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Twelve Signs Arrogance Is Running Your Company

Maybe you let talented players walk away or give yourself credit you don't deserve. You're setting up your business to backslide

By Alaina Love

My phone rang early one Monday morning. On the other end was a client, the president of the division of a multinational company for whom I've been providing human resources support services. He sounded breathless and worried. "Joe just resigned," he said frantically. "We've got to do something to talk him out of it. Can you get to his office right away?"

I set out immediately and headed across campus for the long walk to Joe's office, all the while wondering why someone with such a bright future would forfeit an opportunity for the dream job that was within his grasp. He was a key player under consideration for at least four vice-president-level positions in the company's recently completed succession plan. The significance of Joe's impending departure was enormous, I realized. He'd grown up in the company, starting first in sales and eventually working his way up to a leadership position in marketing. Losing him would mean a tough blow for the organization, one from which recovery would be difficult and lengthy, if not impossible. With him would go years of irreplaceable institutional wisdom and history.

I arrived at Joe's office and found him looking weary as he packed up his desk. Here I was, one in a long stream of visitors to see him that morning. His decision affected his team members the most; some had left his office in tears, and others felt betrayed. Through it all Joe felt lousy, yet remained committed to his decision.

We sat down at his table as we had so many times before in the years we worked together. I asked why he was leaving. The question hung in the air like thick smoke after a fire, while he pondered his reply. After a long pause, Joe said, "I cannot sit idly by while this company trades the future for quarter-to-quarter results. We're not positioning ourselves for ongoing success, and I just don't think this way of operating is sustainable. I've done everything I can to convince leadership we should adopt a different approach, but they're not listening. They won't even sit down long enough to learn about the suggestions I have for changing things. I want out before this house of cards collapses."

RATIONALIZING AWAY RESPONSIBILITY

Everyone who mattered called Joe that morning and tried to persuade him to stay. He even heard from the CEO, but it made no difference in the outcome. Five hours later the CEO called me and recounted his conversation with Joe. It went about as I had expected—Joe shared his concerns about the lack of sustainability of the company's operating model and his fear the organization was compromising its legacy. Surprisingly, however, the CEO reacted in a very different manner than I expected. Rather than examining the reasons behind Joe's departure and exploring the responsibility the company might bear in his decision, by late afternoon he had rationalized the morning's events and decided it was in the company's best interest for Joe to leave. "What?" I said. "Did I hear you correctly?"

"Yes," he insisted. "We don't need somebody around here who doesn't embrace our way of doing things."

So, after years of investing in the development of an emerging talent like Joe, top brass determined his value had dissipated as his challenge to the status quo emerged. Rather than listen, discuss, debate, and hear him out, leadership turned a deaf ear to Joe's ideas—mainly because they were controversial and would require a long, hard look in the corporate mirror.

This was the first clue arrogance was running that company. Here are 12 signs I've observed in other organizations that you might watch out for in your own business.

THE 12 SIGNS

Arrogance is running your company if:

1. You hire and develop great people but then fail to listen to their input if it is nonconformist thinking.

2. Your company rationalizes its mistakes instead of learning from them.

3. Your company focuses almost exclusively on financial success with little regard for legacy and social impact.

4. Your company lobbies against sound regulations because they may add complexity to the way you operate.

5. Your leaders pat themselves on the back when the company succeeds financially, even though success derived from market forces rather than actual performance.

6. Your leaders believe the company can't fail.

7. Your leaders dictate more than they listen.

8. The company underestimates its competition and minimizes the success competitors achieve.

9. Access to top leadership in the company requires wading through multiple layers of bureaucracy.

10. There is a focus on amassing the trappings of success: large, well-appointed offices, chauffeured cars, private jets, and the like.

11. Your company doesn't become a partner in a merger; it takes over, losing the value of the culture and learning the other organization might have provided.

12. Your company suffers from "Not Invented Here Syndrome," believing it holds the monopoly on great ideas, so that innovations coming from the outside ("Not Invented Here") are deemed to hold little value.

TAKING STOCK

If you answered "yes" to more than six of these signs, your company has a dangerously high arrogance index. As a leader in such an organization, it's time to take stock of the culture you're creating. As we have seen over the past 24 months, corporate arrogance can lead to company failure, economic decline, a burgeoning deficit, and exponential growth in unemployment and homelessness. It robs future generations of the financial stability they deserve and saddles them with a mountain of debt.

As a leader, you are the steward of the corporate culture that others experience. You have responsibility for the impact decisions generated from that culture have on the larger world. Moving into the New Year, make a resolution that you keep. Commit to addressing arrogance in your company. As a first step, wholly own your role in creating it.

Author's note: Marc Cugnon, chief executive officer of Purpose Linked Consulting, contributed to this article.

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