

From “Know-it-Alls to Learn-it-Alls”: CEO Leadership for a New Future

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In his new, highly acclaimed book, *No Rules Rules*, Reed Hastings, the founder and CEO of Netflix, recounts a telling story. It was 2007, still the early days for Netflix, when they were largely in the DVD-by-mail business and figuring out how to launch into streaming. Hastings pushed through a plan (infamously known as the Qwikster debacle). It was an abysmal failure: They lost millions of subscribers, and the stock price dropped more than 75 percent. In the aftermath, many Netflix executives came forward: “I knew it was going to be a disaster,” said one, “but Reed is always right, so I kept quiet.” And one VP confessed to Hastings, “You’re so intense when you believe in something, Reed, that I felt you wouldn’t hear me.” For Hastings, this was “the lowest point in my career—definitely not an experience I want to repeat.” But it was also a stark wake-up call, providing valuable lessons that have helped forge Hastings’ and Netflix’s stunning success ever since.

Few people on the outside really understand how challenging the journey of a CEO is. And many CEOs themselves (like Hastings) learn the necessity of ongoing adaptation the hard way. Those who seem to adjust best remain cognizant that being CEO is an evolving state; they remain open to keep considering “what got you here won’t get you there,” as they move through their tenures. Quoted often (far harder to actually heed), this proves over and over again to be a truism—now more than ever.

Staying Open to What You Don’t Know

Old ways of being and thinking are constantly overplayed and overused. “They define who we are. In the process,

these reflexes make us blind to the changing needs around us,” writes Herminia Ibarra, renowned professor of organizational behavior, now with the London Business School. We see this quite often and have advised numerous CEOs who come into role heavily reliant on the strengths that paved their way there. With support they come to recognize that these skills may actually be holding them back and eventually evolve to great effect to be the leaders they intended to be.

At this time in history, it has never been more important for CEOs to ground themselves in a strong core sense of leadership identity and purpose with a resolute commitment to ongoing growth and learning. This means coming into the role knowing who you are as a leader while staying open to what you don’t know—and remaining willing to explore and evolve throughout one’s tenure as the work, role, and world necessitates. “I look back now and believe I should have checked in more, reinvented myself every two years,” one ex-CEO, who led one of the world’s largest auto manufacturers, recently shared with us at a conference on CEO leadership. Increasingly we hear from CEOs like this one, who have learned that in order to transform their organizations, they must keep transforming themselves. COVID and the current challenges facing us all have only made this more imperative.

“Disciplined attention is the currency of leadership.”

— Ronald Heifetz, Harvard Business School

Actions Speak Louder Than Words

When it comes to learning, we mistakenly gravitate to the belief that we must figure things out in our head, to think our way through to solutions. In fact, all arrows seem to point otherwise—that you actually act your way into a new way of being and doing. The most effective way to move into change is by doing things differently and working against an entrenched mindset. It is active experimentation that actually changes the way one thinks. Ibarra has coined the term “outsight” to stress the importance of seeking external knowledge, new experiences, and active learning. To do this, one needs to become willing to step out of their comfort zone, to become more playful and move beyond familiar leadership styles. Leaders who stay curious and keep feeding that curiosity are going to see things that intrigue them and shift the levers to learn more.

Probably one of the best current examples of a leader who has kept himself and his people focused “outside the box,” growing beyond the company’s entrenched thinking and practices, is CEO Satya Nadella of Microsoft. When asked how to account for his stunning success as a leader, Nadella has said many times: changing from being a company of “Know-It-Alls” to becoming one of “Learn-It-Alls.” Advancing this movement takes trust in the self, committing to an ongoing willingness to keep getting better. “To me, what is most important is being able to come up with new ways of doing things, new ways of framing what is a failure and what is a success, to how one achieves success,” Nadella has stated. “It’s through a series of failures, a series of hypothesis testing. That’s in some sense the real pursuit.”

In advising sitting CEOs how to keep evolving, we have worked with Professor Robert Kegan of Harvard and applied his “Immunity to Change” model which

helps leaders keep strengthening their identities and transforming. It is important that CEOs begin their tenures having already gained a self-authoring mind. But it is equally important that they remain acutely aware of their actions and of how they are thinking. We see too often, as Kegan puts it, “If they impose their will without realizing they have pushed their own values to the limit, there is a risk of them failing unknowingly into the narrow vision of this tough era with its cold and rugged environmental change.” This is why, Kegan stresses, “CEOs with a self-transforming mind must maintain their balance, be aware of their limitations, and continue to learn in a spirit of modesty.”

To do this, CEOs need to become willing to create the space to nurture the energy and hone the awareness for their own adaptive changes to keep emerging. Setting aside time for self-reflection is important. Being open to receiving regular feedback from other leaders in the organization and their teams will also help. And ongoing development work with advisors, coaches, and peers has proven increasingly essential.

In our experience, the most responsible and successful CEOs keep breaking through to greater self-understanding and wisdom. Gradually, they become more and more comfortable in their skin. As one recently shared with us after immersing himself in a further explorative program: “Developing purposeful leading in the world step-by-step is extremely hard to do. It is ongoing. It requires from each leader a boldness and self-confidence that is often not the norm these days—a boldness that is about understanding that leaders have the potential to change the world in small steps.” Those CEOs who come to this point of improvement and awakening in the role, just get better and better. And they grace the world with the leadership it so desperately needs.

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