

CEO Leadership Redefined

SCROLL TO BEGIN

Society is demanding a different kind of leadership from the C-suite, especially CEOs.

People are paying close attention to what they say and what they do. This shift was happening well before 2020, but the COVID-19 pandemic and social and political unrest significantly accelerated the transformation underway.

As a firm that helps CEOs with their most complex, business-critical issues, we are often asked how CEOs and senior executives should navigate this new environment in a way that is responsive to the needs of different stakeholder groups, but doesn't inadvertently create new risk for the business. We decided to go straight to the source and ask two of the most critical audiences, working professionals and institutional investors, about what they expect from CEOs.

Our research revealed that investors strongly believe that the job of the CEO goes beyond turning a profit, and working professionals agree. Moving forward, CEOs must take on complex societal issues, demonstrate strong corporate purpose and values, and effectively communicate and engage with their people and key stakeholders frequently.

It also shed light on some emerging differences in expectations of CEOs among various generations, which will be important to keep in mind as

companies plan for the future. Baby Boomers (ages 57 to 74) have long held the majority of sitting CEO positions, but for the first time in 2020, the average age of a CEO—now 52 years—aligned with Gen X (ages 41 to 56). As Gen X steps into senior leadership positions, including the role of CEO, they will need to cater to a new generation of employees—Gen Z (ages 24 and younger)—who are motivated by personal values and focused on serving the planet through sustainable operations and their peers through diversity and inclusion efforts.

In this first installment of our CEO Leadership Redefined series, we explore the increasing expectations stakeholders have of CEOs to speak out on issues of importance, not only for the business but society at-large. Future installments will dive deeper into the role of the CEO in ESG and sustainability, political advocacy and diversity and inclusion, among others.

CEOs must create long-term value while caring for people and the planet.

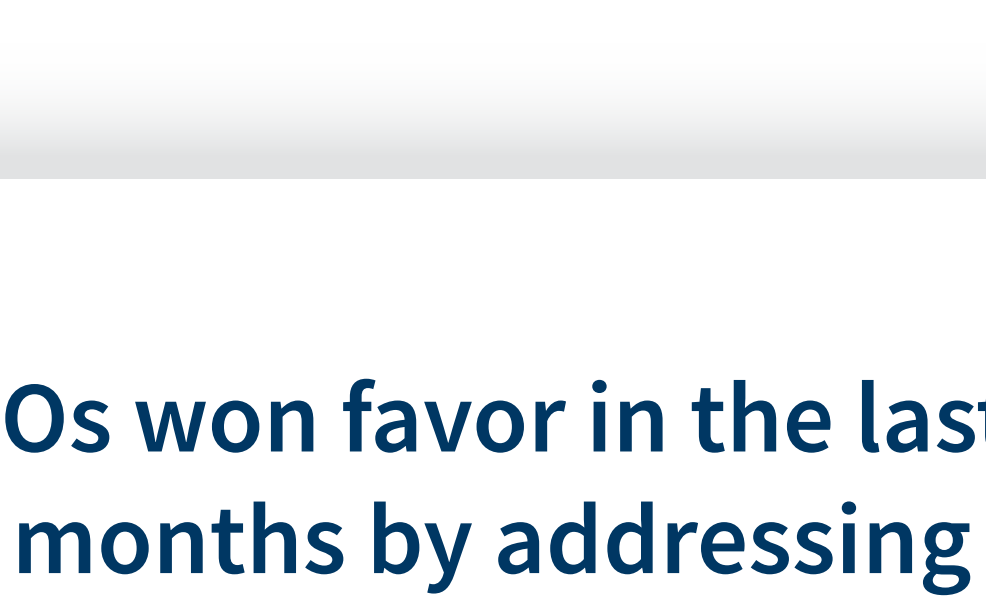
Increasingly, people are turning to the CEO for leadership on issues that go beyond the business—from climate change to social justice to public health.

And, it's not just employees wanting their CEO to speak out. The expectations that investors have of CEOs to take on complex societal issues are also changing. How CEOs address these issues through their words and actions can positively or negatively impact a company's reputation.

“Increasingly, Americans are turning to the private sector for leadership as the boundaries between the political, social, and business arenas blur. CEOs, as the ‘face’ of companies, are now expected to have a voice on some of the most pressing issues facing our society. It's a tall order, and one that can have a significant impact on a company's reputation. CEOs must develop authentic and credible strategies to engage with issues without creating new business risks.”

Christine DiBartolo
Senior Managing Director,
Americas Head of Corporate Reputation

CEOs must take a stand on issues of importance, not only for the business but society at-large



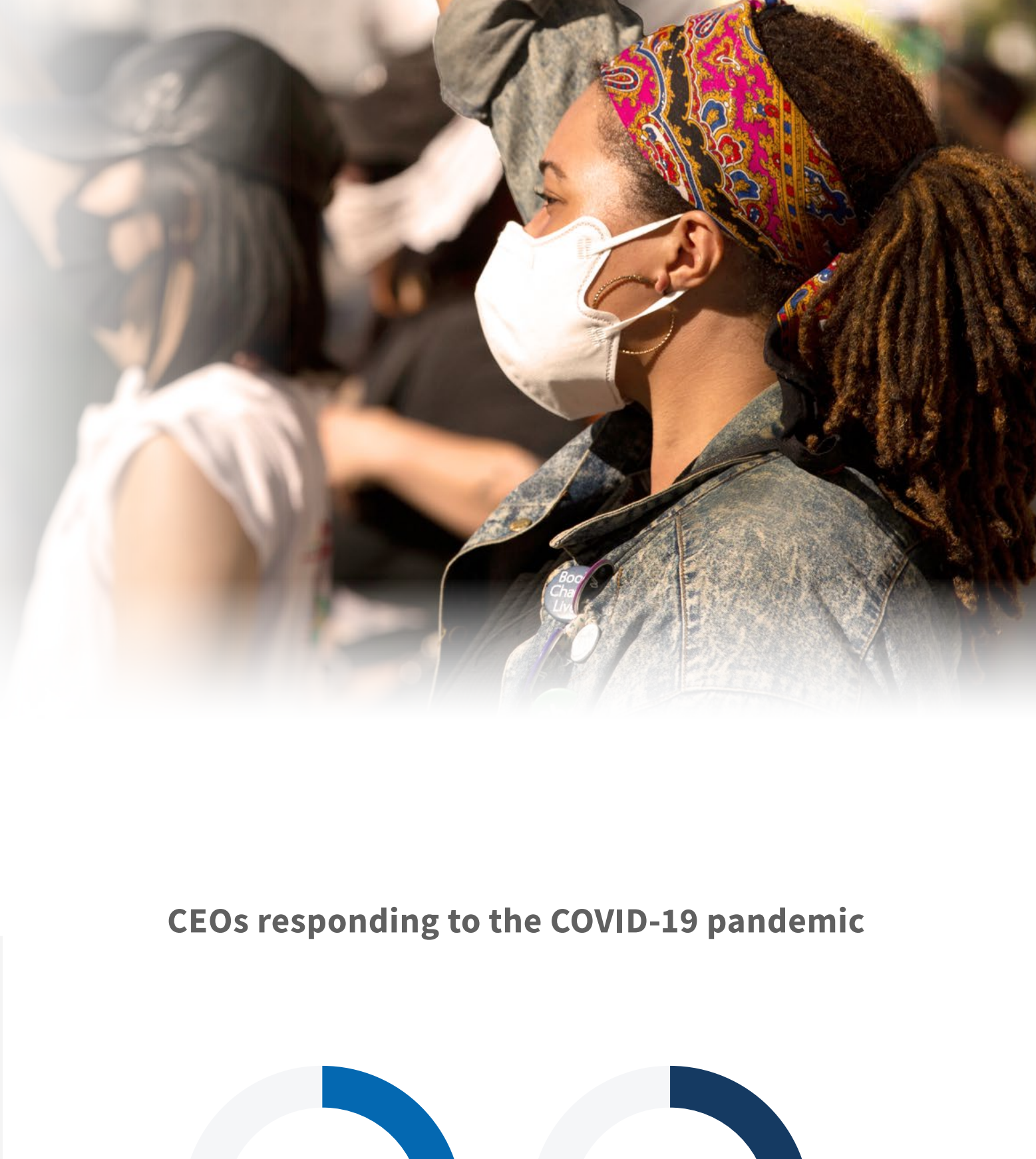
What a CEO says publicly about societal issues impacts my overall opinion of the company



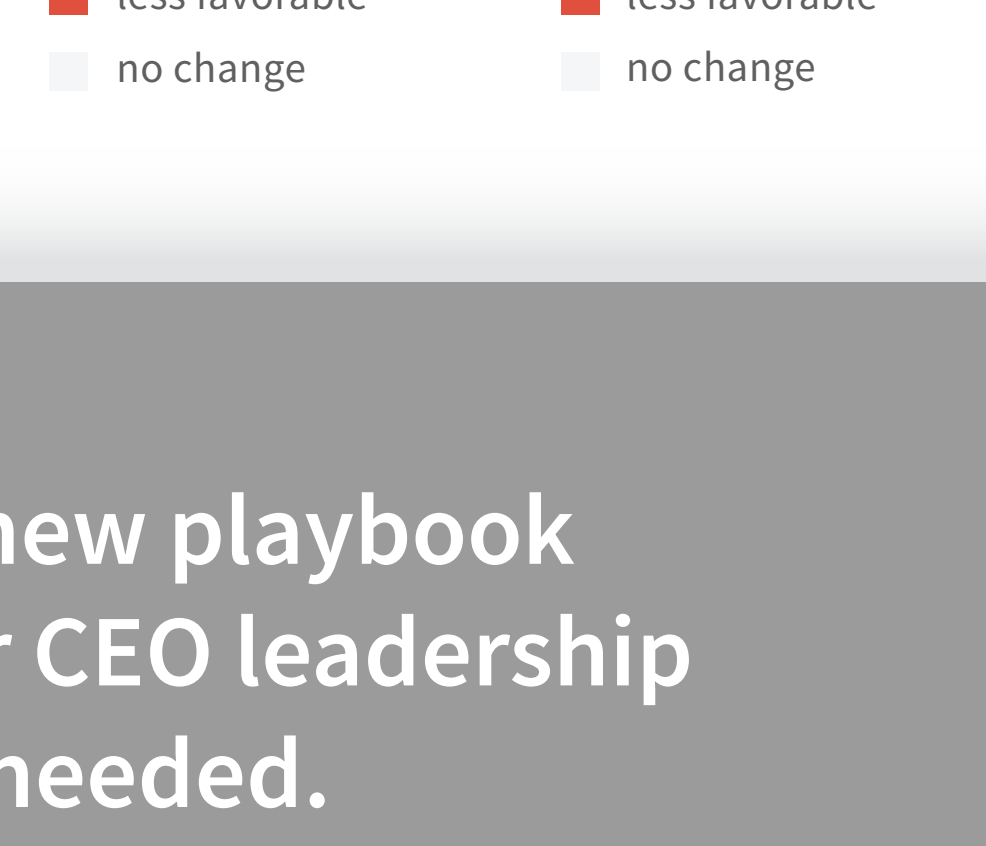
CEOs won favor in the last 18 months by addressing societal issues.

Speaking out on societal issues gained CEOs more favor over the last 18 months, especially among investors.

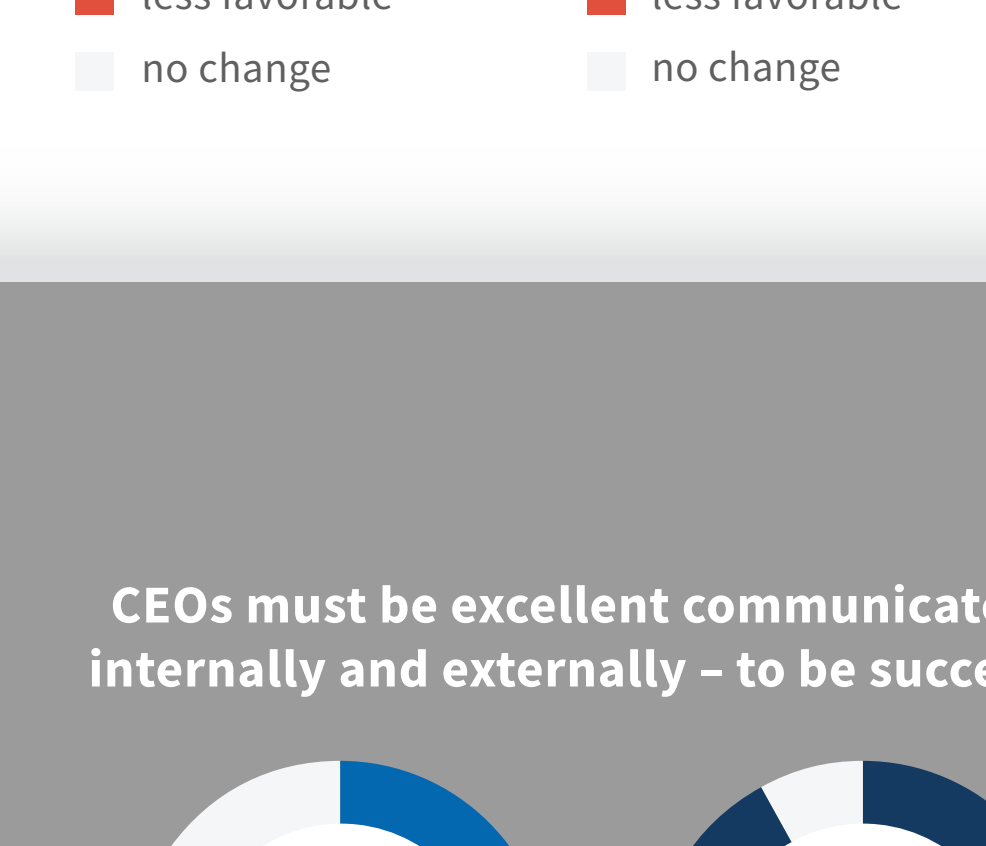
Despite the hardships society and companies alike went through, 8 in 10 (80%) investors and over half of professionals (56%) say the events of the last 18 months brought out the best in CEOs. The actions business leaders took to address specific societal issues that occurred won them greater favor than less.



CEOs engaging in dialogue around societal issues



CEOs responding to the COVID-19 pandemic



A new playbook for CEO leadership is needed.

As CEOs chart their paths forward, they will need a different playbook for how to effectively lead—particularly when it comes to communication. Now more than ever before, CEOs are expected to be the voice of a company, and this is something that can't be overlooked or delegated.

Professionals said that they want to hear from their CEO through informal emails and monthly employee town halls. However, words can only go so far. Professionals also want CEOs to communicate through their actions and behaviors to prove that what a CEO says isn't just lip service. Externally, investors want to hear from CEOs through media interviews on a weekly or monthly basis, company-sponsored events on a monthly basis, and via the company's website.

CEOs must be excellent communicators – internally and externally – to be successful



“The days of communications being the responsibility of the political, social, and business arenas have passed. Today, CEOs must play a leading role in executing a company's communications strategy in a way that's authentic to their leadership style and tailored to the unique needs of their stakeholders. There is no one-size-fits-all approach.”

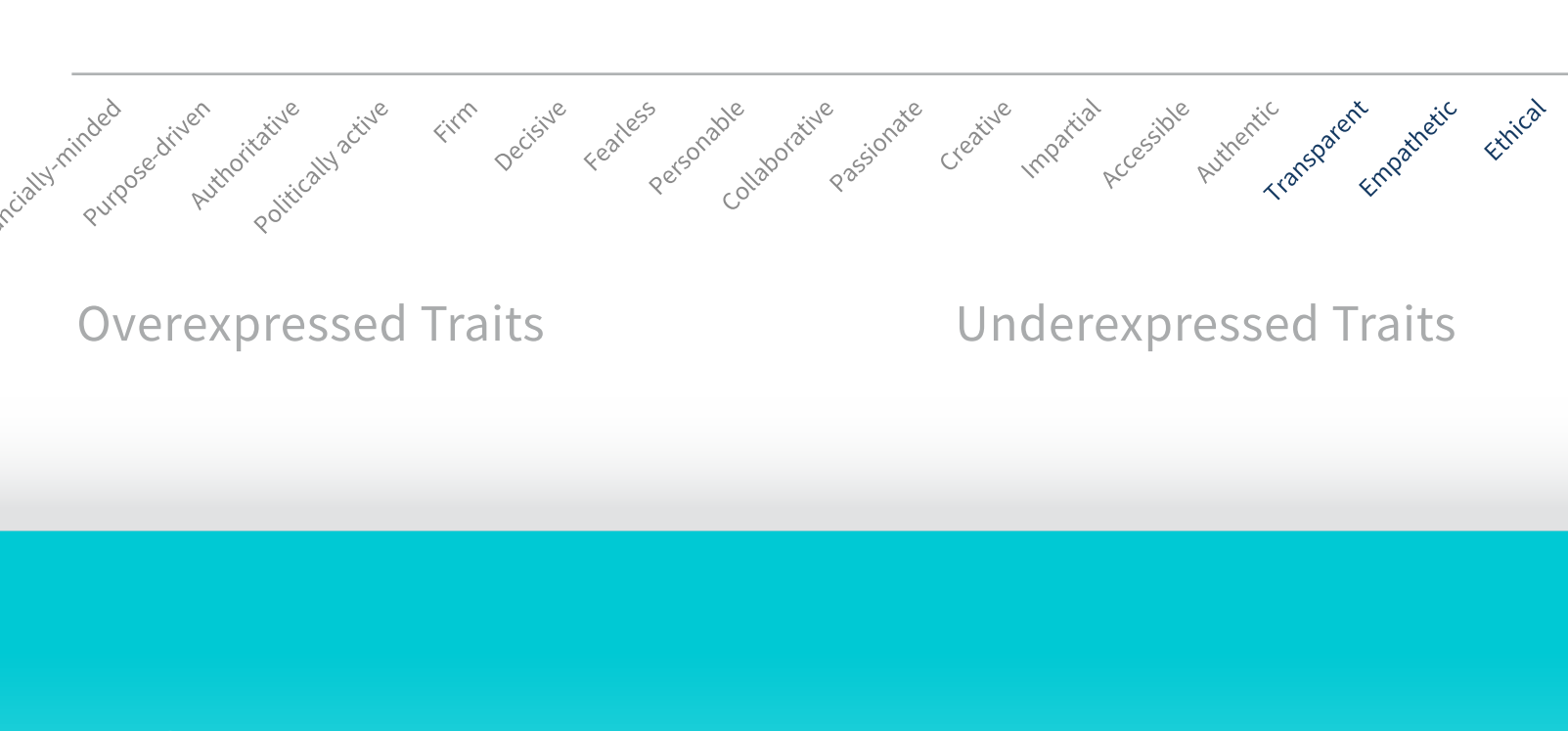
Elly DiLeonardi
Senior Director, Corporate Reputation

The trait investors and professionals alike most want to see in CEOs is “ethical”.

Beyond being excellent communicators, CEOs need to demonstrate traits other than just being financially-minded.

Both professionals and investors want to see CEOs act ethically. Additionally, professionals want to see CEOs be transparent and empathetic. Whereas investors want CEOs who are purpose-driven, passionate, and creative.

Gap Analysis: Leadership Traits Professionals Currently See vs. Want to See in CEOs



TOP 3 MOST WANTED TRAITS AMONG PROFESSIONALS

- Ethical
- Transparent
- Empathetic

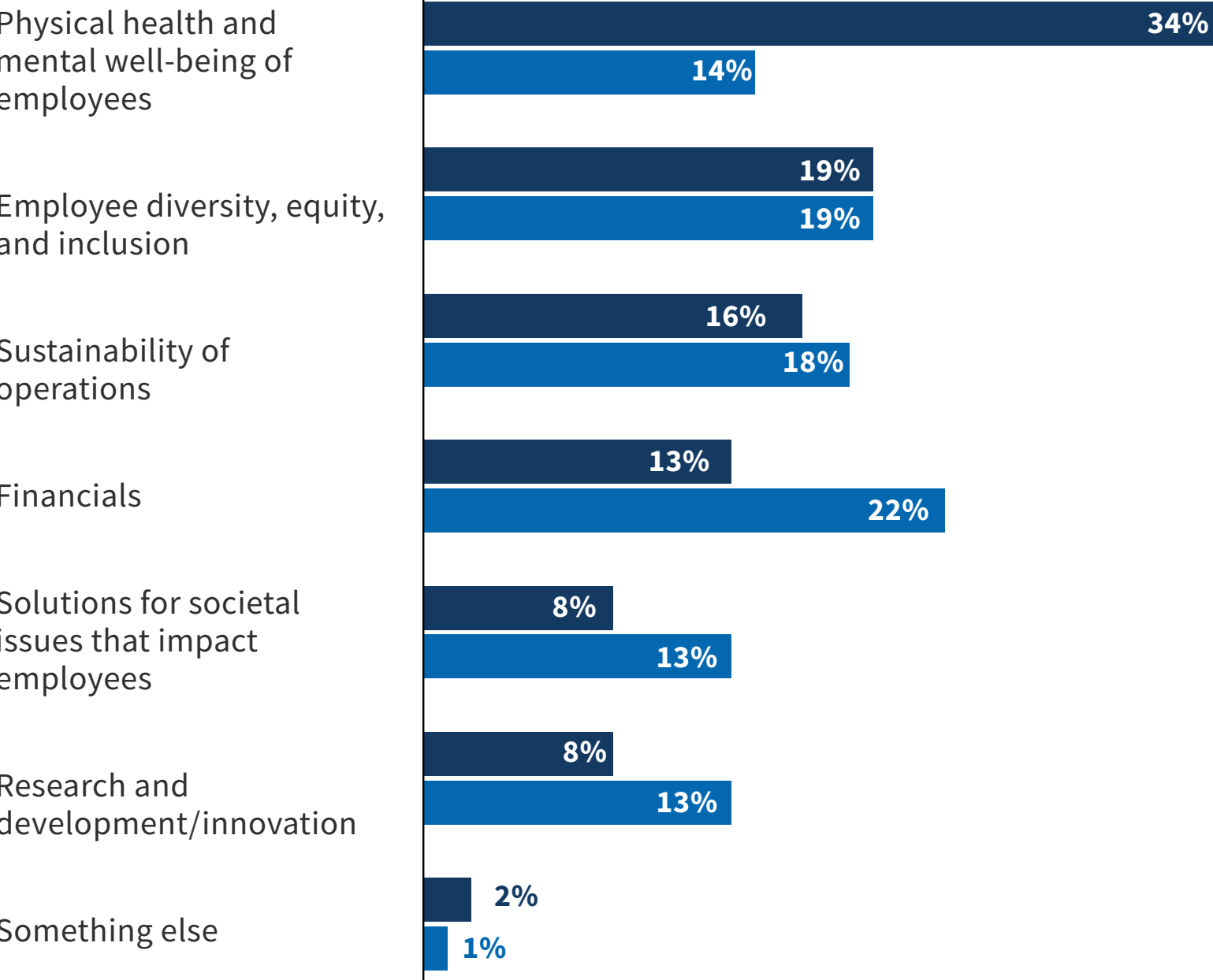
TOP 3 MOST WANTED TRAITS AMONG INVESTORS

- Ethical or Purpose-driven
- Passionate or Creative
- Financially-minded

Professionals say employee wellness needs to be a CEO's top priority, diversity and inclusion too.

While physical health was a top priority for Americans during the COVID-19 pandemic, stress, isolation, and burnout also put a heavy emphasis on mental well-being. This increased focus on physical and mental health has transferred into the workplace with professionals wanting CEOs' number one priority to be the well-being of employees—more than any other business initiative.

What CEOs should prioritize:



TOP AMONG PROFESSIONALS

- Physical health and mental well-being of employees
- Employee diversity, equity, and inclusion
- Sustainability of operations

TOP AMONG INVESTORS

- Financial performance
- Employee diversity, equity, and inclusion
- Sustainability of operations

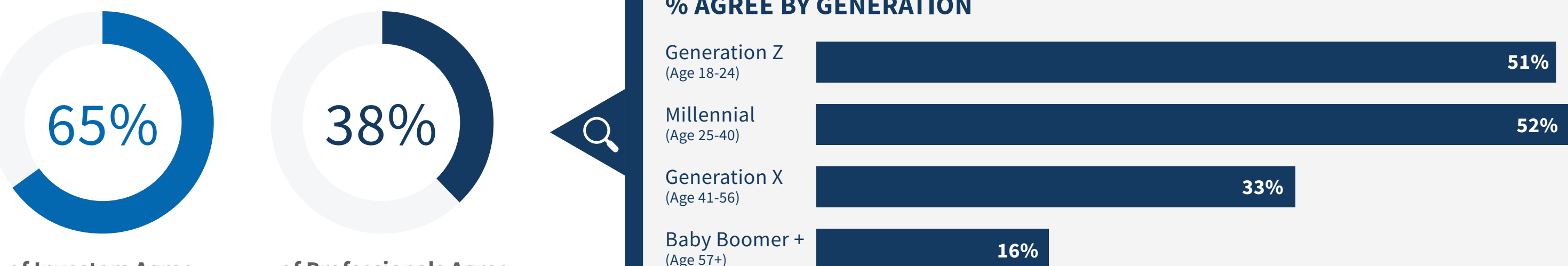
“The same rigor that companies apply to creating differentiated, cutting-edge business strategies should be directed to their people strategies. In today's incredibly competitive job market, organizations must authentically stand out. Only by truly listening to their people can leaders create programs that attract new talent and keep employees engaged, productive, and growing along with the company.”

Alexandra Priola
Managing Director, People & Transformation

Looking ahead, political risk will be heightened.

CEOs remain cautious about engaging on public issues in our highly charged political environment. Handled improperly, the wrong response can open the company to partisan attack. Regardless, there is a growing consensus among investors that CEOs should share their views on political issues with younger generations of employees and customers as they are increasingly receptive to CEO engagement.

CEOs should engage in politics



“Public expectations of today's CEO seem unprecedented. The decision to speak out, or to remain silent, can have consequences for the company's reputation and even operations.”

Jackson Dunn
Senior Managing Director
Americas Head of Public Affairs

Conclusion

Our team of experts works with CEOs to help them build the skills and capabilities needed to lead in this new environment and create a roadmap to engage authentically with internal and external stakeholders.

OUR SERVICES INCLUDE:

Industry and Societal Leadership

- Thought Leadership Platform and Narrative Development
- Content Creation and Speechwriting
- Signature Program Development
- Visibility (Speaking Engagements, Awards, Appointments)
- Digital Strategy, Channel Development and Management
- Stakeholder Engagement

Organizational Leadership

- Leadership Transitions and Onboarding
- C-Suite, Board and Leadership Excellence
- Vision and Strategy Articulation
- Employee Engagement and Internal Communications
- Leadership Communications

Personal Leadership

- Leadership Development
- Executive Coaching
- Change Leadership
- Communications Training

ABOUT THIS SURVEY

FTI Consulting's Strategic Communications segment conducted a national survey across the United States among 1,012 Employed Professionals of companies greater than 250 employees, as well as 253 Institutional Investors. The survey was conducted online between September 10th and 28th, 2021.

The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc., its management, its subsidiaries, its affiliates, or its other professionals.

FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. ©2021 FTI Consulting, Inc. All rights reserved. www.fticonsulting.com