

## ARE YOU A LEADER?

by Larry Kitchen  
Chairman of the Board  
& Chief Executive Officer  
Lockheed Corporation

Adapted from a talk  
at Lockheed's Senior  
Management Institute

[Quality Circle Digest,  
April '86]

*"You should spend your quality time with the true achievers in your organization, not those who just perform the procedure but those who improve the process. You should know who they are, support them, stroke them, and reward them because it is on the backs of these champions that this company moves forward."*

I have been in business long enough to know that companies go through cycles.

Events and companies never sit still. A company may be enjoying prosperity and yet trouble may not be far away. As often as not it is trouble of the company's own making.

The ingredients leading to a down cycle manifest themselves in many ways. Taken all together they can spell disaster.

- The workforce is no longer lean and mean.
- Costs get out of control.
- Fire in the belly dies down.
- The aggressive, fight-for-survival spirit goes away.
- Complacency sets in.
- Teamwork gets sloppy.
- People become paranoid, protective, and internal squabbling begins.
- Competitions are suddenly lost... competitions that should have been won.
- As competitions are lost, pressure starts building up at the top for some scalps... investment plans for the future are scrapped... and management and the work force become gun-shy and overly cautious.
- With these ingredients in place it is too late to rationally take corrective action before experiencing a significant impact on earnings and the balance sheet.

Crisis management then becomes the order of the day.

- Discipline and teamwork are stressed, and the teams begin once again to work the details toward a mutual objective.
- Risk-taking is encouraged.
- Costs are controlled.
- And through smart and aggressive hard work competitions are won.
- But what a waste of resources during the down years.

It doesn't have to be this way. While I believe that businesses are subject to cycles, I believe that a company can conduct itself in a counter-cyclical fashion, fight the prevailing malaise wherever it rears up, and keep the work force lean and alert in the best of times.

It all comes down to leadership. I think a company has a right to demand it.

A top company spends generously to see to it that its managers have the best operating equipment for the job. But the finest and sharpest scalpel is nothing more than a sophisticated meat cleaver in the hands of a half-hearted surgeon.

While we are busy perfecting the machining processes and software techniques - the computer integrated factories and numerically-controlled machines - we have to make sure we are not putting this equipment into the hands of quacks.

These new machines can produce work of the most exquisite detail and beauty, but if a high tech machine is stamping out work that is flawed, the patient dies, and the only thing automated is the manufacture of wastepaper and scrap.

It is my job to cultivate and motivate leadership ability. A manager knows how to state the problem and the symptoms; the leaders that I am looking for can find the specific solutions to those problems, aiming past the symptoms to the causes.