

# The Ethical Dimension of Managerial Leadership

## Two Illustrative Case Studies in TQM

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**ABSTRACT.** In recent decades, Total Quality Management (TQM) has become an important phenomenon in the world of business, but the implications and scope of quality programs are quite different everywhere. Since different explanations have been given, most authors agree that management commitment and leadership are indispensable elements for a successful TQM implementation. Nevertheless, the study of the literature reflects a terminological confusion on this point. The authors of this paper argue that commitment and leadership are not synonymous terms. While committed managers may lead the process of quality using exclusively their formal authority, those who are leaders generate a kind of influence that goes further than that. This paper suggests a multidimensional perception of leadership and upholds that only by considering the ethical dimension of leadership, together with technical and psycho-emotive ones, it is possible to explain more accurately interpersonal influences beyond the scope of power. As an illustrative example of the importance of considering each dimensions, the authors present two case studies of TQM implementation.

**KEY WORDS:** ethics, leadership, TQM, trust, case studies

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### Introduction

The number of companies deploying quality systems or excellence models<sup>1</sup> regardless of their activity or size is currently growing geometrically. As a management philosophy, TQM is based on a set of theoretical principles that seek to mobilise organisational resources to better stakeholder requirements. Some of those principles are related to technical aspects like product and process design, product and process fit with specifications, process management and fact-based management. Others focus on stakeholder satisfaction, that of customers and suppliers, or employees through training, teamwork or co-operation inside the company. Finally, a third group of principles focus on the excellence of the organisation and include continuous improvement, commitment and participation, and cultural change.

In spite of the spread of TQM programs and the effort of companies to implement quality principles, the rate of success<sup>2</sup> and the results are mixed. While most companies are able to systematise processes and products, defining their client's expectations, only a few are able to change their cultures, or generate truthful commitment and participation. Concepts like "internal client" or "continuous improvement" have been only occasionally applied, or if used, not systematically applied.

To explain the different level of success and failure in TQM programs, academics and practitioners agree on the importance of *managers' commitment and leadership* as key factors to understand why some companies are able to better



implement quality systems. Though those terms are not synonymous, and leadership seems to be the key of success in TQM implementation process, it is hard to find sound reasons to justify that TQM cannot be deployed without leadership. This work analyses some reasons that could explain this phenomenon, emphasising the explanatory importance of the ethical dimension.

### Leadership beyond formal power

An overview of literature shows some terminological confusion about the role of leaders in TQM implementation processes. Many authors agree as to the role of managers, supporting TQM activities (Black and Porter, 1995; Deming, 1989; Feigenbaum, 1994; Hoffher et al., 1994; Oakland, 1989; Porter and Parker, 1993; Teboul, 1991; among others). But not all of them make the distinction between commitment and leadership (Crosby, 1994; Deming, 1989; Feigenbaum, 1994; Galgano, 1993; Dean and Evans, 1994; Oakland, 1993).

It seems reasonable that *commitment* is a narrower term than that of *leadership*. While everyone who leads the implementation process ought to be committed, not every committed manager is necessarily a process leader. To be a committed manager implies endowment of resources and endorsement of quality efforts. Managers may be committed to quality using their power to implement the process, but this does not mean necessarily that they are leaders of the process. As some authors point out, leaders of the quality process are able to influence the feelings of their followers to provoke creativity, create integrated teams, define and communicate a shared vision and generate compromise (Ciampa, 1993; Cook, 1998; Eichelberger, 1994; Goetsch and Davis, 1994; Wells, 1998).

In the particular case of implementing a TQM program, not every manager is a leader of the process. Leadership is, in this sense, a kind of influential relationship different from the managerial one, not opposed but rather complementary. At first, the source of managers' influence rests on their formal power. In the case of leaders, the origin of influence rests on

different elements, and this results in a greater response.

While power may be defined as the "capacity to influence unilaterally the attitudes and behaviour of people in the desired direction" (Yukl, 1989, p. 32), in the case of leadership, the relationship between leaders and followers is not unidirectional. Precisely, what characterises the very nature of leadership is the *free reaction*, freely chosen, of those who follow the leader. In this sense, leaders might be defined as *those who led or lead others in freedom*.<sup>3</sup> There is no strict obligation to follow them. The acceptance of leaders cannot be enforced. This is not a relation of indebtedness. Leadership goes beyond the scope of formal power, and involves a continuous exchange of influence and free acceptance.<sup>4</sup>

Today, most thinkers would agree by defining leadership as some kind of process or act of influence that, in some way, makes people do something (Ciulla, 1995). However, probably the most important question is why leaders attain much more than those who are not leaders. A good way to improve implementation processes of TQM would be to understand these reasons. But answers to these questions have filled hundreds of pages in the field, and it would be pretentious to give an accurate response here. Table I shows a synthetic review of the literature and how different scholars have centred their attention on different aspects of this reality.

The earliest theories of leadership focused on the question of *what* or *who* a leader is. Those approaches concentrated on leader personality. For years, theoreticians studied the characteristics and main traits of great leaders. Later, the so-called *charismatic approach* focused also on leader personality and the emotional adhesion that the leader provokes. From the static perspective of early studies, some researchers translated their attention to the dynamic aspect of the same reality. The kind of influence that leaders provoke was then explained not on the basis of personal traits but on the way they act. Leaders' behaviour would explain followers' adhesion. Then, related to those approaches, cognitive models centred their attention not on leaders' doing but on their thinking.

Once the static perspective was overcome,

TABLE I  
Synthetic review of main leadership approaches

Emphasis of the study	Main questions	Approach	Some representative authors
<b>Leader personality</b>	<b>What</b> is a leader? <b>What type of person</b>	<b>Centred on traits</b>	1900–1945 Heterogeneous group of authors (Stogdill, 1948)
	<b>Which</b> personal features provoke emotional adhesion?	<b>Charismatic Leadership</b>	House, 1977 Trice and Beyer, 1986 Conger and Kanungo, 1988
<b>Leader behaviour</b>	<b>How</b> do leaders manage?	<b>Leadership styles</b>	Ohio University Michigan University Likert, 1961 Blake and Mouton, 1964
<b>Leader rationality</b>	<b>How</b> do they think?	<b>Cognitive Models</b>	Pfeffer, 1977 Calder, 1977 Green and Mitchell, 1979 Meindl, 1990 Lord and Maher, 1991
<b>Leader context</b>	<b>When and where</b> do leaders appear? <b>How</b> should they act?	<b>Situational leadership</b>	Fiedler, 1967 Evans, 1970 House, 1971 Vroom and Yetton, 1973 Hersey and Blanchard, 1977
<b>RELATIONAL APPROACHES</b>			
<b>Leader-follower Transaction process</b>	<b>What</b> can followers obtain?	<b>Transactional Leadership</b>	Graen, 1976 Graen and Cashman, 1975
<b>Leader-follower Influence process</b>	<b>How</b> do leaders transform aptitudes and attitudes of followers?	<b>Transformational Leadership</b>	Burns, 1978 Bass, 1985 Bennis and Nanus, 1985 Tychy and Devana, 1986 Carlson and Perrewe, 1995 Pawar and Eastman, 1997
<b>Leader-follower Service process</b>	<b>Why</b> does servant attitude of leaders generate adhesion?	<b>Servant Leadership</b>	DePree, 1989 Greenleaf, 1970, 1977 Pollard, 1997 Senge, 1990, 1997 Spears, 1995, 1998

attempts were made to build up a universal theory of leadership, able to explain the phenomenon in every situation. Situational approaches focused on *when* and *where* leaders influence. The reasons given to explain the

influence of leaders came from the context or situation as well.

Understanding of the leadership phenomenon kept advancing. Without leaving earlier approaches, new groups of theories paid atten-

tion to the nature and dynamism of the relation of leader-follower. Followers are now explicitly considered in this wider perspective in order to understand why they follow leaders. Relational approaches include: *transactional leadership*, in which leaders and followers are viewed as parties to an economic transaction; *transformational leadership*, where leadership is conceived as a process of transformation of followers and *servant leadership* which emphasises the attitude of service in the relationship.

This synthetic review of literature, points out the significant advance in the understanding of the elements that should be considered in this process of influence: the leader (his or her personality, behaviour and rationality), the context and the follower (personality, behaviour and rationality). But the study of this vast body of work, based mostly on empirical observation, also points out a great fragmentation of the literature.

Although most elements of this complex reality have been identified, the lack of global perspective and the reduced understanding of leadership dimensions still leaves unanswered one of the most important questions: What are followers looking for? Why do followers freely adhere to leaders? And why do they trust them? The next section will explore some answers.

### **A multidimensional perception of leadership**

Emphasis on the free will of followers to adhere to leaders moves the question of leadership to the sphere of the follower's or followers' motivations. Following the logic of classical philosophy, it seems reasonable to claim that all human actions are directed to an end that is perceived as something good. So, the rational base to explain relations of leadership might be founded precisely on human motivation for good, and the possibility to obtain such a satisfaction in human relationships. For that reason, people that freely follow leaders are supposed to be looking for the satisfaction of their needs, for something perceived as good in that relationship. Perceived good may be coming directly from the person of the leader, his/her behaviour or the out-

comes of such a relationship, elements described above.

But, of course, it could be argued that the term "good" is not univocal. In fact, the term may be said, at least, to have three different meanings: good as *useful*, as *pleasant* and also as *moral*. These three different aspects, of what may be considered as good, will be precisely the criteria to distinguish three different dimensions that might be involved in the concept of leadership.

The first dimension of leadership is related to *useful goods*. The reasons followers adhere to a leader in this sense are technical. Followers will do more than formal power says, also more than they thought (Bass, 1985), if they think that they can satisfy their need for useful goods. When the leader possesses technical skills and works with correctness because he/she has the knowledge and the ability to judge rightly in technical terms, he/she will be able to satisfy the need for useful goods.

The technical dimension judges the relationship between leader and follower in terms of reward, benefits, less cost. The main criteria to judge leaders in the technical dimension are those related to effectiveness, and this is precisely what transactional leadership approaches emphasise. Followers follow managerial leaders because they trust them in technical matters. They hope that if they follow the leader, they will be able to obtain useful goods. The adhesion to leaders in the sphere of effectiveness will go beyond the scope of norms and orders when subordinates trust manager skills to obtain results. This is what might be called *technical dimension of trust*.

A second group of reasons that explain the influence of leaders is that related to *pleasant goods*. Now, the reasons the followers adhere to the leader are related to satisfaction or attractiveness. Personal magnetism of leaders that attracts the attention of people (Bogardus, 1994), is said to be based on personal traits, personal and social abilities such as empathy, self-confidence, persistence or ability to communicate, among others.

Scholars have widely studied what might be described as the psycho-emotive dimension of leadership in "traits centred" and "charismatic"

approaches. Leaders convince, persuade and motivate not only based on quantity and relevance of reward (technical dimension), but also because they care about followers joining, and they remove obstacles that can lead to frustration and thwarted efforts (House and Mitchell, 1974). The Psycho-emotive dimension judges the relationship leader-follower in terms of satisfaction. Using Maslow's terminology, this dimension can be related to self-realisation, self-esteem and social needs, while the technical dimension would be looking mainly at basic and security needs.

Followers adhere to leaders with personal creativity and implication when they believe, trust, that this relationship will bring them some personal satisfaction. This kind of *psycho-emotive dimension of trust* is quite important in interpersonal relationships. If, for instance, managers do not make a good impression on subordinates, adhesion to them will be jeopardised, as it is if managers are technically incompetent.

But, human motivation for good, and the possibility to fulfil such a motivation in human relationships does not stop with the two dimensions studied. People not only care for useful and pleasant goods, but also goods like justice or freedom, which are moral goods, ones that do not always coincide with those useful or pleasant. In particular, recent approaches like *transformational* and *servant leadership* – focused on leadership as influential relationship – call attention to this ethical aspect (González, Guillén y Vélaz, 1999; Cardona, 1999; Melé, 1999). The nature of leadership as an interpersonal, dynamic and free influence relationship that requires some kind of trust, tends to prove that leadership has much to do with the field of morality or ethics.

Table II shows the three dimensions described and their relationship with different elements of leadership studied in the first section. Personal attractiveness of leaders could be based not only on their technical skills and emotive abilities, but also on their moral qualities.

TABLE II  
Elements and dimensions present on leader-follower relations

Influence source	Technical dimension	Psycho-emotive dimension	Ethical dimension
<b>Leader personality</b>	Technical Skills	Psycho-emotive Virtues	Ethical Virtues
<b>Leader behaviour</b>	Technical Correction	Psycho-emotive Attractiveness	Ethical Uprightness
<b>Leader rationality</b> (Knowledge, judgement and intention)	Technical Rationality	Psycho-emotive Rationality	Ethical Rationality
<b>Leader context</b>	Technical Environment	Cognitive-emotive Environment	Ethical Environment
<b>FOLLOWERS</b>			
<b>Follower rationality</b>	Technical Motivation	Cognitive-emotive Motivation	Ethical Motivation
	Reward	Satisfaction	Human fulfilment (Personal good and that of others)
<b>Follower personality and behaviour</b>	Technical Skills	Intellectual-emotional Virtues	Moral Virtues

Classical philosophers understood morality as human excellence. In practice, morality refers to human virtues or stable habits of character that help to do the right thing. By practising virtues leaders attract with their behaviour, and this behaviour is possible, at the rational level, when the leader has ethical principles, and is able to use them in the decision making process.<sup>5</sup>

The moral dimension refers to moral good. Morality has to do with the right and good completion of a human person, with human excellence. The moral dimension of leaders includes virtues like fairness, integrity, honesty and loyalty and also determination, courage and responsibility. A recent description of virtues for business people adds virtues like generosity, humility, tolerance, enthusiasm and humour (Solomon, 1999). Moral virtues of managers, as well as skills and psycho-emotive virtues, inspire trustworthiness in the three spheres or dimensions described.

The study of leader and follower rationality in moral terms leads to a kind of human need not described by Maslow's hierarchy. When *moral good* is considered, psychological approaches to explain human motivations turn out to be insufficient. Moral good is related to oneself, but also to others. Beyond reward and self-realisation, the good of others seems to be a very human kind of motivation.

This type of motivation has been described as "that kind of force that leads people to act for the utility and consequences that his or her action may have on others" (Pérez-López, 1998, p. 17). A simple example, used by this same author, may illustrate what he called *transcendental* motivation. To explain the reasons that physicians have to do their job everyday, three different groups of reasons could be given: first, to get money (extrinsic motivation); second, to enjoy and learn by doing the job (intrinsic motivation); and third, to save lives (transcendental motivation).<sup>6</sup> This motivation of doing "good" to others is a kind of force that could hardly be denied, as a human need. Pérez-López identifies the ethical quality of people precisely as depending on the presence of this motivation in their behaviour.

In the sphere of organisations, if the possibility of looking for the good of others is denied, many

behaviours of everyday business reality, like disinterested collaboration or co-operation, remain without explanation. Disinterested behaviours are not outside the world of organisations. Business companies are not only product or service producers. Relationships among workers are not exclusively contractual. As far as organisations are groups of people working together, *transcendental* motivations are present, like in any other human group.

But while the ethical dimension opens the door to the understanding of a kind of motivation scarcely studied by managerial scholars, the sphere of morality is not limited to *transcendental* motivation.

Following the directional logic of three kinds of motivations offered by Pérez-López, in relationship with extrinsic motivations of moral goods, the follower would be looking for justice in their relationship. What moves the follower here is the hope of satisfying his or her need to be treated with the dignity of a human being, one with knowledge and free will. At the level of intrinsic motivations of moral goods, the follower would be looking for truly personal fulfilment in this relation. Finally, transcendental motivation, in moral terms, refers to truly human fulfilment of others, to service for the common good. The ethical dimension then may be described as related to human dignity and human fulfilment of oneself and that of others.

In terms of managerial leadership, three dimensions described in this work may help to better understand the free influential relationship among managers and subordinates. A manager may provoke free adhesion because he obtains outcomes (technical dimension), satisfying employees (psycho-emotive dimension) and treating them as people, but also taking care of their professional development (ethical dimension). At this point, it is fundamental to make clear that the free influential relationship is always one and just one each time. The three dimensions described are three different aspects of the same reality. This unity is also a key for explaining the role of ethics in leadership.

In order to exert influence, each leader depends on three dimensions at the same time, because all of them are part of her/his behaviour.

A leader's behaviour is judged and admired as a result of his *effectiveness, attractiveness and goodness*. These three aspects are complementary and inter-connected. While leadership may be the fruit of just one of those dimensions, it is reasonable to think that the level of leadership will be higher if all of them act together. The three dimensions are complementary and they may interact with each other. An effective manager may ruin his capacity to lead if he has problems with his character, and the other way round, technical incapacity may inhibit the leadership of a well considered manager. While leadership could be supported by just one of the dimensions, the presence of the other two would increase overall leadership capability. Therefore, *unity* of the three considered dimensions is key for explaining the degree of leadership.

A multidimensional perception of leadership does not imply a need to abandon the advances of precedent approaches. Elements like context (situational approach) determine the presence of those dimensions. Each dimension will acquire more or less relevance depending on the situation of the action considered. Also, the interests of followers, their intentions or motivations, will be fundamental to explain the importance of each one of those dimensions. Nevertheless, as will be discussed next, the third dimension of leadership is not just a key issue to understand this relationship, but an essential aspect to explain the completeness and stability of such a free relationship.

### **Importance of moral dimension of trust for leadership durability**

*The moral dimension of trust* ensures followers not only a useful or pleasant relationship but also a good one. In moral terms, good relationship means that subordinates trust that their managers will treat them with the justice proper for human dignity. But morality must not be reduced to the good of justice. Proper personal fulfilment and that of others is the object of ethics, the human excellence. As a consequence, the level of moral trust in this relation may be described as the level of human fulfilment that followers hope to

obtain, for them and for others. This moral dimension of trust may explain part of the adherence of followers, their interest, initiative, and participation beyond the dictates of power. But trust, again in moral terms, is bi-directional. Paradoxically, the more moral trust is given the more is received. Unfortunately, there is no rule for this. The extent to which moral trust goes beyond the scope of what is due to that of excellence is immeasurable. The logic of excellence is not the logic of justice but of excess, rationality proper to free initiative and creativity.

Nevertheless, if moral trust is considered in terms of absence or presence, conclusions may be quite different. It is reasonable to think that if moral trust disappears because subordinates find out that they are being treated unfairly, or that they are being cheated, free adhesion to leaders will also disappear. This kind of influence relationship is manipulation. If followers perceive that they are being manipulated, they will no longer consider the other as a leader, or at least, it will cast doubt on the intensity and durability of this relationship.

The completeness and stability of a free relationship based on liberality of the follower seems to depend on the moral dimension of trust. When doubt about the goodness or truthfulness of leader intentions appears, and so credibility about his or her behaviour diminishes, one might ask whether followers would continue doing the will of such a leader. It is hard to believe that people will follow for a long time somebody who is not taking care of them and who is being distrustful. When moral trust deteriorates then the continuous exchange of influence and free acceptance among the leader and the follower also suffers damage. Usefulness or feelings of people can be appealed for motivation, but when those dimensions are exposed to view as instruments for manipulation, they miss their capacity to motivate or inspire. Also, if effectiveness and attractiveness of leaders remain without goodness, and therefore without unity, sooner or later, the collapse of such a free relationship is predictable.

But, going back to the positive perception of leadership, its dynamic nature implies that followers may assess moral aspects of leader

exclusively in the relation. This explains why exemplarity throughout this relation is the main source of influence that the leaders possess. In this sense, the *servant leadership* approach precisely emphasises the service attitude of leaders as a key factor to explain this kind of influence (Greenleaf, 1970). In managerial terms, a multi-dimensional conception of leadership adds to this conception a framework for distinguishing the different spheres of leaders' exemplarity, and so, gives a more accurate concept of service.

Power and leadership, as influences, are complementary. And, as we argued earlier, managerial commitment and managerial leadership are not synonymous. While *managerial commitment* might lean exclusively on power, *managerial leadership* involves a wider source of influence, and generates behaviours that, in a strict sense, cannot be required. Effectiveness, attractiveness and uprightness or goodness of managerial decisions, and of managerial use of power, may favour or make difficult the existence of leadership in managerial tasks. Again, unity of human action must be emphasised. Managers' behaviour, their actions and the use of power may be judged from different aspects, but behaviour is unique. It could be stated that, in managerial terms, exemplarity implies correct, pleasant and upright use of power (Pérez-López, 1998).

The next section shows two illustrative case studies to explain the importance of managerial leadership in TQM implementation processes, using the concepts described in this paper. The purpose of this research is to study how managerial leadership (through the use of formal power) may influence the implementation of quality principles.

### **Ethical dimension of managerial leadership in TQM: Two case studies**

To expound the conception of leadership described above, this last section presents two case studies of an *illustrative* nature (Bonache, 1999; Yin, 1994, p. 15). Evidence submitted here should be considered provisional, given the state of the collected information. The conclusions may provide a first tentative approach to the

study of the ethical dimension of managerial leadership in TQM implementation. The companies studied belong to the ceramic industrial sector and are located in Castellón, Spain. Both firms have implemented quality programs.

The main objective of the case studies is to illustrate and to document that management leadership can be an explanatory variable of the level of TQM implementation in a given firm. The research procedure depends on a set of basic *a priori* assumptions that ought to be made explicit. The first one is that managerial behaviour and practices may determine the level of implementation of quality management principles. Managerial actions are indirect indicators of the influence source used by management and it is reasonable to suppose that it will have consequences on TQM implementation success. The success of the implementation process is understood as the achievement of each one of the principles that characterise TQM.

Table III shows the interconnection of a group of common managerial practices with TQM principles. The list<sup>7</sup> ranges from practices that necessarily imply a response (based exclusively on formal power) to those that may indirectly influence behaviour (based on formal power and leadership). Table III also indicates which one of the three dimensions described above is the main source of the influence process. At the bottom of the list appear those managerial actions that imply more than what strict justice requires, including generation of a common mission, cooperation toward the common good and disinterested behaviours.

If the concept of leadership described is right, those actions, because of their moral content (practising but also going beyond transactional relationship) should help to implement precisely the quality principles that hardly could be demanded, i.e. those related to excellence.

A second assumption is that managerial decision making implies the will and the ability to carry out those actions. In this sense, in spite of the moral importance of a manager's intentions, this research will assume that those intentions match with actions. Consequently, intentions will not be judged – this assumption becomes stronger by the fact that data collecting,

TABLE III  
Managerial influence sources, practices and TQM principles

Some managerial practices or influence actions	Main influence source (Dimension)	TQM principles
Task assignment Direct control and supervision Compulsory rules Resource allocation	<b>Formal power (Technical)</b>	Product and process design Product and process fit with specifications
Process and routine standardisation Goal definition Information-decision systems	<b>Effectiveness (Technical)</b>	Process management Fact-based management Focus on customer satisfaction
Remuneration systems and procedures Assessment systems Training Recognition and reward systems Code of conduct Creeds Common mission statement	<b>Attractiveness (Psycho-emotive)</b>	Co-operation with customers and suppliers Training Team work
Co-operation to common good Disinterested behaviour	<b>Goodness (Moral)</b>	Co-operation inside the firm Continuous improvement Commitment and participation Cultural change

from each case, corresponds to a long period of time.

An additional but important qualification is that the authors are conscious of the partial character of the study as a first attempt to understand the implications of considering the moral dimension of leadership. Not only rationality, but also the personality of leaders, will be left outside for simplification and objectivity reasons.

In order to achieve research goals, and after developing the set of indices shown above, the following procedures for data collection and analysis were applied. A secondary data analysis (Glaser and Strauss, 1967; Strauss and Corbin, 1998) was carried out over the evidence pooled in a database. This database was developed by one of the researchers in a prior – and wider – case study.<sup>8</sup> The first finding was that, after an accurate analysis, the researchers did not find any case which seriously challenges the theoretical propositions enunciated. Secondly, this analysis gave a criterion for choosing two cases which best fit the research purposes.

The selection criterion for choosing the companies is twofold. Firstly, both adopted quality systems and obtained “ER” AENOR certificate (ISO 9001)<sup>9</sup> in 1996. To preserve the confidentiality of the firms, the first one will be designated here as TAILSA and the second as MOROSA. Second, in the two cases selected, other contingent factors that could influence quality systems remain reasonably similar (Hall, 1972; Mintzberg, 1979). The companies have quite similar age, size, product lines and technology. They share a common competitive environment and identical national cultures. Another important criterion was that these two firms provided good access.

Once these two firms had been chosen, documents and interviews were collected, codified and analysed.

In order to assure reliability, three types of triangulation method were deployed: first, *data triangulation* – research relies on multiple source of data; second, *evaluator triangulation* – the two researchers worked independently in the first

evidence, codification and analysis phase – and third; *methodological triangulation* – data was collected following different methods (Patton, 1987). Finally, it is important to note that the first draft was sent to informants – who work inside these two firms – in order to check if interpretations were accurate, and in search of new *feedback* worthy of being included.

Next, to present the results of the comparative study, Figures 1 and 2 synthetically describe the main managerial practices in both companies.<sup>10</sup> Observation took place over a long period of time, and assessment of each of the 16 practices has been done following the criterion of the existence of enough evidence of those practices and considering the amplitude of their application. In the case of TAILSA, managerial actions rest mainly on supervision and direct control, establishing formalised work processes, output normalisation and resources assignment. However, observation shows that management uses in a limited way evaluation-remuneration, training and recognition systems. On the other hand, this is an organisation with a low level of

shared vision, excepting that of upper managerial members.

The evidence seems to indicate that management acts are supported by the power that emanates from hierarchy and their technical influence. In this meaning, the manager profile is closer to a Weberian or Taylorist pattern, rather than being based on the concept of leader described. The study assumes that actions reflect the attitude (intentions) and the capability of managers to implement quality programs. This assumption was confirmed when people in charge of the quality program in TAILSA declared that they do not believe in actions directed toward giving up power to employees through TQM devices.

In MOROSA's case, the study of managerial practices (Figure 2) presents a different outcome. Now, the source of influence is not based exclusively on formal power. The technical and psycho-emotive dimensions are reflected in several practices like evaluation of improvement proposals, working out of training programs and periodical satisfaction surveys or personal inter-

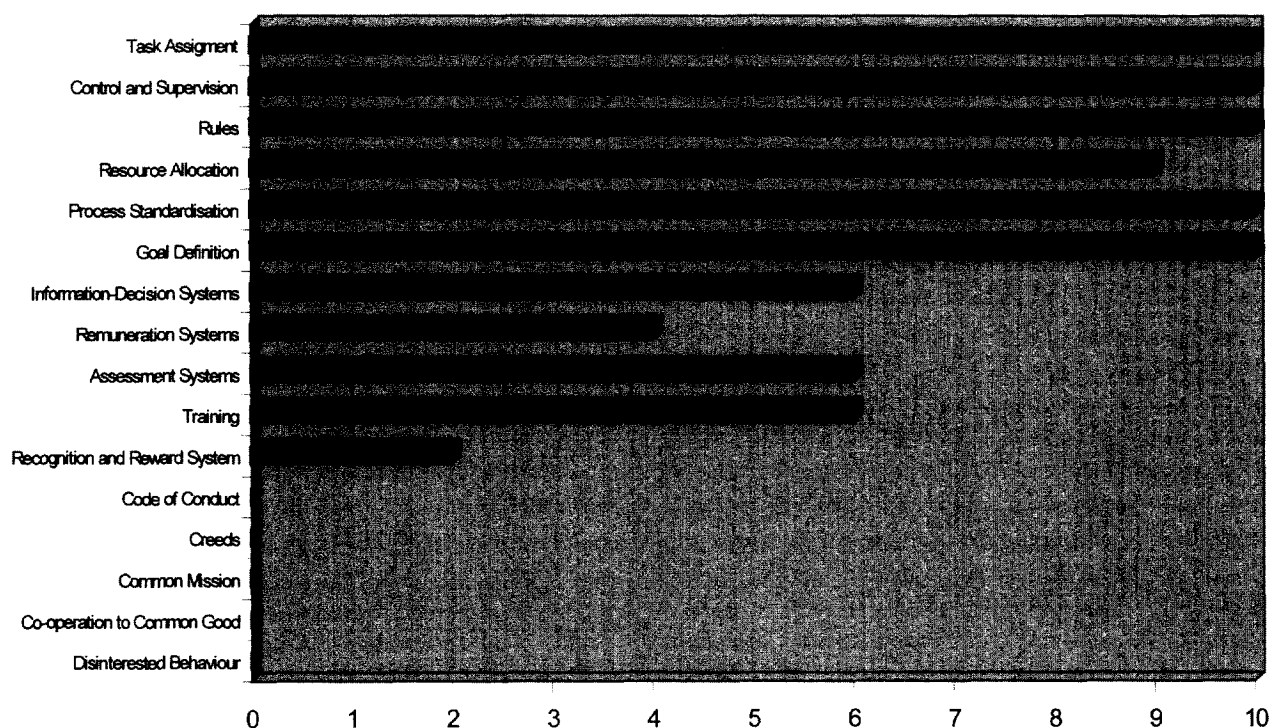


Figure 1. Management practices devoted in TAILSA.

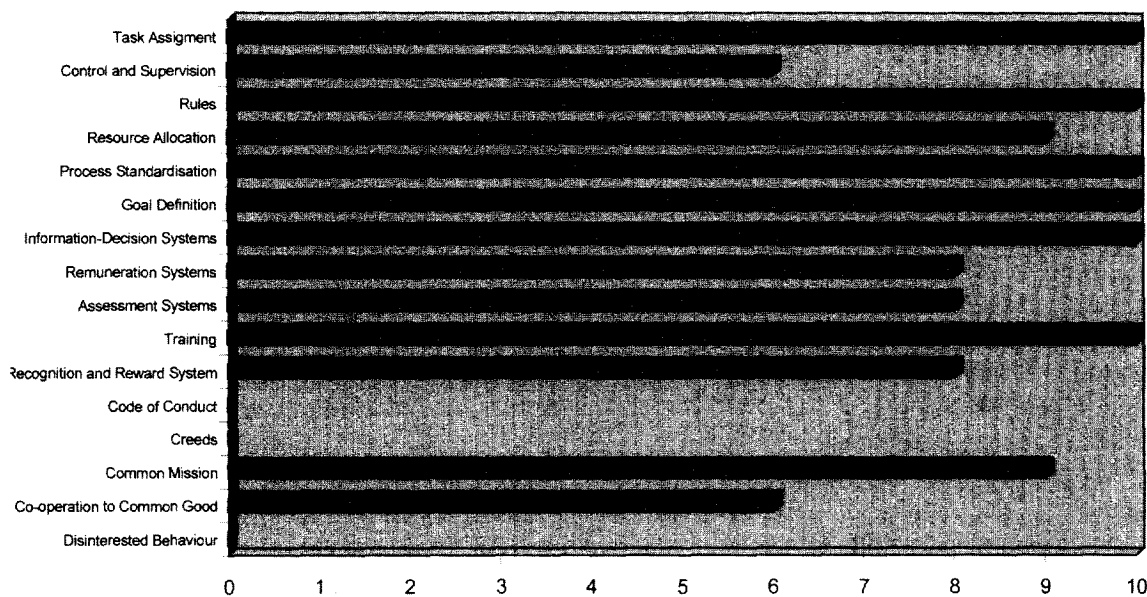


Figure 2. Management practices devoted in MOROSA.

views. In relation to the third dimension, especially in training programs, there appear some actions related with exemplarity, socialisation and the creation of a shared vision. Evaluation systems, as applied in this case, presuppose listening abilities and empathy.

If the assumption is made that a manager's behaviour is an indirect source of influence, together with formal power, when behaviours are different the grade of accomplishment of principles should be different too. In order to study this relationship, the next step was to examine the application of those principles in each case studied. Figure 3 shows a comparative description of principles in TAILSA and MOROSA. The implementation level of TQM principles was assessed taking evidence from different sources, like interviews with managers, employees, direct observation and published information. The assigned value has a comparative meaning.

In both cases, specific principles of TQM such as product and process design, product and process fit with specifications, process management and fact-based management present a high level of development and deployment (see Figure 3). Nevertheless, while principles related to the technical dimension are closely com-

parable, those more directly connected with the two other dimensions introduce a clear discrepancy. In the case of TAILSA, principles related to satisfaction like co-operation with customers and suppliers, training, teamwork or co-operation inside the firm are less well developed. Moreover, principles related to excellence of organisation – like continuous improvement, commitment and participation, and cultural change – are sporadic or non-existent in this organisation.

MOROSA's case offers multiple evidence of systematic implementation of principles like continuous improvement, commitment and participation, and cultural change in every level of the organisation. The case study seems to indicate that different managerial behaviours generate different levels of organisational response. Beyond the use of formal power through rules or regulations, actions directed toward co-operation for the common good, and toward creation of a shared vision, provide a deeper realisation of TQM principles. This co-operative attitude of service, which goes beyond the sphere of power, seems to rely upon the influence of proper sources of leadership and requires the consideration of the three dimensions described.

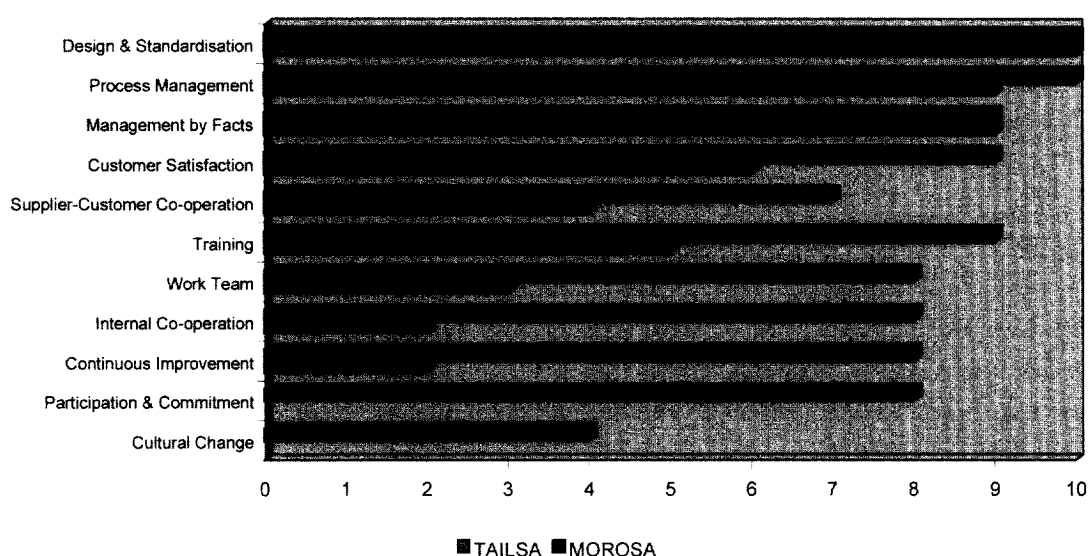


Figure 3. TQM principles.

## Conclusions

Academics and practitioners agree on the importance of *managers' commitment and leadership* to explain the different level of success and failure in TQM programs. The authors of this paper contend that *commitment* is a narrower term than that of *leadership*. While everyone who leads the implementation process ought to be committed, not every committed manager is necessarily a process leader.

Leadership goes beyond the scope of formal power, and involves a continuous exchange of influence and free acceptance. People that freely follow leaders are supposed to be looking for the satisfaction of their needs, for something perceived as good in that relationship. Perceived good may come directly from the person of the leader, his/her behaviour or the outcomes of such a relationship. However, the term "good" is not univocal. It may have at least three different meanings; good as *useful*, as *pleasant* and as *moral*. These three different aspects are precisely the criteria followed by the authors to distinguish three different dimensions that might be involved in the concept of leadership. A manager may provoke free adhesion because he obtains effective outcomes (technical dimension), employees' satisfaction (psycho-emotive dimension) and

people personal and professional development (ethical dimension).

The authors propose a multidimensional conception of leadership defined as a *dynamic free interpersonal relationship of influence, beyond formal power, and based on the technical, psycho-emotive and moral dimensions of trust*. Followers judge, admire and trust leaders' behaviour because of their *effectiveness, attractiveness and goodness*.

In order to exert influence, each leader depends on these three dimensions at the same time, because all of them are part of her/his behaviour. In other words, they are different, complementary and interconnected aspects of the same reality.

A multidimensional perception of leadership does not imply a need to abandon the advances of precedent approaches. On the contrary, this framework may help to understand more accurately the free influential relationship among managers and subordinates, and to explain the role of ethics in managerial leadership. When managers truly look after the benefit, satisfaction and human development of the members of the organisation, they exert a bigger influence than just through the exclusive use of power. The capability to influence subordinates' behaviour goes beyond formal power when managers devote their authority to providing fair reward to

the organisation's members, real satisfaction and the possibility of developing their personality through daily service to others.

Effectiveness, attractiveness and uprightness or goodness of managerial decisions, and actions, could favour or make difficult the existence of leadership in managerial tasks. The two case studies presented here illustrate this by providing a first tentative approach to the study of the ethical dimension of managerial leadership. The study seems to indicate that different managerial behaviours (as indirect source of influence, together with formal power) generate different degrees of accomplishment of TQM principles. Beyond the use of formal power through rules or regulations, actions directed toward cooperation for the common good, and toward creation of a shared vision, provide a deeper fulfilment of such principles.

The deployment of TQM principles requires a vigorous influence that only a leader can exert. In fact, managerial leadership is an *ex-ante* requirement for a successful TQM implementation process. Without it, workers, suppliers, and customers would not undertake the necessary effort to achieve all the TQM principles.

Finally, *moral trust* in management actions, which emerges from the ethical dimension of leadership, is an essential condition of excellence and continuous effort demanded by the TQM perspective. Depending on it, people will or will not undertake the lasting personal endeavour that excellence requires. Then it will be possible to establish an environment where the basic behaviour standards are: continuous improvement, commitment, and a genuine wish for service.

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### Notes

- <sup>1</sup> Examples of this are BS9000 or EFQM, Malcom Baldrige and Deming Awards.
- <sup>2</sup> The authors consider that the level of TQM program success depends on the implementation of principles.
- <sup>3</sup> This definition was upheld by Professor Rafael Alvira in his oral exposition at the IX International Colloquium on Business and Economic Ethics, IESE, Barcelona, 1999.
- <sup>4</sup> For a deeper discussion see Chester Barnard and his "acceptance theory of authority" (Barnard, 1968).
- <sup>5</sup> Practical wisdom, or «prudencie» in classical terms, is precisely the virtue to rightly judge and act in every particular situation (Melé, 1997).
- <sup>6</sup> Pérez-López uses the criterion of directionality to define human motivations. *Extrinsic motivations* lead people to act for the reward they receive with their actions. *Intrinsic motivations* lead people to act for the utility or satisfaction they receive by acting.
- <sup>7</sup> The authors, relying on their theoretical propositions, elaborated this set of items. The objective was to prepare a set of indices reflecting the core concepts and the main issues of this piece of work.
- <sup>8</sup> See González (1997) and Moreno et al. (2000).
- <sup>9</sup> It is equivalent to BS9001.
- <sup>10</sup> A detailed exposition of implementation processes of selected cases can be found in González (1997).

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