



**LEADERSHIP ACUMEN Feature Article**  
Doug Macnamara, Banff Executive Leadership Inc. and  
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SAN FRANCISCO  
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## **Downsizing Can Deep-six Executive Training**

Just when high-quality leadership is more important than ever to the success of companies, most organizations are cutting back on training their CEOs and other senior managers.

That's a shame, according to Doug Macnamara, a leading authority on executive leadership issues, because many of the most successful, progressive companies in North America have gone against conventional wisdom and embraced cutting-edge leadership approaches. They've spent the time and money to stay current and are reaping the rewards, he said.

"I hear it again and again in my groups or when I'm coaching individual clients that most are so caught up in the day-to-day pressures of running their companies, they seldom have a chance to pop their heads up and think strategically," said Macnamara, president of Banff Executive Leadership Inc., a Canadian company that operates leadership seminars for Boards of Directors and Management teams and individual coaching sessions for CEOs, presidents and other senior managers.

That's a pennywise-and-pound-foolish approach, according to Macnamara.

### **Execs Still Need Training**

"Even though there are so many changes in leadership approaches, most companies are scaling back leadership development because of economic concerns," he said. "Some business leaders today are talking a good game, but they're making cutbacks in really important programs to affect (their company's) share price."

Having worked as a vice president in three corporations before his current position, Macnamara understands the need to "batten down the hatches" when times are tough.

"But, at some point, you have to start moving forward again," he said.

And in a business world that needs to move increasingly toward cooperation and collaboration instead of the old-fashioned top-down, command-and-control model, training - or perhaps retraining in many cases - is necessary. Macnamara was in the Bay Area this month working with the executive staff of one of those more forward-thinking organizations, Roche Molecular Systems Inc. of Pleasanton, which develops and produces molecular-

based diagnostic tests and automated testing platforms. He spoke of trends in the field that he considers positive and, in the case of those being driven more by cost-cutting than common sense, ill-advised.

"Downsizing has eliminated a lot of middle managers from companies and they have increasingly turned to e-mail communication and e-learning programs in recent years to compensate for the lack of in-person training," Macnamara said. "I have nothing against e-learning per se, but a lot of companies are relying too heavily on it. (E-mail and e-learning) are pretty sterile environments and they also cause a real depletion of social skills among remaining middle and senior managers."

E-learning is "really just another form of a lecture that isn't going to help (management) think strategically or how to empower their employees. A lot of business leaders have become obsessed with it and think it's a cheap way to go."

To get to the point where companies can best operate in today's complex, ever-changing business environment, Macnamara said organizations must move increasingly to "team-based leadership" where executives understand the interrelationships between themselves and their suppliers and are able to discern patterns of their business instead of just reacting to events occurring around them.

### **Sharing Decisions in a Complex World**

"Leading organizations have realized the world is too complex for a group of only five or 10 people to make all their key decisions," he said. "They need to be networked, to bring in their customers, alliance partners and front-line employees to help make strategic decisions."

In contrast to a few hours spent with an e-learning software program, Macnamara's group workshops last from three to seven days because, he says, that much time is needed to thoroughly deal with a company's leadership issues.

"Some clients will ask what they can get in a day's time and I tell them not much," he said. "People invariably arrive late, they're frequently getting calls on their cell phones and other distractions occur. These are important issues that involve the time and attention of management and employees."

Ron Elsdon, a Danville resident who authored a book on executive leadership trends titled "Affiliation in the Workplace," said the field has changed drastically in the past decade.

"Things like self-understanding, vulnerability and the ability to listen to others are all considered crucial leadership qualities today," said Elsdon, who manages the San Francisco-based Center for Executive Options for human resources consulting firm DBM. "These weren't even on the radar as recently as 10 years ago."

Elsdon said his organization conducts many employee exit interviews for companies and one of the most frequently heard complaints from both management and rank-and-file workers alike is that immediate supervisors and organizational leaders do not listen to them.

"Communicating a sense of inspiring purpose to employees can only be done by talking to and listening to people," Elsdon said.

After the overriding emphasis technology and keeping current with technological innovation has received during the past 10 to 15 years, Elsdon said the business world is placing a much higher value on its human assets today. "Value creation today is all about people," he said. "The primary value of our companies is what's in the minds of our employees. Since we're not really making things much anymore in our economy, knowledge is our most valuable capital and enlightened executive leaders grasp that concept."

Macnamara concurs today's business environment is far more centered on relationships.

"Leaders coming from a 'network' perspective need to have the ability to explain to their employees the interdependence of client groups today," he said. "The global business community is a network. We are moving away from the traditional business approach, where we tried to control everything, to understanding how these connections work. We are creating a new marketplace of ideas, goods and services."