

Evolving as a Leader

It's the behaviours and beliefs of great CEOs that will set them apart from the rest. Criticaleye examines the top five traits which take leaders to a higher level



Vision, clarity, high-energy levels and a desire for control are commonplace among today's business leaders. The CEOs that are a cut above the rest possess other qualities too, such as adaptability, a knack for reinvention, bags of curiosity and a degree of self-awareness which allows them to build teams to complement their strengths and, more importantly, compensate for any weaknesses.

The range of 'must have' skills is widening because not only are expectations from

customers, shareholders and employees higher, but the markets in which businesses operate are arguably far more complex. Criticaleye spoke to a number of executive and non-executive directors and advisors to determine the five core qualities leaders need to acquire if they're to be successful:

1 EMOTIONAL INTELLIGENCE (EQ)

Having financial acumen and good business knowledge is essential, but what

marks out a great leader is their ability to interact with others and use their intuition. **Mike Turner**, Chairman of global engineering company GKN, says: "You've got to have a high level of emotional intelligence. You've got to [know], when you're talking to people and when you're in meetings, what they really feel and you've got to be able to respond in the right way."

Liz Bingham, UK&I Managing Partner for Talent at professional services firm EY, comments: "Emotional intelligence is crucial. It's harder to learn than ►

textbook skills; I don't think you can be an effective leader without a very healthy dose of EQ. Unless you have it, you won't understand how you're impacting the world around you and how people are responding to the decisions you make."

2 TRANSPARENCY

The spotlight on leaders is only going to intensify over the coming years, so it's vital to think about what it means to be transparent as a CEO. **Lord Mervyn Davies**, Vice-Chairman of private equity firm Corsair Capital, says that "the overriding thing... is that you've got to know yourself first".

Andy Clarke, CEO of retail concern Asda, says: "To be a great leader, you have to be comfortable in your own skin. I've worked with – and alongside – a number of people who haven't got to that point yet. So it makes it more awkward for them to be transparent, yet transparency is, I think, a very important part of being a successful and genuine leader."

If a CEO is seen as authentic, it'll be far easier for them to create a story which is regarded as real and achievable. "You need a vision and a narrative," says **Glen Moreno**, Chairman of publishing and education company Pearson. "To make that work, though, you've got to have a high degree of honesty and integrity because when people hear the story and you explain their role in it and how it will make a difference, they've really got to believe you."

Another aspect of this relates to how an organisation is perceived by external stakeholders. **Bala Chakravarthy**, Criticaleye Thought Leader and Shell Professor of Sustainable Business Growth at IMD, Switzerland, says: "The mounting criticism... of the

"A great leader is able to change and adapt their own style"

short-termism of business and its myopic focus on financial performance to the exclusion of social and environmental performance, may finally be having some effect...

"Sustainable development will be more than just PR. Leaders will need to work harder to meet their social and environmental responsibilities, mostly to protect their firm's license to operate. A firm's own employees, especially the newer generation, will also seek such a change."

Without transparency, a leader can forget about winning trust and loyalty.

3 AGILE THINKING

Leadership is situational and, in business, the best CEOs are nimble enough to come out on top regardless of the scenario. "A great leader is able to change and adapt their own style," says **Lord Davies**. "There are certain situations where you have got to be very collaborative, bringing everybody in and you've got to get them onside, and there are other occasions when you say: 'I'm sorry, I don't agree, this is what we're going to do and I'm going to hold you accountable.'"

Phil Smith, CEO for the UK & Ireland at networking equipment specialist

Cisco Systems, says: "Great leaders are typically people who have got a massive amount of flexibility. They're actually able to adapt. That doesn't mean they'll go wherever the wind takes them, it just means that they'll change when they need to as they recognise that whatever it is they've decided to do today, it might not be the right thing tomorrow."

The difference over the past decade is the increasing speed at which leaders need to address multiple challenges, often at the same time. **Glen** comments: "You have to be good at change. It is extremely rare today for a new leader to come into an organisation with a mandate for business-as-usual. That wasn't always true. There were times when companies had locked market share and there wasn't much of a technology challenge, nor was it global.

"It's all changed now and there are virtually no maintenance jobs anymore because companies are either in trouble when a new CEO comes in, or they clearly need to rethink their position on what they're already doing."

Neil Matthewman, CEO of the charity Community Integrated Care, says: "I have... realised that you are always learning as a leader and... it is important to embrace new ideas and new ways of doing things. I have also learnt that you aren't always popular given some of the decisions that you have to take."

According to **Bala**, one of the qualities that CEOs will increasingly need to strengthen is the ability to 'master dilemmas'. He explains: "Achieving sustainable development will require the leader to make difficult trade-offs between strategies, organisational design and motivational initiatives that promote financial versus social and environmental performance. ►

An effective leader must be adept at dynamically balancing how firms meet these competing demands.”

4 TWO-WAY COMMUNICATION

For modern business leaders, the rehearsed address to an audience is still important, but they will also have to be highly skilled at building alliances and communicating across a variety of channels in a less formal way.

Steven Cooper, CEO of Personal Banking at Barclays, says: “The environment that leaders need to create, I think, is changing. They need to be much more inclusive, more visible and they need to be engaging with a broader spectrum of colleagues to create partnerships.”

It’s not all about being an eloquent orator. “I spend a lot of time with customers, colleagues, clients and other stakeholders, such as politicians, the media and shareholders,” continues **Steven**. “I’ve learned to really listen to [different parties] to try and find a common thread. If I’m hearing one thing from here, how does that resonate with what I’m hearing over there?”

A certain degree of humility is required. **Andy** says: “If you turn the clock back only ten years, the pervasive style of communication for leaders was very much tell-and-do. It’s a dying style of leadership today; you have to operate with a level of openness to challenge that you wouldn’t necessarily have seen a decade ago.”

5 VISION

What separates truly great leaders from the supremely capable is that ability to inspire and align people by creating a vision for the business.

For **Glen**, it’s the first thing he looks for in a CEO. “To me, vision is a clear understanding of where you want to take the organisation. This doesn’t have to be highfalutin, but you really need to have thought it through.”

Getting that vision across will test every aspect of leadership. **Alison Esse**, Joint Managing Director at change management consultancy The Storytellers, suggests that CEOs ought to devise a narrative which others can engage with. “If you’ve set your vision and strategy and people understand the general direction of the business, being able to share stories about how people are contributing towards that vision is what keeps it fresh.”

Emotional intelligence, transparency, adaptability and personalisation will all be needed to bring a strategy to life. **Alison** says: “Leaders must be able to take individuals on their own personal journey but, at the same time, align it to what the business is trying to achieve so people feel valued and that they have a voice... A leader facilitates that for them.”

It takes a certain type of character to be drawn to a position of leadership. They’ll possess passion, verve, stamina (think of the international travel), a seriously thick skin for when things go wrong, a desire for control (something that has to be mastered) and a singularity of purpose which may strike others as bordering on the irrational.

Above all, a person must have the kind of determination that inspires others in the senior team – and across the organisation – to really push themselves.

Phil says: “It requires energy to be high-performing but I think also it’s a kind of self-reinforcing mechanism, that if

you’ve got an energetic team, people will engage differently with each other. They stretch further than they normally would do and typically achieve a lot more.” ■

© Criticleye 2014

Featuring Commentary From:



Liz Bingham
Managing Partner
Talent, UK&I
EY



Bala Chakravarthy
Shell Professor
Sustainable Business Growth
IMD



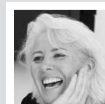
Andy Clarke
CEO
Asda



Steven Cooper
CEO
Personal Banking
Barclays



Lord Mervyn Davies
Vice Chairman
Corsair Capital



Alison Esse
Joint Managing Director
The Storytellers



Neil Matthewman
CEO
Community Integrated Care



Glen Moreno
Chairman
Pearson



Phil Smith
CEO
UK&I
Cisco Systems



Mike Turner
Chairman
GKN

Contact the contributors through:
www.criticleye.net