THE CHANGING ROLE OF CEOs

HOW TO STAY AHEAD IN TODAY’S FAST-PACED CORPORATE ENVIRONMENT

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Businesses today are facing disruption due to unprecedented changes like market instability, rise of new technology, big data, changing consumer demands and more regulation.

Leaderonomics chief executive officer (CEO) Roshan Thiran says that the traditional function of a business leader is to “drive change, grow the business, meet expectations of employees, shareholders, board members, his C-suite and the community whilst ensuring compliance and adherence to governments and local statutes.”

But how have their roles changed considering today’s volatile, uncertain, complex and ambiguous environment?

WEARER OF MULTIPLE HATS

Malaysia Digital Economy Corp vice-president of enterprise development Gopi Ganesalingam tells us that “the dynamics have changed in businesses’. "The CEO has got to have the hat of human resources, chief financial officer (CFO), chief operating officer (COO) and such.”

Echoing this sentiment, veteran CEO Joel Trammell wrote that a leader may have to switch between roles depending on situations:

△ Architect – to design the right business model for the company.
△ Engineer – to put in place proper systems and processes.
△ Coach – to place the right talents in the right roles/departments.
△ Player – to contribute their expertise in particular projects.
△ Learner – to gain new knowledge and insights that can help the business.
△ Priest – to be a “sounding board” for employees.

The architect, engineer and coach are the most significant roles that CEOs need to take up to enable the company’s continued growth.

GREATER ACCOUNTABILITY

Malaysian Institute of Human Resource Management president Aresandiran Jagannatha Naidu says: “Today, CEOs are responsible for and accountable to everything. If things don’t work out, it’s their fault.”

CEOs are tasked with looking at the strategy the company. They are the ones responsible for visioning and looking deep within their business to see what can be improved.

Aresandiran added if there were any shortcomings in the organisation back then, managers were held accounta-

ble. Today, the CEO is responsible even if decisions were made collectively with others, or even if the mistake was made by someone else.

This statement can be supported by recent news where CEOs have been asked to step down for, say a company’s declining performance, such as Mark Fields from Ford or regulatory and culture issues such as Travis Kalanick from Uber.

DEALING WITH A BLOATED C-SUITE

With more challenges comes the need to have more expertise at the top to aid the CEO with strategy and decision-making. As a result, we are beginning to see a transformation of the C-suite in its size and composition.

Traditionally, the C-suite comprised of the CEO, CFO and COO. Research by Harvard Business Review revealed that the numbers have “doubled, rising from about five in the mid-1980s to almost 10 in the mid-2000s”.

Today, newer titles such as CMO (chief marketing officer), CTO (chief technology officer), CCO (chief data officer), CCO (chief customer officer) and CHRO (chief human resources officer) have entered the equation. The challenge arises when team members adopt a functional view of their roles, as opposed to a holistic one. To ensure effectiveness of the C-suite team, transformational leadership expert professor Chris Roeback said it is imperative that “CEOs become a facilitator who leverages the expertise of all team members” and ensure that there is strong trust.

IN A NUTSHELL

As CEO coach and adviser Tommy Weir says: “The CEO’s role is simple to define, yet complex to execute.” During these times, CEOs need to don multiple hats at once in order to pull through and move ahead.

Leadership, culture, processes and business models must change, otherwise companies, and the CEOs who run them, risk being blown away by the storm in an ever more competitive marketplace.

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“AS THE CEO, YOUR PRIMARY JOB IS TO MOTIVATE, NOT TO MEASURE; TO INFLUENCE, NOT TO INSTRUCT.”

– Joseph Tan, CEO & Founder of Leaderonomics Good Monday