

Kiwi bosses are worse meddlers than Americans

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It's a bit of a cliché that entrepreneurs find it hard to work **on** their business because they are so busy working **in** their business. Now new research has confirmed the cliché is true. Moreover, New Zealand SME bosses are worse meddlers than their counterparts in the North America.

In those first manic start-up days it's normal that the boss does everything – from taking out the rubbish to doing the accounts. In theory the next growth phase involves the CEO taking a step back – going from being a doer to being a leader.

But new research by SME advisory organization The Alternative Board shows many SME owners and CEOs aren't good at stepping away from their business.

The Small Business Pulse survey asked 336 small business owners and CEOs about their most important role as a leader. The result: 46% of the respondents said they spent their time “accomplishing goals” (read: working in their business), whereas only 38% saw their role as “providing a vision”.

(The other respondents favoured “establishing rules and structure” and “setting an example”.)

The research only looked at four countries, the US, Canada, the UK and New Zealand, but the differences were significant. In North America the split between the boots-n-all bosses and the strategists was about 50:50, whereas in New Zealand and the UK it was closer to 60:40.



This lack of focus on creating and implementing a vision matters, says Stephen James, managing director of The Alternative Board in New Zealand because companies that simply carry out tasks are less likely to be successful.

“There's an old saying: ‘If you don't have a destination, anywhere will do.’

“In my experience, very few New Zealand businesses have a plan. They should have; it's that process of putting

something together which incorporates a destination and a vision for getting there, that allows you to grow your business.

“Most business owners spend more time planning their holiday than planning their business strategy.”

James says there's also room for improvement with how company CEOs communicate their vision to their staff.

“When asked how well employees understand their role in [implementing] the leadership's vision, business owners gave themselves a disappointing C minus,” James says.

Of the companies that did rate providing a vision as a priority, 70% said they needed help communicating it.

The Small Business Pulse survey involved 336 small business owners and CEOs, of which 8% were in New Zealand.

The Alternative Board brings SME business owners together for monthly “board meetings”, where each CEO is allocated time to get advice from their peers about the challenges facing their company.