

Tough at the Top: Why leaders need resilience

A. Wildman January 2013

On the surface, António Horta-Osório was still operating quite normally. As CEO of Lloyds Banking Group he was working his usual 12-hour days, maintaining a punishing schedule of both public and internal commitments and playing tennis twice a week. The shock announcement in 2011 of his sick leave for fatigue and stress wiped almost £1 billion overnight off the market value of the company.



Stress can hit at any level and in any role, often with serious personal and professional consequences. On the professional front, the greater the responsibility held by someone the greater potential for catastrophe. As in the case of Horta-Osório, the mere suggestion that those at the helm may be operating at less than 100% can be enough to undermine the stability of the whole organisation. Part of the problem is that, until recently, mental health has been seen as an illness from which there is no way back. For example, those who have had severe mental health problems in the past but are now fully recovered are still prevented from taking up company directorships, even though they are back to full health (a situation that may finally be rectified in 2013).

The personal consequences of stress can include

- a loss of focus and an inability to concentrate
- increasingly strained relationships both at work and at home
- poor health such as disturbed sleep, headaches, cardiac complications, shortness of breath, hypertension and depression.

High-functioning people are under pressure to say that they are good at coping. Kevan Jones, the Labour MP for North Durham, said that he had always tried to deal with his depression privately because he did not want to be seen as weak. *"You try and deal with it yourself. You don't talk to people. First of all it creeps up on you very slowly,"* he said. *"I think in politics we are designed to think that, somehow, if you admit fault or frailty you are going to be looked on in a disparaging way, both by the electorate but also by your peers as well."*

It can be argued that the ability to handle pressure is particularly crucial for people in leadership positions not just because of the impact on both the individual and the business but because those below are also directly affected. As anyone knows who has worked in either a very positive or toxic atmosphere, the organisational climate is strongly influenced by tone at the top. Studies¹ have shown that this psychological climate directly affects how much effort staff put in; the more positive the climate the more that staff feel engaged and the better their performance. An emotionally intelligent and resilient leader not only creates a constructive climate but, by role modelling and reinforcing the behaviours that are necessary, in turn encourages those lower down the line to imitate them.

Reinforcing constructive behaviours: Barclays' boss sets out new organisational values

Antony Jenkins, who took over from Bob Diamond ousted last summer, has set out new values to Barclays 140,000 staff. 'We must never again be in a position of rewarding people for making the bank money in a way which is unethical or inconsistent with our values..... There might be some who don't feel they can fully buy into an approach which so squarely links performance to the upholding of our values. My message to these people is simple, Barclays is not the place for you'.

It's not just the business world that's affected, of course. The impact of stress can be found across a diverse spectrum, from social workers to surgeons, air traffic controllers to athletes, politicians to the prison service, in fact any situation where a person is under sustained pressure. According to the Mental Health Foundation, 1 in 4 British adults experience at least one diagnosable mental health problem in any one year.

There is a wide range of possible causes for such high figures. Financial pressures are increasing as the economy struggles to recover; health problems are also on the rise with UK obesity rates currently the highest in Europe. Traditional family networks are becoming smaller and with this the support that they provide. Jobs are less secure. One of the most difficult challenges for leaders, however, is the constant pressure to maintain peak performance day-to-day. As with top athletes, a CEO needs to be as close to their best as much of the time as possible, winning not just the match but the whole season. A survey of 150 business leadersⁱⁱ found that, while their role demands that they should maintain a positive, energised and 'anabolic' state, a staggeringly high 80% stated that they were operating day-to-day in a negative and debilitating 'catabolic' state. Instead of feeling enthusiastic and engaged, most felt frustrated, detached or anxious. The lack of downtime with fewer opportunities to re-charge batteries is making this problem worse.

So what can leaders do to develop resilience?

Resilience is a quality that we each already have to a greater or lesser extent and our reactions depend on how we each perceive any particular challenge. Different people see the same situation as stimulating and exciting or demanding and overwhelming. Shakespeare summed it up succinctly; '*For there is nothing is either good or bad but thinking makes it so*'. Take being made redundant; where one person may respond with initial shock but then builds a degree of optimism and starts to take action towards the future, another may descend into despair and self-doubt. Failure is a particularly common trauma, yet while some people bounce back after a brief period of feeling down, others become depressed and have a sense of being paralysed by what lies ahead.



Calvin and Hobbes © Watterson

Whatever our resilience default setting, however, a large body of research over the last 30 years has shown that the cognitive skills needed to help individuals to perceive and relate to stress differently can be developed. Indeed the US Army is investing US\$145m into doing just that. Their Comprehensive Soldier Fitness programme aims to give troops 'the same emphasis to psychological, emotional and mental strength that we have previously given to physical strength' by preparing soldiers and their families to face the physical and psychological challenges of sustained operations. Developed by Martin Seligman, it highlights the importance of an all-round approach, something that's also useful for business leaders.

■ **Safeguard time to connect with family and friends.** Setting aside time to connect with family and friends provides a personal support system as well as motivation. In his book 'The Secrets of CEO's' Steve Tappin gives the example of a FTSE company CEO who explained "I have been married twice and have four kids and one grandchild. I can't remember the first two boys growing up when I was with my first wife. We separated when they were eight and nine. I can't remember them when they were young."

■ **Work on your delegation and time management skills.** The temptation in organisations where decisions have a significant impact is for the leader to manage this by creating tighter command and control systems. He or she can get sucked into making decisions that should be taken by their teams, in turn encouraging people to take less initiative lower down the line. It is essential to establish procedures that you can trust. Technology can also help but it can be a two-headed monster if not kept under strict control. Working out where that breakpoint is between using blackberries, iPhones and so on to help feel in control and where it tips over into never being able to escape will differ from person to person but knowing where it is and managing that is the aim for every leader.

It is impossible to live without failing at something, unless you live so cautiously that you might as well not have lived at all."
JK Rowling

■ **Rediscover your passion for your business.** Having a sense of purpose in life can sustain a person even beyond that meaning already provided by family or society. For leaders, this sense of purpose is often linked to the business they are in. Re-discovering this passion can re-energise and refresh a weary spirit.

■ **Build mindfulness skills.** Mindfulness is the ability to be fully aware of a situation in the actual moment you are experiencing it, observing what you and others are thinking and feeling right now, before assessing how to respond. Noticing what our brains are processing shifts us away from fight or flight into an 'approach' mode, helping us to change our mental state and perceive and relate to stress hijackers differently. This helps us to feel more in control and in turn to be more objective and resourceful about how we respond. It's a critical part of our emotional toolkit and is being offered to staff by an increasingly wide range of organisations including Google, KPMG and GSK who see the benefits not just in terms of stress management but as a key component in building high-level performance and overall wellbeing. The benefits include:

■ **A more positive and mature working environment.**

The psychological climate at work influences job involvement, work effort and work performance. Leaders have a significant bearing on this climate.

■ **Stronger relationships both with clients and staff.**

Leadership is a social enterprise where the quality of the relationships matter. The leader's ability to unite a group to perform well in the long term dictates how well the organisation will perform. To do this he/she needs to understand others' points of view and make empathetic connections but also needs to cultivate an ability to recognise how their personality plays out to others and to regulate that behaviour. These skills also vitally affect client relationships and the results can be astounding. One

"Emotional intelligence is the key requirement to get the best out of people, being self-aware of your own strengths and weaknesses".

Stuart Lancaster, England Rugby coach

study of a 'Big 4' accountancy firm found that partners high in self regulation contributed 390% more to annual profits.ⁱⁱⁱ

- **Better decision-making and problem solving.** Mindfulness has been shown to build working memory capacity – the ability to hold information in our heads at any one time and to focus on complex tasks and/or emotionally challenging situations. Not only does greater working memory help to avoid knee-jerk reactions, it also provides a mental workspace for decision-making. The more information we are able to draw on in any situation the more we are able to make sense of it. This can be a critical professional capability. Consider the Olympic athlete faced with a split-second decision over when to cut to the front; the bank CEO faced with a barrage of journalists' questions outside his office when an ethics story breaks; or the Marines Captain faced with hostile local elders in Afghanistan while searching for insurgents. Being able to assess the situation and make best-case judgements demands as great a level of mindfulness as possible.
- **Less time spent on autopilot.** It's essential for a large proportion of our lives to be on autopilot or we would be overwhelmed - at least 90% of our responses are automatic by some measures including thinking, feeling, judging and acting. In stable environments this works well but whenever there is significant change in an organisation these responses by rote may no longer fit.
- **Increased capacity for creativity and innovation.** Being able to clear our minds 'on demand' is essential for concentration; this helps leaders to be creative, especially useful in industries where innovation is a key differentiator. Mindfulness builds skills in managing distraction and improving focus.

'We should base our decisions on awareness rather than on mechanical habit. That is, we act on a keen appreciation for the essential factors that make each situation unique instead of from conditioned response.'

Warfighting: The U.S. Marine Corps Book of Strategy

Each individual will have different needs. The key to resilient leadership, however, is not in avoiding the stress that comes with the role so much as in taking steps to manage the effect, for the sake of both the leader and those below. The rewards are there for the taking; better health, more positive relationships and increased performance. Certainly chief executive António Horta-Osório has suffered no relapse of the exhaustion problems and those who bought shares in Lloyds Banking Group a year ago have had an outstanding run, doubling their money over the period as market confidence in Britain's biggest high street lender increases.

Anna Wildman is former Global Director of Learning and Development for KPMG and is co-founder of 'Mind inSight™: Developing Resilience in the Workplace' for business leaders.

ⁱ S. Brown et al. J Appl Psychol 1996

ⁱⁱ Becoming a 21st Century Leader by Alan Watkins

ⁱⁱⁱ Study of Big 4 firm by Boyatzis and Goleman 1999