

How would you solve a problem like Mourinho?

Barry Smyth, Partner in Clarendon Executive speaks about the challenges for business owners in managing the performance of the senior executives they employ to run their business.



Aside from the latest news on the international sporting stage, Ireland's disaster and England's heroics in the Rugby World Cup, Lewis Hamilton pushing the F1 championship to the wire and England's football team heading towards failure in the European qualifiers, the sporting news of the late summer and early Autumn has been dominated by the removal from power of the self proclaimed 'special one', Jose Mourinho, from the Chelsea managerial hot seat. Mourinho's departure followed a breakdown in his relationship with the Chelsea owner Roman Abramovich over the last year and while the incident has been highly profiled in the football and broader sporting world it can also be related at first hand to our local economy and in particular our SME sector. The relationship between business owners and the senior executives they employ to run their business has always had the potential, if not managed correctly, to end up in a premature parting of ways and unfulfilled dreams and expectations.

Jose Mourinho was Chelsea's most successful manager ever, loved by the fans and the players alike. In a short space of time, backed by his Chairman's millions, he had taken Chelsea to levels of success that have never before been achieved in the long history of the club. He appeared to be building a base that would take the club to the next level and position it alongside the traditional superpowers of the game. Then he was gone! The public message was that he had left by mutual consent although very quickly every sports journalist in the UK was suggesting that he had been fired.

The message, rightly or wrongly, that has been reported by the media in the

Mourinho case is that Abramovich had been unimpressed with the style which Chelsea have used to achieve their extraordinary results. The newspapers have also suggested that a power struggle had been simmering between Mourinho and Chelsea's billionaire owner Roman Abramovich since the club signed a few big name players that apparently Mourinho didn't want, in an attempt to improve Chelsea's style.

In business terms, Jose could be likened to a newly appointed MD to a steady performing SME backed by a business owner who then wants to remain, or become, involved in the day to day running of the business. In reality, despite Mourinho's track record, success and popularity this particular power struggle would only ever end up with one winner.

In business this is not an uncommon scenario, though I wonder how many business owners would have parted company so quickly with someone so capable of delivering success and results only previously dreamt about. It would take a brave, or maybe an extremely rich, person to get rid of a high performer because the results being achieved were not delivered in exactly the fashion that the owner had expected. In Mourinho's case he not only delivered first class results but also had fantastic success in keeping his employees (players and coaching staff) and customers (fans) happy. Achieving agreed targets of growth, revenue or profits and ensuring customers are happy are normally key elements of what businesses focus on. How many owners really care about the fine detail of how these objectives are achieved assuming the values of the business are adhered to and the business

is trading both ethically and legally?

Inevitably though, scenarios like this do arise and there are stark parallels and lessons to be learned from what has happened at Chelsea. Understandably perhaps, each party is likely to hold very different views. On one hand, why can't the business owner trust someone they have employed to get on with the job and judge them on results, stretching them with the vision of success for the business? On the other side, should an employee (even at senior executive level) not accept that the owner will at some stage want to have their input and is it realistic to expect that they will provide the investment (and the risk) without having their say?

As a head-hunter working with business owners every day I would suggest that it is naive for any senior manager to expect that the owner will not want to have their say. However, it is important that balance is applied. Business owners need to accept that they are likely to run into serious problems if they try to remain or become too involved in a business they now employ someone else to run. Few senior executive worth their salt will remain in a position where someone else is making the decisions. The nature of senior, successful executives is such that they thrive on responsibility and are motivated by achieving results. Continual interference (as seen by the executive) by the owner will inevitably result in a shortened life span in position. In Northern Ireland, where the economy is abundant with SME's this scenario is not uncommon but can be avoided if roles are well thought out and defined with clear boundaries. The

business owner and/or board must then allow the senior team they have employed to get on with delivering the objectives that have been agreed. These objectives must be communicated clearly and agreed upon. The owner can ultimately choose to get involved if they wish but must accept that any unnecessary involvement that clashes with the roles that have been clearly defined for others will lead to problems internally which could ultimately damage the business. While the ultimate power lies with the owner they must recognise that high quality senior talent is difficult to find and in a growing economy there will always be opportunities for talented people to pursue their careers elsewhere.

So while Mr Abramovich can clearly afford the risk (and multi million pound payout) associated with replacing Jose Mourinho, how many of our businesses can really afford to lose talented executives who can not only deliver results but also elevate the business to the next level. There may be times when owners are faced with difficult decisions that arise out of circumstances beyond their control, but it is in no ones best interest to create these scenarios when they could easily be avoided.

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