

An Expanding Role: The Advancing Impact of CEO Engagement

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“Leaders create energy.”

— Satya Nadella, CEO of Microsoft

There is extensive speculation about the impact that leading through COVID-19 will have on the future of the CEO position. Have the past five months changed how we will assess CEO leaders? How might the expectations for successful CEO leadership evolve as we move forward? In recent conversations with both CEOs and Chairs, we have been actively investigating these questions. Time will tell of course; there is still so much uncertainty that nothing is conclusive. Yet there are noteworthy developments around the practices of CEO engagement that are shedding light on future leadership.

A great deal of what is expected of CEOs is consistent with past standards. As one Chair put it, CEOs must retain the “brick and mortar,” the foundational elements of their roles—the grit, accountability and razor sharp strategic acumen to project and deliver growth. But these have become table stakes. The keen and now ubiquitous challenges of leading business in these extremely complex times are calling for leaders capable of more.

It is clear that CEOs can’t navigate this new, more dynamic environment on past experience alone; moreover, lead in a manner too disconnected from key stakeholders. It increasingly takes a lot more than one set of eyes to see into the future—a fact that has become abundantly clear

during the pandemic. CEOs need to be able to depend upon a wider and more inter-connected organizational network of stakeholders to meet their extended objectives.

Driving this engagement across the enterprise rests squarely on the shoulders of the CEO. Tomorrow’s CEO must be more catalytic and collaborative than yesterdays. And to achieve this, both sitting and future CEOs must demonstrate certain personal characteristics vital to forging the shared commitment needed.

A COVID Acceleration Point

Breakthrough moments happen when leaders raise their sights. This has been apparent lately as new possibilities have emerged, propelled by the necessities of the crisis. The drastic disruptions around how organizations work and how consumers are reacting have forced business leaders to devise new ways to overcome obstacles and unlock barriers to efficiency and speed. And they have been successful: “Things which use to take years are being put into place in a matter of months,” one Chairman pointed out. Across the globe, operating models have changed more than at any other time in a generation. Of course, some changes may prove fleeting, but others reveal remarkable promise for the future.

Strikingly, the pandemic has magnified the interconnection and interdependence of businesses with stakeholders—from top teams, Boards, and employees to a constellation comprising investors, governments, communities, and suppliers. Since the stark first days of the crisis, CEOs have had to find new, effective ways to communicate and connect with the organization while dealing with the vast upheavals, fears, harsh realities, and enormous changes emanating from it all. Leveraging the best technological advances, many CEOs have successfully established a strong leadership presence that their companies have direly needed.

CEOs have made themselves more accessible to their employees through regular and intimate communications like video town halls (often coming from their homes), presenting support, care, and clarity. As a result, more frequent communication from the CEO to employees has become expected to keep companies cohesive and informed. And CEOs are learning to communicate with greater compassion and precision, even through the most difficult circumstances and decisions.

New means and levels of engagement have also been apparent at the executive level of organizations, where CEOs and Chairs have been impressed by the coordination and connection exacted among teams and with their Boards. It has not been easy to shift to a virtual organization overnight; the adaptability and determination among executives has been astounding. Looking ahead, CEOs and Chairs are trying to incorporate the learnings into their plans for more dynamic and diverse teams and Boards. In recent conversations with Chairs, they have all called particular attention to the pressing need to ensure the compatibility and a complementary composition of senior leadership teams in the future.

Additionally, where the roles are divided, Chairs and CEOs have also tended to work more closely since the crisis erupted and likewise have reaped the benefits of increased connection and cooperation. “I have been there to support the CEO, to be his mirror,” one Chairman recently told us.

In short, CEO visibility and connectivity have grown exponentially. It is actually a profound opportunity for leaders to apply these lessons now and into the future.

A Necessary Shift in Mindset

To keep leading their organizations successfully, CEOs need to become less interested in what they know and more in what they can discover. They have to be willing to explore new ideas that are unconventional, beyond previous experiences. Because most businesses are facing and doing things they have never done before—because there is no existing playbook and no one has navigated business under these circumstances—leaders need to be adaptable and empower their people to be so as well. Those able to do this are highly aware and “constantly trying to improve. They surround themselves with the most able people they can find,” Carol Dweck, the preeminent psychologist and creator of the idea of a growth mindset, has explained. “They look squarely at their own mistakes and deficiencies, and they ask frankly what skills they and the company will need in the future.”

The role of leaders now is to shine the spotlight on what the time demands and the possible path[s] forward. To do this, they have to be able to say, “I do not have all the answers, but I need you and here is a structure and an invitation for moving forward.” To generate energy and creative input around the vision, they must boldly explore the unknown—both the opportunities and difficulties—and extend an invitation for the collective willingness and hard work to move it forward.

The Emerging Art of Engagement

Engagement has often been more of a means to an end for CEOs. But it is fast becoming a critical force of their leadership, which depends on several key personal characteristics. Ranking top among these are:

A Human Touch

To engage the organization effectively, CEOs have to be more human—more relatable and approachable. They need to be seen as real and vulnerable. When they reveal more of their whole selves—both their strengths and their weaknesses—the more trust they engender in others to commit to the vital work of discovery and growth. This is why we hear so much from experts today about the need for leaders to show humility and empathy, to show they both need and understand others. This establishes the

foundation of credibility and authenticity upon which great collective work happens. Shared humanity is the glue of effective CEO engagement.

A Commitment to Continual Learning and Listening

For today's leaders, curiosity and relentless drive are imperative to forge engagement and deliver results. As one chair emphasized, "The next generation of leaders must be open and willing to try, and, if necessary, try again."

When asked recently how to account for his success as CEO of Microsoft, Satya Nadella called attention to the ability to say "I'm not perfect, I'll never be perfect. But I can learn." That's a good posture to have, a living culture that is constantly keeping up with our own aspirations."

The art of engagement begins with leaders who are curious, who love ideas and who are driven to translate them into impact. First and foremost, these CEOs need to be forward-thinkers: They must be distinctly inquisitive, comfortable with ambiguity, and willing to explore and experiment with emerging possibilities ahead.

Superior Communication

To better engage others, CEOs need to put a premium on communicating; they are expected to be more visible and connected than in the past. Showing up isn't only about opening up more of oneself, however; it's also about being

a respected, reliable person—a rock of consistency, moral rigor, and presence—especially during times fraught with anxiety and bad news.

Great communication for CEOs is not about the craft of oratory or even the benefits of charisma (though both can be extremely helpful). The visibility and message emanating from the top are critical for providing the clarity and motivation upon which the company functions. More and better communication is needed now to keep everyone abreast of constant change and assured of their leader's capability and commitment. Great CEO communication has the power to redirect people's energies and confidence; it is an essential tool of their engagement.

An already complex world meeting the necessities of managing COVID-19 has revealed strong possibilities for expanded practices of CEO engagement to navigate change and drive future growth. Accordingly, leaders are learning to draw on emotional and pragmatic strengths to engage other stakeholders to achieve hard goals.

Engaging the hearts, minds, and muscle of the organization in new and evolving ways is a growing facet of CEO excellence.

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