

Trouble at the Top: is Britain's leadership still fit for purpose?

#LSEestablishment

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Introduction: Individuals or Systems?



Who Gets to the Top ... ?

(Claire Short) 'I don't particularly know how they are recruited. These sort of bright young things, they'd be sort of Oxbridge, and then they'd work for the *FT*. And a lot of them have worked on sort of media, media policy presentation, that kind of bench. Not real experts in other words. Not people who spend their life in an area. Those kinds of people have been largely squeezed out.'

'this very voracious twenty-four hours media seems to be changing politics. I mean look at Bush, he's very similar to Blair, this sort of folksy Texan thing that works as a sort of charm thing in America, and sort of good on the media, and a very tight entourage around him, and rather incompetent. And if so, are we in trouble? Because Churchill couldn't come through this, Atlee couldn't.'



Westminster

PPE

Triangle

Think Tanks

PARTY RESEARCHERS

MEDIA-PR-JOURNALISM

World of CEOs ...

Engineering
Sciences
Professions

Business,
MBAs,
Accounting

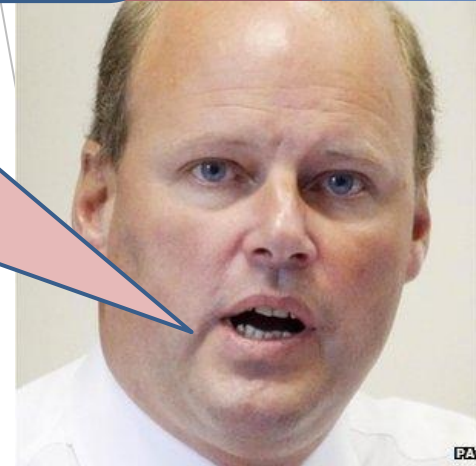


(Francis Salway, FTSE 100 CEO) ‘well, you have the odd good idea ... I once said to somebody, I don't expect to have a good idea more than once every three years, and he said “Francis I had one good idea in my whole career”, and he was successful.’



The Social Conditions of Leadership ... Personal Risk

(Stephen Hester, CEO RBS) 'If you're doing something different from everyone else, you have to say "what is it that makes you think you're cleverer than them?" It's a higher bar actually.'



(Alan Parker, CEO Whitbread) 'I would say from experience, that I would definitely always want to see it working elsewhere. Rather than paying the price of being a leading-edge innovator, I'd much rather be a fast follower.'

Fashions ... to Herds ...

(Peter Riddell, The Times) ‘it makes everyone risk averse, because the news desk go: “why haven’t we got this story”? So, people are ensuring that they will cover something because someone else might have it.’





(financier) 'There's always a reason. Yes, the company's making losses. Yes, there is a financing deficit. But the prospects are so good that by next year everything will be hunky-dory and tickety-boo ... It had got to that stage that the next issue from Goldman Sachs was going to come on at £1 and start trading at £2 and you couldn't afford not to have any. It really didn't matter what the company did.'

Leadership as a Numbers Game

Or

A Virtual Reality Game ... for Accountants



Numbers and Targets as Proxies for Ideas

(Vicky Pryce, Co-Director of Government Econ Services) 'The Labour Party Manifesto used to be translated into a number of public service agreements. So, there were all these targets, things that had to be met over a number of years in individual areas that they wanted to select. Child poverty, education, environmental stuff, blah, blah, blah ... I was the person responsible for PSA number one, productivity for the UK economy. So, we'd bring in lots of people, and we would measure our productivity ... There was a whole system devised by the Treasury.'



Gaming the Game

(FTSE 100 CEO) 'Shareholders will focus on what you ask them to focus on and what you keep on talking to them about. So, it's simple. You want problems. You highlight the problems. I've always highlighted problems. You say: "These are our problems". Then you fix them. They'll reward you for it in your stock price. You just need to align with the same metrics that you're giving the shareholders.'

(Senior Treasury Official) 'I doubt it was hundreds of billions. But, you know, we have a national debt into the trillions. So? ... Look, if you're a government, you want to have more things. You want to announce you're going to open new schools and hospitals and so on. And, if you can find a way of doing that off-balance-sheet, that's quite convenient.'

Moving on Before the Brown Stuff hits the Fan

(Samir Brikho, FTSE 100 CEO) 'You read about the average CEO and the business is like almost becoming three years. And if that's the case, it's bad news because ... If you don't spend it on the R&D then you can convert that to profit. That's great if you are there only two or three years but do you kill the company maybe later on? ... So if I'd been optimising only for the first two years in order to make the big buck at the third year and then thank you very much and bye, that would be not great for the company's future.'



Any particular virtual reality game?



... Leadership is like Grand Theft Auto ...

... for Accountants



Making Leadership Fit for Purpose

Systems ... Constitution, Electoral System, Corporate Governance, Shareholder Value

Principles ... risk-reward structures, transparency, conflicts of interest, checks and balances, no self-policing, long-term incentives, clear accountability

Review of Professions ... media, intermediary professions of accounting, lobbying, law



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