



Sequoia Spotlight

Leading the Way

Who makes the most effective Director - and are they born or made?

Can you spot a great leader? Is there an easy way to identify the ideal Board Director? Is it the Guru – someone who is functionally sound in their role; or is it the Godfather – someone whose primary strengths lie in motivating and inspiring people? These questions formed the focus of discussions about the role of the Director at a recent meeting of the Leading Thinkers – a group of influential, incisive business minds from the manufacturing and retail sectors.

Many members of the group work for companies where individuals are promoted via the functional expertise route, although it was generally agreed that, given the choice between a functional expert and a caretaker role, a good people manager would be the better option. Ultimately, everyone present felt that a company needs to create an environment that people like to be in, and where they feel valued.

The themes and questions raised on that evening have inspired a deeper investigation into current thinking on leadership styles and behaviours: just what is it that makes an effective and inspiring Director?

Part of a team

Taking a macro view, one vital dimension is the ability to function effectively within the senior management team of the Board, which has the ultimate responsibility of embodying, espousing and

promoting the company's values. "One of the most important tasks for any Board of Directors is to understand when it must change its membership," says Ken Daly, chief executive of the National Association of Corporate Directors in Washington. "For example, the great majority of Boards don't have anyone who has the skill set to oversee risks associated with IT. Older members often don't have that technology background."

So there is a strong argument for having regular reality checks to keep the Board up to speed with the current marketplace... But how did each member get to that lofty directorial position in the first place?

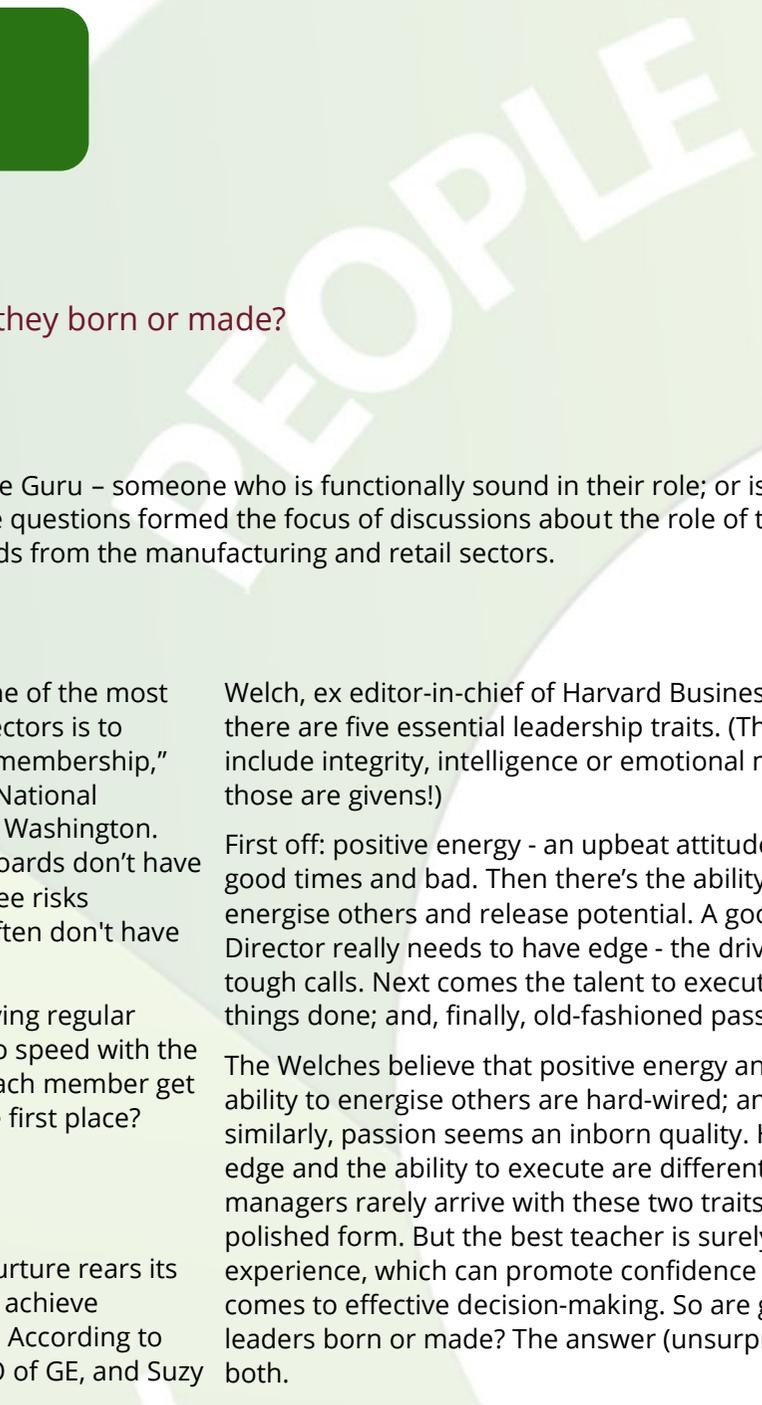
Born or made?

At this point, the issue of nature vs nurture rears its head. Is it possible to train people to achieve greatness, or are they born that way? According to Jack Welch, retired chairman and CEO of GE, and Suzy

Welch, ex editor-in-chief of Harvard Business Review, there are five essential leadership traits. (These don't include integrity, intelligence or emotional maturity - those are givens!)

First off: positive energy - an upbeat attitude, through good times and bad. Then there's the ability to energise others and release potential. A good Director really needs to have edge - the drive to make tough calls. Next comes the talent to execute and get things done; and, finally, old-fashioned passion.

The Welches believe that positive energy and the ability to energise others are hard-wired; and similarly, passion seems an inborn quality. However, edge and the ability to execute are different; managers rarely arrive with these two traits in polished form. But the best teacher is surely experience, which can promote confidence when it comes to effective decision-making. So are good leaders born or made? The answer (unsurprisingly) is both.



Resonance

According to authors Annie McKee and Richard Boyatzis, the sum of all these parts is "resonance". By their reckoning, President Clinton has it. Tony Blair had it – until he lost it. Reuters chairman Niall Fitzgerald had it, lost it... and found it again. "Most people understand the 'what' of leadership," says McKee. "Fewer people understand the 'how'. How do we engage people so that we can get the best out of them? The challenge lies in creating a sense of enthusiasm and vibrancy." In their book, Resonant Leadership, McKee and Boyatzis discuss how to develop this trait.

It seems that "resonance" is more than surface charisma. It's the feeling you get when a team is gelling, full of optimism and enthusiasm – an effortlessness that comes from being in the right place. "A resonant leader is going to create an environment that allows people to be their best," Dr McKee says.

"Management is about getting everything organised properly, and leadership is about taking people further than they think they can go," says Sir Philip Trousdell, former director of the multi-national NATO operations in Bosnia and commander of the operation in Northern Ireland. As far as he's concerned, leadership boils down to three things: asking questions, listening and communication.

Military leadership models

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further than they think they can go," says Sir Philip Trousdell, formerly director of the multi-national Nato operations in Bosnia and commander of the operation in Northern Ireland. As far as he's concerned, leadership boils down to three things: asking questions, listening and communication.

The first of Sir Philip's key leadership skills, 'the ability to ask good questions', is all-important. He says: "If you have dinner in the Sergeants' Mess, you had better leave your pompousness at the door, because these guys, who may be four or five years older than you, tell you exactly how it's working.

"If you listen carefully, they often tell you things that you may otherwise miss. Particularly if you are not in a position to read their body language as well, and that's a hard lesson to learn. I think you need lots of experience."

And finally, you need to make your decisions and explain them clearly. "Communication is an absolute skill," he says. "You need to be able to articulate clearly and unambiguously to the people who are going to implement the decision, so that they have no doubts about what's going on. And then you need to go around all the levels of your organisation, explaining where they fit in."

Football managers

Graham Smith, Programme Leader in PE and Coaching at Edge Hill University in Ormskirk, has created a formula for one of the most scrutinised leadership roles around - the football manager. The magic combination (and apparently, what Sir Alex

Ferguson embodies best) is encapsulated in Smith's acronym, LUCKIER:

- L - Long term strategy/philosophy that everyone buys into
- U - Understanding players at every level
- C - Communication skills
- K - Knowledge of the game at a technical/tactical level
- I - Innovative and inspirational
- E - Experience and expectancy
- R - Recognising and recruiting talent.

Look familiar? Indeed, he believes that the best football managers (as well as having a functional grasp of the game) have individual character traits that would make them equally successful in business. "But it takes all sorts to make a manager!" he adds.

It seems that truly brilliant leaders possess something unique, mercurial and... nigh-on impossible to define. It's about being greater than the sum of their parts. Call it resonance, chutzpah, the X-Factor... Sorry Gordon, but you've either got it, or you haven't.

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