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Effective Leadership Strategies for CEOs

In Taoism, the yin and yang is the guiding principle of all things. Just as the opposite of water is fire, such is true for our roles in life. The Chief Executive Officer post has incredible responsibility of striking a balance between internal and external communications to guide the company in a profitable direction. We are exploring effective leadership strategies for CEOs. Below are key themes recommended by LinkedIn users on how to be an effective CEO.

The CEO Balancing Act

Based on the development stage of your business, your role as CEO might vary. A Fortune 500 company would assume different responsibility compared to a start-up. Though a Fortune 500 company CEO might want to occasionally meet employees and customers on the ground floor, their efforts should primarily be spend guiding the company at a high level, whereas a CEO of an emerging business would work vertically—as a sales person, manager, CEO, etc.

In both instances, to steer the company in a right direction, the CEO should have a clear understanding of each level of the corporation—from the ground floor, up. As CEO's can be showered with lavish salaries and perks, they are also accountable for failures (again, think balance). Therefore, understanding your environment and how to manage and guide it is critical to avoiding pitfalls.

There are guideposts that many of the most effective CEOs have put into place. Warren Buffet, the northern star of CEOs, embodies the best qualities a CEO. His relatable, humble, philanthropic, yet stern and driven personality has won him accolades worldwide along with tremendous wealth. When Buffet took the reigns of Solomon as acting CEO in the 1990s, he told employees monetary losses were tolerable, but was unscrupulous when it came to unethical practices. Outlining your strategic vision and the dos and don'ts can lay the foundation of your company's future.

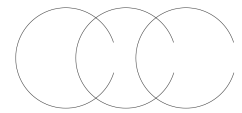
Internal Communications

To effectively manage internal and external communications, LinkedIn users provided insights and a set of guiding principles for a CEO to be effective in their post. We have synthesized and added to their recommendations.

On the Top Floor

Just as a captain dictates a ships direction, so too does a CEO. Every CEO should have a clearly defined vision for the company's future and motivate their team to aspire to that vision. Therefore, the CEO should set the tone and manage the culture within the company.

Clearly defined near and long-term goals are essential to measure the success of management efforts. If you're not on track, realigning your team around a central rallying point is essential to get everyone back on board and push through. You are the coach of those on the top floor with you. Fine tuning and adjusting to maximize efficiency and develop a strong team can be done through face-to-face time either in large or small group settings. Gathering for monthly or weekly meetings can be a way to update and ensure your team is on the right course. You are the captain and as such you are responsible for your effectiveness of crew mates to do outstanding work.



On the Ground Floor

In rigid corporate hierarchical structures, often there are clearly defined boundaries between upper management and lower-level employees. Typically top floor executives do not share much time with those on the ground floor. If a CEO meets their employees on the ground level and can show there is not a rigid hierarchical barrier between them and the rest of their company, word-of-mouth can spread to show they are not above, but with them. In these systems it's important, particularly in times like these, to dip your hands into the process—not just oversee it. As morale might be turning sour as headlines are dominated by job losses, employees and managers might question whether they will be a part of company cost cutting. Having more of a presence is important to potentially boost morale. Furthermore, those on the ground floor have the closest interaction with customers. Understanding their perspective can give you ideas to manage your team more effectively.

External Communications

On the Top Floor

The CEO is the single-most important marketer in the company. As the business liaison for the company and ultimate go-to person, the presence of a CEO during important dealings showcases the CEO's dedication to the success of the company. Major contracts, or other important projects, require the presence of the CEO. By setting the tone for outside vendors, just as the CEO rallies his team around a central vision, they can share that with major outside players. Building those strong ties with other corporate heavyweights strengthens the fabric of the company. The same principles that apply to lower floor sales apply to the top floor as well. Creating strong relationships then translates into referrals and builds a stronger company. Networking with others on the same level is crucial to building meaningful relationships and ultimately creating new business.

On the Ground Floor

Some time ago, Shell's CEO went to Pakistan and worked at the pumps with the rest of his workers, recalls Tyrone Tellis, a media planner at Initiative Media. Because most CEO's are incredibly busy with the management of the company, sometimes it's easy to forget about the ground level. To take time to speak with customers at the ground level, CEOs can create a positive image for themselves amongst their key constituencies. Imagine driving to Shell on that day and having the CEO of the multi-billion dollar company pump your gas. Such an experience would be a favorite story to share at parties. It builds a bond of intimate trust between the company and consumer advertising could never do. Small things like pumping gas can make a lasting impression on customers, then spread to everyone they know and so on and so forth.

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