DEFINITION OF LEADERSHIP
Leadership is a process by which a small business owner influences others to accomplish an objective and directs the business in a way that makes it more cohesive and coherent. And another definition (Northouse, 2007): Leadership is a process whereby an individual influences a group of individuals to achieve a common goal.

....While leadership is learned, the skills and knowledge processed by a small business owner can be influenced by his or her attributes or traits, such as beliefs, values, ethics and character. Knowledge and skills contribute directly to the process of leadership, while the other attributes give the leader certain characteristics that make him or her unique.

WHAT ABOUT YOU? Are you a leader just because you run a small business? No? But you need to be. Without leadership, your small business ship will circle aimlessly and eventually run out of power. Effective business leadership demands a captain of the ship, not just someone who’s standing by the helm. Small business leadership must be active, not passive.

Cool-headed, farseeing, visionary, courageous – leadership is a winning combination of personal traits and the ability to think and act as a leader, a person who directs the activities of others for the good of all. Anyone can be a leader, even if the only person they’re leading is themselves (entrepreneurship)! You can’t be leader just by saying you are. Small business leadership, like leadership of any kind in any organization, needs to be developed by transforming yourself into the kind of leader your small business needs with the following five keys to business leadership.

A leader plans. The core of business leadership is being proactive rather than reactive. Sure, leaders are good in crises – that doesn’t mean they sit around letting crises develop. Leadership involves identifying potential problems, and solving them before they reach crises proportions – and the ability to identify and reap potential windfalls. Good leaders analyze, plan and adapt their strategies to new circumstances and opportunities.

A leader has a vision. Vision is essential to good leadership and provides direction. Without direction, there’s not much point to all that planning. Your small business will still flail about. So, if you don’t have one already, take your first step towards business leadership by creating a VISION STATEMENT for your business. Because it embodies your dreams and your passions, and a vision statement will also serve as a leadership vision.

A leader shares his/her vision. Sharing your vision for your small business helps your vision grow and your business leadership develops. As you tell your leadership vision to others, you will strengthen your own belief in your vision and strengthen your determination to make your leadership vision become reality. Other people will start to see you as a person who’s “going places”. Your small business leadership skills will grow as you and others recognize you as a person with leadership potential.
A leader takes charge. As a business leader, you put together your planning and your leadership vision and take action. Whether it’s implementing a specific plan to improve your business’s bottom line or responding to a crisis, you, as the leader, are the one who makes the decisions and sees that the appropriate actions are carried out. You can’t just “talk a good game” to be a leader; you need to act and to be seen as taking effective action for the good of your small business.

A leader inspires through example. If you were asked, could you easily name three people whose leadership qualities inspire you? Could you tell... others about the things these inspiring people did or are doing? Leadership is defined through action. Therefore, in developing your own small business leadership skills, you have to act in ways that are fitting to your leadership vision and yourself – all the time.

The value of business leadership
Learning to be a leader isn’t easy because it takes a conscious commitment and consistent effort to develop one’s business leadership skills. But on the positive side, anyone who is willing to make the effort can become a good leader. And, as good business leadership is critical to small business success, your efforts to improve your skills will be amply rewarded. By working on these five keys to business leadership, you can be the leader of your small business. (Taken in part from 5 keys to small business leadership by Susan Ward, about.com Guide)

LAWS OF LEADERSHIP YOU MUST NEVER FORGET

Law #1: Never delay a decision that must be made. Make your decision and move on. You may have to immediately make another decision. This doesn’t mean your first one was wrong. It merely means that your second one had the benefit of additional knowledge.

Law #2. When you want something specific done, say so specifically, using clear, plain language. Employees generally have some difficulty doing their basic jobs. By adding “mind-reading” to their description is just plain unfair. Do not use hints, implications, or innuendos. Say what you want and use plain English. Directness counts.

Law #3: Never answer every employee’s every question. Questions are teaching moments – don’t rob employees of the opportunity. But don’t spend your valuable time answering all questions. You need to spend your time on areas that need direction attention now. If employees are asking questions because they’re inept, get rid of them. If they are decent employees asking because they do not know, then teach them.

Law #4: Make your expectations clear, then back up a bit and give employees room to do their job. That doesn’t mean to never look back. It’s good management. Even your top performers need clear expectations. Give them a target, and provide resources and guidance. Remove obstacles when necessary. Then let them do their job. But, don’t forget to check back later, because you still have management responsibilities.

Leadership Law #5: Employees need their managers to be leaders. Your employees don’t need a shoulder or a buddy. If you want a friend, buy a dog. We all struggle with this. Everyone wants to be liked, and it always seems difficult to decline a drink after work, or something similar. Don’t practice a “monk-like” existence, disallowing any contact with your employees. They would like to have a friend, but they need a leader if they are to be successful. You do want them to be successful!

These leadership laws are fairly intuitive, and certainly are not rocket science or brain surgery. They are simple management and leadership truths that have passed the test of time.

Taken from Kevin Berchelmann’s Leadership Skills Training Survival Kit for New and Experienced Managers

Taken in part from 5 keys to small business leadership by Susan Ward, about.com Guide
IMPROVING PARTICULAR LEADERSHIP SKILLS

LEADERSHIP
Good leaders are made, not born. If you have the desire and willpower, you can become an effective leader in your small business. Good leaders develop through a never-ending process of self-study, education, training, and experience.

To inspire your workers into higher levers of teamwork, there are certain things you must be, know and, do. These do not come naturally, but are acquired through continual work and study. Good leaders are continually working and studying to improve their leadership skills; they are NOT resting on their laurels.

FOUR FACTORS OF LEADERSHIP

LEADER: You must have an honest understanding of who you are, what you know, and what you can do. Also, note that it is the followers (below), not the leader or someone else who determines if the leader is successful. If they do not trust or lack confidence in their leader, then they will be uninspired. To be successful you have to convince your employees (followers), that you are worthy of being followed.

FOLLOWERS: YOU MUST KNOW YOUR EMPLOYEES
- Different people require different styles of leadership.
- A new hire requires more supervision than an experienced employee.
- A person who lacks motivation requires a different approach than one with a high degree of motivation.
- A starting point is having a good understanding of human nature, such as needs, emotions, and motivation.

COMMUNICATION: You lead through two-way communication. Much of it is nonverbal.
- You “set the example,” that communicates to your (employees) that you would not ask them to perform anything that you would not be willing to do yourself.
- What and how you communicate either builds or harms the relationship between you and your small business employees.

SITUATION: All situations are different. What you do in one situation will not always work in another. Good leaders use their judgment to decide the best course of action and the leadership style needed for each situation. Example: You may need to confront an employee for inappropriate behavior, but if the confrontation is too late or too early, too harsh or too weak, then the results may prove ineffective.

VARIOUS FORCES WILL AFFECT THESE FOUR FACTORS. Examples of forces are your relationship with your seniors, the skills of your followers, and the informal leaders within your organization.

TOTAL LEADERSHIP

What makes an employee want to follow the “boss? Employees want to be guided by those they respect and who have a clear sense of direction. To gain respect, supervisors must be ethical. A sense of direction is achieved by conveying a strong vision of the future.

When an (employee) is deciding if he/she respects you as a leader, he/she does not think about your attributes, rather, he/she observes what you do so that the employee can know who you really are. They will use this observation to tell if you are an honorable and trusted leader/small business owner.
Respected small business leaders concentrate on:

- Who they are (such as beliefs and character)
- What they know (such as job, tasks, and human nature)
- What they do (such as implementing, motivating, and providing direction)

What makes an employee want to follow their leader? People want to be guided by those they respect and who have a clear sense of direction. To gain respect, they must be ethical. A sense of direction is achieved by conveying your vision for the future of your small business.

**PRINCIPLES OF SMALL BUSINESS LEADERSHIP**

- Know yourself and seek self-improvement.
- Be technically proficient.
- Seek responsibility and take responsibility for your actions.
- Make sound and timely decisions.
- Set the example: (We must become the change we want to see. Mahatma Gandi)
- Know your employees and look out for their well-being. Know human nature and the importance of demonstrating that you care about your workers & keep them informed.
- Develop a sense of responsibility in your work; train as a team working together.
- Ensure that tasks are understood, supervised and accomplished (communication).

**ATTRIBUTES OF LEADERSHIP**

If you are a leader who can be trusted, then your employees will grow to respect you. The following leadership framework can guide you.

1. Be loyal to your company, perform selfless service, and take personal responsibility.
2. Be a professional who possess good character traits. (Honesty, competence, candor, commitment, integrity, courage, straight forwardness, imagination).
3. Know the four factors of leadership – follower, leader, communication, and situation.
4. Know yourself: (strengths and weakness of your character, knowledge and skills.)
5. Know human nature: (human needs, emotions, and how people respond to stress.)
6. Know your job. Be proficient and be able to train employees in their tasks.
7. Know your small business: where to go for help, its’ climate and culture.
8. Do provide direction by setting goals, solving problems as they arise, making decisions, and planning for the future.
9. Do implement processes through communicating, coordinating, supervising, and evaluating.

Motivate and develop morale within your small business employees by organizing, training, coaching, and counseling.

*(Taken in part from: Concepts of Leadership, Don Clark)*
Leadership differs from management and supervision although some people and organizations use the terms interchangeably. While the definitions of the terms differ, an individual may have the ability to provide all three.

- Supervision means that an individual is charged with providing direction and oversight for other employees. The successful supervisor provides recognition, appreciation, training and feedback to reporting employees.

- Management means to conduct the affairs of business, to have work under control and to provide direction, to guide other employees, to administer and organize work processes and systems, and to handle problems. Managers monitor and control work while helping a group of employees more successfully conduct their work than they would without the manager. A manager’s job is often described as providing everything his/her reporting employees need to successfully accomplish their jobs. A famous quote from Warren Bennis, Ph.D. on Becoming a Leader distinguishes management from leadership: Managers are people who do things right, while leaders are people who do the right thing.

- While a supervisor and a manager may also exhibit leadership skill or potential, true leaders are rare. This is because the combination of skills, personality and ambition essential to leadership are difficult to develop and exhibit. According to Don Clark, in his leadership resource Big Dog’s Leadership Page, Bernard Bass’ theory of leadership states “that there are three basic ways to explain how people become leaders. The first two explain the leadership development for a small number of people. These theories are:
  - Some personality traits may lead people naturally into leadership roles. This is the Trait Theory.
  - A crisis or important event may cause a person to rise to the occasion, which brings out extraordinary leadership qualities in an ordinary person. This is the Great Events Theory.
  - People can choose to become leaders. People can learn leadership skills. This is the Transformational Leadership Theory.”

**Key Leadership Traits**

At some point in time, leaders decide that they want to provide others with vision in order to direct the course of future events and inspire others to success. Leadership requires an individual to practice dominance and take charge. If you choose to become a leader, whether in your workplace, community or during an emergency, the discussion of these characteristics will help you formulate the appropriate mix of traits, skills and ambition. As a leader, you will provide vision for the future and:

- Provide inspiration.
  - Make other people feel important and appreciated.
    - Live your values; behave ethically.
  - Set the pace through your expectations and example.
  - Establish an environment of continuous improvement
- Provide opportunities for people to grow, both personally and professionally.
  - Care and act with compassion.

(Taken in part from Secrets of Leadership Success by Susan M. Heathfield, About.com Guide)
LEADERSHIP ... FOLLOWERSHIP

Leaders exhibit a unique blend of charisma, vision and character traits that attract people to follow them. Leaders recognize the need to attract followers. Followership has been studied as a key to understanding leadership. Leaders are people others follow that are accountable and trustworthy. If progress towards accomplishing the goals cease, the leader takes responsibility to analyze the problem – he doesn’t search for people to blame.

Followers need to believe that, at the end of the journey, they will be recognized and rewarded for their contribution. The leader must help followers answer the question, “What’s in it for me”? Successful leaders are honest about the potential risks inherent in the chosen path. They communicate, not just the overall direction, but any information followers need to successfully and skillfully carry out their responsibilities.

CONTACT INFORMATION:

STEVEN GRONER, DIRECTOR
ILLINOIS SMALL BUSINESS DEVELOPMENT CENTER
AT KASKASKIA COLLEGE
325 S. POPLAR, CENTRALIA IL 62801
618-545-3260; sgroner@kaskaskia.edu

RILEY BARKER, BUSINESS SPECIALIST
ILLINOIS SMALL BUSINESS DEVELOPMENT CENTER
AT KASKASKIA COLLEGE
1475 W. WHITTAKER, SALEM IL 62881
618-545-3439; rbarker@kaskaskia.edu