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# Who's Navigating Our Corporate Course?

By Barbara Wright-Avlitis



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Before the financial crisis hit hard in Q4 of 2008, we were talking a lot about transformational leadership. Corporations were actively looking at growth and change in their organizations. They wanted to get better and go places they hadn't dreamed of before. We only need to look as far as GE to see a myriad of examples put forward to engage and empower people during that period. You can fill your shelves with books about *GE Workout* or *GE Winning*. Other multi-national organizations followed suit with so many new people-development initiatives that it was difficult to keep up. We saw the leading academics writing books about the 'heart of leadership' and the 'heart of change'. We had aspirations of going from 'good to great' and 'going for the gold'. We wanted to change, transform and improve our organizations so everyone was happy – the employees, the customers and the shareholders. It was like a giant corporate 'group hug' with those of us in the people-development field, skipping off together to make our corporate world a better place. It was all about winning... for everyone.

When the financial tsunami struck, it left many of these ideals in its wake. There weren't many business books with 'heart' mentioned in the title during that period. It became all about survival. Budgets were slashed and there was no more room for any aspirations that were considered by many managers to be 'fluffy stuff'. Transformational leaders found themselves being systematically overrun by survival managers and operational excellence gurus. I remember an instance in a management team meeting where another manager told me to get my head out of the clouds and focus on the reality of survival. This comment was sparked by a discussion about communication with employees during the crisis.

When we consider the prevalence of leader burnout during the past two or three years, we can shed some more light on the phenomenon by having a look at research that has been conducted on the subject. A couple of professors, who are sourced at the end of my blog, set out to compare multiple leadership traits and styles in order to understand the conditions under which leaders survive (and even thrive). Their research points us towards some interesting clues. Transformational leaders appear to rely heavily on personal achievement and personal accomplishment. Physical exhaustion doesn't seem to affect them so much whereas emotional exhaustion has strong negative effects on them. Likewise, they thrive in a personalized world where relationships build business. In a de-personalized world, they wither and become ineffective. The study showed a direct correlation between transformational leadership and burnout.

Crisis leaders or 'tough guys' aren't so concerned about relationships or a personalized business world. They are more concerned about numbers on a spreadsheet. They rely on data as the sign of personal achievement or accomplishment. Emotional exhaustion doesn't affect them very much because numbers are simply not so emotional. Numbers are either good or bad but not emotional. They can actually thrive in a depersonalized business environment. Can you see why this type of leadership could be so successful during a crisis?

Another professor, from the University of California Berkeley, is shifting the tide on burnout research to focus on the organization rather than the individual. She writes, "The conventional wisdom is that burnout is primarily problem of the individual. That is, people burn out because of flaws in their characters, behavior, or productivity. According to this (outdated) perspective, people are the problem, and the solution is to change them or get rid of them. But our research argues most emphatically otherwise. As a result of extensive study, **we believe that burnout is not a problem of the people themselves but of the social environment in which people work.**" (Maslach & Leiter 1997)



Maslach was one of the few researchers to start ringing the bell about how corporate culture or corporate environment actually enable ‘bean counters’ to become the majority at the top of organizations. By no means do I suggest that we don’t need leaders with a focus on operations and budgets or that we don’t need well-placed ‘bean counters’ in our organizations. Of course we do! The thing is that we can’t have only ‘bean counters’ at the very top if we want to have a sustainable business. We also need transformational leaders who understand about inspiring, motivating and engaging employees. We also need leaders who see learning as a priority and who build active learning organizations. Organizations that focus only on operations and on the ‘bottom line’ will eventually find themselves stagnate. Innovation will dry up and the competitive advantage will be lost in the fog of short-term thinking. The burnout of transformational leaders will take an economic toll on the workplace.

We cannot continue to ignore the significant impact that social context has on the effectiveness of leadership. We need to wake up to the fact that the ‘tough guys’ did a pretty good job of keeping our enterprises afloat but now we are in calmer waters and we need to take another look at who is piloting our organization. If the tough guys remain exclusively at the helm, we just might sit in these calm waters for a long time, being called to muster every day but not really making much headway through uncharted waters. If we don’t start reintegrating transformational leaders into the senior ranks of the organization we might never get a new course charted towards our successful future. Instead of counting the doubloons left in the ship’s treasure chest and carefully budgeting what we have left, maybe we need the captain of our ship to also think about replenishing our supplies (learning, recruitment, development) and venturing out into new waters (innovation) in search of new horizons and new resources.

### **Sources**

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Maslach, C. & Leiter, M.P. (1997) *The Truth About Burnout*. Jossey-Bass: San Francisco.