

# What makes a leader great?

## Interview with Manfred Kets de Vries

Manfred Kets de Vries holds the Raoul de Vitry d'Avaucourt Chair in Human Resource Management and is Clinical Professor of Management and Leadership at the European Institute of Business Administration (INSEAD). Furthermore, he is the Director of INSEAD's Global Leadership Center.

He is also Program Director of INSEAD's top management program: "The Challenge of Leadership: Developing your Emotional Intelligence". He has lectured at management institutions worldwide, and has acted as a consultant in organizational design/transformation and strategic human resource management for leading US, Canadian, European, African and Asian companies.

Manfred Kets de Vries brings a different view to the much-studied subjects of leadership and the dynamics of individual and organizational change. Bringing to bear his knowledge and experience of economics, management, and psychoanalysis, Kets de Vries scrutinizes the interface between international management, psychoanalysis, psychotherapy, and dynamic psychiatry.

In this interview, he discusses his latest publication *Are leaders born or are they made? The case of Alexander the Great* and the implications his findings have for the modern business leader.

### **What inspired you to write a book about Alexander the Great's leadership style?**

When the e-bubble was at its peak I received a number of questions from journalists about leadership in this "new" economy. I would tell them that although people have created this technology, a lot of the principles of leadership remain the same. You can still learn from figures such as Alexander the Great, Genghis Khan and Napoleon. Finally, after repeating this sentiment over and over, I decided to look at these people in depth and make sure that what I was saying was indeed the case!

I have always been interested in Alexander the Great, particularly the kinds of things he did in such a short life and I tried to do two things with this book. First, to perform a brief psycho-history in order to make some sense of his personality, and second, I tried to use Alexander as a metaphor for the do's and don'ts of leadership.

One of the clear warnings here is of course that power corrupts – the saying that absolute power corrupts absolutely is true young and old leaders alike. You also find that the young leaders use many principles of leadership in order to become really effective but then, as they get older and attain more power, narcissism takes over and they start to self-destruct. This has been demonstrated recently with all those leaders who have transgressed all number of boundaries.

It is always the same formula. The moment you are in a powerful position for too long you start to think that the rules are not for you but for others. It is what the Greek call "Hubris", a state of

excessive pride. In France there is the famous case of Jean-Marie Messier of Vivendi, in the US there was Enron and Tyco, and in the UK media mogul Conrad Black is an interesting example of someone who believed that the normal rules of behavior were not for him. Sometimes I joke that the moment you find yourself on the cover of *Fortune* or *Business Week*, it is the beginning of the end because you start to believe your own press, you start to surround yourself with yes-men and yes-women and technically you go down the drain.

***You have said previously that you admired Jack Welch's form of leadership. Do you think he was an exception to the rule as he appeared on the front of these magazines and continued to be successful?***

Yes, he managed not to self-destruct! However in the end there was the executive compensation scandal as a result of his acrimonious divorce. That was a sad ending in a way because Welch was probably the most famous executive of the twentieth century. But in the end greed also took over.

In general I must say that Jack Welch did spectacularly well – he stayed in power a long time and was helped by very good checks and balances in the form of a strong executive team. And despite being a very formidable character, he tried to create an atmosphere where you were able to have a healthy disrespect for your boss, which is very rarely found within an organization.

For a while now I have run a seminar entitled “The Challenge of Leadership: Developing your Emotional Intelligence”. CEOs from across the globe come to INSEAD to discuss leadership and management issues. And because they are coming so far and are surrounded by like-minded executives, they are free to talk about really meaningful issues rather than just to give the party line. Usually you can only get an inkling of what is going on when you do traditional interviews, as these CEOs do not want to talk about their real issues. Consequently they present a façade – the “false self” syndrome – which is unfortunately part of life.

But this seminar becomes a safe “transitional space” that I have created so you hear more about executive’s anxieties and their concerns. In the process I try to create more healthy organizations. For example in that seminar, those 20 people together may be responsible for 100,000 people. If I can help these CEOs become a little understanding and more emotionally intelligent then it may have a positive effect on the organization.

***In your book you described Alexander's narcissistic tendencies. Do you find that narcissism is a common theme amongst leaders today?***

Basically many of these very driven people are quite insecure over-achievers and what you often find with this sort of person (and this is something of an over simplification) are internalized parental figures who tell you that you are never good enough and you can always do better.

In this context you often find that male leaders have a very supportive mother, which was, of course, the case with Jack Welch. His mother never thought she would have children and had a history of heart trouble in her family. Because she thought she was not going to live very long she would use this as a kind of blackmail – “please be better at this or that and do it for me in the few years I have to live”. She was a very important role model.

Another common trait of this type of male leader is the absence of a father figure. In the case of Alexander the Great, his father (Phillip) was present but not directly involved in the education of his son and did not give him the encouragement and praise that Alexander craved. He became a symbol of someone he had to compete with. And as Phillip was quite formidable in his own right, this became quite a challenge.

***Is this the case also with female leaders?***

Female leaders are different. However, because the majority of participants at my seminar are male I have a much smaller sample and therefore do not think that the last word has been said on the subject. I believe (and I may be somewhat shooting from the hip) there are three constellations of female leaders.

“ I have found many female leaders much more formidable than men. ”

The first is the Margaret Thatcher constellation where you have a father with male chauvinist tendencies who wants a son and unfortunately has a daughter. Consequently he brings up the daughter as a tomboy, which is evident when you look at Margaret Thatcher's approach. Similarly, in Thatcher's autobiography the mother is nowhere to be seen whilst the father is very prominent.

The second constellation is that of Coco Chanel. In this scenario the mother is a doormat and the father a philanderer and therefore a totally unreliable husband. However he does like his daughter. As a result, the daughter grows up thinking "I never want to become like my mother" and "men are nice but you cannot rely upon them so I will have to do it all myself". This also means that the daughter would probably have difficulties with intimacy (as Coco Chanel did) because she is very wary about this inequality of power between the sexes.

The third constellation might be the most healthy and is what I call the "honey I'm home" times two scenario. In other words, both parents have a career. Of course, it is difficult for both parties to have a fast-track career but there is an equality of sorts. This constellation is occurring more and more.

The women who attend my seminars are often part of a role reversal where they are the major breadwinners in the family. This is very hard for men to accept in certain, more macho, societies like Portugal, Spain and Italy whereas in England and Scandinavia it is much more acceptable.

I have found many female leaders much more formidable than men. One reason may be that women tend to be less narcissistic and are more concerned than men about the balanced lifestyle. As you do not find that many women in the most senior positions of large corporations I do wonder how many large companies are good for a woman's mental health. It is interesting that when you see women in senior positions they often choose not to have any children. I attended a conference last year in which delegates were trying to pick the best companies in Europe. The Minister of Family Affairs for Germany was there and she said to all these captains of industry "why do you think that women in Germany do not have any more children? Because your companies are so unfriendly to them to make that possible". And she's right.

#### **Do you think that culture played an important part in the leadership style of Alexander the Great?**

That is a very good question. Of course, there are cultural dimensions of leadership. I make a very broad distinction between the following styles:

- consensus leadership style – found in countries like Scandinavia, Holland and Japan;
- charismatic leadership style – which you find in more Latin and Anglo Saxon countries (although lately the charismatic leader has taken quite some knocks);
- organizational processes style – such as in Germany;
- political processes style – which you will find in most of the large companies in France;
- democratic centralism style – found in Russia. This style relates to the old idea of democratic centralism in which the village elders make decisions, which is very much in keeping with the idea of communism. The problem with this style is that, although the original idea is nice, in reality it always ends in corruption as you get the "big man" syndrome. Robert Mugabe, President of Zimbabwe, is a good example. You also find this style in Saudi Arabia and many African countries.

The original Macedonian style in Alexander's time was much more participative (today it leans towards the autocratic). But unfortunately, when Alexander reached Persia he adopted more of their autocratic style. Before this, when he had his companions it was much more like a band of brothers who went on adventures together. The later Alexander decided that he was a god.

I think that Alexander's main problem, regardless of cultural differences, was that he got out of touch with his troops. There are four simple things you can do on the way to becoming an effective, even charismatic, leader. You must walk the talk (set an example), challenge the status quo, manipulate symbols (Alexander was a master of symbol manipulation) and finally, you must be able to single people out for praise. Alexander originally did all of these things – in fact he behaved so much like a common soldier that people would not even recognize that it was him – and his troops respected him for it. But when Alexander went to Persia, where they treat leaders like gods, then things became different.

***One of the lessons you highlighted from Alexander the Great's experience was the importance of succession planning. Are companies gradually coming to the realization that they need to have an effective succession plan in place?***

I wish this were the case! The best companies, I argue, have leadership development as a core competency but this is a rarity. The second problem is to do with the executive board. People are currently making a lot of noise about corporate governance, but what is one of the major roles of a non-executive director? Simply the selection, coaching and firing of the CEO. However, most organizations do not do a very good job with that.

I also believe that you should never let the CEO be the only person to plan his successor because too many of them do not want to go or wish to come back as the "white knight" and rescue the company from the terrible mess his successor has made. It is a very tough area for research and usually when you look at management succession you see the terse statements in the *Wall Street Journal* and the *Financial Times* but you do not know the dynamics that are taking place. I have been involved in quite a few successions as a consultant and asked to give my advice although that is not to say I am always happy about the processes!

Of course, in the case of Alexander the Great you could argue that he was only in his early thirties when he died so succession was probably not on his mind. However, for many leaders there is very much a sense of "après moi le deluge" to quote Louis XIV. In other words, "I do not care what happens after me". To me the real test of leadership is how well his successor does.

***And do you believe that Alexander's lack of ability to consolidate was another problem?***

That was certainly one of the problems he had. I think that Alexander would get depressed when he stood still. He basically had to do things all the time as he had this great tension between the ego and the ego-ideal (to use Freud's terminology). He had such grandiose role models (King Cyrus the Great, Zeus, Dionysus, Heracles and Achilles) that he felt he could never live up to their achievements. He had to continuously prove to himself in his "inner theatre" that he could conquer these lands and so had an enormous restlessness. Given his personality make-up, he would most likely become depressed if he were not in an action mode. There comes a time, however, when you have to consolidate your empire but this was too boring for Alexander.

It is like so many executives that you see today who are very good in crisis situations but when the company is in a more stable state, they cannot handle it. I sometimes talk about how the best executives are the "reflective practitioners" meaning people who can act and who can reflect. These people can deal effectively with both continuous and discontinuous change. But I have seen many people in my seminar who get bored stiff with continuous change. They like drama and if they don't have drama then they create it – that is the problem! And Alexander the Great was certainly the sort of person who would create drama.

***What would you say to those who believed it was the job of others to consolidate and that the job of the leader was to be the visionary and drive forwards?***

That is fine if you create a good executive role constellation. I strongly believe that great leadership is not just about the leader in isolation but a strong executive team. Take, for example, Richard Branson in the UK. His original claim to fame was music but because he knew he was tone deaf he found a "man with the golden ears" to pick the winners. Similarly, he could not read a balance sheet very well so he picked a man called Don Cruikshank, a Scottish accountant from McKinsey, a formidable numbers pusher.

I think that in the beginning Alexander had some kind of executive role constellation that fell apart because he became more and more suspicious of his whole environment. This is also another disease of leaders and particularly in a day and age where they were being poisoned or murdered, as was the case in Alexander's time! We all need checks and balances and so if Alexander would have had some people around him who could do the follow-up (the institutionalization) then it would have been ok to keep driving forward, but in the latter years of his reign he no longer had anyone to carry out these tasks.

***You likened the relationship between a charismatic leader and his followers to that of a hypnotist and his subject. Do you think that this is a healthy approach for an organization or whether this works better within the military?***

What I am trying to say is that the moment you are in a leadership position, people project their fantasies on you whether you like it or not. The best example of that can be seen in the movie "Being There" with Peter Sellers.

The film tells the story of an illiterate gardener, Chance Gardner, who is happily digging in his garden protected by an old man. Then the old man dies and suddenly this gardener is kicked out of his garden. Of course, the first time he crosses the road he is hit by a car because he has never done this before. Then out steps Shirley MacLaine (she is the actress in this movie) and takes him home. Her husband is an investment banker and asks the usual question "What do you think about the economy?" And the gardener thinks deeply and says, "You have to start at the roots". Then the investment banker talks to the President of the US who is a friend of his and says "I have a brilliant person in my house, you really should talk to him about the economy". So the President passes by and says "What about the economy?" And the gardener says, "After the winter comes the spring". And before you know it, his autobiography is written for him (after all, he is illiterate) and he is a candidate for the Presidency.

This is a perfect example of fantasy (called by psychotherapists transference processes) projection and as a leader you have it in your power to use these projections appropriately. Are you going to use it in a constructive or a destructive way? After all, the moment you become a senior executive you are surrounded by liars. People are going to tell you what you want to hear and it is your task to keep the lying down as much as possible. You can do this in many different ways – one method is to have some strong people around you who you can tolerate telling you how things are. Another is to instill good corporate governance. Then there is the value of outsider input. Many people who attend my CEO seminars will stay in touch with each other for many years after the event and use each other as a sounding board. All of us need this sort of honest feedback.

I play the role in my work in these organizations as an "insultant" not a consultant – telling people in a constructive way how things are. I also run a program called coaching and consulting for change and I have trained now approximately 100 coaches in almost three years and the kind of coach I would like to see would be as candid as I am. But I have seen too many hungry coaches. Never hire a hungry coach or consultant as they will tell the executive what he wants to hear and I don't think that's in the best interests of anybody.

There is so much garbage in the forms of management fads going around and it all has to do with the fact that executives are a very anxious bunch. And these executives, constantly surrounded by consultants, become more anxious as they are told of all the dangers that are out there, just so the consultant can stay in work.

***You once said, "you cannot e-mail a smile or a handshake". Do you think that Alexander would have still been as great in this digital age?***

Apart from genetic predispositions, family constellation is important. What are the lessons learned while growing up? What has happened to the person's inner theatre? I have to think about this enormous drive of "I'll show them" attitude. I've seen it in entrepreneurs. Think about, for example, Larry Ellison, Chairman of Oracle and one of the richest men in the world. Sometimes you find that the most critical voice in your childhood is still a driving force in the

person's inner theatre. In the case of Larry Ellison it was his stepfather who said he would never amount to anything. So he spent all his life – when you talk about themes in the inner theatre – being vindictive by thinking “I’ll show the bastard”. This, to some extent, is a driving force and Ellison has been very successful. However, I do not know what sort of corporate culture that organization has and I would be worried about a leader who displays that sort of vindictive quality.

Alexander wasn't so vindictive and I think there was a lot of respect between father and son. This is the difference between reactive narcissism and constructive narcissism and in that respect I think Alexander was much more on the reactive side compared to a man like Larry Ellison.

*Interview by Anna Torrance*