NATIONAL POST

Wednesday, March 21, 2007

Heroic CEO will go the way of the dodo

Employees no longer want to be choiceless doers

Ray Williams

Popular business media outlets and the public, by and large, have been infatuated with the chief executive who has drunk from the Holy Grail of heroic leadership.

But there may be signs the era of the heroic CEO is coming to an end. To be sure, a single person can make a difference at critical times, but even heroic leaders such as Jack Welch, one time chief executive of General Electric, emphasize the power of team leadership in action.

However, there are lessons to be learned from the rise of the heroic CEO. The biggest of those is how to avoid the ego trap, according to Robert Rogers, president of human resource consulting firm

Development Dimension International.

While leaders need strong egos, too big a one can hurt them. Chief executives with large egos are not receptive to feedback:

Denis Kozlowski of Tyco, Bernard Ebbers of WorldCom and the discredited Enron executives, were immune to reality and out of touch because they themselves as bigger than life.

Such leaders deceive themselves with the belief that a single person can make or break a company, George Fisher, former chief executive of Kodak and Motorola has claimed. They often barricade themselves in fortress-style offices and sink into seductive cocoons of management meetings and yesmen, only to find themselves at risk of making big mistakes. At the same time these bosses are feeling on top of the world, their information sources are drying up and their relationships are atrophying.

Chief executives need to engage with their employees and customers. That may be messy because it often means cutting through layers of senior managers who seek to preserve their version of the truth. But chief executives need to throw off their army of enablers who are passionate about keeping their leader in isolation.

Accountants, journalists, investment bankers, public relations gurus, lawyers and consultants all want to hitch their wagon to the chief executive's fame and overwhelm him or her with adulation. Soon that person believes what people are saying.

The public also buys into the heroic myth, says Jeffrey Sonnenfield, Associate Dean at Yale School of Management, and devotes princely attention to such people. It doesn't take long before the identity of heroic chief executives blend with that of the company. In larger companies, encounters between the chief executive and employees are carefully stage-managed and scripted, as if they were politicians. And most employees behave differently around the leaders without even being aware of it.

Heroic chief executives often are physically isolated as they get swept up in the notion of belonging to a group of royalty—their peers—and their social life revolves around the same people and events as their work life does.

But chief executives can avoid the heroic trap. One way is to hold regular meetings, sometimes called chairman's forums, as do Xerox and Sun Microsystems, where the chief executive meets with employees at all levels of the organization. These meetings can be combined with social events. Another strategy is to appoint an employee Ombudsman, who meets regularly with the chief executive. But none of these beats the old-fashioned walk-around, where the chief executive, without a manager entourage, walks around and chats with employees.

The era of the heroic chief executive, however, may be waning as younger employees push for organizational change.

The traditional concept of the organization positions the chief executive as a singular figure who tackles problems with unique savvy and insight—a "lone wolf" who is ultimately and solely responsible for the success or failure of the organization. The problem is that organizations don't work that way anymore. In reality, there is no such thing as "choiceless doing," no magic line separating formulation from implementation. In my experience, employees who are treated as "choiceless doers" either behave as bureaucrats or vigilantes. They either continue to spout the rules and company dogma or decide to ignore the rules and work outside management dictums. When leaders try to motivate them with the usual "rah-rah," these employees roll their eyes and hope this too will pass.

The more useful and realistic view of the organization involves a cascade where choices are every level are interlinked. In

this concept, the chief executive sets the context of the organizational choices. Mangers then make critical choices that reinforce those, and set the context for choices made by employees further down the ladder. In this model, an organization is full of thinking people who operate collaboratively and the leader is not seen as a hero but as a community builder.

While the public seems unwilling to let the era of the heroic CEO pass, the nature of an interdependent global economy and complex organizations requiring flexibility and quick action, no longer require this type of leader. The demands of those who occupy the position are outdistancing the capacity of any single person, no matter how talented. Long-term success for any company will increasingly depend on the vitality of a leadership team and the structures put in place to empower all employees to make decisions.



Ray Williams

Ray Williams is Executive Vice-President of Premier Career Management Group (PCMG), a career management and executive development firm in Vancouver. Ray is also President of the International Coach Federation, Vancouver, and an executive coach with international clients. rwilliams@pcmgcanada.com www.pcmgexecutive.com www.pcmgcanada.com