



CHANGING LEADERSHIP ROLE AND PROFILE OF THE CEOS

The business environment in the new millennium is characterized by frequent shifts of success strategies. It is also characterized by organizations, which fail to make timely response to these shifts. Such failures to respond is prevalent and is due to the phenomenon known as Strategic Myopia which blocks organizations from adapting to the environment.

Strategic Myopia is the first behavioural resistance to Strategic Transformation. It is largely due to the CEOs' inability to interpret and predict the organization's future changes and discontinuities, rejecting them as "unrealistic or impractical".

CEO Leadership in Strategic Transformation

CEOs are the driving force to pilot the journey during Strategic Transformation. They make hard decisions on strategic direction during Strategic Planning, overcome opposition during Strategic Implementation while embracing creativity and innovation during Strategic Learning. This requires CEOs to demonstrate a high level of ambidextrous leadership in simultaneously seeing to strategic needs while continuing to meet ongoing operational needs at the same time.

Successful CEOs accomplish this by adopting different behavioural roles during Strategic Transformation.

Fig. 1.1

CEO Leadership Roles in Strategic Transformation

During the three stages of transformation, CEOs have to carry out the various functions to plan, implement and learn to attain optimal transformational renewal and performance.



Figure 1.1
CEO Leadership in Strategic Transformation

Figure 1.2 illustrates the behaviour of successful CEOs during the different stages of Strategic Transformation.

Figure 1.2
CEO Leadership During Strategy Transformation

<p align="center">Strategic Planning Chief Strategy Officer</p>	<p align="center">Strategic Implementation Chief Performance Officer</p>	<p align="center">Strategic Learning Chief Learning Officer</p>
<ul style="list-style-type: none"> • Leads Top Team to develop a robust strategy to grow the business and to achieve competitive advantage. <ul style="list-style-type: none"> - Participates in decision analysis - Encourages strategic thinking - Involves in risk decision-making using explicit estimate of risks • Aligns Top Team to a shared vision/ mission, overcome strategic myopia and prepare them for strategic transformation. <ul style="list-style-type: none"> - Involves implementation - Seeks consensus, failing consensus makes the decision 	<ul style="list-style-type: none"> • Initiates implementation planning, delegates detailed planning • Provides focus and motivates action and accountability to achieve measurable results • Manage systemic and behavioural resistance to change • Build management capabilities in Key Managers/ Teams, Organizational Structure, Systems/ Processes • Controls project performance • Revises strategy if necessary 	<ul style="list-style-type: none"> • Initiates leadership and management processes & strategic conversations • Create the environment for empowerment, learning and high performance. • Balances tension between <ul style="list-style-type: none"> - Discipline and creativity - Innovation and predictable goal achievement - Learning and Control - Motivation and Coercion - Reward and Punishment • Institutionalizes “Strategic Responsiveness” and “Operational Effectiveness”

During Stage 1 Strategic Planning, successful CEOs wear the hat of a Chief Strategy Officer. They lead their Teams to review and develop strategic response to ensure the viability of their organizations. Here CEOs are personally involved in the decision analysis and interpretation of the signals for transformation. As the Chief Strategy Officer, CEOs are passionate about their vision and are able to see opportunities beyond the present, like an entrepreneur. The successful CEOs gain the consensus of the Team in making strategic decisions in transformational planning. But failing to gain consensus, the CEOs ‘take the bull by the horn’ and pursue the strategy.

At Stage 2 Strategic Implementation, the successful CEOs continue to execute the ‘buy-in’ process. During implementation, CEOs assume the role of a Chief Performance Officer to make sure that the strategic projects and operational improvements are executed within the strategic framework. They also involve the implementers early during the strategy development stage to ensure faster and decisive implementation while minimizing resistance in the process. The successful CEOs start the process, lead the teams and continuously monitor the process for needed strategic adjustment.

At Stage 3 Strategic Learning, CEOs formally embrace strategic learning as an organization-wide activity in a highly complex, novel and unpredictable environment. Here CEOs adopt the role as the Chief Learning Officer.

While wearing different hats in performing the different functions, CEOs do not perform one function with the exclusion of another. They are the 3-in-1 Chief in Planning, Implementing and Learning at the same time. For example, business does not wait for the Strategic Planning exercise to complete nor does it stop while the Teams are exploiting the new opportunities. Business goes on and Strategy Implementation continues.

Matching CEO's Role to Turbulence

CEOs also align their overall roles with the turbulence of the environment. These overall roles guide the CEOs while wearing different hats in leading the 3 stages of the Strategic Transformation.

Fig. 1.3

Fig. 1.3
Matching Role of CEO To Turbulence

Environmental Turbulence	1 Repetitive	2 Expanding	3 Changing	4 Discontinuous	5 Surpriseful
Role of CEO	Gate Keeper	Controller	Growth Manager	Intrapreneur	Creator

The CEO assumes the role of a “Gatekeeper” in Level 1. This level requires a custodian mentality and stability is the top priority of the CEO.

The CEO is a “Controller” at Level 2. This level requires a production mentality. Efficiency of production and economies of scale are the key concerns of the CEO.

The CEO is a “Growth Manager” in Level 3. Marketing mentality replaces production mentality at Level 3. The success model is differentiation and responsiveness to the market needs. This level represents a fast expanding market but the continuous nature of the environment make it easier for the CEO to share his vision and stretch goals which are ambitious extrapolation from the past. The Growth Manager has the ability to motivate and make everybody runs faster.

The CEO is an “Intrapreneur” in Level 4. The success model is strategic positioning for the future. The discontinuities in the Level 4 environment make it more difficult to predict the future. The “Intrapreneur” has the entrepreneurial ability to look into the future opportunities and form a vision of the future. He is also a charismatic and forceful leader who is capable of leading the teams through the uncharted water.

The CEO is a “Creator” in Level 5. The success model in the level is to create the future through creation of novel technologies, business models, products/services and markets.

Ansoff has developed a comprehensive set of instruments to align CEO Leadership and Role with the environment. To find out more, email us at enquiry@ceoroundtable-asia.com.

Note: This article is based on an extract from an internal publication of Ansoff Associates Asia.