




ENGAGEMENT: Critical Strategic Challenge

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Tuesday, 27 March 2012 www.henley.reading.ac.uk




Strategic Alignment

Visioning – Top Team

- 20% NHS Top Team
- 21% NHS Board
- 20% Sweden
- 23% Japan
- 25% Finland
- 30% U.K.
- 31% Austria
- 32% Germany
- 33% China
- 39% France
- 39% USA
- 40% Spain
- 42% Hong Kong
- 48% Ireland
- 56% Australian Public Service

Recognise fundamental divisions exist within their top team concerning the future

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Strategic Alignment

Dialogue – Top Team

• 36% France	• 63% Spain
• 47% UK	• 66% Australian Public Service
• 49% Finland	• 67% Austria
• 50% Sweden	• 68% Ireland
• 58% Hong Kong	• 66% NHS Board
• 61% Germany	• 70% NHS Top Team
• 62% USA	• 77% Japan
	• 80% China

Believe there are issues which should be discussed but are too sensitive to be discussed in the top team and are NOT

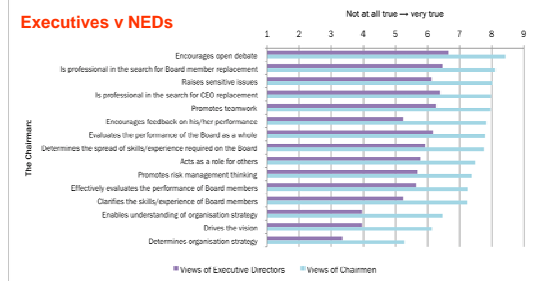
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Board Dynamics (UK)

Executives v NEDs


Not at all true – very true



Views of Executive Directors (blue), Views of Chairmen (light blue)

- **LOW TRUST – Executive Board Directors of Chairman/NEDs**

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Board Dynamics (USA)

Average Companies (Majority)

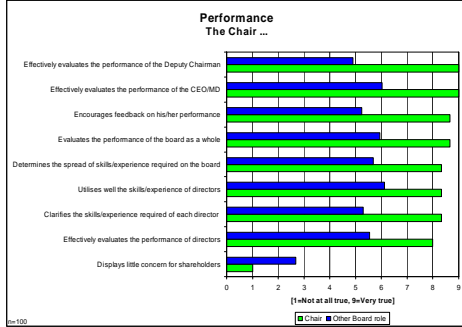
- High inhibition
- Defensiveness
- Limited use of NED/external director capabilities
- Appointed from network
- Discouraged from talking to
 - Staff/Management
- External Director portfolio extensive
- Strategy/board dynamics driven by CEO / President / Chairman
- Dismissive of CSR
- NOT DEVELOPMENT MINDED
- Legal culpability
- Sarbanes Oxley
 - Gone too far
 - May induce more 'corruption'

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South Africa Directors

Performance The Chair ...



Chair (blue), Other Board role (green)

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The Success Formula



$$S + (E \times A) = V$$

S – Strategy

E – Engagement

A – Alignment

V – Value Delivery

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Poor Practice



$$S \times (E + A) = V$$

SSS

SSS - Structure,
- Sell,
- Shut up/Ship Out

V - Value Proposition

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Engagement



Realising engagement is the critical challenge for sustainable performance

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