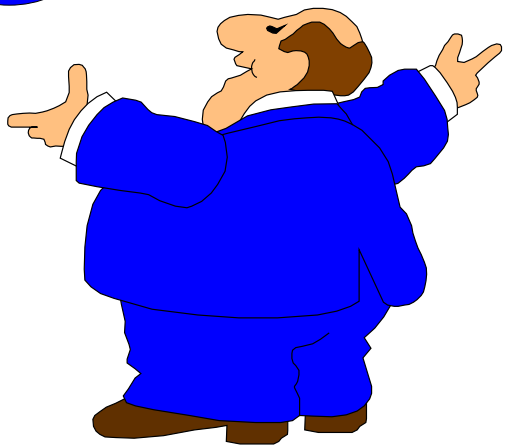


2

# The Universal Executive & The Astral Executive



Leadership is a key question that all technologically-based businesses and industries, in developed countries, need to address if they are to remain competitive against rivals, emanating from developing countries. In particular, in a technologically-based developed society, we need to determine what defines leadership in an industrial sense; whether our societies have mechanisms in place for generating industrial leaders; how much leadership actually costs and whether or not the existing types of leadership are even necessary in the modern industrial world.

Taking the above points one at a time, it would be reasonable to suggest that in many societies, leadership is viewed (albeit naively) as "telling people what to do" or "taking command". It would also be reasonable to suggest that the majority of people in society are intimidated by others who are pushy, aggressive or overbearing. Sometimes, this comes about because people fear an aggressor; because they are embarrassed by aggressive behaviour (and feel that diplomacy is the better part of valour) or because people are complacent (and feel that going along with someone else's ideas takes considerably less effort than trying to put forward one's own ideas). The general assumption is that leadership has the same attributes, whether it be military, political or industrial and that it is associated with an ability to command. The reality is that "telling people what to do" is no more an act of leadership than is pushing into the front of a check-out queue at a supermarket - neither of the acts requires more than an aggressive personality and a position of strength (either physical, political or emotional).

In as much as we don't refer to sheep-dogs as leaders, because they can tell sheep what to do, it is interesting to note that we can refer to corporate directors and managers as leaders, simply because they are in a position to tell employees what to do. The very word leader implies a person who is at the forefront of an activity and who, by his/her advanced capabilities, causes others to willingly follow. However, from the time that one walks into a kindergarten, to the time one retires from employment, one is constantly led to believe that leadership is about pushing and, that this pushing can be either physical or verbal:

*"Johnny has real leadership potential because he's able to dominate the other kids on the football field and because he's able to talk loudly in front of the class".*

It is very rare, however, to hear leadership discussed in terms of a magnetic "ability-based" activity that naturally draws others along:

*"Johnny has real leadership potential because he is the best mathematician in the class and other students naturally go to him for help"*

or perhaps:

*"Johnny doesn't speak very well in front of the class but because what he says makes so much sense, others naturally have to listen".*

One of the reasons that we place so much emphasis on "pushing", as a leadership attribute, is that, historically, most forms of work have been unpleasant, tedious or difficult and, therefore, in order to achieve a result, organisational abilities have relied upon "pushing", having a big mouth and/or a big stick. So, from motivating slaves to row a galleon faster, through to motivating production-line workers to insert bolts faster, there has been a perceived connection between pushing and leadership. The other connection between pushing and leadership is that, in many societies, those who push the least are the most likely to end up rowing galleons and inserting bolts, rather than being in a position to tell others to do so. As a consequence of this conditioning, if:

*"Johnny is aggressive and has a big mouth and a big stick"*

then we tend to euphemistically say that:

*"Johnny has real leadership potential".*

It is difficult to deny the historical effectiveness of the "*big mouth/big stick*" approach to leadership, since it has probably functioned reasonably well, from the time the first caveman found the first big stick, to use on other cavemen (and thereby assumed some form of leadership), right through to modern times. However, as societies have developed, and education levels have increased, the effectiveness of the "*big mouth/big stick*" approach has diminished.

For example, from a political perspective, the noisy and simplistic rhetoric of Communism, Fascism and Nazism, that emanated from

"leaderships", during the 1930s (and was accompanied by the big stick), has all but died in highly developed societies. In each case, it was assumed that leadership ensued from simple messages, repeated loudly, often and at the point of a gun. In each case, however, what had originally been perceived as leadership was exposed as hollow and unsustainable dictatorship, that could only be maintained while general educational levels were low; information-flow was restricted and there was sufficient economic activity to sustain the big stick. All these forms of leadership ultimately failed (within short historical time-frames) because those who had assumed the mantle were neither competent nor true "leaders" in any economic, military, sociological or technological sense.

In an industrial environment, we now have to examine the diminishing role of "*big mouth/big stick*" leadership in developed societies where, in the early decades of the 21st Century, some 80% of employees will have university level (or equivalent) qualifications. Is the leadership, that we currently have, likely to be exposed as hollow and unsustainable because it is based upon "*big mouth/big stick*" principles?

In order to understand the hollowness associated with many forms of industrial leadership, in developed societies, it is first necessary to summarise the five traditional functions of a company as follows:

- (i) **To "do"** something that others perceive to be of value (i.e., to create a product)
- (ii) **To "tell"** others that the product is available and that it has a value
- (iii) **To "distribute"** the product to those who can directly provide it to those who wish to purchase it
- (iv) **To "collect"** monies associated with sales of the product and to pay creditors
- (v) **To "divide"** those monies between the "*doers*", the "*tellers*", the "*distributors*", the "*collectors*" and those who effectively own the company (including financiers and creditors).

These can again be summarised into one basic objective, which is to make as much money as possible for those that own or finance the company. It is self-evident that this objective cannot be realised unless the leadership of the company can intelligently address all five basic functions. It is also self-evident that those who divide the monies are, traditionally, those who are declared to be the leaders of the company because they wield the biggest stick.

From a historical perspective, it has often been noted that humans have been families, tribesmen, hunters, farmers and small-town-folk for tens of thousands of years and industrialists and corporate participants for only one or two centuries - a historical blink of the eye. The idea of management and leadership, in any democratic sense, is therefore somewhat difficult to define, in terms of the above five functions, because our ideas tend to come from either family/community structures or from bygone dictatorial forms of control.

If we were to look back half a century, and examine companies in developed countries, then we would probably find that the "*doers*" were most likely to be tradesmen; the "tellers" off-the-street salesmen; the "distributors" shopkeepers and the "collectors" and "dividers" were the company owners. However, as we enter the 21st Century, in developed countries, we now find that the "*doers*" are more likely to be engineers and scientists; the "tellers" highly qualified marketing people; the "distributors" a conglomeration of multinational wholesalers, retailers and franchisers, and the "collectors", a team of accountants and financial controllers. This leaves us with the task of defining what sort of people should be responsible for the critical task of "dividing".

In companies where there are clearly defined owners, or major shareholders, one can accept that these people (being the financial risk-takers) have an innate right to be the final arbiters on the division of funds, whether or not they have the capacity to do so. However, in those organisations where ownership is not clear (e.g., government enterprises, large companies with diverse share-holdings, etc.), or where owners have decided that they are not capable of handling the complexities of their own companies, the issue of selecting leadership attributes arises.

The issue of leadership attributes cannot be addressed in isolation from the issue of "who" is going to be led and the issues pertaining to the

expectations of those who are going to be led. In management terms, we can simply say that "employees" are the "who" that need to be led. However, a key factor, that emerged in the closing decades of the 20th Century, was the gradual diminution of "tenure" in employment. Fewer and fewer jobs and careers became a "lifetime" pursuit because the operating window of companies became smaller, as a result of increased competition and higher business failure rates. The end result was that, by default, employees became risk-takers in the corporate environment and concept of "loyalty" became less and less relevant in the leadership equation.

If one considers a modern employee to be "*me incorporated*", then one has to consider that the employee has products (skills or labour) which are sold to the employer through some form of employment contract. Each time an employee works for an employer, he/she has to consider that the employer can no longer provide employment in perpetuity and, hence, "*me incorporated*" takes a risk in selecting an employer.

If "*me incorporated*" chooses the wrong employer, then it may acquire no new skills (or skills which are inapplicable elsewhere) and, so, when the current employer ceases to exist, then "*me incorporated*" may have no capital with which to pursue its next business opportunity. If one also considers that "*me incorporated*" may have to support several of its own employees (spouse and children), make repayments on a factory (the family home) and pay creditors (gas, electricity and telephone charges), then one can understand that the relationship between employer (or, specifically, the organisational leader) and employee (i.e., "*me incorporated*") is no longer as clear as it once was. To begin with, "*me incorporated*" works on a fee-for-service basis and can be expected to provide nothing for nothing. And, just as an employer doesn't provide products or services, gratis, to clients, "*me incorporated*" cannot be expected to provide gratis services to the employer. So, if "*me incorporated*" is hired on an hourly basis, then it can only provide the time that has been paid for and not a minute more. Secondly, "*me incorporated*" doesn't fall into the traditional superior/subordinate structure because the role of "*me incorporated*" is to maximise its own capital (skills base), build upon its infrastructure (family home) and plan for increasing payments to its own employees (spouse and children).

In heading a modern organisation, therefore, a leader not only has to be responsible for coordinating the five basic functions but, also, for negotiating with a myriad of "*me incorporated*" organisations within.

Moreover, one has to accept that the devolution of organisations into a myriad of "*me incorporated*" individuals is a natural corollary of contractual employment, elimination of tenure and diminishing stability in the workplace. It is the price that modern organisations have to pay in exchange for flexibility in employment structures.

In Western countries, the issue of "leadership" was often resolved by promoting people from the ranks of the "tellers" (who, by virtue of a marketing background, were generally the most vocal) and the "collectors" (who, by virtue of having collected and dispensed money, were deemed to be the most influential) to the ranks of "dividers". In other words, leadership, in an industrial sense, was often based on the "*big mouth/big stick*" principle.

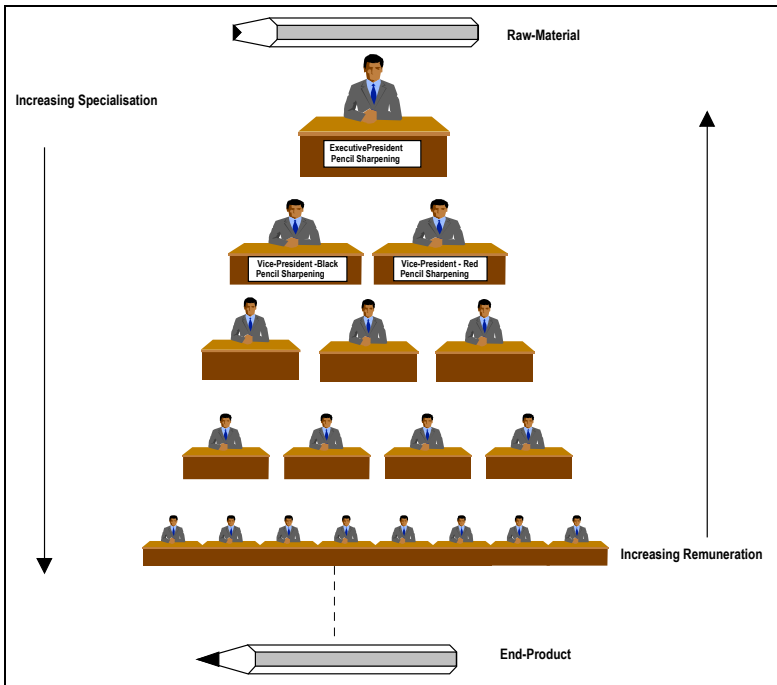
The *big mouth/big stick* principle of management functioned reasonably well, for one or two decades of the post-war era, in places such as Australia, Britain, Europe, New Zealand and North America, because each of the countries involved was, to some extent, isolated from external competition through either tariffs, distance, a large domestic market or a general lack of international competitors. Senior industry positions, in many such countries, were dominated by people from marketing, business, accounting and economics backgrounds. The deficiencies were only exposed when developing/redeveloping countries (Japan, Germany, etc.) began to make substantial in-roads into the world economy (during the 1960s) and became formidable competitors.

Until a late reassessment of the rising tide of competitor nations came about in the 1980s, many industries had assumed that all they had to do in order to sell more was to market more or (if the companies were dominated by business graduates) to re-arrange the staff and departments within the organisation (restructure).

In essence, restructuring was a core problem but it was seldom addressed in any real sense. Many companies, in the developed world, had structured themselves into the traditional corporate pyramid, illustrated in Figure 2.1, with increasing remuneration levels towards the apex and increasing specialisation towards the base.

The pyramidal structure was reasonable, in the early years of industrialisation and corporatisation, because those with the greatest depth of knowledge (e.g., company founders) ended up at the top and it was often

possible for them to remain at the forefront of knowledge in their industry. However, the complexities of the modern world ultimately created a pyramid with generalists at the apex, attempting to lead an increasingly-specialised work-force that provided increasingly-complex products and services to an increasingly-complex market-place. Moreover, many of those at the apex of the pyramid became "how-to-doers" without ever having been "doers". The modern pyramidal structure ultimately resembled a dinosaur (with a small brain endeavouring to control a large trundling body) far more than it did a logical basis for organisational efficiency.



**Figure 2.1 - The Traditional Pyramidal Corporate Structure**

One reason that many industries in "pre-war-developed countries" stagnated and declined, during the latter decades of the 20th Century, while competitors from countries such as Japan and Germany flourished, was,

therefore, fundamentally related to lack of true leadership, within the pyramidal structures that remained in place.

In simple terms, the problems with leadership, in the pyramidal structure, emerge because the five traditional functions of business, listed earlier, do not adequately describe a modern industrial organisation. Certainly, modern industry still needs to do, to tell, to distribute, to collect and to divide. However, if industry is to survive in the long term, it also needs "to change" - and to change continuously. Further, if we accept that change has to be managed, then we also need to accept that change has to be forecast, so, we need to add a seventh basic function to modern industry - that is, "to see".

Each time we add new functions to the organisation, we need to reassess how these affect the leadership of that organisation. If we are considering technologically-based industries, we currently have seven basic functions and three of these are technocratic - to do, to change and to see. The remainder of the functions are a combination of business administration, accounting and marketing. We can assume that most of these functions are relatively insensitive to the changes in technology because the basic processes of selling, collecting money and dispensing money have changed remarkably little since biblical times. In other words, whether one is selling a chariot in Pompeii, a car in Detroit or a space-ship on Mars, the basic transactions remain similar.

The technocratic functions, within an industrial organisation, are very dynamic in nature because technology not only influences product design but also the applications and markets for products - as the applications change, the product design must also change. Moreover, the rapidity of technological change diminishes the value of the market research that often serves as an input to product design, because of the need to speculate on technologies that *may* become available (as opposed to those that are already available). Market research doesn't deal very well with speculative questions, such as,

*"Would you buy a space-ship if it was available in both red and blue?"*

because respondents generally don't know whether they need or want a product until after it becomes available, and until they can see the potential benefits.

The most obvious example of the need "to see" occurs in the computer and software industries, where designers need to speculate on the potential demand for devices and systems that have not yet been developed, or for which the enabling technologies are currently non-existent. If designers wait for the demand to arise, or for enabling technologies to be developed, before they commence implementation, then they lose their competitive advantage. Companies, in these environments, therefore need "to see" and to make "guesstimates" of what the future will hold and, inevitably, there is considerable risk associated with such forecasting. Hence, those that tend to do consistently well in this environment are those that are powerful enough to minimise their risks by conditioning the market to their products through saturation advertising (i.e., by creating market needs), rather than those that simply respond to market needs.

The other phenomenon associated with technologically-based products and services is that they tend to be made of components that don't wear out rapidly and, so, the market becomes quickly saturated and the cash flow from sales of these products diminishes rapidly - the product window is relatively small. Software is the prime example of a product that is non-consumable and can, theoretically, have an indefinite lifespan unless it becomes superseded by better products. In other words, once each consumer has a copy of a piece of software, the market for new copies dwindles rapidly. An additional problem for those involved in technologically-based industries is that consumers do not really "need" many products other than the basics of food, clothing, housing and shelter. Hence, many companies, in the developed world, not only derive an income from convincing consumers that they need non-basic (non-essential) items but, also, that once they have these entities, they should regularly discard them in favour of newer models.

The impetus for change therefore arises from the need to sustain income, by continually introducing new products, whether or not they are required by consumers - hence the success of those organisations large enough to condition the market. Overall then, given that there will be less consumer-driven demand for change (because the ratio of basic to non-basic items, in developed societies, is decreasing), the process of change in many technologically-based industries will, increasingly, need to be driven by those industries, rather than by the market-place.

The need for companies "to see" not only introduces a new element of risk but it also introduces the need "to change" and to manage that change and

convert it into the ability "to do". None of these roles can be adequately addressed by the "tellers" and the "collectors" within an organisation because the functions all have a technocratic base. To draw on an analogy, the ability "to see", "to change" and "to do" forms the engine of a technologically-based industry and is the driving force behind that industry's ability to return profits. The ability "to tell", "to distribute" and "to collect" forms the fuel system for that industry. An organisation cannot run effectively unless all the functions are carried out but the difficulty is in defining the overall leadership, if any, that is required in order to equitably divide resources and monies between the different corporate functions.

Again, the weaknesses of the traditional corporate pyramid become apparent. However, there are a number of potential solutions to the problem of industrial leadership. The first, commonly employed by many large organisations, that have had technology thrust upon them, is to persist with senior executives that have spawned from business, economics, accounting or marketing backgrounds. Given that large companies have built-in inertia, and that their departments and employees tend to keep doing whatever they were doing (regardless of what happens at an executive level), it generally takes many years before any signs, resulting from lack of leadership, become apparent. In these organisations, it is self-evident that those who become "leaders" have no urgent requirement "to see", "to change" or "to do". And, for as long as they rely upon others to fulfil these functions, they are little more than administrators. However, when these people are given the role of "dividers", they tend to devote excessive resources towards the areas with which they identify (telling, distributing and collecting), often at the expense of technological areas that are the driving force of the organisation.

On the other hand, many smaller organisations, that have grown from high-technology origins, tend to persist with senior executives that have spawned from engineering and science backgrounds (in the same way that older companies often had senior staff emanating from trade backgrounds). These companies have very little inertia and the decision-making process of the executives can very quickly make or destroy the organisation's ability to do business. Here, it is often the case that the executives have limited ability "to tell", "to distribute" or to "collect". Again, there is a problem of leadership and when these people act as "dividers", they tend to devote excessive resources towards the areas with which they identify (seeing, changing and doing), often at the expense of vital administrative business functions that fuel the organisation. This is considerably more serious than

the neglect that occurs in large organisations because the smaller organisations simply don't have the inertia to survive or to correct any mismanagement that occurs. When combined with the risks associated with correctly "seeing" the future, it is inevitable that the failure rate for such small-to-medium high-technology organisations will always be very high.

An interesting phenomenon, that occurred during the 1980s and 1990s, with the exponential growth in high-technology areas such as software, computing and information technology, was that a number of companies, founded by technocrats, survived their growth problems, developed genuine leadership skills and became immensely powerful. In these cases, the technocratic founders demonstrated an ability "to see", "to change" and "to do". Moreover, as their companies grew, the founders either developed the administrative skills associated with "telling", "distributing" and "collecting" or appointed less-senior staff to handle these roles. The end result was a collection of highly successful organisations that were inured against the competition arising from countries with lower labour costs. The reason for this success was based on the fact that these organisations did not sell products as much as they sold "change" and product evolution. While products had a limited lifespan, change was continuous. In terms of leadership therefore, these organisations were endowed with people who could not only "see" but could understand the intricacies of the "changing" and "doing" processes as they related to the outside world.

It would be easy to dismiss the successful examples of leadership, that emerged in advanced technology areas, as isolated instances where "*doers*" had become successful leaders. But were these modern instances substantially different from the success stories emerging from early 20th Century organisations, such as Daimler-Benz or Ford Motor Company? The answer is probably not. The fields of technology changed somewhat over the course of the 20th Century but, in each instance, large influential (and relatively long-lived) organisations emerged as a result of a technocratic leadership that was the driving force behind innovation.

Many have simplistically argued that the success of organisations, such as Ford, was as much an indictment of powerful marketing as it was of technical prowess. However, that argument overlooks the enormous changes and technological advancements that organisations, such as Ford, brought about (in their early years) to mass production and car design (resulting from mass production). The marketing argument has even less validity when

applied to organisations such as Daimler-Benz, where there was a clear commitment to technical advancement and excellence for over a century. In all these instances, the management pyramid worked reasonably well in the formative years because of the inherent depth of knowledge at the apex of the pyramid. In many cases, however, as the depth of knowledge at the apex diminished (as a result of enormous corporate growth or the selection or retention of inappropriate leaders), so too did the fortunes of some of the companies.

The 20th Century also bore witness to examples of industries that performed well, despite an absence of technocratic leadership, and succeeded through aggressive "tellers" and "distributors". Predominantly, these were organisations that supplied commodity items, such as junk/fast food retail chains and primary producers, such as those associated with mining and so on. The principal difference between these types of companies, and those that rely on a technological base, is that the focus of leadership, in commodity companies, is either in finding new sources of raw material or in finding/conditioning new markets in which end-products can be sold. However, the problem with such organisations is that their lifespan is always limited by the external forces that are placed on the commodities that they acquire and sell. For example, if floods destroy a particular crop, or if oil supplies are exhausted then it is difficult to maintain an organisation in its existing form. So, the emphasis of leadership in these sorts of organisations is "to see" what upcoming trends, for commodities, can either be detected (through market research and exploration) or generated (through saturation advertising) and to diversify (i.e., "to change") the company to enable it to survive.

There are also numerous examples of successful "paper" industries that are based solely on the transfer of monies. These include banking, insurance and finance organisations. In these areas, technology is often only a tool for the delivery of products and services that have remained essentially unchanged for centuries. Moreover, in these organisations, leadership is a far less challenging issue than it is in others because all seven functions (doing, telling, distributing, collecting, dividing, seeing and changing) require a much narrower band of expertise.

In some countries, such as post-war Germany, there was a recognition that the seven areas of leadership, required within a technologically-based organisation, could not generally be found within a single person. In

Germany, therefore, many technologically-based companies recognised that leadership required understanding and control of both the technical functions and the financial functions of the organisation. The structures that were put in place were sometimes referred to as "matrix" structures because they involved both technocracy and bureaucracy. In some organisations, this duality was manifested in the need for two signatures to accompany every official letter - one from a technocratic representative and the other from a financial representative. Many undergraduate students in German universities, studying engineering and science, were also expected to undertake work experience in purely financial organisations and conversely, those studying in financial areas were expected to undertake work experience in technology-based areas. The objective was to ensure that, while specialising in one particular field, graduates had a much broader understanding of the functions of a company. The enormous growth of the German economy, during the post-war decades of the 20th Century, was a testament to the success of the approach that they adopted.

In post-war Japan, an understanding of the seven functions of industry, was instilled into leaders through schemes that engendered long-term devotion to a particular company, and through regimented promotional systems. Professionals had to spend many years, spiralling upwards, through the many departments in an organisation, before they could reach a true leadership position. Along the way, companies ensured that employees were provided with a continually-broadening education to support their rise. However, in order for such an approach to succeed, it required a long-term commitment from the company to its employees and vice-versa. This tended to avoid the establishment of "*me incorporated*" organisations, within the principal organisation, and, as a corollary, strengthened the principal organisation so that the need for retrenchments was minimised. As in the case of Germany, the phoenix-like rise of the Japanese economy, from post-war ashes to world dominance, by the end of the 20th Century, was a testament to the strength and quality of leadership that this approach engendered over half a century.

Looking at the above examples, it would appear that the basic skill requirements for leadership can be very diverse and dependent on the type of organisation and country in which they are to be employed. However, if we take all the different types of organisations and simply divide them into the "dinosaur" class (where they can trundle along for considerable periods, with limited brain activity, and where high level decision making can do little to

control the inherent inertia) and the "fox" class (where cunning, decision making and svelte changes in direction can mean life or death), then we can make some interesting generalisations.

In the "dinosaur" class of organisations, the likelihood of completely losing market share and going bankrupt, within a short space of time, is very low. In many cases, the sheer size of these organisations, and their inherent marketing and distribution strength, means that they operate (by default) as monopolies.

A dinosaur doesn't have to be very intelligent to stand over and crush smaller, but more intelligent, beings. For the most part, the fortunes of such organisations (and their market share and profits) therefore oscillate gently about a relatively-stable equilibrium point. The factors that affect the oscillation are so complex and multidimensional that it is difficult, if not impossible, to ascertain the exact causes of the oscillation and whether or not they are influenced by "leadership". The window of opportunity, in which such companies operate, can last for many years or decades (sometimes centuries in the case of financial organisations) and the closing of the window is marked by a slow shift in the equilibrium point. Decline can therefore occur over the life of several different "leaders". Hence, in these organisations, we need to address the issue of whether or not the "leaders" serve any purpose at all. And, although many people have argued that the economies of scale, available to dinosaur companies, are largely illusory in a production sense (because they tend to be devoured by other overheads and inefficiencies), there is no doubt that the economies of scale in marketing and distribution enable the dinosaurs to move mountains.

In the "fox" class of organisations, the decisions made by leaders are critical to success or failure and the results of those decisions become visible in short time-frames. Whereas the dinosaur organisations derive their competitive advantage from being much bigger than everyone else, and from doing the same things over and over again to reduce overall costs, the fox organisations derive their advantage through continuous change and innovation. This doesn't imply that the fox organisations are doing more for society than the dinosaur organisations (continually changing products and services can often have a nuisance value) but it does mean that the true definition of leadership, within the foxes, has some general attributes that need to be examined.

In the fox organisations, leadership is dependent upon the ability to see, to change and to do (and to divide resources accordingly) and this, in turn, can only be successfully derived from people whose knowledge of each of these functions is greater than that possessed by others within those organisations.

The other attribute of leadership, in the fox organisations, is related to urgency. If we accept that leadership is related to the ability to see, to change and to do, then we also need to accept that this role is one of forecasting, strategic planning, and long-term decision making. Leadership here, as in dinosaur companies, is not about day to day issues or about "*closing a deal*" or about "*urgent international business calls*" or about being "*desperately needed in Paris on Monday*". It is about analysing changes in the outside world and evaluating how those changes should bring about changes within the organisation. It is the rate and process of change, in fox organisations, that separates them from the dinosaur organisations. However, in both organisations, there tends to be a simplistic belief that "haste" and "urgency" in management are related to productivity, change and efficiency within the organisation. And so it is that people, who are not suited to leadership, tend to believe that by creating crises, and then pretending to quickly resolve them, they are expediting the change process. In reality, of course, the haste is related to self-importance far more than it is to leadership.

The problem with true leadership, as opposed to *big mouth/big stick* leadership, is that it is largely invisible on a day to day level. It requires silent observation, silent thought and quiet meaningful discussions, both within and without the organisation. In particular, a large proportion of leadership must, by necessity, be a listening activity. However, all these characteristics tend to fit very poorly with the mechanisms that societies use to create and assess leaders - authoritativeness, visibility and audibility (*for the squeaky axle always gets the grease*). In pre-war-developed countries, the result was that many leaders in fox organisations (where leadership was most critical), were often derived from noisy administrators. Worse still, even in technologically-based organisations, the noisy administrators were sometimes derived from the "telling" and "collecting" functions of the organisation because they were the most audible or visible. In many instances, therefore, little value was placed on the ability to see, to change and to do. However, this ability, and associated level of understanding, could normally only be derived through many years of "doing" and through leadership in "doing".

Many universities recognised the promotion of administrators and tellers to senior positions in organisations and created courses whose function was to manufacture leaders. During the mid 1980s, legend had it that the streets of cities, such as New York and Boston, were filled with company executives searching for manufactured leaders from the ranks of graduates, emanating from the Master of Business Administration (MBA) courses, at local universities. It was said that such graduates need only walk past the portals of the various business houses in order to be snatched in and offered senior positions. The irony was, of course, that the MBA was one of the most aptly named courses within the international university system in the sense that it trained people for administrative roles. The course had as much to do with leadership as did an arts degree in Latvian poetry. Although many of the subjects, pertaining to MBA type courses, contained evocative words such as "management", "leadership" and "strategic planning" the emphasis was clearly on administrative process.

The "leadership-manufacturing" (management) courses themselves were largely innocuous (and served a valuable purpose in basic training for administrators) but the fact that industry was gullible enough to perceive such courses as the basis for leadership was a greater cause for concern. It was an admission that some industries viewed leadership as a commodity that could be purchased from various universities.

Most prestigious universities act as a magnet for highly intelligent and highly motivated individuals and, whether or not those individuals complete a "management" course, they are likely to leave their institutions as highly intelligent and highly motivated individuals. However, this doesn't mean that they inherently have leadership attributes, ready for application, and certainly not at senior levels within an organisation.

In retrospect, one can view the naive expectations, from management courses in the 1980s, with some amusement, but the broader issue of "management" courses in universities was relatively serious because these courses were confused as leadership-manufacturing mechanisms. As a consequence, the myth that was developed (often intentionally by universities endeavouring to market courses) was that of the "*universal executive*" who was capable of running any organisation. Whereas a universal soldier could do battle for any country because *a war is a war is a war*, the universal executive could run any sort of company because *a business is a business is a business*. At the core of the myth was the incredibly innocent (some would

say downright stupid) notion that all industries and companies were exactly the same to run (they just did different things) and, hence, that one didn't actually need to be a "*doer*" in order to become a senior "*how-to-doer*". However, it became increasingly apparent (after the global economic downturn of the late 1980s) that only the clerical and administrative procedures were common to a broad range of industries and companies - the leadership roles (if they existed at all) were altogether different.

Needless to say, few organisations or individuals, in the 1980s, questioned the logic behind the creation of universal executives because, to do so, one would have also had to question the logic behind the traditional corporate pyramid that was the backbone of most enterprises. In a sense, the universal executives were created to fill a hole at the top of the corporate pyramid. With the benefit of hindsight, one can now recognise that, as far as the "fox" organisations were concerned, the universal executives were a square-peg filling a round-hole.

In the case of the "holes", left in the dinosaur organisations of the 20th Century, the universal executives, emanating from university "management" schools around the world, provided the clerical and administrative support that sufficed as a form of "leadership" in the traditional corporate pyramid. However, by the late 1980s, the ferocity of the competition, from developing countries, increased markedly and inherent weaknesses in leadership were exposed even within the dinosaur organisations. In simple terms, many of the so-called leaders were unable to manage change because they had never been "*doers*" and, hence, could neither intelligently forecast nor implement change.

An interesting example of how an absence of leadership could lead to serious decline could be found in the American motion-picture industry, where the studio dinosaurs, from the 1930s, spiralled downwards into almost financial oblivion over a period of four decades. Although the public perception was that the dinosaurs were run by Hollywood-based film experts and the highly-publicised "studio moguls", the later-revealed (and more-likely) scenario was that they were tightly administered, via remote-control, by executives on the east coast of the United States. During the 1930s, the various studios became extremely powerful industries through protective legislation initiated by the Franklin Roosevelt administration. The legislation was intended to give the film industry protection, through control of film distribution, and, as a result, the studios also became very wealthy and influential property owners. However, a failure, by the Roosevelt

administration, to maintain the legislation left the industry to fend for itself and many of the studio dinosaurs went into steady (but consistent) decline, until their ultimate demise in the late 1960s and early 1970s.

The various reasons, given by "leaders" for the demise of the studio dinosaurs in the motion-picture industry included:

- The unexpected and overwhelming success of television (leading to cultural changes)
- The continual time and cost overruns, associated with the colossal film making projects, that the studios undertook in the 1950s and early 1960s.

In hindsight, we now know that neither of these were valid arguments. In fact, both of the arguments were little more than a rationalisation for a lack of vision and an ability to change. Firstly, the emergence of television, in the United States, was hardly a surprise and its "phase-in" period was over nearly a decade (giving the studios substantial time in which to adapt). Secondly, the acceptance and success of television should have been no more surprising, given the experiences already obtained from the introduction of radio in the 1920s. Thirdly, despite the emergence of television, video and cable television, the revitalised motion-picture industries of the 1990s proved that, with appropriate management, the cinema system could regain its place as one of the most sought-after forms of entertainment in many countries.

The purported time and cost overruns associated with large film making projects were, in many ways, as fictional as the films that were produced by the studios. The reality was that the "leaders", who had thought they had been pulling the strings of the "mogul" puppets, had consistently been duped by those puppets and were unable to effectively lead because they didn't understand enough about the "doing" phase of the industry. In simple terms, executives were baited into complex and costly projects through the allure of unrealistically short production times and unrealistically low production costs. These under-estimates were only too willingly provided (either knowingly or unknowingly) by the Hollywood moguls who had a vested interest in making films. The extravaganzas, that were ultimately produced, didn't actually run over time and over budget - rather, they were under-timed and under-costed by the executives.

The motion-picture industry may appear to be an unusual example in which to draw leadership analogies with other business enterprises but the similarities are considerable. The primary leadership failures were in the inability to see and to change accordingly. The secondary failures occurred simply because leaders had not been *doers* and were unable to make intelligent decisions and assessments based on information provided to them by *doers*. The motion-picture industry actually shares attributes with many other technology-based industries that produce one-off items of major equipment, such as ships, buildings, aircraft, software, production equipment and so on. Costing and timing in these types of industries are complex and riddled with uncertainties and so the role of leadership requires a considerable amount of "doing" experience if it is to be meaningful. In the case of the motion-picture industry, executives had considerable experience in distributing and collecting but very little in actually doing. So, while the industry had protection, little competition and the ability to make many similar films, inadequacies in leadership were not apparent. However, as soon as competition emerged, protection fell and the number of one-off extravaganzas increased, the leadership cracks appeared and the industry began to crumble.

It may appear, from the above examples, that companies undertaking one-off projects have a peculiar set of leadership problems related to timing and costing - that is, project management. It may also appear that companies producing technology-based products, in volume quantities, have a different, and peculiar, set of leadership problems. In these organisations the problems are centred on the product window - that is, how long the product is viable and how long the production equipment and production environment is viable. However, both the "one-off" and "volume-production" problems are clearly related to timing and costing. And, these problems can readily be resolved when there is little competition and organisations can charge a premium for their products (that includes a large margin to cover mis-timing and mis-costing).

The real leadership problems only emerge when competition begins to erode the safety margins that have been factored into product costs. In many instances, these problems ultimately expose the fact that there is no real leadership in an organisation and that it has only survived or prospered as a result of a fortuitous operating environment. In a sense, the rising tide of developing nations (which emerged in the post-war years) exposed such leadership problems in the pre-war-developed countries.

In order to provide any form of true leadership, in a complex and competitive environment, a leader therefore needs the capacity to:

- **"See"** the projects that can, and need to be, undertaken
- **"Understand"** the technocratic limitations of the staff and technologies, with which the projects need to be undertaken
- **"Communicate"** realistic expectations to the staff
- **"Understand"** the feedback derived from the staff.

Without an innate ability "to do", an executive, in a traditional corporate pyramid, is generally at the mercy of those below, who are seeking to move upward through the same pyramid. In such an environment, an executive or manager becomes, for all intents and purposes, a naive follower rather than a leader.

The simple and harsh reality, therefore, is that a business or industrial leader, who doesn't know how much it costs his/her organisation to produce products, or the timing associated with those products, has no tangible leadership attributes. As the motion-picture industry example highlighted, there is little merit in being good at marketing and distributing products that cost more to produce than they actually recover from sales.

The issues of timing and costing therefore lead one to examine leadership from the perspective of feedback. In other words, how can one lead if one is dependent upon feedback (from other employees) that one cannot intelligently assess?

Feedback, in a technology-based organisation, is meaningless if it is provided to people without an understanding of its origins and implications. For example, if one is managing a development project and the technical feedback is that the project will take "X" months to complete, then the following issues need to be addressed:

- From a technical perspective, how similar is the current project to any previous projects?

- Have the people, who have provided the feedback, "padded" the times and costs associated with various milestones, in order to give themselves an excessive safety margin (thereby unnecessarily increasing costs)?
- Do the people, who have provided the feedback, have sufficient knowledge to accurately estimate the times and costs associated with their portions of the project (thereby potentially underestimating the real times and costs)?
- What technical prejudices and biases do the people, providing the technical feedback, have and how do these impact upon the feedback and the conduct of the project (in other words are the feedback providers blinded by a desire to do the project or a desire to avoid the project)?
- Given a small error-margin (because of the need for competitiveness), can the project realistically be timed or costed such that the risk of loss is minimal?

The same sorts of questions also arise if one is leading an organisation involved in establishing plant and equipment for mass production of a technical end-product. However, in both cases, the answers to these questions require an in-depth knowledge of the "doing" function within an organisation. This knowledge ultimately allows a leader to interpret the demeanour of the feedback providers; their motivation; their capabilities and their limitations - in other words, to understand whether the feedback is accurate or meaningful. In the final analysis, this knowledge enables a leader to address the question of, "why are we producing products that cost more than they earn?"

One could argue that the technical aspects of timing and costing are only part of the total picture and that the financial aspects are also critical. However, we are again faced with two different fields of expertise, one of which is dynamic and one of which is static in nature. The financial aspects of costing and timing are more likely to be "stable" (or at least reasonably predictable), for the duration of a project, than the technical aspects. For example, in a stable-developed country, although interest rates or labour costs may increase by 5-10%, during the course of a project, one can still arrive at a worst-case scenario without considerable difficulty. On the other hand, technical development timing could vary by 300 to 400 percent, as it does in

software development projects or by 30 to 50 percent as it does in building and construction. In a technologically-based organisation therefore, the business functions of leadership are considerably less ominous than the technical aspects because they are less volatile and less dramatic.

In light of the previous discussions, one may have to accept that, in a non-ideal world, leadership will need to emerge from a compromise of qualities, because companies inevitably tend to migrate towards a pyramidal corporate structure and, thereby, limit the potential range of contenders. However, one then needs to accept that, in technologically-based organisations, a combination of technical prowess and financial mediocrity is more likely to succeed than a combination of financial prowess and technical mediocrity. Indeed, if one puts aside the dinosaur corporations, it is possible to find numerous examples where this rule has been successfully applied and far fewer examples where the reverse has worked for more than a short period. Eventually, the mis-costing and mis-timing, caused by a lack of technical understanding, tend to outweigh any gains derived from shrewd financial management.

Thus far, we have tended to only examine the attributes of organisations ruled by econocrats, bureaucrats and technocrats. However, in many instances, the "tellers" in technological organisations have either assumed leadership roles or have made sufficient noise to imply that such organisations can run well, based primarily on marketing leadership.

In the 1960s, the marketing world staked its claim for leadership through famous (and particularly good) examples such as the Volkswagen "Lemon" campaign, which proved enormously successful for that company's Beetle vehicle. Few would deny the originality and magnetism of the approach, which showed a vehicle that had been classified as a "lemon" by the manufacturer, and explained why customers would be unlikely to ever find a lemon in the showroom. This benchmark advertising approach was still in use some thirty years later, in various forms, for many different types of products. However, it was somewhat simplistic to imply that the marketing was solely (or even principally) responsible for the success of the product or the organisation behind it. In the case of Volkswagen, in the 1960s, the product was a relatively fuel-efficient low-cost vehicle with exceptional reliability and build quality, in a world filled with fuel-inefficient, and relatively unreliable, competitors. Fortuitously, the product had also inherited (perhaps, through a failure to update designs) some endearing qualities that

helped it to gain a cult status. The chance alignment of technology, marketing, fashion and timeliness all worked together to produce a highly successful product and company.

Interestingly, the sorts of marketing aspirants to leadership, who trumpeted success for the Volkswagen program, were less inclined to accept responsibility for the failure of the Ford Edsel, which proved to be one of the more famous automotive disasters. Hence, in every instance, one has to assume that the factors that influence success and failure are multidimensional and that it is very difficult to isolate individual causes.

The above automotive examples, and the idea of "multidimensionality" cause one to examine leadership and its relationship to fortune (or luck). In particular, a question that needs to be addressed is whether some of the people, that we have come to accept as leaders, are merely people who have been able to market themselves, by taking credit for a fortuitous alignment of circumstances. There have been numerous books written, by marketing-oriented people in the United States, about energy, motivation, "making your own luck", etc. Principally, these books focus on how the authors have become successful leaders through a planned application of human energy and wisdom. Of course, what the authors of these texts fail to appreciate (or, more aptly, don't want to appreciate) is that for every person that has tried such techniques and succeeded, there are countless others who have attempted the same approach and have failed dismally - needless to say, no-one wants to publish books about those who have failed and, so, superficially, it appears that the techniques work. There may also be many businessmen that have been highly motivated, and have read all the right books, but have failed to "make their own luck", "pull their own strings" or create successful business empires and have wondered where they may have gone wrong in life.

The widely-held belief that motivation (or, at least the noisy form of motivation in which marketing people indulge) is the key to leadership and success is a cause for concern in a technologically-based society. The fact that a person is highly motivated to become a leader in nuclear physics or athletics or business does not mean that they have the capacity to do so. Worse still, if one's motivation is solely based upon the idea of "getting to the top" of the corporate pyramid then it is also somewhat misguided. As we have earlier noted, leadership is about doing something extremely well and, as a result, becoming a magnet that draws others along. On the other hand,

the motivational approach is about "pushing into the supermarket check-out queue" and being fortunate enough not to be thrown out by someone with a bigger stick or a bigger mouth. This being said, the developed world does have many business "leaders" who do believe that they have, within themselves, some divine ability to make their own luck and that the fortunes of their companies have arisen solely because of that ability. Ironically, these also tend to be the sort of leaders that are ultimately exposed as having "pushed into the supermarket check-out queue". As often as not, their luck eventually runs out when they encounter another leadership contender that pushes into the queue ahead of them.

We can refer to those leaders, who claim to "make their own luck", as "astral executives" because they are likely to be individuals that are prepared to claim that the alignment of planets, at any given point in time, is due to their leadership skills, motivation and ability to organise. Fortune and circumstance play no part in the astral executive's leadership process. Astral executives can often be found at the helm of dinosaur companies (often commodity companies) and, as the fortunes of their companies increase (usually as the prices of commodities increase), it is naturally as a result of their expertise. Many astral executives are also floating bodies that can move effortlessly, from organisation to organisation, and have sufficient intelligence to tell when the fortunes of their current organisation are about to decline. As they sense the downward movement, the astral executives drift to other organisations on an upward path:

*"My work here is done, I need to move on to help others in need..."*

And, when it is revealed that their previous organisations have declined, after their departure, the astral executives quickly drift out of responsibility:

*"It was always running well while I was at the helm..."*

An astral executive is therefore one that takes credit for being present during a fortuitous alignment of circumstances and people - in other words, an opportunist. True leaders, on the other hand, recognise that the complexity of a modern industrial organisation is such that its fortunes (and misfortunes) can rarely, if ever, be simplistically equated to the actions of an individual. However, the "get to the top of the pyramid" motivation, that is possessed by astral executives, often precludes them from ever becoming true leaders because they are too busy clawing their way upwards to actually develop the

skills that they will need when they reach the top of the corporate pyramid. An astral executive is therefore also an empty vessel.

Those astral executives that do reach the top of the pyramid often realise (either consciously or sub-consciously) that they are empty vessels and set about camouflaging their inadequacies. Hence, there are a number of traits that can be defined and attributed to astral executives:

- **"Urgentness"** - astral executives have a sense of urgency about their actions that reinforces the notion that they are both indispensable and highly motivated (urgent international business calls; urgently required in Europe; require everything attended to urgently)
- **"Meetingness"** - astral executives have a permanent preoccupation with boards, committees and meetings (each meeting is spent telling others about how big their input to the previous meeting was and how desperately they are needed at the next meeting). Despite this preoccupation, the astral executive can never be tied down to actually having achieved anything substantial at any meeting (fortunately, different people attend different meetings and can never challenge statements made about the astral executive's involvement elsewhere). This is a key part of the astral executive persona because it enables them to have a superficial involvement in many different organisations and to selectively take credit for those that are successful and avoid responsibility for those that fail (*"I was only called in at the last minute after the damage had been done and was only involved at arm's length in an advisory capacity..."*).
- **"Lateness"** - an astral executive is always late for meetings simply because of their importance in the business world (n.b., urgentness only applies to appointments and meetings other than the present one, where the astral executive is late because of other urgent business matters)
- **"Infallibility"** - astral executives never make mistakes. These are normally made by inexperienced junior staff, for whom the astral executive is prepared to take responsibility (after having

made sure that everyone knows that the mistakes were actually someone else's fault)

- **"Possessive-noun-ness"** - most sentences emanating from astral executives contain people-ownership clauses that emphasise their influence and authority (*my* secretary; *my* lawyer; *my* accountant; *my* advisers; and, when talking to other astral executives at their own level, "have *my* people talk to *your* people")
- **"Big-pictureness"** - astral executives never get involved in detail (i.e., doing) - they are only there to paint the big picture (how they are able to achieve such perceptiveness without necessarily having been *doers* is often one of the unsolved mysteries of business)
- **"Brinkmanship"** - an abundance of executive toys and office gimmicks that reinforce the empty notion of leadership
- **"Missability"** - astral executives have a low level of "missability" and are seldom missing from meetings because, deep down, they fear that others will discover that things work equally well (if not better) without them. In the worst-case scenario, when astral executives are missing for months on end, they often find that few ever notice their absence (or miss them at all).

The traits of astral executives are somewhat amusing but they should also be a cause for concern because of the ease with which one can identify examples of such executives in the real world. In the past, where companies had largely non-professional employees, it was considerably easier for astral executives to hide and to prosper. Moreover, the pyramidal corporate structure provided an ideal breeding place for both universal executives and astral executives because each successive segment, up the pyramid, was characterised by more-generalised knowledge. To make matters worse, those, in the segments below, tended to provide positive feedback to those above (in order to promote themselves) and those above were afraid to question those below, who were more specialised.

Many universal and astral executives survived through to the modern day because dinosaur companies were able to continue with them (or more appropriately, despite them) at the helm. However, as we have seen thus far, the astral executive is not a species of leader that should be encouraged to thrive in environments where competition is fierce, for it is there that the vacuous nature of such leadership becomes apparent. In the longer term, the astral executive will become an endangered species in the leadership stakes because employees will be considerably better educated and the camouflage traits, that the astral executives have developed, will become less and less concealing.

Astral executives are not just an aberration in developed countries. However, they evolved as a species of leader because industry, in developed countries, had increasing difficulty in promoting individuals through the organisation via a natural progression. As a consequence of militant unionism, equal-opportunity campaigns and the fear of litigation, many organisations in the developed world had to put into place strict, "non-discriminatory" guidelines for the advancement of staff. The traditional (previous) approach was for each person to be monitored by their superior, and those that proved to be competent, hard-working or quiet achievers, over a sustained period, were recognised through promotion. The problem with this approach was that it not only appeared to be very subjective but was also influenced by the personal prejudices of the superior. The modern approach was for positions to be made available to all contenders and the appointments sanctioned by a representative sample of superiors, in a bid to eliminate prejudice, nepotism or other favouritism.

The end result of the modern approach to promotion was far more dramatic than might first appear to be the case. The modern approach superficially "appeared" to reduce the incidence of prejudice, nepotism and favouritism but whether or not it actually did was another matter. The change that was brought about was that organisations no longer officially cited race, gender, age, etc. as reasons for appointing (or not appointing) individuals, even though such considerations may well have been silent factors in the decision-making process. However, the more serious issue, from a leadership point of view, was the impact that the modern promotion process had on employees in the corporate pyramid. Whereas in the past, employees only had to consistently do well at their jobs (and, perhaps, overcome personal prejudices of superiors) in order to be promoted, the modern approach required that they met the "output-oriented" promotion criteria of a selection

committee (and overcame personal prejudices of the committee). This meant that those who wished to move upwards needed to focus on satisfying promotion criteria, rather than striving for excellence at their work. Although one would expect that the two objectives should be compatible, the reality was often very different.

Excellence, and leadership, in an industrial sense, have many intangible elements that cannot readily be formularised into selection criteria. For example, should a person be promoted in sales because they have a good sales record that was achieved through high-pressure techniques which damaged a company's long-term reputation? Would it not be better to promote a person with a modest sales record and a helpful attitude to customers that built long-term benefits for the company? Should a marketing person be rewarded for the successful sales of a product that was well designed and manufactured and satisfied a niche (in other words, sold itself)? The reality was that, in many instances, a simplistic approach was adopted because selection criteria narrowly focused on short-term achievements (sometimes derived at the expense of other factors or individuals). Those involved in selection processes were normally only one layer above those being selected and, hence, had little more ability to look at long-term trends than those they were selecting. The end result was that, more often than not, the *big mouth/big stick* attributes tended to dominate over quiet achievement.

At a senior level, the efforts that were made to improve the quality of leadership sometimes had the reverse effect. Rather than appoint directly from within, many organisations set a range of selection criteria and made positions open to both internal and external contenders. Sometimes these criteria were simply a restatement of the duties of the previous incumbent and sometimes the criteria were an unrealistic wish-list of attributes that the company wanted to acquire in an individual. In either case, an organisation was generally faced with two sets of applicants - those from without and those from within. Those from outside the organisation had the luxury of being viewed on their own terms (anything that they claimed was difficult to prove or disprove). On the other hand, those from within were naturally open to greater scrutiny because there was always more evidence of their background. The riskiest part of the entire selection process was that when organisations put forward unrealistic wish-lists of attributes, the ones who claimed to have them tended to be astral executives, from outside the organisation. The result was that astral executives invariably did better by floating from organisation

to organisation because, superficially, they appeared better than internal candidates.

Despite the best efforts made to check references, unless selection of senior positions, within the corporate pyramid, was made by the layer below (i.e., by people with more specialised, in-depth knowledge) the reality was that the selection process became skewed towards astral executives. Leadership then degenerated into having "the big picture", without sufficient knowledge of the many "smaller pictures" that formed the total organisation. Of course, the alternative notion, of having the layer-below adjudicate upon the layer-above, would have created an inversion of the traditional pyramid and was, therefore, difficult to implement in long-established developed countries.

Astral executives appear to be a phenomenon of the developed world if, for no other reason, undeveloped and developing countries simply cannot afford to have non-performers in industry because they must compete on a cost basis - in other words, there is no fat in the system to support such executives. On the other hand, in the developed world, there are numerous examples of astral executives that seem to be able to move effortlessly from directorship of automotive companies, to fried-chicken chains, to airlines, to university boards, to Olympic committees, to directorship of hospitals and so on (because a business is a business is a business). Governments often add to these problems because they view astral executives as "business leaders" and appoint them to still more boards, directorships and committees. But what do all these examples say about our attitudes to leadership in the developed world?

Looking at the basic attributes and sources of leadership, we can see that there are numerous issues that now have to be addressed. If some of our "leaders" are emerging through the ranks because they have *big mouth/big stick* attributes; some are emerging from university-based leadership-manufacturing facilities and astral executives are emerging as "leaders", because of an opportunistic movement from position to position, then are we really capable of producing true leaders in the developed world?

With the exception of countries such as post-war Japan (and with the exception of those individuals who have built their own companies), it is increasingly rare to find industrial leaders that have actually risen to the top of their organisation after, say, twenty or thirty years of service and a

commitment to a particular industry or company. It is rarer still to find such leaders that don't sit on other boards and committees because they are dedicated solely to their company and are prepared to sink or swim with their company and their decisions. One may therefore be tempted to suggest that true leadership appears to be in decline in "well-developed" countries. Are the "well-developed" countries also then likely to go into relative decline as competition from the developing world intensifies and the weaknesses in leadership are exposed?

In terms of leadership, the single redeeming agent, acting in favour of the developed world, is that as developing countries rise economically, they might just degenerate into the same corporate pyramids and leadership selection processes that have emerged in much of the developed world and some form of equilibrium may be reached. If, on the other hand, developing countries reject the more-traditional business techniques (as they pertain to leadership) and create their own, culturally-based techniques (as did Japan, Sweden and Germany) then there may be problems.

Adding to list of potential leadership problems, for the developed world, it also has to be recognised that those who are being led, in the developing world, may be far more motivated than their developed counterparts. Sometimes this comes about because developing countries have formerly been ruled by dictatorships and quasi-dictatorships, and sometimes because developing countries are more-closely attuned to the need to do things (often, unpleasant things), by necessity, and for the common good. Perhaps, this also comes about because such countries are not as removed from their previous subsistence culture as the pre-war-developed countries. The result is that developing countries are often highly focused on national objectives and on the well-being of their society (as opposed to the freedom of the individual, as in countries such as the United States). If such a cultural focus, and sense of common good, is translated into business practice (and modern corporate structures) then we may well find that leadership will take on an unprecedented significance because the ferocity of the competition will be unprecedented.

With all the above points in mind, it is appurtenant to note that thus far, we have not raised the issue of how much leadership actually costs. However, it should be evident from all our discussions, that it is not the direct costs of leadership (i.e., salary, etc.) that are at issue. For we now know that

leadership can cost as little as a salary or as much as the entire value of an organisation, or a country's economy, if that leadership is inappropriate.

In the final analysis, we also need to consider the value of leadership to the world as a whole. It would be reasonable to suggest that poor, good, excellent and outstanding leadership are only transient phenomena and even the best of leaders have a use-by date that expires with the changing tides of the world. The cemeteries of the earth are filled with indispensable leaders, from Caesar, Alexander and Napoleon through to Rothschild, Rommel, Ford, Daimler and Benz. Despite all their achievements, many would argue that the world is still better, and still improving, long after their passing.