



# Setting the Rhythm as CEO

Charlie Wagstaff, co-founder and Managing Director at Criticaleye, reveals why the time has come to think more holistically about leadership

There continues to be plenty of debate about how the role of a leader is changing. Emotional intelligence (EQ), authenticity and trust are frequently cited as key qualities to be a successful CEO or senior executive. In reality, uncertainty remains in the minds of executives about how, in practical terms, this translates into making decisions at the highest level.

For me, there are three questions that leaders need to ask:

1. As an organisation, are we inward or outward looking?
2. What steps am I *personally* taking to broaden my perspective?
3. Am I able to balance the short and long-term interests of the business?

When mentoring executives, chairing discussion groups and, indeed, as a leader, I find that those individuals who are in the best shape to succeed possess the ability to influence others while also being equally welcoming of input, advice and experiences.

Success as a leader demands an outward looking approach, somebody who is both inspiring as a role model and still open-minded enough to be inspired by others. I can't overstate how important it is to encourage others and be receptive to new ideas. Leaders need to accept that the business landscape is complex and constantly changing. As a result, it's no longer possible or desirable for one person to know and control everything.

Difficulties occur in organisations when CEOs lack EQ, curiosity and a degree of humility. They stifle discussions on topics they don't understand, surrounding themselves with like-minded people.

Such CEOs might fear what's new, deeming it to be a threat or distraction to the core business and the way things have 'traditionally' been done. This particular rhythm of leadership reverberates through a business. Almost inevitably, the default setting of middle management and the wider workforce is to be inward looking as well; they withhold information rather than sharing it. Organisational design will often reinforce divisions and siloes in the rigid structure of reporting lines, KPIs, bonuses and remuneration. >



The real skill of a leader today is to set the tempo of the business by creating a diverse executive team; bringing in people who balance technical excellence with the understanding that good communication is vital. They can operate on different levels, delivering on core business goals to ensure targets are met, while also exploring medium to long-term strategies. It's not easy, but at the highest level leaders simply cannot afford to be consumed by the day-to-day.

### Solving the Technology Puzzle

The challenges executive teams face around 'digital' exemplifies the systemic problems of an organisation having the wrong cultural dynamic. 'Digital' has become a catch-all term, encompassing mobile, the cloud, social media, data and analytics and, more recently, the internet of things (IoT).

Spending on the IoT alone is predicted to reach \$500 billion globally by 2020, compared to \$20 billion in 2012. We are talking huge amounts of investment. And yet, how many organisations are struggling with the implementation and roll-out of digital strategies?

Fundamentally, technology is only an enabler. While it's no surprise to learn that investment is increasing, equal attention should be paid to whether a business has the right mix of leadership capabilities. Unless a culture is healthy, whereby employees are empowered to make decisions and are engaged by a wider sense of purpose, new ideas will be bracketed as alien and dully rejected.

Unfortunately, boards can be reluctant to ask the tough questions around leadership competency. In the lingua

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franca of the boardroom, the word 'culture' is traditionally taboo. Rather, discussions are on 'tangibles', such as financial results and reporting which, although absolutely necessary, do not address whether the top team have the qualities to deliver success.

I see no reason why culture and leadership capabilities shouldn't feature on the risk agenda of boards alongside discussions about operating margins or regulatory reform.

Indeed, in the case of technology, there exists a hopeless lack of understanding about an organisation's capacity to absorb change. Many boards are still finding out the hard way that hiring a Chief Digital Officer won't be enough when it comes to transforming an entire business model.

Of course, there are exceptions. Not all executive and non-executive directors underestimate the significance of culture. They recognise the value of strong, aligned senior leadership teams and that collaboration,

innovation and flexibility should be encouraged across organisations.

I believe that trust and a sense of purpose both play a significant role in people responding to this new rhythm of leadership. Senior executives need to reflect more on the impact their decisions have on others, including their direct peers, the wider workforce and other stakeholders. It's about being inclusive, not divisive.

Undoubtedly, this adds additional layers of complexity to what are already high-pressured, demanding roles, but there's no escaping the greater expectations now placed on CEOs and senior executives.

Context is everything when it comes to leadership. If you're going to perform to the highest level, you simply have to be cognisant of the ecosystem you operate within. ■



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Charlie's involvement, since the inception of Criticaleye, combined with his diverse industry background, gives him a unique understanding of the challenges and leadership issues facing today's global senior executives. As well as being a Board Mentor, he chairs/facilitates strategy Discussion Groups and Retreats. Prior to Criticaleye, he was based in Africa (Zimbabwe and RSA) as Director, Operations and HR, for CDC Capital Partners.

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