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6 LEADERSHIP SKILLS YOU NEED FOR BUSINESS SUCCESS



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Tim Stobierski |  Contributors

 Leadership, Leadership Principles, Organizational Leadership

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Many believe great leaders are born, not made. Those who subscribe to this worldview feel that if you don't exhibit strong leadership ability from a young age, there's little chance you ever will. Yet, the truth is that great leaders *are* made.

Effective leaders invest time and energy, whether consciously or subconsciously, to develop key skills that empower them to mobilize others and make informed decisions. That's good news because it means anyone can become a successful leader as long as they're serious about developing their skills.

If you'd like to become a more effective leader in your organization or industry, here are the most important skills you should develop to reach that goal.

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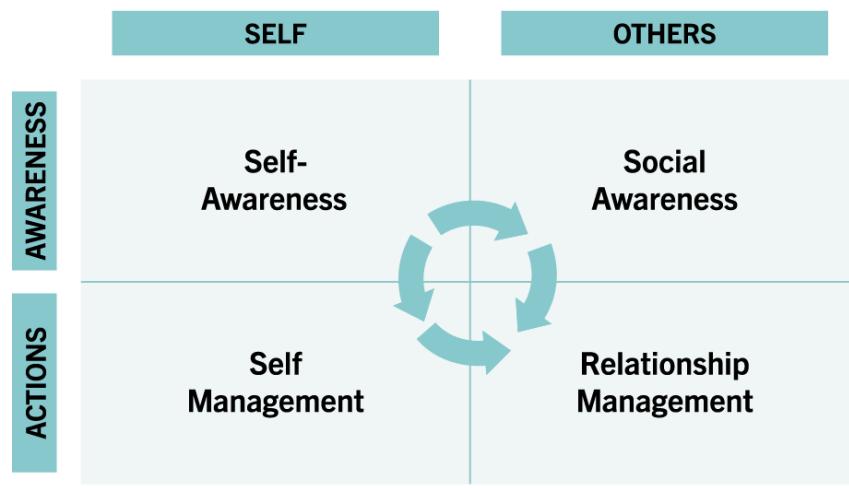
WHAT ARE THE TOP LEADERSHIP SKILLS FOR BUSINESS?

1. Emotional Intelligence

Emotional intelligence is an individual's ability to recognize and manage emotions in themselves and others. It's typically broken into four areas:

- **Self-awareness:** The ability to recognize your own strengths, weaknesses, and emotions.
- **Self-management:** The ability to regulate your emotions, especially during periods of high stress.
- **Social awareness:** The ability to recognize others' emotions. This is also often referred to as the ability to exhibit empathy.
- **Relationship management:** The ability to manage relationships with others through influencing, coaching, mentoring, and resolving conflict.

4 Core Competencies of Emotional Intelligence



Emotional intelligence is a critical skill for all leaders. It's so important that it influences most of the remaining skills in this list. Developing your emotional intelligence can help you create a positive environment by improving communication, motivating your team, delegating tasks, and remaining flexible under pressure—in short, the requirements of being an effective leader.

2. Communication

A leader's communication abilities are critical to a team's success. To understand why, you need to think about the role leaders fill: They motivate others to follow them and work toward shared goals.

The ability to effectively communicate with others also affects the efficiency of the group and determines how tasks are accomplished. To ensure these tasks are done correctly, you must determine if you're exhibiting the effective communication skills required to inform your team of your goals and plan to achieve them.

Communication is made up of several discrete skills. Some of the most important communication skills for leaders include:

- **Adaptability:** The ability to adapt your communication style to different situations and audiences.
- **Active listening:** The ability to remain engaged and attentive during conversation, paying attention to verbal and non-verbal forms of communication.
- **Transparency:** The ability to communicate your company's goals, opportunities, challenges, and strategy in an open and transparent way.
- **Clarity:** The ability to simplify a message by providing the right level of detail for a given audience to motivate them to act.
- **Inquisitiveness:** The ability to ask open-ended questions that spark thoughtful discussion.
- **Empathy:** As mentioned above, the ability to recognize the emotions of those you communicate with and using that understanding to adjust your communication style.
- **Body language:** Presenting open and comforting body language that builds rapport and makes others feel comfortable sharing opinions.

Top Communication Skills for Leaders



ADAPTABILITY: Adjust your communication style for different situations and audiences.



ACTIVE LISTENING: Engaging during conversations, paying close attention to verbal and non-verbal cues.



TRANSPARENCY: Communicate company goals, opportunities, challenges, and strategy openly.



CLARITY: Simplify messages by providing the right level of detail to motivate your audience to act.



INQUISITIVENESS: Ask open-ended questions that spark thoughtful discussion.



EMPATHY: Recognize the emotions of those you communicate with, and use that understanding to modify your communication style.



BODY LANGUAGE: Present open body language that makes others feel comfortable sharing their opinions.



3. The Ability to Bring Out the Best Performance

An effective leader doesn't simply tell others what to do or micromanage how tasks are completed. Instead, they empower employees to do what they were hired for. This not only improves team performance but frees up time to perform essential leadership tasks, which can greatly improve time management. All of these elements affect overall team performance—a clear indicator of whether you demonstrate effective leadership.

How you choose to empower your employees depends on several factors, including the type of work being done and the goals you're working toward. There's a wide range of strategies you can use as a leader, including:

- Building a culture of trust in your organization
- Delivering honest feedback
- Showing empathy
- Fostering open communication
- Being purpose-driven
- Supporting growth opportunities

As a bonus, [research has shown](#) that organizations with highly empowered employees enjoy additional benefits, such as greater job satisfaction, which leads to lower levels of turnover and higher levels of engagement.



4. Self-Awareness

To capably lead your team, it's important to continuously reflect on your leadership abilities. This enables you to recognize and control your emotions as you perform your duties, helping you remain effective during particularly stressful situations.

One way to do so is by leveraging the **Reflective Leadership Model** outlined by Harvard Business School Professor Nien-hê Hsieh in the online course [Leadership, Ethics, and Corporate Accountability](#). The framework consists of three objectives—awareness, judgment, and action—to facilitate continuous reflection on your [leadership abilities and decision-making skills](#).

Self-awareness can also empower you to identify your [leadership style](#).

What Are the Different Leadership Styles?

- **Approachability:** A leadership style embodied by warmth and authenticity that builds deep connections with team members.
- **Credibility:** A leadership style embodied by humility, competence, and resolve, in which the team views the leader as deserving of their trust and commitment.
- **Aspiration:** A leadership style embodied by a clear vision and high expectations, which motivates team members to perform to their fullest potential.

Once you understand the leadership style you default to, you can leverage its strengths while avoiding its potential pitfalls. You can also be positioned to [develop a unique leadership style](#).

As with several of the other skills in this list, your ability to be self-aware ties back to emotional intelligence.

5. Resilience

In business, things rarely go exactly as intended. No matter how well you account for known risks in your business strategy or product launch, there will always be variables that can throw a wrench in your plans. As a leader, you must remain flexible and resilient under pressure and possess critical problem-solving skills that will help you adjust to changing scenarios and guide your team to new courses of action.

There are many ways to [build resilience in your leadership style](#). Some effective strategies include:

- Reflecting on a situation and assessing options before acting
- Striving to continuously learn and improve yourself and your team
- Remaining purpose-driven at all times, even during stressful situations
- Cultivating strong relationships with friends, colleagues, and mentors you can leverage during times of crisis

How to Build Leadership Resilience



Reflect on the situation and assess options before acting.



Strive to continuously learn and improve yourself and your team.



Remain purpose-driven, even during stressful situations.



Cultivate strong relationships to leverage in times of crisis.



Related: [Leadership Under Pressure: 3 Strategies for Keeping Calm During a Crisis](#)

6. Financial Literacy

Finally, it's important to recognize that much of a leader's time is dedicated to business strategy: selecting organizational goals and striving to reach them. By necessity, these goals will largely be tied to questions of financial performance: profitability, cash flow, and other key metrics. With this in mind, all business leaders should maintain financial literacy.

In addition to basic financial literacy, [financial skills all leaders need](#) include:

- Financial statement analysis, which encompasses balance sheets, income statements, and cash flow statements.
- Ratio analysis, which allows for a more meaningful understanding of a company's performance.
- Cash flow management, which is crucial to keeping a business running and growing at a consistent rate.
- Forecasting, which refers to the ability to predict future sales, cash flows, and profits.

While financial literacy can benefit all professionals, it's crucial for anyone currently in, or aspiring to fill, a leadership position.

WHO NEEDS LEADERSHIP SKILLS?

Virtually everyone—regardless of their professional role—can benefit from developing effective leadership skills.

Populations likely to benefit most include:

- **Early and mid-career professionals:** Developing leadership skills early in your career can allow you to demonstrate leadership potential and be positioned for a promotion into a more senior role.

- **Newly appointed leaders:** If you've primarily worked as an independent contributor but now find yourself in leadership roles, developing your skills can enable you to perform your duties more effectively.
- **New or aspiring entrepreneurs:** Entrepreneurs are, by default, the leaders of their venture. Your startup's success requires you to get as much value as possible from your team to free yourself up for critical strategic work.



HOW TO IMPROVE YOUR LEADERSHIP SKILLS

The first step to becoming a better leader is to understand your current strengths and weaknesses. With this in mind, it can be helpful to start by conducting a [leadership self-assessment](#). In addition to recognizing areas where you need to improve, it can help you practice self-awareness and emotional intelligence.

Once you have a firm sense of where you're beginning, choose goals to work toward. Your goals should be specific, measurable, achievable, realistic, and timely—otherwise known as SMART goals. Armed with these goals, you can look for the right strategy to develop your skills.

While some can improve their leadership skills by reading books, researching, and putting lessons into practice on their own, others require a more structured learning approach. If the latter sounds like you, an online course or workshop can be an effective means of bolstering your leadership skills while having the flexibility to work and live your life.

[Leadership Principles](#) is an online course designed to help you build strong leadership skills. The course begins with a two-week self-assessment and peer review period that offers insight into your leadership style, strengths, and weaknesses. You then immerse yourself in four weeks of coursework, which provides an actionable framework you can use to become a more effective leader.

Do you want to enhance your leadership skills? Explore [Leadership Principles](#) and our other [online leadership and management courses](#) to discover how you can become a more effective leader and unleash the potential in yourself and others. To find the right HBS Online leadership and management course for you, download our [free flowchart](#).

This post was updated on August 7, 2023. It was originally published on September 16, 2021.

About the Author

Tim Stobierski is a marketing specialist and contributing writer for Harvard Business School Online.

