

Power plays: what Shakespeare can teach on leadership

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Introduction

“There is no business without show business“, it is said. And show business started with theatre. If you look at boardroom battles and takeovers, the intrigues, the powerplays, the triumphs and tragedies of executives, you are sometimes reminded more of theatre than of business. Sometimes, it is a comedy, often, it is a tragedy, and sometimes it is also pure improvisation.

Also, the financial crisis, which is now almost over, appeared to be more of a product of an author with a wild fantasy, than a product of the real world and it brought all the thunder and lightning of theatre onto the stage once again: We have the fall of Bear Stearns and the demise of Lehman Brothers, we have the nations that almost went bust themselves after the banks went bust and we have the dodgy debt that is fought with even more dodgy debt, until everything finally breaks apart in a Shakespearean Armageddon.

The world as a stage

William Shakespeare, the greatest playwright and at the same time the greatest psychologist of the world, would have looked with great interest at the markets and boardrooms both during and after the crisis – but he would not have been surprised. Because all the intrigues, the small and big power plays were and are made by men. By managers and executives, who no longer dress like the kings and dukes of Shakespeare’s plays, but who seem to be identical to the immortal heroes of Shakespeare in their success, their victories and their defeats. We see patriarchs like King Lear, clinging to power for too long and then giving the power to the wrong people; we see laggards like Hamlet, that are afraid of actually doing something and do nothing until the ground disappears beneath their feet. We see careerists like Macbeth, for whom power is a goal in itself without ultimately knowing what to do with this power, and we see manipulators like Marc Antony, who uses persuasive rhetoric to sell the literal fridge to the Eskimo.

The detour as a shortcut

Shakespeare’s heroes are immortal – in the double sense of the word. Not only, because Shakespeare was called – and is – “the little brother of God“, with a skill and imagination that bypasses any writer or poet in the world. Not only because he created heroes and anti-heroes, that have and will prevail throughout the centuries and whose stories stand in line with the greatest stories of classical mythology and the Bible. It is also because Shakespeare has created archetypes of characters that are immortal in themselves, because they have, they do and they will exist independent of time and age.

This essay aims to help managers to discover their own strengths and weaknesses with the help of Shakespeare’s heroes. As few managers will be experts on Shakespeare – and do

not have to be – there will be a short description of the Shakespearean leader, together with a comparison with today's manager who behaves in a similar way.

But why the detour via Shakespeare, you might ask? Why use Macbeth as an example of a careerist, when there are plenty of modern examples? Because a detour via pictures, people and stories is often more tangible than dry and hard-to digest theoretical personality structures that an executive coach might throw at you. Because, looking at the errors of another person helps a manager to discover his or her own errors and weaknesses without losing face; in the end, it is much easier to openly discuss another person's faults than your own. And because the manager of today can learn from the mistakes of Shakespeare's heroes without making these mistakes again. Thus the detour via Shakespeare turns into a shortcut. And the following six manager types might help.

1. The careerist

Motto: If you're not at the table, you're on the menu![1]

The careerist works mainly for his own career, not for the firm. He has little qualms and morals of the damage he might inflict on future management generations and the company in general, and the long term second- and third-order effects of his acting are not important to him.

Shakespeare's Macbeth is a careerist. First, he is a loyal follower of Duncan, the king of Scotland. But his devilish wife Lady Macbeth and three witches encourage him to become king of Scotland himself. As there is already a king, Macbeth simply murders the king, after inviting him to his home, thus becoming king of Scotland. He not only mercilessly murders the king in the guest room of his own house, Lady Macbeth also drugs the bodyguards of the king before the murder and Macbeth puts the bloody knives he used for the murder into the hands of the sleeping guards. Everybody therefore thinks that the guards have murdered their king. Macbeth then kills the guards the next morning; for revenge, as he said, but in reality only to get rid of any witnesses.

However, the truth slowly comes to life and many of the Scottish Nobles sense that there might be something wrong. As more and more people start to believe that Macbeth might be responsible for the death of the king, Macbeth is forced to kill more and more people who came nearer to the truth, including old friends and comrades. This is too much, even for a cold-blooded careerist like Macbeth and he is frequently haunted by ghosts and spirits of his murdered victims, which push him toward the brink of insanity. Once he gets the position of king, Macbeth does not have a real vision as to how to reign as king. His short term strategy is to become the king; the long term view is non-existent. Finally, a rebel army against Macbeth is formed, Lady Macbeth commits suicide and Macbeth is killed in battle. He is a tragic hero, because he could have become king easily, had he just had been more patient.

Albert Dunlap, who called himself "Rambo in pinstripes" or "The Shredder", restructured firms in the 1990s, in particular, the ailing paper company "Scott Paper", by slashing thousand of jobs and cutting R&D costs in half. By doing so, he put these firms as "growth stories" to Wall Street, pocketed huge commissions and disappeared. He even wrote a book about his efforts called *Mean Business*. However, like Macbeth, Dunlap did not discover the first, second and third order effects: When you cut costs and slash R&D expenses, you will not be able to deliver innovation to the market. Without innovation, you cannot compete with companies that are more innovative than you. Without having this competitive edge, you will lose market share and/or have to reduce prices to keep customers who no longer are willing to buy your old fashioned goods for a high price, when there are better providers in the market than you. Finally, Wall Street had the same impression and Scott Paper become a fallen angel, dumped from corporate heaven to corporate hell. When the shares plummeted south, because the firms were restructured to death, Albert Dunlap – also called "Chainsaw Dunlap" was no longer responsible and disappeared.

Silvio Berlusconi, the man who, according to the Economist, "screwed up an entire country" is also a careerist, in the sense that he uses his position as Prime Minister to set up laws that

protect him from past shortcomings and breaches of anti-trust laws. In this case, the murdered king is Italy itself. And as with Macbeth, Berlusconi had to finally resign in November 2011 and thus, as a typical careerist, dug his own grave.

2. The patriarch

Motto: This is still my company

Julius Caesar is the most famous Roman play by William Shakespeare. Caesar is the archetype of the Patriarch, the man, who framed words like the Russian “Tzar” and the German word “Kaiser” = “Emperor”. Despite his power and his majesty, he makes the typical error of a patriarch, which is to deny that the tide of time (Rome) has turned against him. Fearing no conspiracy or danger, he leaves his palace on the day of his murder, despite prophetic nightmares his wife Calpurnia had the night before. “For danger knows full well, that Caesar is more dangerous than he”, he says.

Caesar, who cannot imagine that anything might change without his approval, does not perceive the new “democratic climate” in Rome and is killed by the conspirators Brutus and Cassius.

However, in the course of his death, he shows a clear trait of every patriarch in general: They are quite difficult to kill. And so Caesar, or his spirit, persists throughout the play and continues to move the soldiers and political parties like chess pieces. Also, the play is called “Julius Caesar” despite the fact that Caesar is only present for one third of the entire play. Rome and Caesar are so connected to each other, that Caesar’s friend Marc Antony manages to evoke the fury of the people of Rome against the conspirators, thus turning the hunters into the hunted and forcing Brutus and Cassius to flee from Rome. Finally, Caesar’s spirit appears in the tent of Brutus before the battle of Philippi, driving Brutus into suicide and making him jump into his own sword – the sword, with which he also killed Caesar. For Caesar is Rome – and will stay Rome.

In every company there is a patriarch who knows the entire business, who may have set up the company himself and for whom the company is almost a body part. He has a big network of clients and business partners, he is called by senior management to calm the waves when a big client threatens to leave and he is especially praised by “old guard” managers who are almost the same age as the patriarch and who value him as a partner who has the same mindset as them. They like him, because he has shown how to build up a company, how to strike deals, how to act instead of talk and how to communicate instead of just presenting cryptic power points and hire highly paid strategy consultants. Pros and Cons of the patriarch are fed from the same well: that the company could not exist without the patriarch.

The downside of the patriarch is his unwillingness to let go and his stubbornness to know everything better and to leave no room for a successor, according to the motto “Why do we need a new boss? I *am* the boss.” Managers who discover that a new time and a new thinking require a new style of management are quickly stamped as “traitors” in the eyes of the patriarch. An open door policy and 360 degree feedback and other “management novelties” are also not his cup of tea. He is as quick to fire managers, because he does not like them despite their merits, as he is to fall prey to brown nosing intriguers and manipulators, who just tell him what he wants to hear, regardless whether it is good for the company or not.

Shakespeare’s King Lear divides his kingdom and gives most of the realm to his most incapable daughter, which causes his realm to dissolve into mayhem and civil war, and causes the old king to finally be struck with insanity.

Ferdinand Piech, who is head of the supervisory board of Volkswagen, but still steers the company like a CEO, is a typical patriarch example, although a very successful one. That he is well over 70 years old and thus should resign from the supervisory board does not bother anyone. That he is acting like a CEO, whereas the “real” CEO is Martin Winterkorn, seems to be of much less importance. Being a grandson of the Volkswagen founder and inventor of the VW “Beetle” Ferdinand Porsche, his vision was and is to turn Volkswagen into the

biggest car company of the world. And as it seems as though he got quite close to this goal. His aim is to push every opponent out of the way. The youngest coup was to dethrone Porsche CEO Wendelin Wiedeking and integrate Porsche into his realm. Where Wiedeking had proudly pointed out that his aim was “to take over Volkswagen”, the contrary happened.

Ferdinand Piech has a memory like an elephant, and a deep mistrust of everything – he has put his wealth into several water-proof foundations, so that his 12 children from three matrimonies cannot waste it – and his motto is the motto of several patriarchs and, in this way, very fitting to the automotive business: “It’s my way or the highway.”

3. The diehard

Motto: I would die for this firm

The “Diehard” would die for his company. He identifies himself completely with the firm, does the hardest tasks without qualms, works over the weekend and during holiday, travels the whole world and is always there when needed. However, his altruism is close to naivety, because the Diehard does not know that many people do not make a career out of merit, but via networks and knowing the right people, or strategically being placed somewhere. The Diehard is often so much involved in this work, that he does not notice that it is the usual company intrigues like double dealings, brown-nosing and pissing contests that are the real career factors in every company, and not performance.

The Diehard puts the wellbeing of the company before his own – and often, he loses both. If he discovers that the tides have turned against him and someone else got promoted, he can turn into a ticking time bomb. And when he discovers that his sacrifices for the company were not valued and someone else got promoted instead, he is really dying for the company – as a suicide bomber. As the Diehard knows all the secrets of the company, he can in fact inflict a lot of damage upon the company. All the managers posting secrets about their firm at Wikileaks could be former Diehards.

Shakespeare’s Titus Andronicus is a stout servant of the Roman Emperor. He lost 20 sons in battle, he defeated the Goths, and he brought home gold and prisoners. However, he does not see that one of his major prisoners, the queen of the Goths, Tamora, has ensnared the Roman Emperor Saturnine and is plotting against him. Titus, still filled with the spirit of service for Rome, does not notice for a long time. The tide goes against Titus. One of Titus’ two remaining sons is – wrongly – accused of murder and Titus has to let his left hand be cut off to save him. Needless to say, the son is executed nevertheless.

It takes some time, but finally Titus the time-bomb explodes. After the two sons of the Goth Queen, Chiron and Demetrius rape Titus’ daughter Lavinia and cut away her tongue and her hands, he goes berserk. He kills the two sons of the queen and serves them to her during a festive meal. The queen is then killed by Titus, Titus is killed by the emperor, the emperor is killed by Titus’ remaining son, and all ends in tragedy.

Although he is not as bloody in his business, “rogue trader” Jérôme Kerviel of Société Générale is a similar time-bomb. Yearning for acknowledgement but never getting it, he finally manipulated the security system of the trading desk of the bank – which was not too difficult for him, as he had previously worked in IT. However, by aiming to make a fortune for the bank, he did the contrary and caused five billion Euros of losses. Leaders are well advised to look for Diehards in their company and put them under their wing. If they feel that they are loved, they will do everything and take the coals out of the fire. However, if they feel isolated and unloved, they are a sure-fire recipe for disaster.

4. The philosopher

Motto: I need more data!

“I need more data”, are the four words most often heard by a philosopher type of manager. “Analysis paralysis” is his disease, he wants to understand everything in detail, go to the core, and spend hour after hour in micromanagement. And the philosopher fears what

managers are paid for: decisions! Especially decisions he has to take alone. Better involve a huge team in the whole process, so that responsibility is divided over many heads, that in the end, nobody knows who is responsible and who is not.

Shakespeare's Hamlet knows that his uncle Claudius has killed Hamlet's father, the king of Denmark. However, he does nothing against it; instead he wastes his time in melancholic brooding on philosophical questions like: "to be or not be", where the real issue now should be: "to act or not to act". Even the ghost of his father, that appears on the battlements of the castle again and again to call Hamlet to action does not help. The skull he is looking at is as lifeless as Hamlet's will to push things forward. Through these actions, he not only gets depressed, as there is usually no alternative to acting, but he also drives all the people he loves into demise as well.

The philosopher can thus turn very easily into a laggard. And while he is a good expert, a real number cruncher and sparring partner and very open to third party opinions (management consultants love him!), he is prone to postponing decisions and unwilling to accept the fact that it gets lonely at the top. Certain type of lawyers that always find problems instead of solutions are very Hamlet-type managers.

The management of Dresdner Bank behaved very much like Hamlet until the bank's disappearance as a brand in 2009. First, in 2000, there was the screwed up merger with Deutsche Bank. Afterwards, Dresdner saw itself as an "independent universal bank": A bit of retail, a bit of corporate, and a bit of investment banking. And a lot of low profits and high cost. The bank then tried to take over the competing "Commerzbank" which also failed. "The bride that is afraid"[2], German newspapers wrote. In 2001, Allianz, the giant German insurer, took over Dresdner Bank without knowing what really to do with it. Unfortunately, Dresdner did not know neither. There were rosy power point slides of an "integrated finance provider", merging insurance, asset management and banking, but the only thing that was really integrated were the losses of junior partner Dresdner into the P&L of senior partner Allianz. The "integrated" companies of Chrysler and Daimler and AOL and Time Warner went the same way. Dresdner sales staff sold some insurance policies here, some saving accounts there and a "high risk low return" strategy in investment banking generated billions of losses. Clear decisions, where the journey should go, were missing, instead there was micromanagement and buzzwords while clients were running away and strategy consultants earned a fortune. In 2009, after a billion-loss-farewell -present to Allianz, Allianz finally sold Dresdner to Commerzbank, the bank Dresdner originally wanted to take over in 2000. Commerzbank integrated Dresdner completely and killed the brand. And what did not work before is again not working. No strategy, unhappy clients, high losses, so high in fact, that the German government had to save Commerzbank from bankruptcy, when dying Dresdner was reaching out from its ill made grave and almost dragged Commerzbank with it into the afterlife.

Hamlet did not know what to do, Dresdner did not know what to do, and finally, Allianz also did not know what to do, and in the end, Commerzbank did not know. And that is the most dangerous trait of the Hamlet syndrome: It is contagious.

5. The manipulator

Motto: I do not want to accuse anyone, but . . .

The Manipulator is in some ways the contrary to the Diehard.

Where the Diehard only cares for his or her work and leaves communication, intrigue and power play to others, the communicator focuses mainly on the persuasion of superiors and opinion leaders.

One of the best manipulators of literature is Shakespeare's Marc Antony. When the conspirators have killed Julius Caesar, Brutus, one of the murderers, gives a speech to the people of Rome to defend the murder of Caesar for the sake of the republic. Unfortunately, the conspirators allow Marcus Antonius to give a speech to the people of Rome as well, where Marcus, on the surface of the speech, defends the killing of Caesar, but in the subtext

evokes the fury of the people of Rome against the killing of Caesar and the murderers. The conspirators also make the big mistake of allowing Marc Antony the “prime time” slot for the speech, speaking after Brutus and thus remaining a much fresher memory in the minds of the people. So those, who some minutes before still held the power of Rome in their hands lost the power again, those who killed the tyrants are now themselves seen as tyrants. And the hunters become the hunted.

The manipulator is a priceless partner in every negotiation – as long as he is on the right side. He is perfectly able to sense the sentiment of an audience and deliver a punchy message in a few words and sense weaknesses and leaks in the argument of the counterparty immediately. His ability to explain complex things in simple words have an element of demagoguery. Nevertheless, if you need someone to calm the waves for the company or to evoke the fury of the employees against the competition or whomever, the manipulator is the right guy. However, there is one big flaw: The manipulator is a friend of the spoken word – and not of action. The implementation of his high level theses and pitches, where his hands could get dirty, are not his cup of tea. Similarly, Marc Antony does not represent a good figure in the course of the play, because just as he ensnared the people of Rome, he himself got ensnared by Cleopatra, and finally commits suicide with her.

Adding this to his incapability to get things done, the manipulator can be very dangerous for the good of the firm, as he is able to distract managements attention away from the really important topics, to issues only the manipulator himself finds important for his own agenda. “Bullshit bingo” is the word best way of describing the negative aspects of the manipulator.

Thomas Middelhoff, the former CEO of German media company Bertelsmann and of German retailer Karstadt Quelle was a brilliant communicator. He made a billion euro profit for Bertelsmann by selling its AOL shares he wisely bought in the 90s when nobody saw the growth potential of AOL. He almost managed to talk the utterly conservative Mohn family of Bertelsmann into agreeing to an IPO of Bertelsmann, which was, however, not sustainable, as the deal was cancelled and Middelhoff was fired.

At Karstadt Quelle, an ailing retailer, he was the first head of the supervisory board, and then CEO. And while the firm was sliding into insolvency, Middelhoff spent millions of Euros to come up with the new strange name “Acandor” for the firm, which sounded not like retail, but rather like a mixture between a travel agency and a wizard from “The Lord of the Rings”. Middelhoff, the visionary manager, who saw the potential of the internet when nobody else saw it and made billions with AOL for Bertelsmann, obviously became a victim of his own manipulative talent, believing in a world that did not exist anymore, believing in high profits and possibilities, when his company was already belly up. And this is the biggest problem of the manipulator: His talent to manipulate can entangle everyone – including himself.

6. The bulldozer

Motto: Let us do it!

Unlike the manipulator, who thinks and then communicates, the careerist thinks and then acts without any qualms. The Bulldozer does the same – however without thinking.

Othello, the black general in Shakespeare's play is such a gut thinker. And he is jealous to the extreme. Othello is a renowned general of the state of Venice, who has recently married the lady Desdemona. Iago, who is serving Othello and got bypassed for promotion, wants to damage the relationship of Othello and Desdemona by telling Othello that his wife is cheating him with other lovers. By placing the handkerchief of Desdemona in the room of a potential lover, Iago – a typical manipulator – convinces Othello that his wife has betrayed him. Othello, full of rage, does not spend too much time on thinking but simply kills Desdemona.

Acting from your gut is not a bad thing in itself, even though Othello is not a shining example. The gut thinker is, unlike the Philosopher, not a man of long thinking and doubts. His Pareto law is not 80/20, but 90/10 or even more. He trusts his gut rather than his brain, and is a powerful force in a market, where speed is key and where “fast” is often more important than

“good” and where his “Let us do it” attitude is much more important than long discussions and data mining. And if the gut thinker is right several times with his intuitive approach, employees start to believe in his visionary powers. However, the Bulldozer often acts too fast, painting the world entirely black and white with actions very easy to predict. Also, detailed analysis, scenario planning and simulations are not his favorite occupations. The Bulldozer dislikes today’s world of business, which becomes more and more complex, ignoring any shades of gray and quickly silencing those who think differently. If you criticize him, he often interprets this as a personal insult and if he is convinced that he is right, it is almost impossible to change his opinion, which does not make him very easy to work with – Desdemona certainly would agree, if she could.

The real-estate shark Donald Trump is known for hammering through deals no one else would dare to do. He did it – and won billions. The same billions he also lost in the 1990s, only to rise again like Phoenix from the ashes. When everyone was lowering real estate prices in line with the recession in the 1990s after the Asian crisis, Trump raised prices to sell his property as premium locations – and was again successful. “Be passionate” he preaches and “think big and kick ass” – and passion is more a thing of the guts than of the brain.

Also, all the entrepreneurs who firmly believe in their firm and are prepared to take high risk and low income for some time are such kinds of gut thinkers. For innovation, there is no proof of concept. For how could you do market research for a product that does not exist yet? You have to be convinced, otherwise nobody will. Larry Page and Sergey Brin from Google, Mark Zuckerberg from Facebook and Andrew Mason from Groupon, as well as Jeff Bezos, formerly from Amazon, Steve Jobs from Apple and Bill Gates from Microsoft are entrepreneurs, who put their passion into their projects and do not care what gloom-mongers and smartasses would say. Doing this, you can have success and become a billionaire, like all of the above. Or you can rise and fall and rise again, like Donald trump. Or you can fall forever – like Othello.

Notes

1. Attributed to Charles Territo, 2007.
2. In German: “Die Braut, die sich nicht traut.”

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