

Leadership During Turbulent Economic Times

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Adam Kreuzer, Director World HR

According to global business publication Forbes Magazine, “Today’s organisational leaders are facing accelerating rates of volatility, uncertainty, complexity and ambiguity, all of which are showing no signs of slowing down. Whether it is the continuing digital revolution or expanding global markets, our current environment requires a constant state of innovation”.

This is highly relevant for Australian small business owners, given the ongoing challenges being faced to not only survive but also sustain ongoing business performance against local and international competition across all domestic industry segments. Given the turbulent economic times which we continue to face in Australia, the question must be asked as to what small business owners can do to differentiate themselves for sustainable business success against their competitors who are also operating for market share and an evolving / ever changing customer base.

With barriers to entry into established market segments being rapidly diminished as a result of innovative technologies, new market entrants and social media platforms, the one remaining ‘success factor’ for small business owners to differentiate themselves is leadership.

You may be asking yourself how leadership actually matters when you operate a small business with a limited number of employees. Not only does it matter, but it can be the sole distinguishing factor which drives your small business to future financial success. Leadership in this context refers to your ability to motivate, engage, develop and positively drive your staff to go ‘beyond the call of duty’ to achieve great things as key assets of your small business.

In the larger business corporate context, this is commonly referred to as ‘employee engagement’. In other words, the degree of extended discretionary effort that staff will exhibit for their employer to help them achieve ongoing success. The major components of ‘employee engagement’ relate to staff actively connecting with the business they work for, both mentally and emotionally. When staff approach their work in this way, HR

research suggests that they outperform their colleagues and typically stay with that business for extended periods of time.

We can all think of personal examples outside of work where we are both mentally and emotionally connected to something. In these circumstances, we are significantly more likely to go the extra mile to provide a stronger contribution to that focus area. This may be for a sporting club or team, a political, religious or social movement, family members, friends or something else.

It's when business conditions are at their toughest that many small business owners face the ultimate leadership challenge. Do they simply revert to a previous leadership approach which may have worked for them in years gone by? Or do they take a new, stronger and more collaborative approach to their leadership and actively engage their staff to achieve great things in their business? As the Australian small business demographic continues to diversify from a cultural, age, gender and values perspective, there is a common expectation by staff members to be managed by small business leaders who possess a professional, collaborative, considerate and respectful style of leadership communication.

Gone are the days where pointing the finger, ranting and raving at staff members is an effective leadership approach. There is a reason why the Gordon Gecko character was created in the 1980's for the movie 'Wall Street', and not in 2014. Times have changed and small business leaders need to adapt their leadership style to move with the times and truly engage their staff to feel deeply connected with their small business.

Of course, leadership can't be focused on in isolation from other Human Resources (HR) necessities within a small business. For example, it's crucial for a small business to have staff employed who not only have the technical capabilities to do their jobs effectively, but the potential to grow and develop into larger roles with more responsibility and accountability in the future should the business expand and / or change direction.

You may be feeling a little daunted by the leadership opportunity in front of you, given the plethora of competing small business challenges you face on a daily basis, with very little time to rise above the daily stresses of rigorous business competition. If you do nothing else, ask yourself these simple leadership questions: "How do I want my staff to describe me as a leader when I am not there with them?" and "what leadership legacy

do I want to leave with my current and future staff?” – once you’ve been able to answer these questions you will be able to size up the leadership challenge and opportunity in front of you to achieve great things in your small business and develop your leadership action plan to make it happen.

We all have a great leader inside us. Let the lion roar from within. Create the workplace culture that you want to create, whatever it takes. You just need to find that leadership style and approach that works for you and your staff to achieve business success.

About the author:

Adam Kreuzer has completed a Bachelor of Business (Management) and a Graduate Diploma in Industrial and Employee Relations, both at Monash University. Prior to establishing World HR in March 2012, Adam held significant HR roles over a 16 year period, at leading organisations such as the National Australia Bank, Coles Myer Limited, Telstra, AXA Asia-Pacific Holdings, BearingPoint Management Consulting, CPA Australia and Scoopon.

Adam Kreuzer can be contacted via: adam.kreuzer@worldhr.com.au