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# LEADERSHIP IN TURBULENT TIMES

Interim Findings of Survey of Airport CEOs

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# The Airport CEO Survey

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- CEOs currently being interviewed - started December 2008 and ongoing
  - Focus so far has been on airports in Europe and North America
  - The CEOs interviewed so far are all respected leaders
  - Differing ownership, governance, business models
  - Interviews on confidential 'non attributable' basis
- Also speaking with other experts in the field

More interviews to come - article will follow in Airport World later this year

# The questions we asked

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- What do you see as the main business challenges facing your organisation right now?
- What do you see as the main organisational and people issues you face?
- How well do you think your leaders are equipped to deal with these?



# How Airport CEOs responded

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- All expressed confidence about ‘coming out of the other side’ whilst recognising the severity of the current business environment
- All CEOs were
  - Tightening their belts
  - Looking at ‘obvious’ cost reductions
  - Reviewing their investment plans
- There were unique circumstances for every airport but four main themes have emerged from interviews so far



## Balancing the short and longer term

*'We have to hit our business targets but don't want to miss the boat on investment'*

- Reduction in revenues - decline passenger numbers, freight traffic
- Uncertainty, volatility, unpredictability - no one immune from global crisis  
*'Financing infrastructure a problem'*
- Concern over financial stability of airlines - and related businesses  
*'Our primary clients are teetering on bankruptcy'*  
*'Long term financial planning depends on airlines'*
- Differing views on how severe the crisis will be  
*'2010 will be the crunch year'*  
*'By 2015 we expect things to be back to where was expected'*  
*'We are heading into a radically different business environment from before'*

# Keeping stakeholders on board

*'We spend a lot of time understanding the objectives of stakeholders and aligning what we do as necessary'*

- Airlines - will they be driven solely by survival?  
Dependence on fewer merged airlines  
Sometimes hostile relationships
- Boards - how supportive will they be in difficult times ?  
Very varied views – some helpful, others more difficult  
Political appointees a particular concern  
Is there a disconnect between executive talent and the capability of Boards?
- Staff - motivation and retention a concern, even in a recession  
*'Keeping people motivated is key - top people can get picked off'*  
*'Expectations are high and if opportunities don't continue, keeping people motivated and developing them will be difficult ... they may go elsewhere'*  
*'It was easier when the team were younger - new experiences were invigorating'*

# Getting and retaining the right leadership talent

Senior airport executives now have complex, challenging leadership roles

- Leadership capability and succession a concern - breadth, depth and 'headroom'

*'Strong performers - but if their bosses left, they wouldn't be the ones to do their job'*

*'People are very strong operationally, but lack strategic thinking ability'*

*'Very good in technical and operational areas – but financial/political experience an issue - a generic problem in the airport industry'*

- Variety of approaches to developing broad leadership skills

**External recruitment** : specialists from private industries, high quality graduates

**Leadership development** : both external and internal programmes

**Learning by doing**: running small overseas airport operations , voluntary sector

# Adopting 'best practice' leadership approaches

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CEOs cited a variety of 'best practice' approaches they have used

- Scorecards and performance management  
*'We have a balanced scorecard with financial, market, organisation, customer goals'*
- Talent identification, deployment and development  
*'We have a full day off site annually when we go through plans for every manager'*  
*'We will continue to invest in leadership development and training'*
- Communication and engagement  
*'I meet with all employees quarterly'*  
*'Preaching from the balcony doesn't work – it needs the personal touch, to live and demonstrate what's needed - not emails'*
- Monitoring perceptions  
*'We conduct systematic and regular surveys monitoring reputation, staff, passengers, and business to business issues'*

## Questions we are exploring further with CEOs ...

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- How can airports develop business models which are more flexible and better able to cope with unexpected changes?
- How can they develop their capabilities to address the current challenges and capture future opportunities?
- Are airports responding fast enough to changes in the business environment, particularly with respect to their cost base?
- How can the passenger experience be maintained or enhanced in the current climate?

# The implications for risk management

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Business Risks are MORE than just financial

- Stakeholder 'volatility' and relationships
- The right organisation and people in place
- Inflexible (or redundant ) business models, structures, processes
- Short Term cost cutting (may present a risk if done in a rush)
- Development of tunnel vision

Leadership - the CEO role in particular - is important

# The Airport CEO role is hugely challenging –(s)he must think strategically, lead others and deliver results

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- Airport CEOs manage a wide range of assets, activities and challenges
- Leadership is critical
  - External focus and orientation
  - Developing a visionary strategy
  - Getting commitment and stakeholder buy-in to strategy
  - Identifying talent and building leadership capability
  - Execution, delivery and results

## Leadership Competencies \*

Think Strategically

Build Networks and Teams

Develop Performance Ethos

Communicate Effectively

Lead Others

Manage Work

Show Personal Leadership

# The Importance of leadership

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The only safe ship in a storm is leadership

Faye Wattleton

Time is neutral and does not change things.

With courage and initiative, leaders change things

Jesse Jackson

A leader takes people where they want to go.

A great leader takes people where they don't necessarily want to go, but ought to be

Rosalynn Carter





# THANK YOU

# About 'This Is' ...

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**This Is**, an organisation and leadership development consultancy, focuses on supporting leaders to shape their organisations in times of change. We work with boards and executive teams to help them develop and achieve their vision, build their leadership capability and capacity and realise sustainable high performance. We work in many sectors including aviation. Learn about us on [www.thisis.eu](http://www.thisis.eu). You can contact us on +353 1 456 3956 or by emailing Richard or Terri directly as follows:

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