Being a leader and being ‘in charge’

Being a leader and being 'in charge' are not the same thing. The leader of a military operation – or of a medical operation, for that matter – clearly would do well to exhibit the leadership qualities I discuss elsewhere. But they are also, most definitely, ‘in charge’. They tell team members to do things, and those people do them. The whole process would fail if that didn’t happen.

Few people would quibble at the description of Nelson Mandela as a leader, but he is not ‘in charge’ of anything. And even when he was president of South Africa, it wasn’t his being in charge that made him a leader.

And, of course there are plenty of politicians who tell people what do – are ‘in charge’ – who don’t exhibit a shred of leadership. (Head teachers can be quite like that, too.)

So, which of these three – leadership, being in charge, or both – is the best approach for the directors of small businesses? I suspect many people will say ‘both’, and I am going to argue that only leadership is necessary. Running a small business is not like a military operation. Even if the business is in manufacturing, say, and requires precision and accuracy in the operation of its processes, those processes aren’t part of running the business.

I had a client, a business of around sixteen people, run by two directors. At one point, I was talking to them about some fundamental strategic matters such as the purpose of the business and the outcomes which were desired. I suggested they delegate the task of defining these to all the people in the business, and they readily agreed.

I duly facilitated a meeting of the whole company at which they all reached a consensus (not a compromise) on the purpose and outcomes of the business, which the directors then adopted. So, the question is: were the purpose and outcomes reached collectively better than those that might have been reached by the two directors alone? By ‘better’ I mean ‘most able to contribute to the business being as successful as possible’.

Only time will tell. However there are good reasons for saying that decisions delegated to the people in the business – not imposed by the directors – will always be the best ones.

Firstly, in my example, one of the directors was relatively new; many of the staff had considerably more experience of the business than he had, and collectively all their experience hugely outweighed that of just two people. So such decisions are better informed.

Secondly, people don’t like being told what to do. By being empowered to contribute equally to the decision, and by seeing that everyone else was treated just the same, each member of staff (and each director, of course) was able to buy into the decision in a way that would have been impossible if it had been dictated to them.

I hear some objections.

From the directors: “but what if they come up with something we don’t like?” Is that a bad thing? Just because the directors don’t like it, doesn’t mean it isn’t good – or right – for the business, considering that all businesses are just the people in them. Because a process of consensus, not compromise, has to be used, a strong objection from some people to what the others want would pose a challenge to the facilitator, but the point of consensus is that a (different) answer is reached which, by definition, everyone agrees with. And, had such a split between directors and staff not been exposed and resolved, think what a drag it would have put on the business’s success.

From the staff: “but it’s the directors’ job to decide this”. Whilst that’s a valid belief, I think it’s not the most useful one to have from the business’s perspective. Yes, I am saying that everyone has to show up, be involved when necessary, and maybe that wasn’t clear at the interview. But the people in a company run this way will be more committed and feel more fulfilled and rewarded.

From you (perhaps): “but the directors are entitled to decide this”. Maybe that is written in some directors’ contracts. But, in truth, a company is just the people in it. Ignoring this fact, and not knowing the consequences of doing so, does not make the directors’ decisions right. It just introduces the strong likelihood that not the best decisions are reached.

Of course, I am not saying that every decision has to be taken by a company meeting. I am actually saying that every decision should be taken by the person or people best equipped to take it. Only company-wide decisions – such as my example – need be taken by everyone.

And, be careful with the distinction between directorial decisions and decisions taken by directors. Go through a board meeting agenda with a red pen and cross out all the non directorial decisions and there will usually not be much left. That’s because in small companies the people who are directors have other roles, whether development team leader, designer, marketer, bookkeeper, or what ever. It’s worth directors being clear that they are not being directors when they are being these other things.

Leadership, therefore, turns out to mean devolving decisions in the business to the people who make up the business.

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