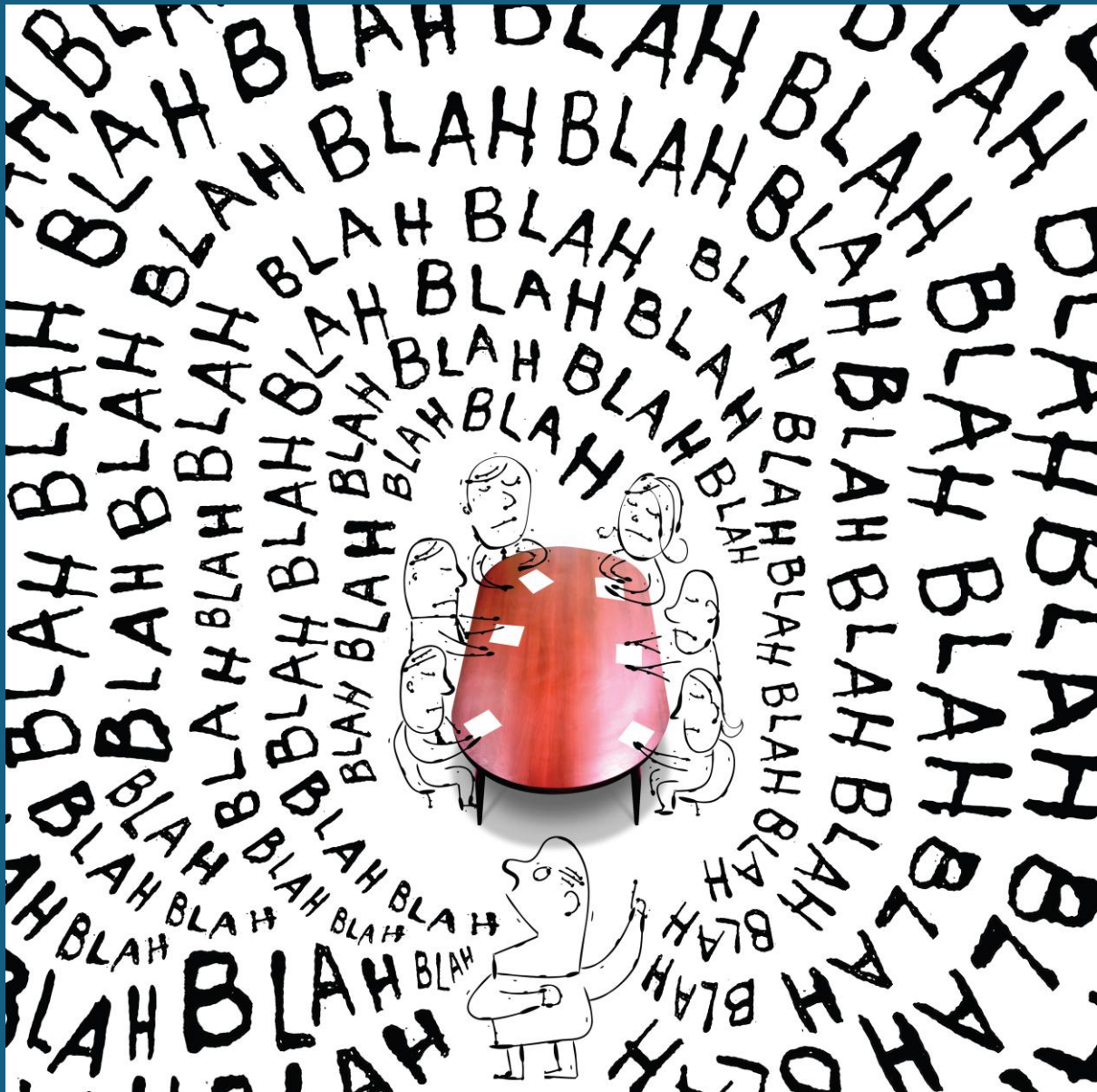


***The Absent Director –
When Senior Leadership Stops Leading***



Procurement and Supply Chain Management Made Simple.

Foreword

Some organisations are not badly led because their directors make visibly disastrous decisions. They are badly led because their directors barely lead. Meetings continue, reports circulate, strategies are presented, and executive calendars remain full, yet little meaningful direction reaches the people expected to deliver. The organisation moves, but nobody appears to be steering it. Senior leadership becomes highly visible in structure while strangely absent in practice.

That raises an uncomfortable question: what exactly is the organisation paying senior executives to achieve? Directors often command the highest salaries, the greatest authority and the widest organisational influence, yet some spend remarkably little time actively managing their own reports. Regular one-to-ones disappear, constructive criticism becomes cautious, underperformance drifts, and employees receive autonomy without sufficient direction. Responsibility increases with seniority, but direct accountability for management can paradoxically diminish.

The problem is easy to disguise with activity. A director may chair committees, attend governance meetings, approve papers, review dashboards and participate in strategic workshops while having little measurable effect on capability, succession, decision quality or performance. Busyness can therefore camouflage weak leadership. The real test is not how many hours an executive works, but what becomes materially better because those hours were spent exercising senior responsibility.

Modern workplaces have rightly rejected many outdated management practices, but respectful leadership should not mean managerial retreat. Employee voice, flexibility and psychological safety are valuable only when they operate alongside clear expectations, challenge and accountability. If senior leaders become frightened of giving difficult feedback, questioning poor judgement or insisting that organisational needs sometimes outweigh individual preference, they have not created a progressive workplace. They have surrendered part of their leadership responsibility.

The consequences then cascade downwards. Managers who are rarely challenged learn not to challenge others. Leaders who receive little coaching provide little coaching themselves. Weak performance survives because confronting it feels riskier than tolerating it. Organisational priorities fragment while departments optimise their own interests. Eventually, the passive middle manager becomes normal, not because management suddenly deteriorated at one level, but because senior leadership quietly taught the organisation that maintaining routine was enough.

Highly remunerated executives should therefore be judged by more than financial results, impressive presentations and continued occupancy of senior office. They should be able to show which leaders they developed, which failing performance they corrected, which strategic barriers they removed and which decisions improved because they intervened. If those answers are difficult to identify, the question becomes unavoidable: is the organisation paying for leadership, or merely paying for seniority?

The Absent Director: When Senior Leadership Stops Leading

Holding a senior title is not the same as exercising leadership. Directors may have authority, approve expenditure, and hold seats on executive committees, yet leadership is shown through direction, judgement, challenge, and developing others. In United Kingdom (UK) companies, the Companies Act 2006 requires directors to promote the company's success and exercise reasonable care, skill and diligence. Office therefore creates responsibility; it does not, by itself, prove effective leadership.

The Financial Reporting Council (FRC) sharpens the distinction through its UK Corporate Governance Code 2024. Strictly, the Code applies to companies listed in the commercial companies or closed-ended investment funds categories, while many large private companies report against the Wates Principles instead. For boards within its scope, the expectations are clear: establish purpose, values, and strategy; align culture with them; and measure performance against objectives. Those requirements describe active stewardship rather than ceremonial oversight.

The commercial question becomes sharper when remuneration is considered. High Pay Centre analysis published in July 2026 found that the median Financial Times Stock Exchange (FTSE) 100 chief executive earned around 130 times the median UK full-time worker, the widest gap since 2017/18. High remuneration does not establish poor performance, but it raises a legitimate accountability question: what distinctive value is being purchased? Seniority should bring greater influence over outcomes, not insulation from management discipline.

The same principle applies across the public sector, even where statutory company-director duties do not apply in identical form. Senior leaders are entrusted with public money, institutional reputation, service quality and the performance of large workforces. Their value should therefore be visible in clearer priorities, stronger capability, better decisions and improved delivery. Leadership at the top is not simply presence at governance forums; it is the sustained conversion of authority into organisational progress.

The C-Suite Leadership Paradox

The paradox of senior leadership is that responsibility expands while direct management can contract. Executives acquire broader portfolios, larger budgets and complex stakeholder obligations, yet may spend progressively less time coaching, observing and challenging the people who report to them. Delegation is necessary at scale, but excessive distance can create a vacuum. The higher the office, the easier it becomes to manage information about work rather than the people actually responsible for delivering it.

That distance matters because management quality is measurable. The Office for National Statistics (ONS) reported an average UK management-practices score of 0.55 in 2023, on a scale of 0 to 1, up from 0.49 in 2020. The score covers continuous improvement, key performance indicators (KPIs), targets and employment practices such as training and managing underperformance. Formal systems, however, cannot guarantee that senior leaders personally use them to challenge, develop and redirect their teams.

Earlier ONS analysis, published in 2018 using survey data from 2016, found a significant association between management quality and productivity across British production and services industries. A 0.1 increase in the management-practices score was associated with a 9.6% increase in productivity, after controlling for size, age, ownership, industry and education. Correlation is not causation, but the relationship is hard to ignore, making executive disengagement from management a performance issue rather than a stylistic preference.

The Chartered Management Institute (CMI) has exposed another weakness in the leadership pipeline. Its 2023 report, Taking Responsibility, based on YouGov polling of more than 4,500 workers and managers, found that 82% of people entering management had received no formal management or leadership training. Senior teams therefore inherit many accidental

managers who may be technically capable but underprepared to lead people. If directors do not coach and develop them, those gaps harden as careers progress.

The problem is therefore not that executives should micromanage. Their task is to create a management system in which expectations, judgement and accountability become stronger as responsibility rises. Good directors ask difficult questions, test assumptions, remove ambiguity and build successors capable of doing the same. The paradox is resolved only when seniority reduces operational interference while increasing the quality of direction, coaching and scrutiny provided to those entrusted with organisational delivery.

Being Busy Is Not the Same as Leading

Executive calendars can create an illusion of leadership. Days filled with board meetings, committees, steering groups, briefings, conferences and stakeholder sessions may demonstrate activity, yet activity is an input rather than an outcome. More useful questions are what changed, which decision improved, which risk was reduced, which person developed, and which objective advanced because the director intervened. A full diary can coexist with weak leadership if the organisation experiences little measurable benefit from that activity.

The UK Corporate Governance Code reinforces this outcome-based approach, stating that governance reporting should focus on board decisions and their outcomes in the context of strategy and objectives. That discipline is useful well beyond listed companies. Directors should be able to explain not merely which meetings they attended, but what organisational consequences followed. Governance becomes performative when papers and committees multiply. At the same time, performance, capability and coordination problems persist beneath the reporting.

The distinction matters because senior attention is finite. When Harvard Business School professors Michael Porter and Nitin Nohria tracked 60,000 hours of work time across 27 chief executives, they found that 72% was spent in meetings, with executives averaging 62.5 hours a week. The sample was American, but the lesson travels: if meetings consume most senior time, those meetings must generate identifiable organisational value rather than merely senior-level busyness.

The public sector faces the same challenge in a different form. The 2022 independent review of health and social care leadership, led by General Sir Gordon Messenger and Dame Linda Pollard, concluded that there had developed ‘an institutional inadequacy in the way that leadership and management is trained, developed and valued’. Its significance lies in locating the weakness within systems that senior leaders own, rather than in any shortage of individual effort.

A useful test is to ask what would cease if a director disappeared for six months. If the main consequences were rescheduled meetings, reassigned approvals and a different committee chair, the role may be overly administrative. If strategic priorities lost momentum, managers lost coaching, difficult decisions stalled, and standards weakened, the director was exercising genuine leadership. The test separates positional importance from practical influence and exposes roles whose organisational contribution has become difficult to identify.

Senior leaders inevitably need governance structures, but those structures should support management, not replace it. Reports should trigger decisions, meetings should resolve issues, dashboards should prompt intervention and one-to-ones should improve judgement. The executive who consumes information without changing outcomes risks becoming an expensive transmission point between committees. Leadership requires converting information into clarity, clarity into action and action into measurable improvement; otherwise, organisational motion can be mistaken for organisational progress.

The Organisation Without a Rudder

Organisations rarely become directionless because nobody is working. More often, people work hard towards different interpretations of success. Finance protects budgets, operations

protects continuity, human resources protects process, procurement protects value, and individual teams optimise their own targets. Each decision may appear locally rational while collectively weakening strategic coherence. Without senior leaders repeatedly translating corporate priorities into operational choices, the organisation develops multiple rudders, each pulling towards a different destination.

The Civil Service illustrates the distinction between purpose and leadership. In 2025, organisational objectives and purpose scored 82% across respondents, yet leadership and managing change scored 50%. The survey does not prove executive failure, and its 2025 methodology changed for several themes, but the gap is instructive. People may broadly understand institutional purpose while feeling much less positively about the leadership that converts that purpose into change, priorities and confidence across the organisation.

Carillion offers a stronger warning about strategic drift and executive challenge. Before its 2018 liquidation, the company announced an £845 million contract-value reduction, later increased to £1.045 billion. Parliament reported that Carillion entered liquidation with nearly £7 billion of liabilities and only £29 million in cash. The National Audit Office estimated the direct cost to taxpayers at £148 million, alongside wider losses affecting employees, suppliers, customers and creditors.

Parliament's joint committee concluded that Carillion's board was responsible and culpable for the company's failure, criticising a corporate culture in which problems accumulated over time. The lesson is not that every poorly directed organisation approaches collapse, but that weak challenge at senior level can let local explanations, optimistic assumptions, and fragmented decisions persist. A board or executive team must provide the organisational rudder precisely when individual functions have incentives to defend their own narratives.

When Autonomy Becomes Abdication

Modern organisations need autonomy because senior leaders cannot sensibly approve every operational decision. Empowerment gives competent employees room to use judgement within clear boundaries, supported by agreed outcomes, escalation routes and accountability. Abdication is different. It occurs when leaders delegate not only decisions but also direction, standards, feedback and responsibility for resolving conflict. Employees are then told they are empowered when, in practice, they have been left to determine for themselves what good performance means.

Management behaviour can test the distinction. Genuine autonomy asks employees to decide how best to achieve a defined objective; abdication leaves the objective vague. Genuine autonomy provides coaching when judgement is uncertain; abdication treats requests for guidance as dependency. Genuine autonomy reviews outcomes and learns from mistakes; abdication notices problems only when serious. Freedom without direction can feel attractive initially, but over time it creates inconsistency, duplicated effort and informal power structures.

ONS evidence supports structured rather than absent management. Its 2023 survey found that 89% of businesses had taken some action to improve management quality, including 64% that consulted employees, 43% that provided formal online training and 42% that provided in-person training. Effective empowerment therefore does not mean removing management systems. Consultation, development, targets and review can coexist with autonomy, provided leaders use them to build capability rather than control every decision.

The legal position also favours consistency over generational stereotypes. Age is a protected characteristic under the Equality Act 2010, and the Advisory, Conciliation and Arbitration Service (Acas) advises employers not to treat workers differently because of age when making performance and development decisions. Younger and older employees can therefore be given flexibility, challenged on results and performance-managed appropriately, but standards should be role-related and applied fairly. Strong leadership requires evidence, not generational assumptions.

This matters when executives fear that direction will be interpreted as interference or criticism will undermine an inclusive culture. Respectful management does not require managerial silence. Leaders can accommodate flexibility while still defining what must be achieved, when collaboration is required and which behaviours are unacceptable. The executive task is to create proportionate freedom within organisational purpose. When every preference becomes untouchable, autonomy stops serving performance and leadership transfers to whoever resists direction most successfully.

The Disappearance of the Difficult Conversation

A clear sign of absent leadership is the disappearance of the difficult conversation. Underperformance, weak judgement and unhelpful behaviour rarely correct themselves because objectives exist on paper. Directors who avoid challenge may preserve short-term harmony, but they transfer the problem to colleagues, customers and future managers. Constructive criticism is not hostility; it is information about the gap between current performance and required performance, delivered with enough clarity for the individual to act upon it.

Avoidance can be expensive. Acas research published in 2021, using 2018/19 data, estimated that workplace conflict costs UK organisations £28.5 billion annually, more than £1,000 per employee. Resignations linked to conflict accounted for an estimated £11.9 billion, disciplinary dismissals £10.5 billion and sickness absence £2.2 billion. The figures predate the pandemic and are best read as indicative rather than current, but the direction is unmistakable: early conversations are usually far cheaper than unresolved deterioration.

The same research estimated that 9.7 million employees experienced workplace conflict in a single year, nearly 900,000 took time off, almost half a million resigned, and more than 300,000 were dismissed. Not every conflict stems from poor management, and difficult conversations must be fair, evidence-based and proportionate. Nevertheless, the figures expose the false economy of avoidance. Leaders who postpone feedback because it feels uncomfortable may allow manageable concerns to become grievances, absence or costly departures.

Carillion again demonstrates the importance of challenge at the highest level. Parliament found that problems had developed over years and criticised the board's handling of the company's deteriorating position. The Insolvency Service later obtained director disqualifications including 12-and-a-half years for former finance director Richard Adam, 11 years for Zafar Khan and eight years for former chief executive Richard Howson. These outcomes underline that senior responsibility is substantive, not merely symbolic or collective.

The difficult conversation also includes challenging ideas, not only people. A director should ask why an assumption is believed, what evidence contradicts it, what alternatives were rejected and what would cause the team to change course. Reports who are never intellectually challenged can mistake senior silence for endorsement. Over time, decisions become less tested, and leaders hear increasingly polished versions of reality. Productive challenge should therefore be routine, not reserved for appraisal or failure.

Performance management works best when surprise is minimised. Regular one-to-ones allow objectives, behaviour, workload, development and emerging concerns to be discussed before formal intervention becomes necessary. They also give employees scope to challenge decisions and seek guidance. A director managing five or six senior reports should know what each is trying to achieve, where each is struggling, and how each is developing. Without that knowledge, claims of active people leadership become difficult to sustain.

Psychological Safety Does Not Mean Freedom From Challenge

Psychological safety is sometimes misunderstood as an expectation that people should always feel comfortable. Its organisational value is almost the opposite: people should feel secure enough to raise problems, admit mistakes, question assumptions and disagree with authority without fear of improper retaliation. That requires leadership, but it also requires

challenge. A culture in which nobody can question employees for fear of causing discomfort is no safer than one in which employees fear questioning their leaders.

The National Health Service (NHS) Staff Survey illustrates why speaking up matters. In 2025, drawing on 729,423 responses, 71.10% said they would feel secure raising concerns about unsafe clinical practice, yet only 55.49% were confident their organisation would address them. For broader concerns, 60.29% felt safe to speak up, while only 47.59% believed the organisation would act. Psychological safety therefore requires not merely permission to speak, but leadership willing to respond.

The Post Office Horizon scandal provides a grave example of why contrary evidence must reach and influence senior decision-making. By 28 August 2026, government data showed £1.697 billion in financial redress had been paid to more than 13,500 claimants. The scandal involved years of disputed shortfalls, prosecutions and failures around the Horizon system. Its management lesson is that institutions become dangerous when challenges exist but do not sufficiently alter organisational assumptions and action.

The same principle should apply to performance discussions. Inclusion, dignity and employee voice do not remove a manager's responsibility to say that work is below standard, priorities are wrong, or behaviour must change. The legal requirement is fairness, not avoidance: performance decisions should be based on evidence and applied without unlawful discrimination. Executives who treat every robust conversation as a cultural risk may create a different risk, where poor performance becomes progressively harder to correct.

A mature culture protects two freedoms simultaneously: the employee's freedom to question authority and the manager's freedom to exercise legitimate managerial judgement. Neither should become a licence for intimidation, discrimination or arbitrary control. The strongest organisations make challenge normal in both directions, document expectations, distinguish disagreement from misconduct and judge ideas by evidence. Psychological safety should make difficult conversations more possible, not less; otherwise, a concept designed to strengthen learning can weaken accountability.

When Employee Preference Replaces Organisational Need

Flexible working can strengthen recruitment, retention and wellbeing, but an employee preference cannot automatically become an organisational obligation. The Chartered Institute of Personnel and Development (CIPD) reported in 2025 that 91% of employers offered some form of flexible working and 74% operated hybrid arrangements. Flexibility is therefore mainstream, but its value depends on whether service delivery, collaboration, customer needs, and performance standards are still met.

The same CIPD research found that 80% of employees believed flexible working had improved their quality of life. Employers were also more likely to report productivity gains than losses: 41% said increased home or hybrid working had improved productivity or efficiency, while 16% believed it had reduced them. Those figures argue against simplistic opposition to flexibility, but equally they do not justify treating every preferred arrangement as operationally neutral.

UK law reflects that balance. Employees have a day-one right to request flexible working, may make two statutory requests in any twelve months, and employers normally have two months to decide. The right is to request, not dictate. Employers may refuse for specified business reasons, including additional cost and detrimental effects on performance. The Employment Rights Act 2025 will also require refusals to be reasonable and explained, a change expected in autumn 2027.

Organisations are already drawing boundaries. CIPD found that 65% of employers operating hybrid working required a minimum number of workplace days, while 14% planned to introduce or increase mandatory attendance. At the same time, 3% of employees said they had left a job because of insufficient flexibility, representing around 1.1 million UK workers.

Directors therefore face a genuine trade-off between organisational cohesion, attraction, retention and operational necessity.

The leadership failure occurs when executives refuse to make that trade-off explicit. If presence is essential for training, customer contact, supervision or collaborative work, leaders should explain why and measure whether the requirement achieves its purpose. If location makes little difference to outcomes, compulsory attendance may impose cost and inconvenience. Neither managerial convenience nor employee preference should automatically dominate; evidence, role design, and organisational objectives should determine the appropriate balance.

A mature organisation therefore separates legitimate flexibility from unilateral entitlement. Employees should be trusted to exercise judgement where outcomes permit it, while directors remain responsible for defining non-negotiable requirements. Autonomy works when people understand what must be delivered, which standards apply and where discretion exists. When leaders repeatedly let individual preference override service, customer, or team requirements, they have not created empowerment; they have transferred managerial authority without transferring organisational accountability.

The Fear of Being the Manager

Managers can become so concerned about grievances, reputational damage or employee relations risk that legitimate authority becomes progressively harder to exercise. Caution is sensible; avoidance is not. Formal employment protections do not require leaders to tolerate poor performance or inappropriate behaviour. They require them to act fairly, consistently, and on evidence. A director who refuses to manage because management may create disagreement leaves colleagues and organisational standards to absorb the consequences.

The cost of allowing concerns to escalate is substantial. Acas estimates published in July 2026 put the annual cost of formal disciplinary and grievance procedures to UK employers at £2.36 billion, including around 1.7 million disciplinary cases averaging roughly £1,141 each, compared with about £250 million for informal resolution. Early intervention is therefore not merely culturally preferable. Handled properly, prompt conversations stop issues hardening into processes that consume management time, legal resources and working relationships.

Litigation risk is real, but it should encourage competent management rather than paralysis. Ministry of Justice data recorded 50,704 single employment tribunal claims in 2025/26, around 40% more than the previous year. Under the Employment Rights Act 2025, most claim time limits increased to six months from 1 October 2026, while the unfair dismissal qualifying period falls to six months from 1 January 2027. Process, documentation and proportionality matter far more than managerial silence.

The Civil Service Line Management Standards, updated in January 2026, provide a useful public-sector benchmark. Managers commit to setting clear expectations through feedback and coaching, and to promptly addressing both poor performance and poor behaviours. They are also expected to handle those matters with sensitivity, honesty and compassion. That combination matters: authority need not be aggressive, and empathy need not mean surrendering standards. Good management requires both humanity and the courage to act.

Whatever Happened to the Monthly One-to-One?

The monthly one-to-one has quietly disappeared from many senior-management relationships, often replaced by project meetings, email exchanges and occasional appraisal conversations. That matters because none of those substitutes performs the same function. A structured one-to-one gives a director and report protected time to discuss priorities, judgement, obstacles, behaviour, development and performance. Without it, management becomes reactive, with important issues surfacing only after delivery has slipped, or relationships have deteriorated.

The Senior Civil Service (SCS) performance framework for 2026/27, published in May 2026,

makes the importance of regular dialogue explicit. It requires performance conversations at least quarterly and describes monthly check-ins, accompanied by more formal quarterly conversations, as good practice, with records kept at the mid-year and end-year points. The design is deliberate: problems should surface while they can still be corrected. The expectation is therefore continuous management, not an annual administrative event.

The framework also holds Directors General accountable for completing annual reviews on time and for any local moderation in their business areas. At the same time, line managers must ensure quarterly conversations take place, and that dips in performance are tackled as soon as they arise. This model is useful for the private sector because it connects senior authority with an observable management rhythm. Directors cannot credibly own performance while treating such conversations as optional.

The NHS provides an equally revealing example. In the 2025 NHS Staff Survey, 86% of staff reported having an appraisal in the previous twelve months, yet only 26% said it helped them improve how they did their job. Just 35% said it helped them agree clear objectives, and 33% said it left them feeling their work was valued. High completion rates can therefore coexist with weak developmental value when conversations become procedural rather than managerial.

That distinction should concern directors who rely on annual appraisal completion as evidence that people are being managed. A signed form confirms that a process occurred; it does not show that priorities were challenged, judgement improved or capability developed. Effective one-to-ones should produce observable consequences: clearer objectives, decisions on workload, agreed development actions, earlier intervention on performance and better alignment between individual activity and organisational need. Otherwise, the meeting becomes another compliance transaction.

Regularity also changes the psychology of feedback. When performance is discussed every month, challenge becomes normal rather than exceptional, and employees are less likely to experience criticism as a sudden escalation. Managers gain a better evidence base because they can distinguish isolated mistakes from recurring patterns. Employees gain opportunities to explain constraints, request support and test assumptions. The one-to-one therefore supports fairness and accountability, provided both parties prepare and follow through.

For senior leaders, the time argument is especially weak. A director with six direct reports who spends one hour with each every month commits roughly seventy-two hours annually before preparation and follow-up. That is a modest proportion of a working year for one of leadership's core responsibilities. If executives cannot protect that time, organisations should ask whether their portfolios, meeting loads or priorities have displaced the very management activity their senior positions exist to provide.

Management by Calendar Invitation

An executive can spend an entire week interacting with colleagues without meaningfully managing any of them. Calendar invitations create contact, but meetings built around projects, governance or status updates rarely provide the privacy or depth required for coaching, assessment and direction. Reports may see their director repeatedly yet receive little useful feedback on their judgement, capability or priorities. Visibility can therefore conceal managerial absence, particularly where collective meetings dominate senior working patterns.

The distinction is practical. A project meeting asks whether a milestone will be achieved; management asks whether the person leading it is exercising sound judgement, learning from difficulty and developing the capability required for future responsibility. A committee reviews information; a manager tests assumptions and agrees actions. A briefing communicates decisions; coaching explores how someone thinks. When every interaction is task-centred, senior leaders may manage workflows extensively while scarcely managing the people responsible for them.

Directors should therefore audit their calendars by purpose rather than volume. Time spent in

governance is necessary, but it should not crowd out individual performance conversations, mentoring, succession discussions and deliberate challenge. The SCS framework's requirement for recurring performance conversations offers a useful benchmark precisely because it protects management from meeting overload. A calendar full of invitations may prove that an executive is in demand; it does not prove that anyone is being led.

Challenge Is Part of Leadership

Challenge is not a failure of teamwork; it is one way teamwork becomes intelligent. Directors should expect their assumptions, priorities and proposed decisions to be tested, while providing the same disciplined challenge to their reports. Without disagreement, weak ideas can acquire authority merely because they originated from senior people. Constructive challenge forces evidence into the conversation and exposes risks before commitment, cost and organisational politics make reversal more difficult.

The FRC makes that expectation explicit. The UK Corporate Governance Code states that chairs should promote a culture of openness and debate. At the same time, non-executive directors should provide constructive challenge and strategic guidance, offer specialist advice and hold management to account. The Code binds only companies within its scope, but the principle extends well beyond it. Challenge is not an optional interpersonal style at board level; it is part of the architecture of responsible leadership.

The principle should cascade below the board. Directors should test whether reports can explain the evidence behind recommendations, identify contrary information, quantify risk and describe credible alternatives. Equally, reports should be able to challenge directors without believing that disagreement damages their careers. Organisations become intellectually weaker when status determines which ideas survive. The strongest decision process is not one in which everybody agrees quickly, but one in which significant assumptions have survived competent scrutiny.

An independent inquiry into the National Lottery Community Fund, commissioned by the Department for Digital, Culture, Media and Sport and published in November 2021, offers a useful warning. Drawing on 65 interviews and 297 written submissions, it reported staff perceptions of unclear initiatives and knee-jerk reactions from the top, alongside a sense of directionlessness. Management quality ranged from people-pleasers to autocrats. Both insufficient challenge and excessive control can therefore damage organisational coherence.

Public-sector intervention evidence points in the same direction. The Ministry of Housing, Communities and Local Government's review of Best Value interventions, published in March 2026, examined 24 English councils and found cultural dysfunction in 12, marked by failure to act on problems and an absence of shared values and common purpose. Some had punitive atmospheres that discouraged staff from raising concerns. Encouragingly, 17 of the 24 later demonstrated improvements in governance, leadership, finance and culture.

Constructive challenge requires skill because criticism without purpose becomes corrosive. Directors should distinguish the person from the proposition, explain the standard being applied and invite better evidence rather than merely asserting seniority. A useful challenge ends with greater clarity: a stronger recommendation, a revised decision or a consciously accepted risk. When leaders suppress disagreement, they lose information; when they attack people rather than ideas, they lose trust. Effective leadership preserves both scrutiny and respect.

The Director as Coach and Mentor

Directors are custodians not only of current performance but of future leadership capacity. That responsibility is easy to neglect when development is delegated entirely to human resources. Gallup's State of the Global Workplace 2026 report found global manager engagement fell from 27% in 2024 to 22% in 2025, while only 10% of UK employees were engaged. If senior leaders do not coach the managers beneath them, disengagement can

cascade through every subsequent layer.

Coaching is particularly valuable because it develops thinking rather than merely transferring instructions. A director can ask how a report concluded, what evidence was discounted, which stakeholders were overlooked and what they would do differently next time. Mentoring adds perspective drawn from experience, organisational context and career judgement. Neither requires the director to provide every answer. Their value lies in helping future leaders become more capable of producing sound answers independently.

The Ministry of Justice provides a practical example through Catapult, a mentoring programme for staff from lower socio-economic backgrounds that began in the department and later expanded across government. Pairing participants largely by profession, it attracted 1,326 participants in its first year, and by 2022 a single cohort numbered 1,712 people across 32 government organisations. That growth shows how structured access to experienced colleagues can translate senior experience into broader organisational capability.

Senior development also has a direct performance rationale. CMI found that 72% of workers with highly effective managers felt valued and appreciated, compared with only 15% of those with ineffective managers. That gap shapes effort, retention and candour. Directors should therefore regard coaching, mentoring and succession as productive work rather than discretionary generosity. A senior leader's strongest legacy may be the quality of leadership that remains after their departure.

The Performance Management Vacuum

A performance-management vacuum begins long before formal underperformance. It starts when objectives are vague, priorities multiply without trade-offs, and employees receive little indication of what excellent, acceptable or inadequate performance actually looks like. Annual appraisal cannot repair eleven months of ambiguity. Directors create the conditions for performance when they translate organisational goals into specific expectations, review progress regularly and intervene early enough for employees to adjust before missed outcomes become entrenched.

ONS evidence shows why structure matters. Its Management and Expectations Survey measures continuous improvement, KPIs, targets, and employment practices, including how organisations handle underperformance. Between 2020 and 2023, the largest score improvements came among previously lower-scoring businesses, suggesting that management discipline can be learned rather than inherited. Organisations scoring highly are characterised by regular performance reviews, appropriate targets, continuous training and action when problems emerge, rather than passive acceptance.

The public sector displays similar requirements. The 2026/27 SCS framework requires objectives to carry success measures, metrics or performance outcomes, including the level needed to exceed expectations. Where minimum standards are not met, a performance development plan should be drawn up urgently. The principle is straightforward: employees cannot be held fairly accountable for outcomes leaders never defined, measured, or discussed with sufficient clarity, and delayed remedies become remedies denied.

Yet process completion should not be confused with performance management. The NHS appraisal results noted earlier expose the gap: high coverage, yet only around a quarter of staff say the conversation improved how they work. A form completed on time confirms that a meeting occurred; it does not show that objectives were sharpened, priorities tested or capability built. An appraisal system succeeds only when the conversation changes priorities, behaviour, capability or performance.

Weak objectives also allow organisational politics to fill the gap. Employees learn which activities attract praise, which problems are safer to avoid and which senior preferences matter more than written strategy. High performers may become frustrated when additional effort produces little differentiation, while weaker performers can remain comfortable because

standards are never made explicit. Over time, the organisation teaches people that managing perceptions matters more than improving outcomes, undermining both fairness and productivity.

Directors should therefore insist on a performance architecture that is simple enough to use and strong enough to matter. Every report should clarify its principal outcomes, relevant KPIs, behavioural expectations, decision rights, and development priorities. Review progress frequently, recording evidence proportionately rather than bureaucratically. Where circumstances change, objectives should change transparently. Where performance slips, support and challenge should begin immediately rather than being deferred until an annual rating becomes unavoidable.

Performance management is ultimately a leadership activity, not a human-resources process. Human resources can provide policy, training, documentation, and procedural safeguards, but it cannot substitute for a director who knows what a report was expected to achieve and whether it did. When directors outsource that judgement, underperformance becomes somebody else's administrative problem. When they own it, performance management becomes what it should be: continuous alignment between individual contribution and organisational purpose.

When Nobody Owns the Organisational Goal

An organisation can appear strategically aligned while its departments pursue fundamentally different definitions of success. Finance may prioritise cost control, operations continuity, human resources workforce stability and commercial teams' revenue growth, each rationally within its own remit. The problem emerges when no one at executive level reconciles those priorities against a common objective. Local optimisation then replaces collective performance, and employees answer for departmental outputs without understanding the compromises required across the organisation.

The current SCS framework illustrates what alignment is intended to look like. Objectives must flow directly from the KPIs set for Permanent Secretaries, so they relate to delivering the Prime Minister's priorities, while each grade demonstrates distinct individual accountability. The significance is broader than government: organisational goals become meaningful only when senior leaders deliberately translate them into responsibilities that individuals can recognise, measure and influence.

Evidence from local government shows what fragmentation can become when leadership and governance weaken together. The same Best Value review identified governance challenges in 18 of the 24 councils, financial challenges in 17 and leadership challenges in 16. Recurring failings included poorly defined officer roles, poor scrutiny, weak accountability and ineffective delegation, showing how organisational drift becomes systemic rather than merely departmental when nobody clearly owns the whole.

Fragmentation is particularly dangerous because individual teams may still appear successful. A department can meet its budget, complete its projects and achieve its service measures while contributing little to the organisation's most important strategic outcomes. Directors must therefore challenge performance reports that celebrate local achievement without showing enterprise-level value. The relevant question is not simply whether a department delivered its targets, but whether those targets were the right ones for the organisation.

Ownership ultimately requires named accountability. Important objectives should have a senior individual responsible for coordinating dependencies, resolving competing priorities and explaining progress when delivery slips. Collective responsibility is valuable, but it becomes evasive when every executive can claim that failure belonged elsewhere. Organisations need shared goals with specific owners, not shared goals owned by everyone in theory and no one in practice. Senior leadership provides the mechanism that turns corporate ambition into coordinated action.

How Magnolia Managers Are Created

The Magnolia Manager rarely develops in isolation. A system that rewards operational calm, discourages challenge, and provides little coaching can produce passive middle management. Managers quickly learn what the organisation genuinely values. If keeping problems quiet receives more recognition than improving capability, and difficult conversations create personal risk without senior support, maintaining the status quo becomes a rational career strategy rather than simply an individual weakness.

CMI research helps explain how vulnerable that pipeline can be. Half of employees who rated their manager ineffective planned to leave within twelve months, compared with 21% of those rating their manager effective. CMI's chief executive, Ann Francke, warned that promotions based on technical competence which ignore behaviour and other leadership traits repeatedly lead to failings. Organisations therefore pay a measurable price when they promote inexperienced managers and then fail to develop them adequately.

Senior leaders shape those managers through what they model as much as through formal training. A director who avoids one-to-ones, tolerates weak objectives and never challenges poor judgement silently teaches reports that these behaviours are acceptable management. Conversely, directors who coach, question and intervene create expectations that cascade downward. Culture is therefore partly instructional: managers reproduce the leadership disciplines they experience, particularly when promotion decisions reinforce those behaviours over several organisational generations.

The bridge to the Magnolia Manager is consequently direct. Dependable managers who preserve routine but fail to develop people may reflect executive neglect rather than isolated causes of stagnation. Before organisations condemn middle management, they should ask who trained those managers, who reviewed their leadership, what behaviours secured promotion and whether directors ever required more. Passive management becomes normal when senior leadership repeatedly demonstrates that normal operations are sufficient evidence of leadership.

The Cost of Executive Non-Leadership

Executive non-leadership rarely appears as a single expense line, yet its costs accumulate across productivity, retention, decision quality, succession and innovation. Poor priorities waste capable employees on low-value work; weak challenge allows flawed assumptions to survive; limited coaching constrains future leaders; and delayed performance management leaves colleagues carrying underperformance. The financial consequence is dispersed across payroll, missed opportunities, rework, turnover and delayed execution, making leadership failure expensive because it is difficult to isolate.

ONS evidence provides one indication of the scale potentially involved. Beyond the 2018 productivity association noted earlier, its 2023 bulletin found that a 1% increase in a business's labour productivity was correlated with a 0.02 increase in its management-practices score. The relationship is correlational, not proof that better management alone causes higher productivity, but repeated findings across survey waves show that structured management and economic performance are closely connected rather than culturally incidental.

Weak leadership also undermines succession because tenure alone does not automatically build capability. The FRC's governance guidance emphasises maintaining effective succession plans for boards and senior management. It identifies development programmes, mentoring, and engagement between middle management and non-executive directors as possible ways to strengthen the internal pipeline. When directors neglect development, organisations eventually purchase scarce leadership externally, tolerate vacancies longer or promote people whose technical competence has never been tested as managerial judgement.

Public bodies show how leadership weakness combines with other failures. Birmingham City

Council issued a section 114 notice in September 2023, facing equal pay liabilities estimated at up to £760 million. The government appointed commissioners the following month, with the then Secretary of State saying residents had been let down by the council's 'failure to get a grip' on its problems. Lord Kerslake's 2014 review had already identified a culture of avoiding difficult issues.

Birmingham's Oracle enterprise system shows how unchallenged decisions acquire financial weight. Originally budgeted at £19 million, the implementation went live in April 2022 with serious faults, leaving the council unable to produce auditable accounts, and the latest forecast puts its cost above £144 million through 2027/28. The case shows how failures of judgement, challenge and governance can compound until a manageable programme becomes an institutional crisis carrying enormous financial consequences.

Most organisations will never experience failure on that scale, but the quieter losses still matter. A delayed transformation, an undeveloped successor, an avoidable resignation or a poorly challenged investment decision may individually appear manageable. Repeated across years, they become the hidden cost of executive passivity. Nobody invoices the organisation for leadership not exercised. Boards must therefore measure the opportunity cost of inaction alongside the visible cost of decisions that were actually made.

The Salary and the Value Question

Executive remuneration should not be criticised simply because it is high. Complex organisations need experienced leaders capable of making consequential decisions, carrying legal responsibility and coordinating large workforces, capital commitments and stakeholder relationships. The legitimate question is whether remuneration corresponds to demonstrable organisational value. High pay becomes difficult to defend when leadership contribution cannot be distinguished from favourable market conditions, inherited capability or the work of teams operating effectively despite limited executive involvement.

The scale makes that question unavoidable. High Pay Centre analysis of financial years ending between April 2025 and March 2026 found median FTSE 100 chief executive remuneration reached £5.06 million, up 8.6% from £4.66 million. Across the 94 companies analysed, executives received £856.6 million, including £550.4 million for chief executives. Such expenditure creates a reasonable expectation of exceptional organisational contribution, and of evidence that leadership, rather than favourable markets, produced the results.

The FRC does not prescribe a particular level of executive pay, but its governance guidance states that remuneration policies should have a strategic rationale and connect executive reward with strategy and long-term sustainable success. That is the appropriate standard. Remuneration should reflect not only financial outcomes but the quality of leadership producing them: stronger capability, effective succession, better decisions, resilient culture and sustained delivery. Paying for office rather than contribution weakens both accountability and legitimacy.

Measuring What Directors Actually Achieve

Turnover, profit and budget delivery matter, but they are incomplete measures of an individual director's contribution. Outcomes can improve because markets rise, demand changes, inherited teams perform strongly or public funding increases. Executive assessment should therefore distinguish organisational results from leadership effect. The harder question is counterfactual: what became materially better because this director exercised judgement, provided challenge, developed people, coordinated functions or corrected underperformance that would otherwise have persisted?

The FRC's 2024 Code offers an important principle by requiring annual evaluation to consider board performance, composition and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively. That wording is significant because it rejects automatic value based on

seniority or attendance. Contribution should be evidenced, reviewed, and explainable, especially when directors hold authority over resources, strategy, and others' careers.

A serious director scorecard should therefore include organisational capability alongside financial performance. Measures can examine succession depth, retention of strong performers, development of internal candidates, progress against strategic milestones, decision turnaround, resolution of persistent risks and the quality of cross-functional delivery. Employee evidence can show whether objectives are clearer, challenge is constructive and senior decisions are understood. No single measure proves leadership effectiveness, but a balanced set can expose roles producing little observable improvement.

Succession deserves particular weight because it reveals whether leadership has created capability beyond the individual. The FRC expects effective succession plans for boards and senior management, because organisations should not depend on one leader. A director who delivers strong numbers but leaves no credible successor may have created dependency rather than resilience. By contrast, a leader who develops several capable successors has produced an organisational asset whose value persists long after departure.

Measurement should also test execution rather than presentation. Strategic initiatives should have baseline performance, agreed outcomes, milestones, owners and post-implementation review, allowing boards to compare promised benefits with realised results. A director who repeatedly sponsors initiatives that consume money without delivering measurable change should not be protected by polished reporting. Conversely, leaders who stop weak projects, redirect resources early or acknowledge failure may demonstrate stronger judgement than those who preserve appearances until problems become unavoidable.

Restoring Active Leadership

Restoring active leadership does not require a return to command-and-control management. It requires directors to resume the disciplines that make autonomy productive: clear objectives, regular one-to-ones, constructive challenge, coaching, timely feedback and visible ownership of difficult decisions. Employees should retain discretion over how they achieve outcomes where appropriate, but directors must remain accountable for whether expectations are coherent, resources are sufficient, and underperformance is addressed rather than allowed to drift.

The SCS framework provides a practical model. It links objectives to organisational priorities, requires performance conversations at least quarterly, expects prompt action when performance dips and treats monthly check-ins as good practice. Private-sector organisations need not copy government process, but the underlying management rhythm is transferable because it prevents performance from becoming an annual retrospective exercise. The rhythm matters more than the paperwork: difficult issues surface while they can still be corrected.

Active leadership also means redistributing executive time. Boards and directors should examine whether recurring committees, duplicated reporting and low-value meetings have displaced coaching, succession planning and decision-making. Protecting one-to-ones in the calendar is a governance choice, not a diary preference. So is visiting operational teams, testing whether strategy is understood and speaking directly with customers or employees. Senior leaders cannot steer organisations solely through information filtered upward through presentations and dashboards.

Finally, restoration requires boards to evaluate leadership behaviour as seriously as financial delivery. Directors should be expected to demonstrate whom they developed, which difficult issues they resolved, how they improved cross-functional cooperation and where their intervention changed performance. Reward systems should reinforce those expectations. When organisations make active management visible, measurable and consequential for senior careers, leadership stops being an abstract personal quality and becomes a defined organisational responsibility.

The C-Suite Must Earn Its Place

Senior office confers authority, access and remuneration, but none of those constitutes evidence of value. The C-suite earns its place by converting organisational resources into direction, capability and sustained performance. That does not mean executives must solve every problem personally; effective leaders create systems that identify problems early and solve them at the appropriate level. Their distinctive contribution lies in setting priorities, integrating competing interests and ensuring the organisation develops rather than merely operates.

For company directors, that expectation also has a statutory foundation. Section 172 of the Companies Act 2006 requires directors to act in good faith in the way they consider most likely to promote the company's success, having regard to long-term consequences, employees and business relationships. Section 174 separately requires reasonable care, skill and diligence. These duties do not prescribe a management style, but they underline that directorship is substantive responsibility rather than honorary status.

The governance standard points in the same direction. The FRC expects boards to maintain effective succession plans, evaluate director contribution and align executive remuneration with strategy and long-term sustainable success. A director who cannot show clearer priorities, stronger people, better decisions, or better execution should therefore face the same question asked of any other employee: what value is this role producing relative to its cost, authority, and opportunity to influence organisational outcomes?

That question should not encourage theatrical intervention or constant executive visibility. Directors can destroy value by micromanaging, reversing delegated decisions or creating dependence on their approval. The objective is proportionate leadership: enough direction to align effort, enough challenge to improve judgement, enough coaching to build capability and enough restraint to allow competent people to act. Executives earn their place when the organisation becomes more capable because of their leadership, not more dependent upon their presence.

Boards should consequently be willing to address persistent executive non-performance with the same seriousness expected elsewhere. Seniority should not create an accountability exemption. Where objectives remain unmet, succession is weak, organisational problems persist, and leadership behaviours do not improve, remuneration committees, chairs and boards should intervene. The credibility of performance management throughout the organisation depends partly on whether employees can see that those setting standards are themselves subject to meaningful standards and consequences.

The C-suite therefore deserves neither automatic suspicion nor automatic deference. Exceptional executives can create enormous value by making better decisions, developing outstanding leaders and sustaining organisational confidence through uncertainty. The corollary is that poorly performing executives can destroy value on an equally significant scale. Authority and reward are justified when contribution is visible. Where they become detached, senior leadership risks becoming an expensive layer of governance sitting above the organisation rather than actively leading it.

Summary: Leadership Cannot Be Passive

Passive leadership is an organisational contradiction. Directors are appointed precisely because important choices require judgement, priorities require reconciliation and people require direction that cannot be generated by process alone. Senior leaders need not dominate every decision, but they must create the conditions for consistently good decisions. When they withdraw from challenge, coaching and accountability, the organisation does not become self-managing; informal priorities and local interests fill the leadership space.

The evidence supports treating management quality as an economic issue rather than a matter of personal style. ONS analysis found a statistically significant association between

stronger management practices and productivity, while CMI identified widespread entry into management without formal preparation. Government reviews of troubled councils have repeatedly found leadership, governance and cultural weakness together. Across sectors, organisations have practical reasons to invest in management discipline rather than assuming capable people will naturally coordinate themselves.

The Magnolia Manager illustrates one consequence of that neglect: competent people can become custodians of routine rather than developers of capability. The Absent Director explains the level above it. When executives rarely coach their managers, test their thinking or insist upon measurable improvement, middle management receives a powerful message that stability is enough. Organisational stagnation can therefore travel downward from the top even while every layer believes somebody else is responsible for creating momentum.

None of this requires abandoning flexibility, psychological safety or employee autonomy. Strong leadership can support all three while preserving clear standards and organisational accountability. People should be able to challenge executives, propose different methods and work with appropriate freedom, but leaders must remain willing to make decisions, reject weak arguments and address poor performance. Respect and accountability complement each other when management is competent; they become falsely opposed only when leaders lack confidence.

The final test is straightforward. Directors should leave organisations clearer about their purpose, stronger in capability and better able to perform without them. Their presence should improve decisions, develop successors, resolve barriers and connect individual effort to collective goals. If those outcomes cannot be demonstrated, title, activity and remuneration cannot substitute for leadership. The C-suite exists to lead, and leadership ultimately earns legitimacy through what becomes measurably better because senior people chose to act.

Additional articles can be found at [Procurement and Supply Chain Management Made Simple](#). This site looks at procurement and supply chain management issues to assist organisations and people in increasing the quality, efficiency, and effectiveness of their product and service supply to the customers' delight. © Procurement and Supply Chain Management Made Simple. All rights reserved.

Further Reading

[Financial Reporting Council, UK Corporate Governance Code 2024](#)

[Financial Reporting Council, Wates Corporate Governance Principles for Large Private Companies](#)

[Companies Act 2006, sections 171 to 177: General duties of directors](#)

[High Pay Centre, CEO Pay Report 2026](#)

[Office for National Statistics, Management practices in the UK: 2016 to 2023](#)

[Office for National Statistics, Management practices and productivity in British production and services industries \(2018\)](#)

[Acas, Updated Code of Practice and estimated cost of formal disciplinarys \(July 2026\)](#)

[Cabinet Office, Performance management framework for the Senior Civil Service, 2026 to 2027](#)

[Civil Service Line Management Standards](#)

[Civil Service People Survey 2025: Results highlights](#)

[NHS Staff Survey 2025: National results briefing](#)

[Leadership for a collaborative and inclusive future \(Messenger review, 2022\)](#)

[Ministry of Housing, Communities and Local Government, Lessons learnt from Best Value](#)

interventions (2026)

*House of Commons Business, Energy and Industrial Strategy and Work and Pensions
Committees, Carillion (2018)*

Independent inquiry on the National Lottery Community Fund (2021)

CIPD, Flexible and hybrid working practices in 2025

*Chartered Management Institute, Taking Responsibility: Why UK plc needs better managers
(2023)*

Gallup, State of the Global Workplace