



# **SMALL BUSINESS LEADERSHIP ASSESSMENT TOOL**



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# INTRODUCTION

The strength of a small business almost always reflects the strength of its leadership. Leaders set the tone, shape the culture, and determine whether teams feel empowered or disengaged. Yet even well-intentioned leaders can fall into blind spots—micromanaging, avoiding tough conversations, or prioritizing short-term wins over long-term trust. Left unchecked, these habits can quietly erode performance and morale.

The **Small Business Leadership Assessment Tool** was created to help owners and managers step back and take an honest look at their leadership. Through self-assessment statements, red flag checklists, reflection questions, and action-planning frameworks, this tool surfaces both strengths and destructive tendencies. It's not about judgment—it's about clarity. When leaders confront uncomfortable truths and commit to change, they open the door to healthier cultures, more engaged employees, and stronger results.

This is more than a scorecard; it's a mirror and a guide. By working through these exercises, you'll identify where you're modeling the kind of leadership your people need and where adjustments are necessary. The goal is simple but vital: to lead in a way that builds trust, accountability, and resilience—so your business doesn't just survive, but thrives over the long term.

# IDENTIFYING AND OVERCOMING DESTRUCTIVE LEADERSHIP PRACTICES

## PURPOSE:

To help small business owners reflect honestly on their leadership behavior, identify early signs of toxic leadership, and take actionable steps toward ethical, effective, and empowering management.

## Part 1: Self-Assessment of Leadership Behaviors

Rate each of the following statements from 1 (**Strongly Disagree**) to 5 (**Strongly Agree**):

### A. Employee Engagement & Feedback

A.	Employee Engagement & Feedback	1	2	3	4	5
1	I conduct regular, meaningful one-on-ones with my team.					
2	I actively invite disagreement and diverse opinions.					
3	I respond to feedback with openness rather than defensiveness.					
4	I define “winning” and reiterate it consistently with my team.					
B.	Accountability & Transparency	1	2	3	4	5
5	I accept responsibility for my team’s failures as much as our successes.					
6	I avoid micromanaging and trust my team to execute their roles.					
7	I never ask others to do things I wouldn’t do myself.					
8	I regularly review my decisions through a moral and ethical lens.					
C.	Cultural Impact & Influence	1	2	3	4	5
9	I foster a work culture where people feel safe to speak up.					
10	I manage conflict proactively and with emotional maturity.					
11	I am aware of how my tone and behavior impact team morale.					
12	I maintain consistency in leadership decisions—avoiding erratic strategy shifts.					

D.	Personal Growth & Humility	1	2	3	4	5
13	I seek coaching or professional development to improve as a leader.					
14	I evaluate myself just as critically as I evaluate others.					
15	I avoid placing my ego, personal gain, or pride over the team's best interest.					
16	I recognize and credit others for their contributions, ideas, and wins.					

► **TOTAL SCORE:** \_\_\_\_\_

Scoring Guidance:	
<b>72–80:</b>	Exemplary Leader – Continue leading by example and mentoring others.
<b>60–71:</b>	Effective with Areas to Improve – Review weaker areas and focus on one improvement.
<b>45–59:</b>	Warning Zone – Reassess priorities and address blind spots with urgency.
<b>&lt; 45:</b>	Toxic Traits Present – Immediate corrective action required; consider coaching or outside evaluation.

## Part 2: Toxic Leadership Red Flag Checklist

Answer Yes/No to each red flag. A single “Yes” is a trigger for further examination.

Red Flag	Yes	No
I sometimes cancel meetings or reviews last-minute without explanation.	<input type="checkbox"/>	<input type="checkbox"/>
I avoid confrontation even when I know a team conflict exists.	<input type="checkbox"/>	<input type="checkbox"/>
I’ve claimed an idea that originated from someone else without giving credit.	<input type="checkbox"/>	<input type="checkbox"/>
I believe team members should not question my decisions.	<input type="checkbox"/>	<input type="checkbox"/>
I focus more on short-term financial metrics than long-term culture.	<input type="checkbox"/>	<input type="checkbox"/>
I’ve been told I play favorites or ignore certain team members.	<input type="checkbox"/>	<input type="checkbox"/>
I often justify tough behavior by saying “this is just how business is.”	<input type="checkbox"/>	<input type="checkbox"/>

## IDENTIFYING AND OVERCOMING DESTRUCTIVE LEADERSHIP PRACTICES

### Part 3: Reflection Questions

These are prompts to deepen your insight. Answer in writing for full impact:

1. When was the last time I received constructive feedback from my team—and how did I respond?

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2. Who in my organization might be quietly suffering under my leadership choices?

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3. Am I showing signs of burnout, overcontrol, or avoidance of rest and renewal?

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4. What difficult conversation am I avoiding that needs to happen this month?

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5. Is there a decision I've made recently that was more about protecting my ego than doing what's right?

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6. How do I reward honesty and dissent in my business culture?

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7. Have I unintentionally created a “yes-man” culture around me?

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8. Am I operating “in the box” by seeing others as objects rather than people (per Arbing Institute)?

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9. Are my decisions building long-term trust, or merely solving short-term pressures?

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10. Have I praised a team member in the past 7 days? If not, why?

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# IDENTIFYING AND OVERCOMING DESTRUCTIVE LEADERSHIP PRACTICES

## Part 4: Action Planning Framework

Use this to identify concrete leadership behaviors to improve:

Area to Improve	Specific Behavior	First Action Step	Deadline

## Bonus Tools & Concepts

Here are some tools referenced or inspired by the materials:

- ▶ **Leadership 360 Reviews:** Gather feedback from employees, peers, and even clients to uncover blind spots.
- ▶ **Stoplight Review Framework:**
  - Green: Healthy behavior, reinforce it.
  - Yellow: Needs attention or adjustment.
  - Red: Requires immediate correction.
- ▶ **Leadership Ethics Council:** Assemble a small peer board to review ethical and strategic decisions.
- ▶ **Morning Mindset Reset:** Start each day reflecting on: “What will make me a better leader one year from today?”



# Identifying and Overcoming Destructive leadership Practices

## Warning Signs of Destructive Leadership

If any of the following persist in your behavior, act immediately:

- ▶ Justifying unethical decisions “for the greater good.”
- ▶ Blaming others consistently for your team’s failures.
- ▶ Ignoring employee complaints or assuming they’re “just whining.”
- ▶ Treating business relationships purely as transactions, not partnerships.
- ▶ Creating loyalty by fear or favoritism instead of mutual respect.

## CLOSING THOUGHT

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“Leadership is about power—and power, unchecked, can easily corrupt. We must shift from blind admiration to disciplined discernment, from applause to accountability.”

– **Barbara Kellerman**

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The health of your business, your people, and your reputation depends not just on your strategy—but on the character and consistency of your leadership. Use this tool as a mirror and a guidepost. Be courageous. Be humble. And above all, lead well.

