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THE FUTURE CEO

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MANAGEMENT

In tough times, what's the best leadership style?

So-called servant leadership has long been the norm, but in a difficult economic climate, embattled CEOs may be tempted to try a more authoritative approach

Ouida Taaffe

Running a company at maximum productivity and minimum cost is the holy grail of management – not least during an economic downturn. And in recent decades, there have been some clear articles of faith on how to get there.

In most cases, for instance, firms now seek to motivate their employees in ways that are non-coercive. The carrot has generally prevailed over the stick.

This is typically held to be the legacy of Robert Greenleaf, the former AT&T executive who codified the idea of 'servant leadership' in 1970. Inspired by Hermann Hesse's 1932 novel *Journey to the East,* in which a messiah-like figure acts as a servant and benevolent guide to a group of travellers, Greenleaf established the idea that modern CEOs should share their power, put the needs of their employees first, and help them perform better by supporting their personal growth and wellbeing.

But as it happens, servant leaders predate Greenleaf, and they exist in some surprising places too. “The motto at Sandhurst is 'Serve to lead',” says Stuart Tootal, co-founder and partner at Matero Consulting and a former colonel in the British Army. “It's something they've been teaching their leaders since 1947.”

After all, an exclusively top-down management style might not necessarily be wise on the front line. “On a battlefield, junior officers are actually empowered to step up and change the plan to meet the overall strategic intent,” explains Tootal. “They have to be able to answer back and say: 'Do you really mean this, colonel? What about achieving your intent this way?'”

The same applies in business, Tootal argues. “Business is like warfare, there's nothing new in that,” he says. “The aim – and this is often missed in business – is to empower people to work creatively, and with autonomy, to meet the overall objectives of a mission.”

Nevertheless, there are still many CEOs who admire an older, more authoritative style of management – the command-and-control model. For example, Jeremy Bullmore, the late management guru and advertiser who launched the Mr Kipling and After Eight brands, argued that in hard times leaders sometimes need to “rule like monarchs” to get things done. He may not have been advocating permanent command and control, but clear, top-down direction, he reasoned, can sometimes project “an easy idea” around which employees can cohere.

Paul Bradbury via iStock

But that easy idea can often end up becoming command and control, particularly when firms are struggling. A recent example is how Elon Musk has managed Twitter since taking over at the end of last year. Musk has since laid off around 80% of staff, and social media has been buzzing with lurid tales of his peremptory orders. *The New York Times* reports that engineers have not been allowed to change the site's code over the past few months because management are worried about sabotage by departing staff.

It certainly doesn't sound ideal, but might Musk's top-down approach have its virtues?

“Most people, in most businesses, like to have a grumble about management. But when it comes down to it, the vast majority just want to get on with their day job and not be involved in running things,” observes Robert Pickering, a non-executive director and the former CEO of JPMorgan Cazenove.

“People say they want to have a voice and some discretion in how they go about their job, but that can often be performative,” he adds. “That even goes for partners in a large firm; they might vote on strategy but in practice, as individuals, they have minimal say.”

For Tootal, though, that kind of thinking entails a certain risk. “Firms greatly reduce the chance of getting things wrong if they empower people to act with freedom, within the bounds of strategic intent, and speak up when they see a problem or need senior leadership support,” he says.

Equally, a lack of autonomy among the lower ranks can cause problems for the C-suite. “If those at the top are distracted by people delegating everything upwards, they won't be able to focus on the fundamental strategic decisions,” Tootal adds.

Perhaps there's a balance to be struck here. “If you ask most business leaders what the most important characteristic of a CEO is, they would say 'you have to be a good listener',” Pickering continues. “But you don't get to be a CEO by being humble. I'm sceptical that the most important quality is empathy. The basic job is to take three or four big decisions each year and, ideally, get them right. But that said, good decisions do come from surrounding yourself with good people and talking openly.”

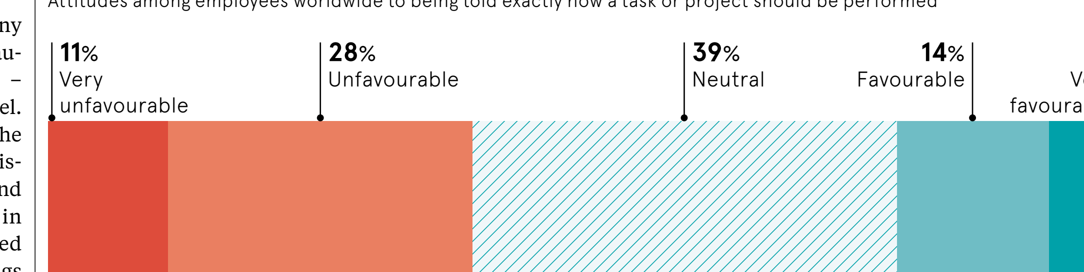
And there's another fly in the command-and-control ointment too. “Most businesses are not a zero-sum game like, say, trading in an investment bank, where it's like going into mortal combat every day,” says Olivier Beroud, programme director at the Future Leaders Group, which provides training for future C-Suite executives. “Instead, you have ongoing relationships to develop and maintain with many networks, both internal and external.”

Beroud points out that command and control implies a power game where authority always wins. “But long-term success is based on collaboration,” he says. An effective leader, he argues, needs to understand each person's unique contribution to the common goal and know how team members complement each other.

Indeed, it's when a company comes under fire, Beroud says, that “the leader has to use the combined strengths of the team to get the results the firm needs. If they can do that, the leader and the team will come out of the crisis stronger.”

A SMALL PROPORTION OF EMPLOYEES APPRECIATE AN AUTHORITARIAN MANAGEMENT STYLE

Attitudes among employees worldwide to being told exactly how a task or project should be performed



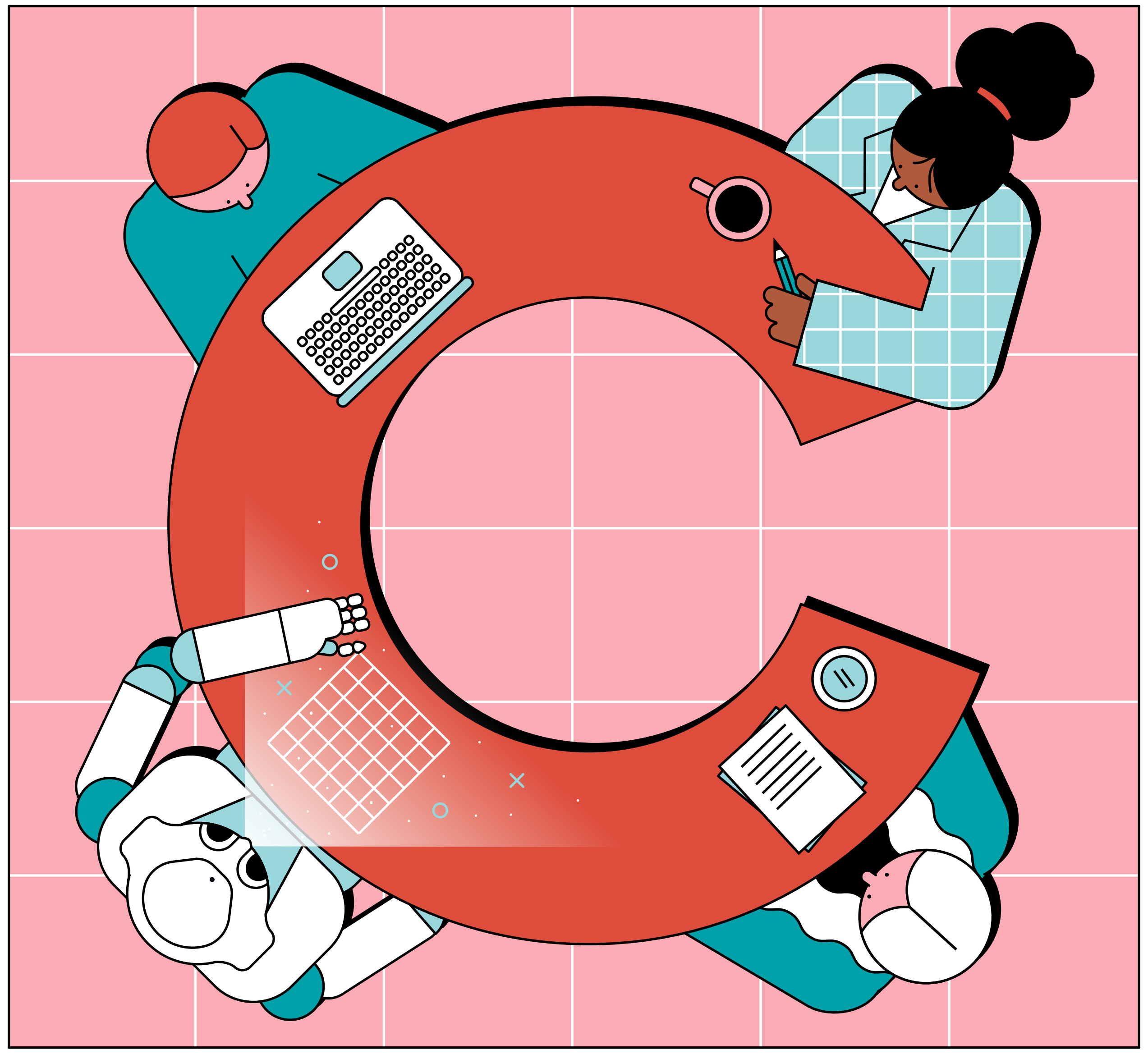
LeadershipIQ, 2019

TECHNOLOGY

Make room for AI at the C-suite table

Augmented decision-making offers a future in which business leaders can speed up key strategic choices – but a lack of C-suite understanding risks holding back its adoption

Tom Ritchie



The nature of business decision-making is changing. While the greater accessibility of data might seem to be a positive development in reaching informed conclusions, many leaders are struggling.

A survey of more than 1,000 C-suite executives by Signal AI, for instance, found that the most common barrier to decision-making was 'overwhelming amounts of data', with 44% of respondents reporting difficulty in parsing the data.

But a solution to the demands of modern leadership could lie in augmented decision-making. Here, artificial intelligence (AI) or machine learning (ML) suggests or assists in reaching an outcome.

At digital transformation consultancy Publicis Sapient, for instance, AI and ML technologies have become an integral part of their client offering, and of its internal operations. The firm has developed models which predict employee churn, manage revenue and pinpoint marketing and sales opportunities using a mix of customer, website and third-party data. Nigel Vaz, its CEO, says the sophisticated use of data to inform business strategy will drive performance for many companies.

"The most successful organisations of today – and certainly of tomorrow – begin as or transform to become data-driven, with data-driven leadership at their core," says Vaz. "As AI and ML technologies evolve, leading companies will feel the imperative to transform their ways of working to deliver value."

Vaz adds that his leadership team uses augmented decision-making to "facilitate better informed and more data-driven conversations". This process looks at macroeconomic trends, business metrics and client needs to pinpoint opportunities. Vaz attributes the company's record growth of 19% over the past financial year to this approach.

This technology has the potential to completely change how C-suites reach their decisions. Professor Chris Tucci teaches the ML and AI executive education programme at Imperial College London Business School. According to him, the underlying models are likely to become more "creative" in the next few years.

"AI systems could soon be used for brainstorming ideas on developing a new market or customer segment, new products and processes, and new business models. It might even become a sort of adjunct for human decision-makers, in addition to the efficiency arguments for their use," says Tucci.

Using data-processing tools in this way would require a significant shift in attitudes from certain leaders. Surveys of the C-suite repeatedly indicate a distrust of analytics.

One such report from Deloitte in 2019 reported that 67% of executives "are not comfortable" accessing or acting upon data from advanced analytic systems. The same percentage of CEOs told KPMG in 2018 that they had followed their intuition over data-driven insights.

Even so, there are indications that the tide might be changing. "C-suites have resisted data analytics for higher-level decision-making. They have preferred to rely on gut-level decision-making based on field experience and intuition," says John Hill, founder and CEO of Silico, an AI-powered platform that allows businesses to simulate business decisions and processes. "But now, more executives are staking their business entirely on AI and ML to augment important business decisions and plan autonomously."

> More executives are staking their business entirely on AI and ML to augment important business decisions and plan autonomously

The promised results are tantalising. For instance, Signal AI has estimated that the slow adoption of augmented decision-making led to US companies missing out on $4.26tn (£3.43tn) in revenue in 2020.

But adoption might not be quite that straightforward. Hill warns that businesses looking to capitalise on this opportunity won't necessarily have the infrastructure or capability in-house, which could risk reputational damage if data is used incorrectly. "The most common barriers to adopting augmented decision-making include difficulty in interpreting results from AI, difficulty in integrating AI with existing systems, and concerns about data privacy and bias," he says.

"Data, whether knowingly or unknowingly, can contain implicit bias. Consequently, the data that is used in higher-level decision-making needs to be vetted to assure C-suite executives that it's sanitised from particular known discriminatory practices which can skew algorithms," he explains.

Further problems can arise if leaders use 'black box' technologies – those AI-powered algorithms which don't reveal their methodology – without suitable care or understanding. Tucci doesn't necessarily believe the C-suite should avoid these programmes. He points to the fact that every use-case to date has involved a human controlling the inputs and vetting the final decision.

But Vaz argues that leaders should have some knowledge of the model's methods, even if a human still acts as a controlling variable.

"It's crucial that business leaders have an understanding of the fundamentals of AI and machine learning and how those technologies inform decision-making. Certainly, where there's a fiduciary or ethical responsibility there should always be an understanding of how decisions were derived," says Vaz.

"The reality of today's tools is that they require prompts to initiate recommendations," he continues. "So, part of the process of creating solutions will be how the individual using these tools provides effective prompts to shape the outputs."

One corollary to the rise of this technology is the question of how augmented decision-making stands to change the make-up of the C-suite itself. There has already been a proliferation of chief data and analytics officers (CDAOs) in recent years. Data from NewVantage shows that 77% of Fortune 500 companies now have a CDAO, compared with 12% in 2012.

For the other positions in the leadership team, Vaz believes that the technology should reduce some of the burden on the likes of the CEO. Decision-making responsibilities will instead be shared across the organisation, to capitalise on the agility offered by AI and ML processes.

"Augmented decision-making is showing new avenues for how data can travel through an organisation to inform better decision-making at every level," says Vaz. "As a business leader, this is less about how these tools change how you as an individual make decisions. It's more about how it can unlock potential across the organisation to create even greater impact."

Progression through an organisation, and ultimately to the C-suite, could be predicated on an ability to understand and process data, delivering the correct prompts to assisting programmes and enabling desirable outcomes for the business. "You don't have to be a coder or know how to make your own AI programme. But you need to appreciate how these things work from a broad point of view and how they might benefit your company," says Tucci.

40%-100%

The proportion of time that CEOs say they spend on decision-making

$4.26tn

The estimated revenue loss to US companies in 2020, as a result of not applying technology to decision-making

85%

of C-suite execs believe they could make at least 20% extra revenue if technology helped them make decisions

Signal AI, 2021

Commercial feature

How to diversify the search for your next executive

It's time to walk the walk when it comes to diversity, equity and inclusion. That means looking for candidates beyond the same old schools, companies and backgrounds

Getting the right person to lead your company is one of the most challenging decisions a business can make. Whether you're seeking continuity from your previous CEO or CFO, or looking for a clean break to catapult your company to the next level, the choice you make can dictate the direction of travel for your company.

That's why so many businesses seek support from professional executive search and leadership consultancies to aid their efforts. Unfortunately, though, those searches all too often turn up the same old faces.

Breaking out of that mould can be challenging for businesses, not least because the recruitment industry upon which this process relies is inherently conservative and old-fashioned. In a sector where finding the right candidate for the given executive team is based on who you know, your contacts need to stay constantly up-to-date.

"We seem to be stuck in a loop," says Çağri Alkaya, global vice-chair and managing partner in the London office of Stanton Chase, a boutique executive search firm with an international footprint, operating as a private partnership. While much of the executive search world is stuck with the same mindset and approach when it comes to hunting for prime candidates, forward-thinking firms know that it's vital to look beyond the same old companies and schools to better represent the changing face of society.

Part of the problem is that many of the companies searching for talent repeat the same biases; until recently, one search firm required its consultants to have an MBA degree from a leading business school as a matter of course. "If you have that kind of criteria for your consultants, you narrow down your perception significantly," says Alkaya.

Why widening the search matters

More than simply embodying the change you want to see, bringing in diversity at the top is also about boosting business. For instance, one survey by McKinsey found that businesses with the broadest diversity on their executive teams, as measured by gender and ethnic background, were more profitable than those that had a narrower range of backgrounds in their leadership team.

> Leadership is, in a way, contextual. You need different types of people for different situations

And it's something that the best executive search companies put at the heart of what they do, recognising that more accurately representing the society in which we live is not only good for the world, but it's good for their clients too. Stanton Chase is one of those executive search firms practising what they preach. Founded in 1990, the company consistently ranks in the top 10 of search firms, as measured by the Association of Executive Search and Leadership Consultants.

Finding candidates with diverse backgrounds and skills for top jobs is in the company's DNA. Stanton Chase secures the best, most diverse candidates by working closely with clients. More than 70% of the company's work comes from existing clients, building up relationships and knowing who best to place in the prime role through its proprietary "fit for purpose" leadership assessment. "We want to understand our clients better," says Alkaya. "That's not just from a process point of view either. Understanding our clients is a critical aspect of our job." And on this, it helps that the firm combines the security of a multinational – with 75 offices across 45 countries – with the personal touch of a boutique firm.

It's time to do things differently

Traditionally, executive search firms have relied on winnowing out the list of potential candidates for top positions quickly, while also drawing on existing lists of top candidates. Partners mostly don't get hands-on with the initial phases of the search. Instead, researchers cross-check whether someone seems to be the right fit – meaning they focus on whether the candidate would be preferred by the partner, whether they would represent their firm well, the quality of their CV, whether they have prior experience at a similar company, and whether they interviewed well previously. Anyone who doesn't fit the bill is quickly removed.

But in doing so, you risk removing people who might be ideal for the company but who simply don't fit the mould. "If you know that the partner in charge or the client is from a certain background in terms of education or career, by association you bring in profiles that you are sure they'd like. You wouldn't want to take the risk," says Alkaya. "Therefore, you narrow down your chances that you can identify someone really good and perhaps better than the shortlist."

Stanton Chase takes a different tack. "Leadership is, in a way, contextual," says Alkaya. "You need different types of people for different situations. We call this fit for purpose." The company runs team culture exercises with clients to understand what the right fit might entail. Partners at the company then speak to all potential candidates who match their requirements, rather than culling some at the spreadsheet stage.

"Our searches are partner-led," says Alkaya. "We're very hands-on from the beginning, when we establish the candidate pool. This is a crucial stage in terms of inclusivity. We evaluate all candidates, even those that don't fit the mould at first sight."

Stanton Chase also takes the approach of finding the talent that fits the client company, rather than simply matching talent to companies similar to their current employer. This makes a significant difference to the talent pool the team presents to clients.

Big, bold things can happen to a business when you expand your search for executive talent beyond the same old faces. You might find the ideal person outside the standard checkbox exercise, having focused on the 'right' school, company, or background. "We talk to them all," says Alkaya. "It's a more holistic search to find the right fit for the right company. We take time to get to know the talent as much as we get to know the client."

Get in touch with Stanton Chase. Discover the difference

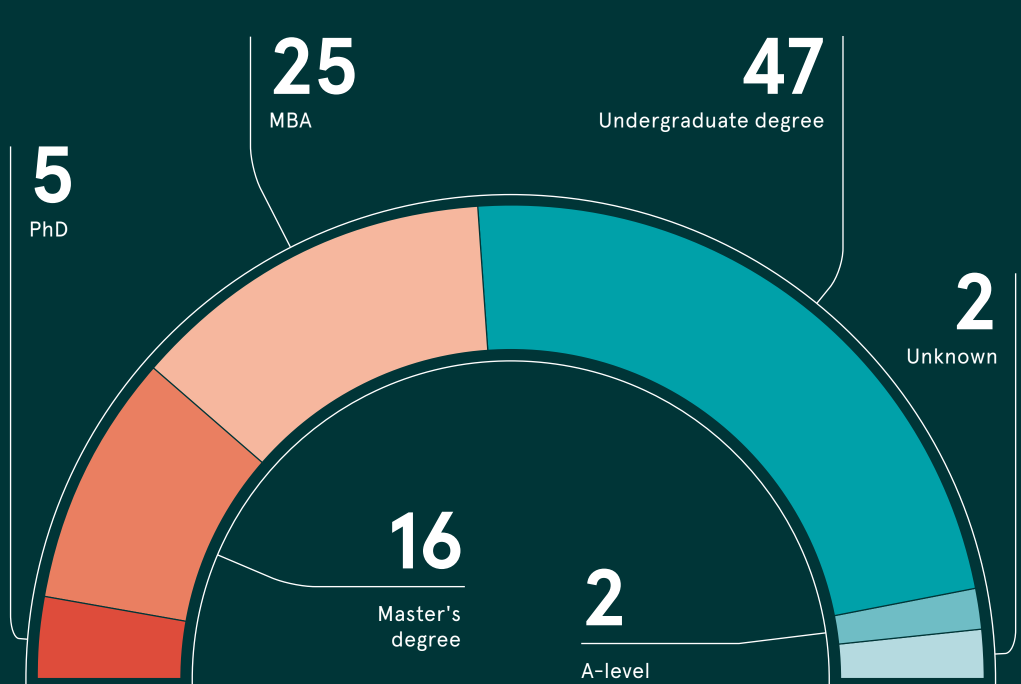
STANTON CHASE

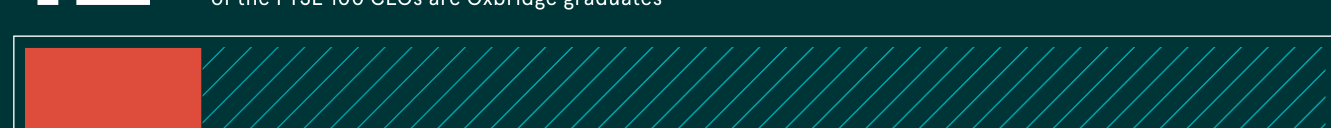
ROUTES TO THE TOP

The FTSE 100 is made up of all kinds of companies, from financial services providers and oil and gas giants through to supermarkets and high street banks. And yet, as Raconteur's new CEO Index shows, the CEOs of those 100 companies tend to look fairly similar. Even thinking beyond their gender and ethnicity, they tend to have taken broadly consistent routes to the top jobs. So, what goes into making a corporate figurehead?

AN ADVANCED EDUCATION IS A GOOD STARTING POINT

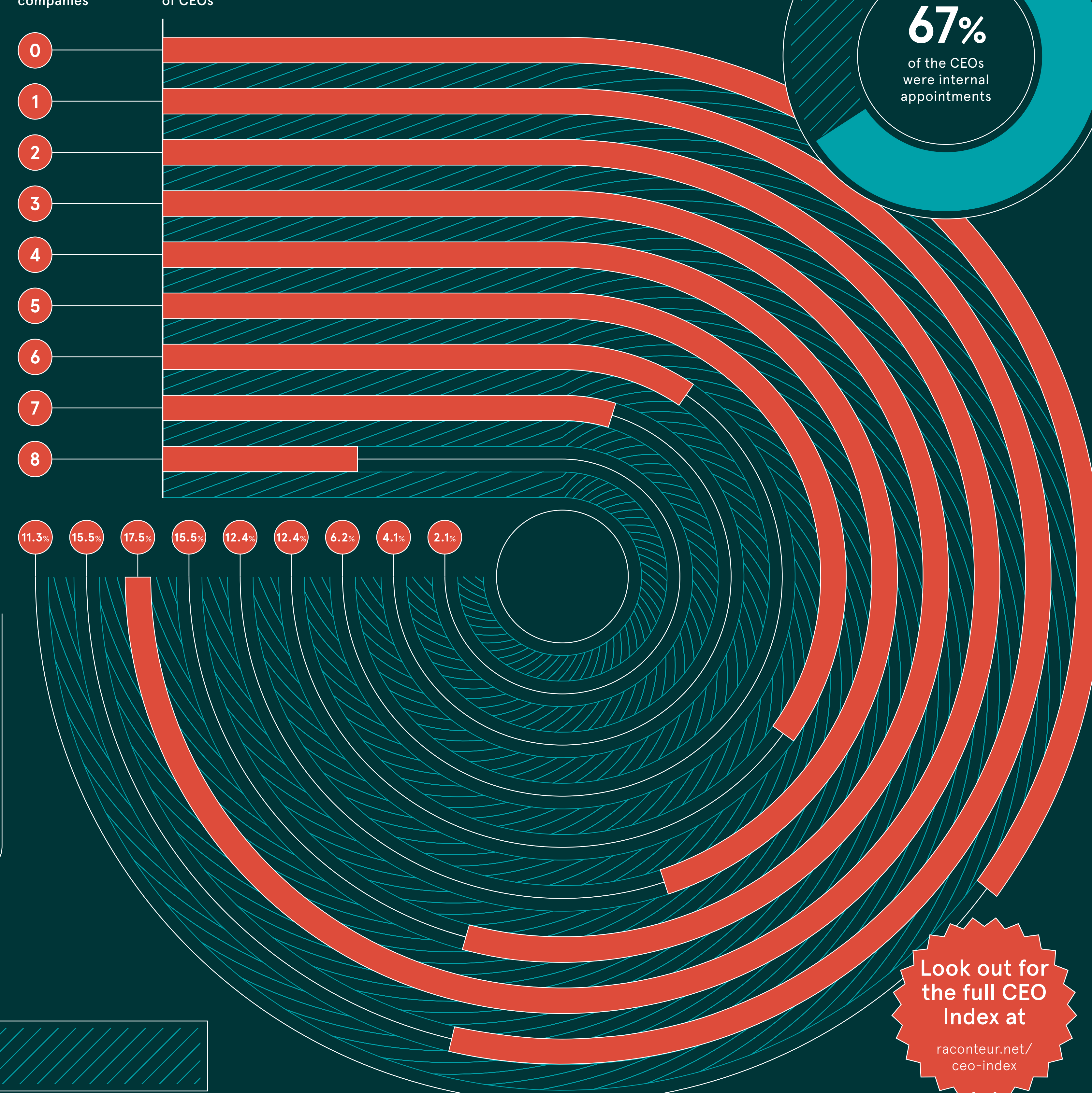
FTSE 100 CEOs by highest education level achieved





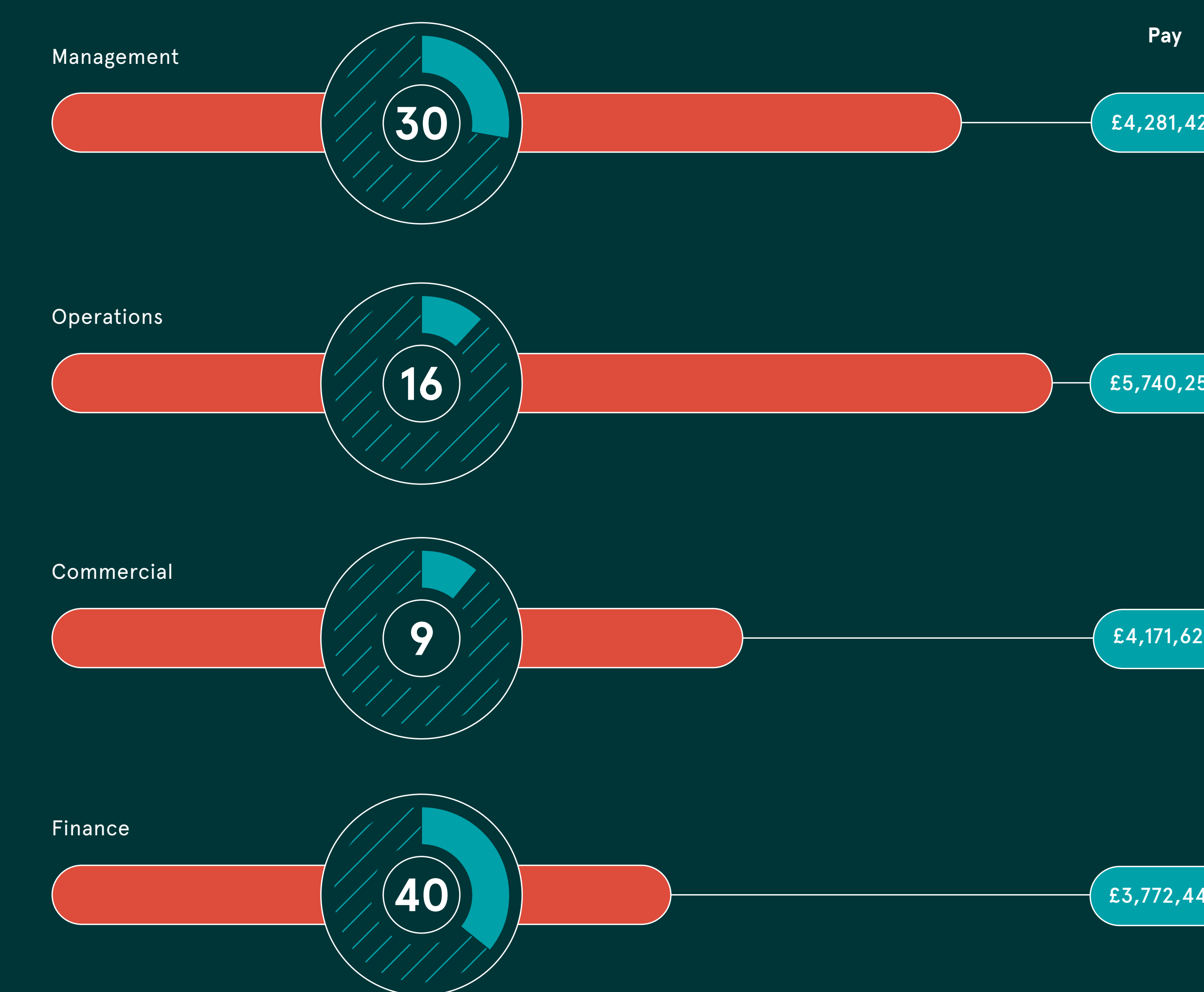
HOPPING BETWEEN COMPANIES DOESN'T ALWAYS PAY OFF

FTSE 100 CEOs by the number of companies worked at before their current one



A BACKGROUND IN FINANCE BOOSTS PROGRESSION BUT NOT PAY

Average FTSE 100 CEO pay, including bonuses and benefits, by career background



SALES AND FINANCE SPECIALISTS CLIMB THE LADDER FASTEST

Time to reach the CEO role after joining the company

Note: Excludes CEOs who were appointed from outside the company

PLENTY OF CFOs AND COOs STILL GRADUATE TO BECOME CEOs

FTSE 100 CEOs by job held before being appointed CEO

WELLBEING

At the top, poor mental health is risky business

Delmaine Donson via iStock

The apparent decline in CEOs' mental health in recent years is endangering company culture. That's why it requires concerted action

Cath Everett

Usually when we hear about the issue of mental health in the workplace, it relates to employees being overwhelmed by workloads or personal problems. The mental health and wellbeing of CEOs is less often discussed, even though all too many leaders are facing significant difficulties here – and the situation appears to be worsening.

The proportion of top US executives that reported struggling with their mental health was 31% in 2022, compared with 12% in 2018. That's according to a recent study by leadership expert Gordon Simmons, former CEO of Service Credit Union. And that's despite the stigma associated with mental health issues potentially causing under-reporting.

A survey by Deloitte last year also found that one in three C-suite executives constantly struggles with fatigue and poor mental health. As many as 70% have considered quitting their jobs to try to reset their emotional balance.

There's a significant business risk involved here. CEOs and other business leaders must carefully manage their own mental wellbeing while juggling the demands of running a company. Indeed, according to Russ Lidstone, that is part of the problem. A key factor in the rise in CEOs reporting mental health issues, he says, is that they must now deal with a "cascade of crises" on top of the day-to-day business challenges.

Lidstone is group CEO of communications agency The Creative Engagement Group, a Mind Gold employer. He points to workplace changes after the Covid crisis, the current geopolitical situation, ongoing technological shifts, inflation and the cost of living as exacerbating factors, making it difficult for CEOs to maintain a healthy work-life balance – especially as many leaders take a 'work hard, play hard' approach.

What's also at play, observes psychotherapist and mindset coach Ella McCrystal, is habitually inadequate sleep levels, leading to exhaustion and "popping caffeine pills, or worse". Exercise is all too often non-existent, she says, and nutrition is frequently deficient.

"There's a high chance that CEOs are experiencing stress and feelings of being overwhelmed more than other employees," McCrystal says. "There's an almost toxic culture of accepting this to be at the top."

Another factor is that although awareness of the importance of mental wellbeing is growing among the

> **There's a high chance that CEOs are experiencing stress and feelings of being overwhelmed more than other employees**

> **Leaders cast a wide shadow, so their mental wellbeing will have a huge effect**

CEO community, they are less likely to either admit or even see, that they personally have a problem. "Many CEOs have quite an obsessive nature, which helped them get to the top in the first place, but it can make them single-minded about work and lead to self-sabotage," McCrystal says. "Or they can just be so dissociated from themselves and so focused on the tasks at hand that they don't realise they're burning out."

As devastating as this can be at a personal level, poor mental health in CEOs is complicated by the knock-on effects, which are damaging to the business and its culture.

Charlotte Wiseman is founder and CEO of her own leadership and wellbeing consultancy. She says that leaders who are under pressure tend not just to have shorter fuses but to have problems with focus and attention. They also often become more risk-averse, defensive and erratic in their thinking and decision-making.

"It makes people more likely to make unethical and less value-driven decisions. And, because psychological safety is reduced, they're less willing to own up to their mistakes," Wiseman says. "Crucially, this means other people won't either, because they're afraid of the repercussions, so the culture becomes fear-based."

Senior colleagues and employees can then feel neither listened to nor respected and valued, says Wiseman. Over time, this causes them to shut down and give up, which has a ripple effect throughout the organisation, often leading to game-playing, manipulation and other unhealthy power dynamics coming to the fore.

Sam White is founder and CEO of Stella Insurance and chair of the Freedom Services Group, both of which sell motor vehicle insurance. She started Stella Insurance 13 years ago, aged 24, but experienced anxiety that developed into a panic disorder. Coaching, self-education and therapy have helped her to deal with her challenges. She is now more self-aware and "a great believer in using psychology in business". One of her learnings has been the profound effect that leaders' words and actions have on their employees.

"If you're stressed, short-tempered and lash out without thinking, the impact on someone is far more powerful than if their colleague did the same," White says. "Leaders cast a wide shadow, so it can be dangerous if you're unaware of the power you yield. Your mental wellbeing and how you live your life will have a huge effect on how you behave at work."

Lidstone takes a similar view and has worked hard to address this. During the Covid lockdowns, which he found testing, he "moved from being intuitive around wellbeing to consciously developing my own personal awareness and wellbeing strategy".

This strategy, which includes taking daily exercise and building in time to be with family, remains a cornerstone of Lidstone's routine. This, he says, is because CEOs need to be resilient and maintain an even keel – both for their own benefit and for the good of the organisation, using whichever approaches work best for them individually.

"The CEO is the focal point of the business," Lidstone points out. "You're an embodiment of the company and its culture, which you represent through your demeanour, body language and behaviour. All those things, taken together, give people a sense, rightly or wrongly, of how the company is performing."

But being this embodiment of the company also means that demonstrating healthy behaviour and leading by example are vital. "CEOs have a massive role to play because they have to own the issue of workplace wellbeing if it's to be taken seriously," Lidstone explains.

"It's so important to live in the same way that you'd like the team to. For example, I'm about to go on holiday and I know that if I can switch off for 10 days, I'll not just be a better leader, but others in the company will feel able to do the same."

Other ways that leaders can demonstrate that they own this issue might include offering appropriate resilience and people management training to line managers or providing employees with access to resources that enable them to take responsibility for their wellbeing.

Just as important is to "focus on getting people to solve workplace issues together", says White. This involves bringing affected employees and managers to tackle an issue collectively, rather than allowing a situation to escalate into something which is harming people's wellbeing, or attempting to solve it single-handedly.

Ultimately, Wiseman thinks that one of the underrated secrets to CEO wellbeing is the little-understood skill of emotional resilience. "Most leaders tend to focus on cognitive resilience – that is to say, thinking their way around challenges.

"But that only goes so far," she says and adds that emotional resilience, which is about being able to sit with difficult emotions rather than thinking your way out of them, is something that most CEOs, and their companies, would benefit greatly from investing in.

SYMPTOMS OF BURNOUT RUN AT ROUGHLY THE SAME LEVEL AMONG EMPLOYEES AND EXECUTIVES

Percentage of employees and executives in the US, UK, Canada and Australia who report "often" or "always" feeling as follows

	Executives	Employees
Exhausted	36%	43%
Stressed	41%	42%
Overwhelmed	40%	35%
Lonely	30%	24%
Depressed	26%	23%

Deloitte, 2022

Say goodbye to the CEO hero complex

Chief executives that rule with an iron fist have been out of vogue for some time now. Is consultative leadership here to stay?

What qualities does a CEO need to succeed? Do self-confidence, ego, vision and personality still rank as the most prized traits? Are great leaders those who act boldly, shaping companies in their own image with little tolerance for failure?

"No," says Professor Ben Voyer, a professor of behavioural science at ESCP Business School, which, each year, teaches responsible leadership to over 9,000 students and 5,000 managers across six European campuses.

"These attributes belong to a bygone age, where some C-suites operated almost on feudal lines: the CEO assuming the position of an all-powerful king or queen with his or her employees playing the role of subjects," says Voyer.

He asserts that CEOs today are radically different from leaders of thirty years ago. While they are equally passionate, decisive, and target-orientated, businesses' top-level decision-makers in 2023 are more likely to prioritise empathy, compassion and collaboration than their predecessors. But why?

Voyer, who has been studying social psychology, behavioural science and organisational psychology in the workplace for 15 years, says that a softer approach to leadership has been championed by millennial leaders, who are more inclined "to nurture and empower their staff, rather than dominate them."

Perhaps most crucially, Voyer believes that a sea change in leadership styles has come about due to the highly complex business and regulatory landscape that CEOs must navigate from day to day.

He explains: "Corporate shareholders demand that organisations have highly developed environmental, social, and governance frameworks in place. But this requires experts with specialist skills and arcane knowledge, which CEOs often don't have." The solution, as Voyer frames it, is to surround themselves with subject matter experts. "In order to get the best out of [a team], it often pays to adopt a consultative rather than a directive approach to leadership," he continues.

From a behavioural psychology perspective, a consultative style that promotes collective rewards over individual ones is likely to create a healthier corporate culture that maximises efficiency by making use of individuals' unique perspectives. An incomplete leader makes up just one part of a complete team.

Whatever leadership style is employed, Voyer says that the practice of 'perspective taking' – or stepping into the shoes of frontline employees – can be transformative.

"Reality TV shows where bosses go undercover to test the temperature of their businesses is a powerful way of helping CEOs realise the impact that their style of leadership has on their employees, which can sometimes be negative," he explains. "It also increases the perception of interdependency between frontline staff and senior managers by making CEOs realise that their success is dependent on the actions of others. That reframing can inspire positive change."

In the fast-moving, data-centric world in which CEOs operate, failure is sometimes inevitable. But moving forward means ingraining a no-fear philosophy deep within the cultural fabric of an organisation. It's a concept that's gained traction in the technology sector, where Voyer points to Google as a trailblazer.

"Google's outside projects team rewards developers with the same bonus whether they succeed or fail. Google does so because it has realised that the only way to break new ground is to engender a culture where failure is seen as a gateway to ground-breaking innovation further down the line."

While this pioneering blueprint, which relies on a consultative leadership approach, is helping Google and other companies to stay one step ahead of their rivals, leadership strategies shouldn't be set in stone.

Leadership is a science that is continuing to evolve. Voyer argues that when a new generation of leaders emerges, a more authoritative approach to leadership could return to the fore.

Ultimately, he predicts that contingency leadership which allows for movement and change will prevail. "Whatever challenges businesses face, in behavioural science circles, the ability to provide the right type of leadership to the right person, at the right time and in the right context, should be the central cog in any leadership roadmap."

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GUIDANCE

Why every business leader needs a trusted adviser

Board members and external experts can be a vital source of advice for CEOs, helping them grow their businesses – and themselves

Lucy Handley

There's a lot weighing on CEOs right now, from an economic downturn to major technological changes.

That's why plenty of leaders are turning to trusted advisers to help them guide their businesses through this turbulence. "The industries that we work in today are going through unprecedented changes. And nobody can know everything," says James Saunders, CEO of property firm Quintain.

Saunders is one such leader who leans on key advisers. He has been part of the senior team which is managing the redevelopment of Wembley Park, the area around Wembley Stadium in London, for 15 years and in 2019 he became Quintain's CEO. "This can be an isolating job at times," he says. "You need people that are not in your hierarchy whom you can turn to on different occasions."

It helps if a CEO's cast of supporters can offer a broad range of skills. "It's important to be able to reach out to individuals that have a different perspective and different experience to you," Saunders explains. Alongside his board, Saunders' advisers include architect Ricky Burdett, a professor of urban studies at LSE, and Sir David Higgins, who oversaw the construction of venues for the London 2012 Olympic Games.

"Ricky is what I would call a critical friend," Saunders says. "We share our plans with him, and he'll tell me exactly what he thinks." Higgins, on the other hand, has advised Quintain on dealing with regulation and inflation.

And they're not the only sources of external help that Saunders has relied upon. During the Covid crisis, for instance, he felt that he and his team would benefit from working with executive coach Karen Kennedy. She helped them become a "more functioning" team, he says, as well as serving as a sounding board for Saunders himself.

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Some of the team continue to work with Kennedy, but Saunders currently does not. "It was a very positive learning experience for me and for others, but sometimes it's good to pause in your relationship with advisers, consider what you want and then re-engage. Every couple of years in this business is a new chapter," he says.

David Edmonds is an executive coach who has been a trusted adviser to many leaders, most of whom turn to him for help with career growth and mindset.

"Once a person becomes CEO, there can be a sense of having reached the top of the tree. And that's when personal growth might stall and it becomes about protecting what they have rather than building on it," Edmonds says.

Of course, choosing whom to confide in can be easier said than done. For instance, it can be difficult for CEOs to be honest with other board members about their concerns, for fear of getting something wrong or damaging their reputation, Edmonds explains.

"We don't want our leaders to be vulnerable; we want the illusion that they have the answers to everything," he says. "We don't want to hear that they're scared or they're unsure, or they haven't got a clue what they're going to do next." A trustworthy person outside the chain of command, who will keep things confidential, can help here.

Shawn Kreloff is a longtime entrepreneur who sold his first company in a stock-for-stock deal valued at around $100m (£80m) in 1998. He advises that when it comes to choosing an adviser, CEOs need to be aware of what that person's agenda might be. This is particularly true when picking private equity partners, he says, as the relationship will be both strategic and personal.

"My instincts have led me well over the years. If something doesn't feel right, it's usually for a reason. Money is a very powerful magnet, especially when people are trying to give you money, so just be wary. Read the terms carefully," he says.

Kreloff's latest venture is Bioenergy Devco, a firm which finances, constructs and operates anaerobic digestion plants. "The kind of private equity partners who are backing me now are bringing a different level of experience and guidance," he says of his investors. "Choose your partners wisely – it's almost like getting married."

Saunders agrees that due diligence is essential when choosing an external adviser. "Non-executives and paid senior advisers often have a portfolio of businesses that they advise, so they need to declare the other businesses they're involved with. And if they're bringing you a business opportunity from their other relationships, they need to be open with you."

For Rafael Museri, CEO and co-founder of Selina, a hospitality group which operates hotels with co-working spaces and experience programmes, there are four types of adviser he turns to when making difficult decisions: his management board, select employees, trusted friends, and family members.

"CEOs always need to think carefully about who are the true, independent, non-conflicted people around you, especially to give you the best advice at the most sensitive moments," he says.

Each of Museri's adviser types will serve a different function in different circumstances. "If your job is to project confidence to your people – because that's what's expected of you in a difficult time – but deep inside you're scared, then friends and family will usually be the main advisers for those types of situations," Museri says.

On the other hand, showing vulnerability to your employees can sometimes be beneficial, he adds. "As I become more mature, I've learned that transparency, showing your weaknesses and talking about them openly can sometimes give people more confidence about you as a manager."

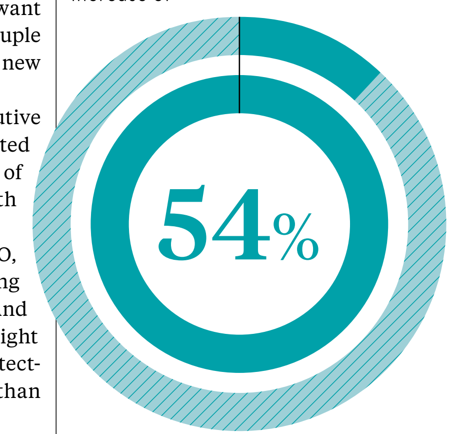
Selina went public in October, and Museri's focus now is on becoming profitable, he says. That's the basis of most of the questions he's asking his advisers right now. "For this, the board is the best source of advisers," he says. "Each of them is smarter, stronger and more disciplined than me. They're doing a very good job in really putting the right pressure on management, but at the same time helping."

Equally, though, decisions do sometimes have to be made on instinct. Selina is neither simply a hotel chain nor solely a co-working company, and has no global competitors, Museri says, meaning it's not always possible to seek advice from similar operators or experienced peers. "If you're trying to be a disruptor in your industry, you're doing something new, so you'll have to trust your instinct. You can't constantly seek advice, because there are endless decisions you need to make per day." ●

Last year, the number of professional executive coaches worldwide hit

100,000

Compared with 2019, that's an increase of



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OPINION

Six mindsets CEOs need to learn from entrepreneurs

Predictions of socio-economic doom and gloom may abound right now, but an entrepreneurial approach can help CEOs to seize opportunities

John Mullins

As we look hopefully for an end to the war in Ukraine, the energy crisis and rampant inflation, it's evident that society and business have changed considerably in recent years. Crucially, attitudes have changed too.

Take entrepreneurship. In 2000, when I moved to the UK from the US, few parents approved of the idea of their child becoming an entrepreneur. But no more. Entrepreneurship has since shown its potential as a force for good, creating more opportunities for many more people and making the world a better place.

Consider Elon Musk, who has almost single-handedly made electric vehicles relevant. Or Sunil Mittal of Bharti Enterprises, who worked out how to bring mobile telecommunications to rural India profitably, improving millions of lives in the process. Or Éric Favre, the engineer whose mission to deliver barista-quality coffee to consumers at home created Nespresso, one of Nestlé's most remarkable growth engines. He achieved this while working in a large company, no less.

From my two decades of research into what makes entrepreneurs, entrepreneurs, and how they differ from the rest of us, I've learnt that many of the most successful exponents possess one or more of six mindsets that enable them to challenge assumptions, overcome barriers and mitigate risk as they seize commercial opportunities.

A mindset has been defined as the mix of beliefs and thoughts that comprise a person's attitudes, preferences and habits, which in turn determine how they interpret a situation and respond to it. Successful entrepreneurs' interpretations and responses differ from those of their more conventionally minded peers.

Entrepreneurs' mindsets often cause them to reject conventional wisdom. They often fly in the face of what's taught in business schools. Here's what they do differently.

1 Saying "Yes, we can". Asked whether they can do something unfamiliar to them, entrepreneurs say "yes" first and work out how later.

2 Applying problem-first, not product-first, logic. Entrepreneurs know that their businesses will thrive if they solve their customers' genuine problems.

3 Asking for cash; riding the float. By getting customers to pay in advance and paying their suppliers later, entrepreneurs put that spare cash into growing their businesses. Musk is a notable exponent of this.

4 Thinking narrowly, not broadly. Once they are established in a small market, entrepreneurs learn from the experience and expand their businesses. Favre has done this.

5 Begging and borrowing (but not stealing). Borrowing the resources necessary to start something new beats investing in those resources, hands-down. This has been Mittal's preferred approach.

6 Seeking forgiveness later, not permission beforehand.

Knowing these mindsets and doing things differently in light of them are separate but it's possible to adopt them. Leaders who can capitalise on certain entrepreneurial traits to grow fast will likely create the majority of new jobs. By virtue of Moore's law and advances in digital technology, we're already running businesses with a global reach. Imagine a world full of people exercising their creativity and providing value to each other. ●

• *John Mullins is associate professor of management practice in marketing and entrepreneurship at London Business School*