



Rethinking “CEO exceptionalism”

Summer 2020 Fortune/Deloitte CEO Survey on how COVID-19 is redefining the CEO role

No longer shareholder-centric, today's true CEO exceptionalism calls for leaders who are nimble and innovative—visionaries who model trust and empathy and embrace creative tension in the face of an ever-changing business landscape. The Summer 2020 installment of Fortune/Deloitte CEO Survey explores how.

A sense of optimism

Across the United States, businesses are rebooting in the wake of the unprecedented disruption caused by COVID-19 and the ongoing reexamination of race relations in the country. Both of these experiences—unique and concurrent—are testing the skills of every executive and are redefining key elements of the role of the chief executive officer (CEO). While many CEOs were likely already on the path to change, today's extraordinary turbulence is accelerating the shift.

“More than three-quarters of CEOs surveyed in a recent Fortune/Deloitte survey stated that the COVID-19 epidemic created significant new opportunities for their companies,” says Joe Ucuzoglu, CEO of Deloitte US. “CEOs have had to quickly pivot to a whole new way of leading, simultaneously mastering crisis management to navigate through the current challenging circumstances while at the same time staying focused on the future and accelerating their organization's digital transformation.”

Five traits of CEO exceptionalism

These critical leadership traits have actually been emerging for years, based on a study conducted by the Deloitte Chief Executive Program in 2017. It found that [“undisruptable” CEOs](#) have a complex mix of five traits, all centered around the ability to navigate tension:

- They are [ambidextrous](#), simultaneously optimizing operations and innovating.
- They have a [beginner's mindset](#), skillfully silencing the tyranny of past experience when facing novel, complex challenges.
- They are [master interpreters of disruption](#), intuitively hearing signals pointing to the patterns of the future that can easily be missed in the static.

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- They are [ethnographers of their end users](#), able to connect and deeply empathize with end users’ mindsets and aspirations, ignoring orthodoxies and envisioning uniquely fulfilling and differentiated experiences.
- They exhibit [emotional fortitude](#), leveraging both emotions and logic to make high-stakes decisions in the face of fear, risk, and uncertainty.

All five attributes have grown increasingly important in a world that was tumultuous well before COVID-19. But there’s more: a sixth trait of the “undisruptable” that could help to define CEO exceptionalism today.

Data from a recent Fortune survey of CEOs, done in collaboration with Deloitte, on CEO attitudes and predictions about the COVID-19 pandemic, hints at an emerging sixth attribute underpinning all the others: **demonstrating purpose and conviction**.

Elements of this sixth trait surfaced in the 2017 study, says Benjamin Finzi, who leads Deloitte’s Chief Executive Program. “We were seeing signs of a more nuanced attribute that had to do with the commitment and ability to lead organizations not only through a strategic business vision, but also through conviction and purpose.”

Tightly related to conviction and purpose is the growing call to expand corporate responsibility beyond shareholders to include all affected stakeholders. Amid a world responding to the effects of COVID-19, CEOs are adopting a more balanced view of their constituents that may be reflective of this trait. The vast majority of CEOs who responded to the Fortune/Deloitte survey grade their recent performance among customers, shareholders, and their communities at a “B” or better. And 75 percent of CEOs give themselves an “A” when it comes to performance with employees over the past three months.

This suggests that CEOs are realigning their priorities to make shareholders part of a whole that encompasses employees and customers—even society at large. They no longer measure success by the rising value of company stock if that success is at the expense of other stakeholders. And while it may be harder to set a clear direction when shareholder value no longer reigns supreme, they understand that, in today’s ambiguous reality, purpose is what enables corporations to function as organic entities. For CEOs, this is a new job requirement.

“Some may have historically been motivated to prioritize profits at the expense of other constituents, but that is a short-term mindset that actually winds up suboptimizing shareholder value over the long term,” says Ucuzoglu. “As stakeholder capitalism continues to reshape how CEOs achieve sustainable growth and revenue goals, I expect to more often see leaders truly living their principles in the interest of maximizing the long-term value of their companies by prioritizing all stakeholders—employees, customers, suppliers, shareholders, local communities, and society at large—even if that at times comes at the expense of short-term quarterly results.”

And despite facing unprecedented ambiguity and risk, the survey shows that CEOs that demonstrate purpose and conviction remain optimistic. Seventy-seven percent say that the crisis has created significant new opportunities for their organizations, and more than half expect revenues to return to pre-pandemic levels by January 2021.

Walking the walk

Like most people in America, CEOs are recognizing the need for a true societal shift. But as Ucuzoglu shared at a recent off-the-record Fortune CEO Initiative meeting, platitudes about purpose and “doing well by doing good” won’t cut it. CEOs must show that they are prepared to walk the walk.

“Now is the time to tangibly demonstrate authentic leadership,” Ucuzoglu explains. “Customers, employees, and all stakeholders are looking to business leaders for clear direction, transparency, and, ultimately, human connection.”

In fact, 62 percent of survey respondents say they are implementing policy changes within their companies in the wake of a heightened societal focus on racial inequality. They cite increased dialogue, more emphasis on diversity and inclusion, and improved training and hiring policies among their proposed initiatives.

“CEOs are demonstrating modern exceptionalism by their willingness to lead and engage through ambiguity,” Finzi observes. “They dare to wade into the confusion, because they recognize they have been chosen to lead and this is their obligation.”

“Being a resilient leader in this environment requires a lot of active listening, empowering one’s people to be bold, and setting the tone for a culture of innovation and strategic risk-taking—even in a virtual environment,” says Ucuzoglu. “You have to instill a sense of values and purpose to guide the decisions that your employees will make when you’re not in the room.”

View key highlights
from the [survey](#)

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