



# Business Leadership

*'The first responsibility of a leader is to define reality. The last is to say, "Thank you". In between, the leader is a servant.' — Max DePree*

This brief guide looks at how to exercise good leadership in a small or medium-sized business. It is not about how to become a famous, charismatic leader or a future captain of industry, but simply how to be effective in leading your organisation.

As the great business thinker Peter Drucker said, 'No institution can possibly survive if it needs geniuses or supermen to manage it. It must be organised in such a way as to be able to get along under a leadership composed of average human beings.'

There is much discussion about the difference between leadership and management, and whether certain personality types are more suited to be leaders or managers, but from the point of view of running a small or medium sized business, leadership should be regarded as part of management.

Good leadership is not so much about who you are as what you do and how you do it. Anyone capable of managing a business is also capable of developing basic leadership skills.

## THE ELEMENTS OF GOOD BUSINESS LEADERSHIP

The following is a list not of personality traits but of actions that characterise good leadership. They are useful criteria by which we can measure and improve our leadership skills.

### FOCUS ON PEOPLE

Leaders lead people. Realising that the greatest asset of any organisation is its people, a leader will empower them and help them to realise their own potential within the organisation. As Jack Welch famously said, 'Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others.' Put another way, leaders create leaders.

### VISION

To lead, you have to know where you are going; and to know where you are going you have to look ahead. Leadership means seeing future potential in the present and anticipating how it might unfold. Sometimes the potential looks good, sometimes bad, but either way a leader will be ahead of the game planning how to avert or mitigate potential dangers and how to seize and maximise potential opportunities.



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### KEEPING AN EYE ON THE BIG PICTURE

But leaders do not just look ahead; they also look around. It is all too easy when running a business to be so focused on your own operation that you do not see what is going on around you. And yet external factors such as the wider economy, technological innovation, market trends, competitor activity, and social developments can often have a significant impact on your operation. Keeping an eye on the big picture and adjusting your plans and activities accordingly is an important part of leadership.

### SETTING THE DIRECTION

Probably most of us have heard the joke about the driver who stops to ask directions to a particular town only to be told, 'If that's where you want to go I wouldn't start from here.' But, of course, we always start from here! The art of leadership is not just having a vision of where you want to be in the future, but also understanding how to get there from where you are now. In other words, leadership is about understanding and giving effective directions.

### RISK MANAGEMENT

It is said that a leader's job is to take people where they have not been before. Leaders often have to take risks - leading their organisation into unfamiliar territory - but the risks are always calculated and the decisions always informed. Wanting always to play safe and not risk making any mistakes does not sit comfortably with good leadership. As Drucker says, 'People who don't take risks generally make about two big mistakes a year. People who do take risks generally make about two big mistakes a year.'

### EFFECTIVE COMMUNICATION

However great a vision we might have, it is worth very little if we cannot effectively communicate it to others. Taking the time and trouble to share your vision and your values, allowing discussion of big ideas, and giving people an opportunity to adopt the vision as if it were their own are all essential qualities of good leadership.

### TEAM BUILDING

Another essential function of leadership is encouraging team spirit. There is a saying that if you have a handful of dry grass you can use each individual blade to sweep a floor but it is much more effective to combine them into a brush. In the same way individual employees working alone, however motivated they might be, are nowhere as effective as when they work as a team.

### INSPIRATION

Finally, perhaps the most important quality of a leader is his or her ability to inspire and motivate others. In some ways all of the above serve to do this, but the most inspiring quality of all is to practise what you preach. Leading by example is the most effective way to convey integrity, commitment, and vision - and to transmit enthusiasm and loyalty to others.

As St. Francis of Assisi put it so elegantly over 800 years ago, 'It is no use walking anywhere to preach unless our walking is our preaching.'

### CONCLUSION

These are just some of the elements of good business leadership. The list is probably endless, and each person will want to compose it differently, but hopefully this guide will go some way to helping you develop and improve your own leadership potential.

The last word must go to the ancient Chinese philosopher, Lao-tsu, whose insights are so often pertinent to our situation today:

'To lead people; walk beside them. As for the best leaders, the people do not notice their existence. The next best, the people honour and praise; the next, they fear; and the next they hate. When the best leader's work is done the people say, "We did it ourselves!"'