

7 Things Every Leader Should Know about Relationships

Profitable Insights for Values-Oriented Leaders



NOTE: Though this report was written for business leaders, these insights have application in a variety of leadership roles: Parent, Grandparent, Pastor, Teacher, Coach, Mentor, Counselor, Manager, Supervisor, Executive, Professional Salesperson or Discussion Group Leader.

7 Things Every Leader Should Know about Relationships

Relationship skills are essential for productive leadership

“Executives spend more time on managing people and making people decisions than on anything else, and they should.”

– Peter Drucker

A few definitions:

Relationship: A particular connection existing between people who have dealings with each other; a continuing attachment or association between individuals; a connection between an individual and a group.

Leadership: Guiding self and others to worthy destinations or achievements.

Synopsis:

1. **Better relationships bring profound benefits for leaders, for their organizations, and for everyone associated with their organizations.**
2. **Society largely neglects training in the basic values and lifeskills that lead to better relationships. This neglect contributes to costly consequences for individuals, families, businesses, churches, communities and society.**
3. **Even though most people say that relationships are important in their lives, few will take the initiative to learn and apply principles for better relationships.**
4. **There are groups of Very Important People (VIPs) in a leader’s sphere of influence with whom a leader needs to develop and maintain quality relationships.**
5. **Each person in a leader’s sphere of influence has *their own* sphere of influence, which can multiply the benefits of promoting good relationships.**
6. **Wise leaders take steps to avoid the common misunderstandings and expensive mistakes some leaders make regarding relationships.**
7. **Positive influences toward good relationships need to be ongoing and consistent.**



1. Better relationships bring profound benefits for leaders, for their organizations, and for everyone associated with their organizations

Better relationships help a leader . . .

Increase sales:

- Attract profitable customers
- Build repeat business
- Create and maintain goodwill
- Get more good referrals

Build a quality organization:

- Develop an excellent workplace culture
- Attract terrific employees
- Increase productivity
- Decrease turnover
- Increase quality of products and services

Go beyond the bottom line:

- Promote character development
- Decrease stress
- Increase satisfaction
- Build stronger families
- Build better communities



2. Society largely neglects training in the basic values and lifeskills that lead to better relationships. This neglect contributes to costly consequences for individuals, families, businesses, churches, communities and all of society.

Today, many leaders are working with employees, customers, clients, vendors and others who have grown up in environments in which many of them have failed to learn values and lifeskills for good relationships. Many families, schools and even churches seldom teach or demonstrate values and lifeskills for good relationships. Furthermore, media outlets persistently portray poor values, poor lifeskills, poor relationships.

For example, in the past we took for granted a basic principle like *respect*.

Today, many people don't even know what *respect* means, why it's so important, or how to practice it. If anything, some people seem to know more about *disrespect* than they know about *respect*.

3. Even though most people say that relationships are important in their lives, few will take the initiative to learn and apply principles for better relationships.

Many people need motivation and direction to learn and practice basic values and lifeskills for better relationships. They may not realize the benefits for themselves and for the people around them. Leadership is needed. It is the values-oriented leader who needs to take the initiative to promote good relationships, thus providing a valuable employee benefit that also benefits the organization.

The quality of a person's relationships reflects the quality of a person's life.

A person may have good physical health and vast wealth, but if relationships are poor, such a life is not really very healthy or very rich.

4. There are groups of Very Important People (VIPs) in a leader's sphere of influence with whom a leader needs to develop and maintain quality relationships.

Groups of Very Important People . . .

Staff, Associates & Vendors – *The people who provide time, talent, effort and resources to make your organization successful.*

- Employees & Associates
- Suppliers & Outside Contractors
- Independent Reps & Dealers
- Capital Providers

A wise leader develops and promotes quality relationships with and among people.

Customers or Clients – *The people who benefit from your organization's products or services.*

- Regular Customers or Clients
- Occasional Customers
- Secondary Contacts who participate in or influence buying decisions

Family & Friends – *The people with whom you have special relationships.*

- Close Family Members
- Extended Family Members
- Friends

Affiliates & Others – *The people you come into contact with who do not, at present, fit into other groups in the sphere. Also, these people may have influence with VIPs in the above groups.*

- Members of groups to which you belong
- Community leaders
- Acquaintances & Others

5. Each person in a leader's sphere of influence has *their own* sphere of influence, which can multiply the benefits of promoting good relationships.

Wise leaders know that a relationship with a particular individual extends beyond that one individual – often far beyond. See box at right.

For example, the impact of Larry Leader upon an individual in Larry's sphere of influence, such as Pete Person, is much greater than simply Larry's influence upon Pete. Pete has his own sphere of influence – which can also be thought of as his sphere of relationships – consisting of many people with whom Larry has no relationship or contact at all. But if Larry builds and maintains a favorable relationship with Pete, then Larry has the potential to have a favorable indirect influence upon – *and perhaps even relationships in the future with* – people in Pete's sphere of relationships.

An illustration . . .

Joe Girard's "Rule of 250"

Joe Girard, who has been called the "world's greatest salesperson," developed a simple principle that he's used very successfully in developing favorable relationships and getting profitable referrals.

Joe Girard's "Rule of 250"

Each person you meet knows, on average, 250 other people, some of whom could use your products and services.

A few calculations reveal the power of this concept . . .

If you have 250 people in your own sphere of relationships, you potentially are able to relate with and influence 250 people directly. However, if *each* of the 250 people in your sphere has 250 people in *their* spheres, you have the potential to have an indirect influence upon more than 62,000 people!* If you have 500 people in your sphere, the total jumps to 125,000 people! And if you have 1000 people in your sphere, the total zooms to 250,000 people!

* Obviously there will be some overlap, but the basic principle still holds.

6. Wise leaders take steps to avoid the common misunderstandings and expensive mistakes some leaders make regarding relationships.

- Failure to understand how vital relationships are for success – being too busy with more “important” things, such as putting out “fires.”
- Failure to realize that many of those “fires” are the result of, or fueled by, poor relationships.
- Failure to give attention to the time-related dimensions of relationships (see box at right).
- The assumption that people *know, remember and will practice* the basic principles of healthy relationships without leadership direction.
- The leader’s own personal lack of relationship values and lifeskills.
- Failure to realize that a leader impacts many relationships – either positively or negatively.
- The erroneous assumption that people don’t change. If that were true, then we should all give up on personal development entirely!

“Some pessimists would say that no one changes, that the leopard never changes his spots. But in fact everyone is changing every day, either for better or for worse . . . Of course they change, and we can influence, to some extent at least, how they change.”

– Dr. Alan Loy McGinnis

- Believing the myth that “some people are just ‘lucky’ at relationships.” The truth is that most people who have good relationships practice proven values and lifeskills.

Time-related Dimensions of Relationships

Present Dimension

Wise leaders never forget the great importance of VIPs with whom they are currently involved. However, some leaders, anxious to *add* people – such as customers – to the “present” dimension, forget how important it is to maintain favorable relationships with people who are *already in* the “present” dimension.

Prospective Dimension

These are prospective customers, employees, vendors and others. Because of attrition in the “present” dimension, people must be added from this dimension. Furthermore, to increase the number of people in the “present” dimension requires adding even more people from this dimension. Thus, both maintenance and growth of the “present” comes from this dimension.

Past Dimension

People in this dimension are frequently neglected. Some “forward-thinking” leaders will ignore or even disrespect past members of the various VIP groups. While “past” members have the potential to move back into the “present,” perhaps of even greater significance is the fact that *“past” members of various VIP groups may have direct or indirect influence upon people who are in the “present” and “prospective” dimensions.*

7. Positive influences toward good relationships need to be ongoing and consistent.

Some reasons:

- Negative influences abound in our society.
- Repetition impresses upon people the importance of what is being repeated.
- Repetition helps people learn.
- People forget. Even after learning, we all need reminders.
- Consistent positive influences help people make good values part of their thinking so that good values become part of their lives.

“People need to be reminded more often than they need to be instructed.”

– Samuel Johnson

Note: the quote above was cited and affirmed by another great thinker and professor, C.S. Lewis

Wise leaders make positive influences abundant.

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