

PRACTICE MANAGEMENT

Understand the Behaviors of Leaders and Team Members to Improve Your Organization

by David F. Smith, Ph.D., CFP®

RESEARCH ON EFFECTIVE leadership shows that applying five specific leadership behaviors when working with each team member will improve your organization. Research also shows that team members can behave in three ways at work that improve their own work life.¹ These actions of leaders and members are learnable, action-oriented, and easy to apply. Every financial planning practice can benefit from learning about these behaviors.

Leaders motivate others to do what needs to be done. Implicit in this discussion is that the leader knows what needs getting done: increase revenue, attain more clients, ensure a smooth-running staff, or any other goal. The flip side to this is that team members want certain things such as higher pay, more time off, permission to attend a seminar, or perhaps to be left alone to do their job.

Defining Leaders and Members

A **leader** actively and consciously can act in five specific ways to improve the one-on-one work relationship with their team members. A leader is (1) responsible for some type of outcome;

and (2) relies on others to achieve some or all of that outcome. Leadership is not always bestowed by title; at times leadership is situational where “equals” in an organization are led by one team member.

Leaders motivate others to do what needs to be done.

A **member** can behave actively and consciously in three specific ways to improve the one-on-one work relationship with their leader. A member is the person responsible for meeting the leader’s goal. In organizational leadership parlance, this is known as the leader-member dyad, and the relationship is called leader-member exchange (LMX). LMX describes the social exchange relationship that develops as trust evolves between a leader and a member. LMX is described by quality level from high quality to low quality.²

While the academic literature is full

of descriptions of how a manager and a leader differ, the Five Star Leadership® program, a behavioral approach to accomplishing leader goals,³ explains it this way: managers implement structure and measure adherence to the structure. The head of a financial planning firm might manage the team by telling them how to collect and report data a certain way, and measure output and reward based on this regimen. A leader of the planning firm would include members in designing how to get the work done, respecting their opinions and feelings. Important decisions would be discussed. Metrics will be important, but rewards will not necessarily be tied to global measures. Metrics will be used as feedback to find areas for improvement with the leader modeling best practices.

5 Leadership Behaviors

The five leader behaviors described are inclusion, respecting, rewarding, improvement, and modeling. Each of these behaviors will make a difference in leadership outcomes if the behaviors are consistently and tactically implemented one-on-one with each team

member. These behaviors build the trust associated with high-quality LMX. These behaviors are actively managed, personal leadership skills just as a leader might “manage by walking around” or ensure “Six Sigma” is active in the organization. The trust is foundational to the agreement between the team leader and each team member on how the work will be done to meet the leader’s goals and what the member can expect from the leader.

Inclusion is consulting with members about important task issues and delegating decisions and effort regarding the task.

Respecting behavior is the leader showing concern for a member through attentiveness, expressing appreciation, empathizing, being courteous and considerate, accountable, and professional.

Rewarding is popular with team members as they like to be rewarded both formally and informally for their effort. Reward can be money, but intangible recognition by the leader of a job well done is important as well.

Improvement means a good leader assists team members in improving their knowledge and skills to succeed at the tasks at hand, as well as succeeding overall at work and in their personal lives.

Modeling has two dimensions: (1) acting in ways that exemplify the type of person they would like their team members to be both at work and in life; and (2) showing the way in how to get the tasks completed successfully. Each of the five behaviors is important individually and when all are implemented, the improvement in goal achievement can be dramatic.

3 Member Behaviors

The three member behaviors recommended here are associated with a high-quality LMX relationship with their leader which, in turn, leads to a better member work-life. The three behaviors are:



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Learn what the leader's goals are that the team member can help accomplish.

Actively support the leader's efforts in ways that go beyond the team member's job descriptions.

Find out what bothers the leader and avoid those things.

Yes, this sounds like “teacher's pet,” and yes, you did learn everything you need to know in kindergarten. However, if a team member can authentically accomplish these three activities, amazing things can happen that meet the team member's own goals.

Tips for Leaders and Members

What is the process for both leaders and members to be five-star rated on the five leader behaviors and/or three member behaviors? As with any strategic initiative, understand the desired outcome, rate status currently, decide on changes desired, plan on how to strategically and tactically change variables to achieve the desired goal, implement, and monitor the change.

This process is beyond the scope of this article, but some suggested action items are:

For leaders who want to better accomplish goals:

Truly understand the goal(s) to be achieved. What is it that you really want to see happen? What does success look like? How is improvement measured?

If the “human resource” team member is not up to the job yet, create goals for each team member for improvement, support the development, and measure the member performance that supports the total team goal.

Discuss with each team member what is expected and ask them what they need to accomplish the tasks that meet these goals. Include team members during organizational planning periods for their input and buy-in. Let them know how you will help them succeed through supporting and developing

behaviors. Provide enough supervised latitude to get the job done by empowering them through consulting with them and delegating the work, authority, and resources to succeed.

Create a formal and informal reward environment that is meaningful to the team member by discussing what is possible and what would be important. Be genuine and consistent in praise and ensure others know of the job well done. Do not destroy the reward program by providing negative feedback publicly.

If appropriate, be as good at the team member's job as you expect them to be. For example, if members use MoneyGuidePro®, leaders in the practice should be able help member improvement as well as know when to empower members. Alternatively, find the best practices within and outside of the team and communicate these as models, remembering inclusion is also important.

If appropriate, be as good at the team member's job as you expect them to be.

Be a great role model as a person of character; practice what you preach.

For team members who want high-quality LMX with their leader:

Listen, listen, listen. Pay attention to what is important to your leader.

Understand the organizational goals your leader is responsible for such as sales, client satisfaction, or service standards. This is how your leader is measured. A member's job is to make their boss look good. Contribute to that accomplishment. Know how your leader is measured.

Organizational citizenship behavior⁴ is the social science term for volunteering to put away the iPads after class. Whatever a member can

do to relieve their leader's work load is appreciated. Notice ways to help, such as coaching new team members, writing a report on new software options, reorganizing the office files, and so on. The help may be large or small tasks, but any size of helping is associated with strengthening trust, a key element of high-quality LMX.

Leaders do not have the time to continually correct behaviors. Simply avoid problem areas: get expense reports in on time, don't overstay lunch, if the report is due Monday submit it Monday or earlier.

The hope of this article was to let team leaders and team members know that things can be better if they want them to be better. The behaviors described here are not difficult to understand and implement; better outcomes do follow. It takes just one psychologist to change a lightbulb, but the lightbulb must want to change. Good luck in this journey. ■

David F. Smith, Ph.D., CFP®, has been involved in financial planning for 38 years. For the past eight years, he has also been the non-paid director of research for Five Star Leadership®, a behavioral-based leadership development and coaching platform run by the non-profit Oahu Adventures Foundation Inc. (oafound.org).

Endnotes

1. For a good understanding of leadership research, see *Leadership in Organizations*, eighth edition, by Gary Yukl (2012, Pearson)
2. See *The Bass Handbook of Leadership*, fourth edition, by Bernard Bass and Ruth Bass, specifically pages 419–428 (2008, Free Press).
3. Five Star Leadership is run by the Oahu Adventures Foundation Inc. (oafound.org), a non-profit that supports activities that promote leadership training for several audiences.
4. See “Individual- and Organizational-Level Consequences of Organizational Citizenship Behaviors: A Meta-Analysis,” by Podsakoff, Blume, Whiting, and Podsakoff in the January 2009 issue of the *Journal of Applied Psychology*.