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CHALLENGING MISLEADERSHIP

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INTRODUCTION

This paper begins by outlining the Misleadership phenomenon the authors have uncovered regarding leadership styles and achievements. It explores the relevance of this observation in relation to the challenges leaders face, and particularly to the urgent global issues with which leaders are now confronted.

Having explored the MisLeadership phenomenon the paper then moves on to outline the role independent directors play in challenging the Misleadership that is so prevalent and embedded today.

GLOBAL ISSUES

From 2008 we have seen financial institutions in crisis and according to Talbott (2009:227) the most serious global recession the world has seen in its history. Major issues in themselves but, inadvertently perhaps, they have also brought about an even greater concern. They have allowed and encouraged many leaders to divert their attention away from the crucial, urgent and fundamental issues threatening not just every human being but also every other living thing on our planet. Nothing new here though as these urgent global issues (UGIs) are well known and regularly discussed. What is lacking is comprehensive action to tackle them.

This paper suggests that effective leadership, including corporate governance, is one of the most critical and important factors for our long term survival and wellbeing on this planet, and for addressing these UGIs. More often however leadership and governance does not come up to the mark. This is so frequent that professional bodies such as the CIPD (2008:5) are suggesting that we are now in the throes of another crisis: this time a crisis in leadership as people begin to recognize that what they are doing isn't working, that they do not know what to do, that they cannot cope, and that people are losing confidence and trust in their leaders. The leadership crisis is evident globally in the financial sector, parliamentary system, environment and the lack of meaning many are experiencing. The loss of trust and confidence is illustrated by Talbott (2009:1)

who argues that the cause of the 2008/9 economic crisis, resulting in the most serious global recession the world has seen in its history (2009:227) is that our entire financial system over the years has been corrupted, and how *'endemic it is to our largest corporations, our biggest financial institutions and, yes, our government.'* Nothing much seems to have changed.

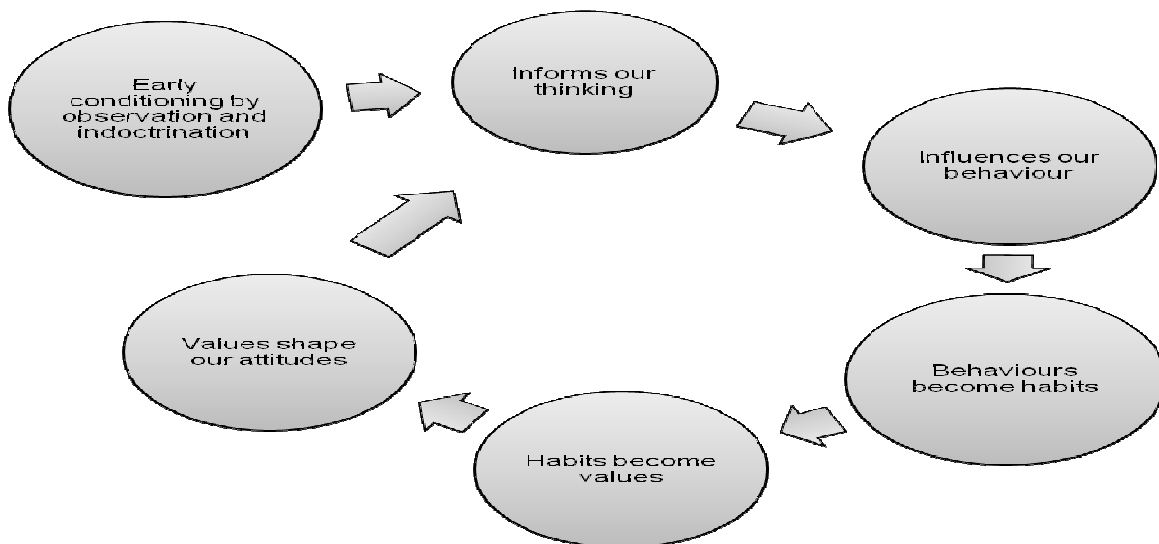
More significant and crucial still, the leadership crisis is evident in the many UGIs that are now facing everyone and everything on our planet.

Upbringing and Socialisation

Many of the difficulties with current leadership comes back to the fundamental messages that are given from childhood; from upbringing, socialisation and education. From the indoctrination process that occurs about leadership in childhood, patterns of action, thoughts, opinions and beliefs are quickly developed, slip into our mind and gradually move further and further out of our consciousness until they simply become "the way things are". They form the context of our life, shaping everything we say and do, unseen but all-pervasive. Like an iceberg where the bulk of the ice is unseen below the waterline, our innermost values, beliefs and attitudes are the things with the largest effect on our actions but are kept hidden in our subconscious. This process is depicted in the Embedded Values Cycle shown in Figure 1.

The cycle in Figure 1 illustrates how early conditioning leads to early behaviours which shape our thinking and future behaviours and start to become habits and values.

Figure 1. The Embedded Values Cycle



What is Leadership?

According to Smircich and Morgan (1982:258), leadership is an obligation or perceived right on the part of certain individuals to define the reality of others. From what has been said previously it seems evident that this obligation for all aspects of humanity and planet has not always been recognized or honoured.

Much of our thinking is informed by education, and this returns us to the cycle shown earlier in Figure 1. One of the major points in this paper is that one of the reasons why leaders may not have been as genuinely successful as they believed is that poor leadership practice has been such an embedded, prolific and often unconscious part of people's upbringing, socialization and education over many hundreds of years. As a result leaders face an almost impossible task to break free from this constraining system. It has become the habit, embedded in all our systems of development and cultures as the informed, expected and accepted way to lead.

MisLeadership

We term this poor leadership MisLeadership, and underpinning the kind of thinking that continues to develop unsustainable working practices is that a lot of what we learn, claim to know about, and practice as good leadership is actually nothing of the sort, but MisLeadership.

The embedded nature of MisLeadership in all our systems of development and cultures as the informed, expected and accepted way to lead means we are looking at Institutional MisLeadership on a global scale.

One of the biggest difficulties with tackling MisLeadership is that it has been apparently tremendously successful. This way of thinking and leading has led to enormous success and development in a huge range of areas. It has however also led humanity to the brink of catastrophe and possible extinction and as a consequence of past MisLeadership we are at the brink of catastrophe and possible extinction and have to enact massive change on a global scale urgently.

MisLeadership is any leadership action or inaction which results in less than optimum achievement of objectives. When we think big and include the global situation in our considerations we realize that an entity's overall objectives should include consideration of the objectives of humanity.

We argue that MisLeadership per se is wrong even though there are many acts that are intended to mislead that we would not categorize as MisLeadership. Examples of such activities can be found in art, entertainment, comedy, drama, storytelling, magic, theme parks and visual effects, where misleading the participants may be part of the 'show'. This is why our definition emphasizes that actions must result in less than optimum achievement of objectives for them to be classed as MisLeadership. The line between what is and what is not MisLeadership is fuzzy but that is exactly why the issues are challenging and complex, difficult, interesting and exciting. The complexities of ethical decisions and the basis on which judgements are made are brought to bear on these ambiguous, socio-culturally constructed notions.

Categories of MisLeadership

The authors have identified two main categories of MisLeadership, the first being unwitting MisLeadership which results from leadership that is missing, misguided, or misinformed. The second category is what most people think of when they hear the term 'MisLeadership': a deliberate attempt by a leader to achieve hidden personal objectives. We call this Machiavellian, after the author of *The Prince*, a book first written in the early 16th century as a guide to the deceptive ways in which those in power can keep and use it.

- 1) *Missing Leadership* - Is where appropriate and necessary leadership simply does not take place.
- 2) *Misguided Leadership* - Is where the leadership could be seen to be effective, but is targeted at the wrong objectives, thus having undesirable results.
- 3) *Misinformed Leadership* - Is where the leader is unaware of important information, skills, techniques or consequences, or misunderstands their importance or how to use them.
- 4) *Machiavellian Leadership* - Is the only form of MisLeadership that we say is deliberate. It is where the leader attempts to achieve hidden personal objectives and does this by deliberately misleading their followers.

The extent of and reaction to MisLeadership varies across cultures and generations and may be more embedded in the national psyche of some countries than others. It is evident though in all cultures (Boush et al 2009:3). MisLeadership has exacerbated a large number of issues for us as a human race:

- We often do not know, or work with the correct information
- We have lost touch with reality
- We do not recognize or acknowledge the complexity or seriousness of the problems we face
- Crucial issues are not resolved effectively
- Many have experienced a loss of meaning, both in work, community and society
- It is difficult to develop close, meaningful working relationships and trust others. This applies in our homes, workplaces, communities, countries and globally
- We are emotionally immature and unable to deal with reality
- We are currently experiencing the biggest economic crisis the world has ever known
- We are facing a huge range of urgent global issues of the type shown in Table 1, and
- We are on the brink of catastrophe and possible extinction.

Missing Leadership

As stated above, Missing Leadership is where appropriate and necessary leadership simply does not take place. There are a number of reasons why this might occur although we will not explore these in this paper.

Bakan (2005:164) quotes Oscar Olivia, a union official who led a popular uprising against the privatisation of the freshwater system in Cochamba, Bolivia, who said:

We live in a world full of fear, people are afraid of the dark, people are afraid of giving their opinion, people are afraid of acting...It's time that we lose that fear...[and] develop the capacity to unite, to organise, and to recover our faith in ourselves and in others.

This quotation from Olivia illustrates one reason why leadership may be missing: fear to take a stand and seize the leadership role.

Misguided Leadership

Misguided Leadership is often seen and can have some of the most significant effects within the business environment. As scale, complexity and globalisation of business grow the potential effects of Misguided Leadership also grow such that the worst cases of Misguided Leadership are seen in large scale often international businesses. A focus purely on maximizing the business' returns to shareholders is an example of leaders losing sight of humanity's overall objectives.

Misinformed Leadership

Misinformed Leadership is where the leader is unaware of important information, skills, techniques or consequences, misunderstands their importance, or misunderstands how to use them.

An important cause of Misinformed Leadership is the attitude toward the telling of lies that results from the operation of the Embedded Values Cycle as shown in Figure 1. As highlighted earlier, from birth we are subjected to a deluge of information and misinformation from those around us including our parents and others closest to us. This forms a vast jumble of myths, legends and hard facts but we become hardened to the situation such that misinformation becomes an expectation which is fulfilled by the wide range of seemingly inconsequential and benign communications that can be described as everyday interpersonal 'little lies' about one's beliefs, feelings or autobiography.

Machiavellian Leadership

Our final category of MisLeadership is the only one that we say is deliberate. It is where the leader attempts to achieve hidden personal objectives and does this by exploiting the trust, friendship, loyalty and ignorance (of the leader's true objectives) of other human beings. Cohen et al. 2001, (as cited in Boush et al. 2009) offer a definition of deception which we feel closely relates to Machiavellian Leadership:

Deception is the set of acts that seek to increase the chances that a set of targets will behave in a desired fashion when they would be less likely to behave in that fashion if they knew of those acts.

In this paper we will not focus on ways of addressing this Misleadership and for this the reader is directed to Rayment and Smith (2010). Two key fundamentals however are real honesty and a global outlook.

We now turn our attention briefly to the role of Independent Directors, and particularly their required characteristics.

Key characteristics of Independent Directors

Firstly Independent Directors need to understand the MisLeadership phenomena in order to be able to identify and confront it. As it is such an imbedded form of leadership, and often unconscious, understanding is not sufficient and a large self-awareness has to be present and for them to have explored their own leadership style and its appropriateness for today's global environment.

Armed with this self-awareness Independent Directors must then be willing to take a stand, confront their own and others fears, and challenge MisLeadership practices in the organisations they are working with.

CONCLUSION

Humanity is faced with many significant challenges, and has many urgent global issues to deal with. There are a number of groups who have a part to play in resolving these urgent global issues but given the size and power of many businesses, we focus on this area and argue that business leaders have a major role to play in addressing these issues.

The aim of this paper was to highlight the MisLeadership phenomena. Having done this we identify some key characteristics for Independent Directors in helping organisations to leader in effective ways, appropriate for our challenging global situation, as opposed to using inappropriate forms of leadership that have been embedded from our upbringing, socialisation and education.

To end, we return to our beginning where we stated that focus on financial crisis was diverting attention away from UGIs. The crisis may however offer us hope that UGIs can indeed be resolved. The rapid change that has been evident through the 2008 crisis shows significant global change can be achieved, and achieved quickly, and that nation states can manage coordinated action when they have the real will to do so (Henry. 2009). The crisis may after all be the precursor for the emergence of a new story. Let us hope so.

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