

September 2004

Bad leadership

Planning a climb of Mont Blanc with two friends, we drew up a quick agenda with headings such as: equipment, medication, bookings, training - that kind of thing. Item number one on the agenda was leadership.

Oddly enough, there was no great enthusiasm for the role. This should not be surprising, according to Barbara Keller, a Harvard University-based specialist in leadership. In a new book, *Bad Leadership*, she argues that most of us are happy to be led by others. This is why so often we end up with people who are uniquely unqualified to do the job.

A book about poor leadership is long overdue since most of the literature in this field seems to assume that the heads of most organisations are paragons of virtue, integrity and competence. Far from it, says Ms Kellerman, although she notes that almost the entire field of leadership literature assumes that leadership is synonymous with good leadership.

"Those of us engaged in leadership work seem almost to collude to avoid the 'elephant in the room' bad leadership," she writes, adding that this is "tantamount to a medical school that would claim to teach health while ignoring disease."

She makes the point that Adolf Hitler, one of the worst tyrants in history and, with Joseph Stalin, perhaps her most extreme example of the bad leader, was "brilliantly skilled at inspiring, mobilising and directing followers. His use of coercion notwithstanding, if this is not leadership, what is?" she asks.

One of the biggest problems facing poor leadership, and possibly the most significant reason we are stuck with it, is that so many of us are prepared to tolerate - or even support - those who are not fit to lead. The reason we do so, says Ms Kellerman, is that it is easier to toe the line than to make trouble.

"To be a well-behaved child is generally not to question the teacher, even when the teacher is somehow bad," she writes. In the same way, as adults we continue to do as we are told and to play by the rules, even when the rules do not make much sense or are unfair. Too often we follow poor leaders, she says, because the cost of resisting "is demanding in a way that going along is not".

Another reason that many of us are happy to follow people for whom we may hold little respect is that we tend to crave the kind of simplicity and stability that does not go with the responsibilities of leadership.

This observation suggests that we get the leaders we deserve and if these people are not up to their jobs, then we have only ourselves to blame. We may argue that a business is not a democracy and that bosses are appointed by the board but internal appointments rely on employees who are ambitious, confident and willing enough to step up to a higher level.

Unfortunately ambition and confidence do not necessarily equate to competence. Ms Kellerman identifies seven areas of bad leadership: incompetence, rigidity, intemperance, callousness, being corrupt, insularity and being evil.

Of these traits, perhaps the latter is least present in corporate hierarchies. But it is easy to find more than a smattering of the rest. Most of her corporate examples are well known. These include "Chainsaw" Al Dunlap who slashed his way through various companies during the 1980s and 1990s, Leona Helmsley, the despotic hotel boss who famously noted that "only the little people pay taxes", and the various corrupt leaders at Tyco, WorldCom and Enron.

While many of these people displayed ugly traits throughout their careers, they often enjoyed the support of investors, analysts and the media before their eventual demise. This was certainly true of Al Dunlap when he headed Scott Paper and during his early days at Sunbeam. It was also true of chairman Ken Lay, chief executive Jeff Skilling and chief finance officer Andy Fastow at Enron. Ms Kellerman argues rightly that "it makes no sense to think of corporate lawbreakers as one breed and corporate gods as another". If we accept that many of the people she mentions, including those at Enron, were feted as they rose to prominence, we can see that context and the lifecycle of a corporate career are also important features in any assessment of leadership performance.

Had Al Dunlap bowed out of Scott Paper into retirement would he be reviled today as a bad leader? Those who lost their jobs would know the truth of his character but would anybody care about that in the investment community? Had the attack on the World Trade Center never happened, would former New York mayor Rudolph Giuliani have been lionised for his crisis leadership?

As Ms Kellerman points out, before 9/11 the mayor had alienated many of his black constituents. "Whatever Mayor Giuliani's legacy as a result of 9/11, his callous attitude toward African-American New Yorkers is part of the package," she writes.

Most of her examples are American but she might have said something similar of Sir Winston Churchill. There can be no doubt that Britain's finest hour was Churchill's too. By 1945 the electorate had tired of his leadership but historically Churchill will never be portrayed as a bad leader. That has to be right. We can find numerous examples of poor leadership in Churchill's career but he was there to lead when it mattered most, and the speeches he made in 1940 restored the resolve of a broken nation.

This is the nature of leadership. Even the best leaders cannot be great leaders all the time. Some of the best chief executives may make the right decisions for years until they make a poor one and they depart. Does that make them bad? No. It means they are not perfect. None of them are, and yet, so often, particularly in those leadership books that clamour to highlight their star qualities, the biggest corporate bosses are celebrated almost as magicians who deserve every penny of their ludicrous pay packages.

The reality is that everyone makes mistakes. Of all the suggestions that Ms Kellerman puts forward for avoiding bad leadership, one of the most sensible is probably her proposal for limiting tenure. Leadership so often turns sour when people are in power for too long.

Wisely she includes advice for followers too, since they must share some of the blame for bad leadership.

But nowhere does she recognise potentially one of the most powerful restraints on wayward corporate leadership: a well-supported and responsible trade union whose

members are willing to stand up and be counted when treated unfairly.

At the end of our Mont Blanc meeting we decided to share the leadership, appointing a UK boss, a separate boss for mainland Europe and an operations supremo until we reached the mountain when all responsibility would be handed over to a Frenchman, our Chamonix guide who knows his mountain. There are times to lead and there are times when it can be best to be led.

Bad Leadership, What it is, How it happens, Why it matters, by Barbara Kellerman is published by Harvard Business School Press, price Dollars 26.95

©2004 Richard Donkin