LEADERSHIP

7 QUALITIES YOU NEED
“Leadership is the capacity to translate vision into reality.”
Warren Bennis

“The key to successful leadership today is influence, not authority.”
Kenneth Blanchard

“Leadership is about coping with change.”
John Kotter

“Management is doing things right; leadership is doing the right things.”
Peter Drucker

“Innovation distinguishes between a leader and a follower.”
Steve Jobs

“The key to successful leadership today is influence, not authority.”
Kenneth Blanchard

“Leadership and learning are indispensable to each other.”
John Fitzgerald Kennedy

“Leadership is understanding people and involving them to help you do a job.”
Arleigh Burke

“Management is doing things right; leadership is doing the right things.”
Peter Drucker
We set out to define the essence of leadership, and found 7 key qualities that make a great leader. Everyone can work to develop these qualities, so join us as we explore them in this eBook. Then join the online discussion and tell us what indispensable leadership quality you would add to the list.
A GREAT LEADER...

1. has strong **awareness** of what’s going on, and uses good **judgement** to determine what’s important.

2. makes quick but considered **decisions** that balance facts, instinct and the opinions of others.

3. defines a clear **vision** for the business, and focuses the attention of everyone on it.

4. ensures the vision connects with business **strategy** and **operations**.

5. pursues, encourages and supports **innovation** and positive change.

6. focuses on **people** and company **culture**.
   - ... showing people why they are important to realising the company vision.
   - ... enabling people to achieve goals by providing support, training and freedom.
   - ... establishing trust and recognising achievements.

7. pays attention to **improving oneself** as a leader.

NOW LET’S EXPLORE THESE 7 QUALITIES...
A great leader has strong **Awareness** of what’s going on, and uses good **Judgement** to determine what’s important.

Leaders make better decisions and define clearer visions if they have knowledge or perception of the pertinent situations or facts. In a business context, situational awareness involves accessing knowledge on what’s happening inside and outside of the organisation; from what’s happening on the ground, to the opportunities and challenges that exist for management; and moreover, to the external opportunities and threats that are present in the marketplace, such as technological developments or economic conditions.

Leaders may not have time to study all of these things, and so must capitalise on strong and open lines of communication to inform them. Communication may begin via dialogue with directors or managers, but may extend to direct or indirect knowledge-sharing from the bottom-up, via employees, customers, suppliers or other collaborators.

The task of improving awareness should be seen as an opportunity, not a chore. Being self-aware and accepting that you do not know everything is a vital admission for leaders to accept.

Good judgement is often said to be instinctual, emerging from an innate, natural ability. Sometimes this holds true, but great leaders are likely to admit that over and above visceral instinct, good judgement is a product of strong awareness, information and knowledge.

Importantly, this means that anyone - not just so-called natural leaders - can learn to improve their judgement and become a better leader. When it comes to decision-making or defining your vision, let your awareness inform your judgement.

Strong judgement is also independent rather than based on bias or emotion, so communication is again important; by consulting others you can build objective perspectives and form well-rounded conclusions. You need to be confident in your own personal judgement, but also be aware of and value the perspectives and knowledge of others.
McKinsey & Company share interesting insights on strategic decision-making in interviews with Martin Sorrell, chief executive at advertising firm WPP, Randy Komisar, partner at investment firm Kleiner Perkins Caufield & Byers, and former Xerox chairman Anne Mulcahy.

Decision-making should be quick, flexible and informal, says Sorrell. “This is not to say the process shouldn’t be rigorous: run the analyses, suck up all the data, and include some formal processes as well”. “The only way to avoid making mistakes is to avoid making decisions”, adds Sorrell; “Instead, learn from mistakes and listen to feedback.”

Komisar suggests creating a balance sheet, “where everybody around the table is asked to list points on both sides”. Rather than giving judgements, contributors first outline the good and bad points relating to a decision. Once done, participants share their opinions and discuss the decision based on objective insights and personal judgements. “By assembling everyone’s insights rather than their conclusions, the discussion can focus on the biases and assumptions that lead to the opinions.” Komisar adds: “Listen to the little voice… It’s great to see a leader who will echo the little voice in the back of the room that has a different point of view - and thereby change the complexion of the discussion”.

“You need internal critics”, says Mulcahy, “who have the courage to give you that feedback”. Timeliness is also important: “Decisions have shelf lives, so you really need to put tight timeframes on your process.”

Instinct is important, “but only when four tests are met”, says McKinsey. The familiarity test asks whether we have experience in similar situations, because: “If we have plenty of appropriate memories to scan, our judgment is likely to be sound”. The feedback test questions the availability of reliable feedback in past situations, and whether the right lessons were learnt. The measured-emotions test asks if a decision evokes highly charged emotions which can unbalance judgement. And the independence test asks if we are “likely to be influenced by any inappropriate personal interests or attachments?”. “If a situation fails even one of these four tests, we need to strengthen the decision process”, argues McKinsey.
A great leader defines a clear **VISION** for the business, and focuses the attention of everyone on it.

Establishing a clear company vision helps to ensure your business goes in the direction you want it to. It gives focus to management, employees, suppliers, collaborators, and even customers. In essence, it defines a roadmap for where your business and its people are heading.

So how can you begin to define a vision? Strong awareness helps. It pays to know what’s going on inside and outside of your organisation, and have access to strong information and intelligence. This means using management, employees and other sources to inform and guide your thinking. But while others can inform and guide, they should not direct or dictate your vision. As a leader it is your job to look into the unknown and set a direction for the future as you see it.

Upon sound intelligence you can build an educated view of the future. According to leadership expert Warren Bennis, a vision needs to provide people with a “bridge to the future”. In the first instance this means defining where you want to be one, three, five, or ten years from now. From these points, leaders must ‘reverse engineer’ to provide specific, practical and achievable plans which detail the key steps required to realise the vision. Sometimes referred to as ‘futurecasting’, the process of visualising and road-mapping the future is an important leadership role.

Warren Bennis stresses the importance of “giving meaning” to a vision “through communication”. Business Week adds that there should be four components to a vision: “A compelling story, an image, it must be achievable, and it has to be forward-looking.” A vision could be described as part story, part plan. The story must be clear, compelling and easy to communicate, while the plan provides the specifics required to make it happen.

You might begin with impassioned speeches that articulate your vision, but be sure to follow up with practical steps which turn vision into reality; steps such as building specific goals into management, employee or supplier responsibilities, or conducting regular management meetings and monitoring to ensure your vision is rigorously pursued. More generally, look for opportunities to constantly ‘give meaning’ to your vision through strong communication and management. Tell your story of the future, then inspire, compel and enable others to follow your lead.
A great leader ensures the vision connects with business strategy and operations.

Strong leadership and continued focus are key to strategy execution

In a Harvard Business School interview, Robert Kaplan and David Norton, authors of “The Execution Premium: Linking Strategy to Operations for Competitive Advantage”, say that senior management “needs to have regular, probably monthly, meetings that focus only on strategy”. Kaplan stresses that while it’s important to discuss short-term operational issues, strategy meetings should occur separately; “In that way, each meeting has its own frequency, agenda, information system, and participation”.

Kaplan and Norton also recommend appointing a “Strategy Office”, described as analogous to a military general’s chief-of-staff; “The chief-of-staff does not create strategy or operational tactics and has no authority or accountability for its execution. A chief-of-staff schedules the general’s meetings, ensures that the appropriate people show up at the meeting, attends and takes notes at the meeting, and follows up after the meeting to ensure that the actions decided upon are carried out.” They suggest that an office, or individual, take on a similar set of tasks with the ultimate aim of coordinating strategy execution.

Above all, Kaplan and Norton stress the importance of strong leadership, which they claim is “both necessary and sufficient” for successful strategy execution. No organisation can successfully execute strategy without proactive leadership overseeing its implementation.

Build on strong leadership with a systematic approach

Quality management systems could further support strategy execution. Take for example the following principles of the ISO 9004:2009 standard: “System approach to management” aims to systematically define and develop business processes and activities in order to meet strategic objectives; “Process approach” ensures that key processes and activities are effective and efficient, and that responsibilities for managing, evaluating and improving processes are clear; “Involvement of people” ensures that employees understand their individual roles and how they contribute to strategy, and ensures constraints such as skills gaps are plugged through development, training or knowledge sharing.
A great leader pursues, encourages and supports **INNOVATION** and positive change.

By articulating innovation priorities and introducing measures to encourage and support innovative thinking, leaders can create positive change that directly links back to the leadership vision and strategy.

In a 2007 global survey entitled “How companies approach innovation”, from McKinsey & Company, 94 percent of senior executives said that “people and corporate culture are the most important drivers of innovation”. In discussing these findings, McKinsey & Company say that the first step towards producing an innovative culture is “to formally integrate innovation into the strategic-management agenda of senior leaders... In this way, innovation can be not only encouraged but also managed, tracked, and measured as a core element in a company’s growth aspirations”. A sentiment echoed in an article from Business Week, which comments: “Ideas generation shouldn’t be the starting point for innovation... An innovation agenda is key...

Leadership plays a big role here - it is the responsibility of management to articulate priorities.”

To progress their agenda, leaders should explore methods for generating ideas (such as group brainstorming or collaborative innovation), and the various different ways to innovate (such as problem solving, simplifying or creating new offerings). Systematic approaches may also be beneficial, for instance, the ISO 9004:2009 quality management standard, which makes continual improvement a performance-measured objective for all employees, and acknowledges innovation through employee recognition.

Other leadership priorities include freeing up the required management support and business resources for innovation, and fostering a culture that accepts failure as a potential part of the innovation process.
A great leader shows **PEOPLE** why they are important to realising the company vision, enables people to achieve goals by providing support, training and freedom, and establishes trust.

By focusing on creating an open and nurturing company culture, leaders can inspire people to do great work, improve, and communicate openly in the interests of the business - all with the ultimate goal of realising the leadership vision.

**Manage and nurture**

Some management control is necessary to ensure that people properly undertake their roles. But rather than control, great leaders inspire people to do great work by showing them why their roles are important to realising the company vision. Connecting job roles and strategy also highlights areas where training and development could increase people’s individual contributions to strategic success.

**Communicate**

Direct communication ensures your vision and strategy are heard, understood and respected. And open dialogue provides valuable employee insights, such as employee issues or ideas for improvement. Leaders should listen and act when insights provide opportunities to improve company culture or business performance.

**Be honest and clear**

“Trust is a key factor”, says leadership author Warren Bennis; “Honesty and candour at the top helps. When executives speak their minds, they encourage their peers and subordinates to do the same.” Bob Sutton, from Stanford University, adds that leaders should “come clean”, even when there’s bad news, and be clear with the signals they send out.

**Recognise people**

A government-funded survey found that 61 percent of employees questioned said they wanted to work for leaders that give credit for good ideas. And an Economist study, “Innovation: Transforming the way business creates”, found that the best way to encourage innovation is through “public recognition by leaders”. Recognising people and achievements not only boosts employee motivation and trust - it spurs innovation too.
A great leader pays attention to **IMPROVING** oneself as a leader.

Leadership author Warren Bennis stresses the importance of ongoing self-development, and observes that being a manager does not necessarily provide the best foundation for being a leader.

“There is a profound difference between management and leadership, and both are important. To manage means to bring about, to accomplish, to have charge of or responsibility for, to conduct. Leading is influencing, guiding in a direction, course, action, opinion. The distinction is crucial.”

In “Learning to Lead: A Workbook on Becoming a Leader”, Bennis illustrates specific differences between managers and leaders:

- The manager administers; the leader innovates.
- The manager maintains; the leader develops.
- The manager focuses on systems and structures; the leader focuses on people.
- The manager relies on control; the leader inspires trust.
- The manager has a short-range view; the leader has a long-range perspective.
- The manager asks how and when; the leader asks what and why.
- The manager has his or her eye always on the bottom line; the leader has his or her eye on the horizon.
- The manager accepts the status quo; the leader challenges it.

Whether or not you agree with every one of these contrasts, it is apparent that distinctions can be made between management and leadership. Self-development and training are thus of vital importance to leaders, particularly those coming from management backgrounds.

You might feel pressured to excel at everything, from leadership to the ins and outs of finance, marketing and operations. But Howard Schultz, founder of Starbucks, says that Bennis once told him that leadership relies on “your ability to leave your own ego at the door” and recognise the skills and traits required to build a successful organisation. This admission helps to identify areas for self-development, but also allows you to surround yourself with people who possess the skills you are lacking.
Rate yourself from 1 to 5 (1 = Poor, 5 = Excellent) on each of our seven leadership qualities. Your results could highlight key areas for personal development.

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THAT’S OURS, NOW TELL US YOURS

- WHAT INDISPENSABLE LEADERSHIP QUALITY WOULD YOU ADD TO THE LIST?

- MORE GENERALLY, HOW CAN LEADERS WORK TO IMPROVE AND DEVELOP?

We designed this eBook as a conversation starter rather than a definitive how-to. So why not join the discussion and share your own thoughts or links to interesting information? Together we could increase our understanding of this universally important subject.

To join the discussion search for ‘Business Link in the South West’ on LinkedIn groups

Thanks for reading - and participating.