



When CEOs Aren't Leaders

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Blackstone Group CEO Stephen Schwarzman is only the latest high-profile poster boy in the furor over executive pay, reminding us that some of today's corner office occupants have very different motivations and values from other Americans. His "I'm worth-every-penny" jeering and other public comments make his narrow self-focus clear, relegating him to the gang of often piratical business executives who, sadly, have dominated the headlines in recent years.

Thanks to the lot of them and Enron, WorldCom and other corporate scandals, the image of the corporate CEO has taken a pounding. While Americans generally strive for and celebrate achievement and success, they are increasingly sickened by the narcissism, self-indulgence, greed, and other "me-first" antics of such CEOs. Whether it is the imperious version (think Robert Nardelli or Hank Greenberg) or the self-dealing version (think Dennis Kozlowski or Jeffrey Skilling), much of the general public now believes CEOs are in the game only for themselves. The good of their employees, their customers, their communities, and even their investors are merely ancillary issues for them.

Rather than being shocked, amazed, or even entertained by their antics, we should be deeply concerned. The cumulative damage promises to make it harder for the business community to press its cases in the court of public opinion and government. Inevitably, all top U.S. corporate executives feel the impact and suffer at least some drop in personal effectiveness. Our economy pays a price, not only in real dollars but also, more importantly, in lost opportunity. And don't forget, a tarnished image is exceptionally hard to repair, both for the CEOs and the companies that have hired them.

THE PROBLEM'S ROOTS LIE in the fact that "CEO" and "leader" have mistakenly become synonymous. Nothing could be further from the truth. CEOs are measured by quantitative results. Leaders are shaped and defined by character. CEOs are expected to boost sales, improve profit margins, and make money for shareholders. Leaders set expectations of themselves to inspire and enable others to do excellent work, make valuable contributions, and realize their utmost potential. As a result, they build great, enduring organizations.

Neither PR spin campaigns nor stronger government regulations and accounting rules will fix today's CEO image crisis. Instead, the business community itself must recognize that finding CEOs who can generate business results is necessary but not sufficient. Those we elevate or hire to become CEOs must also possess the distinguishing qualities of great leaders: the ability to build trust, inspire dedicated and engaged followers, and make service to others their preeminent priority. In other words, the core values

of CEOs should be examined just as closely as their drive, intellectual depth, financial acumen, or track record.

To accomplish that, why not start with three small, but powerful, changes? First, corporate board members and others who recruit CEOs must adopt disciplined approaches to investigate a candidate's character. For example, divide the interview process into two distinct components to vet candidates on both traditionally examined management talents, as well as on their lived – not just spoken – values. Those exploring the latter must, in addition to asking hard questions of the candidates, gather insights from their current and former employees, customers, and suppliers. This investigation should be pursued with the same level of rigor as a due diligence process prior to an acquisition. In the end, finding CEOs who are also great leaders will benefit their businesses in exponentially powerful ways.

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Next, those who aspire to the CEO title need to understand that the ego-fired, command-and-control, "winning-at-all-costs" approach is no longer viable. They must recognize that their decisions and actions must be guided by core values and not by a quest for building capital (reputational, financial, or otherwise). Instead, by measuring success through the success of all those they serve, they will achieve superlative, sustainable results not only for their constituents but also for themselves.

Finally, the media and the business community need to do a better job spotlighting truly great leaders in Corporate America, such as Xerox's Anne Mulcahy or Southwest Airlines' Gary Kelly, to present a more accurate picture of today's chief executives.

Imagine the lubrication we could add to our business and economic engines if society recognized that the vast majority of CEOs are honorable leaders driven by more than the prospect of personal gain. That's why we must make sure that CEOs' values are considered on par with their business results. The alternative is to allow the bullies of business to define our world and ourselves, harming us all in the bargain.

Henry S. Givray is Chairman & CEO of SmithBucklin Corporation, the world's largest association management and professional services company. SmithBucklin provides flexible, tailored, full-service management and function/project-specific services to trade associations, professional societies, technology user groups and government institutes/agencies. For more information, please visit us at our Web site at www.smithbucklin.com or at 1-800-539-9740.

