Strong Managers, Strong Teams: Leadership and Employee Retention

Taking the journey to become a better credit leader can begin at any stage in a creditor's career, regardless of whether a position of authority is held. Leadership in the credit department takes many different forms and can be approached from several perspectives—emerging from places like employee retention and self reflection.

Beginning the expedition to leadership and continuing that expedition will be a prominent theme discussed at NACM's 124th Credit Congress and Expo from June 14-17 at Caesars Palace in Las Vegas. Sessions about leadership will be woven into the conference alongside sessions on cybersecurity, the evolution of credit management, legal issues in credit and more.

Mary Gormandy White of MTI Business Solutions will present on the session "Why Good Employees Leave (... and How to Get Them to Stay)," exploring leadership through the lens of employee retention, and Ron Price of Price Associates will hold a session for CCEs and Graduate School of Credit and Financial Management (GSCFM) titled "Advancing the Leader's Journey," breaking down barriers of leadership and how creditors can reach their potential.

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The Seven Phases of Leadership

When thinking about beginning the journey into leadership, understanding where the individual currently stands will make for more thoughtful, careful steps into a leadership role. Price breaks down this phenomenon into seven phases, phases that will coincide with White's philosophies on employee retention and better business models.

"If you understand the phase that you're in, you can focus on that and do it well," Price said.

Phase one, Price said, begins with the invitation to take on a leadership role. Sometimes leaders are asked to step up, other times, they assume the role themselves. This may mean becoming promoted in the company or taking the lead on a small team project.

Awareness comes next, which involves leaders accepting the roles they find themselves in. Thinking about what comes easily and what needs work on behalf of the leader falls into this phase—which then leads into phase three: development. Development deals with how the leader grows into a position: after sifting through what works and what doesn't in phase two, development allows the individual to approach leadership from a more thoughtful position.

The latter half of the phases deal primarily with more confident, comfortable leaders. The fourth phase, validation, occurs when others begin to recognize the individual as a leader. This could mean others approaching the leader for advice or referring to the leader with a title of authority. This then dovetails into the next phase, impact, which deals with leaders expanding their influence inside of their respective spheres. Having the ability to reach audiences makes these leaders mentors—the penultimate phase of leadership involving the direct helping and coaching of others.

And lastly, phase seven: reflection. Often, Price said, leaders do not get the chance to reflect or do not take the time to reflect. Given the task-oriented mindset of many American employees, celebrating leadership and thinking on accomplishments is often forgotten, and yet, reflecting makes for more introspective leaders that will keep learning and improving.

"A lot of times, managers have that attitude of 'If you can't do it, get out,' and they'll find somebody else who can," White said. "Add that to the fact that we're in an extraordinarily tight labor market, any manager who thinks there's people out there they can immediately find with the skills that they need is laboring under a misconception in the current job market."

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Embracing Leadership: The Final Phases of Leadership
Accepting the role as the leader and reflecting on the role of leadership—the final phases of leadership—helps to round out a leader's role.

While employee retention and management come from traditionally appointed positions, Price said anyone in any rank of the company has the potential to be a leader. The capacity in which the leader assumes a role will determine what that level of leadership will look like.

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"Just because you're a really good worker doesn't mean you're going to be a really good manager or leader of people," White said. "Even for those who have the potential to, if the company fails to clarify for them what the role is and what they need to be successful in those roles, we end up setting those individuals up to not be successful as well as damaging the culture of the organization. That ends up having an impact on whether people stay."

Conflict Management: The First Few Phases of Leadership
Depending on where a manager falls in the seven phases of leadership, developing conflict management and people skills can foster a work environment that is comfortable and nurturing. More often, this falls under the development phase and continues to evolve over a leader's time.

"Managers also need conflict management skills," White said. "They need to learn how to communicate from a coaching perspective to help motivate employees, and they need to be in tune to providing their employees with ongoing feedback, both positive and negative."

Mitigating conflicts and problem-solving through leadership can best contribute to employee retention, one of the hallmarks of a healthy workplace. True competitive edge in the industry emerges best when managers find and train the right people. Employee turnover, while not only frustrating, is also costly in terms of dollars spent, productivity lost and energy expended.

Confident, capable leaders attract competent team members and contribute to a cohesive group of employees. Keeping good employees has plenty to do with how smoothly everything functions in the organization, how productive the organization is as well as how profitable the organization can be, White said.

> "The way you begin that relationship is with your character and how you relate to that and build that. For instance, if you have good emotional self control, that builds the relationship. If you have poor self-control, that is going to make the relationship more strained."

By embracing the early phases of leadership and learning how to interact with employees, managers can learn to better resonate with those around them and offer help and guidance. Paying attention to personality styles and learning how each employee responds to criticism and feedback can create a positive working relationship between the manager and the employee.

"The way you begin that relationship is with your character and how you relate to that and build that," Price said. "For instance, if you have good emotional self control, that builds the relationship. If you have poor

"It doesn't matter where they are on the pecking order, so to speak, those are character traits you can build that will make you more influential no matter where you are," Price said. "If you want to move up in the organization, don't focus on that. Focus on building your character and your expertise, and the position will come to you."

Expanding an influence and mentoring others in any role at a company contributes to better team morale within the office—a notion that will encourage employees to stay. Broadening a reach deals with understanding others in the department and mentoring them in a personal, attentive way. Each approach to mentoring will look different depending on the individuals in question.

"We tend to think that other people want to be treated exactly as we want to be treated, and we want to be treated with respect, but respect doesn't look the same," White said. "Without stepping back and thinking about what somebody else's style is, you're going to put things out there consistent with your style, and you're going to wonder why everything isn't OK with it." ▬▬