

Taking a creative approach to CEO leadership

Becoming CEO is many people's ultimate career ambition.

The role's enduring allure is rooted in many factors. Of course, there is the satisfaction that comes with rising to the top of an organisation — visible evidence of profound professional success. But there's also the chance to drive growth, leave a legacy, implement real change — the list goes on.

And yet, there is little doubt that today's CEOs face enormous headwinds.

Against the backdrop of ongoing geopolitical uncertainty and economic volatility, theirs is a role that sees them accountable for an ever-changing tapestry of complex demands that have upended the corporate kaleidoscope.

Yes, they are still tasked with delivering growth and maximising shareholder returns. But their heavy burden of expectation also includes the ripple effects of AI — a truly epochal disruptor — as well as a variety of other challenges all demanding distinctive solutions that will help grow market share and leave their business well placed for the future. And all this under a fierce internal and external spotlight — the quiet life it is not.

So how can today's CEOs best adjust to these pressures and capitalise on the opportunities that still adorn their daily landscape? One route to doing so is fostering creativity — a key driver of better performance. But while this is a laudable aim, achieving it is far from straightforward. How can leaders generate trust? What are the best ways to encourage creative thinking, especially in high stakes moments?



To help answer these questions, and better understand what effective leadership looks like, we have brought together data and insights from Spencer Stuart's analysis of companies around the world and also sat down with CEOs of businesses of different sizes and development stages, ranging from start-ups to global enterprises, across diverse industries and geographies to discuss their collective experiences.

Shaping a creative culture

At Spencer Stuart, culture is a common theme in many of the discussions we have with leaders, largely due to its impact on business strategy. Our [Culture Alignment Framework](#) is rooted in the insight that each organisation and individual must address the inherent tension between two critical dimensions of organisational dynamics:

- » Attitude toward people, from independence to interdependence
- » Attitude toward change, from flexibility to stability

As a result, we have identified eight primary and universal styles, two of which —“enjoyment” and “learning” — help shape a leader's approach to innovation and creativity.

Enjoyment places a high value on offering freedom and autonomy while its importance may vary depending on the industry, company culture, and leadership style, it has a key role to play in fostering better engagement, strengthening morale and generating better teamwork. Learning, meanwhile, is about exploration and expansiveness, and flourishes in open-minded workplaces where colleagues are united by curiosity and leaders prioritise knowledge and adventure.

When looking at the link between financial performance and organisational culture, our analysis of the performance of 333 companies from our global database, including those in the FTSE100 and S&P500, showed a significant correlation (0.21) between learning culture and year-on-year revenue growth.

But even if a leader is naturally strong in both learning and enjoyment, generating a culture of innovation and experimentation does not happen overnight. Rather, it is something that develops over a period of time and requires a number of different elements to take shape. Little wonder then that a key priority for a CEO is setting a framework through which creativity and innovation can float through their organisation like silver confetti from above.

But how can they do this?

Shared ownership

A sense of shared ownership is an important starting point, according to Pramukh Jeyathilak, CEO of TalentLign. “It is about establishing borderless teams,” he says. “Rather than creating borders for people and organisations, we want to encourage our team to be curious about what the other person is doing and through that we create a sense of pride in ownership.”

Chris Meyer, former CEO of Lesaka Technologies, adopted a similar approach, “I believe that you get the best performance out of people when they have that sense of ownership, they’re trusted and have the freedom to operate,” he says. “But you can’t just wave your wand.”



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ALISTAIR ELLIOTT
CHAIR, GROSVENOR PROPERTY UK,
AND CHAIR/FORMER SENIOR PARTNER,
KNIGHT FRANK GROUP

Such sentiments are echoed in our report on the [CEO of the Future](#), which found that successful CEOs have to “build and use a diverse ecosystem of talents and resources — because no CEO can have all the answers. Leading in a world of heightened ambiguity, the CEO of the future cannot know or decide it all. By drawing on a richer, more diverse set of inputs, CEOs are better able to anticipate and respond to emerging developments, navigate change and see further into the future”.

Developing two-way communication is one way of bringing people together and generating greater ownership of a company’s strategy and priorities — a tactic deployed by Alistair Elliott, former senior partner and chair of Knight Frank’s Group Executive Board. “I have never been shy of asking other people to help or for their opinions,” he says. “In return I’m always very keen to give people as much information as possible without breaching confidences. I want to make sure everyone feels informed about what we’re doing and why we’re doing it.”

Francisco Lanzuela de Alvaro, CEO of Hugworld International Distribution, has taken this a step further by introducing dedicated forums for internal innovation discussions. “These forums are a great way of making the team conscious of their capabilities,” he says. “These forums also encourage them to think about solutions to challenges and opportunities.”

Psychological safety

Our colleagues Claudius Hildebrand and Robert Stark recently published a book, *The Life Cycle of a CEO*, which delved deep into CEO performances by analysing the individual performance of every 21st century CEO of the S&P 500, combined with over 100 in-depth interviews of CEOs and board directors.

One of their findings was that successful CEOs cultivate high-performing teams by creating a culture of psychological safety that encourages strong debate and co-creation. Teams align on a shared vision and collaborate and coordinate to execute. Similarly, a recurring theme in our CEO conversations was the need for leaders to create an environment where mistakes would not be punished — teams and individuals have to be able to be bold, think big and not fear adverse repercussions should things go awry.

“My priority was to remove fear, where if things do happen you don’t shoot the messenger and you don’t blame people,” says Chris Meyer. “Even in moments of crisis, you have to let people make their decisions and do their jobs. Don’t second guess them, don’t try and give them the answers. Help them find the answers themselves.”

Janet Taylor-Hall, CEO of Cognia, also saw this as a key priority. “Psychological safety is something that we’ve been very conscious of,” she says. “When you’re transforming the business you have to encourage people to experiment, to innovate and be comfortable to do so. For that you need an inclusive leadership style so that you are taking people on the journey with you.”



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MAGDALENA SMITH
CEO, BEHAVIOUR LAB

Magdalena Smith, CEO of Behaviour Lab, also cited this approach as key. “Very much ensure that there is an environment where everybody is encouraged to bring in ideas and challenge ideas, she says. “But creating psychological safety requires a lot of effort and continues to require a lot of effort from me to make sure that people believe that I actually want to be challenged. I want them to rip apart my views and bring in those very different views based on their experiences and learnings.”

Team-up together

The most effective CEOs bring together the collective strength and insights of their team in order to boost creativity. That’s because they understand that teamwork enables the successful combination of diverse ideas and approaches from myriad angles — something that leads to breakthrough decisions and problem-solving.

Teamwork is also grounded in strong relationships and clear and honest communication, which itself allows for the open exchange of ideas and feedback, further encouraging a creative environment to take root. This finding aligns with another conclusion of our CEO of the Future report:

“The CEO of the past tended to lead in a directive manner, cascading information and orders down through the organisation... The CEO of the future is much more empowering and consultative; they use their positional authority, but rarely in a command-and-control way. They model inclusive behaviours.”

Jonathan Cole, former CEO of Corio, says it was his natural instinct to build close relationships with his colleagues. “I was probably a bit like a player-manager in a football team,” he says. “That engenders quite a high degree of loyalty and support, and it creates a nice warm working culture. I genuinely think people appreciated that in me.”

Graham Mason, former CEO of Eastspring Asset Management, also made it a priority to strengthen relationships as he travelled across different offices in South East Asia. “I would always make a point of filling up my diary with coffees, lunches and team dinners,” he says. “This gave me face-to-face time with people from different levels of the organisation, the chance to have things raised with me, and allowed me a better understanding from multiple angles. I didn’t want to get a filtered view — I wanted to know what was really going on.”

Aylin Somersan Coqui, CEO of Allianz Trade, believes that effective teamwork also creates its own natural momentum. “When day-to-day ideas from the frontline come to fruition it creates a great energy because first people want to be heard, then they come up with some very interesting ideas,” she says. “I don’t think you have to shake people to say, ‘OK, now it’s your time to be innovative’. People want to do the right thing for the organisation and they usually know best about how to improve their own work.”

But that’s exactly why getting the right people through the door is so important, according to Magdalena Smith. “A key component of fostering a creative culture is when you’re trying to bring in a team,” she says.

“We needed people who were driven by a love of learning and accumulating new knowledge. Those were the traits that we were trying to identify and were absolutely critical to creating knowledge and pride in work, but not preciousness. If somebody could prove to you why something didn’t work, then you had to be able to accept that.”



The power of purpose

Another key way to unite and motivate disparate individuals — and thereby encouraging a creative mindset to flourish — is by tapping into the purpose of an organisation. A compelling purpose provides every single colleague with direction and meaning, it offers an easily understood narrative that shapes a company’s strategy, culture, and values.

For Charles Perry, co-founder and former managing director of Second Nature, purpose played a critical role in attracting the best and brightest. “Ours was a purpose-driven business all about making sustainability second nature,” he says. “We couldn’t necessarily pay the best people as much as big consulting firms could so we had to inspire them with the passion to make a difference. And as a result we got values-driven people who were happy to come and work with us.”

Nick Harris, CEO of National Highways, also cites the power of purpose. “Very rarely is there misalignment over actually what the purpose is,” he says. “Very rarely have I got a team that are not in alignment about what we’re here for and to do.”

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DIRK ACKERMAN
CEO, IQ GROUP HOLDINGS

How trust fuels creativity

No workplace can thrive without trust. It is a prerequisite, obligatory even. And no workplace can hope to be creative without trusted relationships. Yet turning this vision into reality is by no means straightforward, particularly across diverse teams and individuals with varying backgrounds and approaches.

So, what are the best strategies for building bridges between colleagues and departments, headquarters and the frontline? Sometimes it comes down to a simple “thank you”, according to Dirk Ackerman, CEO of IQ Group Holdings. “Effective leadership requires a balance of respect and authority but leaders shouldn’t be unrealistic in their expectations,” he says. “It’s also really important to express gratitude and recognise good work.”



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MARK DUCKWORTH
CEO, SCHRODERS PERSONAL WEALTH

Many of the CEOs we spoke to also made it a priority to break down personal barriers, often by kicking off team gatherings with news from outside the workplace. “One of the great things we do is we open every meeting with a trophy moment,” says Alex Vaughan, CEO of Costain.

“Every meeting starts with what’s inspired you since we last met, and then everyone goes around. These are proof points of our progress that generate energy and set the right tone for the meeting. I then write to those referenced in the trophy moment to thank them and reinforce the positive behaviours and outcomes we are looking for.”

Mark Duckworth, CEO of Schroders Personal Wealth, does something very similar. “If all you focus on is work and not the individual and the individual away from work, you’re never going to get the best person to show up in the workplace,” he says. “With this in mind, we start every team meeting by going around the table and everyone telling me something that has happened in their life in the last month and we have all learned a huge amount about each other.”

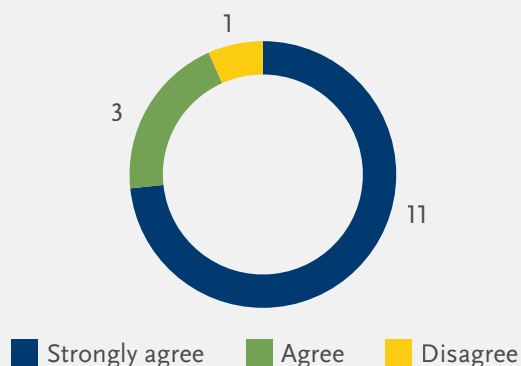
For Pramukh Jeyathilak it all begins with full transparency. “Every Monday morning I have a team call where I am absolutely transparent with everything that is happening in my world,” he says. “I talk about the customer pipeline. I talk about the cash flow situation. I talk about the things that I worry about every day. Just complete openness, honesty, and transparency. That is the only way I can build trust.”

Adam Craker, CEO of iqbusiness, generates trust and strengthens relationships by organising twice-yearly retreats where colleagues can bond over different activities and spend time together away from the workplace. “We’ve done all sorts of things — from meditating together to waterskiing together to walking long distance along the coastline of South Africa together,” he says. “It is all structured and deliberate and has been hugely valuable, particularly when new colleagues have recently joined us.”

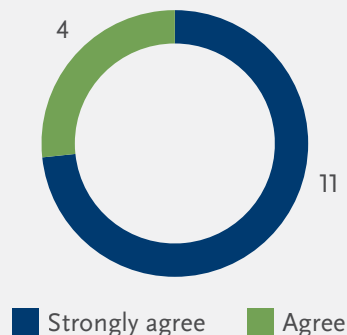
A future shaped by creativity

The CEOs we spoke to have little doubt of the importance of creativity. They overwhelmingly support our thesis that creative thinking has a key role to play in decision making and has contributed to their organisation's growth and innovation.

“Creative thinking has become central to my decision making as a CEO both in my current role and during my tenure.” How strongly do you agree with this statement?



“Creative thinking has significantly contributed to my organisation, growth and innovation.” How strongly do you agree with this statement?



Amidst the ongoing disruptive tumult of the global economy, the importance of creativity and innovation is likely to come into ever sharper focus. Opportunities for growth will become even higher prized. The competition for market share will intensify. And in some cases the scramble for survival will take precedence. This all means that today's CEOs have much to grapple with.

But one thing's for sure. Harnessing the collective power of colleagues, and weaving creativity and innovation into the very fabric of their businesses, will help them navigate the twists and turns that lie ahead.



About Spencer Stuart

At Spencer Stuart, we know that leadership has never mattered more. We are trusted by organisations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises, on their stakeholders and on the world around them. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 60 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, and many facets of culture and organisational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit www.spencerstuart.com.

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