

The CEO Advantage: Countering the Cover-Your-Butt Business Culture

By Nancy MacKay, Ph.D

CEO challenge

A CEO was shocked to discover that a member of his senior team had made a significant mistake in the new company compensation program – an error that could have cost the company millions. No harm done, the mistake was corrected. However, by the time the CEO found out about it, a full two months had passed from the time the mistake was first noticed. Why didn't the CEO find out sooner?

CEO mistake

This CEO had an interesting style of managing, one that he himself referred to as the “drive-by shooting” approach to leadership.

Members of the senior team all had offices on the same floor. Each morning, the CEO would walk by the executive offices and, if he felt a direct report was doing a poor job, he would pull out a “virtual taser gun” and let that executive know he had screwed up. What's worse, if the CEO thought someone was doing a good job, he wouldn't say a thing. “Why waste time when it's all good?” was his rationale. And, if someone did an outstanding job, the taser was employed again to let that individual know that he could have done better. “It keeps their egos from getting too big,” he concluded.

While you may find this behaviour extreme, the fear it created as well as the “cover your butt” culture was not that unusual. CEOs who are quick to criticize and reluctant to praise contribute to exactly the same environment.

CEO solution

In this case, the CEO needed to stop the drive-by shootings immediately or he was going to lose his team and experience productivity nowhere near its potential.

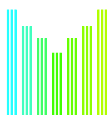
There is a better way to avoid the surprises of hidden information and position people for success, but this CEO had to make a complete turnaround to get there.

He learned to spend at least 30 minutes a week with each of his direct reports to learn about issues, challenges and successes in each area. This dedicated time was scheduled and locked in when it was least likely to get bumped so that the executives knew they were important and would be heard.

The key to these sessions was to have the executives take full ownership of their responsibilities. Each direct report was asked to drive the agenda for the meeting. It was then the CEO's job to listen for at least 80% of the conversation and reserve his words for last if he needed to discuss anything.

At least once per quarter, the CEO also discussed individual career and development plans with each executive.

This structure signalled to the executives that they were accountable for their areas and for reporting back to the CEO both good and bad news.



Needless to say, this about-face was very difficult at first for the CEO, but in time he grew to appreciate the new perspectives he gained during his executive meetings. He realized he had been missing out not only on critical information but some great ideas for helping the business progress. •

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This article from *Business in Vancouver* June 1-7, 2010; issue 1075

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