employee and Leadership Development**:
  - Recruits and retains a workforce that is competent, motivated, adaptive, and safe-working
  - Establishes a participatory, collaborative organization dedicated to continual learning and improvement
  - Ensures employee institutional knowledge is retained and improved upon over time
  - Provides a focus on and emphasizes opportunities for professional and leadership development and strives to create an integrated and well-coordinated senior leadership team

Employee Involvement

- Communicating, measuring, and managing employee performance
  - Aligning employee actions with organizational goals
- The process includes:
  - Setting performance goals/objectives
  - Continually monitoring performance
  - Developing the capacity to perform (Learning and Development)
  - Rating performance in a formal appraisal
  - Rewarding good performance (Pay-for-performance)

Employee Involvement

- Regular participation of employee in deciding how work is done and improved
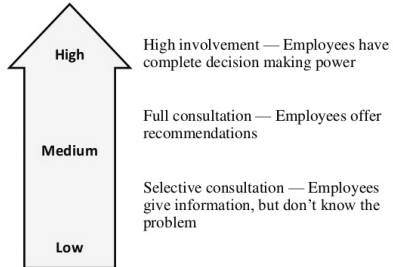- Employee applies their own ideas, expertise and efforts towards solving problems and making decisions

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Employee Involvement

- Amount of decision making delegated to workers at all levels
- Involvement can be visualized on a continuum:

No Involvement: Parallel → Moderate Involvement: Participative → High Involvement: Empowered

Levels of Employee Involvement

High involvement — Employees have complete decision making power

Full consultation — Employees offer recommendations

Selective consultation — Employees give information, but don't know the problem

Utility Leadership   40

Involvement and Communication

- Communication – enhances confidence, trust and commitment
- Not simply passing information down the line – sharing information, listening to what people have to say, responding appropriately
- Managers have a central role in any communications strategy

Utility Leadership   41

Attributes

- **Operational Optimization**:
  - Ensures ongoing, timely, cost-effective, reliable, and sustainable performance improvements in all facets of its operations
  - Minimizes resource use, loss, and impacts from day-to-day operations
  - Maintains awareness of information and operational technology developments to anticipate and support timely adoption of improvements

Utility Leadership   42

14

Attributes

- **Financial Viability**:
  - Understands the full life-cycle cost of the utility and establishes and maintains an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues
  - Establishes predictable rates—consistent with community expectations and acceptability—adequate to recover costs, provide for reserves, maintain support from bond rating agencies, and plan and invest for future needs

Utility Leadership   43

Attributes

- **Infrastructure Stability**:
  - Understands the condition of and costs associated with critical infrastructure assets
  - Maintains and enhances the condition of all assets over the long-term at the lowest possible life-cycle cost and acceptable risk consistent with customer, community, and regulator-supported service levels, and consistent with anticipated growth and system reliability goals
  - Assures asset repair, rehabilitation, and replacement efforts are coordinated within the community to minimize disruptions and other negative consequences.

Utility Leadership   44

Attributes

- **Operational Resiliency**:
  - Ensures utility leadership and staff work together to anticipate and avoid problems
  - Proactively identifies, assesses, establishes tolerance levels for, and effectively manages a full range of business risks (including legal, regulatory, financial, environmental, safety, security, and natural disaster-related) in a proactive way consistent with industry trends and system reliability goals

Utility Leadership   45

Attributes

- **Community Sustainability**:
  - Is explicitly cognizant of and attentive to the impacts its decisions have on current and long-term future community and watershed health and welfare
  - Manages operations, infrastructure, and investments to protect, restore, and enhance the natural environment; efficiently use water and energy resources; promote economic vitality; and engender overall community improvement
  - Explicitly considers a variety of pollution prevention, watershed, and source water protection approaches as part of an overall strategy to maintain and enhance ecological and community sustainability.

Attributes

- **Water Resource Adequacy**:
  - Ensures …treatment capacity consistent with current and future customer needs through long-term resource supply and demand analysis, conservation, and public education
  - Explicitly considers its role in …treatment capacity and manages operations to provide for long-term … sustainability

Attributes

- **Stakeholder Understanding and Support**:
  - Engenders understanding and support from oversight bodies, community and watershed interests, and regulatory bodies for service levels, rate structures, operating budgets, capital improvement programs, and risk management decisions
  - Actively involves stakeholders in the decisions that will affect them

Lessons Learned

- Characteristics of effective utilities:
  - Good alignment towards performance goals
  - Effective ***management*** of ***strategic plans***
  - Strong linkage between successful ***implementation*** of ***strategic goals***
  - **Motivated, well trained, responsible employees**

Utility Leadership

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Lessons Learned

- Utilities are focusing on:
  - Sustaining peak/continuous improvement (TQM)
  - Performance measurement (Tracking performance)
  - Generating and providing information (Transparency)
  - Less organizational hierarchy
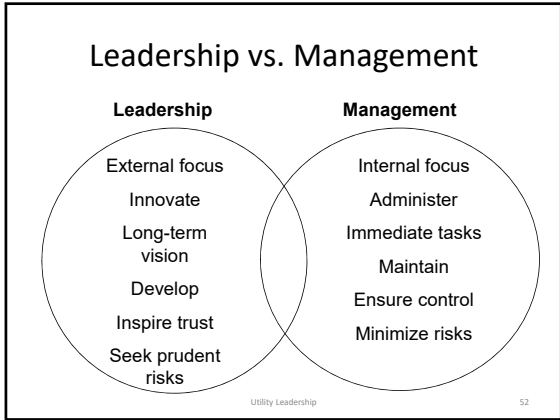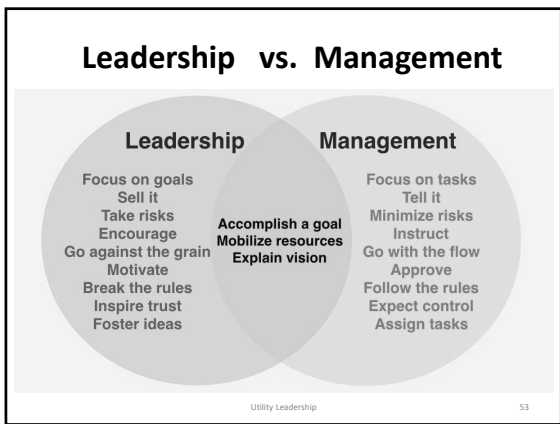 - Collaboration

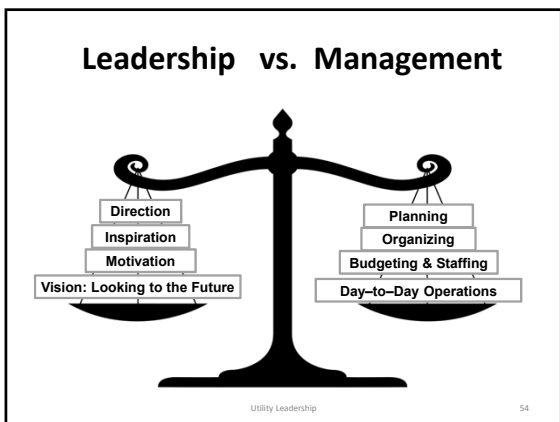Utility Leadership

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Effective Utilities

Leadership vs. Management

Utility Leadership

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Leadership vs. Management

Leadership

External focus

Innovate

Long-term vision

Develop

Inspire trust

Seek prudent risks

Management

Internal focus

Administer

Immediate tasks

Maintain

Ensure control

Minimize risks

Utility Leadership   52

Leadership   vs.   Management

Leadership

Focus on goals
Sell it
Take risks
Encourage
Go against the grain
Motivate
Break the rules
Inspire trust
Foster ideas

Accomplish a goal
Mobilize resources
Explain vision

Management

Focus on tasks
Tell it
Minimize risks
Instruct
Go with the flow
Approve
Follow the rules
Expect control
Assign tasks

Utility Leadership   53

Leadership   vs.   Management

Direction

Inspiration

Motivation

Vision: Looking to the Future

Planning

Organizing

Budgeting & Staffing

Day–to–Day Operations

Utility Leadership   54

Managers focus on	Leadership focuses on
• Goals & objectives	• Vision
• Telling how and when	• Selling what and why
• Shorter range	• Longer range
• Organization & structure	• People
• Autocracy	• Democracy
• Restraining	• Enabling
• Maintaining	• Developing
• Conforming	• Challenging
• Imitating	• Originating
• Administrating	• Innovating
• Directing & Controlling	• Inspiring trust
• Procedures	• Policy
• Consistency	• Flexibility
• Risk-avoidance	• Risk-opportunity
• Bottom line	• Top line
Good managers do the *things right*	**Good leadership does the** *right thing*

Utility Leadership   55

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5 Essential Management Skills

(1) Delegating

(2) Getting support from above

(3) Projecting confidence

(4) Focusing on the big picture

(5) Giving feedback

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Management

• Definition:

  – *"Management is the art (e.g., functions, skills, processes) of knowing what you want to do (e.g., tasks, goals) and then seeing that they (e.g., frontline employees) do it in the best (e.g. effective) and the cheapest (e.g., efficient) way"*

  – **Frederick Winslow Taylor**
    (1856 – 1915)

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Management

- Definition:
  - "*Management is the art (e.g., functions, skills, processes) of getting things (e.g., tasks, goals) done through others (e.g., delegation) and with formally organized groups (e.g., teams)*"
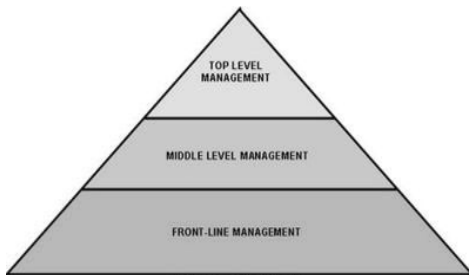
  - **Harold Koontz**
    (1909-1984)

Utility Leadership   58
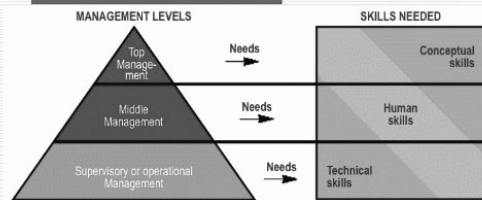
Levels of Management

TOP LEVEL MANAGEMENT

MIDDLE LEVEL MANAGEMENT

FRONT-LINE MANAGEMENT

Utility Leadership   59

Levels of Management

Management skills continuum

MANAGEMENT LEVELS   SKILLS NEEDED

Top Management — Needs → Conceptual skills

Middle Management — Needs → Human skills

Supervisory or operational Management — Needs → Technical skills

As a manager moves from supervisory to top-management, conceptual skills become more important than technical, but human remain important

Utility Leadership   60

People Management

- Manage the people in their team
- That doesn't mean bossing and or barking orders
- Work with them/help them do their best

Time Management

Urgent & Important	Important not urgent
do it now	*decide when to do it*
Urgent not important	Not important not urgent
delegate it	*delete it*

Time Management

The Eisenhower Matrix

Importance is based on value to the organization's vision and mission.

1. **Do** — crises, deadlines, some phone calls
2. **Plan** — planning, preparation, goals/objectives
3. **Delegate** — interruptions, some phone calls
4. **Eliminate** — time wasters, chit-chat, internet

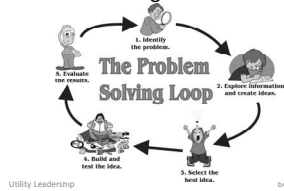|	URGENT	NOT URGENT
IMPORTANT	1 DO	2 PLAN
NOT IMPORTANT	3 DELEGATE	4 ELIMINATE

Problem Solving

- Managers need to resolve:
  - Employee problems rather than refer them up the chain of command
 - Problems coming down from management regarding:
    - Work
    - With the team

How Do We Define Management?

Management

> The process of getting things done, *effectively and efficiently*, through and with other people

> **Efficiency**
  - Means doing the task correctly; refers to the relationship between inputs and outputs; seeks to minimize resource costs

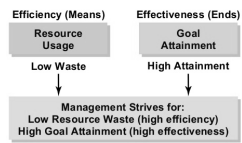> **Effectiveness**
  - Means doing the right task; goal attainment
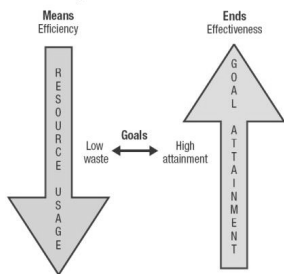
Efficiency and Effectiveness

Management Processes Efficiency and Effectiveness

Efficiency (Means)	Effectiveness (Ends)
Resource Usage	Goal Attainment
Low Waste	High Attainment

Management Strives for:
Low Resource Waste (high efficiency)
High Goal Attainment (high effectiveness)

- Efficiency focuses on the process; importance is on the means
- Effectiveness focuses on achieving the end goal

Efficiency

- Effort is focused on getting the maximum output with minimum resources
- Doing things right

Effectiveness

- Goal attainment
- Doing right things

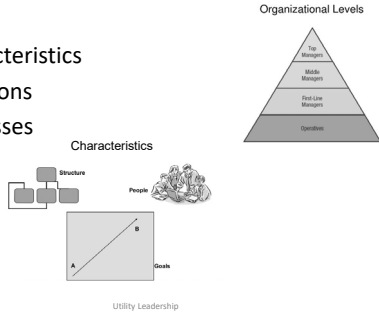## Let's Talk Management
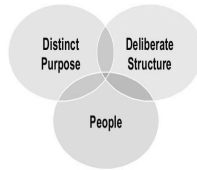
- Characteristics
- Functions
- Processes
- Levels

Organizational Levels

Characteristics

Structure

People

Goals

Utility Leadership

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Management Characteristics

- Purpose/Goals
- Structure
- People

Distinct Purpose

Deliberate Structure

People

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Management Goals

Strategic

Tactical

Operational

Utility Leadership

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Purpose/Goals

- Goals are the desired outcomes for individuals, groups, or entire organizations
- Three types of organizational goals:
  - Strategic goals - long-term organizational goals
  - Tactical goals – performance necessary to achieve strategic goals
  - Operational goals - address shorter-term issues associated with the tactical goals

Purpose/Goals

- Goals are critical to organizational effectiveness
- Four reasons why goals are important:
  - Provides guidance and direction
  - Facilitates planning and actions
  - Motivates and aligns employee behaviors
  - Performance measurement/evaluation

Structure

- Organization hierarchy of authority
- Defines accountability and communication channels:
  - Within an organization
  - With its external environment.

Organizational Structure

Structure

- Structure - **Organizational Design**; Simpler and flatter to stimulate cross-functional and cross-organizational collaboration
  – Promotes teamwork and collaboration
  – Participatory
  – Establishes shared responsibility
  – Fosters sharing of information
  – Sets up an adaptable business model that is easily altered with shifts in the external environment

People

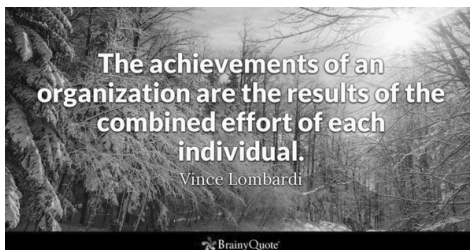- Employees in an organization
  – Leaders
  – Managers
  – Frontline employees

"The organization is, above all, social. It is people."
– Peter Drucker

People

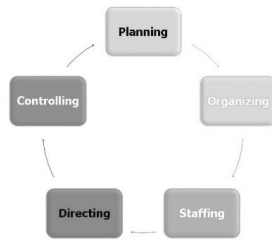The achievements of an organization are the results of the combined effort of each individual.
Vince Lombardi
BrainyQuote

Management Functions

- Directing or Leading
- Staffing
- Organizing
- Planning
- Controlling or Monitoring

Planning

Controlling

Organizing

Directing

Staffing

Directing/Leading

- Articulating a clear vision to follow; energizing and enabling employees so they understand their role in achieving organizational goals
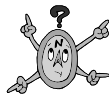
If the road ahead looks empty, it's because you're leading

Direction and Communication

- If you don't know where you are going, how are you going to get there?
- How is performance measured?
- How are expectations and progress communicated?
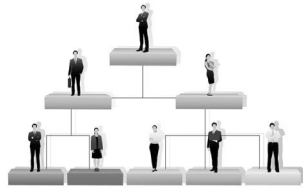- Who knows what?
- Who needs to know what?

2007 Corporate Issues Survey, The Ken Blanchard Companies

Staffing

- Process of recruiting and filling positions in the organization with adequate and qualified personnel

Organizing

- Establishing a structure of working relationships that allows employees to work together to achieve organizational goals

Planning

- Process of identifying and selecting appropriate goals and courses of actioin
  - Human resources planning
  - Financial planning
  - Strategic planning

Controlling and Monitoring

- Evaluating how well the organization or employee is achieving goals and taking action to maintain or improve performance
- Outcome: ability to measure performance accurately and regulate efficiency and effectiveness

Planning
Monitoring
Rewarding
Reviewing

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Employee Performance

INCENTIVE
DEVELOPMENT
CHALLENGE
MOTIVATION
POWER
GOAL
SUPPORT
OPPORTUNITY
DETERMINATION

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Leadership and Management

Performance Measurement

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Why Measure Performance?

- To Plan?
- To Comply?
- To Manage?
- To Optimize?
- To Innovate?

What gets measured gets done.
–Peter Drucker

Performance Measures Definitions

- **Performance Measures:** Indicators, stats, metrics used to gauge program performance
- **Target:** Quantifiable characteristic that communicates to what extent a program must accomplish a performance measure
- **Outcome Measures:** Intended result of carrying out a program. Define an event or condition external that is a direct impact the public.
- **Output Measures:** Describes the level of activity that will be provided over time
- **Efficiency Measures**: Measures the skillfulness in executing programs, implementing activities, and achieving results

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Effective Utility Management (EUM)

Leadership

Culture of Quality

Strategic Alignment

Reporting Progress

Quality Improvement

Communications

Knowledge Management

Performance Standards

Performance Measurement

Stakeholder Focus

Transparency

Performance Measures

"If you don't know where you're going, any road will get you there."

–Lewis Carroll

Why are Utilities Turning to Performance Management?

By focusing on outcomes, Performance Management identifies problems so that corrective actions can be taken

Standard Approach	Performance Management
The standard utility management approach forces managers to make their **BEST GUESS** about what actions they should take	Performance management provides **SOLID DATA ON RESULTS** – feedback to managers to inform their decisions and make improvements over time

Performance Measures

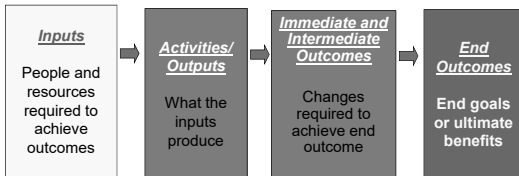## Performance Measurement Terms

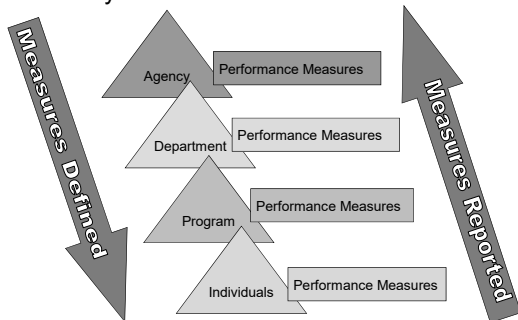| Inputs	Activities/ Outputs	Immediate and Intermediate Outcomes	End Outcomes
People and resources required to achieve outcomes	What the inputs produce	Changes required to achieve end outcome	End goals or ultimate benefits

Water Utility Measures

- 2017 "Final Report":
  - Strongly affirmed performance measurement as critical to effective utility management
  - Indicated measuring performance outcomes can be challenging and time consuming
  - Identified a set of high-level, illustrative examples water utility measures related to the Ten Attributes

A System of Performance Measures

Measures Defined

Measures Reported

Agency — Performance Measures

Department — Performance Measures

Program — Performance Measures

Individuals — Performance Measures

Performance Measurement is a Culture Shift

From:
- "I can't measure program performances."
- "These measures are draining valuable resources and are a data burden"
- "I can't measure outcomes; I can only measure inputs and activities"

To
- We are committed to tracking measures that matter most.
- We are accountable for delivering our outputs and our intermediate outcomes.
- We are responsible for our end outcomes.

Utility Leadership   97

Performance Measurement (PM)

- PM is routine measurement of program outputs and outcomes
- PM was a response to increasing public scrutiny of government performance in the late 1980's/early 1990's
- The current environment focuses upon outcomes as a measurement of accountability
- PM takes advantage of and is accelerated by information management systems advancements

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Every outcome has a measure

Measures are the indicators of results. Good measures align activities and resources to achieve outcomes. Measures communicate if or to what extent activities have delivered the desired outcomes.

Not everything that can be counted counts and not everything that counts can be counted. - Albert Einstein
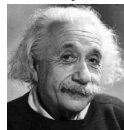
Utility Leadership   99

Evaluation of PM Results

- **<u>Strategic Level</u>**
  - Measure Progress on Issues
  - Define and Validate Policy Strategies
  - Enhance Stakeholder Satisfaction and Support

- **<u>Operational Level</u>**
  - Drive Change to Implement Organizational Strategies
  - Ensure Compliance
  - Achieve Efficiencies

- **<u>Individual Level</u>**
  - Improved Morale/Retention
  - Achieve Clarity of Responsibilities

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Identifying outcomes

End outcomes are grounded in mission and statute, assess progress toward strategic goals

Intermediate outcomes evaluate progress toward end outcomes, assess impact of strategies; measures changes in attitudes, behaviors or conditions required to achieve end outcomes

When goals and strategies are results-based, outcomes leap off the page.
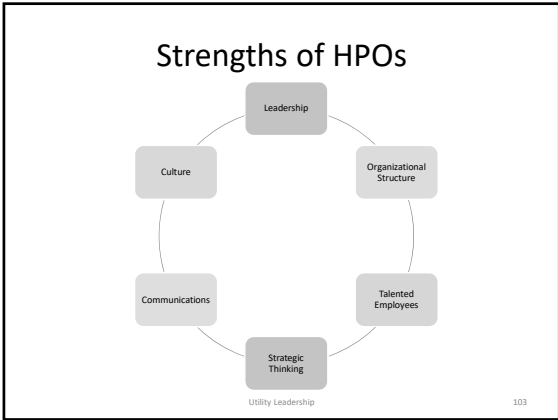
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Utility Performance

Strengths and Characteristics

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Strengths of HPOs

Leadership

Organizational Structure

Culture

Talented Employees

Communications

Strategic Thinking

Utility Leadership 103

High Performance Utilities

- Six Strengths of High-Performance Utilities:
  1. **Leadership** – clear vision and priorities; cohesive leadership team
  2. **Organizational structure** – clear roles and accountabilities for decision making and supporting mission objectives
  3. **Talented employees** – skilled and competent; performance measures aligned to objectives
  4. **Strategic thinking** – long-term purpose and goals identified
  5. **Communications** – open within organization
  6. **Culture** – performance values and behaviors aligned with continuous improvement

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HPO Strengths

- **Leaders** inspire employees to accomplish extraordinary results
  - Stimulates change and improvement
  - Applies decisive, action-focused decision-making
  - Coaches and facilitates employees
  - Stretches themselves and employees by setting high standards and stretch goals
  - Assembles a diverse and complimentary management team

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Leadership – the critical success factor underpinning high performance

- Strengths and characteristics of good leaders in the public sector:
  - Commitment to mission
  - Determine the path to a strategic vision
  - Keeper of the values
  - Accept personal responsibility
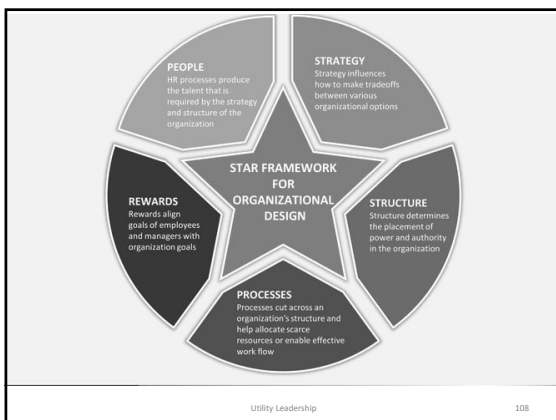 - Catalyst for change

Leadership

- Without leadership, the only organizational change is that which is forced on the organization.
- The key role of the leader is to help the organization see the future and adapt in time.

STAR FRAMEWORK FOR ORGANIZATIONAL DESIGN

PEOPLE
HR processes produce the talent that is required by the strategy and structure of the organization

STRATEGY
Strategy influences how to make tradeoffs between various organizational options

REWARDS
Rewards align goals of employees and managers with organization goals

STRUCTURE
Structure determines the placement of power and authority in the organization

PROCESSES
Processes cut across an organization's structure and help allocate scarce resources or enable effective work flow

Organizational Design

- Structure - **<u>Organizational Strategy;</u>** strong vision and strategy, well defined;, and sets direction clearly; excites and challenges
  – Balances short term and long term focuses
  – Goals are measureable and achievable
  – Aligns strategy, goals, and objectives with the demands of the external environment
  – Change management; new strategies adopted with changes in external environment demands

Flatten The Organization - Bill Gates Says:

- Keep a flat organization in which all issues are discussed openly.
- Empower teams to do their own thing.

Innovation Management Policies for Large Corporations, Bill Gates

Organizational Design

Flattened Organizations:

Organizations that simplify and flatten the organization by reducing boundaries and barriers between and around units and by removing hierarchial layers and vertical boundaries are High Performing Organizations.

Organizational Design

- Structure – **Organization Process Management;** Strives for continuous process operational optimization
  - Performance supported by a fair reward and incentive program
  - Continual improvement -best practices
  - Performance measures - measure what matters
  - Reports information to all employees who need it to drive performance improvement

Organizational Design

- Structure - **Organizational innovation;** implements proven technology as it becomes available
  - Cultivates employee receptivity and strategic IT mindset
  - Stays current with process technology; operational resiliency
  - Implements flexible IT innovations – SCADA, PLCs

Employee Performance

- Employees play a greater role in the decision-making process; enhances productivity and job satisfaction
- Traditional organizations have low involvement
- HPOs have involvement through:
  - Participative management, where workers have responsibilities for day-to-day decisions
  - Empowerment, where workers make many decisions affecting them and their work

Employee Performance

Empowered Employees:

Organizations that empower people and give them the freedom to decide and act are High Performing Organizations.

Making Full Use of Employees' Skills

Food for Thought:

Do I bring my "full self" to work?

· My ideas	· My personality
· My opinions	· My uniqueness
· My background	· My experiences

What Motivates Employees?

- Varied and interesting work
- High-quality training and development - e.g. encouragement to study for professional qualifications/certifications
- An "open door" culture in which managers are approachable
- Fairness at work, including equal opportunities

What else Motivates Employees?

- Proactive and regular communication
- Regular appraisal and positive feedback
- The chance to socialize with colleagues at organized events
- Recognition and reward for ideas

Effective Leaders - Summary

- Leaders create a vision (figure out where the utility should head) and develop followers (move people in that direction)
- Managers implement the vision, follow through and achieve results
- Team playing is about how the leader relates to people

Questions?

Thank You

**Maryland Center for Environmental Training
College of Southern Maryland**

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