Management and Leadership:
BDC *ViewPoints* study

September 2011

BDC
Entrepreneurs first

Canada

Market Intelligence (Marketing) at BDC

Top 10 key highlights: What to remember from this study and complementary readings

Entrepreneurship and personality

> The entrepreneur's personality, along with the team that surrounds him or her, **will shape the vision** of the organization and its **mission**.

> Successful entrepreneurs are able to assess their strengths and weaknesses. Consequently, they **surround themselves with complementary forces** (partners, employees, etc.).

*"We have to operate in a co-operative manner as each piece is part of the whole. Without co-operation and communication we are nothing." **

*"The definition of autocratic includes the words 'tyrannical' and 'domineering'. These are not characteristics I look for in a leader, nor wish to lead my team with. I believe a leader needs to be 'assertive', 'decisive', and yet employ a degree of 'compassion' and 'reasoning' in their decision making process. They need to be 'persuasive' and 'motivational' in order to lead their team successfully." **

Leadership styles

> This study showed that most entrepreneurs have a **dominant leadership style** defined as "participative" or "democratic," which facilitates and encourages team collaboration.

> Successful team leaders realize that **employees are people with different needs, wants and aspirations**. It is worthwhile to figure out each individual's baseline (salary, incentives, holidays, etc.) and quickly address those needs fairly and correctly. From there, employees must participate in crafting their own career and training path that addresses their wishes and aspirations.

> Entrepreneurs' leadership can be further enhanced by incorporating concepts pertaining to **transformational leadership**, which states that as individuals grow and change, so must the motivators used to inspire them. Maslow's hierarchy of needs is a strong tool to maximize transformational leadership. **Servant-leadership**, as initially coined by Robert Greenleaf, is a philosophy and model that puts the needs of those being led ahead of the needs of the leader or organization.

**These are some of the panellists' comments that were received.*

Top 10 key highlights: What to remember from this study and complementary readings

Management vs. leadership

- This survey demonstrated that, for the most part, **entrepreneurs make a distinction between a manager and a leader**. However, most believe it is important that a manager be a leader. The most sought-after attributes in a **good manager and leader** are **strong communication and decision-making skills,** which tend to come from **experience**. In a leader, entrepreneurs said they look for a **visionary outlook, passion and integrity,** which tend to be associated with one's personality.
- Identifying strong candidates at various levels of the organization enables companies to **create a pipeline of future managers and leaders**.
- This survey highlighted the fact that **mentoring or coaching** is perceived as the most relevant way to develop leadership skills. **Training front-line managers** and **employees** may have the **greatest impact** on the organization**.**

What will the future be like? (recommendations)

- **Promote an environment that emphasizes autonomy, mastery and purpose**. Beware of the old carrot-and-stick motivator, which can be counterproductive in certain cases. Intrinsic motivators significantly outweigh extrinsic ones. On that note, we recommend the book *Drive: The Surprising Truth About What Motivates Us* by Daniel Pink.
- The **organization of tomorrow will be agile in nature**. The components of agility, as defined by author David S. Alberts, are responsiveness, robustness, flexibility, resilience, adaptability and innovativeness.

"When you can manage your business and also inspire your staff to do their best and keep the clients best interests in mind it is far more effective than only having subordinates." *

"When a manager starts a the bottom of your workplace, the first thing you will realize as an owner is their leadership, since the staff will accept them as a leader and develop a good relationship with the staff surrounding them, creating a better environment to work in. Then, when your leader gains experience, the responsibility of the owner of the organization is to develop the leader into a manager." *

**These are some of the panellists' comments that were received.*

Context and methodology

Contextual information and content of the report

> The following report addresses issues pertaining to management and leadership. This topic is quite relevant for a number of reasons.
  - As baby boomers gradually move toward retirement, it is of the utmost importance to choose and train the next generation of managers and leaders.
  - Improved managerial skills are perceived to be, along with innovation and adoption of industry-wide best practices, among the best ways to improve Canada's lagging productivity.
  - Strong management and leadership have a significant impact on employee motivation and morale.

> It is with these reasons in mind that we created this survey in response to needs that panel members previously identified.
  - Not included in this report is a small quiz that was presented to respondents at the end of the survey. The quiz contained six scenarios testing the adaptive nature of an entrepreneur's leadership style.

> The Appendix includes a brief summary of a joint project conducted with a graduate student at HEC Montreal on the topic of visionary leadership, as well as a hyperlink to a report on productivity compiled by the *ViewPoints* team.

Survey methodology

> We sent a total of 2,083 invitations to members of the BDC *ViewPoints* entrepreneurial panel as at August 30, 2011. The survey was available online between August 30 and September 13, 2011. A total of 446 entrepreneurs completed the survey (completion rate of 21%).

> Entrepreneurial results were weighted according to region and company size. Final results were analyzed internally by the BDC Market Intelligence team.

Detailed results

Distinguishing a manager from a leader

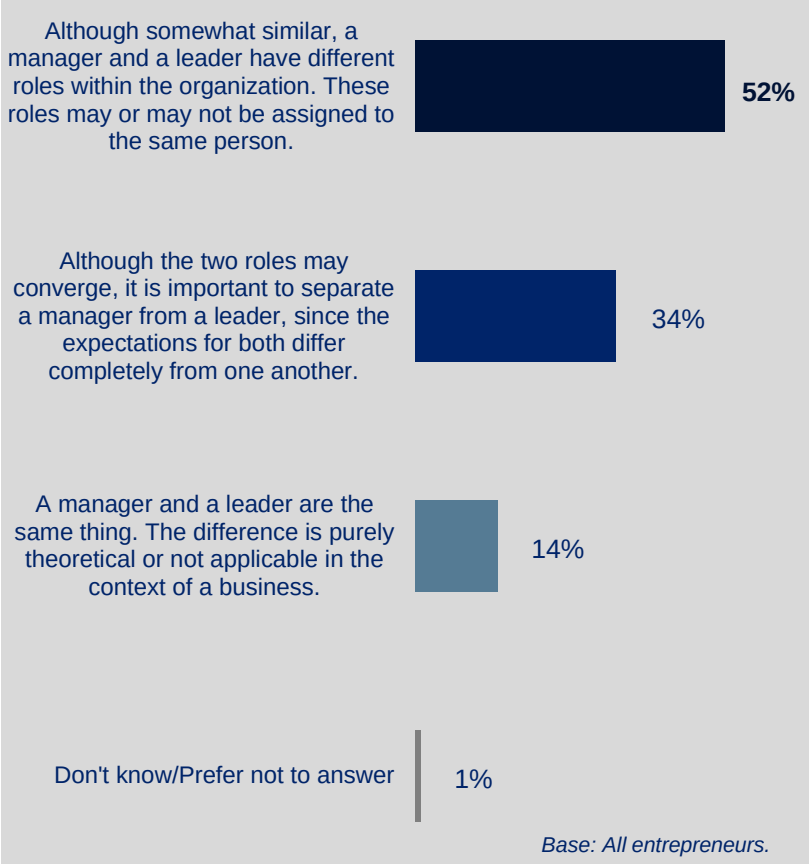
The vast majority of entrepreneurs acknowledge the fact that there is a distinction to be made between a manager and a leader.

> The first question of the study set the tone for the survey. Entrepreneurs were presented with the following definitions of a manager and a leader.
  - ***Manager**: By definition, managers have subordinates. Their job description requires them to organize; plan and schedule; hire and fire staff, as needed; direct assigned operations; and control production and costs.*
  - ***Leader**: Leaders have followers. Their job consists of planning, providing direction through a vision, sharing that vision, taking charge and inspiring through example.*

> Then, respondents were asked to identify, among three statements, which one resonated the most with them.
  - More than half of all respondents (52%) (proportion is significantly lower in Quebec: 40%), indicated that *"Although somewhat similar, a **manager and a leader have different roles within the organization**. These roles may or may not be assigned to the same person."*
  - One third of them (34%) said that *"Although the two roles may converge, **it is important to separate a manager from a leader**, since the expectations for both differ completely from another."* This ratio climbed to 53% among respondents from Quebec.
  - Fewer than one in five entrepreneurs (14%) claimed that ***"A manager and a leader are the same thing.** The difference is purely theoretical or not applicable in the context of a business."*

> Entrepreneurs may consider separating the two roles for the following reasons:
  - to clearly set objectives and expectations; or
  - because the managerial function is a formal position within the organization, while the "leader function" is typically not included in an organizational chart (it usually tends to be the extension of a formal position and associated with one's personality).

Based on the definitions provided of a manager and leader, which statement resonates the most with you?
(n=446)



Base: All entrepreneurs.

Importance of being a “manager-leader”

Most entrepreneurs attach a lot of importance to the fact that a manager must be a leader.

> A great majority of entrepreneurs (94%) believe that **effective managers need to be leaders**.
  - They claimed it was either very important (65%) or somewhat important (29%) that managers be leaders.

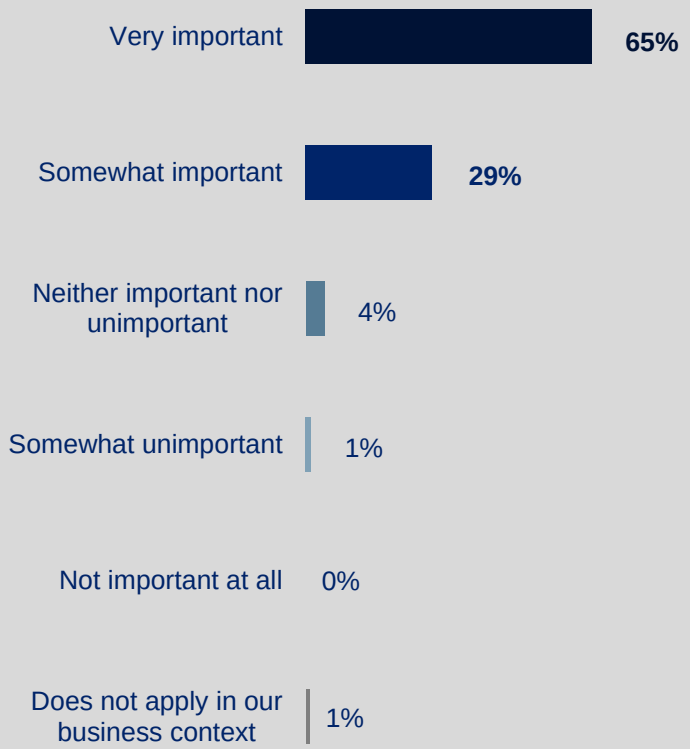
> With scarce human resources in certain sectors and with the baby boomers gradually entering retirement, it is important that entrepreneurs clearly determine their exact needs for managerial expertise and leadership. Although the ideal employee would have all the required attributes and more, the reality is that certain compromises often have to be made.
  - ***An effective leader can have a tremendous impact on employee morale, relationships and company culture.***
  - ***Managers, on the other hand, given their more tacit role, are most influential in terms of operations, processes and procedures.***

> Entrepreneurs often perform return on investment (ROI) analysis for various projects. In this case, when looking to improve overall operations and potentially hire or promote, it is critical that entrepreneurs clearly determine the benefits of each particular candidate on the basis of future contribution, and pick the right candidate based on actual needs and not simply preferred type of personality.

> As some respondents to this survey eloquently said:

“*Sometimes you need a good manager and not a leader. Other times, you need a strong leader to rally the troops and not just a manager!*”

In your organization, how important is it that a manager be a leader?
(n=393)



Base: Entrepreneurs who distinguish a manager from a leader.

Importance of being a "manager-leader" (cont'd)

When it comes to the importance of managers showing leadership, opinions are divided. Many entrepreneurs believe that being a leader is an integral part of being a manager. An equal proportion of entrepreneurs stress the fact that due to limited resources, it is critical that people wear multiple hats within the organization.

> Entrepreneurs who claimed that it is important that a manager be a leader tended to view this from two perspectives.

❶ **Effective managers** need to be leaders (47%).

- This was the response for a statistically greater proportion of entrepreneurs in Atlantic Canada (58%), Western Canada (54%) and Ontario (55%).

❷ Due to limited resources, entrepreneurs need employees to **wear multiple hats** (47%).

- A significantly greater proportion of entrepreneurs in Quebec (70%) justified the importance of a "manager-leader" by citing limited resources.
- Smaller organizations were more likely than larger, more structured enterprises to cite this reason.

> Entrepreneurs who did not feel that it was important that a manager be a leader said:

"The two roles are separate. You may have an effective manager who is good at what he or she does but is not a leader."

> To a lesser extent, some of these respondents claimed:

"In certain cases, you need a good manager but not necessarily a leader. Conversely, sometimes you need a leader and not a manager."

> Regardless of the importance allocated to the "manager-leader" concept, it is important for entrepreneurs to clearly define the objectives and expectations set for their employees. Leaders, managers and "manager-leaders" can all positively affect an organization. Once again, it is important to determine what is needed exactly from an individual, namely:

- a strong voice to motivate and orient the team, and to provide an overall vision of where the team is and wants to go;
- a more pragmatic individual able to influence overall operations and productivity; or
- someone who will show all these qualities (multiple-hat positioning).

Attributes sought in a good manager

Communication, decision-making and organizational skills are the three main attributes entrepreneurs look for in a good manager.

> The most commonly sought attributes of a good manager are qualities that are **acquired mostly with time and experience**:

1. communication skills (31%)
2. decision-making skills (30%)
3. organizational skills (29%)

> Other important characteristics entrepreneurs look for in good managers are a goal- or results-oriented approach (24%), good judgement (24%), leadership (23%), competence (22%) and integrity (21%).

> Interestingly, the following regional differences were noted regarding attributes looked for in a good manager.

- Respondents from Western Canada (38%) and Ontario (33%) were significantly more likely to seek a manager with strong decision-making skills than were entrepreneurs in Quebec (13%).
- A significantly greater proportion of entrepreneurs in Quebec put a lot of importance on a manager having a rigorous approach (21%). They also believed that adherence to the company vision was critical (22% versus 9% for the national average).

What are the three main qualities or characteristics you look for in a good manager? Up to three answers allowed (n=446)

Base: All entrepreneurs.

Attributes sought in a good leader

Entrepreneurs more often look for leaders who have a visionary outlook and strong communication skills, as well as other attributes that are part of their personality.

> The main attributes entrepreneurs look for in a good leader are the following:

1. their capacity to have a visionary outlook (34%)
2. communication skills (33%)
3. decision-making skills (22%)

> Moreover, a significant number of entrepreneurs look for potential leaders who have passion (20%) and integrity (18%), qualities that are more part of their personality than are many of the attributes sought in managers.

> There are a few statistical regional differences worth noting.

- Integrity (29%), confidence (26%) and enthusiasm (20%) were selected by a greater proportion of entrepreneurs in Western Canada.
- Compared with other Canadian regions, respondents in Quebec allocated more importance to the leader's ability to rally people to a goal (27%), abilities as a team player (22%) and adherence to the company vision (20%).

What are the three main qualities or characteristics you look for in a good leader? ? Up to three answers allowed (n=393)

Base: Entrepreneurs who distinguish a manager from a leader.

The optimal proportion of employees exhibiting leadership skills in a business

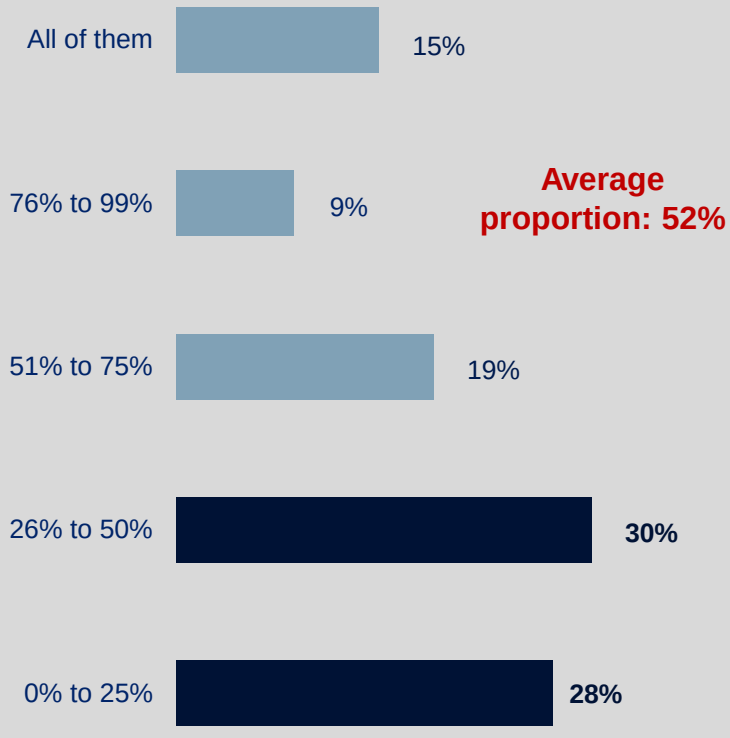
For the most part, entrepreneurs would like it if half of their employees were leaders or exhibited leadership skills.

> In the respondents' ideal world, **one in two employees** (52%) would be a leader or exhibit leadership skills.
  - This average score was statistically greater in Western Canada (60%) than in Ontario (48%) and Quebec (45%).

> The greater the proportion of leaders within the organization, the stronger the leadership pipeline will be!

> Developing future leaders requires time and a plan that is mutually agreed upon. When entrepreneurs want to develop a managerial or leadership pipeline, the first step is to **get a solid understanding of employees on an individual basis**. Gaining insight into who they are, including their strengths, their weaknesses, their aspirations and so forth, will facilitate the **elaboration of a career and training path**. Moreover, it will identify the internal and external **motivators** that drive them and, consequently, enhance employee engagement.

Ideally, what proportion of employees should be leaders or exhibit leadership skills?
(n=446)



Base: All entrepreneurs.

Positioning leadership within the organization

Entrepreneurs believe that the higher the position, the more important it is to have leaders.

> To see that the higher the position in the hierarchy, the more entrepreneurs expect these employees to be **leaders or exhibit leadership** is, in itself, not a surprise. It may even seem logical to a certain extent. However, although upper management often sets the course by developing the organization's mission, vision and culture, front-line employees and their managers are often those who have the **greatest impact** on a company's performance.

> Employees will often talk about their manager but rarely about upper management, most probably because they are in constant and closer interaction with their direct manager than with their president. Employee motivation, engagement and job satisfaction are often linked with **overall appreciation and respect for the first-level manager** rather than for anyone in the executive suite.

> It is, therefore, quite pertinent to ensure that entrepreneurs have **leaders at various levels of the organization** and not simply in upper management. Having a special emphasis on leaders throughout the organization enables such organizations to **groom the next generation of managers**. This is critical, since many entrepreneurs have told us that the most successful managers in their organization have often been groomed from the ground up. The fact that they know the job and company culture means that they can more easily earn their colleagues' respect and convey respect back, and many experts have indicated that respect is the cornerstone of any successful leader.

How important is it that employees at different levels of the organization be leaders or exhibit leadership skills?
(n=446)

	Very important	Somewhat important	Neither important nor unimportant	Somewhat unimportant	Not at all important	Do not know / not applicable
Upper management (CEO, president, vice president, etc.)	94%	5%	1%	0%	0%	0%
Middle management (directors, managers, etc.)	54%	41%	3%	1%	0%	1%
Non-management employees	12%	51%	23%	9%	4%	0%

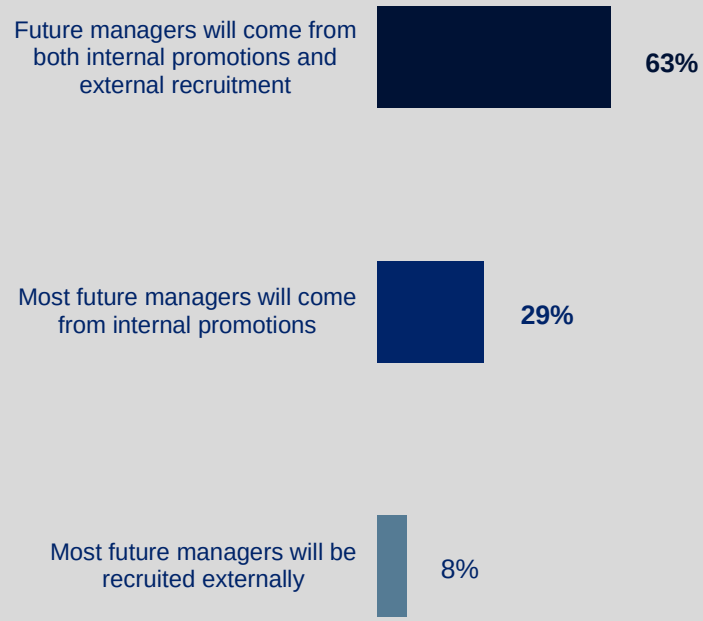
Base: All entrepreneurs.

Next generation of managers

With baby boomers gradually leaving the workforce, it is important that entrepreneurs plan for the next generation of managers.

- For the most part, entrepreneurs claimed that **future managers would come from both internal promotions and external recruitment** (63%).
- For ambitious current employees, it is important that they see that an organization **promotes from within**. This is a key motivational factor. Employees who are promoted internally tend to gain peer respect more easily, since they have moved up the ranks and understand the various intricacies of a job and the company culture.
- Conversely, it is **also quite important to look externally for new talent**. These potential employees bring new life and ideas to the organization. The important thing here is **integration and adaptation**. A successful managerial or leadership style may have worked elsewhere, but believing that the same formula will unequivocally work in a new environment is not only naive but can also be quite detrimental.
- From previous research conducted (see the Appendix for more information), we can state with a great degree of certainty that **the entrepreneur's personality drives the vision, mission and company culture**. It is, therefore, critical that new additions to the organization mesh well with current staff and are able to convey mutual respect and confidence.

When planning for the next generation of managers, do you assume your organization will get its future managers through internal promotions, externally or from a combination of both sources?
(n=422)

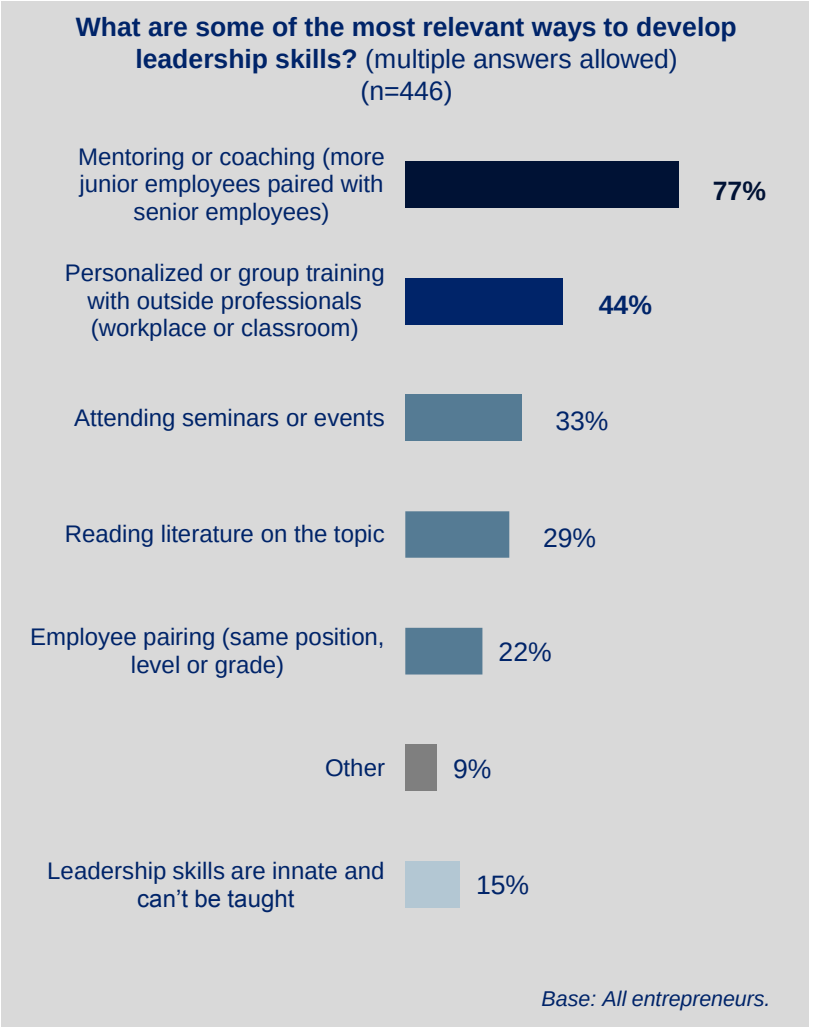


Base: Entrepreneurs who provided an answer to the question other than "Don't know or not applicable."

Means to develop leadership skills

Mentoring or coaching was perceived to be the best way to develop leadership skills.

- In order to maximize the richest asset of a company, employees, it is important for a business to set forth various initiatives to help employees grow, even if they do so within the same position.
- Over three quarters of entrepreneurs (77%) viewed **mentoring or coaching as one of the best ways to develop leadership skills**.
  - Pairing senior employees with more junior employees enhances the relationship and strengthens the team. More experienced workers often have a wealth of knowledge and experience that can benefit newer employees. It can also be quite rewarding for senior employees to share their know-how. For more junior employees, this approach enables them to tap into resources otherwise not readily available. The more an employee feels part of the team, capable and respected, the more likely the employee is to contribute to the overall success of the company. In sum, strong coaching initiatives can be a "win-win" situation for both parties and for the organization as a whole.
- **Personalized or group training** was selected by more than two out of five entrepreneurs (44%).
  - Some experts warn that limiting such training to top managers may, in many instances, be a waste of time and money. The logic is that top managers or leaders have been around for a while and may less easily change their ways. Experts suggest investing in first-line supervisors and new managers, who often have the greatest impact on the company. For more information regarding this aspect, the reader is invited to visit the following website: *www.followtheleader.com*, which provides some great insight.
- Attending **seminars or events** (33%) or reading **relevant literature** (29%) can most definitely help develop leadership skills.
- Among other answers provided by respondents, several of them highlighted that experience, company culture, increased responsibilities and growth opportunities contributed greatly to developing one's leadership skills.



A few thoughts on training

Experts advise following up on training initiatives

> Training is available in a multitude of areas, such as technical expertise, time management, and managerial and leadership skills. Regardless of the type of training provided, experts offer a few suggestions **to maximize one's training budget**.

1. *Spend time and money training your front-line supervisors and new managers. Help them put together a self-development plan that will help them learn on the job. You'll get the most bang for your buck that way.*
2. *Set specific learning objectives for everyone you send to training.*
3. *Make sure the leadership training you choose addresses specific skills and uses effective instructional techniques. The most effective sequence for learning is from specific point or experience to general principle (bottom-up approach).*
4. *Make sure that people who go through training get help and encouragement when they get back on the job. Follow up to see that they're working to implement what they learned.*

***Source**:* Wally Block, "*Why Most Leadership Training Is a Waste of Money and What You Can Do About It," www.followtheleader.org.*

> To get the **full benefits of training**, it is important to understand **why** employees behave the way they do.

1. *To a large extent, employee behaviour and performance are dependent on the management system in place. It is, therefore, important that management be committed, lead by example and walk the talk.*
2. *People perform according to the way they are measured, recognized, rewarded and held accountable. In other words, to promote certain behaviours, proper evaluation and compensation mechanisms must be established.*
3. *Generally speaking, employees have a strong desire to improve their competencies and enhance their responsibilities, if given the chance.*

***Source:** Nyron Drepaul, BDC Business Consultant.*

Introduction to leadership styles

Panellists helping the *ViewPoints* team grow!

> The *ViewPoints* team at BDC initially created this questionnaire to help address the issue of leadership and managerial skills within Canadian businesses. Managerial skills, along with innovation and the adoption of industry-wide best practices, are perceived to be important ways to improve Canada's lagging productivity.

> Some BDC colleagues who are completing various degrees in some of Canada's best business schools have provided the team with literature on the topic of leadership from their course materials. Much of this literature focuses on the various leadership styles developed by Kurt Lewin (e.g., autocratic or authoritarian leaders, democratic or participative leaders, and delegative or laissez-faire leaders), with a few variations. This is a great starting point but it may not be representative of the new leadership styles now discussed in more advanced literature on management and leadership.

> The team would like to thank the panellists for their feedback on the survey. A special thank you to Mr. Morel and Mr. Howe, who took it upon themselves to highlight our 20th-century view on the topic. Mr. Morel guided the team toward some more up-to-date literature, including the book *Drive: The Surprising Truth About What Motivates Us* by Daniel H. Pink, which explains why the old carrot-and-stick way of doing things often does not work. The strength of the book lies in its ability to convey in simple terms that employees' motivation and, therefore, their engagement will be strengthened if emphasis is put on autonomy, mastery and purpose.

> In the book entitled *The Agility Advantage: A Survival Guide for Complex Enterprises and Endeavors*, David S. Alberts brings forth the importance of developing agile organizations to respond to the new challenges that lie ahead. The components of agility as defined by the author are responsiveness, robustness, flexibility, resilience, adaptability and innovativeness. Furthermore, the onus of developing such organizations is on leaders.

Leadership styles: Kurt Lewin's approach

The majority of entrepreneurs surveyed have a leadership style defined as participative or democratic.

> Entrepreneurs were presented with the following three types of leadership styles as defined by Kurt Lewin and asked to perform a self-evaluation based on the definitions provided.

> According to Mr. Lewin, in most cases, leaders have a dominant style. However, good leaders use all three styles, depending on the parameters of the situation, such as time constraints, costs, knowledge, people focus or results focus.

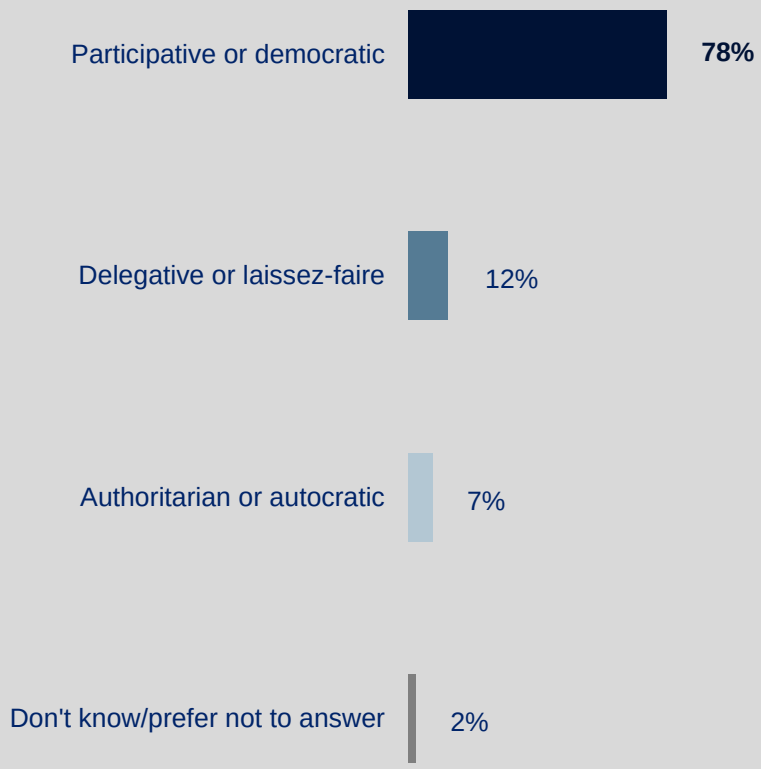
1. **Participative or democratic (78%):** This style involves the leader including one or more employees in the decision-making process (determining what to do and how to do it). However, the leader maintains the final decision-making authority. Using this style is not a sign of weakness; rather, it is a sign of strength that your employees will respect.

2. **Delegative or laissez-faire (12%):** In this style, the leader allows the employees to make decisions. However, the leader is still responsible for those decisions. It is appropriate when employees are able to analyze the situation and determine what needs to be done and how to do it. You cannot do everything! You must set priorities and delegate certain tasks.

3. **Authoritarian or autocratic (7%):** Leaders use this style when they tell their employees what they want done and how they want it accomplished, without getting the advice of their followers. It can be appropriate when you have all the information to solve the problem, you are short on time and your employees are well motivated, for example.

> The following slide explains two other leadership theories that can be incorporated to enhance one's overall leadership abilities.

Based on the various leadership definitions provided, which style do you believe to be your dominant style?
(n=446)



Base: All entrepreneurs.

Leadership styles: Complementary approaches

Enhancing leadership abilities

> The leadership styles as defined by Lewin can be further enhanced by incorporating concepts pertaining to **transformational leadership,** which states the following: *"The rewards and recognition (monetary and nonfinancial) persuade individuals to pursue their goals by aligning their personal goals with the goals of the organization. Transformational leaders need to be aware that motivators are not only in the form of monetary rewards; they also encompass the goals that people want to attain including experience benefits, organizational position (title), and career opportunities such as coaching and mentoring. McClelland's Theory explains that motivators are a reflection of personality characteristics that are acquired through experiences, expectancies, and achievements. Thus,* ***as individuals grow and change, the motivators used by the leadership must also change in order to satisfy their needs and wants****."*
  - ***Source****:* "Motivation – A Transformational Leadership Skill*," www.followtheleader.org.*

> Maslow's hierarchy of needs ties in perfectly with transformational leadership. It states that as individuals evolve, so do their needs and wants.

> *"Another theory – called s****ervant-leadership*** *– embraces the idea that leaders, organizations, and institutions should strive to improve their caring and quality of their people by inculcating* ***the servant-leadership philosophy and model as part of a paradigm shift to putting the needs of those being led ahead of the needs of the leader or the organization****, a fresh approach to leadership, structure, and decision-making. This concept emphasizes increased service to others; a holistic approach to work; promoting a sense of community; and, sharing of power in decision-making."*

> *"Servant-leadership specifically encourages those in leadership positions to re-think their approach and to now take on more personal responsibility and accountability, with the ultimate goal being to build a more caring society. Many have argued that it wasn't necessarily the old 'system' that was the source of society's problems, but rather a failure of the corporation's or organization's leadership, especially the senior leadership. Servant-Leader believers have called for a new style of leadership, with leaders who are more caring and serve those they lead. The implementation of Servant-Leadership may be a major determining factor on which companies, corporations, or institutions will be viable and survive the current trying times. The primary qualities of a servant-leader (from Greenleaf, Spears and others) identified specific servant-leader characteristics, which include foresight, awareness, listening, withdrawal, acceptance, empathy, and persuasion."*

> *"Servant-leadership followers strongly disagree with … command and control leadership, or the old-fashioned, authoritarian and hierarchical leadership. In servant-leadership, [the] enlightened leader's obligation is to the organization as the ultimate caretaker, and … the leaders should practice more servant-leader principles to ensure that they [are], in fact, building a better organization. Servant-leadership focuses on servant-leaders making their employees, their firm's customers, and their communities their number one priority, not the ego of the leaders, or their possible bonuses."*
  - ***Source:*** *Howard Edward Haller, Ph.D., "Overcome Adversity: The Possible Impact of Servant-Leadership and Being a Humble Servant-Leader, www.followtheleader.org.*

Seven key leadership skills for entrepreneurs

Enhancing leadership abilities

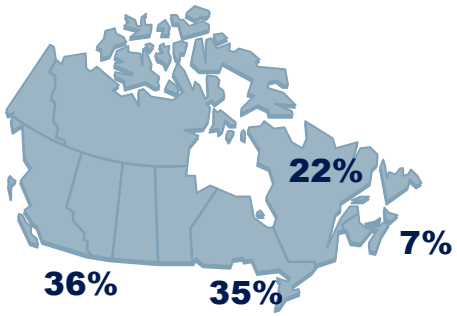
> The BDC Advice Centre team recently created a document that highlights the following seven key leadership skills.

1. **Strategic vision:** Plan where you want your business to be in five years and how you are going to take it there.
2. **Communication:** Information clearly transmitted gives employees context and a sense of belonging to the company.
3. **Spotting and retaining the best talent:** Great leaders who create successful companies have one thing in common: they surround themselves with talented, courageous, loyal people.
4. **Delegation:** Delegate and empower your team.
5. **Leading by example:** Live what you are preaching.
6. **Asking for advice:** No matter how well you know your industry, change is reshaping business so quickly that entrepreneurs develop blind spots or become uncertain about how to proceed.
7. **Developing leaders:** Identify them and help them to develop their leadership skills. Mentoring allows you to build a strong leadership pipeline in your company.

> Please click on the following link to access the article entitled *"Seven key leadership skills for entrepreneurs."*

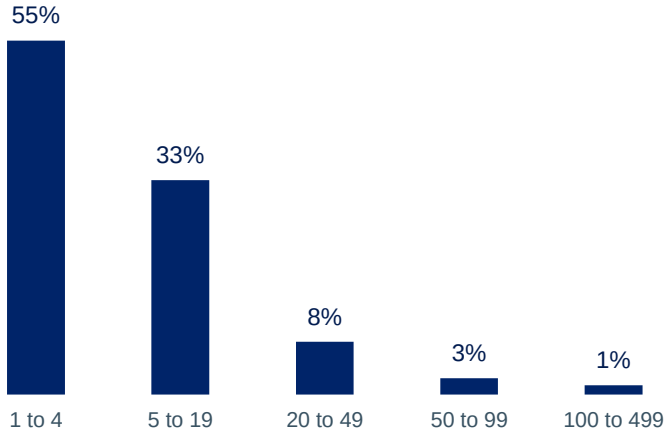
Respondent profile

Respondent profile



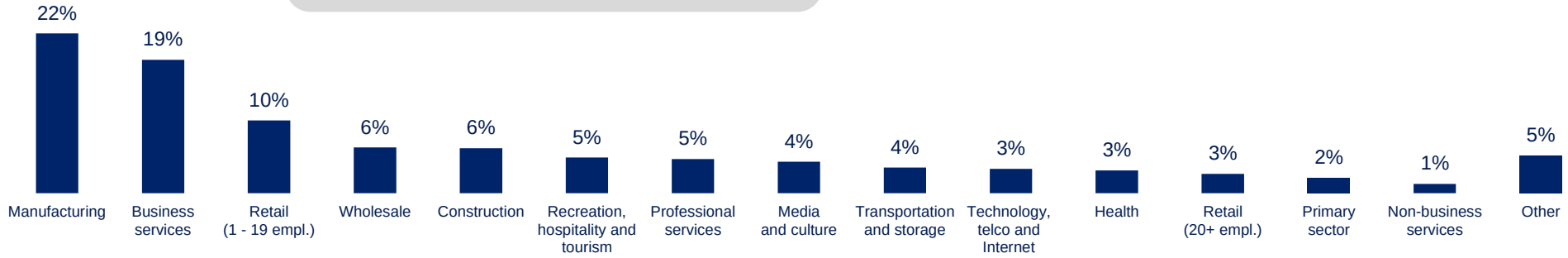
Region

n=446



Number of employees

Note that results were not weighted by sector of activity. For this reason, some sectors (namely, manufacturing) may be overrepresented, while others may be underrepresented compared with the actual Canadian SME population.



Sector/ industry

Base: All respondents. Note that results have been weighted by region and business size.

Appendix

Joint project with HEC MONTRÉAL

Personality, business vision and visionary leadership

Description of the study

The study discussed herein was conducted as part of a master's thesis at HEC Montréal. With the aim of better understanding what makes up an entrepreneur's business vision, we looked for relationships between the his/her personality, business vision and visionary leadership.

Our results indicate that an entrepreneur's personality goes a long way toward explaining much of his/her business vision and visionary leadership. This idea will be developed further in the following pages.

The results of this research will open up new vistas in management science with reference to specific leadership visions. In future, the business vision will have to be treated as something that cannot be disassociated from the individual. The study also offers recommendations to entrepreneurs and the people who back them up.

Methodology and analyses

A self-administered questionnaire was distributed via the BDC *ViewPoints* panel. A total of 368 panelists responded to the survey, after which statistical analyses were carried out to determine the nature and strength of the links between personality, the elements of the business vision, and the visionary leadership of executives.

Researchers

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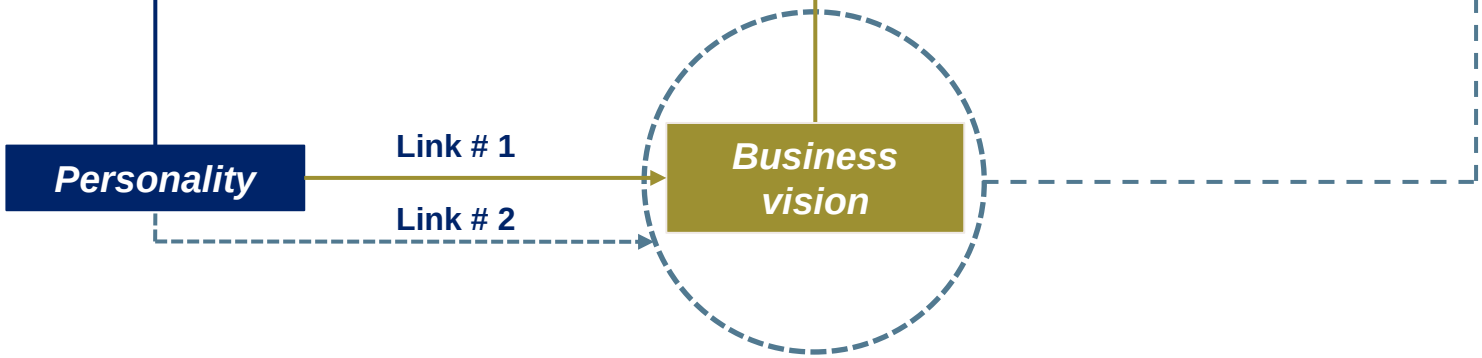
Personality	***Business vision***	***Visionary leadership***
The combination of an individual's thoughts, feelings and actions. These tend to remain stable over time, so some typical behaviour can be predicted.	Image of the ideal organization that is aimed for. This image of a hoped-for future is an inspiration for both management and employees, and shapes all the organization's strategic decisions.	Ability of an individual to influence the course of events by sharing his/her business vision.



Explanations:

Link # 1: Personality shapes the business vision. In other words, a person's nature has an impact on his/her vision for the organization he/she leads. Whether it relates to market share, product development or corporate culture, the vision reflects the specifics of an individual's personality.

Link # 2: Personality is a key component of the visionary leadership of executives. This means that visionary leadership will reflect a person's specific character. The personality traits involved in visionary leadership have been identified and are set out on the following page. Also addressed is how these personality traits can lead to the emergence of a visionary type of leadership.

Personality and visionary leadership

Visionary leadership

= **Personal and relationship skills** + **Vision** + **Sharing of the vision**

Personal and relationship skills

Leader's ability to create relationships of trust with his/her subordinates, provoke an array of positive emotions among them, and set up a pleasant work environment.

Vision

Leader's ability to develop a clear vision that rallies and motivates subordinates and other company stakeholders.

Sharing of the vision

Leader's ability to communicate his/her vision. The leader gets other people interested in his/her vision and seizes every opportunity to match decisions to that vision.

Agreeability increases a leader's personal and relationship skills

Openness and awareness lead to the emergence of a leader's business vision

Extroversion makes it easier to share the business vision

The vision is the quest for a new organizational status

The vision is a form of planning focused on achieving an objective

Agreeability*

Tendency of a person to put other people's interests first.

Openness

Tendency of a person to look for new things

Awareness

Tendency of a person to set objectives and plan out the tasks that have to be done in order to achieve them

Extroversion

Tendency of a person to need to engage in interpersonal relationships with others. When this personality trait is developed, the person will have relationships with many people.

***The word *Agreeability* is the scientific term used to define a certain personality trait. It does not refer to the agreeable or disagreeable character of an individual, but is solely the name given to this aspect of personality by psychology researchers.

Personality

Lessons to be learned

1 Understanding the basis of your visionary leadership

You have surely recognized yourself in at least one of the four aspects of personality that underpin visionary leadership. These elements of your personality are the basis of your visionary leadership. That means that your visionary leadership is specific to you and that it is based on your particular strengths.

This was the primary objective of our research: to show leaders the nature of their visionary leadership.

2 Knowing how to surround yourself

It is highly unlikely that a person's visionary leadership will be driven by all four of the personality aspects at the same time.

A leader must therefore surround himself/herself with people whose strengths complement his/her own. Many studies have concluded that business vision is a joint endeavour; in other words, a leader's visionary leadership will be greatly improved if he/she makes a conscious decision to bring in people with complementary strengths.

3 Developing your skills

An individual's personality remains stable over time. That means it will change very little – or not at all. It defines the person and does not waver.

Although personality does not change, a person can develop attitudes, abilities and skills that will help him/her compensate for certain personality weaknesses. Alone or with assistance, a leader can enhance his/her vision and improve his/her visionary leadership. The first step is obviously to gain an awareness of one's own particular strengths and weaknesses.

ViewPoints report on Productivity

Productivity

> To address the lag in Canada's productivity when compared to the U.S., entrepreneurs need to start by determining the overall productivity of their businesses. A thorough assessment of their business model and processes can help them identify areas for improvement. They should consider three critical components:

1. **Information and communication technologies or ICT**. Effective use of ICT can help firms gain market share, expand their product range, customize services, respond better to client demand and help reduce inefficiencies.

2. **Innovation** is an area where Canadian companies are lagging, particularly regarding their investment in R&D. Entrepreneurs need to formalize their innovation strategy, communicate it to all parties involved and obtain their buy-in.

3. **Managerial skills**. More highly skilled workers and managers can improve overall productivity of a business. A strong, clearly-defined vision and an emphasis on employee training are keys to building a successful organization supported by a sound management team.

> To access the full report click on the following link : *Pillars to build on: Productivity*.

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