

# Chapter 3: Leadership and the Sales Executive

## INTRODUCING THE CHAPTER

The topic of leadership is of great interest to everyone, from world leaders to sales managers, but is too often overlooked by students and employers. Research shows that too few companies believe they have the leaders they need and have difficulty recruiting them. A good way to introduce this chapter is to ask students to describe their leadership styles. Often, we will find that while they may have heard discussions about leadership, they have not looked at how the topic applies to them personally.

The chapter looks at a historical review of the major approaches to studying leadership and the contributions made by each. Within each of the five major approaches, several individual theories or approaches are described. Each school of thought has contributed and has set the stage for further research. The most recent approaches have incorporated past contributions and brought forward a focus on more personal leadership qualities. One idea for a class discussion would be to identify whom they consider to be good (and not so good) leaders and why they chose this person. A visit with past issues and the websites of *Selling Power* or *Sales & Marketing Management* may help them define the topic from a sales perspective.

Given that sales executives have noted shortcomings in the leadership demonstrated by their sales managers, we believe that this chapter will help students begin the process of actively shaping their own sales management leadership skills — regardless of which leadership model they prefer to follow.

The chapter closes with a discussion of future challenges for sales leaders and executives. Many of the issues identified are tied with leader-member interactions and the development of salesforce members.

Chapter 6: “Supervising, Managing, and Leading Salespeople Individually and in Teams,” is an extension of this chapter. It focuses more heavily on the application of behaviors by sales managers, with sections on coaching, mentoring, and virtual leadership.

### *Chapter Objectives*

After completing this chapter, students should be able to:

- Understand the historical development of leadership and its different approaches.
- Recognize the contributions made by contemporary leadership approaches.
- Identify issues that today’s sales leaders face.
- Use the information in this chapter to develop your own leadership skills.

### *Chapter Outline*

- I. What is Leadership?
  - A. Leading versus Managing
  - B. Understanding Leadership: An Historical Perspective
  - C. The Trait Approach: “These are the Traits You Need to Be a Leader”
    1. Intelligence
    2. Self-confidence
    3. Determination
    4. Integrity
    5. Sociability

- D. The Behavioral Approach: “This Is How a Leader Behaves”
- E. Situational Approaches: “Assess the Situation, and then Fit the Behavior to It”
  - 1. Contingency theory of leadership
    - a. Leader-member relations
    - b. Task structure
    - c. Position power
  - 2. Situational leadership model
    - a. Directing
    - b. Coaching
    - c. Supporting
    - d. Delegating
- F. Contemporary Perspectives of Understanding Leadership: “Motivate Your Followers Through Leadership”
- G. Emerging Concepts of Leadership: “Develop Your Followers.”
  - 1. Be proactive.
  - 2. Begin with the end in mind.
  - 3. Put first things first.
  - 4. Think win-win.
  - 5. Seek first understand, then to be understood.
  - 6. Synergize.
  - 7. Sharpen the saw.
  - 8. Find your voice and inspire others to find theirs.
- H. Emergent Leadership
  - 1. Time
  - 2. Connection
  - 3. Authority
  - 4. Cooperation

## II. Managing Your Career

- A. Get involved.
- B. Generate ideas.
- C. Be willing to collaborate.
- D. Be willing to lead initiatives.
- E. Develop leaders as you develop.
- F. Stay current.
- G. Anticipate market changes.
- H. Drive your own growth.
- I. Be a player for all seasons.

## III. Summary

# MANAGING YOUR CAREER

This listing of “good advice” can help open a discussion of what students have heard from other leaders and most importantly how they can translate them into actions.

## SUPPLEMENTAL VIDEOS DISCUSSION SUGGESTIONS

*Sales Management & Leadership:* This video is a good overview of sales management and leadership. It covers a lot of topics where management and leadership could overlap. Have students discuss the differences between leading, managing, and coaching/mentoring. Ask students about the characteristics of good coaches/mentors? Another good topic is to discuss the other side of the leadership dyad – what does it mean to be a good team player or what do we mean when we say someone is “coachable?” Why is being coachable important? How can someone improve their coachability – what impact will this have on developing their leadership skills?

This video is a good introduction to the rest of the text because it intersects leadership with management practices.

*How Great Leaders Inspire Action:* Have students discuss how the different leadership approaches would apply the Golden Circle theory and create a shared understanding for an organization’s why.

*What It Takes to be a Great Leader:* Why are organizations unable to “grow” great leaders? Does your school cultivate strong leaders? What can students do while in school to foster the characteristics and practices of great leaders? Ask students to be specific on ways they can improve their leadership skills now using the 3 questions she discusses: Where are you looking to anticipate change? What is the diversity measure of your network? Are you courageous enough to abandon the past?

## QUESTIONS AND PROBLEMS

- 1. Think about the people you believe are effective leaders. What actions do they take, and what traits do they display? Contrast those actions and traits with a person you believe is an ineffective leader.**

This question should generate a great deal of discussion. Encourage students to think of several people and why they thought of this person as a leader. Answers to this discussion question will run the range from pop celebrities to politicians and (hopefully) some business leaders. Typical answers might include: Oprah Winfrey, Bono, Madeline Albright, John McCain or Barack Obama, Mary Kay Ash, Sam Walton, Warren Buffet, Steve Jobs or Bill Gates.

Once the names are volunteered students need to offer what leadership behaviors they believe this person has displayed. Are they identifying management skills or leadership skills – or both? Another option would be to drop back and consider the individuals highlighted in the chapter opening.

What about ineffective leaders? What about Martha Stewart (who spent time in prison for her illegal insider trading) or Ken Lay (of Enron fame who died before his day in court)? Some might consider these two ineffective and some might consider them effective.

The ultimate ineffective leader is probably the one who no one remembers or the leader of a company that is no longer in business

- 2. According to Patty Reidl of Hormel Foods, what behaviors or actions can you engage in to help develop your leadership skills when you begin your employment?**

Students should be able to volunteer a number of good examples ranging from finding a company culture that fits their passion to asking managers for additional projects to seeking mentors.

**3. What is the difference between managing and leading? Give some examples of each for a sales manager. How are the two concepts interrelated?**

Management is involved with planning and budgeting, organizing and staffing, and controlling and problem solving. The focus is on results that keep things working efficiently. Managers organize and direct work assignments. Management is needed to accomplish many business tasks.

Leadership is involved with establishing direction, aligning and communicating direction and motivating and inspiring. The focus is on change. Leaders communicate what needs to be done and motivate followers to accomplish it. Leadership is needed to help companies address and accomplish difficult challenges.

A successful organization needs sales managers who possess both good management and leadership skills to prosper.

**4. How well are organizations doing developing leadership skills among their employees, and, in particular, their sales leaders?**

Research results indicate that companies are not doing a very good job at developing leaders. It may be due in part to the fact that most organizations are involved in activities which are focused more on managerial tasks and less on leadership development. Without good role models, many individuals may not observe good leadership behaviors at work. Many companies have now acknowledged the importance of leadership and what they think constitutes it.

**5. What traits are important for a leader's success? Why is looking at someone's traits not necessarily a good way to gauge the person's leadership abilities?**

From a historical perspective important leadership traits have run the gamut from height to masculinity to intelligence. More recent studies typically identify intelligence, self-confidence, determination, integrity and sociability. No universal list of leadership traits has been assembled and no research has demonstrated the relationship between traits and leadership outcomes. Additionally, even with an identified list it might be very difficult to incorporate them into leadership training.

**6. What behaviors should a leader exhibit according to the behavioral approach to leadership? How does the behavioral approach to leadership differ from situational leadership? Provide examples of each in a sales-management situation.**

The behavioral approach examines how a leader interacts or behaves with their subordinates. Several different groups of researchers identified two similar dimensions, one focusing on social interaction between the leader and followers and the second on completion of the group's task(s). The social interaction dimension would show how the leader focuses on issues such as availability and ability to perform the job. The task-centered dimension would focus on getting the job done, such as when a job would be performed or reporting results.

Situational leadership adapts behaviors depending on the situation along two dimensions: directive behaviors and supportive behaviors.

**7. What types of activities do transformational leaders engage in? Describe someone you believe displays these characteristics.**

Transformational leaders stimulate their followers intellectually, encouraging them and supporting their development. They offer personal attention to each of their followers and make them feel valued and

important. There are no set behaviors that a transformational leader should follow. In some situations it may be working on a personal relationship and in others it might be laying out the steps and activities needed to help make for a rep's successful sale.

Students may offer a number of examples of a person with these characteristics. This person may be a college or high school teacher, a coach, an employer, and sometimes even a parent!

**8. What is the focus of Steven Covey's principle-centered leadership? How can you apply these principles to your situation as a student? As a sales manager?**

The focus of Covey's principle-centered leadership is the initial seven principles (one additional principle was added later) that should guide a leader's behaviors. They are:

1. Be proactive.
2. Begin with the end in mind.
3. Put first things first.
4. Think win-win.
5. Seek first to understand, then to be understood.
6. Synergize.
7. Practice self-renewal.
8. (Added later) Find your voice and inspire others to find theirs.

Student examples will focus on how they can apply the principles to themselves. As a sales manager students should be able to generate examples of how these behaviors might be displayed between a sales manager and one of several sales representatives.

**9. Visit the websites for Nordstrom, Starbucks, and The Container Store. How is the servant leadership approach conveyed in the mission statements of these firms? What servant-leadership behaviors might a sales manager engage in?**

All three of these companies clearly state that they place an emphasis on making sure their employees (i.e., sales people) develop both personally and professionally.

*Nordstrom* – servant leadership is about serving others, Nordstrom's focus on making decisions that help their employees as part of their management mission

*Starbucks* – has six guiding principles. The one principle that most displays servant leadership is: "Provide a great work environment and treat each other with respect and dignity."

Another related principle is: "Embrace diversity as an essential component in the way we do business."

*The Container Store* – their vision statement "At The Container Store, we're working to build a business where everyone associated with it can thrive together!" expresses their alignment between serving customers and their employees

A sales manager demonstrating servant-leadership behaviors would likely spend time reviewing a sales representative's past performance in an effort to support what they did correctly and work on the challenges they were facing. Their actions and comments would reflect respect and foster trust.

**10. If a sales manager follows the principles of ethical leadership, what behaviors and actions will the manager be demonstrating?**

Leadership researcher Peter Northouse has observed a movement that advocates that leaders are those who build a more just and caring society. In order to promote the good of their followers, leaders must act ethically to influence others and engage them in accomplishing mutual goals.

The five principles of ethical leadership that can be seen throughout history include respect, service, justice, honesty and community. Whatever actions that a sales manager takes, they have an obligation to act in a manner that incorporates these guiding principles.

**11. How would you describe the leadership behaviors exhibited by a person who follows the principles of emergent leadership? How does it differ from Level 5 leadership?**

Emergent leaders do not have formal elections or appointments and are identified by their connections and associations within their teams. Authority is given by those they lead by building trust.

A Level 5 Executive is modest, humble, and diligent and helps ensure that their successors are positioned for greater success.

**12. Why is understanding leadership across countries difficult?**

Just as business practices change depending upon the culture, so does leadership. Much of the early research identifying leadership traits was conducted on U.S. companies with U.S. employees. Today there is a growing understanding of the cultural differences between what leadership traits and behaviors are considered important depending upon where you live. While there are many differences between cultural groups, it might be surprising to note there are some universal, similar findings on effective and ineffective leader characteristics.

## **ROLE PLAY**

### ***Pelotrak***

Each of the two sales managers needs to develop a list of three questions that they believe will help them identify these potential leaders and the answers they would hope to get.

Many companies are also including questions about ethics in their interviews. They typically present the candidate with a scenario and ask them to explain how they would handle things.

You may wish to encourage students to discuss the advantages of using a question that reveals behaviors about the interviewee. What did you do? How did you accomplish that? What difficulties did it present? How did you handle those?

# ANSWERS FOR CHAPTER CASELETS

## *Caselet 3.1: The Charmer*

### Case Question:

- 1. Put yourself in Stephanie's position. Based on what you know about different leadership approaches, how would you describe your leadership style?**

Many students may find that they really are a lot like Stephanie. They really haven't thought much about how they would implement a comfortable leadership style. This is an opportunity for students to 'try on' a leadership approach and see which one 'fits' them the best. Answers will range from a trait theory (a rather simple response) to others that will require a little more thought. When students suggest that they may prefer some of the newer approaches that encourage development of their followers, follow-up by asking if they have had an opportunity to do this? Consider encouraging students who haven't to set a goal to do so during the term they are taking your course.

## *Caselet 3.2: The Newbie*

### Case Questions:

- 1. Getting Marty's salespeople off his back wasn't part of Julie's objectives. What were her objective(s)? Why are they important?**

Julie's objectives are to develop her team so that they can do their jobs better and ultimately grow. Developing the people around you is important so that there is someone to fill a gap when you are promoted.

- 2. What other practices can Julie and Marty undertake to accomplish the same objective(s)?**

Other ways to reduce the number of repeat questions could be to create a FAQ document for common or repeated questions. They could encourage their salespeople to work as a team to help new salespeople get adjusted.

- 3. What was it about Emily's preparation of Julie that made her a proficient sales manager?**

Emily was able to set an example for Julie and gave her tools on how to take control on her own learning and create relationships within the company.

- 4. As a "newbie" salesperson, what lessons could you learn from Marty and Julie's conversation?**

Answers may vary, but students may compare the two managers and discuss the differences between managing and leading.

## OTHER IN-CLASS EXERCISES

### *Which leadership training would you send your salesforce to?*

Below are four commercial suppliers of 'leadership' training? Ask your students, as sales managers which ones they would most likely consider sending members of their salesforce to? What are the strengths and weaknesses of each? Would level of sales experience make a difference in their choices? Which one would they consider for the most experienced members, average level of experience and little experience? If they had a sales-force of seven people how much would it cost to implement their leadership training? What does that say for larger-sized salesforces?

- The Center for Creative Leadership has conducted research on leadership as well as offering leadership training for many years — <http://www.ccl.org/leadership/index.aspx>
- Grid International — <http://www.gridinternational.com/foundations.html>
- Steven R. Covey, *Seven Habits of Highly Effective People: Restoring the Character Ethic* — <http://www.stephencovey.com/>
- Robert K. Greenleaf Center for Servant Leadership — <http://www.greenleaf.org/>

### *What is Their Leadership Style?*

In several of the questions and caselets, students are encouraged to explore what leadership approach they prefer. Most salespeople are not grounded in leadership research but when asked to describe their style may have a pretty good idea.

In the course of a sales manager interview (or other school mates if it is more convenient), students should ask the manager to give three examples of how they lead. Compile the class responses first, and see if they have given examples of management or leadership. From the leadership examples, ask the students which approach they think this person best exemplifies? What style is most frequently and least frequently observed? Why might this be the case?

### *Revisiting Good Websites*

Discussion question 11 refers to the websites of Nordstrom, Starbucks, and The Container Store. All three of these offer some interesting insights into each company's philosophy.

Assign students to teams and let them summarize what they see as worthy goals and others that might be considered as "just talk." Another option would be to have them identify other companies they might consider which follow a servant-leadership approach (i.e., Southwest Airlines, Medtronic). An online search should help them easily identify several.