

The death of the Lone Ranger

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Think of “leadership” and you probably think of a powerful, charismatic hero saving the day single handed – the “Lone Ranger” leader. The collapse of Enron and WorldCom exposed the dangers of individualistic “Lone Ranger” leaders. These were successful, admired companies with successful, admired leaders: Ken Lay and Bernie Ebbers were hailed as transformational leaders and Andersen was respected and envied among the rest of the ‘big five’ for their cohesive culture and their powerful brand.

What happened? A Chinese proverb says, “The fish rots from the head”. The leaders of these businesses led their organisations and their people along the path to destruction with disastrous consequences for thousands of individuals.

Something different is needed from leaders to navigate a white water world of uncertain geopolitics, shaky markets, and the drive for short-term returns.

In a company with a Lone Ranger leader, the rest of the board may be almost invisible. The first essential is to get the right people into the leadership team and to build that team. Together, the team needs to answer with clarity and conviction some simple questions about their organisation.

- What is this company here for?
- Where are we going?
- How are we going to get there?
- What do we stand for - What will we do and not do?

The answers to these questions enable the leadership team to set and hold a clear and compelling vision and direction for their organisations, one that will attract and galvanise their people. Performance, profit and returns will flow from this clarity.

For the vision to become reality it must be communicated, understood, believed and acted on. This is not about glossy presentations and publications: leaders themselves are the message: it is about everything they say and do.

There are many definitions of leadership qualities. Here are three, which we believe are increasingly important today: openness, reflection, and long termism.

Openness

Leaders take decisions, but the best quality decisions come from the best quality input. Children continually ask “why?” – it is a highly effective way to understand. Yet as our careers progress we feel that we are expected to know everything: asking a question is often seen as an admission of ignorance rather than a

desire for knowledge. Openness to challenge and be challenged, to experiment and learn, to ask questions and receive feedback is essential to increased personal performance and effectiveness.

Reflection

Leaders and leadership teams find that they spend a great deal of their time fire fighting. Few look at the bigger picture, draw meaning from events (expected or unexpected), reflect on progress, and incorporate their learning into the way forward. Taking time to reflect can seem an unaffordable luxury but reflecting without slowing the pace of change is essential.

Long Termism

We are witnessing the consequences of the drive for short-term reward – for directors and executives, for investors and for fund managers. Leaders need the courage, vision and confidence to resist these pressures and to act in the long-term interests of their businesses. Jim Collins in “Good to Great” quotes the example of Colman Mockler, CEO of Gillette who fought three takeover bids which would have offered him and his shareholders a fast buck. Through his resolve to deliver his vision, the company outperformed the market and delivered sustained long term returns to investors.

So how do we grow these attributes in ourselves and in the next generation of leaders?

A new glass ceiling

The implicit assumption of many businesses is that if we create a good accountant, engineer, or marketer, then we automatically create a good leader. Our clients often describe how some high potential people in their companies hit a “glass ceiling”. They are highly qualified and trained but their lack of personal leadership skill holds them back.

Peter Senge said, “Leadership is about who you are”. Technical and professional skills are a necessary foundation but they are not sufficient.

We work with our clients to help establish a leadership culture where high potential people can emerge and succeed. We help to build teams and individuals, working with leadership groups and delivering one to one personal coaching, designed to accelerate personal development. Internally, high fliers work with a board level mentor, and work with their peers to deliver strategic, cross-functional projects. High fliers say that a programme like this builds their personal leadership skills, gets them “out of the box”, and gives them invaluable access and insights into board level issues. This focused investment benefits the business by growing a strong leadership cadre and enabling succession planning from within.

Lone Rangers are high risk. Companies need breadth and depth of leadership and they need effective development programmes to build this. Perhaps we should be auditing leadership capability, asking ourselves: What is the quality of leadership in this organisation? What is the depth of capability and where is the next generation coming from? How are we growing our future leaders?

Where might Enron, Andersen and WorldCom be if they had been led by a strong team, focused on the long term interests of all of their stakeholders, and open to learning and challenge?