

NATIONAL POST

Wednesday, June 14, 2006

Seven deadly habits of CEOs

Ray Williams

In the past decade, one-third of Fortune 500 CEOs have lasted less than three years. Top executive failure rates are estimated as high as 75% and rarely less than 30%. Chief executives now are lasting 7.6 years on a global average, down from 9.5 years in 1995.

According to a recent study published in the *Harvard Business Review*, two out of five new CEOs fail in their first 18 months on the job.

Why is this leadership crisis happening? One reason may be the gaps between how leaders see themselves and how others see them. These blind spots can be career limiting: the wider the gap the more resistance there is to change. It also makes it difficult to create a positive organizational culture where openness and honesty are encouraged. Candid, constructive feedback can help a leader grow.

Research shows when someone assumes a new or different leadership role they have a 40% change of demonstrating disappointing performance. Furthermore, 82% of newly appointed leaders derail because they fail to build partnerships with subordinates and peers.

Other reasons for a leadership crisis are:

► The most senior positions often are filled by people in their fifties and sixties. These people grew up in a command-and-control role model—CEOs gave orders rather than facilitating and coaching staff. While these leaders are well-meaning, they continue to do a lot of problem-solving themselves rather than looking for input and empowering subordinates. With rapid response the norm today, companies need every person to be empowered to provide value-added service.

► Leaders in their thirties and forties may not have experience leading in uncertain times. While they understand much about the need to involve employees in decision-making, they may not understand the complexities of how people are motivated. On top of this, leaders must adapt to globalization, diversity, flexible working conditions, changing values and continuous change.

► Many leaders today have gained their positions without adequate training and are leading on little more than a wing and a prayer. We would never let an unskilled driver behind the wheel of a semi-trailer, so why do we expect the untutored to make effective leaders?

Research shows these “lucky winners” have as much chance of being successful as they do winning the lottery.

Sydney Finkelstein, author of *Why Smart Executives Fail* (2003), researched several spectacular failures during a six year period. He concluded that CEOs had similar deadly habits:

► **Habit 1:** They see themselves and their companies as dominating their environment.

Warning sign: A lack of respect for others

► **Habit 2:** They identify too closely with the company, losing the boundary between personal and corporate interests.

Warning sign: They define themselves by their job

► **Habit 3:** They think they have all the right answers.

Warning sign: They are without followers.

► **Habit 4:** They ruthlessly eliminate anyone who isn't completely behind them.

Warning sign: A lot of staff departures.

► **Habit 5:** They are obsessed with photos, speeches, appearances and publications in which they represent the company.

Warning sign: The blatantly seek out the media

► **Habit 6:** They underestimate obstacles.

Warning sign: Excessive hype and little substance.

► **Habit 7:** They stubbornly rely on past achievements.

Warning sign: They constantly refer to what worked in the past.

There are no universal ways to prevent failures, except perhaps to be alert for the warning signs. We live in a celebrity culture where executives are expected to be perfect, larger than life. We don't like to admit they have flaws. We crave heroes and contribute to their heroic myth when we can't see their flaws.

Good leaders make people around them successful. They are passionate and committed, authentic, courageous, honest and reliable. Professional executive coaches can help leaders reduce or eliminate their blind spots and be open to constructive feedback, not only reducing the likelihood of failure, and premature burnout, but also provide an atmosphere in which the executive can express fears, failures and dreams.

Ray Williams is Executive Vice-President of **Premier Career Management Group (PCMG)**, a career management and executive development firm in Vancouver. Ray is also President of the International Coach Federation, Vancouver
rwilliams@pcmgcanada.com
www.pcmgexecutive.com
www.pcmgcanada.com

