Making the leap to leader

A first-class manager does not automatically become a great leader. Dr Mark Pegg explains what it takes to make that transition.
So you want to be a leader? Or perhaps they want you to be a leader? There is a world shortage of leaders, particularly good ones, and taking on the role is an important, usually life-changing decision. Good leaders give clear direction, build morale and help their organisations succeed. Is this you? How can you be sure?

Some leaders are born but, keep the faith, many more are made (see case study, right). If that role is for you, let’s explore what might help you to make a smooth transition to leader, the key competencies you need to become an effective leader, what to avoid and how you can plan a path that works for you.

FINANCE MANAGEMENT ROUTE
The evidence is that many CFOs go on to become CEOs. Progress in the finance function offers a clear path to the top.

At one time this was the principal route to the top, but research by Standard & Poor’s suggests that today finance (20%) has been overtaken by operations (30%) as the most popular functional role prior to becoming CEO. Marketing comes in at third place at 10%.

It may be that the path to becoming CFO is your current career goal. If so, you’ll find that there is more opportunity than ever for finance professionals to acquire and practise their leadership skills. As organisations become flatter, they are requiring more empowered leaders at every level of their core finance function.

WHAT DO YOU NEED TO LEAD?
Most professionals want to get on, but many are happier doing pure finance rather than leading and are often unsure whether the leap to leader is a price worth paying. In acquiring a professional qualification, you have demonstrated that you have ability and you probably know the essentials of the business very well indeed because you have to report and monitor it so closely.

But you may like doing the day job too much and find it hard to give up the love of detail and the attachment to certainty and precision. To be the best you can be in the finance function is admirable but if you’re planning on being a leader ask yourself whether building relationships is your strong suit. Is emotional intelligence something you can acquire? Will you feel comfortable in a world of ambiguity? Can you bring people with you, spend time with them, connect with them, build a psychological contract?

There are no rules that say when you are ready to lead and no age limit either. There is more than one way of leading. No one size fits all. The path to leading is rarely smooth; it often comes in sudden bursts and you are tested in crises as your career progresses. It’s said that while you can teach management, leadership is something you have to learn.

Experience is vital. Inevitably, some people should never become leaders and should stick to the day job. Better decide now rather than later.

GETTING STARTED
As your starting point, assume that pretty much anyone can become a better leader by learning how to practise a set of professional skills and behaviours. They must also acquire the confidence to leave a career as a successful finance manager and make the leap to powerful leader.

You do not need to be another Nelson Mandela or Winston Churchill to be a good leader. Some of the behaviours that help make you successful in finance – determination and resilience, for example – will also help you as a leader. But some behaviours need to be left behind and new ones acquired.

It’s important not to continue tinkering with the old job when you should be letting go of it to get on with the new one. If you are still working the numbers, strengthening the skills you are already good at, then the chances are you are not ready to lead and no age limit either. The path to leading is rarely smooth; it often comes in sudden bursts and you are tested in crises as your career progresses. It’s said that while you can teach management, leadership is something you have to learn.

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paying attention to the skills that now need developing.
Consider the different levels of your organisation: are you over-led and under-managed or under-led and over-managed? What are the visible signs of this where you work?
The ability to delegate, to see the wider context around the detail, the value as well as the price, becomes more important. Soft people skills such as influencing, communicating and motivating are the hardest to acquire.
Think about your experience so far in finance. Why should anyone in your office be led by you? How do you relate to others in the finance team? Could you have done a better job leading the last project? Have you made sense of complex and ambiguous situations where there do not seem to be any right answers?

FROM MANAGER TO LEADER
Analyse how you will make the transition to being a leader. Look at the differences in management and leadership behaviours to identify the leap you need to take. The graphic below sets out differences between the facets needed in management (grey) and those required in leadership (green).
What does this mean in practice and how can you build this into your plans to make the leap to leader? I surveyed one organisation, asking emerging leaders what they liked and disliked about those who led them. Among the positive attributes cited were integrity, honesty, a can-do attitude and a keen sense of team working. They cited their main dislikes as lack of feedback and communication to the team and poor attention to training and support.
These findings suggest some of the areas that need attention if you are to develop into the sort of leader needed for the 21st century. Traditional thinking needs upgrading. The idea that leadership involves lots of charisma, leading from the top down and imposing order on the world has largely been replaced. The world of command and control is over. People want freedom and if they don’t get it they won’t stay with you.
Today’s successful leaders motivate and connect teams of skilled professionals to deal with a rapidly changing, complex world. This involves a different mindset, a different view of leadership. If you as a leader develop your people, your people will develop your business. Success is not just about leaders at the top but leaders at every level.
Leadership specialist George Binney describes modern leadership as a social process. It happens in incidents and moments between leaders and followers. It is dynamic and changing. You have chosen leadership; you have chosen to speak for others. This is like being on stage, with the benefits and inconveniences that entails. People will make you a hero and a villain, give you applause and throw rotten tomatoes.
Lofty remoteness is a thing of the past. You have to be in the middle of things and overlooking things to sense what will work. You are at your most effective when you are leading. This is not the same as being yourself - when you lead you are on a stage. It’s not about being perfect either - what makes people interesting is their imperfections. Find the right leadership style for you and forget a fixed template - instead find the approach that works best in your context.
Get connected. Building your emotional intelligence is vital, so show openness and trust, earn respect, deal with conflict, think together on real issues, encourage shared values and perspective, connect with individuals and groups.

MAKING A DIFFERENCE
As a leader you must have a cutting edge. Leadership in business is not just about improvement; it’s also about winning. If you only bring about improvement you still may not survive but if you can produce better leaders than your competitors you are more likely to succeed.
In making the leap to leader you need to be clear on what you want to achieve. It will be disappointing if getting to the top is the end itself. Some leaders are in name only; they are in office but not in power. You have real opportunities to make your mark by taking responsibility and solving problems.
Aim to be a leader with the pride, pace, passion and professionalism to do the job well. If you can’t get passionate about success in business, innovating and inspiring others, creating a sustainable business that cares about people and the planet we live in, then what can you get passionate about?

Dr Mark Pegg is director of Ashridge Business School. After university, he pursued his own path to leadership in coal mining and consulting before joining the faculty and becoming a director.
mark.pegg@ashridge.org.uk

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AVOIDING DERAILMENT
Your plan to become a leader should also consider what not to do – shaping the choices in your working life to address some of the common mistakes people make. A research project at the Center for Creative Leadership tracks leaders globally and identifies persistent themes over the past three decades among managers who had high potential for success. It looks at the reasons they either made the transition from manager well or fell short and derailed.

Why some leaders managed the transition from manager well:
- more diversity of experience in their track record – they tried more things;
- did different things well – they were adaptable;
- maintained composure under stress;
- handled mistakes with poise and grace – and learned from them;
- focused on problems – and solved them;
- got along with all kinds of people.

Why some were derailed:
- problems with interpersonal relationships;
- failure to meet business objectives;
- inability to build and lead a team;
- inability to change or adapt during transitions from manager to middle manager and then leader.

GAINING EXPERIENCE
If leaders develop through experience, how do you get the experience? A good way is to get involved in your local community. You may be busy getting the day job done and need time for the family but some involvement rarely fails to repay your time. You will be part of the Big Society – most schools, social enterprises, sports clubs, Scouts and Guides need people with financial skills – but treat this as an opportunity to focus on leadership too. Develop your leadership skills and observe leaders in action too. Offer to chair a meeting or to lead a committee. Become chair of the governors: can you lead them, can you bring a diverse group of people with you and influence their collective decisions?

FIVE TIPS FOR DEVELOPING LEADERSHIP

1. Treat the path to leader as a journey
It should be a path of self-discovery, developing your skills to make the leap to leader. Why not start your journey today?

2. Learn from experience
Look at where you have come from. Past lessons are valuable – we learn more from our mistakes than from when things went well. Keep looking for opportunities to learn more about being a leader. In leadership research we often ask, “If I knew then what I know now what would I do differently?”

3. Know yourself
Raise your self-awareness – how do you have an impact on others? How resilient are you? How can you find the right style for yourself? Gather as much data as possible on your psychological profile.

4. Know your context
How do you lead with people in your own reality, not what it says in the leadership books? How do you relate to others and to your team? Treat problems as opportunities; practise your skills as a leader, influencing, coaching, motivating, dealing with performance, attending to the virtual world.

5. Build a vision
Set out your manifesto – describe what you want to be as a leader in order to connect and communicate with your followers.

THE LEAP TO LEADER: A FIVE-POINT PERSONAL DEVELOPMENT ACTION PLAN

1. Prepare to invest in yourself
Adjust your mindset – you have to find time to learn how to be a better leader.

2. Be optimistic about changes you can make
Apply the 60:30:10 rule – 60% reacting to events: 30% bureaucracy: 10% moving the organisation forward. This means a 2% shift in your effort has a big impact on that small 10% part of your day job and can give you a 20% improvement in your effectiveness as a manager.

3. Get feedback
Identify your development needs. Don’t forget your strengths – you can still work on those too. Think what you might do less of and what you need to do more of.

4. Be honest
Set short-term SMART objectives (specific, measurable, achievable, realistic, timed). Set longer term complex objectives using a force field analysis – what are the forces that support your objective? What are the forces that are holding you back?

5. Review progress regularly
What development needs do you have? What actions have you taken? Keep under review.