



LEADERSHIP

A RARE BLEND OF TRAITS

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In a corporate setting, the chief executive officer's principal role is to provide leadership; to set objectives and to allocate the organisation's resources – financial, physical plant and human – to meet these goals. The CEO must remain constantly on guard for any trouble that could stand in the way of this mission. He or she must be aware that his or her decisions will have far reaching consequences for the company, its employees, and society at large for many years in the future.

Eight Traits

Successful corporate leaders in today's demanding environment tend to share at least eight personal characteristics, some more pronounced, and others less so, depending on the individual. Nevertheless, the accomplished organisational leader should ideally possess some combination of most of the following.

1. The ability to focus attention

The CEO who can capture the attention of everyone in the organisation has one of the most important ingredients of leadership. Such a person conveys a high degree of single-mindedness and dedication to a vision – an agenda or blueprint for the future. Having this vision is what distinguishes the effective leader from less-gifted ones. CEOs with vision never lose sight of long-term objectives as they deal with short-term opportunities or setbacks in an ever-changing environment.

2. Promote a set of simple values

The corporate leader who articulates a set of basic values and continually stresses them in speeches, written material and meetings with employees, fosters unity within the organisation. These values also can provide a framework that can assist managers in making decisions. If, for example, customer service is high among the company's priorities, it then becomes a criterion in the decision-making process.

Basic values give everyone in the organisation a means of comprehending events; the values provide a guiding spirit. They encapsulate the organisation's culture in concise, understandable terms.



3. Staying in touch with people

Effective leaders are rarely thought of as aloof and remote. The CEO who gives employees a basic, understandable message helps to mould the attitudes of the staff.

Staying in touch with people outside the organisation is as important as staying in touch internally. The effective CEO usually has a carefully assembled network of external contacts among key customers, peers (CEOs in one's own and other industries, particularly the financial community), politicians, scientists and academic leaders. Reliable, credible outside contacts can counterbalance the CEO's internal sources. By listening to them with an open mind, the CEO may garner valuable “second opinions” to weigh against the altered information that flows to the top of most large organisations.

4. Avoiding “pseudo-professionalism”

Over the last two decades, the tools of management – particularly information systems that instantaneously retrieve and process huge amounts of data – have grown tremendously. New management concepts concerning formulation of strategic planning also have proliferated. Many senior corporate managers employ these tools and concepts effectively; others do not. A large number of this latter group can be classified as “pseudo-professionals”, often rushing into the latest approach regardless of its cost or potential results.

Given today's pace of change, companies need to undertake the type of solid planning that forces management to examine medium and long-term objectives, as well as the steps needed to reach them. The CEO most likely to leave a mark on an enterprise has an aversion to “pseudo-professionalism”. The true leader knows where the organisation should be going and avoids unproductive exercises.

5. Managing change

This trait complements vision. Besides having a vision of the company's future, the CEO must be skilled at instituting change. An accomplished leader knows how to “make it happen”.

Implementing change involves building organisational support and consensus, as well as the ability to deal with risk. The CEO must be able to sequence decisions appropriately and should have a well-developed sense of timing.

6. Selecting people

Every effective CEO is adept at identifying and retaining talented people; promoting them from within the organisation, hiring them from competing firms, or even recruiting them from companies in other industries.

Of course, not all chief executives are adept at selecting qualified staff who can contribute substantially to the company's success. Therefore, the effective CEO who lacks this ability will recognise this and seek the counsel of managers skilled in selecting the best candidates for key positions.



7. Avoiding “do-it-all-ism”

The chief executive of a large organisation who attempts to “do it all” is heading for potential disaster. Successful leaders know they are not omniscient; as humans, they can only know and do so much. No matter how dedicated a CEO may be, each individual’s time and energies are finite.

Successful corporate leaders tend to direct their attention to a relatively limited number of performance indicators. These indicators disclose how the company is doing currently as well as the performance expected for the short-, mid-, and long-terms. Sophisticated systems are available to measure and monitor the organisation’s performance in just about every sphere of activity: so are skilled staff members with responsibility for closely tracking potential problems, before they become liabilities and potential opportunities, so the company can seize them before competitors do. The successful CEO will effectively monitor the environment, spot potential problems early, select key executives whose views and values represent the future instead of the past, and allocate resources boldly in accordance with a firmly held vision of the future.

8. Facing up to failure

It is not uncommon for a well-regarded corporate leader who has been buoyed by a string of successes to suddenly be sunk by a few failures that cause a major reversal of his or her – and the company’s – fortunes. The truly superior leader, however, will not hesitate to face up to setbacks and, where appropriate, take the blame for failure. More importantly, such a leader will learn from mistakes and will keep moving on.

One area that separates the average leader from the truly great leader is the knack of knowing when to get out of marginal businesses. Too many CEOs become emotionally committed to business or product lines. They keep hoping that changing circumstances will eventually lead to a stronger bottom line. Reducing or ending a division’s accustomed levels of financial resources (or, at an extreme, divesting the unit) means confronting colleagues in the executive suite with bad news, a message that can have serious ramifications for their future prospects. Strong leaders do not need to wait for the auditors or corporate raiders to recognise the need to restructure or redeploy assets.

The greatest challenge CEOs face is to assure the survival and well-being of their respective organisations. It is a challenge that can involve:

- 1) suppressing short-term operating gains in order to achieve success over the long-term;
- 2) developing capable staff and;
- 3) putting unrelenting stress on merit – both their own and that of everyone in the organisation.