

Both/And CEO Leadership: Leveraging New Possibilities from Old Polarities

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While the world was already on a significant path of transformation, the major crises of this year have markedly amplified the driving forces of change and the extreme complexity in which we are operating. The good news is that leaders are telling us how energized and creative they feel—that where there are challenges, there are equally vast, promising possibilities for innovation and growth. As one Chair put it: “This could very well be the biggest opportunity we have to accelerate change and reinvent companies. . . . It requires a different leadership model where we get away from incremental comparisons to the past.” Obviously, this is done very thoughtfully and carefully over time.

Most strikingly, moving ahead now means taking on the complexity and uncertainty of the world by directly changing the way it is interpreted and conceived, leading from the possibilities. There can be no dodging or forced reduction of the complex forces proliferating. The way forward is *through*. This means directly addressing situations fraught with apparent contradictions—known as polarities or paradoxes—and forging ahead with new plans that better reconcile and leverage them.

Frequently addressed as inherent tensions needing to be resolved or requiring compromise, polarities are, in actuality, interdependent pairs of positive forces that can’t exist without each other—inhaling and exhaling is an example. One that CEOs frequently confront is maintaining company traditions and DNA while innovating and accelerating change. According to Barry

Johnson, the leading expert on polarity management, where organizations have typically erred is by trying to “solve” polarities or compromise one to the detriment of both and the organization overall. Instead, they should be treated as a dynamic system, like a wave. The “answer” is part of a natural, ongoing oscillation between two poles. Therefore, what used to appear as a decision requiring an either/or selection now shows up as a dilemma to be leveraged through both/and thinking and discernment.

Many leaders today are learning to manage polarities by better grasping their interdependencies and the inherent, untapped possibilities in them—and making critical decisions accordingly. The best way to make sense of polarities is by first pulling them apart and then mapping the upsides and downsides of each pole, tracking the movements between the two across four quadrants. This process brings into sharp relief the degree to which the polarities are coexisting in the organization and how they can be further reconciled to function more effectively. Seeing is the first step to really understanding the full context of the dynamism between the poles and, from there, determining the optimal balance and path forward.

Throughout this process, leaders should ask: “How can I find my way to get what we need from both sides?” When done well, it is possible to maximize the upside and minimize the downside and, in many cases, to fortify an overarching purpose. Overall, there is little doubt that effectively leveraging polarities as co-essentials can make a difference between average performance and

extraordinary results. Of course, a leader's choice to re-envision polarities depends on several organizational factors. Timing is of the utmost importance. For some leaders, the risks may outweigh the rewards at a given juncture. Some will have a real need to place preference for one pole over another. Overall, awareness of the impact of each pole, deliberate and thorough choice-making is critical.

In recent months, a few polarities have become especially apparent. Among these are:

Care and Performance

This polarity has been glaringly evident since the outbreak of the pandemic as most CEOs quickly put the care and health of their employees as a top priority while trying to also focus on managing the business back into a position of growth and performance and also gaining market share. As they have begun to adapt for the emerging future, most leaders are seeing the relationship between performance and care as less of a choice. At a CEO gathering we hosted in Budapest in September, for instance, participants agreed that they no longer regard this as an either/or construct; the safety and well-being of their people is increasingly seen as directly correlating with company growth and prosperity. As one CEO said to us, "We need to further demonstrate to our people how key they are to our success through increased health and safety focus at work and at home."

Solving for Now and Building for the Future

Here, too, the interdependency has recently become quite apparent. "Crisis management" has necessitated quick decision-making and, likewise, has accelerated choices toward future possibilities by shining a light on what is essential and helping let go of what is not, setting the course for both scenario planning and transformational possibilities. As one CEO commented on a call not long ago: "It is vital to find the right balance as we navigate the here-and-now while rebuilding the future."

Company Profit and Socially Beneficial Purpose

Understanding the shifting, dependent relationship between profit and purpose has been growing with rising expectations for CEOs with increased and proactive responsiveness towards stakeholders and more social responsibility. "Sustainable profit" is being redefined; what had appeared to be opposites drawing from each other is being increasingly understood as co-essentials to be carefully balanced. There are many examples to point to here. A recent manifestation can be seen with the renewed commitment to corporate diversity and inclusion (both internally and externally) coming from so many companies. Slowly but surely, actively targeting previously underrepresented groups of employees and customers is being endorsed as both the most principled and most profitable path forward. Environmental issues, too, are no longer addressed by CEOs in a vacuum of social responsibility but are becoming a major foundation of corporate strategy integrated into profitability forecasts and company positioning for the long term.

Trust and Control

A co-essential relationship between trust and control has been increasingly apparent for some time as traditional top-down management gives way to a much more engaging and inclusive style. With this shift, the interdependence between the two has become more clear: As CEOs have delegated more, creating more collective/inclusive accountability and the sense of ownership in teams, trust and, ultimately, confidence have been engendered, often leading to more creativity and productivity. To get there, of course, the onus is on curious, humble leaders to maintain equilibrium by setting the tone and practices of trust and transparency while affirming their authority as visionaries and ultimate decision-makers.

The parameters of trust and control have been adapted still further since the outbreak of the pandemic, with the distance created between leaders and their employees working from home, facilitating new modes of working and co-creation.

Leading for the future now clearly requires continual movement away from the limitations of dualistic either/or thinking toward boldly unearthing, comprehending, and maximizing the both/and possibilities waiting to be developed. To keep this in motion, leaders need to push themselves and their teams to think differently and with sophistication, to create value in ways never envisioned

previously. CEOs who can do this well will be able to increase their organization's capacity to transform both for now and for whatever the ever-evolving future may bring.

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