

The Complex Role of the Chief Executive Officer

“You are the linking pin to the future success of the organization.”



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Chief Executive Officer – *an individual who has the role and mandate to define the Strategy of an organization and is beholden to a body, whether that be a Board or investor group, to execute on that Strategy.*

Strategy – *Strategy is the purposeful orientation of an organization toward success in a complex, competitive, challenging environment.*

The CEO Defined

After working with numerous CEOs in various sectors over the last ten years, I have seen a series of trends and best practices that must be considered in this vaunted role.

First, a definition. We use titles with impunity and, to be clear, by Chief Executive Officer, I refer to an individual who has the role and mandate to define the Strategy of an organization and is beholden to a body, whether that be a board or investor group, to execute on that Strategy. They are that individual who is accountable to another body for the execution of plans to deliver on a desired end state for an entire organization. In more dramatic terms, hundreds or thousands of lives depend on this individual's decisions and actions.

So, whether your title is CEO or President, I trust this exploration will be valuable to you.

This is a heady role that has few friends, and very few people can be relied upon to assist it in deliberations. Although accountable to another body, the role requires the ultimate sense of responsibility every day. While down through an organization, there is, or should be, managerial leadership to exercise constraint on the leadership, the CEO, in most cases, must rely on that sense of responsibility to stay on course.

Another angle is that the Board, while having the ultimate accountability, doesn't meddle in the details of the CEO's day-to-day. So, solid ethics in the CEO is paramount.

Responsibility is a subjective personal feeling of obligation. Responsibility is doing what we do because we feel it is the right thing to do.
Accountability is an objective component of the Direct Report/Manager relationship.

CEO Ethics

Far too often, we see cases where the temptation of unfettered control leads those at the top of the house to take liberties. The adage of "power corrupts, and absolute power corrupts absolutely" is valid. The head of the organization needs to manage the tension between the greater good and their own desires. There are too many examples where ego overtakes rationality and CEOs become victims of their baser selves. To me, the best thing to remember is that the slaves used to whisper to their masters in the Roman fora, "remember thou art mortal". Deal with your hubris and ego, and you will be ultimately successful. And, more importantly, fulfilled.

CEO Confidence

Confidence is critical for a person thrust into the role of controlling the lives of many. Self-confidence can be nonlinear and unpredictable, but you need to be able to instill confidence in others. This does not mean the untampered zealotry and callousness of hubris. The route to this is having a network that you can trust who will give you an unadulterated view. Their job is to shine the mirror on you so that you see who you really are. While a significant other can provide this, it is not their role. You need to find that member of the Board, coach, or mentor to help you to understand your real impact.

Anaklesis

In the vein of relationships, it is important for the head of an organization to realise the impact of anaklesis.

Anaklesis is the human need to lean on things to prop us up and make us feel whole. We have difficulty with anything that challenges that stability. At its core, we lean on our beliefs, opinions, and experiences.

The fear of upsetting the people and opinions upon which we rely to define and control our world – anaklesis – is an enormous source of resistance to change.

The result of anaklesis is, therefore, two-fold. For one, it forces us to accept our current world view and reject new things that do not meet our understanding or perspective. It also relates to the fear of damaging relationships with our people or teams. This is kryptonite to CEOs. Anaklesis gets in the way of accepting challenges to our views and emboldens us to keep talent past their best-before date. Beware of this, and don't let it sap your strength.

The Work of the CEO

As the head of an organization, the key role of a CEO is to make decisions. They will be decisions that are fraught with differing opinions and will come laden with personal perspectives. Decisions are about choosing one thing and rejecting all others. The CEO, therefore, faces making a choice that is popular for some and not others. This is where anaklesis impacts; it bleaches the decisions and makes them personal. The key thing in decision-making is to remember the "greater good" as a must criterion and to explore the risks consciously and in detail. By using good criteria and exploring risk, you get the best for the organization, and you reduce the fear factor.



As the CEO, it is also important to understand your role in relation to other roles. The CEO is the ultimate arbiter. As such, you are not involved in the minutiae of the financials or operations. The other roles are there to support you. It is important to remember that if you do their job, you negate the usefulness of the individual in the role. In effect, you don't trust them, and the organization sees it. If you really don't trust them, you either need to coach them or replace them. A key role of the CEO is to coach their talent in the performance of their roles so that, one day, they can be considered as your replacement. Too often, CEOs either ignore or undermine their direct reports. You are the linking pin to the future success of the organization.

The CEO must look ahead farther than anyone in the organization. CEOs and organizations fail when they choose not to look out far enough. They do not anticipate and think through the various factors that will impact their business. CEOs, depending on the nature of their business, need to plan anywhere from five to fifty years out. Of course, there is no certainty in looking out that far, but they must conceptualize what may be necessary in the future. The CEO cannot be oriented solely on the quarter or the year, or the success of the organization will be in jeopardy.

As mentioned above, the CEO is ultimately accountable for the implementation of the Strategy. In some cases, you may have to define the Strategy and get acceptance by the Board, but it is your role to implement it. By Strategy, I mean the implementation of what the organization intends to be. It is the accountability of the CEO to set and manage the plans to achieve what the organization aspires to. To ensure the implementation of Strategy, the CEO must ensure that the structure is appropriate and that the members of the organization know their role. Critically, they must be held accountable to deliver the Strategy. In turn, the CEO becomes a system engineer, ensuring that the systems are in place for the business to run. The implementation of the Strategy is the key role of the CEO, but the issues outlined here get in the way. The CEO needs to make Strategy their number one priority. And

remember, you don't do the work; you ensure you have the right talent, in the right roles, to achieve it.

Relations with the Board

The final key area for a CEO is their relationship with those above them. The CEO links the Board / shareholders / owners with the business. The CEO is critical for alignment with this body. In fact, they must be aligned with this group before they try to move forward with their own team. The CEO walks a razor's edge between those above and those below. However, the first allegiance must be to above. In getting to that point, the CEO must manage and lead all the elements above. Their duty is to deliver the Strategy to this group, and they must balance that with judicious decision-making, while creating long-term opportunities for the business.



In Summary

You are in the most critical role in the organization. There will be good days and bad, but it is important to remember the livelihood of your employees and the aspirations of your stakeholders. You are not alone on your journey; find travelers to help you on your trip.

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