



Cookson Walker Consulting

Follow the Leader

Some are innately gifted in charting a course and inspiring others. But even those who were not born to take charge can go on to learn the necessary skills.

By Eric Walker and Karen Rutherford

Some are gifted...all can learn. Every organization has a leader; some are naturally good, others have acquired the necessary skills and many struggle.

Leaders are by nature risk takers and comfortable with responsibility. These two characteristics are internal and very hard to influence externally. Other critical factors, however, can be developed through training.

Great leaders have a series of talents and abilities that others find desirable if they are to follow. Studies show that Canadians want to see a leader who is: Trustworthy (88 per cent); forward looking (88 per cent); competent (60 per cent), and inspiring (73 per cent).

Trust

Trustworthiness, for example, is perhaps not a teachable skill but it is important to learn how others judge whether or not you are trustworthy. For example a leader who is known to cheat on his golf score may not understand that his employees may interpret this as "it is okay to bend the rules" and question, if it is okay to lie about his golf score, what else may he be lying about? Small actions throughout the week are watched and understood often at the subconscious level.

For leaders who fail this test, the consequences are many. Employees will take a leader's lack of trustworthiness as a sign that a little dishonesty is okay and each person will interpret the degree of dishonesty in his or her own way. Some will cheat a little on expense accounts, others will take home a few supplies, and others will steal time for personal matters.

Leaders can learn to behave their way to success, once they understand how employees measure this and the importance of being seen as trustworthy. Insightful reading is available from a wide variety of books and magazines. With the recent debacles of several large American companies like Enron and the introduction of Sarbanes-Oxley legislation in the U.S., there is a new focus on ethical and honest behaviour. Leaders everywhere will benefit from being aware of the changing standards and expectations of legislators, consumers and employees.

Vision

To be forward looking, leaders must take the time to stand back from the chaos of the moment and take a longer, broader look; some have been trained to do this, and others

are doing it intuitively. They use quiet time to forecast where the business is heading and assess what curves outside forces will throw. Brokers using good leadership tactics are rarely surprised by the next change -- hard market to soft, underwriters withdrawing or re-entering the marketplace, the changing appetites of their underwriters. While all organizations need routines to run efficiently, leaders must resist being consumed by them as this will kill creative planning and thinking.

Leaders know work will keep reshaping and shifting. Their job is to keep their organization competitive and strong. Sometimes change will require restructuring, outsourcing, downsizing, subcontracts and new alliances.

Strategic planning and forecasting are skills easily learned. They require continuous education and reading, as well as the ability to look outside your field of expertise. To develop visionary thinking you must constantly be scanning the horizon, looking for signs that the world is getting ready to shift gears.

For example, how is your demographic audience changing -- are your clients aging or changing lifestyles? Is your geographic region gaining some form of employment or losing a large employer? What is your competition up to? Is the population growing? There are hundreds of questions you can learn to ask to help keep you thinking about what is coming next. The insurance industry has predictable cycles, hard market to soft and back again. How do you prepare your staff for the consequences of these inevitable changes?

The other element of training yourself to anticipate change is to read widely. For example, information technology changes are offering interesting solutions to business problems. You need to find a way to stay informed -- if not from books, then via the Internet for basic research or e-learning, or perhaps through a business associate willing to share the latest intelligence with you over coffee. Remember that vision requires you to consider all perspectives -- that of shareholders, customers, employees, and external audiences. The challenge is to stay curious, ask questions and continually learn something new to improve your ability stay at least one step ahead.

Consider, from a broker's point of view, the return of softer market conditions. Visionary brokers anticipated the change and built a sustainable plan for organic growth to easily offset the loss of income from falling prices. Their staff benefited by knowing there was a plan and this was expected, not a surprise. Stress levels were not elevated and no one is working in panic mode. The plan is working and growth is assured, bonuses will be paid and life goes on.

Motivation

The next crucial skill for effective leaders is the ability to clearly get across the vision they have for the future of their organizations. Great communicators intuitively know it is important to be positive and inclusive. Everyone can learn to choose words carefully. Great leaders make employees feel a part of all changes and that is the first step towards intrinsic motivation. Adults rarely argue with their own words and ideas and virtually all of us resist change imposed by others,

A good communicator is also a great listener. Solutions often come from the bottom up, if an organization will allow that to happen. Structuring your company in a way to allow workers to offer their insights and, whenever possible, to incorporate employee ideas

gives momentum towards constant improvement. Entire books have been written about the improvements to organizations inspired by the workforce, and they usually start by explaining how a leader listened to his employees and empowered them.

Great leaders also listen to the feedback offered by customers. The insurance business as a whole isn't too good at listening to what consumers say, so let's take a look outside at the food industry as a better example. Recently, there has been rising interest in low-carbohydrate foods. Virtually every food processor has tried to find a way to meet this new expectation. Today, you can buy low-carb beer, flour, candy and cakes. Organizations, which by lucky fluke, found they already had low-carb options, shape their advertising to tell the world. For example, for the first time in its history, KFC was able to offer its main product as a good choice for dieters!

Leaders must be able to react to negative situations in a neutral way. Keeping calm and acting rationally instills confidence in employees. They interpret this as "the boss doesn't seem too shaken, I guess things will work out." This ability to remain calm is natural for some, however, everyone can learn how to appear calm and in control. It is important to understand that strategic planning is an ongoing process. Worst-case scenarios have previously been considered and plans readied. Leaders who routinely plan for the future can adjust quickly because they have already considered the various outcomes they want.

Communication skills include understanding that workers of different generations are motivated by different messages. Baby Boomers need to hear: "You're important to our success. You're valued here. Your contribution is important." Gen Xers need to hear: "Do it your way. There aren't many rules here." The Nexters need to hear: "You can be a hero here. You can turn this organization around." Leaders know motivation is important, and talented communicators put their message forward in a way for all to hear it, customizing the theme for each generation.

Leaders know they need to fail fast and move on sometimes. If planning and preparation still result in failure, leaders take a moment to gather their thoughts, lick their wounds and move on. They don't dwell on mistakes and they don't let them hinder moving on to the next challenge.

The "triple bottom line" is one more thing leaders keep in the back of their minds at all times. They know there must be a satisfactory bottom line for shareholders, there must be general satisfaction among the workforce and the community at large must believe their companies are good corporate citizens. To be successful on only one front is to ensure only short-term success.

In the world today, consumers want to think they are doing business with good people. They are aware of employment practices and they want to feel that they are supporting a company that treats its staff well. They also want to know the community at large is benefiting from this business. One example of an industry that has done very well in this regard is the Canadian diamond industry. People the world over want to buy clean diamonds, those free from any taint of war and conflict. Diamonds from some parts of the globe are shunned out of concern that they fund arms for civil wars.

In Canada, we see organizations working hard to raise their profile in the community with sponsorship of minor sports, fundraising for causes and many other charitable initiatives.

The reason is simple: It is good for business. Leaders embrace the opportunity to generate good publicity and know it will result in positive outcomes for their business.

Employees must also be well treated. A stable workforce is critical to solid growth and good customer service. If a brokerage has a constantly changing workforce, progress is impeded. When staff is unstable, the first thing a leader does is look in the mirror to determine why. Often the leadership of the organization needs to re-evaluate a wide range of issues -- from training, work protocols, standards of service to the opportunities they provide. A happy workforce draws new business.

Leaders know that if their operations are running smoothly, then a change is just around the corner. Margaret Wheatley, PhD, says that the world of business follows the pattern of the "theory of chaos" -- an established pattern (hard market) is inevitably followed by a period of chaos followed by a new pattern (soft market). Leaders who understand and embrace this dynamic are not shocked or surprised when their world is suddenly turned upside down.

General Electric has long been known for developing some of the best leaders in business and some of the most widely practiced business techniques. Worldwide, GE invests about \$1 billion annually in training and education programs -- from assembly lines to corporate classrooms to boardrooms. Comparatively, what are you spending to develop leaders and leadership ability in your organization?

In Canada there are few organizations designed to build leaders. The U.S., in contrast, has created dozens of institutions to assist in the development of leaders. Some of the best programs are designed and delivered by the very organizations that hope to reap the benefits of training tomorrow's leaders. GE, McDonalds, Motorola, Covey Institute and many others have created entire enterprises to teach leadership.

Leadership -- some are gifted, all can learn. If your career is expanding to embrace the process of leading, regardless if it is a department or an entire company, there is a process to follow to develop your skill and ability. Know what you do best and do it. Constantly work to improve your weaknesses. Seek out industry training programs designed to assist and coach you to leadership success.

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