

# kha News letter

Autumn 2001

## Warrington to Warsaw

The core of our business is coaching senior people. In the last year, we have been asked increasingly to support complete boards and to combine individual with team coaching. How do we do it?

The starting point is always the issues

facing the business . We then help the board members understand the impact of their collective ability on the whole organisation. If they are not seen to be adding value as a team, they can't expect the rest of the organisation to work effectively together, no matter how many middle management training programmes are run. Parallel to the work with the top team, we coach individual directors to make and reinforce the changes they need.



As well as covering the length and breadth of the UK, we have also worked with internationally.

This year, we have added Central and Eastern Europe to our experience base and Warsaw (shown above) was the attractive location for a team of Polish - and one Australian - direct marketing executives. Operating cross-culturally is more and more a fact of life for our clients - and something from which we gain immense satisfaction.

## Experience won / Experience shared

Our last dinner at One Aldwych provoked a lively discussion around the role of the human resource function in mergers and acquisitions. Much hard-won experience was shared under `Chatham House' rules. General themes which emerged were:

There is no such thing as a merger of equals - someone is always on top. Power distribution is critical. Trans-national mergers increase the difficulties tenfold.

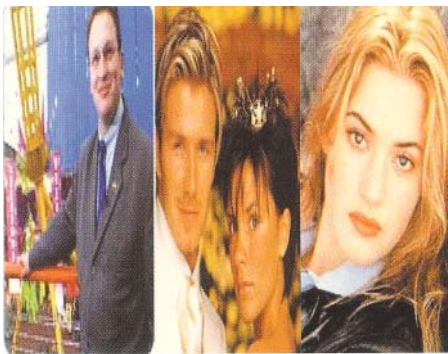
HR has a far greater impact if it is involved from the early planning stages - too often it is left to `mop up the mess' when different cultures and systems collide

HR directors must be financially literate to have the credibility to work in the `inner forum'

Our next dinner, on November 1 st, is titled `Developing top people - science or serendipity?' Spaces are limited, but if you want to join the discussion call Charlotte Thom.

## Broken down by Age and Sex

The recent icons of our society are invariably youthful: the various [dot.com](http://dot.com) entrepreneurs, P-Y Gerbeau of Dome fame (now all fading so fast from the scene), David Beckham, Kate Winslett, stock market analysts, even the 33 year old new chief executive of Next - the youngest CEO in the FTSE-100. Youthfulness is bracketed with dynamism and 'cool'. Publishers now look for 'sexy' authors and by this they mean, preferably under 30 and



irrelevant. One anachronism is Sir Richard Branson, who is probably Britain's best-known businessman. Perhaps because he isn't a 'suit' he is seen as younger than his 70s-style beard would otherwise have condemned him. And Rupert Murdoch confounds all stereotypes: he not only holds on to his business empire in his seventies but

Women in the upper echelons of business are still the exception, though they have recently done remarkably well in support functions such as human resources, finance and legal. The baby-faced Nicola Horlick gets acres of coverage but more seasoned and arguably more powerful female executives such as Marjorie Scardino have a lower profile. The gender agenda has moved on and become more diffuse: Germaine Greer is still a vigorous debater but seems almost 'grandmotherly' in her approach to feminism. Organizations set up to promote gender specific causes have suffered mixed fortunes, perhaps because women are making their mark without any special pleading or support. And yet, recent examples from City institutions and the Police make clear that the grossest and most blatant sexism (towards ambitious women) still goes on despite all the earnest training and organisational sanctions.

Where are we in late 2001? Or more precisely, where are you and I, the people who aren't celebrities but who have a vested interest in reading the runes of ageism and gender in the business world? Faced with so much anecdotal evidence it is a relief to turn to some Over the years, the Management Research Group (MRG) of

observations on the leadership behaviour of middle and senior managers - meticulously sorted by age and gender. Their source is the 360 degree feedback instrument which we use extensively - the LEA™ or Leadership Effectiveness Analysis.

Inevitably, the sample of women in the boardroom is limited: 13 male and 13 female CEOs and 73 each of Senior VPs, in 88 North American companies and

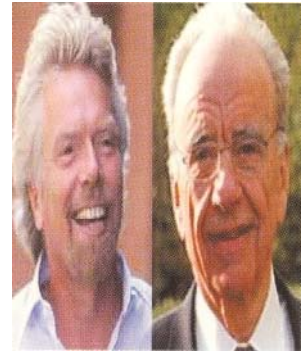


sector, level and length of management experience. The average age was 45. As usual, the observations came from direct reports, peers, boss and a 'self' report. All described the male senior executives as more restrained in their emotional expression. Direct reports described their female bosses as operating with a higher degree of energy, intensity and emotional expression and having a greater capacity to keep others enthusiastic and involved. Their bosses and colleagues both identified that female senior executives were more likely to set deadlines and monitor progress towards goals.

## Broken down by Age and Sex ... continued...

The bosses gave the females a higher rating on assertiveness and competitiveness in achieving their goals and being more inclined to give direct feedback on others' performance. The females' direct reports described them as being more demanding of others. Finally, direct reports and bosses described the males as more traditional in their approach to problem solving, with more emphasis

How can we interpret this? The differences in emotional restraint and expression could well arise from the different ways the males and females were socialized: early upbringing and so on. The differences in the way feedback is given could reflect a stronger interpersonal orientation in the women. And some of the perceived differences could stem from the gender stereotyping still prevalent at the most senior levels of some organisations. Finally, as many a woman director will tell you, they needed to be better than their male counterparts simply to get on. At this point, it is worth reminding ourselves that this is North American data, where women hold a higher proportion of top jobs than their colleagues in the UK and other European countries. Gender stereotyping may be an even bigger distortion on this side of the Atlantic and the loss of talent at the top even more acute. And that is before we get around to the idea that a balance of male and female characteristics might enrich any board.



Moving to the issue of age, much has been said about 'changing the guard' but the reality is that most organisations have to blend younger and older age groups. MRG identified two age groups: the 25-35 and 45-55 year olds, taking 127 of each group from 124 North American companies. What emerges is unsurprising but very clear. The younger group are

change, with a high degree of self-focus and less willingness to compromise. The older group bring a calmer, more considered approach that takes more account of the collective experience of the organization. They are more likely to be focused on the development of the people below them. In short, they are seen as more democratic and less selfish!



It is obvious that any organization will need the dynamism of the youngsters and the experience of the oldsters. What is less obvious is how to achieve mutual

respect between these age groups, given that many business issues - especially major change and the merging of two organisations - require considerable teamwork. One group missing from the research is the over 55s: perhaps they are the integrators of the young and somewhat older group. The other group that is probably worthy of research is the 35-45 year olds, who may worry that they are already too old, are burdened with debt, and haven't reached the calmer 'uplands' of their 50 year old colleagues!

What messages can we take from the MRG data? Nothing fundamentally new, but plenty of gaps to be filled between good intentions and reality. All of us, at an individual and organisational level, need to be on our guard against stereotyping by age or gender. We have a duty to make a balanced evaluation of our colleagues' potential contributions. Thinking and acting inclusively should make our organisations more successful and more pleasant places in which to work. A long and interesting road lies ahead...

## Of corporate governance and other matters...

Writing in the aftermath of the events of September 11, 2001 requires an act of faith to imagine 'normality' returning to the stockmarkets. But when it does, let us not forget Marconi. The Marconi affair at



summer sparked off another round of press outrage and recrimination, this time centred on the erstwhile chief executive Lord Simpson and chairman Sir Roger Hurn. Everyone wants a scapegoat. Taking back the £1 million or £2 million from Lord Simpson might make us all feel that justice had been done. But would it?

Of course, it is right to blame the man or woman at the helm. But all public companies are, by definition, subject to public scrutiny and are instruments of collective responsibility. The non-executive directors claimed that they did not have access to the true figures shortly before the recent collapse. Even if this were true, did they not have grave concerns about the future prospects for the company and its cash flow position? Should they not have been on a state of high alert following the recent change of chief executive and, therefore challenging and probing every last detail?

Marconi, like other companies that showed signs of being diversified or, worse still, a conglomerate, have been pressured by institutional shareholders and analysts to focus themselves and sell off anything peripheral. It is highly unlikely that Lord Simpson sat in the bath one day and had a blinding flash of realisation that he needed to sell off the former GEC defence businesses and buy into the telecommunications sector at its peak.

One might assume that he had a bevy of high-powered strategic consultants and investment bankers purring into his ear. One also has to assume that the board endorsed this strategy - with all its implications - not least of which is that being focused also leaves one desperately exposed to any downturn in that market. Even someone running the proverbial sweetshop knows this fundamental of business. Yet most of the highly paid analysts in the City cheered it all on, and helped boost the shares to ludicrous levels.

Did the elaborate apparatus of corporate governance help? Apparently, not. Will there be another Marconi? Most likely. Will the Government do anything to reform company law to deny rewarding failure or, more importantly, ensure that early warning of impending disaster actually occurs? Possibly, but don't take bets on the timescale involved. Is there a better way of regulating the major enterprises that have such an impact on all our lives? Answers, please, on the back of an old share certificate!

If you would like further information on any of our services, whether it be our core coaching process or our new programmes and initiatives including Speak Out, Worldwork and ViaNova, or you would be interested in attending one of our dinners at One Aldwych, please do contact us or go to our site [www.khacoach.co.uk](http://www.khacoach.co.uk).



Keary Harper  
Associates 6 Porter  
Street Baker Street  
London W1 U 6DD t  
020 7486 1321  
f 020 7486 1327 e  
[info@khacoach.co.uk](mailto:info@khacoach.co.uk)  
[www.khacoach.co.uk](http://www.khacoach.co.uk)