

Northern New England School of Banking

On the Road from Supervisor to Leader

Part III

Becoming a Leader

Destination - Just Around the Bend!

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“Being a leader is not the same as being a manager, and vice versa. Managers create order out of complexity; they keep the trains running on schedule. Leaders, in contrast, deal with ambiguity, change, and opportunity; they push the train tracks where they’ve never gone before. This distinction is not entirely accurate, as leaders must also manage. To be effective, leadership cannot just be about inspiration and grand visions, but must also be about getting results.”

(Manager’s Toolkit, Harvard Business School Publishing Corporation)

TODAY’S LEADERS

In days past, leaders were invested with formal authority as CEO’s, kings, queens, generals. Their authority was not questioned and was clearly accepted carrying the weight of societal or organizational authority. They functioned in a well prescribed hierarchy.

Things have changed for today’s leaders. Organizations are flatter and less hierarchical; meaning that a leader’s formal authority is less effective. Instead, leaders must use personal influence, tact and diplomacy, communication skills, motivation, and conflict resolution.

Due to rapid changes in business world and within organizations, leaders must be alert to opportunities and threats and challenge their organizations to respond to them quickly. Leaders must remain positive when faced with risks, change, and uncertainty. They must be able to balance the tensions which arise in organizations.



Twelve Characteristics of Effective Leaders

In the past leaders were viewed through an established spectrum of traits, and were often viewed as heroes or heroines.



Intelligent

Self-confident

Visionary

Eloquent

Courageous

Decisive

Charismatic

Today's business leaders demonstrate the following 12 characteristics. How many do you have? How do they compare to characteristics of effective supervisor?

Caring

Comfortable with Ambiguity

Persistent

Strong Communicator

Effective Negotiator

Politically Astute

Humorous

Calm

Engaging

Challenging

Self-aware

Focused on the Future



Leadership Challenges

The Balancing Act Creating a Vision Becoming a Change Agent Challenging Complacency

The Balancing Act

- Balancing tensions within the organization is a critical part of a leader's role.
- Internal tensions may create conflict.
- The leader's job is to turn those tensions/conflicts into positive outcomes.

Two types of tensions which occur in companies are:

1. The Competitive Urge – Teams collaborate to beat the competition.
Also can be a dynamic between individual employees, team members, and entire departments.
May seek recognition and rewards at the expense of others.
Competitive urge is valuable when it is not used to create internal strife.
Effective leaders challenge this negative energy into positive which benefit the organization.
2. Group Decision Making vs. Decisiveness – Leaders often share decision making.
Often less effective leaders are defensive about their right to make decisions which can result in not being open to other opinions.
Decision by Committee – can thwart the decision making process, producing second-rate decisions.

Effective leaders recognize the importance of taking counsel, hearing alternatives, having assumptions challenged.
Instead of demanding that the team accept the leader's decision, the effective leader demands that the team address critical unresolved issues.

Emergency situations may require immediate action - decision made by process rather than group consensus.



Creating a Vision

“Effective leaders create a vision that others will support with their hands and minds.”

What is a Vision Statement?

Picture of hoped-for end result – what it will look like, how it will function, what it will produce.

Resonates with “deep yearning of one’s followers.”

Elements of an Effective Vision

- Touches people’s inner aspirations
- Uses language that can be translated into realistic goals
- Fulfillment is challenging but possible
- Serves the interests of organization’s important stakeholders and defines the benefits to them.
- Easy to explain and understand

What is Your Bank’s Vision Statement?

Powerful Vision Statements

Amazon – “Our vision is to be the Earth’s most customer-centric company; to build a place where people can come to find and discover anything they may want to buy online.”

Ben & Jerry’s – “Making the best possible ice cream, in the nicest possible way.”

Disney – “To make people happy.”

Google – “To organize the world’s information and make it universally accessible and useful.”

Nike – “To bring inspiration and innovation to every athlete in the world.”

Patagonia - “Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.”

Southwest Airlines – “To become the world’s most loved, most flown, most profitable airline.

Becoming a Change Agent

Leaders must be change agents....more than managers.

Leaders must:

- Detect signs in the external environment which signal change.
- Be aware of threats and opportunities.
- Encourage others to respond in ways that will lead to success and survival.

Can you think of huge changes in the world over the past centuries? What individual/s are associated with recognizing the opportunity and created change through the power of their ideas and creativity. The individuals are "change agents".

Event

Change Agent

Change Agents

Have one foot in the old world and one foot in the new.....creators of a bridge across which others may travel.

- Articulate the need for change
- Accepted by others as trustworthy and competent
- See and diagnose problems from the perspective of their audience
- Motivate people to change
- Work through others in translating intention into action
- Stabilize the adoption of innovation
- Foster self-renewing behavior in others so that they can "go out of business" as change agents

Is Your Organization Change-Ready?

Being a change agent will not be effective if your organization isn't ready for change.

An organization is ready for change if it:

- Has respected and effective leaders;
- Is motivated to change; is uncomfortable with the status-quo;
- Is committed and comfortable with working together.

The Complacent Organization

Barrier to Change = Complacency

People who are comfortable with things as they are can be oblivious to what needs to change. A Leader's job is to shake them up!!

The Complacent Organization

Signs of Complacency	Examples
No highly visible crisis.	The company is not losing money; no big layoffs threatened.
Measures against low standards.	Compares to industry standard, not industry leader.
Organization structure focused on narrow functional goals, not broad business performance.	Departments have one measurement criterion, unrelated to each other. Only CEO uses broader measures.
Planning/control systems set up to make goals easy to achieve.	Management not encounter dissatisfied customers or suppliers.
Performance feedback internal, not encourage customers, suppliers, shareholders feedback.	External feedback is not valued or relevant.
Finger-Pointing	It's another department's problem, not ours.
Management focuses on irrelevant issues.	"The Titanic is sinking...let's rearrange the deck chairs."
Culture sends subliminal measures of success.	Elegant offices, fine art, and expensive wood in corporate offices.
Management believes its own propaganda.	"We are the greatest...we set the standard."

(Adapted from John P. Kotter, *Leading Change*)

Challenging Complacency

1. Discuss the organization's competitive status with employees. Give them the facts! It is hard for employees to be concerned about cost, competition, customer service, or productivity when they don't know what is going on. Leaders need to relay the relevant data.
2. Ask employees for their input concerning problems and areas of dissatisfaction they are having. Often those on the front lines have more information about the weaknesses of the business. Encourage open communication between employees and top management.
3. Talk about the relevant data....just providing data is not enough. Leaders aim for a joint understanding of company problems. Do not allow assumptions!!
4. Set high standards and hold employees accountable. Raising the bar can create dissatisfaction with the current performance levels. Ask employees to "stretch" and challenge the status quo.



FINALLY

"Today's formal and informal leaders must be alert and enterprising. Owing to the rapid pace of change, they must be able to recognize opportunities and threats, and be capable of mustering organizational responses to them. More than anything, they must be able to maintain positive energy in the fact of risk, ambiguity, and change. And they must balance the tensions that exist in every organization."

(Manager's Toolkit, Harvard Business Essentials)

Action Plan

What: _____

How: _____

When: _____

What: _____

How: _____

When: _____

What: _____

How: _____

When: _____