

# The Leadership of Profound Change

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## The Myth of the Hero-CEO

“Significant change only occurs when it is driven from the top.”

“There is no point in going forward unless the CEO is on board.”

“Nothing will happen without top management buy-in.”

How many times have we all heard these familiar refrains, and simply accepted them as “the way things are?” Probably many times, and yet there are good reasons to challenge these hoary truisms. The evidence for top management’s power to direct large organizations to change is thin at best. Everywhere one hears of CEOs needing to “transform” their organizations, yet the examples of successful, sustained transformation are few. Moreover, in this “age of empowerment,” doesn’t it seem a bit strange that we are asked to accept the singular power of top executives so unquestionably? How can we hope to bring about less hierarchical, authoritarian organizations solely through recourse to hierarchical authority?

In fact, the myth of the omnipotent CEO is merely a special case of a deeper cultural icon, the myth of the hero-leader. According to this shared story, leaders are the few special people blessed with the capability for command and influence. They have become leaders precisely because of their unique mix of skill, ambition, vision, charisma, and no small amount of hubris. They can overcome the blocks that stymie everyone else. They make great things happen. The implication is clear: if you too want to make a difference, you had better be one of these special people.

In the world of today’s organizations, this idealization of great leadership leads to an endless search for heroic figures who can come in to rescue the rest of us from recalcitrant, noncompetitive institutions. But might this very thinking be a key reason such institutions prevail? Might not the continual search for the hero-leader be a critical factor in itself, diverting our attention away from building institutions that, by their very nature, continually adapt and reinvent themselves, with leadership coming from many people in many places, not just from the top?

I have come to see our obsession with the hero-CEO as a type of cultural addiction. Faced with the practical needs for significant change, we opt for the hero-leader rather than eliciting and developing leadership capacity throughout the organization. A new hero-CEO arrives to pump new life into the organization’s suffering fortunes. Typically, today, the new leader cuts costs (and usually people) and boosts productivity and profit. But the improvements do not last. Many of the leader’s grand strategies never get implemented; instead, people cling to habitual ways of doing things. New ideas do not spring forth from people at the front lines because they are too intimidated to stick their necks out. Energies are not released to create new products or new ways to meet customer needs because people are too busy competing with one another to please their bosses. Sooner or later, new crises ensue, giving rise to the search for new hero-leaders. The myth of the hero-leader creates a

reinforcing vicious spiral of dramatic changes imposed from the top and diminished leadership capacity in the organization, leading eventually to new crises and other heroic leaders.

Worshipping the cult of the hero-leader is a sure way to maintain change-adverse institutions. In fact, one can hardly think of a better strategy to achieve precisely this goal. The price that we all pay, in the long run, is incalculable: institutions that lurch from crisis to crisis, continual stress on the members of those institutions, mediocre (at best) long-term financial performance, and a subtle, pervasive reinforcement of the point of view that “common people” are powerless to change things.

In the business world, the vicious addictive spiral extends into the investment community. Investor pressures for improved short-term financial performance lead to calls for more aggressive top management. So new hero-leaders come forward who can boost short-term performance. But their strategies typically preclude long-term investments in developing collective capacities to innovate, thereby guaranteeing long-term mediocre financial results. This, in turn, leads to more pressure from investors and more hero-leaders. In other words, the investment community paradoxically colludes in sustaining a system guaranteed to undermine creation of wealth in the long run.

## A Different View of Executive Leadership

Now consider the very different set of statements below:

“Little significant change can occur if it is driven only from the top.”

“CEO proclamations and programs rolled out from corporate headquarters are a greater way to foster cynicism and distract everyone from real efforts to change.”

“Top management buy-in is a poor substitute for genuine commitment and learning capabilities at all levels in an organization. In fact, if management authority is used unwisely, it can make such commitment and capability less likely to develop.”

These views are not just heard at lower levels in the hierarchy; they are echoed by senior executives in organizations that have achieved some sustained success. “When I first came in as the CEO,” Shell Oil’s Phil Carroll has said, “everyone thought, ‘Phil will tell us what to do.’ But I didn’t have the answer, thank goodness. If I had, it would have been a disaster.”

Harley-Davidson’s chairman Rich Teerlink has commented: “Anyone who thinks a CEO can drive this kind of change is wrong.”

And Charles Szulak, former President of Visteon Automotive Systems at Ford Motor Company, has said, “Carrying significant change through an organization of eighty-two thousand people cannot possibly be done by a handful of people at the top.”

There are good reasons why these executives have come to hold more humble views about the powers of executive leadership. First, they know that people, especially in large organizations, have become cynical about “flavor of the month” management fads.

Second, they appreciate the fundamental differences between compliance and commitment. The word “commitment” has become fashionable because it is widely believed that “high commitment” work environments are more productive, and probably also because many managers feel

uncomfortable telling people to “comply” with management’s directives. But the simple fact is that most management-driven change efforts do not require commitment; they are built around compliance. Either people comply with the new reorganization, or they know they will be at odds with their bosses. Knowing that it is difficult to discern visions from commands when they travel down the hierarchy, savvy senior managers use the power of their position with great care—because they seek to foster more than just compliance.

Deep changes—in how people think, what they believe, how they see the world—are difficult, if not impossible, to achieve through compliance. Reflecting on 20 years of leading change toward more value-based work environments, retired Hanover Insurance CEO Bill O’Brien says, “What people pressuring for management to ‘drive’ cultural change don’t understand is: a value is only a value when it is voluntarily chosen.”

Last, thoughtful executives know that many top management initiatives are not just ineffective, they often make matters worse. This is not true just for short-term financially driven changes that increase fear and internal competitiveness. It is equally true for many management efforts to improve organizational effectiveness. For example, Harvard’s Chris Argyris has shown how management efforts to improve internal communications—like employee surveys, focus groups, and “360 feedback”—can give people anonymous ways to “tell management what is wrong” without assuming any responsibility for improving matters. The feedback process thereby subtly reinforces the view that management is the source of problems and only management has the power to fix them.

If the power of top management is in fact limited, why then do people in organizations continue to cling to the belief that only the top can drive change? As Argyris suggests, this belief allows us all to continue to hold the top responsible for whether or not change happens. While that view might be disempowering on one level, it provides a convenient strategy if our real goal is to preserve the status quo. Moreover, there are different types of change, some of which—like reorganizing or creating a new corporate strategy—can only be brought about by top management. Such top-driven changes are familiar to most of us—but they do not reduce fear and distrust, nor unleash imagination and creativity, nor enhance the quality of thinking in the organization. When people confuse top-driven change and profound change, it’s easy to hold an exaggerated view of the power of top management, a confusion that no doubt persists among some top managers as well. Finally, we simply have no strategy for escaping the cultural addiction to the myth of the hero-leader. In the US, especially, it seems to be part of our cultural DNA. One goal of this book (*The Dance of Change*) is to contribute toward such a strategy.

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