

11.6: Empowered Decision Making: The Case of Ingar Skaug

“If you always do what you always did, you always get what you always got,” says Ingar Skaug—and he should know. Skaug is president and CEO of Wilh. Wilhelmsen ASA (OSE: ABM), a leading global maritime industry company based in Norway with 23,000 employees and 516 offices worldwide. He faced major challenges when he began his job at Wilhelmsen Lines in 1989. The entire top management team of the company had been killed in an airplane crash when returning from a ship dedication ceremony. As you can imagine, employees were mourning the loss of their friends and leadership team. While Skaug knew that changes needed to be made within the organization, he also knew that he had to proceed slowly and carefully in implementing any changes. The biggest challenge he saw was the decision-making style within the company.

Skaug recalls this dilemma as follows:

I found myself in a situation in Wilhelmsen Lines where everyone was coming to my office in the morning and they expected me to take all the decisions. I said to people, “Those are not my decisions. I don’t want to take those decisions. You take those decisions.” So for half a year they were screaming about that I was very afraid of making decisions. So I had a little bit of a struggle with the organization, with the people there at the time. They thought I was a very poor manager because I didn’t dare to make decisions. I had to teach them. I had to force the people to make their own decisions.

His lessons paid off over the years. The company has now invented a cargo ship capable of transporting 10,000 vehicles while running exclusively on renewable energy via the power of the sun, wind, and water. He and others within the company cite the freedom that employees feel to make decisions and mistakes on their way to making discoveries in improved methods as a major factor in their success in revolutionizing the shipping industry one innovation at a time.

Based on information from McCarthy, J. F., O’Connell, D. J., & Hall, D. T. (2005). Leading beyond tragedy: The balance of personal identity and adaptability. *Leadership & Organizational Development Journal*, 26, 458–475; Skaug, I. (2007, July). Breaking free in turbulent times: The intersection of turbulence, innovation and leadership. *Business Leadership Review*, 4, 1–7; Furness, V. (2005). Interview with Ingar Skaug. *European Business Forum*. Retrieved April 4, 2008, from www.ebfonline.com/article.aspx?extraid=30; Norwegian executive Ingar Skaug named chairman of Center for Creative Leadership’s Board of Governors. (2006, September). Center for Creative Leadership news release. Retrieved April 4, 2008, from <http://www.ccl.org/leadership/news/2006/skaug.aspx>.

Discussion Questions

1. What are some additional challenges Ingar Skaug probably faced while taking over control of Wilh. Wilhelmsen?
2. Skaug says that for the first several months as CEO, he deferred many decisions to other employees. In what types of situations might this have been inappropriate? Would Skaug’s method have worked if he were taking over a hospital or an investment firm?
3. How would you approach a situation like Skaug’s?
4. For Skaug, the decision to defer decisions worked for the company. What are some potential pitfalls this management style could have fallen into? Does the pace of the industry make a difference in what management style is appropriate (e.g., the fast pace of a high-tech company versus the slower pace of an industrial manufacturing company)?

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