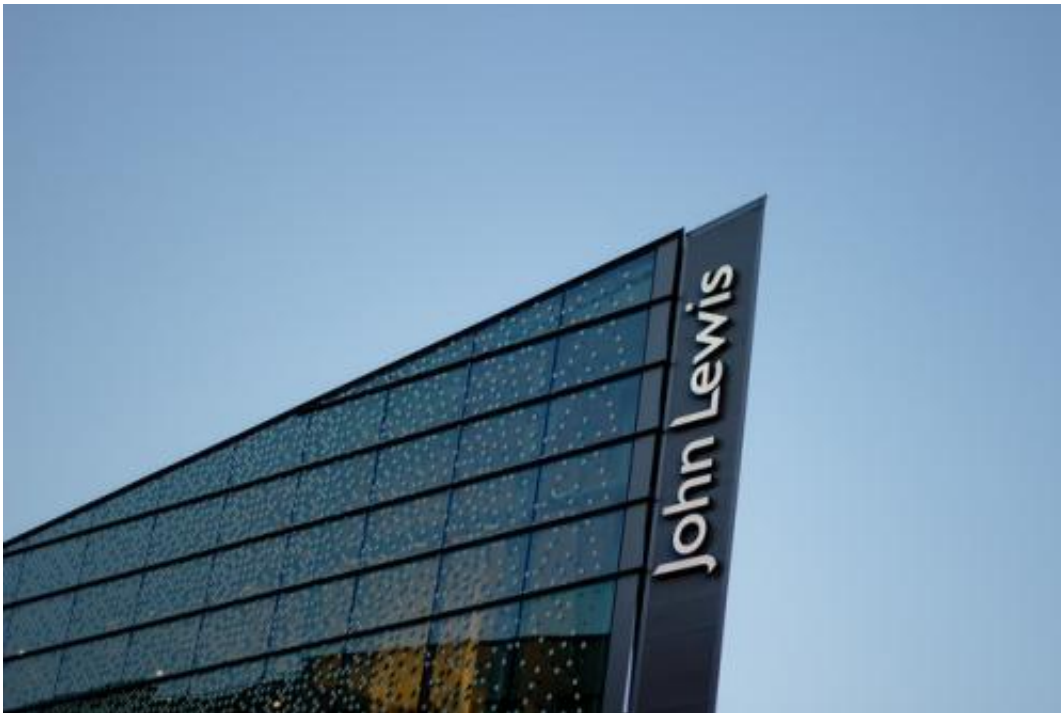


How the financial crisis boosted the best leaders

October 2 2014, by Veronica Hope Hailey



ohn Lewis: cutting edge? Credit: Andy K, CC BY

Six years on from the financial crisis and still many of us feel deeply unsure about institutions and individuals we had previously revered as beacons of reliability and certainty. The need to repair that broken trust has put pressure on leaders within banks and other household-name businesses to doubly demonstrate their trustworthiness to their customers, to their employees and to society at large. Among the finger-

pointing and mea culpas, however, a more optimistic picture emerges.

We have trawled through data collected over 3 years from 22 significant public and private-sector organisations (links [here](#), [here](#) and [here](#)) which draw contributions from a cross-section of [employees](#), trade unionists, middle managers and HR professionals, as well as senior managers and their colleagues and bosses.

The data show that in the aftermath of the crisis – through waves of downsizing and restructuring, salary cuts and divestments – there were individual [leaders](#) and organisations who kept and cultivated the [trust](#) of their customers and employees despite all those around them losing ground.

Organisations such as the John Lewis Partnership, Unilever, BAE, BBC Worldwide (the commercial arm of the BBC), HMRC, GKN and some leaders in the NHS demonstrated this ability. It appears that their high levels of integrity delivered tangible business benefits to their organisations, even if their initial motivation was not about the profit and loss account.

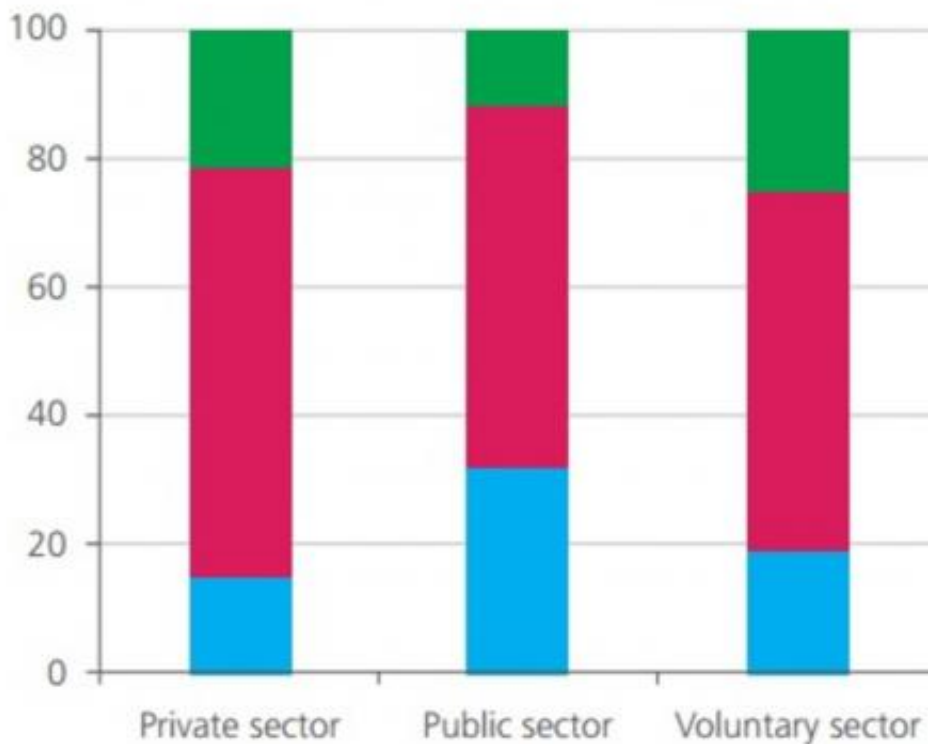
Contact sport

According to the contributors to the studies, these senior leaders were able to hold their teams to account while simultaneously displaying a natural sense of concern for others, whether those "others" were employees inside the organisation or people outside in the market place or public. The impression given by the research is that these people displayed an old-fashioned benevolence which helped them to display their people skills on an everyday basis. And not just by updating their Twitter accounts from the business-class aircraft cabin.

These are leaders who instead hit the shop floor and regularly sought

contact with customers and employees. It is also important to note that these beacons of trust are no super heroes. They are instead the most human among leaders, [showing and sharing their own weaknesses](#) to others on many occasions. That demonstration of openness and vulnerability made others trust them more. As one of the leaders we spoke to said:

Trust in senior management, by sector (%)



Results from a 2011 CIPD survey show the private sector held up well when looking at leaders who were less trusted by employees. Credit: CIPD, Author provided

I think leadership can often be just a veil that people hide behind and people don't want to show vulnerability or weakness, or if they have shown that they made a mistake it is seen as a pure weakness. You can be a successful leader with a different approach and actually that can be even more positive because you create greater trust.

And from another:

I think none of us are perfect are we? So it makes it easier if I make a mistake to admit it, get over it... that's really important to me. Whereas if you've got someone where you think: "Oh, they're really perfect, they never do anything wrong". It feels quite hard to work for.

Human race

It appears then, that being sufficiently human to admit mistakes and flaws and weaknesses, made it easier for staff to trust some leaders more than others. And this was a further critical finding. For [high levels of trust](#) to be generated in organisations, there has to be a reciprocity of trust. Followers need to be able to forgive mistakes and still trust their leaders, while leaders need to demonstrate that they trust their staff by not engaging in unnecessary monitoring or micro managing. According to one leader we spoke to: "Trust is a two-way street. I need to be trusted and I need to trust the other person."

So, why then are so many other organisations failing to deliver this quality of trusted leadership? One thing that emerged from the research was that, while the selection and development of leaders has grown ever more technologically sophisticated, it remains hard to detect a person's benevolence and integrity during a one-day assessment. Indeed, many agreed with the sentiment of one HR director who said he reckoned the head office car park attendant was better at predicting the trustworthiness of leaders than HR systems. Why? Because they watched

these leaders' behaviour when the boss thought no one else was looking!

Benevolence and integrity can only be assessed through knowing and observing someone's behaviour over time. It also can be assessed by asking them about their contribution to the legacy of the organisation – what will they leave behind as a contribution for future generations?

Rumbled

Questions and assessments like these require organisations to not simply consider the technocrat at work – the deliverer of results – but also the nature of the whole person, the rounded nature of the leader in work and in society. It is a technique called "whole-person interviewing" used with effect at BBC Worldwide and also by the HR team [at the John Lewis Partnership](#), one of whom commented:

You are asking, for examples... from both the work life and home life. You are looking at the range of their career and not just their permanent job. So you really allow the whole light and colour of the individual to come through.

HR directors interviewed as part of the research accepted that some of their own techniques had crowded out the space for personal judgement on the part of business leaders. They admitted that in the past they had placed too heavy an emphasis on the tangible aspects of leadership, such as ability or competence, and too little on the intangible and essentially intuitively identified aspects, such as benevolence and integrity.

And their employees and customers had rumbled that gaping omission when watching, listening and ultimately rejecting a generation of self-serving and individualistic senior leaders.

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