



The Defining Attributes of a Successful CFO: Leadership

Leadership seems to be one of those traits defined by “You know it, when you see it.” I have met a CFO who was the brightest lightbulb in the room but could not lead their business to the light switch. I have also met a CFO who didn’t seem to work that hard and wasn’t a rocket scientist but was able to move mountains in their job. Why could one get things done while the other struggled? Leadership.

In our series we approach leadership from 3 aspects;

- 1. Internal** - Self-Awareness
- 2. External** - Using your leadership style to build teams
- 3. Strategic** - Leadership that motivates people to follow you

Some of you may recognize the internal and external focus as the way Stephen Covey divided habits 1-3 from habits 4-6 in his book, *The Seven Habits of Highly Effective People*. Learning about ourselves and how others perceive us is an important first step in learning how to lead. Once we overcome that hurdle, we can apply that learning to building teams within our organizations. The last step is creating or sustaining a sense of common purpose for the stakeholders of our organization.

1. Internal - Self-Awareness:

How often have you been surprised by the way somebody described you? While walking with a friend I’d known quite a while, he stopped me, looked me in the eye and asked if I’d ever been a preacher. I inquired why he asked. He responded by telling me he thought “I had a gentle, caring way of dealing with people”. I wasn’t sure I liked that description of me and certainly wasn’t immediately buying it. Now in those days, I thought of myself as a hard-nosed financial professional, delivering the facts and respecting my staff but not being of unusual kindness. I was never hired as the “hatchet man”, but I was often in positions where the business required significant overhauls.

How I perceived myself and how my friend viewed me, were very different. Over time I have come to hope he was more right about me than I was. And for some odd reason, since then I have tried to prove him right. (Maybe that was his intent all along).

The point of my reflection is to underscore the way we see ourselves is going to be different than the way others view us. Narrowing that gap is a huge step to improving relationships and expanding your influence. Think about all the time that could be saved resolving issues if we could perfectly describe them, have all parties perfectly understand them and resolve them in perfect harmony. How often have you written an email and after seeing a response you reply, “Oh, that isn’t what I meant, here is what I meant to say.” We are individuals seeing the world and ourselves through our lens. If we aren’t capable of seeing part of it through the lens of



others, we are going to live in a pretty small space.

The brilliant inventor, with great ideas, learns quickly that if their vision is going to succeed it needs to be described or explained in a way the rest of us can understand.

The first step in developing your leadership skills is to bridge the gap between how you see yourself and how others see you. In Covey's language this is self-mastery or independence.

2. External - Using your leadership style to build teams:

Learning who we are, especially to other people, can be an empowering and frightening experience at the same time. Early in my career a colleague told me a story that has stuck with me. He was the manager at a facility in Portland, Oregon. A new employee working in the office had a significant personal hygiene issue that was making it difficult for other employees to work with her. She was finding it difficult to complete her work due to the lack of cooperation she was getting from other employees. The easy path would have been to mostly ignore her and let her go after her 30-day probationary period expired. Instead, my friend, took her for a walk and delicately mentioned the issue others were having with her. She was aghast and terribly embarrassed. But she cleaned up the problem and eventually grew into the role of a facility manager herself.

She learned a tough self-awareness lesson for sure but think of the courage her manager displayed in addressing this directly with her. It would have been easy to punt the issue to the human resource manager or let her go at the end of the probationary period. Instead, he displayed compassion for her situation. Before he spoke with her he considered the possibility she would quit, leaving him with a staffing problem. He cared more for her as a person than as an employee and had the conversation with her before he was prepared for the potential consequences. He chose preventing her from further embarrassment over extra work that would be required of him if she left abruptly. Instead of quitting she thanked him. He also gained a trusted colleague/friend for the rest of his career/life.

This same concept applies to team building. Building trust and creating a safe space for members of a group to practice and refine their discipline is foundational to developing a well-functioning team. That doesn't mean all is harmonious. In fact, contention is a requirement for real learning and growth. An effective leader helps the team debate and learn in a respectful, benign atmosphere. The only way to do this is to know your team members; what inspires them about work and, more importantly, why they chose to work at your company. Covey refers to this as interdependence, where our success is dependent on others and their success is dependent on us.

Having members of an organization recognize common goals while emphasizing their individual contributions are important components in building well-functioning teams.

3. Strategic – [Leadership that motivates](#) people to follow you

Many times the position we hold in a company gives us certain authority. That authority often



gives us certain power over others. It can be easy to confuse authority and power with leadership.

A CEO at a local company recently went out of her way to explain why the company's annual bonus was the same dollar amount for all employees. She said, "People are already paid different salaries based on if they are an engineer or a technician, a CEO or an office assistant....every role in a company is important to meeting the goals, or it shouldn't be there in the first place." The bonus plan is simple, 10% of net profit is put in the bonus pool and divided equally between each full-time employee, prorated if they were hired during the year.

That is a serious company team building exercise. I have been involved in many different types of compensation schemes but never have I seen one that is so commonly shared throughout the organization. Imagine the potential for creating a singular focus from its employee base if the company's leadership can express its vision and work plan effectively. The sky might be the limit.

However, this isn't a story about compensation as a leadership tactic, it's a story about how employees in a company feel they fit in, how important are they. This CEO said, "I view the annual bonus as an extra benefit for helping to contribute to the success of the team." And in doing so she made everyone feel they were a contributor.

Simon Synek, in his book *Start with Why*, identifies the ability to inspire people with a sense of purpose or belonging is the key to great leadership. Corporate executives have many ways to motivate their workforce. To truly inspire an organization requires a vision and communication that rallies folks behind a common cause. We may not be called on to be the leader of creating the Why at the companies and organization we serve but to reach the Strategic level of leadership, we must understand our purpose and champion it. Know your company's Why. The reason it exists. And use it to lead.

I have received some very insightful feedback and have had some great learning moments from your responses to our previous articles. Thank you for staying engaged in this discussion.

Catch up on the other 3 articles in the series - The Defining Attributes of a Successful CFO:

If you missed Attribute #1: Accounting? [Catch up here.](#)

If you missed Attribute #2: Finance? [Catch up here.](#)

If you missed Attribute #3: Treasury? [Catch up here.](#)

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