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Alignment with your direct reports: The CEO challenge

The most difficult task for CEOs and leaders is to get people to work together to achieve a common goal. Of the resources available to them (capital, information, knowledge and people), the most difficult to lead and leverage is people working together in support of, and in contribution, to one another. Truly, no one accomplishes anything in an organization alone and without the help and contribution of someone else. Anytime two or more people are working toward accomplishing a shared goal, there is a team. Team development, including understanding team culture and dynamics (which is perhaps the most difficult) is typically not taught as part of university and college business curriculum. It is left to the leader to discover and develop competency in, traditionally through ongoing trial and error. It's no wonder that the majority of teams in the world of business struggle to realize their true potential and performance results.

The Disconnect

Do you really know what your CEO wants and expects from you? If so, how do you know? If not, how do you find out? The gap between what CEOs want from their direct reports and what those direct reports think their CEOs want are often oceans apart.

Of course, CEOs expect key executives to excel in their given areas of expertise and responsibility. Beyond that, however, it is not that cut and dry. Larry King, a colleague TEC Speaker and Chair has identified the following three things that CEOs desperately want from their key executives:

1. **Clarity.** In particular, CEOs want their key executives to have clarity in three areas:

    - The CEO's vision for the company;
    - The company's strategy to achieve that vision;
    - The CEO's expectations for the individual's position and the outcomes he or she needs to achieve.

    Poor communication on both sides usually leads to a lack of clarity. Often, the CEO fails to communicate his or her expectations in these areas and the key executive doesn't ask.

    The urgency of the day to day activities usually rob the CEOs and their direct reports of the time to sit down and have quality discussions about expectations. You have to force these conversations or in most cases they won't happen.

2. **Leadership.** Leadership for key executives means stepping out of your comfortable, technical/functional role and expanding beyond the areas that got you to your current level of success. This requires exercising leadership on the management team you are part of and for the departmental team you head up.

    Caution: Don't attempt to hide behind the attitude of, 'I'm just the marketing manager' or 'I'm just the HR director,'. And forget the 'You're the boss, tell me what to do mind set.'

CEOs want and need executives who aren't afraid to step up to the plate and demonstrate some initiative and risk taking.

3. **Generalized Problem Solving.** Most key executives see themselves as specialists in their given areas. CEOs, especially in smaller companies without experienced management teams, want managers who can solve problems in many areas of the organization. Whether it's increasing sales, improving quality, reducing inventory or speeding up receivables, look for ways to expand your scope of problem solving. The more you can contribute to the CEO's job of removing obstacles to getting the job done, the more value you will have as a key executive.

   Of these three areas, clarity is by far the most important. When you have clarity and alignment with your CEO, anything is possible. The good news is that gaining clarity on your role and expectations as a key executive makes it a lot easier to make strides in the areas of leadership and general problem solving.

   Not coincidentally, the TEC's Key Executive Program I Chair is specially designed to address these three areas. It gives our key executive members new perspectives, confidence and skills and provides accountability for all of the above – They do so by bringing meaningful issues to the table and sharing their own experiences and insights with their TEC peer group.

A Wiring Problem

As my other TEC colleague, Walt Sutton puts it, "the disconnect between CEOs and key executives is a *wiring* problem". He believes that most entrepreneurs are hard-wired very differently than their direct reports. In particular, CEOs spend much of their time out in the future, where very few people roam. They live in the world of possibility. They see what doesn't exist and try to make it happen.

In contrast, key executives live in the present, partly because that's their nature but also because that's what they've been charged to do – run the company (or parts of it) in an efficient and effective manner. They see what already exists and strive to make it better.

CEOs who fail to understand this critical distinction end up with unrealistic expectations for their key executives, which often leads to friction in the relationship.

CEO's feel that most key executives (and everyone else in the organization) just don't get it; meaning they don't see the world the way the CEO does. In my experience, they are correct. Most senior executives *don't* get it. However, it's okay because they're supposed to focus on running the business today, not cast their eyes three years to five years down the road. Nevertheless, this can create a real gap between the CEO and management team. In fact, I see this disconnect as the biggest source of friction between CEOs and direct reports, both on a personal and job performance level.

The solution to this dilemma is two-fold. First, both sides must understand that CEOs live out in the distance and key executives live in the here-and-now. Second, they must reach an alliance, the key executives understands and supports the CEO's need to look into the future and develop the vision, because without it, the company will quickly die. In turn, the CEO recognizes and accepts that the highest and best use of the key executive's time and attention is to run the company in the present. Rather than butting heads over who has the proper perspective, each side acknowledges the need for the other.

Closing the Gap

The first step in closing the gap involves reconciling mutual expectations. The CEO's job is to build the vision and the key executive's role is to run the company day-to-day and moment-to-moment. The hard part involves integrating that understanding into every interaction.

When the long-term conflicts with the here-and-now, it's easy to forget that the company needs both points of view. The key to avoiding unproductive conflict is to formally recognize the different roles in every encounter. For example, when the CEO gathers the management team for a strategic planning session, start by going around the table and recognizing everyone's role. When you meet individually with your CEO, begin the interaction with a brief recognition of the different roles each of you fill. Over time, it becomes ingrained into the culture. Eventually, "Why can't you see things that way I do?" becomes, "I bring this to the table and you bring that; isn't it great how we complement each other."

A simple but effective solution – once a month the CEO and key executive schedule uninterrupted time together. During this "direct report one-to-one", the CEO and key executive discuss the following:

- The CEO's short- and long-term expectations for the person and for the position;
- Developmental goals and objectives for the key executive;
- Any coaching, help, resources, etc. the key executive needs to get the job done.

Don't sit back and wait for something to happen. If you aren't getting clarity from your CEO, ask for it. Ask your CEO to write a success profile for your position and you do the same. Then get together and compare notes. This provides an excellent starting point for an ongoing conversation of how you and your CEO can work together more effectively. There's nothing magical about the process; it's very straight forward. But common sense is not necessarily common practice. You have to commit to making it happen.

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