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Leaders diverted by events

In the mid-19th century, Thomas Carlyle developed the idea that historical progression was a consequence of the leadership of great men. Social movements arising from the industrial revolution, he decided, needed to be guided by those he called "captains of industry".

We can identify a similar belief today if we exchange the "great men" label for a gender-neutral term such as "great leaders". We continue to invest such figureheads with an almost magical ability to change things for the better, both politically and commercially.

But how much influence and power do bosses really have? Can they transform companies and whole industries? Or are their actions always going to be, to a varying extent, at the mercy either of events or of other interests?

There seems to have been plenty of evidence in the past few months to support the latter suggestion. We need only look at the debacle at J Sainsbury, for example, when the board was forced to cancel its appointment of Sir Ian Prosser as deputy chairman after investors registered their objections to the move.

Neither the nominations committee, nor - it appears - its recruitment adviser, Whitehead Mann, the search firm, had been prepared for such resistance despite their awareness that Sir Ian, as chairman, had presided over a forced demerger of the Six Continents brewing and hotels group.

Sir Philip Watts found himself equally beleaguered before resigning as chairman of Royal Dutch/Shell in the face of investor rage at the overstating of the company's oil reserves in Nigeria. Around the same time, on the other side of the Atlantic, Michael Eisner, the chief executive of Disney, was forced to give up the chairmanship at the behest of shareholders.

None of these moves happened in isolation. In each case, shareholder reaction had been triggered by previous events. At Disney it was a combination of underperformance and a hostile takeover bid.

Could any of these events be said to have been outside the control of the individuals involved? Each of them has enjoyed strong reputations in the past. Did they suddenly lose their ability to make a difference?

Perhaps the real problem is that we place too much faith in the ability of leaders to make a difference. We are too quick to hero-worship them when things go well - and possibly too ready to dump them when things go badly.

The reality, in fact, could be that the people at the head of organisations are less responsible for the way their organisations develop than either they or we are prepared to believe. The theory behind this suggestion goes back almost as far as Carlyle.

It was put forward by Leo Tolstoy in *War and Peace*: the writer argues strongly that the French campaign, leading up to Napoleon's retreat from Moscow in 1812, was doomed almost from the start. In fact, Napoleon had not really wanted the campaign.

Once launched, however, events developed their own momentum.

When Tsar Alexander failed to capitulate after the French entered Moscow, Napoleon was left with the option of maintaining an increasingly undisciplined army in the capital during a Russian winter or of retreating west. Worried about the safety of his supply lines, Napoleon chose the second option and thereafter witnessed the steady destruction of one of the greatest armies in history.

Similarly, anyone who has tried to unravel the causes of the First World War will recall how events conspired to defeat the best intentions of the leaders of the European powers to avoid conflict.

Countries that had armed themselves for war and laid plans for war found themselves pulled inexorably into the conflict once their armies were mobilised. Europe was dragged into war in spite of, not because of, the actions of its leaders. Some might point to events in the Middle East today that are reshaping not only political agendas but also political careers.

Less obvious but equally powerful undercurrents are changing businesses today. Executives are being led towards business strategies at times, not through any hard-nosed experience, but on a whim. I recall the comment of one senior executive I know in the earliest days of the internet.

"I don't really understand what it is or whether it will work for us," he said at the time, "But I think we have to go ahead and get on the web, then see what happens." There followed a multi-million pound investment and development programme, accompanied by a spectacular rise in the company share price and an equally spectacular fall.

Too often the decisions of company bosses are interpreted either as acts of genius or of folly - when, in fact, neither explanation is appropriate.

"A king is the slave of history," wrote Tolstoy, arguing that the action of leaders were the consequences of "thousands of minute causes fitted together". We might live consciously for ourselves, he decided, but unconsciously we are no more than instruments for the accomplishment of historical and social ends.

"In historical events great men so-called are but labels serving to give the name to the event," he wrote, "and like labels they have the least possible connection with the event itself." Abraham Lincoln was aware of this phenomenon when he wrote to a friend: "I claim not to have controlled events, but confess plainly that events have controlled me."

In all the modern business literature on leadership you are unlikely to encounter this argument because it does not fit the model of "transformational leadership" that underpins society's need for heroes. In recent years, only Jim Collins, author of *Good to Great*, has questioned the star system beloved of headhunters and financial speculators, noting that the best companies tend to be led by unassuming types who prefer to avoid media recognition.

For these reasons I believe it is time that companies put away their leadership manuals and re-invested in basic management skills.

Management has been downgraded prematurely along with the thousands of upper and middle managers who have seen their careers cut short in change programmes.

Yet these are the very people responsible for the day-to-day running of business.

At Borodino, the great battle before the French reached Moscow in 1812, Tolstoy noted that, while the opposing commanders made their dispositions and issued their orders on the morning of battle, few, if any, of those orders were carried out. Events were changing constantly and the generals in the field needed to adjust their approaches to meet new circumstances.

The same happens in business. No sooner have the strategists agreed the corporate direction for the next five years, than a new product or business opportunity arises to derail the best-laid plans.

Harold Macmillan, Conservative prime minister from 1957 to 1963, understood the biggest problem facing any leader. When asked to spell it out, he said: "Events, dear boy. Events."

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