

Retail sector leaders need to adopt a transformational mindset

The Covid-19 pandemic has caused untold disruption to the business world, turning it completely on its head. It has changed long-established working practices, the fortunes of entire industries and even deeply embedded mindsets.



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With all the uncertainty that began in early 2020, some retail leaders have, quite understandably, lost a sense of ambition. As we all know, the retail sector was left paralysed by the pandemic, with the effect on leaders laid bare by recent research. Before the pandemic, 93% of retail leaders felt ambitious, with 43% even stating they were 'very ambitious'. The post-pandemic drop is dramatic: just 72% felt ambitious and 26% 'very ambitious'.

Demands upon retail leaders have also changed. Firms now need transformational skills, with the ability to turn businesses around and make up for lost time.

Tony Gregg, chief executive at retail executive search firm Anthony Gregg Partnership, highlights how to become a transformational leader, how this leadership style benefits the retail industry and how to apply transformational leadership strategies at your company.

What is transformational leadership?

Transformational leadership can have truly incredible results, potentially changing the entire culture and practices of an organisation for the better.

Leaders with the ability to drive such dramatic changes do so by inspiring employees to excel. They can motivate people to achieve more, stimulating them and empowering them in the process. The result for the company is highly engaged employees who are committed to the organisation's success.

How do transformational leaders operate? Most exhibit four behaviours: inspirational motivation, idealised influence, individualised consideration and intellectual stimulation. Through these behaviours, such leaders make employees feel valued and listened to as they give them more autonomy and control. As a result, the employees are motivated to achieve and feel positive about their direct manager and the company as a whole.



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With the retail industry aiming to recover from the pandemic and look more competitive than ever, anything that can give a business an edge is immensely welcome.

It is especially applicable to retail, since employees are often customer-facing, learning first-hand what consumers want. If they feel empowered to pass their learnings on to management, their customer insight can make all the difference, helping businesses to pivot towards emerging customer trends.

What are the benefits of transformational leadership in the retail sector?

Naturally, any employee who sees they are having a direct impact on a company's fortunes will get an immediate and lasting lift in morale. They will then feel more inclined to contribute their ideas again, compounding the benefits to the company.

Smart ideas in the retail sector have the potential to make oversized impacts, particularly if they can be replicated across multiple outlets. When the margins between commercial rivals are as tight as they are in retail, any advantage can prove vital.

Retail employees can sometimes feel understimulated, particularly if footfall is low. Motivational leaders can change that, stimulating employees intellectually by challenging them to ideate and lift sales, using their insights from the shop floor to good effect.

Showing employees how important they are will also lead to higher rates of staff retention, another issue that plagues the retail industry. With shortages in the labour market and power tilted towards employees right now, keeping employees content has taken on ever-greater significance.

How to become a transformational leader in six steps

Inspiring employees does not come naturally to everyone, and leaders might view their leadership style as intrinsically linked to their personality. Consequently, some managers may have to adjust their mindset and outlook to become the leader their business needs.

1. Invest in your employees and encourage them

One of the first steps you should take is to listen to your team, getting to know their capabilities and capacities. This is

especially vital in the retail sector, where capacities are very often stretched. Showing understanding and appreciation of the strains they are under is just one way to show them you actually care.

From there you can encourage their efforts and find ways to ease their pain points, highlighting that you are listening and intend to support them wherever possible. Do this and you'll gain their trust and encourage them to make extra efforts.

2. Act as an influential role model

As the founder of the Virgin Group, Richard Branson has achieved incredible success, proving himself a truly transformational leader. Importantly, he firmly believes in motivating employees, asserting that engaged, happy employees will perform better as a team and as a company. By treating all employees with respect, his approach has trickled down through the organisation, helping to lift morale at all levels and setting a powerful example.

He shows that leaders don't necessarily need a complicated philosophy to follow: valuing people and spreading positivity can be the most influential of messages.

3. Be supportive and provide recognition

Everybody needs support mechanisms at work, particularly those faced with hundreds of customers each day. Simply communicating that you can be relied upon for support will give your employees a more positive view of you. On a day-to-day basis, providing support can be something as simple as setting aside time to ask how people are.

No matter what form recognition takes, it will always motivate employees, even if it's just letting them know you appreciate their efforts. And, of course, more motivated employees can achieve greater things.

4. Set high expectations

Part of being a transformative leader is encouraging high achievement. To do that, people need targets to aim for, while knowing that there is no pressure to reach them. Instead, make it clear that you're setting these targets because you believe in their abilities.

Traditionally authoritarian leaders may have trouble taking such a flexible approach to objectives, but such leaders must realise that being less demanding can often yield better results. Furthermore, lending support, rather than putting pressure on employees, is a key tenet of transformative leadership.

5. Be adaptive and open

With ongoing economic uncertainty, businesses of all kinds need leadership teams with the ability to adapt. With the retail industry aiming to rebound from repeated Covid-19, leaders who can adjust strategies as events unfold are a must.

At the heart of transformative leadership is a belief in the value of ideas from all levels, and making yourself as approachable as possible. If your team knows that you'll listen, they're much more likely to contribute their ideas and insights.