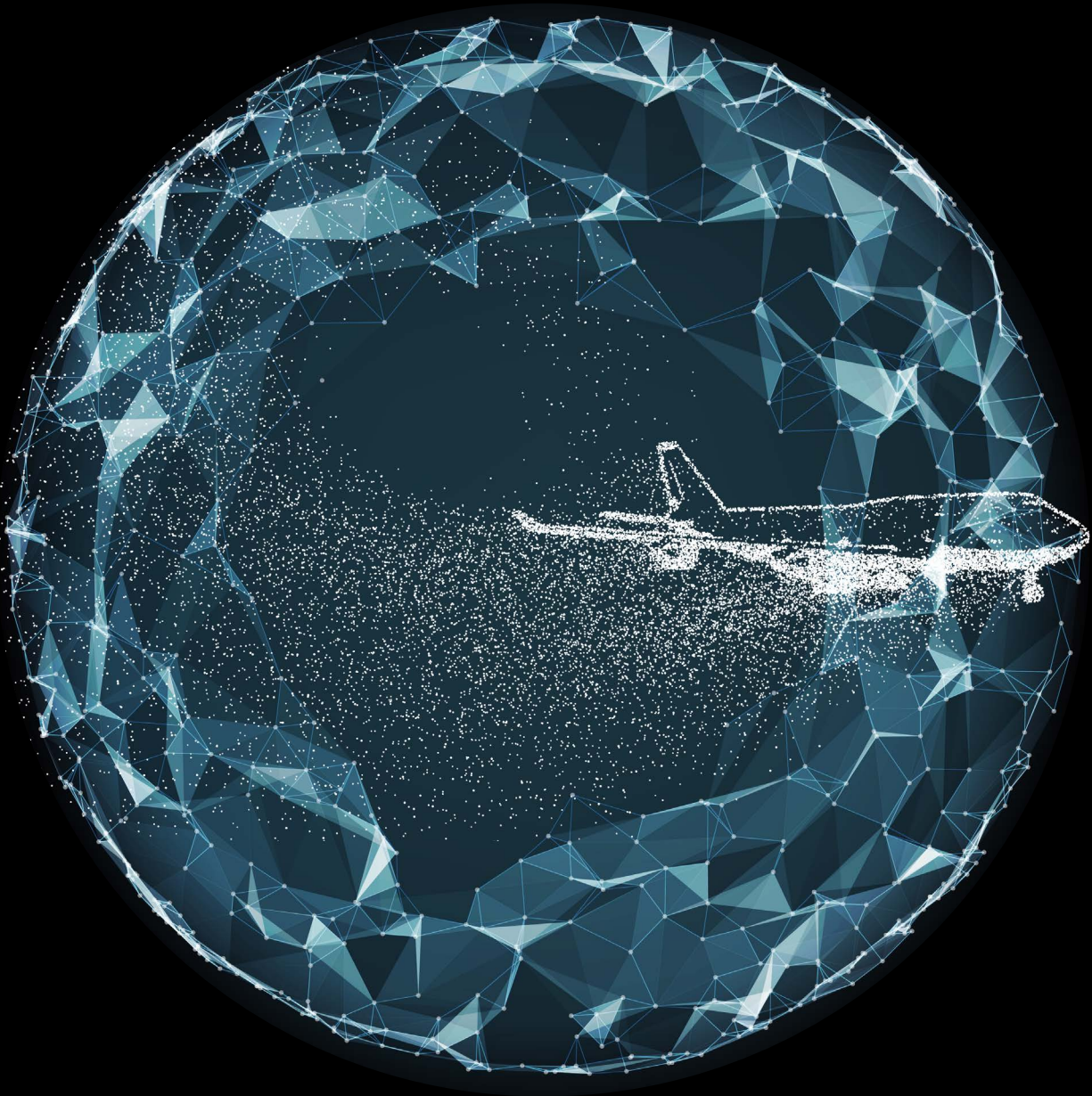


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Straight talk for CEOs:
How to inspire in times of disruption

Introduction

These are turbulent times for CEOs. Social upheaval, technological advances, and new generations of workers, among other things, add to their already long list of challenges.

To help CEOs navigate these new waters, we asked four scholars of the C-suite to comment on some of the pressing issues facing large multinational corporations in the next five years. Below, business school “heavyweights” talk straight with corporate leaders about how they and their organizations will need to adapt. (Warning: you may not like everything you read.)



Manfred Kets de Vries

Distinguished Clinical Professor of Leadership Development and Organizational Change at INSEAD, Founding Director of INSEAD's Global Leadership Centre

Know thyself

CEOs tend to be doers, which is a requirement to make it in business, but the most successful leaders are able to both act and reflect. For effectively running an organization, it is essential to find some time to be self-reflective.

Amid the pressures of running a company and its severe time constraints, it may seem ludicrous to suggest that you take time to get to know yourself. But if you don't possess a solid dose of self-awareness, you simply won't be as effective as you can be.

Research has shown that self-awareness helps you make better decisions,¹ facilitates communication, makes you more creative,² and helps you build stronger relationships.³ Yet few executives know their strengths and weaknesses. They don't really know what drives them. You will likely be more productive in the long run if you increase your emotional intelligence and reduce your blind spots. This includes not falling into the trap of hubris. Unfortunately, too many CEOs tend to self-destruct with excessive narcissistic behavior as the root cause. Instead, as a countermeasure, learn to laugh at yourself and retain a healthy dose of humility.

Remember, Lord Acton had a point when he said, "Power tends to corrupt and absolute power corrupts absolutely." You better realize that the moment you are a CEO, you will be surrounded by "liars"—people who will tell you what you like to hear. Instead, you should perceive what's really being said; you should know how to pick up the subtle signals. Generally speaking, emotional intelligence can make you a better team player and better at motivating yourself and others—which is an essential characteristic of a leader.

Empower employees to reinvent the company

A critical task of the CEO is to create an organization that inspires people to come to work every day, where they can and should do their best. To do this successfully, you should try to understand what's in people's hearts and on their minds, and get them to buy into the DNA of your organization. You should find ways to deeply connect with your staff. (Admittedly, this is more challenging in the cyber age, where virtual teams and communicating through the digital media are the norm, but make the effort. As I have stated many times, it's hard to email a smile or a handshake.) Most important, you need to create a culture where employees feel empowered—where they can have courageous conversations, and where they can reinvent the company.

No "I" in team

Articles and books lauding self-made billionaires, industry titans, and corporate rock stars make it easy to forget that leadership is a team sport, not an individual endeavor. Successful companies have great leadership teams that know how to get people aligned to the organization's values. Surround yourself with teams of good people with clear goals and values—including those who have a healthy disrespect for the boss. Leaders need people they can trust to tell them how things really are.



Sydney Finkelstein

Steven Roth Professor of Management at Tuck School of Business at Dartmouth, Faculty Director of the Tuck Executive Program, Faculty Director of the Center for Leadership at Tuck

See your top talent out

Much has been written about how to motivate and keep your top talent, with good reason. Research has shown that the best employees outperform average workers—by a lot. High performers make big contributions and deliver outstanding results.⁴ It stands to reason that a company with a higher share of top performers would outshine the competition.

I would suggest, however, that it's better to let your star employees leave. I might even recommend that you encourage them to go and help them do well in their next venture. As I stated in a 2016 *Wall Street Journal* article, by abandoning the conventional thinking about holding on to their best people, the world's greatest CEOs achieved extraordinary results. Rather than putting resources into keeping their stars, they trained their sights on creating a strong talent flow within their organizations. And as they did so, more of their top workers wanted to stay.

Developing a strong talent-flow strategy can yield a more dynamic workforce and usher in new ideas and fresh perspectives, making your company more resilient and successful in today's choppy markets and over the long term. Accept that ambitious high achievers often have their eye on the next big career move; send them off with good sentiments and your blessings. As they move on to other opportunities, they make space for new talent to flow into the organization. As your alumni succeed—and sing your praises—you will also strengthen your reputation as an employer that invests in its staff, works with the best, and launches big careers, attracting more high-caliber candidates to your company.

Of course, there are costs associated with losing outsize talent, but there are also great benefits. Former employees can be an important part of your network. Building strong networks based on deep personal connections is a win-win scenario:

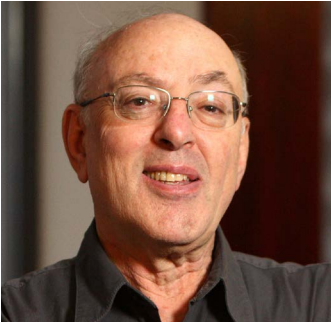
alums get a boost with their careers and you can capitalize on new business opportunities, better vendor relationships, new recruits, and so on through your network.

How to start the talent flow

Be rigorous when recruiting. Don't settle for "very talented, smart, and impressive all around" candidates, chosen by HR professionals. Instead, use unconventional interview techniques to find exceptional people with unusual qualities, and consider untraditional hires. Search for drivers of change rather than ordinary leaders, and instead of looking for people who are most likely to succeed, look for those prepared to change the meaning of success.

My 10-year study of "superbosses" revealed that they look for recruits who "get it"—those who have what the job needs. Among the qualities these candidates possess are unusual intelligence, applied creativity, and extreme flexibility. They possess a brilliance about the industry or product. They tackle problems cleverly and creatively. And they have special areas of expertise, but they are capable of handling any position—even those that have little to do with their experiences and qualifications. Superbosses want to surround themselves with the smartest people possible, so they listen intently at job interviews to learn how candidates think. These bosses also don't give preference to the candidates who think the same way they do.

Hiring exceptional people is one of the greatest challenges leaders face. Hone your techniques for hiring, motivating, inspiring, and challenging your workforce. Overrule HR professionals when necessary. And most important, do what it takes to establish a strong talent flow, removing any obstacles that block that flow. Be willing to let your top talent go. Contrary to expectations, they may remain among your greatest assets.



Henry Mintzberg

Cleghorn Professor
of Management Studies
at the Desautels Faculty
of Management of
McGill University

Humanize

What is "communityship"? When you walk into an organization and are struck by the energy in the place, the personal commitment of the people, and their collective engagement in what they are doing, you have found it. These people don't have to be formally empowered because they are naturally engaged. The organization respects them, so they respect it. They don't live in mortal fear of being fired en masse because some "leader" hasn't made his or her numbers. Imagine an economy made up of such organizations.

Communities of human beings, not collections of human resources

New organizations may need aggressive leadership, but most others need engaged management—quiet, humble, thoughtful. We need leadership to establish communityship in a new organization and to help sustain it in an established organization.

Forget legacy and build community

How can you promote communityship in your company? Discourage a mercenary, individualistic culture. Develop people who can carry the roles of both manager and leader effectively. To be a good manager-leader, be a good listener and help other people be important.

Rather than assuming that strategy always comes down the hierarchy, consider that strategies can emerge out of the network as engaged people solve little problems that can grow into big initiatives. Remember that leadership is a sacred trust earned from the respect of others. Enough narcissism in the executive suites.



Donald Hambrick

Evan Pugh University
Professor and Smeal Chaired
Professor of Management at
Penn State University

Take a stand

Social and political issues are front-page stories and top-trending topics on social media. As the head of your company, you will be expected to take stands on these issues, and you will be assessed when you do so.

The political polarization of America, and other Western societies, will become even more extreme in the coming years. In this era of splintered media outlets, distinct camps will continue to dwell in their own echo chambers, and demagogues will continue to exploit the resulting schisms. As a business leader, you will be drawn into this. Your employees almost surely skew either red or blue, and they expect to hear your voice on important public matters. Your customers probably lean one way or the other, and they, too, are alert to your positions on major issues of the day.

For the sake of our society and humankind, please take a stand. You have a prominent and legitimate platform, you're levelheaded, and you possess laudable values. You and your fellow business leaders could be a potent antidote to the destructive nuttiness rising around us. In any event, your values, statesmanship, and communication skills will be tested in ways unlike ever before.

Inspire the 20- and 30-somethings

A central part of your job as the leader is to place your company's economic goals on a larger stage, articulating how your organization intends to make a difference—for customers, for employees (as a model workplace), and possibly for society overall. Millennials, who make up the young talent pool that all companies are going after, crave purpose and meaning in their jobs, at a level far beyond

prior generations. Of all the things that have been said about these 20- and 30-somethings, none is truer than that they want to be inspired by their work and by their place of work.⁵ Compared with their parents, millennials are not content with merely a paycheck—or even with challenging or interesting work.⁶ It needs to be important work, conducted for an organization with an important mission.

Work with your senior team to craft, disseminate, and exemplify your views of the company's purpose. Communicate it like crazy and evaluate managers at all levels on their abilities to convey and manifest this broader purpose. Otherwise, you may not be able to attract and retain young talent.

Make technology a strategic priority

Your products and services could be designed, produced, and delivered far more economically than before, in some cases at one-half the current cost per unit. I say "could" because it's up to you.

Advances in artificial intelligence, information technology, and robotics will continue at a dizzying pace. Whether you're directly in these businesses or on the receiving end, these advances present colossal opportunities. Your products and services could have greatly enhanced features, including the ability to detect their own flaws, to self-correct and self-maintain, and to dovetail with your customers' other systems and activities. Get yourself and your entire senior team educated about this stuff. Hire key experts, and liberally allocate resources to them. Make the leveraging of these technologies a strategic priority.

A final word

By Benjamin Finzi

As we stand several years into cross-industry disruption, driven by technological, regulatory, and competitive forces, we see a profoundly changed business landscape—one where disruption has gone from episodic to continuous and relentless. Chief executives of large organizations have the opportunity to thrive, by arming themselves with the skills to be un-disruptable (see the article “[Can CEOs be un-disruptable?](#)”) and serve as torchbearers of new ideas that will inspire others to march on the path that is defined.

Ultimately, we want our leaders to inspire us.

Benjamin Finzi, a managing director with Deloitte Consulting LLP, leads Deloitte’s CEO Program. The founder and former leader of Deloitte’s New York Greenhouse, he has designed and facilitated hundreds of immersive “lab” experiences for CEOs and their leadership teams where he combined principles of business strategy with behavioral science and design thinking to address clients’ challenges. Previously part of Monitor Deloitte’s strategy practice and a co-founder and president of a private equity-backed 300-person telecommunications provider, Finzi has been focused for more than 20 years on researching and understanding how companies succeed in disruptive markets.

Editor’s note: This article is part of an ongoing series of interviews with CEOs, CFOs, and other executives. The leaders’ participation in this article is solely for educational purposes based on their knowledge of the subject, and the views expressed by them are solely their own. This article should not be deemed or construed to be for the purpose of soliciting business for these companies/institutions/organizations, nor does Deloitte advocate or endorse the services or products provided by these companies/institutions/organizations.

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