

## South East Leadership Academy Newsletter

July 2008

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*Save the Date!!*

*Wednesday 8<sup>th</sup> October  
2008*

*6<sup>th</sup> Academy Workshop*

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## 1. Editorial

We believe that one of the abiding strengths of the Leadership Academy is its diversity, something which is very much reflected in the breadth and variety of articles in this, our 6th newsletter.

One of the objectives of the Leadership Academy is to bring together practitioners, business advisors and academics to promote new concepts and understanding of leadership and innovation and to generate better leadership development practices. With this in mind, we have articles that: discuss current government policy towards leadership; offer a case study of how executive coaching has had a major impact on the leadership qualities of a corporate CEO; analyse the sources of power within corporate politics; discuss why business growth requires two kinds of leadership.

On a practical note, we have a rather novel article on the use of drumming as a means of generating greater understanding of the role of leadership. And from an academic research perspective, we have an article reporting on some recent research into a leadership development project that included the use of action learning, coaching and mentoring and experiential learning. We even have a new addition to the newsletter – a poem!

Whatever our contributors discuss, I hope you will agree with me that they are always seeking a new angle, and are often thought-provoking and original.

Finally, a quick reminder – please note the next Leadership Academy event is on 8th October, hosted by the Open University, on 'Leadership, Innovation and Communities of Practice'. See you there!

David Gray (Prof)  
Director, Leadership Academy

## 2. The Open University Workshop: 'Leadership, Innovation and Communities of Practice'

- **Virtual Workshop – 1<sup>st</sup> to 15<sup>th</sup> October 2008**
- **'Real' Workshop – 8<sup>th</sup> October 2008**

This workshop will bring together participants from the different worlds of higher education, business, and training to consider how communities of practice can foster innovation and learning in business; and to look at the kinds of leadership necessary to build and support such communities.

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*Leadership, Innovation  
and Communities of  
Practice – visit  
<http://www.open.ac.uk/licop08>  
for more information*

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The workshop will combine a one day face to face event in Milton Keynes with an online programme which will run over two weeks. While the on-line and face-to-face events are complimentary it is possible to participate in either or both.

For more information please visit: <http://www.open.ac.uk/licop08> or contact Sophie Woodward at [S.Woodward@surrey.ac.uk](mailto:S.Woodward@surrey.ac.uk).

### 3. The Transformative Power of Leadership and Management

#### Christina Hartshorn - SEEDA

At a recent meeting of the All Party Parliamentary Group on Management, held in partnership with CMI, the message from the speakers was, Wake up to the transformative power of Leadership and Management skills on releasing value from improved workplace skills (Leitch review).

Chris Humphries the new Chief Executive of UK Commission for Employment and Skills made a passionate argument that it's what managers and leaders do with the skills of their workforce that will have the greatest impact on their businesses' bottom line, not simply workers acquiring new or upgraded skills.

Minister David Lammy picked up this theme, recognising leadership and management as the thread linking innovation with skills.

The Leadership Academy welcomes the recognition of the transformative impact of leadership and management as it works to improve these skills in south east business owners, managers and leaders.

Please visit <http://www.managers.org.uk/appgm> for more information.

### 4. Mutation and Evolution

#### Are you a dinosaur or an eagle... (or even a dodo!)

#### Richard Derwent-Cooke – Founder, I-Change

I was listening to a talk the other day about Mutation & Evolution. It is possible, that like me, you have not paused to consider the link between these two key processes. Mutation is the result of flaws in a cell's capability to copy or reproduce an exact copy of its self. Cells are dying off in our bodies all the time (the average red blood cell lasts only 120 days.) In fact 50,000,000 died whilst you read that sentence (read on if you dare!) Evolution is the end product of successful or beneficial mutations. "So what" you may think.. "Very interesting, but why do I care?" Here is where it gets interesting; evolution is an organism's way of adapting to and surviving in a changing world!

Our genes are remarkably similar to those of other life forms. For example, we share 98% of our genes with chimpanzees, 90% with mice, 85% with zebra fish, 21% with worms, and 7% with a simple bacterium such as E. coli.



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*Did you know we share  
98% of our genes with  
chimpanzees and 21%  
with worms?*

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So that got me thinking about the business world and how rapidly it is changing, and wondering how you are evolving to cope with that. It is pretty commonly known that the answer to the question of “What happened to the dinosaurs?” the erstwhile rulers of the Earth is that they eventually got smaller, grew wings, learnt how to fly and became the ancestors of today’s birds; some became eagles, some became dodos...

If our cells could reproduce themselves perfectly, we would be immortal! However, we would also still be primeval mono-celled creatures! In business, leaders often choose to recruit people who are like them, effectively self-reproducing, but we can see that Evolution requires new blood, new ideas.

In the human body, our white cells surround and attack cells that are ‘different’ in order to protect us, but I often observe the corporate equivalent and those people who don’t quite fit are attacked and usually move on. Corporates like to talk about valuing diversity, but actually very few succeed in using it to their benefit.

Humans are 99.9% genetically identical – only 0.1% of our genetic make-up differs, and yet, all of it is contained inside the microscopic nucleus of a cell so tiny that it could easily fit on the head of a pin!

So the whole success of life on Earth is due to a series of small errors made when information is copied. It is often the case that corporations make huge profits from similarly small mistakes, like the glue that wouldn’t quite set that ended up making 3M a fortune as Post-its. If you want to get somewhere different, then you can save time by finding a different starting point. Go to someone who doesn’t know the answer; try someone who hasn’t done it before.

Another interesting thing is that the human genome contains around 30,000,000,000 bits of information, the vast majority of which seem to do nothing! (Another corporate analogy?) It is referred to as ‘the junk in the attic’. It represents huge potential that simply has not been ‘switched on’. Again this got me thinking about the potential within your team, your organisation that has not been switched on. What would it take to do so? How do you get someone to come out of their safe shell and show you what they can do, to show you who they are? The answer is they will do it when they feel safe, and not judged, when they feel seen and valued for who they are and not who they are ‘meant’ to be.

If the genome was a book, it would be the equivalent of 800 dictionaries. It would take a person typing 60 words per minute, eight hours a day, around 50 years to type the human genome. You would need 3 gigabytes of storage space on a computer to hold all of this.

So much corporate energy goes into trying to get people to conform, and yet this is the very opposite of Nature’s strategy to be winners in the Change Race. We are bombarded with information about Global Warming and Climate Change, but I think that in 100 years time the experts will say that the pace of change in business now was even faster. What are you doing to be a winner in this race?

Change is like going to the gym, good for you but hard work. Similarly you need to work at it on an ongoing basis. Ensure that you keep your business constantly in flux as it takes far more energy to move forward again if you let it settle for too long (a bit like trying to resume your exercise regime after the Xmas break!)

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*Corporates like to talk about valuing diversity, but actually very few succeed in using it to their benefit*

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“All evolution in thought and conduct must at first appear as heresy and misconduct.”  
George Bernard Shaw

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Richard Derwent Cooke is a Facilitator, Coach & Change Agent and the founder of I-Change. He specialises in helping leaders, and their teams, clarify, develop and implement their plans. He has been working in the fields of personal and business change for over 25 years, working with international blue chip companies and individuals. He trained as a chartered accountant and in various alternative disciplines. See [www.i-change.biz](http://www.i-change.biz) for more details, or email [info@i-change.biz](mailto:info@i-change.biz). Change & Stuff Blog: <http://www.i-change.biz/blog/>.



## 5. London Calling... What makes a new product successful?

**John Brooker – Innovation Director, Yes! and...**

“New technology turns adult and child roles on their head. If technology is easy to use now, we should say “it’s adult’s play” not “child’s play”.”  
John Brooker ~ Adult player

I’m writing this in my hotel room in Morocco, having just finished my first ever video call to my family. This excited me so much that I was jumping up and down and clapping with excitement when we connected.

We used Windows Live Messenger to make the call, which my daughter showed me how to use at the weekend. Once I had connected to the hotel’s internet (two minutes), it took me just a minute to set up the video call, with a bit of on line coaching from my children.

This technology has given me the opportunity to see and talk to my family, easily, simply and for free (hotel internet prices aside!). They can show me their homework; we can play games and generally have fun, so much so that we spent forty minutes on the call. On the telephone, it is usually a couple of minutes’ chat and then they get bored. It also costs me £1.25 a minute.

Some of you with a key driver (e.g. speaking to relatives overseas) may have been making video calls from your PC for quite a while, many more of you will use video conferencing at work so what is the big deal about my experience?

Well, I think the deal is that the environment has changed to the point where big players like Microsoft have got a winning product here. Broadband (which is getting faster) is now in 14 million homes in the UK and 66 million in the US (OECD June 2007) and mid range mobile PC’s have installed cameras and faster processors, making it easy to access and use video calling.

What Microsoft and others have done is to make a product that so enhances my experience compared to the alternatives (my mobile ‘phone and e-mail) that it actually excites me. They have taken advantage of the environmental changes and made it extremely easy to access. They have made it simple to use and have given it to me free (agreed - you need to have Windows but Live Messenger is a free download).

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*Take advantage of  
environmental changes  
and make it easier,  
simpler and cheaper to  
talk*

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For some of you, that last point will jar – if you give your customer your product for free they might get excited too – but I recall using Google when it first came out and wondering how they gave such a great product for free. They're not struggling too much now.

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*A successful technology  
has to offer a superior  
experience to what is  
already on offer in the  
marketplace*

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I also remember when I downloaded my first tunes down from iTunes. It was so simple and such a reasonable cost, I just had to go and buy an iPod; so I am sure Microsoft has a business model up its sleeve (perhaps gaming?). With faster broadband and faster processing in place, I can see this service taking off very soon.

### **So**

Let's use this as a case study for my perspective on what a really successful technology product needs:

- It has to offer a superior experience to what has been on offer previously or it has to offer a whole new experience
- It needs to create a positive emotional response
- It has to be value for money (appreciating that the luxury brand market may be an exception to this)
- The user must be able to access it easily
- It has to be intuitive to use (especially if it is aimed at consumers)

### **Action**

- Review my list and challenge my thinking on this. Do you agree with these criteria? What would you argue with and what else might you add?
- Compare the new iPhone with this list. How does it compare?
- Try out Windows Live Messenger (or Skype) video calling and see what you think. If you don't have anyone to play with, drop me a line and I'll let you know my Messenger sign in to set up a call. I have to say the wide angle camera doesn't flatter anyone, so Gorilla suits are optional.

### **To close**

People have joked for years that they can't programme their video recorder but still we continue to say that if something is simple, it is "child's play". My children have now made me realise that we have it the wrong way round, hence my quotation at the start of this article. From now on, when technology is simple, it's definitely adult's play!

John Brooker  
Innovation Director  
Speak: 020 8869 9990  
Write: hi@yesand.co.uk  
Read: [www.yesand.biz](http://www.yesand.biz)

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*A successful technology  
has to be easily  
accessible and intuitive to  
use*

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Yes! And...facilitates individuals and teams to think more flexibly and so improve their performance



## 6. Leadership Performance – a Case Study

### How to Up Your Game by Taking Your Leadership Performance to a New Level

#### David Norman – Leadership DynamiX

*A Practical Case Study of How Bespoke Executive Coaching helped the Group CEO of a £2B Plc Boost His Leadership Performance by 52%.*

**Client:** Group Chief Executive. £2B plc. Utility Firm.

**Issue/s:** Taking leadership performance to the next level . . .

A bespoke programme of topics with specific deliverables were submitted in a written proposal document based on an 'exploratory' discussion of Michael's (name changed to protect confidentiality) that outlined his specific issues/problems/needs together with a short summary of the main changework undertaken, viz;

1. Empowering Vision – develop a mental blueprint for successfully envisaging the future (next 1 and 3 years, and beyond). Michael found it difficult to 'see' a clear (at best fuzzy beyond a year, none at all in the far future) vision of the future. By expanding his awareness of his 'perceptual space' pictures and making various adjustments to the picture/movie qualities together with reshaping the direction and trajectory of his spatial time coding, we were able to dramatically and immediately enhance his ability to create, at any time he wishes, a clear, bright and compelling strategic vision as far into the future as he desired.
2. Confronting Director Underperformance – because of a strong collegiate board culture, Michael found enforcing accountability for non-performance extremely difficult to do, for fear of upsetting them. We devised a new pattern that enabled Michael to make the desired behaviour shift to address under-performing board members (often close friends, and without compromising friendship), and other executives. To deal effectively, empathetically, congruently and with confidence, and feel OK/comfortable about the interaction.
3. Quality Time and Space for Self – needed to devise a practical way to create a better work balance between self and others, as part of being a more effective time manager. His life/work balance is good, by "retreating into my own world", plus supportive family, hobbies, regular exercise and active sport. Using a combination cognitive strategy underpinned by the Covey urgency/importance matrix, adjustments to his spatial time coding, clarifying his values hierarchy and motivation strategy we successfully reshaped his time profile to improve his quality time management.
4. Focus and Concentration – Michael wanted to deepen this ability in a number of specific situations. There are several methods that will improve this capability, and much else (eg. accelerated learning, health and well-being). Besides getting enough rest! We worked with some short-term approaches based on 'perceptual space/landscape' advanced visualisation, peripheral vision and symbolic metaphor, and some longer-term deep calming methods like: autogenics, progressive relaxation and meditation.



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*By expanding your awareness you can enhance your ability to create a clear, bright and compelling strategic vision*

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*If you have an article you'd like to submit to the next MOLIE edition, please contact Sophie Woodward at S.Woodward@surrey.ac.uk*

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5. Other - This assignment also included work on Personal Values alignment to enhance motivation, time management and performance, Reshaping his Life (symbolic) Metaphor to create greater resourcefulness, energy and inspiration, Body language skills to expand powers of influence and persuasion in one-to-one's, meetings, negotiations, talks and press relations, and an enhanced Golf Mental Game to lower his scoring and handicap, and many other relevant client issues.

**Coaching time: 30 hours (5 approximately monthly sessions of 6 hours).**

**Results: Overall +52% Improvement**

**Evidence-based measurement:** Client self-rating on a scale of 0 to 10.

1. Empowering Vision +29% (7 start to 9 end)
2. Confronting Director Underperformance +60% (5 start to 8 end)
3. Quality Time and Space for Self +50% (4 start to 6 end)
4. Focus and Concentration +67% (3 start to 5 end)

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David has a proven 15 year track record coaching many hundreds of executives in blue chip firms at all levels (from CEO's of £Multi-B businesses downwards), across all functional responsibilities and most economic sectors (eg. financial services, computer software, property development, etc.) (for executive coaching services - [www.LeadershipDynamix.com](http://www.LeadershipDynamix.com)). He has also published a book on executive coaching ([www.MattAndBuzz.com/Business](http://www.MattAndBuzz.com/Business)). In addition to demonstrate measurable performance improvement he has successfully coached some of the worlds top sports professionals ([www.Mind4Golf.com](http://www.Mind4Golf.com)). Further, David has designed and presented many in-company and open master class workshop events. He works with business executives at all levels by helping them to be the best at what they do and fulfill (and even go beyond!) their natural potential.



## 7. Drumming and Leadership

### Colin Graves – Iridium Consulting

Last month, as part of a leadership development programme for senior managers in the NHS, we invited Rhythmicity, a company which specialises in drumming events, to run a drumming circle for the participants.

Our evening events in the programme had always been different and we never let the participants know what they were going to do in advance. There was, therefore, a slight air of trepidation, as well as a great deal of expectation, as we assembled in the bar ready to retrace our steps to the conference room. As we approached the conference room the sound of drums could be distinctly heard, generating a few anxious looks!

We entered the conference room and Tim, our facilitator for the evening, was playing a simple beat on an African drum. He welcomed us, invited us to choose an instrument from those laid out in a circle and join in. Within a minute of entering the room the group was making music! As we settled down Tim speeded up and slowed down the tempo and we followed suit. He then counted to three and with a wave of his hand brought silence. We then experimented with a variety of rhythms before

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*There was a slight air of trepidation... as we assembled... to enter the conference room*

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Tim gave us the challenge of working in three teams and putting a nursery rhyme to music. Performing in front of your peers after only five minutes practice was a stretch and yet we were able to recognise all of the nursery rhymes!

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*How often do you  
'choreograph' your  
introduction to make an  
impact?*

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As the evening wore on we created more and more complicated rhythms that required us to become aware of others in the group rather than simply focussing on our part. Tim had also brought a wide range of different percussion instruments and we had the chance to experiment with other instruments and sounds. Finally Tim got each participant to beat out a rhythm for the rest to follow. We all experienced the joy of hearing our rhythm played by the rest of the group - although to get up and do it took some courage!

After two hours our hands were ready for a rest. However, there was general sense of achievement and satisfaction in having done something that most people later admitted would have filled them with dread if we had told them in advance!

But what has an evening drumming got to do with leadership??

As we reflected over dinner we realised that the event provided some great parallels and reminders:

How often do we 'choreograph' our introduction to make maximum impact? Great leaders are aware of the impact they make at all times.

At times we all lead and yet how aware are we of the power that we have as leaders to dictate the speed the group works at?

The leader not only determines the speed but also dictates the beat; what the leader focuses on is what gets done. What are we focusing our attention on?

The leader at times needs to use the power of leadership to stop the group if necessary. How often are we strong enough to say "stop"?

As leaders at times we have to push people out of their comfort zones. Great leaders, like Tim, read the group, show confidence in them to achieve, provide a safe environment and know how far to push while displaying no ego of their own. Are we challenging enough?

Great leaders are brave and take on challenges. Sometimes we can achieve more than we believe - especially if we take action and be in the moment rather than pondering on what has happened in the past or on reasons why something can't be done. How often do we, as Susan Jeffers says in her popular book, 'Feel the fear and do it anyway'?

Great leaders are aware of others, really listen and tune in to the beat that's going on in their environment rather than just focus on their own rhythm. How aware are we of what is **really** going on?

Great leaders are aware that, although it is often them conducting, it is the team that creates the music. How often do we acknowledge the contributions of others?

Great leaders give people the chance to grow by allowing experimentation and choosing the instrument that is best for them. How often do we encourage experimentation?



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*Great leaders are aware  
of others, really listen and  
tune in to the beat that's  
going on in their  
environment*

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Great leaders also realise that leading doesn't always have to be done by the same person. At times the beat can be drummed out by someone else. How often as leaders do we attempt to do everything ourselves rather than delegate?

Food for thought?

Contact us at [www.iridiumconsulting.co.uk](http://www.iridiumconsulting.co.uk) for more information on leadership programmes.



## 8. Business Growth – Why it takes two kinds of Leadership

### Scott Blanchard – The Ken Blanchard Companies

“It’s no accident that companies like Microsoft, Starbucks and Google are giants in their industries,” says Scott Blanchard of The Ken Blanchard Companies. “They continue to grow because people get charged up about working in the cultures these organisations present. “Whenever you talk to companies’ chasing some kind of industry leader, they always think the other company has a better strategy, but typically what these leading companies have is a better run organisation, with a strategy that involves and puts their people first.”

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*It takes two types of leadership to get employee happiness and customer loyalty*

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### What does good leadership, leading to employee happiness and customer loyalty look like?

It takes two kinds of leadership to achieve this end - strategic and operational leadership. Strategic leadership is most clearly seen in new companies, when founders’ visions and strategies are crystal clear, and they are entrepreneurial, inventive, and so on. Then as a company grows and starts to create sales’ volume, leaders have to up the focus on operational leadership, the day-to-day nuts and bolts of how the company operates. As organisations grow in size and complexity, operational leadership becomes more important, although you have to be careful you don’t get so bogged down in operational issues that the entrepreneurial spirit is killed.

### What differences do these kinds of leadership make?

We’ve done quite a bit of research on this. Operational leadership has a direct effect on employee passion, or employee success. It affects how people feel about the company, the way they think about the company and the meaning they find in working there. It also has a very strong impact on customer loyalty. Strategic leadership has more impact on organizational vitality.

### Can business leaders afford to ignore links between leadership and customer loyalty?

They never should, because the connection between employee passion and customer devotion is so strong. Leaders need to understand how important it is to create the right kind of culture, hire good managers, and provide those managers with the skills and abilities to make employees happy, productive and loyal — instead of seemingly doing the opposite.



This starts with strategic leadership. If there's not a declared value — an imperative within the company that says we are going to be a really healthy company — then by default, the natural dynamics of humans in organisations emerge. I often say that the only natural things that happen in an organisation are fear, frustration, inefficiency, friction and political mayhem. If you want to make something positive happen, you need a clear vision and a plan, and you need to stick to the plan.

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*Companies with too many layers between the CEO and store manager can often run into trouble*

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### **How do the two sides of leadership impact each other?**

They have to support each other. It's a cascading model — the vision and direction set at the top must cascade down through senior leaders, to middle managers, to the managers who run the business, to supervisors and ultimately to the people on the front line. Then, when the people at the customer interface get information, or feedback, they need to share it, so that information flows back up the chain of command to the top of the company. In companies that don't work, there is a block in energy, information and influence that goes down and up. That's why companies with too many layers between the CEO and the store manager, or too many 'gatekeepers' between them, run into trouble. As the TV programme suggests, it's always a good idea for the CEO to occasionally go 'back to the floor' and find out how his or her organisation is really functioning.

### **What are the tough questions business owners and leaders should be asking themselves about their organisations?**

Some of the toughest include: Are your leaders and managers held accountable for employee morale? Do your employees feel and know their work is meaningful and important? Do your employees believe that top management actually communicate with them and behave as if they understand they are critically important to the organisation's success? Answering 'no' to any of these questions may indicate your organisation is out of touch with your staff and perhaps wasting energy on politics and resource allocation instead of delivering better products and services to your customers.

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How does your organisation rate? Are there areas in need of improvement? To find out, take a free assessment at [www.kenblanchard.com/hpo](http://www.kenblanchard.com/hpo). For more information on The Ken Blanchard Companies approach to leadership, call the UK headquarters in Guildford on 01483 456300 or email [uk@kenblanchard.com](mailto:uk@kenblanchard.com).



## **9. Relational Learning and SME Leadership Development**

### **Dr Sarah Robinson – The Open University**

Leadership has been identified as an important factor in the success and failure of SMEs (Anderson 2002, CEML 2002, Morrison 2003), yet research into the nature of SME leadership learning and implications for the provision for leadership support is still very much at an early stage (Morrison 2003). There is a need for studies which explore the nature of leadership development provision in the SME sector, examining the different assumptions about how owner managers learn and what sorts of learning interventions and technologies are useful and relevant and which propose new conceptualisations of SME leadership learning which can be used in the future design and delivery of such programmes in different contexts.

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*There is a need for studies which explore the nature of leadership development provision in the SME sector*

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*The assumption was made that the target group had little time or practice of reflective learning*

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I report on results of one study of a specific SME leadership development programme 'LEAD' and, drawing on its findings, propose that the learning described can be conceptualised as the development of a series of relationships. Data informing this study are taken from in-depth qualitative interviews with over 70 SME owner-managers and that include longitudinal 'in-course' and post-course experiences of leadership learning. The study posed the questions:

- How did engagement with the different course elements enhance leadership learning?
- What does this tell us about the leadership learning needs of SME owner-managers and what are the implications for SME support?

Standing for 'Leading Enterprise and Development', LEAD was developed at the Institute for Entrepreneurship and Enterprise Development (IEED), Lancaster University Management School and supported by the North West Development Agency. It was intended to support SME owner-managers with a minimum staff of four and maximum of 20 in business and leadership development.



The course developers drew on SME development literature and the experience of IEED in research and delivery of SME support. Consequently the LEAD design assumed that the target group a) lacked content knowledge and information in order to develop their business and build confidence in their practice, b) had little time for or practice of reflective learning, and c) were relatively isolated, with few people to learn from and with. Three areas and their associated learning processes were therefore identified as essential to the programme: 1) the need for knowledge and formal learning (informing); 2) guided reflective learning (applying knowledge and thinking back to own context); 3) peer interaction to enhance and support learning (comparing, contrasting and affirming).

These elements were integrated into a holistic design shaped by the acknowledgement of the importance of the three learning processes through different activities namely:

- Masterclasses
- Action learning
- Coaching and mentoring
- Business exchanges
- Business support
- Experiential learning events
- Mentoring
- Electronic discussion forum

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*Coaching helped with forward planning whilst action learning assisted participants to learn from others*

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The study highlights how different parts of the course were seen as supporting different processes. For example, coaching helped with moving thinking and with forward planning. Action learning was seen as important in the discussion with peers and learning from others.

Masterclasses gave new ideas but also served an affirmation purpose, leading to confidence in existing practice and giving the courage to try out new ideas. Learning from the experience of others and their 'real life case studies' was highlighted as being an especially important part of the programme. However a more organic progress was also apparent in the data referring to the development of different relations which could not so easily be attributed to one discrete part of the course.

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*Learning from the experience of others and their 'real-life case studies' was an important aspect of the programme*

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This type of 'relational learning' became apparent in the exit interviews where participants described the learning processes experienced on the course in terms of the types of relationships built up and strengthened. Many of the learning processes described during the course can be categorised as four sets of relationships, which could form a model to inform the design and implementation of leadership support. These relationships are:

- a) The relationship with self, e.g. accepting and developing oneself as a leader;
  - (LEAD has) *boosted my confidence. Has made me recognise my own skills and ability. You are a bit isolated in your own business. You have no measure you don't realise how good you are*
- b) The relationship with staff (and partners), e.g. gaining respect/leading staff better;
  - *I feel that I am closer and more aware of other people's feelings and this has proved effective in helping them to achieve their goals*
- c) The relationship with the business, e.g. creating and developing the vision;
  - (LEAD) *gave me the tools to look at my business and find my own answers*
- d) The relationship with the wider SME community, e.g. building up a peer network.
  - *Since meeting my fellow cohorts [sic] and listening to their everyday workplace problems and sharing experiences I have returned to my company more confident and determined to make it successful, and question my own ability as the business owner and my leadership style*

Seen longitudinally, the processes of strengthening relations developed during the LEAD programme seem to be continuing and the LEAD graduates are still constantly reflecting on and critically examining their own practice as well as actively encouraging the development of such processes in their staff members. Emerging from this study then, the relational learning model is, I think, a helpful step in thinking about some of the processes of transfer of learning from the owner manager back into the organisation and beyond.

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*The relational learning model can be a helpful step in thinking about the processes of transfer of learning*

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To book a place at the next  
Academy workshop on 8<sup>th</sup>  
October, please contact  
[S.Woodward@surrey.ac.uk](mailto:S.Woodward@surrey.ac.uk)

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- **Morrison, A. 2003;** 'SME management and leadership development: market reorientation' *The Journal of Management Development* 2003:22 9/10.
- **Perren, L. & Grant, P. 2001;** *Management and leadership in UK SMEs; Witness testimonies from the world of entrepreneurs and SME managers*: London: Council for Excellent in Management and Leadership.
- **Robinson, S. 2006;** Learning to LEAD: Developing SME Leadership Support for Business Development paper presented at 29<sup>th</sup> ISBE Conference Cardiff Oct/Nov.
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## 10. Verse – Profiting from Fads

David Montgomery – Hand Stirling

I have a pocket lexicon  
I keep it close by me  
Whenever I need money  
I go on a writing spree

For new ideas are seldom bold  
And really all the same  
Since all have been recycled  
So good timing is the game



## 11. Power and Corporate Politics

Nick Cotter – Oakleigh Consulting Ltd

If you thought that to be powerful, you had to become Chief Executive, with lots of resources to hand, along with a title that demands respect, then think again. The title and all its trappings give the Chief executive only 3 out of the 9 recognised sources of power.

(Essence of Leadership Andrew and Nada Kakabadse International Thomson Business Press 1999)

So if you want to make things happen, don't worry so much about your progression up the hierarchy, start by developing the other sources of power available to us all. If you have "made it to the top" then don't expect position, resource and coercion alone to make things happen in today's world of work.

"**Influence** where one person modifies the attitudes and behaviour of another, **Power** is that which enables them to do it".  
(With apologies to Charles Handy)

### SOURCES OF POWER

Power is both elusive and transient, it is seldom one sided, it certainly is relative, as you will not be able to influence another if your power is not valued by the other person, and few sources of power are influential for all of the time.

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If you want to make things  
happen, start by  
developing other sources  
of power available

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In order to be influential in your organisation, you need to understand and use both your formal and informal power sources at the right time and with the right degree.

### Formal Power

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*Compliance can often lead to dependence or rebellion*

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#### *1. Position Power*

Position power is hierarchical and status related and is usually underwritten by resource power. Position Power can create compliance without resentment. However, compliance often leads on to dependence (Lack of individual initiative and risk aversion) or rebellion (Mutiny on the Bounty)

#### *2. Resource Power*

Resource power or reward power, is the control over valued resources such as finance, head count etc. It isn't the magnitude or the extent of these resources that creates the power, but the value placed on them by others. Resource power can gain you rapid action, but others do the minimum required to gain access to the resource (reward).

#### *3. Coercive Power*

Coercive Power is the ability, and desire, to punish or to deprive others of something of value. It can create absolute compliance, but with the disadvantages of resentment and fear, leading to defensive behaviours, eliminating open communication.



### Informal Power

#### *4. Expert Power*

Respect is gained because of what we know and what we can do. Expert power can inspire commitment, but it is diminished if someone else has more expertise. This source of power has become more common-place with access to the Internet and within knowledge sharing cultures, leading to more powerful groups and teams. The internet can also diminish this source of power for the individual.

#### *5. Experience Power*

Linked to expert power, but more importantly has seen what works and what fails and why. This is the experienced warrior, not just the combat ready soldier. These are the people that make up the corporate memory and often make good mentors. When used negatively it can block new ways of implementing old ideas that failed in the past.

#### *6. Trust Power*

Empathy, openness and consistent application of values engender integrity, which in turn creates trust. The main advantage of trust power is that it inspires loyalty to you as a person. Trust is difficult to build, easy to destroy and will need constant work to maintain taking only one communication to destroy it.

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*Trust is difficult to build, easy to destroy and needs constant work to maintain*

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#### *7. Numbers Power*

Numbers power is about understanding the financial & activity reports and how to use and memorise the information (not the data). When used negatively it is the ability to dismiss unfavourable results and manipulate numbers to win the argument. Some will make up numbers and deliver them with such conviction and our own uncertain memories wouldn't dare to challenge them.

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*Presence power can evaporate in 'defeat', and the expectations raised must be deliverable*

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#### 8. Network Power

Understanding the Shadowside, will help you influence the informal side of organisational behaviour. Network is a critical source of influence in today's flatter structures. However, time and energy is required to sustain your network. The worst time to be building your network is when you need it now. Don't expect to take from the network until you have given something that is valued within it.

#### 9. Presence Power

Presence power is 'Charisma', the power of image and persuasive communication. Dress and the appropriate use of language is essential, with non-verbal communication, body language, poise, even how we walk, all having great impact. Presence power certainly gets attention, and people assume you have something to say. However, presence power can evaporate in 'defeat', and the expectations raised must be deliverable. Being at the centre of attention is a negative use of this source of power.

### THE SHADOWSIDE

Understanding the shadowside of organisations will enable you to tap into an area that the formal side fails to acknowledge.

The Shadowside is defined as:

"Those realities that often disrupt, and sometimes benefit the business, but which are not dealt with in the formal settings of the organisation."

(Gerard Egan)

#### Politics

Organisational politics are usually self-serving, and if given free reign, have a negative impact upon the organisation. They lead to communication break down, and infighting at all levels. Valuable knowledge is not shared, morale and motivation falls, the best people leave, and while the internal battles rage the competitors take your customers.

#### Idiosyncratic Behaviour

It is important that individual characteristics and diverse views are allowed to flourish, rather than the cloned approach of the recent past. However, the maverick, the eccentric, the insensitive and the insecure as well as the downright cavalier, all add to the stresses and distractions to those wishing to work collaboratively.

#### Informal Social Systems

From the Grapevine, to the email system, the curry club, to the banished smokers outside there are often a myriad of informal social groups that will be expressing their views about the organisation and the key players.

#### Organisational Messiness

There isn't a single organisation that doesn't have the fudge factor when it comes to procedures. Even in the most regulated industries, such as nuclear power, aerospace pharmaceuticals, there is some cutting of corners and reinterpretation of procedures to get things done on time or to react to unexpected and urgent. In fact if everyone followed all procedures to the letter, most organisations would grind to a halt.



## CONCLUSION

The use power and influence does not have to be a stark choice between Machiavellian behaviour or naiveté, there are endless examples of those who use power and influence for the good of others. This of course is where both personal and organisational standards and values play a key role in appropriate application of power.

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## 12. CEO Sourcing: The Small Cap Experience

### Kenneth Toombs – CMEurope

*For small cap companies and SME's pursuing ambitious growth plans, the need to recruit the right CEO is imperative. But as Kenneth Toombs, Managing Director CMEurope points out; the balance of commercial and cultural fit requires a more sophisticated hiring approach.*

Meet Bob Jones, Chairman of a national professional industry association. In 2006, Bob faced a dilemma. Having enjoyed the stability and surety of a long-serving CEO, Bob had come to the realisation that the business was no longer as commercially astute as it needed to be. Membership was waning, product offerings were no longer leading-edge and as a result, the credibility of the business was diminishing.

Seeing the writing on the wall, the CEO advised his decision to exit, and in the absence of a natural successor, Bob needed to source the replacement externally. Bob had a clear idea of what he wanted – someone with a clear track record of business transformation; someone who could act quickly and decisively and inject some new income into the organisation. So Bob did what many others in his position would do – he surveyed his network and identified a potential new CEO who displayed all these characteristics. The candidate came with a solid CV, was widely known in business networks and interviewed very well; seemingly a perfect fit.

In the first six months of the new CEO's tenure, cash flow improved... but four members of the senior executive team quit. In the second six months, the pipeline of potential new members appeared solid... but the Board received notice of a complaint and planned relationship withdrawal from a long-term industry partner.

By the final six months of the CEO's 18 month long tenure, the Board had assumed control of the day-to-day running of the business and Bob, who had championed the new CEO to the Board, was on shaky ground. All the ingredients for success seemed to be there. But very clearly, something went wrong.

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*For SMEs pursuing ambitious growth plans, the need to recruit the right CEO is imperative*

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*SMEs risk being thrown into disarray as a result of incorrect hiring decisions for leadership roles*

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This scenario is fictional; however it is sadly representative of the experiences of many organisations. Each year numerous businesses, particularly SMEs and small-cap public companies, are thrown into disarray as a result of incorrect hiring decisions for leadership roles. It's all too tempting for Boards and business owners to utilise informal methods to identify and attract a new CEO. However as we've seen from the Bob Jones example, the consequences of this lack of objectivity and of a failure to consider the behavioural and temperament characteristics of an appointee can be dire. This is especially true of organisations that are not large enough to sustain a senior management team to cushion the blow if things go wrong.

### **The Small-Cap experience**

The recent BRW profile of 100 Fast Growing enterprises highlighted a range of challenges particular to SME's and small-cap public companies that make the right leadership choice even more imperative:

- The more direct impact of the CEO on organisational culture.
- The role of the CEO in attracting external funding interest via brokers or direct investors.
- The need for the CEO to be the face of the company in the media, to shareholders and board members and equally to employees.
- The requirement for the CEO to be the driver of change and growth, focussing on the longer term success of the enterprise, rather than simply the shorter term pounds in the door.
- The onus on the CEO with respect to corporate governance and the ethics which drive attractiveness to customers, investors and potential employees.



Whereas in larger enterprises these responsibilities may be shared or divested among a broader leadership team, the CEO's of smaller organisations do not have this luxury and so must display both the technical capability and the behavioural characteristics to lead, shape and add value to organisational culture whilst achieving solid commercial success.

As more small companies see the path to growth through a public listing or some form of private equity investment, the choice of leader becomes a matter for public scrutiny. While the founder or incumbent may understand industry dynamics and have established a reputation for being commercially astute within their circle of business networks, the equity market may not view the founder as the right leader for the next phase of growth.

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*It takes more than being commercially astute to be an effective leader of a fast-growing company*

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But it takes more than being commercially astute to be an effective leader of a fast-growing company, and those factors that distinguish high performing CEO's in this environment are often the hardest to identify and measure using informal or traditional hiring methods.

### **A Critical Alignment**

The critical element of a successful CEO placement is ensuring alignment between the temperament, capabilities and expectations of the CEO and the risk profile of the Board or equity investor recruiting the new leader. This cannot be achieved without the rigour and processes of a professional search and objective behavioural analysis.

More traditional recruitment methodologies including CV analysis and interview must be enhanced by psychometric assessments, ultimately evaluating the candidate on a balanced scorecard approach which considers:

- Business development capability
- Innovation and vision
- Financial management
- Operational acumen
- Leadership, planning and communication

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*Enhance the more traditional recruitment methodologies using psychometric assessments*

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Adopting this more sophisticated approach injects increased objectivity and surety into the hiring decision and enables the evaluation of critical personal behaviours and values. This in turn facilitates the evaluation of any potential CEO vs. their ability to manage stakeholders, communicate the organisational vision and strategy to employees and investors, their adaptability, integrity and energy. It also helps to identify potential “problem behaviours” such as an inability to galvanise the support of their management team, or a tendency to pursue commercial success at the expense of corporate governance – two of the key behavioural issues in our Bob Jones example.

### **A Multi-Faceted Approach**

It's clear then that finding a CEO is easy. But finding the right CEO who will be a strong fit with the SME's values, culture and strategy is more difficult.



Having worked with a variety of smaller organisations entering accelerated growth phases, we know from experience that sourcing and selecting a new CEO who will stay the distance is more than simply putting the word out with friends in a personal network.

The best approach accurately translates the client need into a recruitment blueprint covering strategic, operational and behavioural elements. This ensures a perfect client and appointee match based not just on knowledge and skill components, but importantly on values, culture and operating style. This may be achieved through a variety of methodologies such as executive search (confidential, research driven, specific), newspaper advertising (broad reaching, defined timeframes, procedural rigour) or ad search, which combines the focus of the former with the reach of the latter.

The risks of failure for a new CEO in high growth SME's are too great to leave recruitment to informal, ad hoc practices. A disciplined and rigorous process which aligns the CEO to the business values, culture, strategy and Board expectations will deliver longer term security and value for the business and shareholders.

### **A postscript to Bob Jones**

Although fictional, the example given at the beginning of this article is based on the factual experiences of a client. Following the incorrect hiring debacle, I undertook the task of sourcing the replacement CEO using the methodology described above – taking into consideration role design, core competencies analysis, psychometric assessments, and remuneration consulting support and advertised selection. The resulting appointee, whose leadership style was more nuanced than his predecessor, stayed 5 years and helped to put the business back on the map.

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*Experience shows that sourcing a new CEO is more than simply putting the word out amongst friends*

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**About Kenneth Tombs:**

Ken joined CMEurope in 2007 as Director of Public Sector and more recently has taken on the role as Managing Director EMEA. His interests are in the emotional analysis of documents, having been involved in a number of high profile UK and American initiatives on digital preservation and improving government. He lives in Saint Lo in Lower Normandy, France and can be contacted at [Kenneth.tombs@cmeurope.eu](mailto:Kenneth.tombs@cmeurope.eu)

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*A disciplined and rigorous  
recruitment process will  
deliver longer term  
security and value*

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### **13. What do you want?**

Is there anything you would like to see or be informed about in this publication? If you have any suggestions or comments please send them to Sophie Woodward at [S.Woodward@surrey.ac.uk](mailto:S.Woodward@surrey.ac.uk).