

# Is a culture of fear holding your organisation back?

Renowned business thinker, Professor Andrew Kakabadse, recently presented the findings from his research into the characteristics of outstanding boards and top teams<sup>1</sup>, together with his views on what it means to be an outstanding global leader in today's competitive environment.

Drawing on his research of over 12,500 top teams and general managers, plus 5,000 boards in 14 countries across the world, Professor Kakabadse highlighted what the best leaders do (or don't do!), which revealed some recurring issues, including meaningful engagement, leadership during change, and the challenges of effectively negotiating and satisfying multiple contradictory stakeholder demands!

As with so many aspects of leadership, engagement is key. But in so many instances, there is a serious disconnect between boards and middle management or employees. They think differently, they view each other with suspicion. And their motivations and priorities are often worlds apart, as illustrated in the following table from Andrew's research:.

## The fear factor

According to Professor Kakabadse's research, one of the major factors that inhibit the success of an organisation is the fear felt by managers and employees of 'speaking up', often resulting in great ideas never seeing the light of day or – worse still – serious problems not being addressed until it is too late.

Progress can be held back by a reluctance to reward innovation or by allowing politics to get in the way of the organisation's objectives. There are any number of potential conflicts within a company, so unless the culture encourages the whole team to contribute – and feel that their thoughts, ideas or concerns will be listened to – there is a strong possibility that opportunities to grow, innovate or avoid problems will be missed.

## Figure 1: Strategic engagement

## Dialogue – top teams

The percentage of top teams that believe there are issues they should discuss but **don't**, as they are too sensitive.

are too sensitive	
36% France	63% Spain
47% UK	66% Australian Public Service
49% Finland	67% Australia
50% Sweden	68% Ireland
58% Hong	69% NHS Board
Kong	
61% Germany	70% NHS Top Team
62% USA	77% Japan
	80% China

Such 'gaps' vary from sector to sector and country to country but their impact is visible in every nation.

The survey revealed more about managers' challenges...

<sup>&</sup>lt;sup>1</sup> Published in *The Success Formula* (Kakabadse, 2015) by Bloomsbury.

- Communication there is a need for an inspiring framework to explain the 'why' when presenting future strategies to employees
- Hippo! (the belief that only the 'highest paid opinions' matter!)
- Risk aversion
- Lack of a shared view on 'how' (even if not 'what')
- Inertia and 'treading water' a perceived lack of common sense and involvement
- Tension between short- and long-term strategies
- Stakeholder demands
- Alignment of communications and engagement within the business
- Confusion about what constitutes value. Is it cash, ethics or something else?
- The need to respond quickly to trends and problems
- The ongoing battle between continual improvement and operational delivery
- How to motivate and reward, in the short- and long-term?
- Entrepreneurship versus team objectives
- Understanding that the 'why' is more captivating for most employees
- Chinese whispers mean that boards are removed from reality

Professor Kakabadse's findings from his global study on leadership, engagement and value delivery, highlight some of the variances in views expressed by top teams and their general managers.

The top team and CEOs invariably think they know what the vision is, and are trusted to discuss sensitive issues. But general managers – who Andrew believes are the most important people in any organisation when it comes to value delivery – often disagree, and the inability to discuss such issues points to a lack of respect.

To find out more about how <u>Henley's</u>
<u>Boardroom programme</u> is addressing these issues, please click <u>here</u>.

## **Andrew Kakabadse**

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Andrew has a long string of prestigious visiting professorships and other roles and appointments across the globe.

He has consulted and lectured in the UK, Europe, the USA, SE Asia, China, Japan, Russia, Georgia, the Gulf States and Australia. He is currently engaged on a major £2 million global study of boardroom effectiveness and governance practice, with the participation of a number of governments, including Ministers of State from the UK government.

His top team database covers 21 nations and many thousands of private and public sector organisations.

Andrew has held positions on the boards of a number of companies and has also been an adviser to a Channel 4 television series about business.

He has published 43 books, over 300 articles and 18 monographs, and was ranked among the world's top 50 business thinkers in the 2011 *Thinkers50* list.