

Micro-Managing CEOs Are a Danger Sign in This Economy, Says Executive Coach Stephen Xavier

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LOS ANGELES, Jun 10, 2008 (BUSINESS WIRE) -- Stephen Xavier today issued the following op-ed: Many high-level decision-makers have been celebrated by the press for recession-busting during this sluggish economy, while others stumble. H-P's Ann Livermore, for instance, gets top grades for keeping her eye on the big picture, and constantly creating new opportunities for growth. Throughout Ms. Livermore's career she's been applauded for her ability to delegate and manage people well.

Unfortunately, this sentiment isn't common among business leaders these days.

Many senior executives are more focused on their personal glory, rather than on finding ways to create new business opportunities and growth.

THE LILLIPUTIANIST "Howard Shultz, Starbucks' returning Chief, needs to order up a `double-shot, venti-size' set of courage for the turnaround required to keep the coffee giant on the map," said Stephen Xavier, CEO, of Cornerstone Executive Development Group. "With consumer confidence and spending slipping, and not sipping, their global sales have dropped dramatically." Xavier maintains that micro-managing is a sign of an entrepreneur-gone-big and is common for many leaders of small companies which have grown at lightening speed.

THE OLD-SCHOOL AUTHORITARIAN There are also micro-managers who will jump from one large company to another.

Given his record at Home Depot, one would have thought that Bob Nardelli would have had trouble getting hired as CEO of any major corporation. Yet, this old-school authoritarian CEO has found a home as CEO at Chrysler which unsurprisingly has the same history of poor labor relations, shoddy products and eroding market share.

"Prior to hiring Bob Nardelli, Home Depot had the Ann Livermore touch in management philosophy," added Xavier. "The founders, Arthur Blank and Bernard Marcus both believed in a decentralized corporate culture where individual stores had wide autonomy with experienced, high paid employees who were plumbers, electricians, and painters themselves." This initial "hire the professional" strategy increased sales and won customers. When Nardelli replaced Arthur Blank he managed to alienate customers and employees with his old-school authoritarian practices.

THE NEW AGE ECCENTRIC The shocking revelation last year that John Mackey, the maverick founder and CEO of natural foods purveyor Whole Foods, had blogged about his company for years under a pseudonym is still rocking the food industry. Now, the company is posting losses for the first time.

Xavier points out that Whole Foods is entering a new era of competition as organic food goes mainstream at Wal-Mart and Target, calling for new strategies and visionary leadership, not the eccentric behavior of a brilliant but out of control founder/CEO. Bottom line, says Xavier, the Whole Foods Board should be looking for a leader who can build and communicate to his or her team a compelling vision of the future and bump Mackey up to a Chairmanship role, with gratitude.

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