

Is leadership in organisations doomed to fail?

Since the recession, companies are hungrier than ever for strong leadership, by *Stephen Archer*, Director, Spring Partnerships.



In February, Henley Business School reported that developing leadership skills was a top priority for 2,500 HR and learning professionals this year. But although leadership seems to be the holy grail of private and public sector organisations today and pursued incessantly, it remains persistently elusive for many organisations. Where are they going wrong and how can they adapt in order to foster a culture that cultivates great leaders?

Free leaders from excess process

A common pitfall many companies face is encouraging too much process in their business

which can stifle good leadership, quick decisions and action. Effective leadership can only thrive when leaders are freed from bureaucracy and organisational process, which is an obsession for many businesses.

Process can inhibit leadership because it encourages procrastination and creates a fear in leaders about the consequences of not following process. The boom days of the mid 90s to the mid noughties allowed companies to indulge in their own process creation. Six Sigma was replaced by lean and any number of other processes which were dragged out of business books. It all sounded good until

today when it has become clear that one of the most revered processes of all 'kaizen' (continual improvement) allowed the biggest car maker in the world to create dangerous cars. Somewhere the process got in the way of someone saying, "Before we sell this car should we....?"

Companies can free themselves from excess process immediately by cutting down the number of meetings, making them shorter and even taking the chairs out of meeting rooms to promote energy and focus. They should train people to chair meetings effectively as good chairing leads to good

sations and departments are kept small then companies can expect full participation from the teams within. Carphone Warehouse is the largest independent mobile phone retailer in Europe and key to its success is the fact there are good leaders in the stores with high levels of autonomy. At the other end of the spectrum are organisations which are so process led and formulaically run that they can only grow by acquisition. Its organic growth is defined and limited by its homogeneity of behaviour. Organisations are successful today if they foster individual thought, talent and a sense of freedom to create. If every individual is considered a leader in their own sphere then the company will flourish.

Leaders must rock the boat

An effective leader needs to rock the boat – something which is often feared and discouraged in many companies. There can be something Orwellian in the way that successful managers can behave when they acquire power and authority. Often when they reach the top, they select 'yes' men under them rather than individual thinkers. Strong, junior leaders, may inspire staff and be embraced but they can also be perceived as a threat to those more senior. These leaders need to be coached to manage this feeling and to encourage leadership potential in staff at all levels.

Without a fear culture people will push for promotion to a more senior leadership role even if the vacancies do not exist. To encourage this is to encourage betterment at all levels in all people. People will see that promotion can be in the form of training and development of greater competencies. These people will stay and make the business better.

Understand conflicting demands

Shareholders habitually want reliable, predictable behaviour and performance by a business in which they have invested. These organisations were once founded with some risk by entrepreneurs, but shareholders do not really like risk. They may say 'make a big change' or seek to diversify, but any big change will be examined microscopically by investors and analysts who are not close enough to the business to really empathise with the leadership. Shareholders should be taken closer to businesses to see the value of the longer game and this is a big challenge for all leaders.

Companies that avoid these problems tend to have small numbers of shareholders. JCB has for years resisted the opportunity to be listed on the London Stock Exchange. This

family business does not want to risk having to take any lead from shareholders who are too far removed from the business and interested in short term results. Richard Branson famously floated Virgin then bought it back from the market to unshackle it from the influence of the public shareholders. Since then it has gone from strength to strength since led by a single minded, individual at the helm of a team of highly competent leaders who are mostly autonomous.

The other type of organisation to escape the worst of neutered leadership is the company where employees are all shareholders. John Lewis is an excellent example. It performs well in no small part due to the employees all working as a team to the same goals with clearly understood values and a habitually reinforced culture.

Hope for leadership

For effective leadership to occur it is essential that the need for change is the highest priority and for companies to create a public 'burning platform' for the issue. 'If we do not change then the consequences will be...'

Too often leaders tinker at the margins of the problem and hire management consultants to examine one aspect of the malaise, whilst overlooking the most fundamental weakness of all the team's ability to lead and execute.

Consensus is required for a new culture and leadership model. Leaders in an organisation who do not encourage and welcome challenges from beneath, but instead seek to cultivate 'yes men,' should not have a place in the business.

The board and the executive leadership must buy into and openly support the way the business is run. They must be very clear about what is expected of people and what is not expected. They must then exhibit the correct ethos in everything that they do, all of their business dealings, their interpersonal dealings and decisions.

Leaders also need to appreciate that their employees really are the future of the organisation and invest in them, whatever the economic situation. In fact, if business is quieter than usual then it is the perfect time to train people and ensure they will be fit and ready for the upturn. Businesses need to work smarter and company leaders should manage from the front with even greater conviction to ensure the team will follow.

If these factors are present then a culture of encouraged leadership can become embedded, second nature and effective for all. ■



decision making, the inclusion of the views of all parties, energy and good time keeping. The reduction in process and procrastination is vital to effectiveness and to increasing competitiveness. While the western, 'committee bound' organisations tie themselves in knots the Chinese will have approved a plan; made a prototype, tested it and put it in the market.

Organisations must be structured

To thrive today companies require simple, de-layered and non matrixed structures. This will allow leaders to have a free run at developing the business and 'getting the job done.' If organi-