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DIARY OF AN HR PRO: LEADERSHIP CRISIS IN ORGANISATIONS

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Can you see, sense or feel leadership crisis in an organization? One doesn't have to be a genius to know this, since lack of it or bad leadership affects everybody- internal & external. Leaders are like Fevicol who bind the company. So also, a country with ineffective leadership would move at a snail's pace even though it is capable of double-digit growth rates.

But first what is Leadership?

A practical definition of Leadership is "provide direction, process and coordination to a person, team or

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organization for the purpose of attaining his or her goal”. Here is a recent story of a dynamic leader.

An entrepreneur CEO of a company, Priya Kaul, was selling off a controlling stake to a foreign partner. After months of tough negotiations, the deal was closed. However, it was imperative for the CEO to achieve certain pre-committed profit numbers, if the deal were to fructify. The numbers were daunting to say the least and they had to be achieved in four months. So what did the CEO do?

Priya called a joint meeting of Heads of Sales, Production, Finance, Marketing and HR to brainstorm. The sales and profit targets were shared. Although, the team committed to achieving the magical number, the sheer magnitude of the target seemed to overwhelm them. The CEO realized the need for a big bang idea and decided to seek the help of a Consultant who understood numbers and people.

After a joint brainstorming session with the Consultant, it was agreed that a one-time incentive would be paid to every employee if the targeted numbers were achieved. Just as the incentive structure was being finalized, a business channel carried breaking news of an impending selloff by the CEO promoter. There was panic all around. Employees wanted to know if they would have their jobs. Would the CEO change? Distributors made frantic calls.

So, on one hand the CEO needed employee and distributor support to achieve the numbers while on the other hand they were uncertain, nervous and jittery about their future? As if this were not enough, the CEO had a fall and fractured her ankle. Notwithstanding all this, the CEO called a meeting of HOD's, where it was decided to come clean on what was happening.

The next morning Priya addressed all employees at 10am through a nationwide webcast. She also announced the one time incentive scheme and referred to the need for meeting an ambitious target. Employees should meet their HOD's for individual targets who would also explain to them how their achievements dovetailed into the overall target. Priya ended by telling every employee how important and invaluable their contribution was.

The employees were ecstatic. Their insecurities vanished. They were happy to be part of a larger organization. Next, was the challenge of achieving the impossible? To avoid bickering amongst employees, the incentive quantum was the same for all employees.

Thereafter, the CEO addressed the distributors at a Sales meet and told them about the impending change in ownership and target. The distributors were happy with timely communication. More importantly, they were inspired to see the CEO Priya come in a wheel chair escorted by her 18 year old son. She told them that the Head of Sales was empowered to take quick decisions with respect to their claims. To show she meant business, distributors were given a token advance cheque of 15% of the claim amount no questions asked. Now tell me which businessman does not like the color of money.

The distributors had never been wooed like this ever before. The sales team subsequently told her that they promised to buy much more than what was committed earlier.

When the breaking news appeared at 8pm the previous evening, there was commotion and chaos all

around. Quick action by CEO Priya Kaul changed the situation dramatically by tea time, the next day. A despondent team was now united and charged to take a go at what seems like a stretch yet achievable target. Just yesterday, it seemed impossible!

The above story is all about Leadership qualities of the CEO. Let us try and identify the traits.

The CEO was intuitive enough to understand that the team might not achieve the target inspite of their full commitment. Priya was humble enough to accept the need for an independent consultant who could provide a fresh perspective and the much needed stimulus.

One of the roles of a leader is to spot and surround her with people who have complementary skills. The key is to bring the best out of others without letting their presence make you feel insecure. How else do you think do CEO's of Hindustan Unilevers and ITC manage billion dollar corporations?

The incentive was the much needed tonic that employees needed. It bound them like Fevicol. Being a woman, the CEO was sensitive enough to the need for maintaining parity across employees. Priya made every employee feel special by saying that every employee's contribution would make a difference & bring them closer to the target. This way she struck an emotional chord with each of the 300 employees.

The response to the breaking news in a business channel was quick and clear and prevented any intended damage to employee morale. Speed of action is a very important. If the CEO had mulled over the solution for longer, rumor mongers could have had a field day. Probably business rivals could ask headhunters to call star performers, play on their insecurities arising out of lack of CEO's communication and lure them instantly with lucrative offers. A leader must have the ability to see the hidden forces at work behind a situation and take timely, effective steps to counter them.

A leader has to take charge of a situation and give direction. That is exactly what she did. Ambiguity, procrastination and confused communication can prove costly.

Senior colleagues need to be empowered to take decisions just as the CEO empowered her Head of Sales. You cannot expect spectacular results if you keep the reins of control tightly in your hands.

A leader must remember that your colleagues and associates are human beings after all. When they see an injured you come for an important meeting they say wow! What high level of commitment? If she can do it, why not me?

It is not to say that the situation is hunkie dory in all organizations. Problems are galore. What are the problems behind leadership crisis in organizations?

Increasing complexity of doing business, exceedingly dynamic environment, rapid changes in technology, globalization, competition, emotional maturity make it possible for fewer individuals to possess these skills meaning there are fewer leaders in today's world. The need to transfer these skills to and work with colleagues who could be operating from multiple locations across the world makes it more challenging for leaders.

It is very critical for leaders to have a vision for the business they run and share them with senior management team. This will enable the leader to co-opt others into and ensure buy-in from other team members. Only then, can you expect the team to be fully motivated and work for fulfilling their leader's vision. A leader could enhance others respect for him by repeatedly displaying the ability to bounce back after being down, faced failure.

A leader must remember that it is the middle level managers who communicate corporate vision it to lower levels and translate vision into reality. Adequate emphasis should be placed on the quality of middle management.

It is thus imperative for organizations to focus on building leaders! Having said that, some leaders make themselves indispensable by not allowing others to blossom. They do not expose them to dealing with senior management, shield them from difficult situations, do not invest in their growth and try to pull the carpet from under their feet. This way the leader might ensure that he is always required but is actually stunting his own growth.

Leadership can be built in an organization by asking some searching questions. What happens if the current lot of leaders quit the organization? How does talent identification relate to leadership competencies? What is the organization's approach to leadership development programs – Are individual development programs linked to organizational leadership needs? Is Management willing to bring in some new ideas from outside and ready to accept existence of a successful succession management plan?

Answers to these questions would enable an organization to preempt and face any leadership crisis as and when it occurs.

There are four factors that contribute to successful development of a leadership pipeline in any organization.

- Support from top management.
- Alignment of human resource systems.
- Development of critical mass.
- Environment for success.

It is important for the organization to give the leader time to deliver results. Expecting drastic immediate short term results will not work.

From the above, it is clear that a corporate leader plays a very important role in the organization. They can make or break the organization. It is therefore imperative for companies to focus on developing leaders. Some are borne with leadership skills while the skills of others need to be honed. That is where the real challenge lies!

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