

Management moves



**Why getting your leadership style right
will ultimately benefit your business**

A leading role

Our latest *CRN* Business Club survey outlines what qualities businesses should look for in tomorrow's leaders and what it takes to get the best performance from their team



With a multimillion-pound fortune, his own private island and staff that appear fairly content with their lot – unlike their counterparts at BA – Richard Branson is not a bad role model for aspiring channel chiefs, who voted him top of their most admired leader charts.

Leadership style is becoming increasingly important in everyday business, because keeping staff happy and well rewarded is the only way of ensuring your company is protected from the growing skills crisis threatening the UK and keeping hold of the talent within.

According to research of 50 senior HR professionals in UK firms with 1,000 or more employees carried out by the Institute of Leadership and Management (ILM), businesses are after 'the whole package' when it comes to future leaders.

The findings revealed that 36 per cent

of respondents believe the ability to inspire and motivate were key traits for future managers, while 34 per cent opted for high levels of emotional intelligence, 34 per cent the ability to deal with people, 24 per cent said natural leadership Trustworthiness, a natural communicator, possessing vision and drive and ambition, all polled 22 per cent.

Less important characteristics were 'being entrepreneurial', 'being intellectual or insightful' and 'problem solving abilities', according to the research.

The top skills HR professionals look for in future leaders include professional or technical, commercial acumen, people management, communication skills, coaching and feedback and team management capabilities.

Interestingly, 46 per cent of respondents felt that an undergraduate degree was a

key criterion in future management, despite the spiralling cost of higher education becoming more of a barrier. A professional qualification 'of some sort' was seen as important by 38 per cent of respondents. Just 22 per cent felt that experience was more important.

Penny de Valk, chief executive of the ILM, said in a statement: "The terms 'whole package' and 'natural leader' were raised repeatedly. They want their future leaders to possess the right personal characteristics over and above all other factors.

"Certain skills, knowledge and experience are essential, but individuals with the ability to inspire and motivate, and those with high levels of self awareness are particularly highly valued," she said. "Professional experience, investment in education and development, as well as a level of self confidence established through previous successes and failures, all contribute to the chemistry of what a good leader should be."

Leading the channel

Hoping to find what sort of leaders are taking the channel forward, *CRN* asked its reader database seven questions based on management style and staff retention. The results made some interesting reading.

The first question was: What is the average length of time your staff stay at your company? A total of 40.4 per cent said between three and five years, 34.6 per cent said six to ten years, 15.4 per cent said more than 11 years and 9.6 per cent said one to two years.

Peter Grundy, managing director of The Partnership, a leadership coaching specialist, said staff retention was key.

"It is good to see that most firms are balancing the needs for stability and 'new blood'. New arrivals often challenge the traditional way of doing things and can guard against complacency if they are asked to tell us what they see from a fresh perspective," he said. "Losing staff on

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average in one to two years is bad for business and should ring alarm bells. Customers get jittery, relationships don't develop and internally you see a culture of impermanence which means more people will leave."

Grundy advised channel managers to research their staff retention – check when they last updated their recruitment

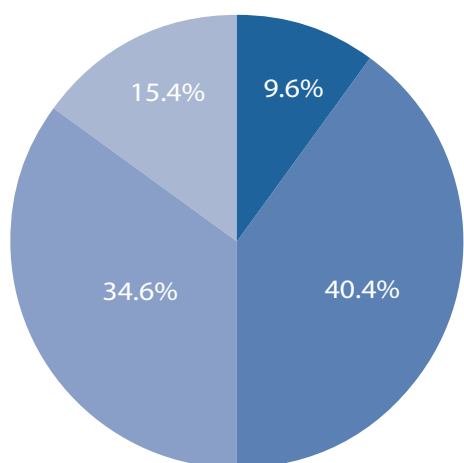
profile, what exit interviews tell them about reasons for leaving, how good they are at setting realistic expectations for interviewees and were they trying to recruit the 'best' people instead of the right ones?

The second question *CRN* readers were asked was: How important is staff satisfaction at your company? A total of

33 per cent said it was top priority, 39.9 per cent said it was somewhat important and 4.8 per cent said slightly important. Interestingly, 13.3 per cent said customer satisfaction was more important than staff satisfaction and 18.1 per cent valued profit more than staff happiness.

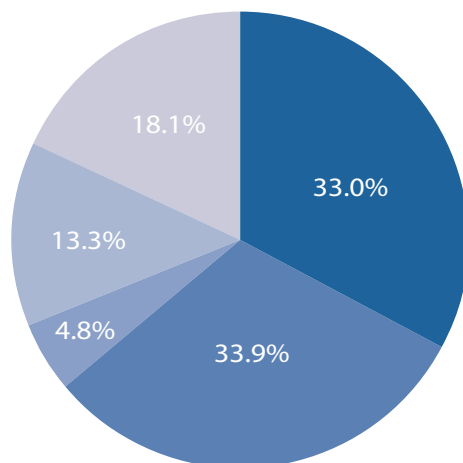
One company that has learned the value of staff is Softcat, which won the

What is the average length of time your staff stay at your company?



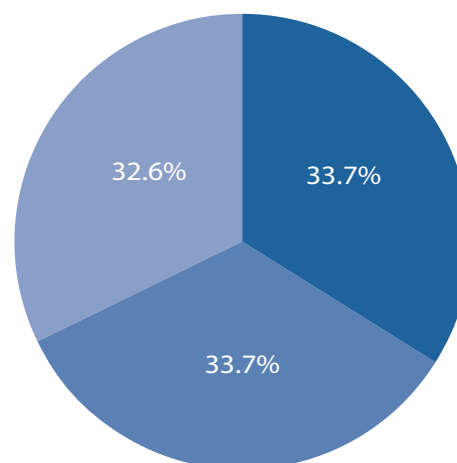
- 1-2 years
- 3-5 years
- 6-10 years
- 11+ years

How important is staff satisfaction at your company?



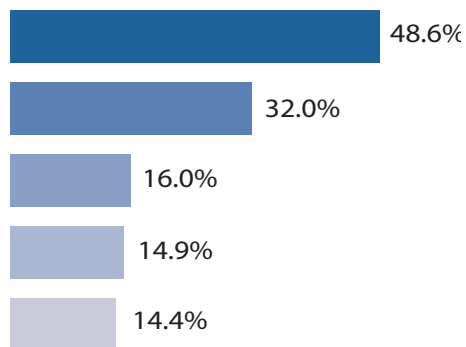
- Top priority
- Somewhat
- Slightly important
- Customer satisfaction comes first
- Profit comes first

Do you reward loyal staff?



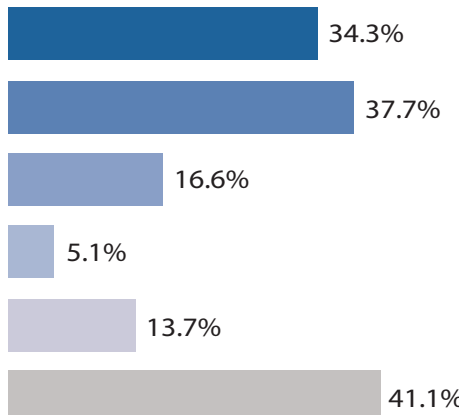
- Yes we have an annual bonus scheme
- No, their reward is their salary
- We are always offering extra incentives

How would you describe your company management style?



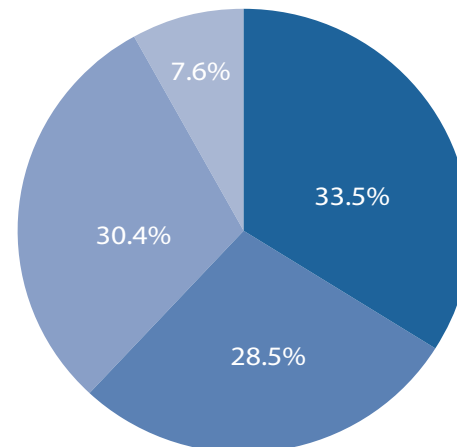
- Sleeves rolled up and hands on
- Friendly
- Authoritative
- Spreadsheet based
- Remote

What is the main function of management in a company?



- To drive profit
- To focus on growing the business
- To enhance the company's reputation
- To listen to staff and keep them happy
- To drive efficiency
- All of the above

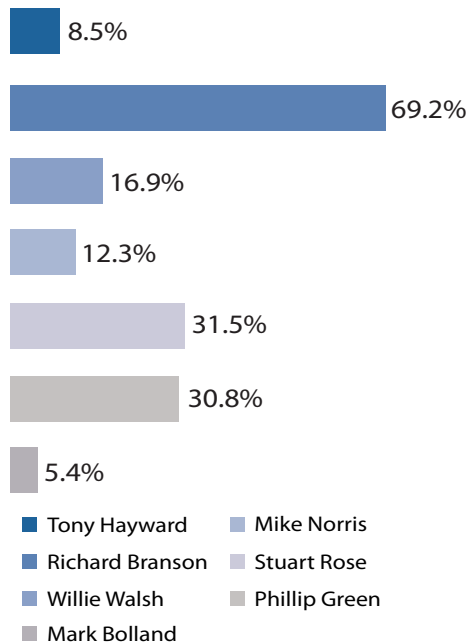
Does management at your company go on any training courses?



- No, they have worked their way up from the bottom and know what to do
- Yes, they do a management course when they are promoted
- We send all our managers on regular training courses
- We don't believe in training

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Who would you say is a good example of a top Chief Executive?



Sunday Times Best Small Company to Work for accolade this year and has many staff members who joined as graduates and have worked their way up to senior management level. Peter Kelly, founder of Softcat, said satisfied staff were the key to success. "If the staff are happy they will offer fantastic service to our customers," he said.

Mike Mason, managing director of VAR Intrinsic Technology agrees on the value of staff. "Intrinsic has an extremely low staff attrition rate and we put this down to the fact we readily acknowledge our workforce is the lifeblood of the



Peter Grundy: Satisfied staff are more productive

organisation and the very reason for our success," he said. "Aside from above-average salaries and benefits for the industry, we reward the hard work and dedication of our staff with regular team building activities such as race days, go-karting and theatre trips."

The Partnership's Grundy said the majority of respondents were keen to ensure satisfied staff were in place so customers/suppliers or partners would want to do business with them.

"Do they really want dissatisfied staff talking to customers and showing them their sorry attitude? Also it is important not to confuse 'satisfaction' with 'happiness'. We want people to be productive, engaged and motivated at work, but lots of issues outside of work have a lot to do with happiness."

CRN's third question tackled the style of management, asking: How would you describe your company management style? A total of 48.6 per cent said it was 'sleeves rolled up and hands on', 32 per cent said 'friendly', 16 per cent said 'authoritative', 14.9 per cent said 'spreadsheet based' and, worryingly, 14.4 per cent said their style of management was 'remote'.

Grundy said while sleeves rolled up is a good approach, it needs to be balanced.

"[Sleeves rolled up] is the traditional style in channel management and its great for energy, involvement and leading by example. But there is a downside. Many managers we have coached find that this style dramatically reduces the time available for thinking, planning and looking to the future. All active managers need to take some time away from the office to think and plan."

He added that people begin to notice if everything is being done 'off the cuff', which is when messages get mixed and mistakes are made.

CRN's fourth question was: What is the main function of management in a company? Respondents were given the chance to pick two answers. A total of 34.3 per cent felt it was to drive profit, 37.7 per cent believed it was to focus on growing the business, 16.6 per cent thought it was to enhance the company's reputation, 54.1 per cent felt it was to listen to staff and keep them happy, 13.7 per cent felt it was to drive efficiency and 41.1 per cent opted for 'all of the above'.

With bankers still getting huge bonuses despite the downturn, the CRN readership was also asked if their company rewarded loyal staff. The result was split, with 33.7



Mike Mason: Intrinsic has low attrition rate

per cent saying they have an annual bonus scheme and the same percentage saying they felt an annual salary was enough of a reward. In total, 32.6 per cent said they were always offering staff extra incentives.

Question six was: Do management at your company go on any training course?

Interestingly, 33.5 per cent said management had worked their way up from the bottom and know what to do. Just 28.5 per cent said they are sent on a management course when they are promoted and 30.4 per cent said they send all their managers on regular training courses.

Our final question was who the CRN readership felt were good examples of a top chief executive. The channel's own Mike Norris scored 12.3 per cent, but Richard Branson swept the board with 69.2 per cent. BA's Willie Walsh scored 16.9 per cent and Stuart Rose polled 31.5 per cent. Phillip Green received 30.8 per cent, with beleaguered BP chief Tony Hayward scoring 8.5 per cent. Other executives singled out by the audience were Alan Sugar, Bill Gates, John Chambers, James Dyson and, most surprisingly, ex HP head Mark Hurd.

The message on the importance of staff satisfaction and development seems to be getting through to channel management as more players realise that holding on to key staff is the best way of staying ahead of the competition.

This is something that will only increase in importance as the economy starts to pick up and more firms look to poach the talent. It is better to be prepared now than to be left watching as your key staff head to pastures new.