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# Execs need to drop 'denial' tactic

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Two years ago, when John was selected CEO of Clever Widgets International, he was seen as a shining star who would lead this fictitious company into the new century way ahead of the competition.

John was brilliant, driven, optimistic. He had worked his way up the company ranks rapidly and was extremely well-liked and respected. John set ambitious goals for himself and the company as soon as he took the helm.

But two years later, the numbers are off. Production and sales projections won't be met, employee morale is down, and the board of directors is agitated. Key managers talk about leaving, and other employees are worried that they will lose their jobs in downsizing measures.

Meanwhile, John continues to be positive, reassuring everyone that the promised surge of growth is right around the corner and that no one's job is in jeopardy.

What's happening here? John appears to be using at least in part, the defense mechanism of denial. John's unflagging optimism is one indicator of his denial defense, especially if he isn't discussing the concerns others have about the company and isn't initiating effective remedies for the problems.

Everyone knows that to be "in denial" is to not see an important negative aspect of reality, even when others see major problems. In psychological parlance, denial is an autonomic anxiety-reducing mechanism that blocks awareness of a painful aspect of a person's reality. Denial is seeing only those parts of reality that confirm the person's internal belief system. Denial literally abolishes unacceptable reality for that individual.

So why would John be in denial about the company's problems? After all, he's smart, experienced, and cares deeply about the company and his job. But because a defense mechanism is a way in which people unconsciously guard against disappointments or anxieties about themselves or the world, or guard against demands or change that exceed their personal abilities, then John's denial helps keep him energetic and positive. He isn't aware of his denial, which effectively is keeping his anxiety levels manageable.

Defense mechanisms usually begin developing in infancy and childhood as responses to stressors, needs or feelings that overwhelm the child emotionally. To "not see something" might allow the child to survive, adapt, and not view himself as so vulnerable.

As adults, we all have some defenses; mature defenses such as humor or altruism are normal and healthy mechanisms of adult functioning. But denial isn't classified as a mature defense.

In John's case, his denial is a barrier to his effective decision-making and leadership. As he moved up in the ranks at CWI and took on more responsibilities, his denial became more costly. John now has serious blind spots, and he isn't seeing the potential disasters for his company. He isn't taking timely, effective action.

According to the June 21, 1999, issue of *Fortune* magazine, a fatal shortcoming of many CEOs who fail is in their psyches, not their IQs, their energy or their dedication. It's denial. CEOs can get caught up in the glory and power of the job, too many distractions, too much idealism, a grandiose attitude that they can't fail and an unwillingness or inability to keep pace with lightning-speed change.

What can John and other top executives do to keep denial from ruining their tenures as bosses?

- Always seek the truth. Never listen to just the "yes" people.
- Park your ego at the door. Running a company never has been more demanding, so that means not letting the corner office go to your head.
- Become self-aware. If you can acknowledge doubts, worries and disturbing facts to a trusted confidante such as a mentor, therapist, colleague or friend and accept feedback, you are less likely to develop serious blind spots.
- Pay attention to the "wake-up calls." Treat bad news or a crisis with respect and seriousness.
- Gather reliable data and act decisively.
- Acknowledge mistakes and learn from them.

In brief, find out why the company is underperforming and accept responsibility for leadership. Then gear up to solve the problems.

These are tough times for most CEOs, even the brightest and most experienced. Their emotional strength, and a healthy absence of denial, might be the ultimate key to success. Here's to John taking off his blinders and leading CWI into a successful future.

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