



# What is needed for success at the top

## The man – and the company

The following article – on the importance of personal leadership to success in business – is written by a man well qualified in the subject: Mr John Davis, Deputy Chairman and Managing Director of the Rank Organisation, who later this year succeeds Lord Rank as Chairman.

The story of the Rank Organisation in recent years has been a remarkable one of recovery and expansion, and its impressive achievements are largely due to the personality and foresight of John Davis.

In 1947, following Government action to counteract the dollar crisis, the British film

industry was brought to the brink of disaster. The story has been many times told, and does not need repeating now; but the upshot was that British film-makers were all badly hit – and the Rank Organisation in particular found itself with a deficit on film production of £8,000,000 over three years, and a bank overdraft of £16,000,000. A loss of this magnitude would, in itself, have been serious enough, but in the years that followed the British film industry had also to contend with the falling away of a substantial part of its traditional audience. National attendances today stand at roughly a third of the 1947 figure.

John Davis realised that the advent of television – the principal scapegoat for the film industry's troubles – was only a part of the story, and that the fall in cinema attendances was also attributable to the social revolution which had taken place in this country since the war – a revolution in which more leisure time and greater spending power were accompanied by gradual but fundamental changes in spending habits.

His future policy was planned accordingly, and under his leadership the Rank Organisation has not merely stabilised its position but, by rationalisation combined with planned development, has built itself up into a major international trading organisation, still prominent in film production, distribution and exhibition but far more broadly based than ever before. Its leisure activities have been widely extended and its manufacturing and commercial interests developed and diversified, with the result that today, whatever the hazards the film industry may have to face, the Rank Organisation looks confidently to the future.

John Davis has a clearly-defined formula for success and places his faith for the future in his personnel. Speaking recently, he said:

‘I would feel that I had failed in my effort, even if the Company were prosperous, if at the time when I come to retire there was not a strong and virile management structure. This in my view is what leadership means and is an essential part of the Management function.’

He sees the building up of a capable management team as one of top management's most difficult, but also most important and rewarding tasks.

His practical application of this philosophy within his own Company has produced a record of steadily increasing profits and a lively and go-ahead executive team.

Recently the Management structure of the Rank Group has been re-oriented. Its new shape places even more weight than before on the individual responsibility and self-reliance of the Group's executives. At the same time, as part of this change, great emphasis is being placed on the promotion of the Group's corporate image, taking advantage of the reputation of the ‘Man-With-The-Gong’ as a hallmark of quality and honest trading wherever it operates.

John Davis knows the value of leadership and has a constructive approach to world markets from which many lessons can be learned. The achievements of the Rank Organisation are a clear testimony to the validity of his views.





**John Davis**  
**Deputy Chairman and**  
**Managing Director**  
**The Rank Organisation**



I am convinced that personal qualities have never been more important to the success of top management than they are to-day. Lord Slim, addressing the Australian Institute of Management some years ago, said:

'There is a difference between leadership and management. The leader and the men who follow him represent one of the oldest, most natural and most effective of all human relationships. The Manager and those he manages are a later product neither so romantic nor so inspiring a history. Leadership is of the spirit, compounded of personality and vision; its practice is an art. Management is of the mind, more a matter of accurate calculation, of statistics, of methods, timetables and routine; its practice is a science. Managers are necessary; leaders are essential.'

I have not quoted Lord Slim with the intention of denigrating in any way the functions of the manager - which are indispensable to every business - but rather to emphasise the need for the very personal qualities of leadership and vision, "especially to combat tendencies towards complacency, conformism or timidity."

In any marketing operation, complacency is a deadly enemy. It leads to a suspicion of innovation and personal drive; promotion tends to go to the men who are willing to conform rather than to those with original ideas which may threaten the quiet life of established order, and personal ambition becomes almost a term of denigration.

It is the management with courage to go out on its own that succeeds, and while this courage is a function of leadership at the top, two other elements are also essential: inspiration and communication.

By inspiration, I mean the deliberate effort by top management to convey its enthusiasm and its faith in the future of the company to all levels of management and all grades of workers, and personal example plays a great part in this process. Equally important is the determination, as a matter of policy, to seek out and develop latent talent, and to encourage initiative and team spirit at every level.

The second factor, the communication of business facts, goes hand-in-hand with personal inspiration in creating a proper 'climate' within the company. The problem and techniques of industrial management to-day are complex, and the broad nature of these needs to be understood down the line. It is important that the

reasons behind a company's policies should be made clear to those who will be responsible for carrying it out, and who are the potential executive team of the future, and that every employee should be enabled to identify the company's aims and ambitions with his own to the greatest possible extent.

Similarly, when creative management formulates the five and ten-year policies within the context of which day-to-day business is conducted, this long-term thinking, reflecting the faith of management in the company's potential, must be communicated to all employees if they are to work with a true sense of purpose and achieve the full satisfaction of a job well done.

Personal leadership must also have repercussions beyond the confines of the management of individual companies through its influence in trade organisations, industry meetings, and private and public consultations with government. The course of affairs in industry, and of government itself, will be measurably influenced by those who bring a selfless, honest and direct approach to the problems of industry, and a positive contribution to the welfare of the country as a whole.

Furthermore - and most importantly as far as the progress of the company itself is concerned - the personal calibre of top management is a contributor to the 'image' of the company as it appears to the world at large - to customers, to the City and to the general public.

The creation of a favourable image is a powerful aid to the promotion of the company and its products. While much can be achieved scientifically, using the techniques of advertising, market research, public relations and so on, the company's image is, in the long run, the personal creation of its leaders. It reflects to a large degree their conception of their responsibilities towards their customers and towards their staff - their philosophies of service and of man-management.

I have laid great stress on these aspects of leadership in management. Now I would like to examine for a moment another factor which I believe to be of the greatest importance - the company's attitude towards the problems of marketing.

In business today it is from marketing that all thinking must start, since however good the company's products or services may be, the company will not prosper if it cannot sell them. A product sells if it is

the best or cheapest in its field - or a combination of the two - but the best and cheapest product in the world will not sell itself, and it is the business best equipped to meet and overcome competition that succeeds.

Markets are never static. As one declines, another develops or is created, and managements must be constantly on the alert to adapt themselves to changing conditions and to take advantage of them. Every modern marketing aid must be employed, coupled with keen salesmanship and efficient after-sales service. Good service creates satisfied customers, and an organisation which builds a reputation for service automatically expands the sales of its products. This is a self-evident axiom, but it is one that often does not seem to be appreciated. After-sales service is an integral aspect of marketing which needs constant vigilance on the part of top management, since too often these days, once a sale has been made, the seller considers his responsibilities discharged and loses interest.

This reputation for service plays a great part in creating the company image to which I have referred. And failure to provide such a service - even though the results are not always immediately apparent - can only have the most serious long-term effects upon the company's reputation, and consequently upon its sales.

The modern top executive, with an alert appreciation of his role as a leader, will today see himself also as a roving ambassador for his company, his industry and his country. He will travel the world in search of new markets and new ideas and, by the impress of his personality and enthusiasm, will sell the image of his company wherever he goes to the best possible effect.

I began by saying that personal qualities have never been more important to the success of top management than they are to-day. If further evidence is needed, a glance at some of the great companies to-day will show that it is, above all, the calibre of their top executives that has brought them success and will ensure it for the future.

It must be the responsibility of all who have a hand in the direction of industry to ensure that the next generation of management produces men of equal calibre to guide the fortunes of industry for the future. This is what leadership means: it is more than a philosophy of management - it is an essential of life.