



Business Leadership vs Functional Leadership

Description

One of the most important development areas of senior leaders in business is the transition into **business leadership** roles after being in a functional role.

Enabling senior leaders with the mindset and paradigm change required for this role is a very common industry need.

In most typical organizations, technical expertise and the competencies required to execute around one's immediate business area is always the key priority.



Development actions and new learning is also around the same. People are also measured and evaluated on their immediate KRA's which too are usually linked to functional performance. Its therefore typical that at senior levels, most people are experts in their areas of work. The challenge that this throws up for the organization is that there is a whole bunch of functional experts who are extremely good with what they know and yet there is no leadership talent that looks at the "big picture" of the organization. As consultants and coaches for Leadership development, we have consistently found this to be a recurrent gap across different sectors of business- Manufacturing, BPO, IT, Pharma etc.



The CEO doesn't really have a team of business leaders to support him. He invariably has an excellent team of functional leaders. *This hurts the organization since there is a tendency to look at most issues from a functional perspective rather than a business angle.* The approach to resolving also becomes very "my function/department-centric". This is also one of the main reasons why "silo-working" and "silo-thinking" happens even at senior levels.

What can be done to mitigate this risk?



One of the ways is by identifying a Leadership Team whose sole responsibility is to look at the business of the company as a whole and come out with perspectives, approaches that cut across boundaries. This team must not look at what each department is doing but more at what the business is doing and what needs to be done to meet the business challenges. Developing this mind-set and paradigm change will take time but it can be done.

1. The role of the CEO is very critical in this. He must ensure that he moderates the session in such a way that people stop thinking of their "turf" and look at the company instead.
2. Building skills on business perspectives, commercial acumen, strategic thinking would be critical. The team needs to be exposed to the external world and needs to go and study other businesses and learn from them.
3. Networking and collaboration would help to make this happen. These are critical skills for being a good business leader.
4. The members of the **Leadership** team need to be given opportunities to lead sessions on application of strategy to business, creating business plans for the company etc. Peer reviews can help.

Some of these would ensure that the **CEO has a bankable team** with him for the present and the future.

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