



Leadership in Crisis

It's official! - I was not really surprised to be confronted by the headline, 'Executive crisis hits top firms' from the Financial Mail. This should not really be news at all. It is something that every business writer and thinker has been commenting about recently. Apparently there will be a conference of the 'great and the good' to discuss the crisis. It is termed a 'crisis' because an unprecedented number of blue chip companies will enter the New Year without a chief executive at the helm. John Harvey Jones says it 'is the failure by companies to develop their own talent.' Charles Handy states that, 'companies need people with passion and integrity who can inspire trust in those working for the organisation. At present such characters find it difficult to flourish.' Handy, of course, is pretty near the mark. So what is wrong?

First and foremost it is the hostile environment in which these 'so-called' leaders are expected to flourish. Many companies operate a control freak culture. This is fine for a monopoly where customer service matters little and all you have to do is to screw the costs to the minimum. Sadly it is unexciting and demoralising so it will invariably have a high churn rate of executives. Outside of a monopoly the control freak culture is exceedingly dangerous. It is interesting that even political parties are having problems with the control freak culture. If you have nurtured people to be sycophants and 'yes men' then when they are placed in a leadership position it is hardly surprising that their performance is unspectacular. This is the greatest challenge most companies have to face. If this characteristic has been allowed to take root within the company it is very difficult to extinguish. The only way to get rid of them is a form of commercial genocide.

Secondly there is a serious problem with remuneration strategy. While the core principle of remuneration strategy continues to reward the individual then the self centred 'what's in it for me' brigade will screw the company in order to collect their performance cheques. What matters is

collective team performance and the team's assessment of leadership within this performance.

Thirdly the issue of 'learning' comes to mind. I have written often about most companies being anti learning. I have certainly not revised my views on this. Within this category I place the ability to handle failure and risk as part of the learning process. Most companies go on the witchhunt when something goes wrong, catching the culprit in the process and plugging the gap with some monstrous process to ensure that a similar incident will never reoccur. All the learning is lost and the gems that could have come out of a careful and open examination are for ever locked in darkness. Anti learning as demonstrated by some senior managers is one of the greatest deterrents to inspirational leadership.

Finally let me say something about leadership training. No amount of training will compensate for the above issues. You need to look at the leadership style within the senior management groups before you even think about leadership training. If the environment is not healthy then all you are doing is an excellent job for the competitors, because your newly trained managers will be off when they get the chance. People leave not because of pay but because of the environment in which they are expected to perform. That is where I started – and you will also be back to where you started as well if some of these issues prevail in your company.

David Ankersen

MANAGING DIRECTOR

INCITE™ MANAGEMENT CONSULTING

A handwritten signature in black ink that reads "David Ankersen". The signature is written in a cursive style and is underlined with a single horizontal line.