

# Leadership

Whether you are the managing director or a shift leader, the way you lead is the single biggest success factor for everyone you work with. Leaders change the organisations around them. They make a difference to the business, rather than just making the business work. Leadership is about what you do. It involves learnable skills that can be applied to the tasks that occur in every business.

This briefing tells you how to make leadership work in practice. It covers:

- The leadership functions of a manager — and those of a managing director.
- Leading a successful team.
- How to achieve more as a leader.

## 1 Leadership at all levels

Leadership — whoever is doing it — is about creating positive change to achieve long-term objectives.

**1.1** Leadership involves **setting goals** (see 6), then moving the business towards them.

- Making the best use of resources, including people's potential, is the key skill.

**1.2** Leaders have to earn the **authority** to lead.

- For example, in a new job you should usually start by asking questions. You need a sound knowledge base before you start making decisions on technical issues.
- People need to be convinced of a leader's expertise and determination.

**1.3** Leading a team means **developing** and **motivating** individuals and groups (see 7).

- This includes helping people find meaning and purpose in what they are doing, so that it is seen to be worthwhile.
- Leaders create more leaders. By setting a positive example and allowing people to learn and develop on the job, you encourage them to take a more proactive role.

**1.4** Leaders must often **press ahead** where managers see problems and back off.

- For example, every new product idea will face a series of obstacles. A leader will find a way around each of them. Leaders at supervisor or office level need backing, as it is often difficult for them to be recognised as leaders by their workmates.

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## 2 Leadership from the top

The managing director has a wider leadership role, which includes leading other leaders.

As a managing director, you have four special responsibilities.

**2.1** Create the **vision**, based on an understanding of strategic shifts and opportunities.

- The vision need not be something you can methodically plan your way towards.
- It must be worth the effort or it will not attract people and provide motivation.
- The end point must be able to be measured or verified.

**2.2** Form the **team** and a structure that helps you achieve your goals.

**2.3** Decide key business and personnel **policies**.

**2.4** Manage **rewards** and discipline.

- Use a range of incentives — besides cash — to stimulate effort, ideas or whatever the business specifically needs.

## 3 What do leaders do?

Leadership involves taking on six tasks.

**3.1** Achieve **clarity** about the changes that must happen.

### Great mistakes

Business is about planning, but you still end up moving forward by trial and error.

Managers who seek scapegoats when things go wrong create an environment in which people avoid experimenting and taking risks.

Realistic leaders foster a climate in which it is OK to make mistakes, as long as they are not caused by carelessness or stupidity.

A retailer, for example, will back the buyer's judgement and give customers a chance to try a new line. If it flops, it is soon forgotten. If it flies off the shelves, supplies are scaled up and everyone celebrates a success.

In a business where people are not afraid to try and fail, the flow of ideas can become a major asset.

- For example, a courier business might need to grow quickly — possibly by acquisition — to achieve the critical mass that makes multi-drop trips possible.

Once people are clear about the need for change, they will begin to work towards it.

**3.2** Turn **ideas into action** points and motivate others to act on them.

- Be flexible about ways and means — 'tough on the what, easy on the how'.
- Ask managers to put proposals in a one-page summary plan, so you can see the quality of their thinking.
- Encourage people to achieve more by setting demanding targets and helping them to achieve them.

**3.3** Win **commitment** based on honest, realistic, two-way discussion.

- Make it clear that you expect problems to occur, but that they will be overcome.
- Let everyone see that you are confident about the long-term future.

**3.4** Create a **climate of learning**, so people know it is safe to make mistakes (see box).

**3.5** **Keep going**. Without persistence, even the best ideas can come to nothing.

- One survey found that 80 per cent of corporate change programmes had failed within two years. Of the surviving programmes which were successful, 75 per cent had come close to being scrapped at some point.

**3.6** **Learn** from your experiences.

- You are looking for lessons that will help you replicate your successes.
- At the very least, make sure you do not make the same mistakes twice.

## 4 What must leaders do more?

To be a leader, you have to act like a leader.

The more of these things you do, the more you will achieve.

**4.1** **Make time** to look into the future, rather than always letting today's rush overwhelm your attention.

**4.2** Make **complex things simple**.

- People try harder and make fewer mistakes when they all understand what is going on.

**4.3** Always try to **change** the organisation for the better and move it forward.

- When you see the chance to bring in real improvements, make the changes as soon as possible.

**4.4** Invest time and effort in **networking**.

- Put in time with your contacts outside the business, especially friends who run other companies.
- Spend time talking to customers, industry experts and journalists.
- Build alliances by co-operating, even in small ways, with other organisations.
- Promote your business tirelessly and

### Where do the ideas come from?

Most leaders have their best ideas almost anywhere other than in the office.

Many experts believe that leaders (even in hectic smaller businesses) should spend half their time away from their desks.

At work, there are too many distractions and you become immersed in everyday detail. Ideas come when people have time to think.

**A** Time spent doing anything that brings you into **contact** with other people's thinking may spark new ideas.

- Talking to business people and friends.
- Reading books (many leaders get inspiration from biographies).
- Paying attention to magazines, newspapers, radio, and TV.
- Using web streams and Google Alerts to keep informed.

**B** Ideas can also come to you during time you usually think of as **unproductive**, from a business point of view:

- At home — in the garden or the bath.
- On trains and planes or stuck in traffic jams.
- While walking, cycling or exercising.
- While unconscious, when you decide to 'sleep on it'.

This is not coincidence. To focus intently on a problem and then let your brain chew it over while you are occupied with something else is often the best way to solve it.

enthusiastically wherever you go.

**4.5 Be systematic**, so things do not fall through the cracks.

- Your example will encourage other people to work in a methodical way.

**4.6 Add value yourself** every day.

- The best leaders sell, negotiate, plan and administer every day and get through a mountain of work, partly through managing their time effectively.
- Phone or visit customers and suppliers. Be seen to get personally involved.

## 5 Making decisions

Once you have delegated as much decision-making as is reasonable (see **7.1**), be dynamic in your own decision-making.

**5.1** Many decisions can be made immediately, **without consulting** others.

- When the decisions only affect you, or are minor or routine.
- When an inexperienced team needs to be told what to do.
- When speed is vital. For example, when you are close to deadlines.

**5.2** More important decisions should be made **having consulted** others.

Outline the objectives, problems and ideas and invite comments.

- Participation in the discussion helps win the commitment of those affected.
- Involve others that may know more about the issue than you.

**5.3** Train your people to use their **initiative**, and to present you with solutions, rather than problems.

Decisiveness is a virtue. Procrastination rarely makes decisions easier. It usually holds other people up, and it is a bad habit that others tend to copy.

## 6 Point the way

**6.1 Everyday leadership** focuses mainly on deciding priorities and setting objectives.

- It helps if any objectives that are set are SMART (specific, measurable, agreed, realistic and time-limited).

- Leaders lead the search for ideas and improvement. For example, they ask questions like: 'Who do we know who does this well?' or 'Whose brains can we pick about how to tackle this?'

**6.2 The managing director** usually decides the strategy and direction for the business. In some companies, this role is shared by the chairman, or the board of directors.

The classic formula for defining strategy has four parts:

- Where are we coming from?
- Where are we now?
- Where are we going?
- How are we going to get there?

From the answers, a strategy can be derived. This gives a framework for assessing day-to-day decisions, to ensure they all move the business in the right direction.

## 7 Manage the team

The lighter your management touch when things are going smoothly, the more you have in reserve for emergencies.

**7.1 Delegate more** than you think is possible.

- Break strategy down into projects that individuals or small groups can tackle.
- Provide positive supervision. Ask people what they feel they are best at — and give them the chance to do more of it.

**7.2 Motivate people** by showing you notice everything that goes on.

- Build people's confidence by trusting them with challenging projects and targets.
- Let people know their views and ideas are always taken seriously.
- Give full credit for every success.
- Give individuals rewards that matter to them. A half-day off may cost less and mean more than a cash bonus.

**7.3 Lead by example.**

- Show the honesty and consistency that people want from a leader.
- Let everyone see from your actions what you mean by excellent service.
- Show confidence. If there is a problem with a particular customer, let everyone see that you are prepared to pick it up yourself and sort it out.

**7.4 Develop people's potential.**

- Provide training for the team, and for each person individually, including yourself.
- Encourage employees to try new things.
- Create opportunities for people to learn without risking disaster.

**7.5 Make communicating** second nature.

- Question, listen, and take time to ensure employees understand the reasons for any important decisions.
- Consider how people will be affected before communicating changes.

## 8 Know yourself

Leadership skills are a mixture of natural talents and learned technique. Play to your strengths and avoid — or work to improve — your weaker points.

**8.1 How good are you at working with other people?**

- Can you gain the respect and support of others?
- Can you fire them up with your enthusiasm, energy and vision?

**8.2 How decisive are you?**

- Is your decision-making approach right for the circumstances (see **6**)?

**8.3 Is your imagination** a leadership asset?

- Is the detail and clarity of your vision an inspiration to your employees?

**8.4 Is your analytical ability** a key strength?

**8.5 Do you have the energy** and drive to work hard and see jobs through to completion?

- If you accept nothing but the best, people will take their cue from you.

**8.6 Are you realistic** enough to bring in other people to cover your back?

- You can benefit by working with others who are not like you.

**8.7 Are you prepared to learn** from other people's experiences?

**8.8 Do people have faith in your integrity?**

- A good leader is open and flexible in approaching problems, but unwavering about values.

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