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By Vanessa Gavan



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Development at the TOP

In an unforgiving world, taking steps to be the best CEO you can be is a wise strategy.

Corporate leaders should always be at the top of their game—stagnation is not an option. As recent high-profile departures have demonstrated, boards are increasingly intolerant of failure. In the first six months of 2015 alone, 15 of the top S&P/ASX 100 companies faced leadership change.

Yet some CEOs still believe they have no more to learn. Even those who support development for other executives can fail to see why they need to change too.

Unfortunately, no high-level executive is armed with every skill, capability, and behaviour required to deal with the myriad challenges of being a CEO, and any limitations will ultimately be exposed and punished.

Being self-aware and proactive about the need to keep learning is

essential for leaders wishing to beat the survival odds. It not only improves their own performance; it lifts that of their leadership team and the overall organisation.

The trickle-down effect

Increasing the chances of business success is a major driver for leaders who invest in their own development. As many as four out of ten CEOs fail in their first three years. For those who survive, Australia remains one of the toughest places in the world. Our bosses last just over four years compared to a global median of five years, and Australia's CEO turnover rates have been consistently above the global average since 2006.

In business, as in nature, evolution is the key to survival. The ability to adapt to new responsibilities and expectations is essential on the way up, and it doesn't stop once you become CEO. In an environment

where companies are continually reinventing themselves to match new market conditions, regular realignment of their personal skills, capabilities, and leadership style with changing organisational needs is the hallmark of successful CEOs.

Modelling a personal commitment to self-improvement also helps to create a thriving learning culture. A leader who accepts the need to change and regards development as a sign of strength fosters a C-suite of senior executives who are unafraid to ask for learning opportunities. This attitude will flow through the organisation, increasing employee engagement and talent retention levels, both of which are linked to improved company performance.

Furthermore, being an evolved CEO with a highly developed C-suite team creates business value. Most investment analysts factor in the senior team's effectiveness when calculating an organisation's value, adjusting the valuation by as much as 19 per cent.

Overcoming obstacles

As a leadership coach, I have helped many CEOs who are keen to identify weaknesses, improve skills, and meet specific challenges. I have also encountered leaders who accept the need for organisational transformation but refuse to transform themselves.

There is no doubt their inherent nature, specialised needs, and logistical constraints can make it difficult for leaders to seek out development. Recognising and overcoming these obstacles is an important part of becoming a successful CEO.

1. Few in-house opportunities

While other employees and managers are presented with a menu of learning choices, the list gets shorter as seniority increases and pretty much stops at CEO level. CEOs who want further development end up organising it themselves, which can be time-consuming and time wasting,

especially if you don't know what you need. Empowering your HR leader to proactively work with you to identify personal skills gaps and present options is a good solution. If you prefer an external, objective opinion, seek out a leadership training specialist or find a mentor in your field who can advise.

2. Being complacent

As leadership expert Jim Collins points out, "Good is the enemy of great." In today's fast-moving, ultracompetitive environment, believing you are a 'good enough' CEO will lead to a short tenure. Leadership is not static—it can always be improved. One of the best ways to get a reality check is to gather information about your strengths and weaknesses through multiple sources such as online self-assessments, 360-degree reviews with direct reports, and employee engagement surveys. The results may surprise you.

3. Living in the past

Once you enter the executive suite, it is tempting to think you can learn no more. After all, your current skill set and management style got you there. The problem is, the management style that was effective in past roles is not the one you need now. CEO success is not just about producing the right numbers; it is about creating a sustainable business. This requires the ability to drive transformation, create a compelling vision, inspire employees, and retain talented managers. Not many new CEOs have these vital skills, but they can be learned. An executive coach can help by identifying your leadership skills gaps, comparing them to those your organisation needs, and delivering a tailored program that bridges the gap.

4. The emperor's new clothes

Surrounded by people who admire, court, and consult them, leaders are isolated from negative feedback. It is highly likely your subordinates are afraid to critique your style, especially if the prevailing culture discourages openness and honesty. To avoid

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the trap of self-delusion, make it clear to direct reports that you welcome feedback. Create a culture where two-way constructive criticism is welcomed, and model transparency and authenticity. For example, mentor or coach high-potential managers, or lead an in-house management development session—both are good forums for establishing trust and encouraging openness.

5. Lack of time

Even leaders who are committed to development find it hard to carve out regular timeslots for the required learning activities and periods of self-reflection. To make time, trust the powers of delegation and assemble a development support team that accommodates last-minute schedule and venue changes. Above all, prioritise the long-term benefits of your development for the organisation over its short-term reactive needs.

6. Fighting fear

Some CEOs are concerned that asking for help is admitting failure and could be interpreted as weakness. Others fear behaviour change, knowing it will involve uncomfortable self-examination. These CEOs will not consider development until they are forced to—being advised to change by the chairman, for example, or failing to achieve consensus over a major decision. Once they have been persuaded to take the leap, they are amazed at the measurable improvement in their performance.

In my opinion, it is better to embrace leadership development from the start of your CEO career than to wait until a crisis forces your hand. Finding formal and informal ways to keep learning and stretching yourself is a vital part of forming your CEO persona that will enable you to succeed while others fail. •

About Vanessa Gavan

For over 15 years, Vanessa has consulted to a range of leading Australian and international organisations to enhance business strategies, improve executive leadership capability, redesign organisational structures, and deliver operational performance solutions. As an entrepreneur and business leader, Vanessa has lived through every business life cycle and has refined her abilities to inspire, deploy, and motivate people to achieve great things.