Don’t believe the hype

Everyone has a pretty good idea about what makes a great leader. The immediate shopping list has charisma, drive, vision, emotional intelligence, authenticity, ability, judgement and more besides. They need the flexibility to know when to delegate, when to consult and when to direct. Inclusiveness is a definite plus. Maybe a bit like Obama on a good day with some Nelson Mandela and Aung Sung Kyi thrown in.

So – if we all know what a good leader looks like, how come that poor, even disastrous, leaders appear so often? How do promising new leaders go to the bad over a period of time? The corporate debris of their failures is all around us – whether in banking, corporate life or indeed the smaller world of housing.

It’s easy enough to explain how some leaders are appointed to positions beyond their talents. Interview panels can be risk averse, and opt for the terrible danger of a ‘safe pair of hands’. Sometimes the mediocre compromise candidate is appointed, when the panel falls out over the more exciting choices. Operational competence can be rewarded in the vain hope that leadership qualities won’t be that far behind. The signs of early career promise can prove a mirage in the event. To paraphrase from the ancient Greek, those whom the Gods wish to destroy first they designate as the ‘leaders of tomorrow’.

More puzzling is how the promising new leaders can come to crash and burn. My starting point is that there is truly a fine line between a charismatic and successful risk-taking leader, and an out-and-out corporate sociopath. At interview, it can be almost impossible to tell the difference; in fact, sometimes there is no difference at all. Over time, the more risks a leader takes, and succeeds, the more he or she will come to believe in the myth of their own infallibility. Over time, the more he or she will come to believe in the myth of their own infallibility.

The dangerous myth of infallibility doesn’t form overnight. It is a learned behaviour, which grows slowly. It becomes possible through lack of challenge, and is reinforced by the deference (and sometimes sycophancy) inherent within any corporate structure. Optimism bias is another important factor – the group-think belief that some perilous venture is bound to turn out all right on the night.

As a chief executive – and I write from experience – it is all too easy to accept the flattery of colleagues. Maybe all my jokes really were that funny, my various observations truly pearls of wisdom, and my judgements invariably those of Solomon? It was fun while it lasted. Conversely, as a subordinate, surely it is sensible and career-enhancing to make oneself agreeable to the boss, avoiding unseemly self-abasement of course? I daresay I’ve been there too.

When things do go wrong, the signs were always there, with the benefit of hindsight. The sense of entitlement, the self-indulgent office, grandstanding, the over-ambitious growth plans. But by then, it’s probably too late.

The answer? Great leaders need to cultivate humility, regularly seek out humbling opportunities, and close their ears to the siren voices of flattery. They should never believe their own propaganda, and beware having too many selfies in the annual report – 42 being the record to date. They should be prepared to appoint able and challenging executive colleagues who can be awkward enough to disagree. Regular 360 degree appraisal processes can be admirably humbling, as can unscripted meetings with tenants, customers and frontline staff.

When a leader does start to show early signs of going rogue, it’s time to nip all that in the bud. Boards need to make sure that their executives are on a continuing journey of personal development and learning, whatever stage they may be in their career. The leaders who believe they have nothing to learn are the greatest risk of all.