

Thought Leadership

Result Leadership

As a boy with dyslexia^[1] and a speech impediment^[2], Richard Branson dropped out of school at the age of 16. He would not have been many peoples first pick as someone that would craft an empire worth billions today^[3]. Everything about Richard Branson and the way he does business is unconventional, as is shown by the way he named his company. Virgin Records was founded in 1972, so named as an open joke about Branson's lack of business experience^[4]. It is this character and charm that, above all else, has led to Branson's success. His personal approach to caring about his employees over results has enabled him to build a company that attracts positive people, which in turn, led to success. Throughout this paper, the competency development guide was used to assess how well Branson has performed as a leader across the range of recognised valuable skills.

Academics have often referred to two styles of leadership, transactional and transformational. In a nutshell, the former relies on a rigid managerial structure to ensure achievement of goals. Transformational leadership, however, relies on the charisma of a leader to inspire motivation in the team which in turn leads to intellectual stimulation and free-thinking. Richard Branson is the archetypal transformational leader^[2]. This can be seen in his personal character, few sources refer to him without mentioning his charisma^[5]. Branson is a 'people person' that recognises a "company is a group of people^[6]". It is this attitude that has enabled him to utilise people's individual skills through a positive working culture. "If you water a flower it will flourish, if you praise a person they will flourish, find an excuse to praise^[7]". Its phrases like this that make it easy to believe that Branson **genuinely cares about people**, this combined with his charm allows him to **influence people** through encouragement and trust. At virgin, he developed the coaching culture that allows employees to develop there expertise without worrying about failure or wasting time covering up mistakes^[8].

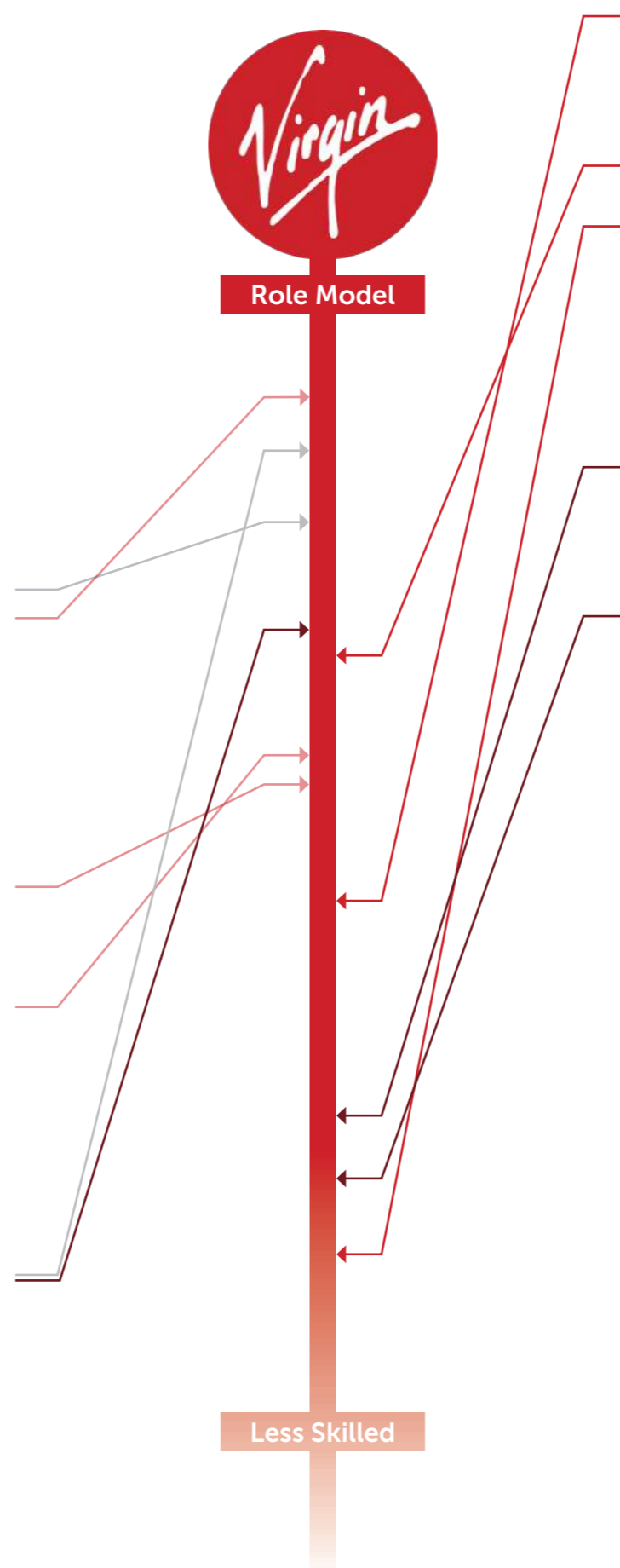
Leading by inspiration allows the people working for Branson to take their own initiative. "Virgin staff are entrepreneurs in their own right"^[5] says Branson. This method has been referred to as 'herding cats rather than leading sheep'^[5]. It allows virgin employees the freedom to develop the company in their own way without micromanagement from above, leading to **optimisation of the diverse talents** of virgin employees.

The hippy capitalist who loves his employees, a benevolent picture, but Branson's approach to **building collaborative relationships** is more self-serving. Branson has a reputation for driving very hard bargains and 'financing ventures with other people's money'^[9]. In business deals, virgin aim to negotiate a 'Super-majority', whereby they have more control than their equity should warrant. Branson generally achieves this with a 'street-traders aptitude for negotiation'^[10]. This approach to building business relationships seems very aggressive though it is difficult to fault the results which are certainly advantageous for the company.

The birth of Virgin Atlantic offers an interesting insight into Branson's individual ability to **adapt to a situation** and **take initiative**. When stranded on a runway in Puerto Rico, Branson managed to charter a flight to the BVI in an hour with nothing but a chalkboard and £2000^[11]. Branson supposedly walked around the airport with the board reading '\$39 to BVI' and managed to fill the plane. This story highlights a theme that has run through Branson's entire business career. He is quoted as being "a master of the decisive moment"^[5] which has allowed for market shifts that outpace the more bureaucratic competition^[5].

Richard Branson

Leadership



People Leadership

Self Leadership

Another attribute for which Branson is well known is his cavalier attitude to failure. An area in which he has much practice, having shut down over 100 companies^[5]. He is not credited with an eye for detail, his self-proclaimed motto is "screw it, let's do it"^[12]. This approach to business shows Branson does not struggle when it comes to **making complex decisions**, but that decision is often based far more on a hunch than market research, which he believes is unnecessary to spot a business winner^[5]. Despite his vast success, it is reasonable to draw a correlation between Branson's limited interest in market research and the significant number of business failures he has experienced over the years. Though the sheer volume of business highlights Branson's views on **new ventures**, they don't call him Dr Yes^[12] for nothing. He prides himself on his abilities to make decisions on gut instinct rather than thorough business analysis. This is likely due to the fact that Branson's **business understanding** does not come from an academic background and he has occasionally be called out for lacking understanding of business terminology^[13]. This combined with Branson's bullish can-do attitude suggests he is not a leader that succeeds as a direct result of his business acumen and understanding.

Results based leadership is certainly Richard Branson's weakest area as a leader, though this is mainly due to the way he has structured his company. **Results are second** on his agenda, people are first. Branson shuns the notion that the customer is always right, believing "the employee comes first"^[14]. He believes employee learning coupled with high staff retention will lead to results down the line^[15]. Branson's hands of approach^[16] could be seen as another example of his ability to step back and let his people get the job done. However, it also implies that he prefers not to **manage the execution** of the work his companies are producing. This is not necessarily a negative point over direction could lead to micro-management, it simply highlights that is not how he chooses to operate.

Richard Branson is an iconic leader that has been revered for his unique approach. He founded the Virgin record company at the age of 22 and has since gone in to develop the Virgin group which consists of 80 companies^[17]. The vast market diversity is a testament to Branson's flexibility as a businessman and willingness to take chances.

It has been shown that Branson excels at both self and people leadership. His authentic character and tendency to put his staff above all else^[18], has led to the development of a company that is admired both for its worker satisfaction^[19] and business success^[20]. This charisma and personality of Branson coupled with his lack of formal education is characteristic of how he runs Virgin group. He is not a man for the detail or market research^[5], quoted as having "the attention span of a gnat"^[5]. He prefers to make decisions based on instinct. This method though sometimes successful has led to the failure of over 100 business ventures^[5]. From this it was reasonably concluded that Branson is not a results-based leader, preferring to give it a go that to focus on the detail and make a more informed assessment. Despite this, failure doesn't seem to bother Branson. He sees it as an educational tool to develop his business understanding. This shows a non-standard, but clearly effective approach to thought leadership.

"I was educated in the university of life" - Richard Branson^[1]

This statement above all other defines Branson's leadership style. He is not a traditional book smart CEO that will analyse the numbers, preferring to take the measure of people and make business decisions based on an intrinsic understanding developed through life experience and excellent emotional intelligence.

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