

Lead the Way

Concept of Leadership

Objectives:

- A** Explain the importance of leadership.
- B** Describe characteristics associated with leadership.



1375 King Avenue, P.O. Box 12279, Columbus, Ohio 43212-0279

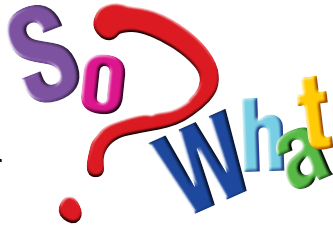
Ph: (614) 486-6708 Fax: (614) 486-1819

CopyIT!® Details: www.MBAResearch.org Copyright ©2016 by MBA Research and Curriculum Center®

Table of Contents

| | | |
|----------------------|---------------------------------------|-----------|
| A | Taking the Lead | 2 |
| B | What Leaders Look Like | 9 |
| So What? | Why bother learning about leadership? | 2 |
| THE GRAY ZONE | What would you do? | 7 |
| Make It Pay! | Use what you've learned—right now! | 17 |

Who are the leaders in your life? Your parent or guardian, your teacher, your coach, or your supervisor at work? On the flip side, to whom are *you* a leader? A younger sibling, your classmates, or another employee at your job?



Leadership is important in many areas of life. We rely on strong leaders for ourselves and, often, others rely on us for leadership as well. The need for good leadership is especially evident in the workplace. Every organization needs strong leadership to achieve and sustain business success. Learn more about the significance of leadership and what it takes to be a leader.

Taking the Lead

Leaders are everywhere. They are people who help guide the decisions we make, people we can look to for inspiration. They might be well-known, famous people or people who are close to us. Just as a country's president may inspire its people, your department manager may inspire you—to work hard, to achieve your goals, to give your best effort every day. All leaders have certain qualities that make people willing to listen to their opinions, take their advice, or follow their examples. Simply put, a **leader** is an individual with the ability to guide or direct the actions of others in a desired manner to achieve goals. As you might imagine, this ability is very important in the business world.



▲ *Leaders have the ability to guide or direct the actions of others—an important skill in the business world!*

Leadership in business

Think about your current place of employment or your last summer job. Who are the leaders in that business? What would it be like without them? Every organization needs good leadership. It's especially important in the beginning, when a business is just starting up. It isn't easy to get a new business off the ground—that's why start-up failure rates are so high! A strong leader with a vision for the future, however, can help a new business weather the early storms and frustrations and stay on track for future success.

Leadership is also important in times of crisis. Businesses may face any number of problems—a struggling economy, fierce competition within the industry, public relations difficulties such as a product recall or a negative news story, etc. These crises can be discouraging and overwhelming for employees. A strong leader, however, can rally the troops. S/He doesn't give up or become rattled; instead, s/he focuses on dealing with the problem effectively and getting the business to the other side of the rough patch.



▲ *A strong leader can help a business weather the storms.*

And, don't forget, businesses need leadership when things are going well, too! Good leaders make sure that employees stay on task, and they lead change when necessary. Often, people within an organization are resistant to change or don't see the need for it. They'd be more comfortable just keeping things the way they are. But, leaders are always one step ahead, determining what the next step should be to take the business into the future. They are able to overcome the fears and objections of others to make the right changes happen.

These are just a few examples of occasions when strong leadership benefits a business. Can you think of any more?

Importance of leadership

The fundamental idea of leadership has been the same for hundreds, even thousands, of years. Ancient societies were structured around strong leaders and rule-making groups in much the same way that most businesses and governments are structured today. Humans need leaders, and always have, for a number of reasons.

In times of uncertainty, we look to leaders to give us direction. If we are in new situations and do not know how to respond, we want to find people who can tell us what to do. The need for direction in the workplace can mean many different things. It may be as simple as a need for instruction on how to complete a small project or as big as a need for long-term direction for an entire team or company.



▲ *Role models are just as important in business as they are in our personal lives!*

Leaders also serve as important role models. A **role model** is a person whose behavior is imitated by others. Some people, such as political and church figures, are keenly aware of their positions as role models and strive to uphold the highest standards of ethical behavior. Other leaders, such as some famous athletes or musicians, are reluctant role models who would rather not be in the spotlight. Humans naturally learn by example, and we often imitate the behavior of our leaders. Role models are just as important in business as they are in our personal lives. Company leaders cannot reasonably expect employees to get on board with their visions and goals if they aren't first setting the example themselves. Can you think of some examples in which company leaders have been good or bad role models?

Sometimes, we also need leaders to help us reach our potential. This is especially important today because human capital is highly valued in the workplace. **Human capital** is the sum of a person's knowledge, skills, health, and values. It is the intangible talent that a person brings to a task or job position. We need leaders willing to invest in our education, training, and experience, thereby increasing our human capital and our value as employees.



Warren Buffett is a famous leader and CEO. He is also the most successful investor of the 20th century. In this video, he explains the importance of role models in his life: <https://vimeo.com/59976208>.

Who can be a leader?

An old saying claims that leaders are born, not made. In other words, some people believe that you're either a natural leader or not a leader at all. It's a popular myth, but the fact is that each of us has great **leadership** potential inside. The skills, behaviors, and characteristics associated with leadership can be studied and practiced by anyone with a desire to learn. You can enhance your leadership potential with the simple realization that everything you do reflects your ability to influence others. This anonymous poem sums up the important impact of even our small decisions:

*Be careful of your thoughts,
for your thoughts become your words.*

*Be careful of your words,
for your words become your deeds.*

*Be careful of your deeds,
for your deeds become your habits.*

*Be careful of your habits,
for your habits become your character.*

*Be careful of your character,
for your character becomes your destiny.*



There's actually scientific evidence to support the claim that leadership can be learned! Check it out at Science Daily: <http://www.sciencedaily.com/releases/2014/10/141006133228.htm>.

Another myth about leadership is that it is associated with position or rank. That is, if someone is in a position of authority, such as a manager or supervisor, s/he is a natural leader. Most of us know firsthand that this is not true. In fact, some experts argue that many people in leadership positions are actually *ineffective*. The important lesson is that everyone, regardless of position, can become a leader.

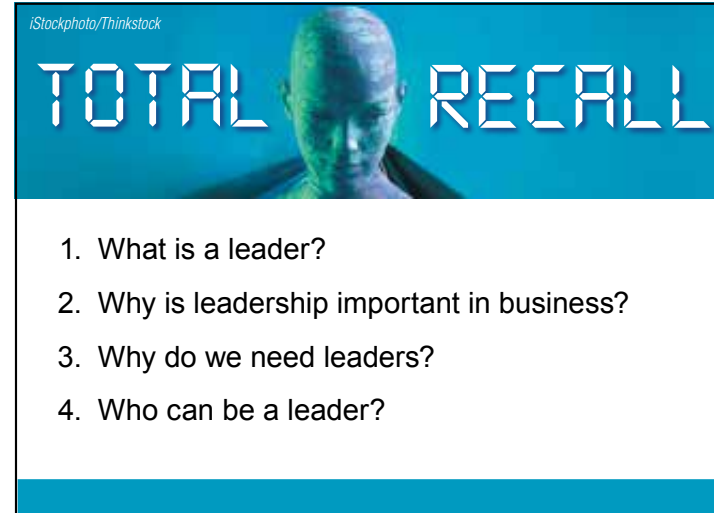
Do you want to become a leader in the workplace someday? Perhaps you dream of starting your own company or rising to a high level in an established business that you admire. The first step is believing that you *can* do it. You can also look for leadership opportunities *now* to sharpen your skills for the future. You might run for class president, start a community-service project for young people, or seek extra responsibilities at your current job. Reading about leadership, studying the lives of great business leaders in history, and finding a leader you admire to mentor you are also excellent ways to grow your leadership capabilities.

THE GRAY ZONE

Leaders are considered role models—often, whether they would like to be or not. Let's say you have an entrepreneurial spirit and start your own successful company. Because of your success, both you and your business get a lot of media attention. You've never considered yourself a role model, but now you're being asked to speak at schools and youth organizations. What do you think? Does your success automatically require you to be a role model to younger people? Or, are you responsible only to yourself and your company?

Summary

A leader is an individual with the ability to guide or direct the actions of others in a desired manner to achieve goals. Leadership is important in business at the beginning of a company, during times of crisis, and even when things are going well. We need leaders to give us direction in times of uncertainty, to serve as role models, and to help us reach our potential. Anyone with a desire to become a leader can study and develop leadership skills and characteristics.



iStockphoto/Thinkstock

TOTAL RECALL

1. What is a leader?
2. Why is leadership important in business?
3. Why do we need leaders?
4. Who can be a leader?

What Leaders Look Like

Over the years, literally thousands of people have written about leadership, each one trying to describe the exact qualities that make an excellent leader. No list is ever completely comprehensive, but there are several basic characteristics that most good leaders have in common. Let's explore them in further detail.

Credibility

Many experts agree that the single most important thing a leader does is demonstrate credibility. **Credibility** is how much people believe what you say, and it determines whether or not they are willing to follow you. It doesn't mean that a leader is good at fooling people or at getting them to believe something that isn't true. Quite the opposite. If someone gains your trust and then lets you down, you are not likely to believe that person again. For long-lasting, real credibility, a leader demonstrates **authenticity** (being genuine and sincere, not being fake) and keeps his/her word.



Wavebreak Media/Thinkstock

▲ *Do you want people to follow you? If so, you have to show credibility.*

There are two ways to establish credibility. First, a leader must demonstrate **competence**. S/He must be capable and well-qualified to do what needs to be done. Basic competence is demonstrated by giving and receiving clear directions, by identifying and using resources, and by planning and managing projects. If you are unable to do these things in the workplace, you will not be considered a competent leader. A second way to establish credibility is to be **reliable**. This means that you do what you say you will do. A credible person contacts others as promised, attends meetings as scheduled, and follows up on assignments.

Integrity

Integrity goes hand in hand with credibility. People with **integrity** adhere to an established set of personal **ethics** (basic rules that govern behavior) and sound moral principles. Leaders tend to behave according to a common set of values and rules, even though they may have different or no specific religious beliefs. Those values include things like a belief in justice, a desire to do the right thing, and an awareness of the rights of other people. Like people with credibility, people with integrity are also **trustworthy**. Others know they can count on them to be honest at all times. Who comes to mind when you think of a leader with integrity?



Ruth Mayhew expands on the idea of integrity in business leadership in her article "Examples of Integrity in a Manager." You can read it here: <http://small-business.chron.com/examples-integrity-manager-10082.html>.

Self-confidence

Self-confidence is a positive belief in your own talents, skills, and objectives. It's difficult for a leader to lead effectively without a reasonable amount of self-confidence. After all, if you don't believe in yourself, how can you expect others to believe in you? Followers feel comfortable with leaders who have a handle on the different situations that may arise and who are cool under pressure. Self-confident leaders are decisive, even in uncertain circumstances.

Keep in mind, however, that good leaders don't take their self-confidence to a level of being arrogant or overbearing. Instead, they use their self-confidence to inspire confidence among all members of the team. They are not afraid to admit mistakes and don't hesitate to share credit for successes with others.



▲ *Being self-confident means believing in your own talents, skills, and objectives.*

Responsibility

Taking **responsibility** means more than taking the blame for something that goes wrong. It also means taking ownership of a problem, making sure it is fixed, and taking steps to prevent it from happening again. A responsible leader is truly invested in her/his work team and genuinely cares about the outcomes that occur. Who is responsible for your work team? How does s/he demonstrate that responsibility?

Ability to share a vision

It's very important for a leader to be able to share a **vision** and use it to inspire other people. When a leader has an idea for a better way of doing things, s/he is able to communicate it to others in a way that gives them ownership of the vision as well. An effective leader can convince and motivate others to accomplish his/her ideas. Let's say you have a vision for your team to create a new, unique solution for a problem in the software your company designs. Your job is to share this vision and motivate people to work hard toward accomplishing it. You can do this by using clear and exciting language, by creating incentives for team members, and by demonstrating enthusiasm yourself on a daily basis.



Emotional intelligence

The ability to recognize and manage emotions in ourselves and in others is called **emotional intelligence**. It means that you are aware of your own emotions, respond to them appropriately, and then do the same with the emotions of other people. Emotional intelligence can be broken down into four components:

Self-awareness. **Self-awareness** is a person's knowledge of his/her own emotions. Each of us perceives the world through a unique set of values and beliefs. If you know what is important to you, your awareness will give you the confidence you need to respond appropriately.

Self-management. **Self-management** is directing and controlling one's emotions in a way that is purposeful. Instead of responding to impulses, you control your anxiety and anger. You make decisions consistent with your beliefs, and you adapt to changing situations without too much stress. Leaders tend to be achievement-oriented and motivated. They have positive attitudes about themselves and what they can accomplish. In other words, they are good self-managers.



▲ *The ability to recognize and manage emotions in ourselves and others is called emotional intelligence, and it can be broken down into four components.*

Social awareness. **Social awareness** refers to knowing and understanding others' emotions. You demonstrate **empathy**, which is the ability to relate to the feelings, thoughts, and experiences of other people. Leaders who are socially aware also know who to go to so they can get things done. They are willing to help others reach their full potential.

Social management. **Social management** is responding effectively to the emotions of others. Excellent leaders demonstrate social skills that enable them to communicate effectively, to show a sense of teamwork, and to be good negotiators.



▲ *Demonstrating empathy is part of showing social awareness.*



Check out Sara Fletcher's article "Five Reasons Why Emotional Intelligence is Critical for Leaders" at <http://leadchange.org/5-reasons-why-emotional-intelligence-is-critical-for-leaders/>.

Flexibility

Flexibility, or **adaptability**, is the ability to respond appropriately to changes as they occur. This is a very important trait for business leaders since business is constantly changing. Leaders must be able to go with the flow. For example, a team leader has been working on a new product for several months, but new industry research indicates that it's not a good time to introduce it to the target market. The project may have to go on the back burner, and the team leader will have to shift gears to new priorities. This will require flexibility. Flexibility also refers to a willingness to learn, to change, and to take occasional risks—all behaviors that effective leaders demonstrate.

Creativity

Creativity is a vital, often overlooked, leadership trait. Leaders are typically good managers. That is, they know how to get things done using available resources. But, a leader also must be creative. S/He must have the ability to generate unique ideas, approaches, and solutions. A leader must be able to imagine a better way of doing things and have a clear vision of the future that is not tied to the status quo. Leadership demands imagination, enthusiasm, and openness to new ideas. Can you think of any companies or products that would not exist today without the presence of a creative leader?



▲ *Leaders aren't just good managers—they're also creative!*

Passion for work and people

As you know, leadership has to do with a lot more than just rank or position. Unfortunately, many managers and supervisors have found ways to get promoted to leadership positions without having true leadership characteristics or skills. But one trait that can't be faked is passion. Effective leaders genuinely care about the work they're doing and the people they're leading. Work outcomes and relationships matter to them. They don't just contribute the bare minimum or make themselves available during office hours only. They are fully committed at all times.

Business knowledge

A leader should be an expert at what s/he does. This is another aspect of being credible and competent. A person may be self-confident, responsible, and creative, but this does not necessarily make him/her a great leader for a certain business. A thorough knowledge of the company and the industry are essential as well. Leadership involves making many decisions—decisions that can't be made by someone who doesn't know all the facts. For this reason, you wouldn't put an IT leader in charge of a marketing team, or vice versa.



▲ *Great leaders are passionate about the work they're doing and the people they're leading!*


What other traits and characteristics do you think make a good leader? Where have you seen these traits demonstrated, and what impact have they had on you? What kind of leader would you like to be someday? These are all questions to think about as you look forward to your future career. Remember, in the business world, there will *always* be a need for strong, effective leaders—and one of them might be you!

Summary

Important leadership characteristics include credibility, integrity, self-confidence, responsibility, ability to share a vision, emotional intelligence, flexibility, creativity, passion for work and people, and business knowledge. The business world will always have a need for strong, effective leaders.

Make It Pay!

Who are the leaders at your place of employment or at your school? Do you admire them? Why or why not? What traits or characteristics of leadership do they exhibit?



1. Describe each of the following leadership characteristics:

- Credibility
- Integrity
- Self-confidence
- Responsibility
- Ability to share a vision
- Emotional intelligence
- Flexibility
- Creativity
- Passion for work and people
- Business knowledge