

When a CEO is not a leader

One man's reaction to the Asian Leadership Index



Optimistically Cautious

ERROL OH

SHORTLY after the launch of The Iclif Leadership & Governance Centre's The Asian Leadership Index 2014 (ALI), *StarBizWeek* obtained a copy of a memo from the CEO of a large company, who is reputed to be a difficult boss. The company has yet to win a Best Employer Award despite annual attempts.

The memo was distributed to all its employees. It is reproduced below:

To: All employees

From: CEO (that means I'm your boss, and don't you forget it!)

RE: LEADERSHIP IS OVERRATED

It has come to my attention that a report released on Tuesday poses a threat to our corporate culture, that is, it may undermine my absolute authority in this company.

My first thought was to dismiss it as an April Fool's Day joke. Then again, those jokes rarely stretch over 55 pages. That's an early indication that I should perhaps take this report seriously.

Next, I considered the fact that it's titled *The Asian Leadership Index 2014*, and that it was published by The Iclif Leadership & Governance

Centre. That was when I went back to wondering if somebody was indeed pulling my leg.

This preoccupation with "leadership" is quite hilarious. Everybody knows businesses are not led; they're managed. Companies are not states, and the people running them are not politicians who have to worry about unprofitable stuff such as engagement, inclusiveness and the common good.

However, when I realised that Bank Negara governor Tan Sri Dr Zeti Akhtar Aziz was at the launch of the report, I had no choice but to accept that the report is real. As far as I know, it's impossible to pull a prank involving the head of a central bank. In fact, it may be illegal to even try to do so.

Anyway, at the event, she said this: "As leadership is about being able to deliver results even in the most challenging of environment, it is therefore also about generating the drive and energy in the organisation, and thus creating an environment in which the best talent will gravitate to, and contribute with the same energy and drive."

It appears that we fundamentally disagree on what's needed to succeed in business. But it's alright for somebody who's not my subordinate to have a view different from mine. On the other hand, you guys and I should be on the same page – my page, of course.

After going through the ALI report (which was painful because reading gives me a terrible headache), I concluded that it's no laughing matter. The content is dangerous and

misleading, and I want to caution you against being influenced by this report.

To make sure, I'll get those geeks in the IT department to fix it so that none of you can access the report online or get it via email.

Let's start with the premise of the report. "ALI demystifies the attributes leaders in Asia must develop or enhance if they are to engage the people they lead," says Iclif.

"ALI does not propose a new leadership model. Rather, it identifies a limited number of highly targeted areas for behavioural change based on the attributes that respondents indicate their leaders are currently missing, and suggests a few concrete ways leaders can move forward with greater influence and impact."

There are so many things wrong with these statements. First, company bosses don't lead people. Instead, they run the companies, which incidentally employ people.

Second, why is it important to make clear what the bosses are and what they do? Surely you guys in this company know by now that I'm all about management through mystery. And it works well, doesn't it? The company's operations doesn't have to be slowed down by reasons and explanations.

And this reference to "behavioural change" is downright offensive. I got this job because of what I am, and the last time I checked, there was nothing missing... except maybe a couple more zeroes in my salary.

One of the few things I like about the report was that part about the

so-called leaders moving forward "with greater influence and impact".

I shall discuss only briefly the principal ALI findings in relation to Malaysia. Apparently, an ideal leader in this country is somebody visionary, that is, a person who sees opportunities early. That's an ideal leader?

Also, Malaysians want their current leaders to more communicative and emotionally aware. In other words, the leaders should encourage discussions and debates, and value the instincts, judgements and contributions of others. Again, these make an ideal leader? That's precisely why I don't like it when I'm mistaken for a leader.

But what struck me most in the ALI report was an article on the Power Distance Index (PDI). Let me educate you a little. This index came from the work of a Dutch social psychologist in the 1970s. It measures the extent to which the less powerful members of an organisation accept and expect that power is distributed unequally.

According to the report, cultures with high PDIs have the following characteristics:

- Those in authority openly demonstrate their rank.
- Subordinates are not given important work and expect clear guidance from above.
- Subordinates are expected to take the blame for things going wrong.
- The relationship between boss and subordinate is rarely close or personal.
- Politics are prone to totalitarianism.

anism.

● Class divisions within society are accepted.

And guess what? On a scale of 1 to 120, Malaysia's PDI is 100, the highest in the world. At times like this, my heart swells with pride. Is this patriotism?

The lowest rating is 11, which is for Austria. I'd love to run a company in Austria and show the people there a thing or two about the joys of being in charge.

"It is important to note that, while still relevant, this work was done a generation ago. In our larger work in Iclif, we see challenges to power distance and hear many frustrations with outmoded power structures," it says.

"The prevalence of power distance in the countries above (those covered by the ALI report) varies depending on the organisation and its culture. In some places, we observe what some call 'indifferent compliance': a willingness to go along without believing in its validity."

I have no problems with indifferent compliance; I call it being a good employee.

This brings me to my main point. As good employees, you should ignore the rumours that I will soon be charged with fraud. There's no truth in them. Now, I don't expect you to believe I'm innocent, but I certainly would be very disappointed if you don't pretend that I am.

Executive editor Errol Oh likes good, honest leadership (and the occasional fake memo).