

# LOSS LEADERS

Sometimes frontrunners should be put on the backburner. Nigel Nicholson identifies five different kinds of leader – and how they can go bad

**I**s the lesson from history that leaders succeed until they fail? You might think fixed-term presidencies or other forced retirement options help to avoid eventual inevitable failure, allowing leaders such as Nelson Mandela to quit while they're ahead. But his laudable example is an exception, and we often face leadership disappointment, even in the most promising people.

Indeed, one might be tempted to wonder if we can just skip the problem altogether and be leaderless. We see this in families, sports clubs, music groups, and even in business. Several companies, such as the makers of Gore-Tex, have pioneered self-managing teams with fluid sharing of responsibility, and the minimal or episodic involvement of leaders.

But on the other hand, history also seems to tell us that bad leaders are sometimes preferable to no leaders. Look at how the Arab Spring's removal of despots too often left a legacy of factional anarchy. Might we have an irrational, biologically based yearning for people to look up to, almost regardless of their misdeeds and flaws?

These are among the themes that

were covered in a round table discussion hosted by the Leadership Institute at London Business School. The exchange, which I had the pleasure of leading, featured male and female leaders from government, industry, sports, finance, services, education and commerce. I was supported in leading the conversation by my colleague Vyla Rollins, the Executive Director of the Leadership Institute, who is also a Programme Director of Custom Executive Educational Programmes and an executive coach at LBS.

A starting point for the group was the need to avoid equating leaders with leadership. Leadership evolved



High and mighty (clockwise from above): Margaret Thatcher was an overreaching leader; Robert Maxwell a despot; Nelson Mandela a paragon; while Lehman Brothers' Dick Fuld failed fatefully to move with the times

in social species as a way of serving the needs of the group, helping it to adapt to the environment by coordinating and directing human effort. Among wolves, the alpha helps the pack to work coherently and function. It is the same for humans.

Leadership has to be adaptive. As the Nicholson Leadership Formula says, effectiveness involves being the right person, at the right time and place, doing the right thing. This means leadership can take myriad forms for a multitude of situations, and leaders fail when their model, insights or relationships are wrong.

The following five types of failure are commonplace:

**1 The pathological leader**  
There is a disturbing tendency for us to elevate narcissists, bullies and psychopaths to



lead us. Perhaps they make us feel safe for a while, but ultimately those such as Robert Maxwell, Al 'Chainsaw' Dunlap and political despots through history leave us a tattered legacy.

**2 The inflexible leader**  
The world does not stand still, and neither can leaders. Business history is littered with the wreckage of firms whose leaders failed to adapt their style and strategy to changing times, such as Kodak or Lehman Brothers.

**3 The over-reaching leader**  
There have been leaders who have tried to bend the world to their will – stretching their vision to breaking point. There have been plenty of these in political history, from Napoleon to Margaret Thatcher.

**4 The lopsided leader**  
It is OK for leaders to have unbalanced skills, but only if they have the back-up of rebalancing co-leaders and teams. Those without it fail to meet critical challenges, such as Fred Goodwin of RBS, who was all ops and no strategy.

**5 The unlucky leader**  
Louis Pasteur said: "Chance favours the prepared mind", and leaders have to be able to ride their luck. The financial crisis destroyed many firms, but good leaders hedge against extreme circumstances. Yet even good men and women can go to the wall. ■

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## ON LEADERSHIP, FOLLOWERS, COMPETENCE AND MOTIVATION

**T**he table below is a simple 2x2 formula. It would be nice if the world were just populated by leaders and followers, but we have the uncomfortable reality of people in box B who want to be leaders for all the wrong reasons – status and power being common drivers – and people in box C who we could really use as leaders, but who just won't put their heads above the parapet.

Many people in box C are women. The female leaders taking part in the discussion agreed that women are too often demotivated by the games they see being played by male macho aspirants in competitive hierarchies.

The discussion stimulated a spirited debate about what we need more and less of in leadership, and what we can do about it. Some key observations were:

	HIGH competence to lead	LOW competence to lead
HIGH motivation to lead	A: Natural	B: Failing
LOW motivation to lead	C: Hidden	D: Following

- We need more flexible leadership models, where the function is shared rationally among people.
- Organisational structure and culture reform is part of the key to attracting more women into leadership.
- Leadership has to have value propositions at its core. We all suffer when leaders are self-serving rather than oriented to their communities.
- The role of boards and their chairs is widely misunderstood and needs to be reconstituted around the fitness of the firm.
- The ability to learn is the only way to gain competitive advantage and leaders are central to the process.
- Vision is key – leaders with the ability to see what others can't and make ideas tangible are needed.
- We are impeded by our primitive desire for perfect, god-like leaders. We need to shape organisational life to expect and deal with imperfections.

One purpose of the Leadership Institute is to explore what goes wrong in leadership: the root causes and what we can do about it. Luckily, as with the news, we tend to hear more about failure than success. But we should not forget that so much goes right in business and society because of good people taking responsibility for making sure that the world works and delivers not just value, but values for our benefit.