

Importance of Leadership

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In a competitive business environment, effective leadership is an essential requirement in order to achieve organisational goals. To do this, leaders must be able to provide inspiration, motivation and clear direction to their team.

For any type or size of business, effective leadership provides many benefits and will assist the organisation to achieve success and stability. In the absence of effective leadership, organisations often grow slowly and may lose their direction and competitiveness. Some of the ways in which leadership can benefit a business include:

- A clear vision: setting a clear vision and communicating it effectively provides employees with an understanding of the organisational direction and allows them to clearly understand their roles and responsibilities.
- Effective planning: a structured approach is able to generate a plan of action that will most effectively meet the organisational goals. An inclusive planning process also provides the opportunity for people to identify, contribute to, understand and achieve well defined objectives.
- Inspiration and motivation: the commitment and enthusiasm of a business leader shapes the common goals of the organisation and provides inspiration and motivation for people to perform at a high level.
- New ideas: encouragement of people to openly contribute and discuss new ideas in a positive environment makes use of their diverse experience and ideas to improve a business.
- Employee relations: an open and engaging relationship between a leader and their team members demonstrates that they are valued as an integral part of the organisation, creating a sense of

ownership among team members and developing a closer alignment between individual and team objectives.

- **Crisis management:** Good business leadership can help a team remain focused during a time of crisis, reminding the team members of their achievements and encourage them to set short term, achievable goals.

These are just some of the ways in which good leadership can have a positive impact on your business. Understanding these skills and applying the strategies will help you to become a better leader and could potentially make your business more successful.

Full website reference:

<http://toolkit.smallbiz.nsw.gov.au/part/8/39/187>