

Four Studies in Strategic Leadership

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Strategic leadership is the ability to influence those with whom you work to voluntarily make decisions, on a day-to-day basis, that enhance the long-term viability as well as the short-term financial stability of the organization. It is a concept that refers to the study of senior leaders who have the overall responsibility for the organization and how their decisions affect the organization's performance outcomes. The focus is on the most senior leaders in organizations (CEOs, Chairs of Boards, etc.) because they have the most power and make decisions that affect the whole organization – including all other organizational members. These leaders have the responsibility of creating a sense of direction and purpose that guides the formulation and implementation of strategy within the organization. A few of them may be strategic leaders, some may be visionary leaders and many will be managerial leaders.

Organizations are generally over-managed and under-led. In addition, as organizations become more strategically diversified, those in senior leadership positions come to rely more on managerial skills and less on leadership skills. It is possible that in large, over-diversified organizations those with the ability to lead strategically or in a visionary manner will only exercise managerial skills, use their strategic or visionary leadership energy to fight the bureaucratic system inherent in large organizations, or leave the organization. All these possibilities leave many organizations without strategic or visionary leadership and most only with managerial leadership. Leading is different from managing and most organizations implicitly encourage and explicitly develop their senior leaders to be effective managers. However, far fewer organizations do as well at developing effective leadership skills.

The accompanying cases have been selected to help facilitate discussions among practitioners on leadership at the top of the firm and to illustrate the differences among strategic, visionary and managerial leadership. The cases are integrative in nature and include issues related to senior leadership development, leadership at all levels of the organization, developing a management and re-organization framework, ethical issues, and performance under strategic, visionary and managerial leadership. The senior leaders in these cases led firms in Hong Kong, China, Atlanta, United States, and Taipei, Taiwan. The industries represented are container shipping, insurance, beverages and law.

HUTCHINSON PORT HOLDINGS: 35 YEARS OF JOHN MEREDITH'S LEADERSHIP

Hutchinson Port Holdings (HPH) is an organization that owns and manages container operations at 45 seaports in 23 countries on five continents. HPH commenced operations from one container port in Hong Kong in 1972. In 2007, HPH was the largest container port operator in the world and generated HK\$30 billion while employing 35,000 people. John Meredith, the group managing director, was the leader of HPH through 35 years of continuous growth. Meredith built HPH with only four years of formal education and with no business management experience. He credited his leadership skills to the many years he spent in the British Merchant

Navy. As he considered how his life at sea and his other life experiences had been critical in developing his leadership style, he wondered how HPH would foster leadership skills among its global management team to ensure continuous growth in the years ahead.

ING INSURANCE: TOWARDS PERFORMANCE EXCELLENCE

ING Insurance Asia/Pacific (IIAP) is a regional insurance company owned by ING in the Netherlands. As the new CEO of IIAP, Jacques Kemp found a fragmented, fractured organization when he arrived in Hong Kong in 2002. By April 2003, he found that each business unit (country) had a different approach to developing and executing strategy and that there was little or no synergy possible. Over the next three years he developed a management and re-organization framework called Towards Performance Excellence (TPE). In June 2006 he was preparing to present the TPE Framework at the fourth Change Leaders Forum in Monaco. The forum, hosted by McKinsey & Company, was a two-day event on the state of the art of Leading Change. Kemp was excited about hearing what senior executives from other organizations would say about the TPE Framework

COCA-COLA: STRATEGIC LEADERSHIP AT 'THE REAL THING'

From March 1981 to July 2008, Coca-Cola (headquartered in Atlanta, Georgia, US) was led by four different CEOs. These leaders were: the legendary Robert Goizueta from March 1981 to October 1997, when he passed away from cancer; Doug Ivester from October 1997 to February 2000; Douglas Daft from February 2000 to February 2004; and, E. Neville Isdell from February 2004 to July 2008. Under Goizueta, Coke's share price had risen 5,800%. Over the next three CEOs the share price increased 11.6%. This case describes each CEO's life experiences prior to becoming CEO and their leadership styles as CEO. The case helps differentiate among strategic, visionary and managerial styles of leadership at one of the most recognized firms in the world.

LEE AND LI: DEALING WITH THE EMBEZZLEMENT OF NT\$3 BILLION

On Monday, October 13, the senior partners of Lee and Li, the largest and most prestigious law firm in Taiwan, were informed that one of their mid-level associates had embezzled and absconded (successfully so far) with NT\$3 billion (US\$92 million). The "A" case describes how this happened and leads to a discussion of what actions Lee and Li needed to take to ensure that the firm survived, that the jobs of the firm's lawyers and other employees are saved, that the firm's more than 12,000 clients stay with the firm and that the client whose shares had been used to perpetuate the fraud and embezzlement stays with the firm. The "B" case describes what the firm did over the next four weeks. The main question for discussion then becomes will what Lee and Li did enable them to survive, keep their lawyers and employees and keep the vast majority of their clients, including the client who was embezzled by the mid-level associate.