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Leadership Behavior
and Organization
Performance

The “Shadow of the
Leader” Concept

John R. Childress, January 2009

“Sir! What you are speaks so loudly, I can’t hear a word you are saying.”

Samuel Johnson



What kind of shadow does your senior team cast?

Several years ago I was invited to attend an end of year conference for one of my large clients. Imagine the ballroom at an upscale Florida convention centre filled with happy employees who had just blown the doors off their revenue targets. Everyone was in a great mood and light hearted laughter could be heard everywhere the attendees went.

On the final evening it was time for the closing dinner, award celebrations and a special guest entertainer. Sparing no expense, the event organizers had reached out to Las Vegas for a well known stand up comic who was guaranteed to have them rolling in the aisles – just right for the occasion.

After a great meal came the ceremony with numerous awards and recognition based on the six core values of the company. The values awards were given out by the CEO, who took the opportunity to stress the importance of the company values. *“Our values help us produce excellent business results such as we’ve delivered this year,”* he said, *“but are also the foundation of our everyday behaviour.”*

Then it was time for the festivities. The lights dimmed and out walked the guest entertainer to thundering applause. It was obvious he had been briefed on the company and their stellar results since he started out with a few light hearted comments about the products and some of the senior managers. It started out great. But as he launched into his routine, a wave of unease rippled through the crowd. The jokes were funny, but more suited for a “boy’s night out” than a company meeting. And with each passing joke the tension grew. People began to look around, wondering if it was okay to laugh – they were crudely funny, but...

After a few more jokes the CEO stood up from the head table and walked up on stage. He motioned to the stunned entertainer for the microphone. Buy this time not a fork was moving. He turned to the shocked comedian and said, *“Thank you. You’re services will no longer be required. You will receive your fee, but your act is finished.”* He then turned to the audience. *“I apologize to you all. This does not fit with our values of respect for all people. I am sorry. I take full responsibility. I firmly believe our values are more important than anything else – they are what make us a great company. How about we enjoy each other’s company for the rest of the evening? That’s the best entertainment I can think of.”* And he walked off the stage.

Those in leadership positions cast shadows far and wide across their company. In this case a simple act had a greater impact on the company culture than any speech, any memo, any poster on values or any training course. Because of the CEO’s actions everyone in that company realized the values were important.

This article isn’t about values; it’s about leadership behaviour. The behaviour of the senior team has a direct impact on the performance and productivity of the entire organization.

Leadership Behaviour Impacts Performance

High performance leadership teams understand that their collective and individual behaviour casts a positive or negative shadow across the entire organization. And since employees tend to take their cues on what is important and how to behave from their leaders, negative behaviour at the top creates negative behaviours far down into the organization, adversely impacting performance and productivity. Whether the leadership team is aware of it or not, their behaviour casts a powerful shadow far into their organization. And actions speak louder than words! People watch the behaviour of their leaders for clues as to what is accepted and what is not. When the leadership team says one thing and then behaves differently employees quickly figure out the real story. One of the major obligations of leadership is integrity between words and deeds!

When members of the leadership team come into the building and head straight for their offices, head down, not interacting with anyone, that's the story that gets talked about in the canteen and the pubs, not the speech one of them gave on employee engagement and openness. The actions don't match the words.

The behaviour of the senior team has a direct impact on the performance and productivity of the entire organization.

And an even more powerful shadow cast by the senior team is how they interact with each other. If you want teamwork as a core value across the organization, it better happen at the top or you won't achieve it anywhere in the company, even with the best teambuilding workshops. If two senior executives don't support each other, you can forget about cross departmental support and cooperation. It was this type of poor leadership shadow that led to the nuclear accident at Three Mile Island in the mid-80's, and countless other examples of suboptimal performance inside organizations. Want to learn more about leadership shadows in your company? Listen to the company jokes; read what's written in the restroom; ask your suppliers; ask your customers. Look in the cultural mirror of your company – it's all there if you are willing to see it.

When was the last time your senior team sat down and had an open discussion about the positive and negative shadows they cast? Try it. It will open up some wonderful avenues of discussion that often lead to breakthrough insights, improved leadership and probably increased performance.

Many of the performance improvement and turnaround assignments I work on with clients begin with a heavy focus on senior team alignment. Whether it's developing a killer new strategy or implementing a brink of bankruptcy turnaround plan, unless the senior team is pulling together, leading the charge with consistent behaviours and values, it will be difficult to get the rest of the company committed and engaged. If employees hear words of teamwork but see acts of internal competition and finger pointing, they are reluctant to give their total commitment. A negative shadow creates fear and uncertainty, just when we are looking for excitement and courage from the workforce.

I have also developed an organization assessment tool called which is a tailored, web-based survey that graphically shows the degree of alignment among the senior team in relation to key values and behaviours required for superior business performance.

We not only give the survey to the senior team, but also to middle management. How would your leadership team stack up on some of these questions?

- The leadership team gives encouragement and positive recognition for people's efforts...
- Our senior team is open and receptive to issues and new ideas...

Actions speak louder than words.

- Leadership never places blame, but accepts the accountability for company performance issues.....
- The actions of the senior team indicate that they understand and value teamwork...
- Leadership in this company encourages open debate and healthy conflict to get at the real facts and solutions.....
- Leadership provides clear feedback and information on business results, strategies, good news and bad news....
- Our leadership team “walks the talk” and lives the company values and code of conduct.....
- Leadership makes decisions based on facts, not hear-say or politics...
- The leadership team is passionate and committed to quality (or add customer engagement) at all levels....

If these and other questions were given to middle management, what kind of a shadow would your senior team cast?

A Leadership Team Turnaround

Organizations are shadows of their leaders... **that's the good news and the bad news!**

Several years ago one of the best known brands in aviation engine manufacturing had fallen on troubled times and was on the edge of bankruptcy. It seems that the parent company, a large conglomerate, in its wisdom to reduce costs, had outsourced much of the manufacturing of engine parts to subcontractors. In short order the firm went from a manufacturer of high quality engines to an assembly and repair organization. Skilled craftsmen and die and tool makers were let go since they were no longer needed.

While the company had the skills of assembly, they didn't have the skills of supply chain management and quality control and one of the subcontractors supplied them with poor quality crankshafts, several of which broke while being flown on private planes, resulting in massive lawsuits. The company was on the verge of bankruptcy and everyone was blaming someone else. It was union against management, management against the parent company and the lawyers against everyone.

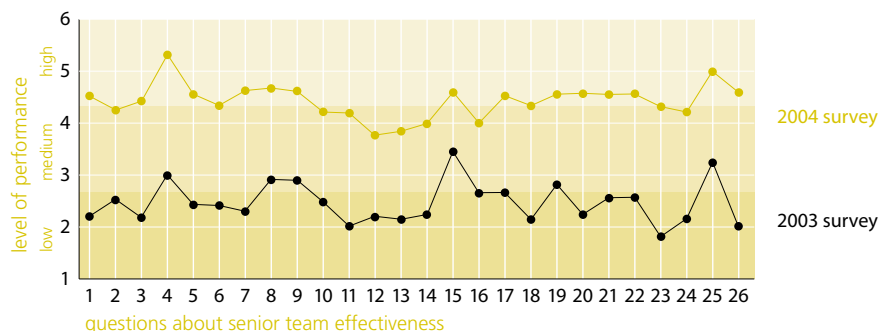
The company needed to get back to its high performance roots, but how? Skill trainings and reorganizations fixed the obvious problems and supply chain management experts helped, but still the company was unable to deliver engines on time and the recall from the previous years was still taking its toll.

When a new CEO came on the scene it was obvious to him that you can't have a high performance company without a high performance leadership team! A quick team alignment survey of the senior team produced a depressing profile – neither the senior team themselves nor middle management saw much evidence of high performance.

A web-based “Shadow of the Leader” survey was sent to both the senior team and 300 middle managers. While neither group felt the senior team was effective, the low scores given by the middle managers tell a sad tale of lack of trust, performance expectations and respect for the senior team (see black 2003 line in fig. 1.)

The same survey was conducted one year later. In between the senior team focused heavily on their leadership skills, strategic focus, internal team alignment, and most of all their behaviours. After several workshops and feedback sessions with employees, the union, suppliers and customers they realized how their behaviour as a team was negatively impacting performance at all levels. One of the key culprits was “excessive silo behaviour and defensiveness” on the part of senior executives. They weren’t an aligned team at all but rather a collection of department heads, each trying to protect their own people and areas.

Middle management scores on the effectiveness and performance of the senior team



After a year of redefining the required leadership behaviours in every aspect of their work – staff meetings, planning and budgeting processes, behaviour on the shop floor – it was time to retake the “Shadow of the Leader” survey once more.

As you can see by the green 2004 line in Figure 1., middle managers had noticed a dramatic shift in the behaviour of the senior team. The senior team was definitely seen by middle managers as being a high performance leadership team. By the way, business performance in all areas of the company had improved and everyone now believed the company was well on its way to achieving their turnaround targets!

In fact, a few years later this company won the prestigious Shingo Award for Quality and is once again profitable and a leader in their business segment. And the Union is now in a solid working partnership with management, so much so that two union representatives sit permanently on the senior leadership team!

In closing I’d like to pose just one question to the reader:

What shadow does your senior team cast and how does their behaviour impact performance?

John R. Childress

the principia project...

21 Ennismore Gardens Mews London SW7 1HY
 t +44 (0)20 7584 3774 m +44(0)7833 493 999
 e jchildress@theprincipiaproject.com
 w theprincipiaproject.com

John R. Childress

the principia project...

21 Ennismore Gardens Mews London SW7 1HY
t +44 (0)20 7584 3774 m +44(0)7833 493 999
e jchildress@theprincipiaproject.com
w theprincipiaproject.com