

The Uncharted Leadership Voyage

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“The era of the hero CEO is over.”

— Ed Camara, CEO of Egon Zehnder

Sudden CEO departures have been constantly in the headlines. The CEO turnover rate hit a record high in 2018 and looks to be accelerating. Recent exits across the globe have been drawing increased attention and speculation, begging the question: what is going on? Are these failures localized? Or is there something more widespread happening here?

Bloomberg Markets asked our CEO, Edilson Camara, this very question earlier this month. “I think the problem is more than company specific,” Ed replied, “the level of uncertainty, of unpredictability in business is absolutely unprecedented.” Disruption in business has been largely intermittent in the past, usually occurring in interruptive spurts. Now disruption is ubiquitous to the business cycle; it is the new steady state. It’s a vastly different world and the implications for leadership are extensive.

“We believe that it is almost impossible for a CEO or a leader to be prepared for the uncertainties in the market,” Ed explained. In dealing with this new reality, the advice we give our clients, he continued, is to make sure that senior leaders and future CEOs are on “a continuous journey of self-development to get prepared for something they haven’t seen before.”

It is entirely possible, he added, “that perhaps part of the explanation of several disappointing stories in the corporate world were related to leaders who were not prepared to start their own journey in terms of getting ready for something that they haven’t faced before.”

The theory is supported by several findings from our survey, *The CEO: A Personal Reflection*. Of the over 402 respondents from 11 countries, nearly 68% admitted they felt unprepared for certain parts of the job. Sufficient development for necessary new leadership skills is lacking, but CEOs are forthright about their need for it. When we asked if they needed the capacity to transform themselves before they could sufficiently transform their organizations, 79% said yes. Most indicated that they had not been given the time or the opportunity for this kind of immersive, ongoing development. Almost half (44%) did not go through a formal succession process; slightly more (48%) said that finding time for personal reflection once in the role was a lot tougher than they had expected. Many were surprised by several aspects of their role: both developing the senior team (48%) and driving culture change (50%) were harder and more complicated than anticipated. “It is interesting, and somehow shocking, that once someone gets into the top leadership role in a

company or enterprise, the assumption is that they are ready for the job,” Ed added.

Is there a way to help CEOs become better prepared? What we have discovered is that many CEOs feel ready for what we call the “Doing” parts of the job—the prior achievements and experience-oriented preparation for the role. According to our survey, more than fourfifths (82%) said they were comfortable shaping the overall vision for the company. But when it comes to the “Being” aspects of the position—actually embodying the emotional and human components required of CEO leaders—they need a great deal more development and support.

To lead through these highly unpredictable times, CEOs need to develop a mindset of constant personal growth, so that they are able to build and sustain the openness and adaptability their journey will require. They must be trained to listen for and lead into what Frederic Laloux, the noted author of *Reinventing Organizations*, calls a company’s evolutionary purpose. “The world has become so complex,” Laloux says, “that the best we can do, the most powerful thing we can do, is not predict and control but sense and respond.” Attention to cultivating this presence of clarity and purpose is the often overlooked developmental crux of effective CEO leadership today.

When Ed was asked what does it take to be a successful CEO amid such widespread uncertainty and challenge,

he didn’t hesitate: “It starts with the person. Its starts with the CEO him or herself understanding that it is from within, that it is from their own self-awareness and self-knowledge, realizing their own limitations and embracing the need to be helped.” CEOs are openly acknowledging that they are on a learning curve. “The job demands more patience than what I expected,” one said in our survey, “I think one has to go through a maturity cycle.” Another had come to understand, “I don’t have all the answers and also do not need to have them.”

Clearly the kind of leadership required for success today has changed. The hierarchical and clinical approach to being CEO no longer works or, in Ed’s words, “the era of the hero CEO is over.” Today’s CEOs need, above all else, to bring into the role a mindset of constant personal growth totally foreign to their predecessors. This journey of self-transformation should begin deliberately in their earlier development and continue throughout their tenures.

It is often said that an organization cannot perform higher than its leadership consciousness. We believe that to be true. Obviously the gaps in preparedness for the CEO role today may never be “solved.” But by better supporting CEOs ongoing growth and development, we invite a greater likelihood of increased confidence and performance.

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Egon Zehnder's global CEO Practice is active in chief executive leadership succession, recruitment, and professional development. We recognize that the selection of a CEO is the midpoint of a process, not the end. We understand that the Chief Executive role is unique, particularly in the current atmosphere of complexity and volatility. These uncertainties call for a pragmatic and aligned view on the business and leadership requirements of the CEO. To learn more about the CEO Practice, please visit <https://www.egonzehnder.com/what-we-do/ceo-search-succession>