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BNZ's CEO
Andrew Thorburn

It's lonely at the top

WHAT TO DO ABOUT DEPRESSED CEOS

Are boards responsible for the emotional well-being of their chief executives? Or should they, at the first sign of stress, bundle their high-paid CEOs out? Clive Plucknett tells Reg Birchfield how boards should react.

LISTEN TO CLIVE PLUCKNETT, a self-confessed “type A” chief executive who spends far too much time in his office, and you might be forgiven for thinking that depression among chief executives is spreading like a volcanic cloud. He calls it a “silent, spreading epidemic”.

The Challenge Trust CEO says no one is doing any meaningful research into the incidence and effects of executive stress in New Zealand, but he bases his conclusions on his charitable trust's building workload and US and European research. He also points to research that claims 52 percent of top executives die of stress-related diseases.

Challenge Trust offers specialist mental and physical disability health services for organisations and individuals from every sector. And the incidence of executives suffering from depression and stress-related illnesses is growing demand for his organisation's services.

Plucknett recently told the *National Business Review* that stories of CEOs and directors going bush or attempting to commit suicide are “just the tip” of a very large iceberg. For every one incident that spikes media interest, he believes 100 go unreported.

The statistics and predictions on the growing global incidence of depression are, frankly, depressing. According to the

World Health Organisation, depression will deliver the world's next health crisis in the 2030s.

US statistics suggest that stress and depression are now that country's number-one reason for sickness. Nine out of 10 American companies claim that workers' performance and productivity is undermined by stress-related issues. A study by the *New England Journal of Medicine* says stress contributes to 85 percent of all medical problems.

The increasing incidence of depression and stress in executives is, in Plucknett's opinion, different from the incidence pattern in the general population. He blames the New Zealand psyche for the spiralling trend, which is coupled with an ingrained institutional and individual resistance to do anything about it.

“We have a bullet-proof mentality,” he says. “We are so macho. Even our women are macho. We don't share personal stuff with other

people. And that adds to the problem in New Zealand.”

He is also critical of New Zealand's approach to health management generally. “We do not look at wellness,” he says. “We look to fix things once they have broken.” This approach, he believes, applies right across the health system, not just when it comes to dealing with stress and depression among CEOs.

The recession, says Plucknett, has triggered a dramatic increase in stress-related incidents among high-level executives. The problem is worsened by CEOs who internalise and bottle up their pressure problems.

“They can appear to operate effectively for some time, then all of a sudden they hit the wall,” he says. But before the crunch, CEOs stop performing and that becomes expensive for the enterprise – regardless of what happens to the individual and his or her family.

His comments are backed up by the new book, *The Stress Effect*, by leadership expert Henry L Thompson, which explains how senior executive stress undermines good decision-making. Thompson argues that stress and depression are often the real culprit behind leadership failure.

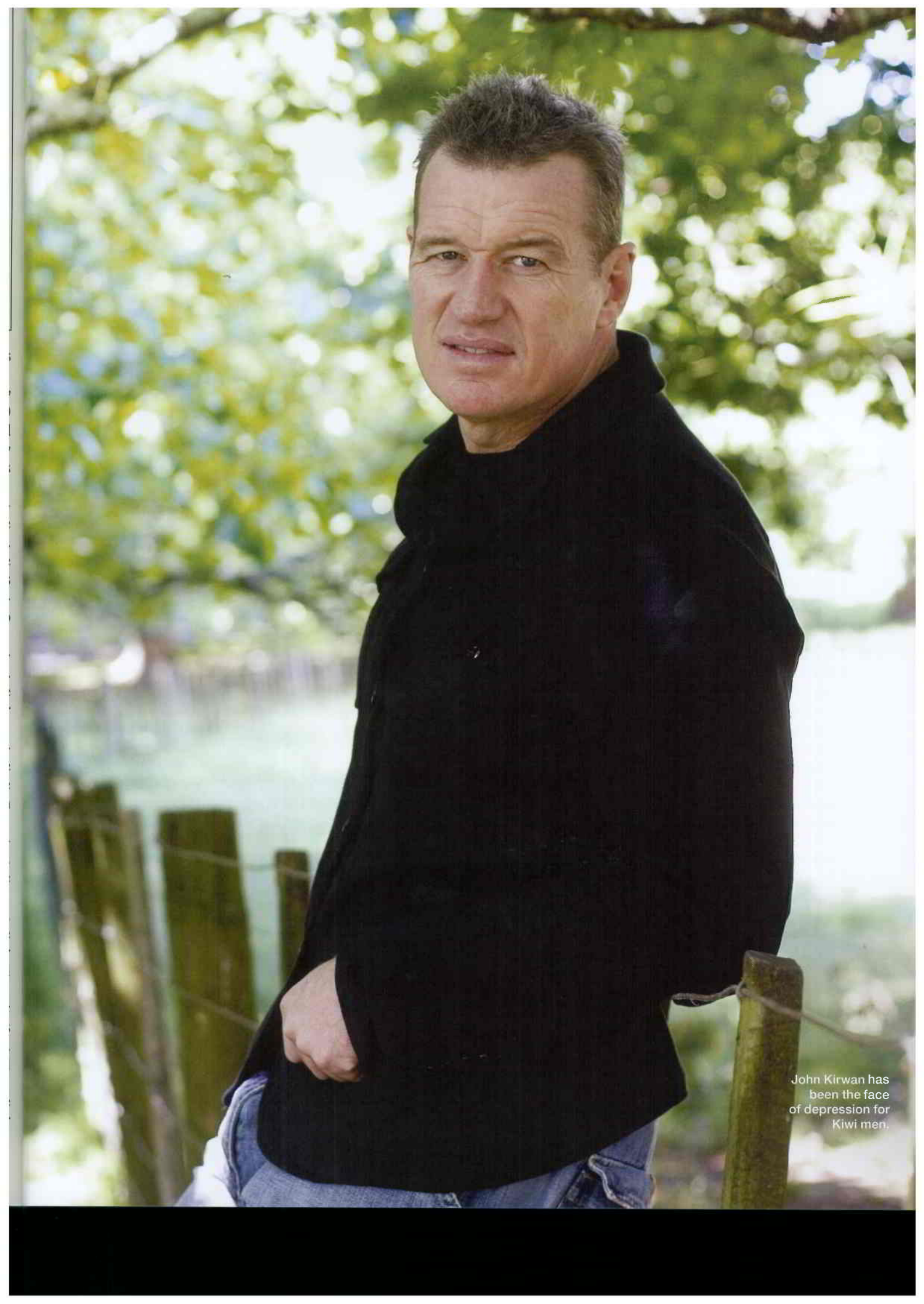
When leaders' stress levels are too high – whether in the boardroom or on the management front-line – using their

“We are so macho. Even our women are macho. We don't share personal stuff with other people.”

LOOK OUT

There are five warning signs of depression, says Clive Plucknett:

1. Feelings of anger or rage at small things that would not normally upset you.
2. Difficulty with going to sleep or, more commonly, waking up at 2am or 3am and not being able to get back to sleep.
3. Forgetting things that cause embarrassment and looking for elaborate ways to cover up.
4. Drinking more alcohol than usual.
5. Feeling unable to cope, even if only momentarily. Being panicked by deadlines.



John Kirwan has been the face of depression for Kiwi men.

emotional intelligence and cognitive ability in tandem to make wise decisions is impaired.

New Zealand boards are, in Plucknett's opinion, not facing up to the problem and often irresponsible and callous in their approach to dealing with CEOs that confess to any stress pressures.

"After the *NBR* story, I had one chair ring me and asked to meet to talk about his CEO who had admitted he was stressed. I agreed to meet, thinking we would talk about ways of helping the CEO. All the chair wanted to do was work with me to provide ammunition to get rid of him. This seems to be the prevailing mentality in New Zealand."

Plucknett believes there has been a major shift in both the US and Europe in the way boards work with CEOs suffering from stress and depression. Apart from any humanitarian consideration, Xerox estimates that it costs the company \$1.5 million every time a CEO dies on the job.

"There has been a real awakening to what it costs to lose or replace a CEO," he says. "Looking after the CEO is a wise business decision and not just a benevolent one."

The best companies are, he says, implementing comprehensive wellness programmes for their CEOs. They provide, among other things, diet, vitamin supplements, fitness, psychological and mentoring support.

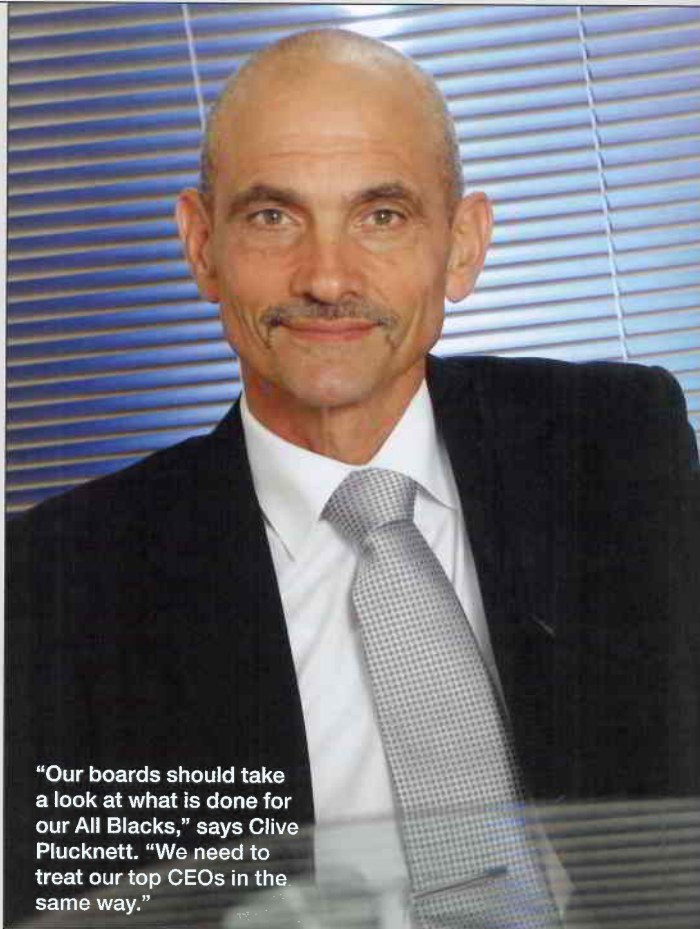
"Our boards should take a look at what is done for our All Blacks," says Plucknett. "We need to treat our top CEOs in the same way. We have a culture that is based on a belief that CEOs are paid big bucks and must therefore perform. If they don't, the board's answer is to get rid of them."

Too few local boards recognise or care to understand a wellness concept, according to Plucknett. "They opt instead for sending the CEO for an annual medical check-up. That is not sufficient. It is all about mindset. Our boards, generally speaking, do not think about anything other than financial analysis. They are not too interested in the wellbeing of the individuals involved in running the business."

The CEO's work environment has changed significantly, says Plucknett. What has worked before is not working so well now. The pressures from global competition, technological change and tough economic times are conspiring to make the CEO's life more difficult and demanding. Combine these factors with our inclination to "tough it out and not talk about personal problems" and we have a recipe for more problems in the future, he adds.

Boards have to think differently about what CEOs need to help them lead today's more complex enterprise.

"A CEO's life is pretty lonely and particularly in a country where the culture mitigates against talking about personal problems. I don't see a lot of evidence that boards are yet willing to think differently about how they tackle issues like this.



"Our boards should take a look at what is done for our All Blacks," says Clive Plucknett. "We need to treat our top CEOs in the same way."

"I have one CEO who is paranoid that his board might find out that he talks with me. We meet out of town. He believes that if they find out that he is meeting with a consultant like me that he's dead in the water. That adds even more stress."

Plucknett is also critical of New Zealand's director training programmes. "It is all about the hard stuff," he says. "It is about risk-management, about figures and meeting key performance indicators. There is nothing about leading to get the great-

ness out of people. To teach anything else might be an admission of weakness and that is something we prefer to cover up.

"The most important value-add decision a board can make is to ensure that a CEO is performing to his or her best and leading in a way that ensures the whole team is performing to its best," says Plucknett.

"Boards must wake up to the truth of what is happening out there. They first need to understand that it is through the CEO that they can make their greatest positive impact on their organisation; then they need to ask how they can best support the CEO. In my opinion the answers to that are vastly different from what they have been in the past." ■

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