

INTERIM OUTPUTS

Surrey Business School, University of Surrey

Managing & Mitigating Hubris (Surrey Business School, 18th May, 2016)

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1: Introduction

The 'Managing and Mitigating Hubris' event that took place of the 18th May 2016 was one of a series of meetings convened by Surrey Business School's 'The Hubris Project'. The Project's aim is to better understand the phenomenon of hubristic leadership in business organizations: how does it arise, what are its distinguishing features, and how can its effects be mitigated?

Participants' feedback from earlier Project meetings suggested that while academic research into the nature and origins of hubristic leadership in business is important, the need to develop anti-hubris 'tools' - so that the phenomenon might be anticipated, identified and mitigated in advance of any crises it might precipitate - is urgent.

As a consequence the meeting was aimed at business leaders and their advisors in order to explore what such tools might look like, how they might be employed, by whom and what they might seek to achieve.

A scene-setting keynote presentation by Chris Wiscarson, CEO of Equitable Life, was preceded by a brief introduction by members of the Project team in which attention was drawn to the fact that the selection criteria employed by search companies and appointments committees frequently have much common with the 'symptoms' of Hubris Syndrome¹. This raises the question as to when a leadership strength might need to be regarded as having become 'over-developed' to the extent that it lapses into a weakness and manifests as hubristic incompetence.

1 Owen, D. (2007, revised edition 2012). The Hubris Syndrome: Bush, Blair and the intoxication of power. London: Politico's.

2: Keynote: Chris Wiscarson, CEO, Equitable Life

Chris Wiscarson suggested that there was a risk that in highlighting focal examples of the individual leaders who happened to have been in charge of their organisations at a time of significant failure, researchers, journalists and others were making some dangerous assumptions, namely that:

1. Consensus exists as to what the word 'hubris' means;
2. Hubris is something that primarily afflicts individuals;
3. Roles of Boards, their Chairmen, CEOs, Non-Executive Directors and their advisors are clearly differentiated, articulated and understood;
4. Solutions to problems of hubris might lie in the 'whats' of the leadership role, rather than in the 'hows';
5. While a company's climate may be changeable, its culture may not be.

Given the risks associated with these assumptions any tools developed for the mitigation of hubris need to be employed beyond the role of the CEO and its incumbents to include:

1. The Board (and its committees);
2. The top management team (TMT);
3. The organisation – its strategies, structures, information and communication processes, people etc.;
4. The organization's strategic and operational context;
5. Competitor and market behaviour.

Ultimately, the problem of leadership hubris is 'owned' by the board, which might well itself be suffering from the condition. Questions to which a useful toolkit would need to provide answers might include:

1. What are the early signs of hubris?
2. Does it come and go – depending upon the situation?
3. Is it self-diagnosable?

3: Working Groups

Three stages comprised the workshop process: (A) divergent thinking; (B) convergent thinking; (C) planning the next steps. The workshop process utilised the unique Business Insights Lab (BIL) space at the Business School.

A: Divergent Thinking – Areas within which tools might be developed

The twenty-seven participants divided between five working groups to work in separate 'pods'. Each pod 'brainstormed' ideas for areas within which diagnostic tools might usefully be developed; how they might be employed, and in what ways.

Having generated a range of ideas and suggestions, each group provided a summary and description of their ideas to all participants. Chris Wiscarson was asked to select four propositions to be developed further as initial, outline specifications for possible inclusion within a toolkit.

Following a short break, four new, self-selecting working group pods formed in order to specify in greater depth what the nature, content and operation of the proposed tools might be.

B: Convergent Thinking – Specifying the Tools as potential Products

These new groups discussed four areas within which tools for the mitigation of hubris might be developed. The ideas were recorded on the Business Insight Lab's large whiteboards, summarised, photographed and then shared and discussed with all participants.

Following the meeting these broad specifications were reviewed and (where it was deemed appropriate) clarified by The Hubris Project team and are summarised on the 'Product' (i.e. the anti-hubris 'tools') pages which follow.

C: Next Steps

The Project Team invites those who attended the meeting to comment on the process and its resulting 'product specifications' and, if they so wish, to indicate which, if any of the proposals, they might like to make work on in developing further.

This event will take place on July 13th 13.00-17.00 at Surrey Business School (see email invitation).

Note: All the whiteboard data produced during the meeting has been recorded and is available on request.

Product 1: A Hubris MoT/Health Check

Comprising an independent review or audit (i.e. by an external agency) conducted regularly against clearly specified criteria providing feedback regarding perceptions/attitudes of and towards:

1. The Board;
2. The CEO;
3. The Top Management Team;
4. The organisation – staff/employees;
5. Stakeholders.

This would of necessity take into account the environment, organisational climate, culture, perceptions, attitudes etc. It should not adopt a tick-box/pass-fail approach against a set of generalised standards or rules having no regard to context or circumstances. It should rather be a lens which may be used as a non-judgmental source of anonymously sourced and accessible feedback.

Notes: (i) Such a product should not be seen as a 'consultancy service' (i.e. one that seeks to identify problems to which the service provider can then offer solutions) but have more of the characteristics of a 'BUPA-style' or equivalent health-check providing an independent and objective report and risk assessment; (ii) the questions arise of who commissions/owns it (e.g. The Board?), what is the best way to provide feedback, and how widely should it be shared?

Product 2: Organisational Stories as a Source of Rich Data

A CEO is said to have observed that the best way to learn how you are regarded in your company is to collect the jokes that people tell about you. Staff attitude surveys and 360° feedback have been employed within companies for many years as a means of monitoring perceptions of leadership style, employee morale, etc. Such surveys have tended to be recorded on linear rating scales such as are used for customer satisfaction reviews. They are of limited value as standalone resources but may be considerably enriched when 'triangulated' and accompanied by illustrative 'stories', for example based on accounts of 'how would you describe your CEO's leadership style?'

More autocratic

More democratic / consultative

Leadership style

More laissez-faire

Some sample 'stories/anecdotes' were proffered in the workshop:

"I wouldn't tell the boss if I had a problem – he would regard me as a wimp"; "Whenever I bump into the MD he always says hello, or asks me how I'm doing"; "If you see something looking lost in a corridor, look after it, might be a strategy"; "If I ever had a problem at home with the kids, my boss would always be supportive so I would never be worried about discussing it".

Such a process needs to be:

1. Seen to be 'owned' by the line – (Board, CEO, Top or Department Manager) – it can't be delegated to HR or consultants;
2. As broad as is practically possible, taking into account situations, circumstances and context;
3. Regularly repeated and compared;
4. Anonymous and be seen to lead to effective action;
5. Balanced, i.e. not slanted towards either good or bad news.

Product 3: Support systems/Networks

Building/encouraging CEO/Executive support groups/networks. These often appear to develop spontaneously from Business School Alumni, 'class of 2007', re-unions/gatherings, informal networks spawned from agencies/movements such as 'First Tuesday'. The role of the CEO is inevitably isolated and can be lonely, therefore the issue of who can provide honest, objective and helpful feedback that will be heard, listened to and valued is vital. The Project could look sideways to examples such as Women in Business, Local/web-based business networks, etc.

CEOs sometimes comment that such feedback is provided by a spouse (biased?), children (devastatingly honest but ill-informed & possibly cruel?), etc. but just how valuable/valid/useful/practical is this? The Board and Chair has a role in supporting and encouraging feedback but it cannot provide – it needs to be independent, knowledgeable, empathetic and honest.

Note: the risk of providing opportunities for “chest beating” needs to be avoided.

Product 4: Re-Configuring the “Hubris Black Hole”

It was remarked that ‘Identifying Leadership Hubris as a major problem consumes a great deal of energy but doesn’t get us very far’. What are the ‘bad things’ – the problems - that end-up being attributed to hubris on the part of the CEO/Board/top management? The list might include:

1. Poor decision making;
2. ‘Inner circles’, ‘In-groups’, cronyism, etc.;
3. Isolated CEOs;
4. Corruption;
5. Short-termism;
6. Groupthink;
7. Language (‘in-talk’ that excludes the non-member);
8. Single-loop learning;
9. Egotism;
10. Open-ended rather than time-limited appointments

What alternatives might there be and how might they be introduced, for example might there be roles for scenario planning, coaching/mentoring as a condition of appointment, etc.?

It needs to involve/engage the Chair, the Board, the CEO, the organisation, the culture, the wider context etc. Might need to engage with issues of governance, corporate law, shareholder power etc.

Note: Need be wary of ‘Tick Boxes’, Balanced Scorecards, Six Sigma and flavours of the month – it needs to be a ‘way of being’ rather than the latest or next business ‘fad’.