

reflect refresh and reset ...

insights for longer tenure CEOs



by marc levy & giselle diego

Right thinking

- We regularly find ourselves in candid conversation with leaders about what's on their minds. As you would expect there are some common themes that emerge.
- One such theme is: how do leaders maintain their passion to lead? After five, ten or even fifteen years in a leadership role, maintaining the energy and enthusiasm to drive performance, look forward, and challenge and develop your people is common and real.
- We resolved to find some answers. As long-term leaders, how can we 'reflect, refresh and reset'?

Steve Jobs told a Stanford graduating class in 2005 '... to do great work, you've got to love what you do'.

Right Lane recently held discussion forums in Melbourne and Sydney for long-tenure CEOs from a range of different industries. Our ingoing thesis was that after five, ten or even fifteen years in a leadership role, it could be difficult to maintain the energy and enthusiasm to drive performance, look forward, and challenge and develop staff. We gave the forum the title 'Reflect, refresh and reset' because we expected that the long-tenure CEOs who accepted our invitation to participate would – at times – have felt the need to do just that. They were certainly reflective, but the overwhelming sense around the table was that they loved what they did and they had little need for refreshing and resetting; these CEOs weren't careworn, they were fired up.

Loving what you do does not mean that work is not frustrating, draining and sometimes lonely; but forum participants' roles remained interesting and engaging; they had no trouble getting out of bed every morning to face the challenges awaiting them.

In this article we describe themes that emerged from the discussions. As we

could find no helpful literature addressing the topic of long-tenure CEOs when preparing for the forums, we trust that the following insights are useful for other long-tenure CEOs and senior executives.

Should I stay or should I go?

Lesson: How long you should be in the job is the question you need to ask yourself.

Tenure, and the decision to stay or go, is as much subjective as it is objective. Subjective in the sense that a CEO must question their own motivations for staying on and whether or not they personally believe they are still adding enough value. Whether a CEO is doing a good job is more important than for how long she or he has been doing it.

The challenge is how to measure that value. Is it solely based on the performance of the organisation the CEO is leading or is it about the energy and ideas he or she brings to their work? Our participants generally agreed that the value they added was in part a function of their capacity to draw passion from and inject passion into their work.

Some CEOs felt strongly that it was important to avoid glib prescriptions

about appropriate tenure. CEOs in many industries were making very long-term decisions – or sometimes non-decisions if that's what was required – impacting their customers over 30 or 40 years. These circumstances sometimes meant that long-tenure, and the long term 'over the cycle' judgments it promoted, was in the best interests of the organisations led by these CEOs.

A minority of the CEOs were concerned about staying in the job too long. 'I think there is a correlation between length of tenure and performance – the longer you are in role, the more difficult it is to perform very well in it. This may be due to fatigue – not simple tiredness but more a weariness with the job or certain bits of it, particularly the repetitive aspects, which can lead to cutting corners that should not be cut or an unwillingness to confront the really hard issues. It may also be due to the development of a certain rigidity of outlook and an unwillingness or reluctance to change things, particularly those things that you introduced in the first place, when change is needed.'

While it was important to make one's own judgments about longevity, it was also helpful to take counsel from others, including colleagues, the board chair and trusted external counsellors. Ultimately the board's assessment of a CEO's performance and prospects would be the main factor in determining his or her future in the top job.

Fan the flames

Lesson: Take a break to maintain high levels of energy.

Love for work may provide the 'fire in the belly', but something needs to fuel and fan those flames. It is important for long-tenure CEOs to occasionally take a decent holiday or a sabbatical. As well as being good for the CEO's health, including managing stress, a longer-than-normal, genuinely 'off the grid' absence from the organisation can assist with the development of other senior executives, and executive teams.

Mini breaks provide an opportunity to dial down if switching off is not possible. If travelling for work, tacking on a few extra days before heading back to the office – and trying to incorporate family into those mini breaks – can energise. Having the discipline to avoid work on weekends or after a certain hour in the evenings can help.

Taking a break to exercise is key to physical and mental health. Giving it priority requires discipline, less for the exercise itself, and more in finding and locking in the time to do it.

Let the baker bake the bread

Lesson: Being the boss doesn't mean you have to be the source of all innovation.

Forum participants identified as generalists; they were engaged in every aspect of their organisations to a greater or lesser extent. At times they felt that they had been the only person who could solve certain problems and that occasionally drew them into operational areas that ideally they wouldn't traverse. Long-tenure CEOs sometimes found themselves getting into bad habits – like being too directive and not letting their teams get to the answers themselves, 'giving in' to 'seductive' group

think or 'roaming and interfering'. Many forum participants said that a capacity for reflection about flaws in their internal relationships and interactions, particularly with their executive team colleagues, was key to their ongoing success.

Being able to tap into the potential and innovation of the team is an essential component of leading effectively. That said, letting the baker bake the bread does not mean that all idea generation is delegated. Our CEOs relied on their teams, but they wanted to stay in the flow of ideas within their organisations. CEOs who participated in our forums said that learning from other industries and contexts (their personal lives, executive education, etc.) cultivated their innovative instincts.



Change the work or the team around you

Lesson: Sometimes changing ways of working can give the CEO, and the organisation, a boost.

Market conditions change; new opportunities and challenges emerge. These CEOs were 'not in the same role' that they were in when they started. As one CEO observed, 'Time is a resource to be allocated ...' [differentially, depending on the circumstances] to 'strategy development and strategic decision making, building the team, representing the organisation and allocating resources'. CEOs should regularly review how they are spending their time to ensure that their work is having the highest possible impact.

Restructuring the team around you – that is, hiring or promoting new talent and changing the organisation design – may be necessary periodically or when conditions change. For example, a top team might get 'stale' or an executive manager may be perfect for a role at a point in time and then out of his or her depth a few years later.

Executive teams can get used to a CEO – not only used to their expectations and messages, but also used to working and delivering in a way that they know will satisfy or placate the CEO. 'A long-term CEO will have developed a leadership or support group that could become a comfortable club, which may be self-perpetuating and hence a barrier to new talent coming through. It may also insulate the CEO from pressure to step down. There is also the risk of the CEO thinking he/she is infallible – and not listening to other views – particularly if the business is successful.' Some CEOs felt that 'longevity risks' such as these needed to be periodically disrupted.

Renewing executive teams can also help to create the space necessary for CEOs to pursue the work that is most beneficial to the organisation. Changing the team can help energise CEOs, although some of the participants in our forums were concerned about the extent to which this notion was overly self-indulgent. Changing the work or the team can give CEOs a boost; however, it should not be motivated solely by this rationale. A change to the work

or team around you should only occur if the organisation needs a new team or to adjust internal practices. These decisions need to be centred on what is best for the organisation.

Growth and change were unceasingly motivating and invigorating for participants in our long-tenure CEO forums. They recognised the benefits of regular reflection, of asking hard questions: Am I still well equipped for the job? Am I cutting corners because I know the work so well? In what ways could it be beneficial for the organisation if I moved on? They identified different strategies to maintain energy levels and harness the talent within their teams – and when circumstances demanded, they knew they needed to change the work or the team around them.

The authors would like to thank the CEOs who participated in the forum and several others who were unable to attend but shared their perspectives with us by email or in person.



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want to know more?

If you want to know more about how Right Lane can help you think through your challenges as a CEO or senior executive, contact **Stuart Wilkinson:**

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