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# Change... Or Be Changed

These are just a few examples of management-style weak points and specific steps to address them. But every leadership style has a downside, and the overarching lesson is that a little self-reflection can go a long way. While it is never fun to contemplate your weaknesses, if you don't examine and address them, someone else might—to your peril. Already, CEO turnover, which has been trending upward, is expected to spike into the double digits and stay there for the next two years, according to executive search firm Crist/Kolder Associates in Chicago.

"Boards were reticent to make changes during the height of the recession so CEOs stayed in their chairs," says Crist/Kolder Chairman Peter Crist. "My prediction is that now with the economy firming, boards will look at top talent and say, 'Okay, you made cuts that held the ship in the down cycle, but are you growing our company in the upcycle?' Proxies will show all the comparable competitive information and I think boards will be more prone to make changes over the next 24 months. We're expecting a lot of volatility in the CEO chair because of this increased scrutiny." He estimates turnover might jump to 13 percent from an artificially low 9.4 percent in 2010 due to the weak economy.

He also says boards are becoming more empowered and are more prone to change CEOs. The proof: The average tenure of the S&P 500 CEO is down to just 4.5 years. "The volatility won't go away. We think it will only accelerate."

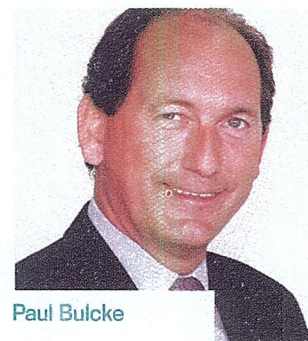
The bottom line? Examining your management style with an eye toward identifying and addressing your Achilles' heel can help you guard against any vulnerabilities that can jeopardize both your company and your career.

mounting complaints about sudden acceleration and brake problems was a travesty—scaring off new customers and angering loyal repeat ones as well.

British Petroleum's CEO Tony Hayward proved the wrong spokesperson for the tragedy in the Gulf and the subsequent oil spill. After coming to power at BP after a fatal explosion at a refinery in Texas, Hayward used his first speech after being named CEO in May of 2007 to stress that he wanted to "focus like a laser" on the company's accident record, readily admitting past mistakes. Yet, he lacked self-awareness when it came to making insensitive public statements like, "Apollo 13 did not stop the space program. The Air France flight that fell out of the sky off of Brazil did not stop the aviation industry."

**The Fix:** The Globalist needs two levels of planning. For local crises in major markets customers want the "face" of the company to be a compassionate, caring figure. Regulators and key business partners want information from the CEO. Boards need to plan for the "big one" and have two levels of spokesperson.

## Globalists are vulnerable to mismanaging local issues.



Paul Bulcke

NESTLE/UA

### PLAIN VANILLA

**The Style:** This type of leader is not flashy and focuses on shareholders.

**Who Has It:** Reuben Mark from Colgate Palmolive, a true "company man" who worked only for Colgate for more than 40 years and ran the company from 1984-2007; Nestle CEO Paul Bulcke, who shuns the talk-show circuit and public recognition in favor of focusing on what is going on inside the company and delivering results.

**The Achilles Heel:** There is little downside for this kind of a CEO until a crisis erupts. Then the company may suffer from lack of a well-known spokesperson with some flair.

**The Fix:** The antidote for the Plain Vanilla leader: train and practice for a crisis since shareholders, employees and customers usually look to the CEO for much of their comments. This kind of leader should also allow other employees to share the limelight. Prepare subject matter experts who can comment on specific issues. ■