



Small Business Builder: 12 Traits of Good Leaders

12 Traits of Good Business Leaders

By Mary Campbell

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The entrepreneurial world needs good followers — where would leaders be without them? But it takes a leader like Tom Chestnut to create a new enterprise and guide it to success.

“I wanted to create a place that if I didn’t own it, I would still want to work there,” says Chestnut, who runs the award-winning Tucson, Ariz., company, Chestnut Construction.

Recently, Small Business Builder asked entrepreneurs and business experts what it takes for a small-business manager or owner to be a leader. Many of the traits describe Tom Chestnut, who believes in making his employees happy. For example, the company pays the full cost of health benefits for its 46 employees and their dependents — which might be one reason Chestnut Construction has very little employee turnover.

Good Leaders Make Few Rules

Here’s our expert group’s consensus on what it means to lead:

Vision. Good leaders have a vision of how the enterprise will provide value to customers and become profitable. They infect others with their passion about the company’s mission.

Obligation. Good leaders have a sense of the enterprise’s obligation to its customers — not only those who buy its products or services but also its employees, investors, advisers, suppliers, strategic partners, distributors, neighbors, and community.

Respect. Good leaders respect their customers, as defined above, as human beings with diverse needs and obligations.

Motivation. Good leaders make few rules. They motivate not through intimidation, command, policy manual, or code of conduct, but by gaining respect and trust and setting an example.

Support. Good leaders also motivate by giving others a stake in the company’s benefits. They:

Share profits based on individual contributions to the business’s success.

Decentralize responsibility, providing opportunities for decision-making, contributing and evaluating ideas, succeeding, & and sometimes failing.

Recognize and reward others’ contributions. Develop promising employees through training.

Access. Good leaders are accessible and open to others’ ideas.

Culture. Good leaders support the company culture and participate in its social, recreational, volunteer, and community activities.

Maturity. Good leaders are decisive and confident, readily admit mistakes, and gladly delegate responsibility.

Curiosity. Good leaders know what they don't know, and they are lifelong learners.

Balance. Good leaders are not workaholics; they integrate and balance their personal, social, physical, spiritual, family, and other needs and responsibilities.

Character. Good leaders are not wimps. They unhesitatingly dismiss employees for gross misconduct. They make tough decisions, explain them to everyone affected, and enforce them. If they turn out to be wrong, they accept responsibility and take sensible corrective measures.

Honesty. Good leaders are not secretive. They are honest with employees about the company's principles, policies, dealings, and finances.

Good leaders have proven time and again that a business can win without double-dealing and without exploiting its workers. Chestnut, whose company earned more than \$60 million last year, has a philosophy that's working well: We don't hire employees, he says, as much as we "adopt" them.

An editor since the age of 6, when she returned a love letter with corrections marked in red, Mary Campbell founded Zero Gravity in 1984 to provide writing, editing and marketing services. Small Business Builder is published on Wednesdays.

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