

# Spanning the Realities of the CEO Role

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*“The greatest challenge ahead is managing the anxiety in the context of balancing a whole set of new variables with traditional ones.”*

— CEO respondent, *“It Starts with the CEO”*

By Dick Patton and German Herrera

Our new report, [“It Starts with the CEO,”](#) interprets the views and opinions of almost 1,000 CEOs all over the world, representing \$3.7 trillion in revenue. What they shared is that they know expectations of them are at an all-time high as they are being asked to expand their leadership role to embrace a far wider group of stakeholders, demanding more than just strong financial results. How exactly they can meet these evolving demands is the challenge they are now grappling with.

Today’s CEOs need to be exceedingly accessible, engaged, and likable leaders. Increasingly, they are being asked to weigh in on and potentially impact matters beyond the more expected topics—social and climate issues chief among them. As such, CEOs are in a transitional phase, working to expand their capacity to respond to these ever-increasing demands and balance the totality of expectations placed upon them. “The role of the CEO is to constantly adapt and transform both themselves and the organization with the fast-changing world,” one CEO elaborated. “It is iterative and always moving.”

## The Two Realities

*“Managing different and often conflicting views, often shared forcefully and to a wide audience, has become the norm.”*

Most CEOs get to their position based on the ability to meet financial goals. As such, they often default to this mode when they get to the post. But this is not sufficient anymore. This is only part of the role now. The other is the multiple expectations that come with broad stakeholder management. Executives who have not been CEOs before can be completely unprepared for this. This is where potential successors and new appointees really need help.

The great majority of our CEO respondents—more than 80%—acknowledge that they now need to be responsive to a far more diverse set of voices. “All stakeholders are asking more questions and looking for demonstration of commitment,” one CEO explained. Another agreed, stressing the “tsunami of information and opinions” that just seems to grow. This onslaught of demands “is making it increasingly less enjoyable,” added another CEO.

What has become clear to the majority of CEOs is that they are currently straddling two realities—the one they expected based on the older metrics, and the other, which is increasingly based on expanding requirements for them to be more public-facing, even galvanizing leaders of capitalism and prosperity. Future success will be measured by the mastery of both. Yet one of the keen challenges of the newer reality is that outputs are harder to measure. With sustainability, employee happiness, and DEI, for example, there are fewer industry standards of measurement, as opposed to PE ratios, profits, and market caps. Typically, CEOs tend to think, “Once I get my results, I will then get

to focus on the other ends—on the longer-term goals.” But today it takes a different mindset to put the pressures of short-term performance and the emerging elements of the other reality into balance. So leaders really need to break away from an either/or approach and boldly tackle the realities with a both/and approach.

This is a massive reconfiguration of responsibilities, to be sure. It’s little wonder that we hear many CEOs asking “Am I enough?” Some have gone further, telling us they are disillusioned or burned out. One forecasts that “there will be significant turnover in the CEO’s ranks in the months and years ahead.” Our research indicates they are likely to be proven right. Our proprietary analysis of 214 publicly traded companies found that half of them had three or more CEOs in the past decade. What’s more, CEO departures are becoming more frequent; almost every year since 2011 has set a new record, and it looks like 2021 is set to do the same. Tellingly, one respondent confessed: “I am beginning to wonder if the job is even worth it anymore.”

Still, strong and purpose-driven leaders see this as an opportunity to have a broader impact. So, how can we help CEOs learn to embrace both realities simultaneously? How can CEOs better bridge the two and build the capacity to move with ease and determination back and forth between the older and newer elements—to fully expand into the role that they are now being asked to fill? How can they resolve the tensions between what they think they need to accomplish—financial success in the short term—and what they feel they are being asked to do in terms of growing the business and being a force for good in the long term?

## Constructing a Bridge: Unlocking a Network of Capacities

Because the job of CEO involves so much more now, the individuals in or aspiring to the role need to develop the ability to hold and do more simultaneously. As the complexity that CEOs face has grown, we have noticed that the deliberate development of three essential capacities can effectively help them meet what is now required: becoming more **self-aware**, **relational**, and **adaptive**. A resounding 97% of CEOs know they need to do the work to self-transform in order to make the changes the organization needs. Honing and developing these three interdependently will provide the bridge that leaders need to effectively span both the older and newer realities of their work. Until now, most business leaders have focused too little attention on this

interlocked trio of capacities. Yet they are essential for both functioning and thriving in challenging times.

## Self-Awareness

Expanding the leadership container starts with the self—with a renewed commitment to self-reflection and introspection. Delving into this work, leaders invariably become more open and empowered. Too often we hear CEOs say something like one respondent did: “**When you become CEO, you lose yourself and become the role.**” It is very clear that CEOs need to take the time to sit back, examine, and reshuffle their energies, to allow the role to become part of them, not them of it. When they do, we see great shifts in mindset. They learn to break open; they question their blind spots and reactive responses; they create the space for new approaches and possibilities. Knowing themselves better, they become both more confident and humble.

One way to seek greater self-awareness is to ask for feedback from a network of others—peers, the executive leadership team and boards among them. Making the effort to understand how they are perceived can help CEOs learn whether their intentions are consistent with how their actions are received. Many leaders have told us how gathering feedback from others can deepen their understanding of themselves. In turn, they can be the more observant, thoughtful, and proactive leaders required today to engage the organization’s best minds and best solutions for success ahead.

## Relational

CEOs all over the world have told us how vital relational skills have become to their success. As one put it: “If I do not care for people, all leadership is meaningless—leadership is about people.” Still, more than half of the CEOs we spoke with recognize that they are lagging well behind in this capacity. Renewed self-awareness, of course, lays the foundation for one to better understand and communicate more genuinely with others. Beyond this, CEOs know they need to become better listeners—to learn and not to fix—as well as better communicators, and that this will be key to strengthening their relational capacity.

To become the authentically empathetic leaders they are asked to be, CEOs need to learn to give as much as they take from their employees. Optimal engagement with others is based on this fundamental reciprocity in order to

sustainably energize both parties in the relationship. It is ultimately the glue of organizational progress. As one CEO told us: “Leadership is increasingly about humanity, sharing imperfection, and being authentic and empathetic.”

## Adaptive

In conjunction with developing more self-awareness and relatability, CEOs today need to become more attuned to when and how to change themselves and the organization. Refueling both their sense of self as well as their ability to work better with others establishes a solid foundation upon which CEOs can gain the perspective and courage to sense and respond to the organization’s ever-changing needs more quickly and effectively.

Most pressing, CEOs are feeling the need to reallocate their energies across short- and long-term plans, and to be ready to enact change as needed. Time and time again, CEOs are telling us that heeding this message is imperative in these uncertain times. Markets and society change so quickly; it is important to not be wedded to set plans. “There should be

no problem questioning things; don’t hold back from taking new initiatives,” one advised. Across inevitably shifting plans, CEOs need to motivate their followers to be likewise open, to convey and carry their adaptive mindset throughout the organization so as to lift the collective ambition for success.

*“There is a need for a new type of leadership: more inspirational, collaborative, inclusive, and able to change paradigms and grow faster.”*

There is no set recipe among these three capacities, only that they all tie together to better help leaders navigate the many challenges of their role. Every leader will construct a bridge according to their own individual needs, personality, organizational challenges, and strategic context. Once the capacities are invigorated, a leader can create an effective, sustaining balance between them, as circumstances demand.

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