



5 Leadership Misconceptions That Are Bad for Business

We live in a world of contradictions and very easily lose focus on what is most important. When it comes to business, the most essential goal on which all participants in any enterprise should focus is to maximise returns for all stakeholders. Everything else is auxiliary and should support this main objective.

- Consider this point from just a sampling of stakeholder perspectives, of which the list is endless:

- As shareholders, we want to invest in companies that provide us with the highest return.

- As employees, we want to work for companies that provide us with the maximum value for the contributions we make.

- As clients, we want to buy products and services from companies that provide us with the maximum value for which we pay.

- As suppliers, we want to work with companies that provide us with maximum growth opportunities for our business.

In light of this most crucial understanding of business, it makes very little sense to deceive any stakeholder, either in the short- or long-term. If any party feels deceived or misled, the after-effect of that deception will hurt all other stakeholders at some point in ways that are not necessarily easily observable or straight forward.

Walking the Talk Leads to Accountability

Consequently, true business leaders need to consider themselves as the “champions of value optimisation” for all stakeholders. Employees (contrary to what the employees themselves may think) are important stakeholders and, therefore, not exempt from this process or effort. There is no point in “saying something” but “doing something else” when it comes to managing a business. Believe it or not, every stakeholder pays attention (or should) to leadership’s “walking the talk.”



The following five common (often unintentional) leadership misconceptions can have an adverse impact on an organisation's performance. Some leaders may not even realise that they are thinking in certain ways. Consequently, it is crucial for them to recognise such thought patterns as they occur and discourage others from those same thought patterns.

1) Asking Leaders to Set Their Feelings Aside

Decisions we make about people are all personal. There is no need to deny the opposite. Organisations that encourage impersonal people decisions miss a very critical point about conducting a successful and viable business. To be successful, an organisation needs people who are equipped with both logic and deep human-sensing capability. If you tell your people to set their feeling aside or stop feeling compassion for others, they will lose their ability to empathise with colleagues – and, ultimately, anyone with whom they interact in their day-to-day encounters. When people become desensitised, it becomes more difficult for them to make sense out of anything and to see things clearly.

Companies need people with more common sense – and empathy – to improve situations at whatever level they occur in the organisation. Hiring passionate and compassionate people or telling your employees to possess those capabilities, while asking them to put their feelings aside with regard to people decisions, does not make any sense. In fact, it can only damage leadership when stakeholders then view the leadership team as communicating mixed signals.

2) Believing Social Responsibility Is an External Act

Before you jump into supporting the community at large and fulfill your social responsibility as an organisation, you must first ensure that you have taken care of your own people. Advocating social responsibility in the public eye but then neglecting the true development of your own employees is not social responsibility. In fact, it is comparable to acting in a hypocritical or indifferent manner, with stakeholders perceiving leadership to be more concerned with their public image.



Leaders need to ensure that every member of the employee population has developed a sense of belonging to the organisation's cause and mission, is able to develop and grow as individuals, feels fairly rewarded, engages fully, and is willing to creatively contribute and generate value not only for one's self but also for the corporate population to which the individual belongs. Only then, is the organisation ready to fulfil its duty of social responsibility at large. Actually, when you are fully taking care of your own employees, you are truly in the process of fulfilling your social responsibility within the communities where those employees live and work.

3) Focusing Only on Short-Term Cost Measures

Efficient and productive business operations should be a top priority for any business. However, asking employees to be cost conscious, efficient, and productive, but then wasting valuable resources by hiring, developing, and retaining the "wrong" people to manage the business, is not a practical or efficient practice. This behaviour is comparable to running a business with a hole in your pocket. What is the point of asking people to save money when you have a gaping hole in your pocket? You need to sew that pocket shut gradually, a

process that starts with hiring "only" the right people to grow your business.

But more than that, short-term cost efficiency is meaningless in the long-term if it does not resolve the company's wasteful endeavours. Consideration of both the near and distant future should accompany every financial decision.

4) Assuming Talent Has an Age (or, Expiration Date)

Many companies complain about the lack of qualified candidates in today's highly competitive market. Yet, they totally ignore, downplay, or refuse to consider proactive strategies that will enable them to retain the most experienced, skilled, and potentially "least costly" employee segment in the organisation: AKA, seniors.

If you truly understand what "talent" means, you recognise that talent has no age, gender, ethnicity, or any other classification. Many talent management programmes, in fact, do not even include the senior employee population as if "talent" per se has an age! Using the vast experience and skill levels of this group – and enhancing these skills to meet a company's future needs – allows the organisation to retain a

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knowledgeable perspective on where the company has been and where it is going. This perspective, when shared with younger employees, can help lower the costs of hiring the wrong individuals, while empowering all age groups as positive contributors to the company's growth.

5) Thinking Innovation Is Just a Corporate Programme

Truly innovative organisations actually do not have any so-called innovation programmes, because they strongly believe that innovation should be an organic process throughout the enterprise. Such an organic approach literally means that everyone is expected to be inventive and resourceful in their own ways and with regard to their job responsibilities. But that approach also requires a very different organisational culture than that found in companies that view innovation as just another corporate programme, one that expects creative outcomes from only a select number of designated employees.

Organisations that practice and encourage true innovation are comfortable with the creative process and know that its essence is to develop something new and valuable. They also recognise that innovation involves risk, that their

organisational culture will not punish employees who fail during the process, and that punishing failure blocks innovation. After all, punishing people when they fail guarantees they will never try again.

Clear Vision Leads to Successful Growth

The bottom line is simple: We cannot build and grow sustainable businesses based on misconceived perspectives. There was a time when what one said and what one did was not easily verifiable, either because nobody dared to challenge the status quo or lacked the technology/tools to validate such claims. This scenario is no longer true. Today, we have the technological capability and new approaches to make things clearer and more accountable for all stakeholders.

In addition, more and more employees, as part of an essential requirement of committing to a specific organisation in a true partnership, want more transparency and integrity. Luckily! Talented employees do not want to be played with, do not want to waste time, and do not wish to be deceived. They seek genuine accountability in leadership. In other words, they want their leaders to walk the talk.



If we want to align our organisations with a more promising future, the time is now to start matching our actions to our words. In essence, we all need to walk the talk in order to design and develop better performing organisations for the future.

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