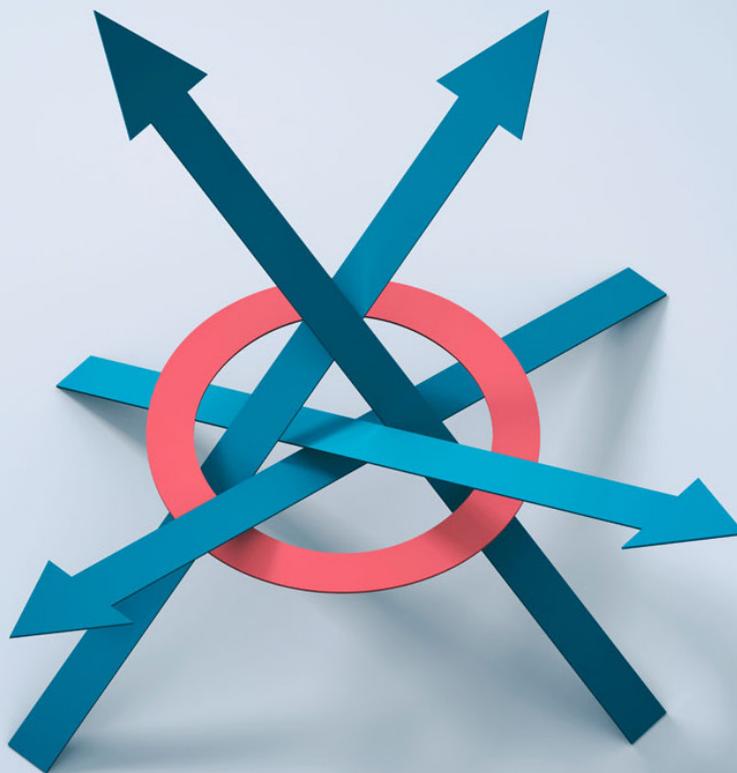


Strategy & Corporate Finance Practice

In conversation: The CEO moment

Corporate leaders are changing how they do their jobs in ways that may permanently transform the CEO role.



Episode 1

Sean Brown: From McKinsey's Strategy and Corporate Finance practice, I'm Sean Brown and welcome to Inside the Strategy Room. The COVID-19 crisis has put CEOs and the organizations they lead under incredible pressure. At the same time, it has provided a once in a generation opportunity for chief executives to evolve the nature and impact of their role. Our new McKinsey Quarterly article, 'The CEO moment: Leadership for a new era', describes how top performing chief executives have taken four shifts in their approaches to leadership during the crisis; changes that have the potential to also permanently transform the CEO role. Three of the article's authors are with us today to discuss their new findings. Carolyn Dewar is a senior partner and co leader of our CEO and board excellence practice. Monica Murarka is a senior expert and member of the global leadership team of our CEO and board excellence practice. And Kurt Strovink is a senior partner and leader of our insurance sector work globally. Given the importance and weight of this topic, we're dividing the discussion into two parts to allow us to discuss the four shifts in appropriate detail. In today's episode, we will focus on the first two shifts. Kurt, could you start us off by providing some background on what spurred the research?

Kurt Strovink: Thank you very much. We look forward to the conversation today. The reason that we started this research was we were becoming of the mind that there was really a moment here for CEOs during this pandemic. It was a different kind of moment that might differ from normal environments. CEOs are facing a number of challenges during this environment, but also a number of opportunities. On the one hand, there's the health situation and the need to care for employees and the need to make quick decisions in record time. That's clearly one of the forces at work. But there's a second, which is much more around how to think about the evolution of their business and their business models in the near term and in the medium term. We sometimes call these phases, kind of return and reimagine, as opposed to just respond. And we're seeing a lot of

bright thinking across industries, whether that's across distribution, you know, diversity, cost and efficiency, remote working. But there's a third aspect to this as well, which is that CEOs are called upon to act differently with their own people and in society as a whole. And there's a sort of emotional and human dimension to this that's very present. And we think all of these come together to create what we thought was a CEO moment. And the reason that we called it that was there's a number of perspectives that are out there on the enduring aspects of CEO leadership. But we're actually noticing the nature of the role itself was changing. And we call that the CEO moment. So what we'll talk about today is four shifts that we see that we think might even be important enough, underway in our dialogues with CEOs and counseling that we've done across the world, that they might even be permanent or more enduring. And the question that we're posing fundamentally is whether there will be a return to the past after this COVID time or whether these will in fact be enduring shifts that will govern a different way of leading, not only in companies, but in society as a whole.

Sean Brown: Thank you, Kurt. Carolyn, can you elaborate on the shifts that Kurt alluded to? How have CEOs adapted their mindsets and practices?

Carolyn Dewar: One of the things we've really noticed in talking with CEOs and working with them is the level of aspiration and boldness in terms of what's getting done is just tenfold if not more, right? And so how are CEOs not only thinking 10 times faster, and bigger and bolder, but actually moving their organizations to achieve extraordinary things that otherwise were thought impossible in the timeframe. And so I think about a conversation with the CEO of the Cincinnati Children's Hospital. Last year they did 38 telehealth visits a week, right? That was their typical rhythm. This year during COVID times they jumped to five seven In telehealth visits a week. Whether you think about Unilever, where they almost overnight converted their factory lines from making deodorant to making hand sanitizer, right? There's these shifts that in normal times, would have been thought to take months, if not years, with a

lot of planning, and a lot of capability building and strategic questions and resource allocations over a long time, are happening virtually overnight. And the question we ask ourselves is, of course, this is a pandemic, it's an extraordinary circumstance, but what can we learn from that? What bold moves have been able to happen that CEOs could carry forward? Because all of our research shows that CEOs who make such bold moves are significantly higher performing both as CEOs and in the companies that they lead. In fact, making one or two bold moves more than doubles the likelihood of a company making a shift to a top quintile performer over a 10 year period. What would it look like for CEOs to maintain that level of boldness in their thinking, belief in what's possible, and ability to bring their organizations along to make these kinds of extraordinary moves? The barriers to that boldness and speed used to be thought to be about technical limits. And I think we've seen now that they're as much about the mindset of what's possible. And now that we've seen what's possible, what will we choose to do? That's one of the first and fundamental shifts that we're seeing. And it's quite exciting.

Sean Brown: What are some of the practical ways that CEOs can not only push themselves but their organizations to these higher aspirations, but without burning out or burning out their employees?

Carolyn Dewar: Of course, people in many ways are running on adrenaline, right? And that's fine, but not sustainable. But I think what it has shown, not just CEOs but the organization, is that you're able to move faster than maybe you thought you were. And this isn't just about working harder. But some of the inbuilt assumptions about what was possible, those have been challenged. Maybe we can do things without all of the preceding conversations that we felt were necessary in the past. Maybe we can trial and error and experiment as we go. Maybe we can collaborate with others in ways we haven't before, to actually accelerate what typically would have taken a long time. So some of those new muscles aren't about working harder or faster. They're actually working in a different way. And I think those are the CEOs and the organizations that are really

feeling the unlock. It's not about more work. It's about working smarter. Kurt, curious about your reflections on this one.

Kurt Strovink: First of all, I do think we're seeing evidence across industries of what I might call a productivity bump. Coders working extra hours on the technology side, leadership teams not commuting and putting all of that time back into productive time. I know a number of CEOs are asking, Is there something I can do to lock this in? When you think about the ways to institutionalize change though there's a number of opportunities. One can create a sustainable, enduring set of models. We're seeing a lot around the dynamics of how top teams operate. We're seeing a lot about the speed of decision making, resource allocation. Many people are realizing that they're making as high quality decisions more quickly, but they're just doing it to fewer levels in the company. There's also a number of things that can be locked in in terms of institutionalizing work remotely, and in a hybrid manner. So a lot of thinking, I think is going in from CEOs right now into how do I create sustainable healthy models of ongoing performance? How do I standardize work more in remote environments that might interact with in person environments, and those kinds of things are durable, and they're not exhausting to contemplate. Sometimes they can create dividends of time. You know, I think the central idea here is, you know, think about the markers of what it means to really commit and choose. Think about zero basing how work gets done. The evidence is CEOs who are doing that are really making things move, and it's possible to do in this environment.

Sean Brown: Are there specific risks that CEOs need to be conscious of in this significant acceleration of the pace of decision making and operational changes?

Kurt Strovink: I would certainly say there's some things on the risk side, as companies imagine new ways of interacting with customers. A lot of digital innovation and pulling forward to investments that might have been three or four years out that people

are now contemplating in this year. And I think there are some regulatory questions, whether they're putting in enough time into these questions is probably warranted based on how fast the world is changing? Maybe that's, that's one area. I do think that thinking through sustainability in all of its forms will require more attention than is currently being given by CEOs - their employee value propositions, their long term recruiting, the onboarding of new people. I think people are aware of that, but don't have that code track yet. How do we learn in the new environment that might be more virtual for a while? How do I onboard people with the immersive experiences that they'll need to be effective as past generations have been? These are some of the questions that I think are worthy of more study and thinking. I don't think people are skipping over them so much as they're yet to be proven and shaped.

Sean Brown: Given that so much of work now is remote or virtual, how do CEOs ensure there is enough internal collaboration and consultation around decisions?

Kurt Strovink: That's an important one. CEOs describe that, while the core aspects of running their businesses are happening strongly and maybe even at levels of productivity higher than they would have expected, they are finding that thinking about new things, having the brainstorming around the watercooler As one CEO described it, that's been more difficult to replicate. The ones that are leaning forward, they're doing a couple things. One is they are using technology to create real kinds of interactions and participation and engagement as opposed to one way broadcast. They are launching some strategic thinking in the medium term about how their businesses and the ways in which they compete will change. And they're tasking senior people in the company to really think about that, in addition to kind of delivering the here and now. And I think that they're making that purposeful. And there's a lot of CEOs that are doing that right now. The other thing they're doing is they're

experimenting with agile ways of working, bringing agile practices that used to be in person into a hybrid virtual construct. A lot of agile forms are moving very quickly to technology-based models, and are actually achieving very, very strong gains, maybe more so again, that people would've expected.

Sean Brown: This higher rate of productivity and pace of change does create some challenges and added stress for workers. We've also seen a big delta in the stress and productivity between parents, especially parents of younger children, and non-parents. What are some of the ways that you're seeing CEOs and their executive teams handle that?

Carolyn Dewar: As a parent of young kids, I'm right there with you. And I do think we need to be careful as we think about what productivity has meant in this time. This isn't normal, right? I have some clients who are projecting forward and saying what if we moved to a remote workforce sort of indefinitely? What if that becomes our new model, not because of the pandemic, but because that's something we choose. And they're being very careful to not assume that the productivity of today will continue. On the positive and negative side, right? There's people living under extraordinary strain without child care, managing health issues, managing concern about elderly relatives. So the question we're posing for CEOs and others is, as we may move through and beyond the pandemic, are there lessons learned from this period that could well serve us in a more stable time? I do think, Sean, you raised an important and separate question, which is how can CEOs and leadership teams best support all of their employees where they're at? Because people are in very different modes; mental health issues, childcare issues. And I think the overriding message I'm hearing from CEOs is just the importance of them showing their own humanity. Right? And I think Kurt, it was you who had a quote from someone, but it's almost like this ministerial role that CEOs need to be playing, as they truly are understanding where their employees are

at in caring for them, and thinking of their people as an extraordinary, both asset but also part of the community that they're working through.

Kurt Strovink: I think you're exactly right. I mean, the notion was that I think CEOs are being called on to be more ministerial or emotionally relevant for their employees more broadly. And we sometimes do describe this as sort of a trifecta of difficulty where you have two working parents, kids under the age of 12, maybe an apartment in an urban setting or something like that, that creates really difficult situations. I think CEOs can also role model balance, and it's very difficult to do but when CEOs don't role model that I think we do see some challenges with the organizations being able to find new ways of working in its absence. One CEO friend described this is sort of boundaryless. Sort of like you're swimming in a blue ocean without land in sight. You're making progress, you feel like you've been working hard, but it's hard to get your bearings. And I think it's important to put some markers in between work and family time and life beyond work.

Sean Brown: I think that's a great transition to the second shift that CEOs are making. Monica, do you want to take us through that?

Monica Murarka: So it's this idea of elevating 'to be' to the same level as 'to do'. What is this mean, practically? It means that CEOs in this time are making a conscious deliberate choice to bring more of themselves into the workplace. So they're choosing how they show up as well as recalibrating what they expect from leaders and employees and how they show up. So it's not a new idea that when a crisis hits, everyone looks to their leader. What is unique is that in a normal environment, the types of leadership skills, often valued in CEOs and shown are business leadership, setting up a strategy, culture, people decisions. In this environment, it's much more about helping people maintain morale, and about helping people to be prepared for whatever may come in the face of uncertainty while managing business operations. So how are CEOs doing this? They're showing up with more of their

humanity. I mean, you see them in their homes on video conference. So not only do you get a peek more into their personal life, but the way that they show up, they're dressing more casually, in some instances, walking their dog on a video. And what's surprising is, we see that actually showing up in things like employee engagement scores. We've seen a number of CEOs start to move towards meeting with their top team on a daily basis, to giving up videos on a much frequent basis of town halls and so forth. So there's a lot more connectivity with their population, both internally and externally. Another way that we see CEOs showing up is they're forging these stronger, more cohesive, motivated workforces. Typically, if you're on a conference call, you might be multitasking. In the age now of video conference, a lot more CEOs are available and focused. One CEO told us he used to multitask quite frequently, but he realized that he wasn't bringing his best self to the conversation. And he owed it to those on the video conference. So he learned how to be more present and attentive. The final way it is to role model organizational value. So move from being more captains to more of a stewards. Showing vulnerability, empathy, making decisions in accordance with both their values and the company values, and really stepping out in front to be living proof of that. People expect the CEO to be transparent to have a grip on the situation, to be reasonable about what they know and don't know what they're doing about things, especially in a time of uncertainty. And we see a lot of CEOs stepping up to that. Now, being is different from doing and you need to both be and do in these times. People ask what does it mean to be? And a lot of that comes down to authenticity and tapping into who you are as a person. And bringing forward that. So a lot of research and discussions in the past have talked about being centered, managing triggers, calm, bounded optimism, and so forth. What it really is, is about bringing forward your own values and who you are. One CEO that I've been coaching, he's been in the role for about a year as a new CEO of an organization. And his top team wasn't particularly high functioning when he first came in. And now on top of the pandemic, we're in a virtual environment,

people are needing to act collaboratively and quickly, he really found himself in a challenge of how do I bring together the virtual top team in a way that we were struggling before the pandemic even began? I've known this a year for quite a while, and one of the characteristics of him personally is he's a very authentic person, very transparent and very caring. And so he really stepped forward outside of his comfort zone. And that's what we call the 'being' quality. to really bring that into the culture of the organization and the way that the top team worked. And so as we've seen over the last two to three months, that top team has actually formed a new way of working, a new level of transparency, and a lot of that wouldn't have been possible had the CEO not step forward a bit more to lead that process.

Sean Brown: Can we delve a bit deeper into this notion of cultivating a sense of belonging? You talked about the example that the CEO can set by being a little more personal, sharing a little bit more insight into their personal situation, How can the CEO help keep people connected to each other? And how does an organization instill its culture into new people coming on board after the pandemic?

Monica Murarka: So, we've worked with a number of CEOs who are transitioning in during this time. And if you're an externally hired CEO, it's incredibly challenging because typically you're doing your road shows, you're meeting folks on the front line, and with the travel restrictions, that was quite difficult. So we see a lot of creativity of ways in terms of doing, like, around the world sunset tours by video conference. Getting to know different parts of the operation a lot through video. One of the CEOs we interviewed, Steve Collis from AmerisourceBergen, he said it really beautifully. He said, "In my daily top team meetings", I asked, "What are people thinking? Who's having challenges? Who are the people I should be personally reaching out to and talking to at any level in the organization?" And so we see sort of a, it's a call to action among leadership teams and cascading all through management to really have a pulse on how do employees feel? Where Do connections need to happen? Whether through

video conference and formal kinds of meeting settings, to informal. Even here at McKinsey. We have informal watercooler video chats, happy hour chat. So I think the use of connectivity through video is so important. But also not getting video fatigue and still doing you know, having walks more on the phone and connecting one on one. But it does require a more concerted outreach and a more concerted effort. And a lot of CEOs are fortifying their communication teams to do it. The second part of it is team connectivity, whether it's peer to peer, or direct managers and above. So continuing to optimize those scheduled and informal times as well as a lot of employees have been saying they feel actually quite embraced. They have a lot more access to leadership through, whether it's more frequent video conversations with CEOs and top team leaders, that traditionally they would have only been in person and visiting a location, they can now access virtually. So it's a little bit of a shift there. And I don't know Carolyn, if you have any other observations from your experience?

Carolyn Dewar: The only piece going through my mind and maybe it's top of mind is getting worked down is the primary piece of video conference. So a lot of people have felt like it's so task oriented, that you don't have the social connection, but the other piece, we're starting to hear more of is feedback and development culture. And if as this continues and extends over a longer period of time, how do we make sure that you're also carving out time to give coaching, to give feedback? We're through the initial sprint, this could be more medium term, how do we make sure that people's development continues and they feel supported in that, so people are starting to notice and say, we need to be deliberate about that.

Kurt Strovink: We think the employee value proposition is critical to almost recast in this environment. It links by the way to customer experience, we see a lot of evidence of that. So, there's a number of companies that are actually trying to influence customer experience, even though the interactions with their own employees. Purpose is on the rise in a substantial way. We

also see a lot on this notion of talent and diversity and ways of focusing there. So all of that requires somebody who is close you know, connecting with the emotional side of the equation, not just the intellectual side. And we do think that the second idea of thinking about what your 'to be' list might be as a CEO is a provocative challenge, and one that has some enduring benefit.

Sean Brown: Many thanks to Kurt, Carolyn and Monica for taking the time with us today. In the second part of our podcast, we will discuss the two remaining shifts in CEOs' leadership approaches that focus on how corporations and their leaders engage with the outside world. We hope you can join us. A transcript of this conversation will soon be made available on the Inside the Strategy Room page on mckinsey.com where you will also find links to our previous episodes. If you'd like to share feedback or an idea for a future episode, please email us at insidethestrategyroom@mckinsey.com. If you'd like to receive email alerts as we publish new insights, you can sign up on the Strategy and Corporate Finance practice section of mckinsey.com. You can also follow us on Twitter @MckStrategy. Connect with us on LinkedIn by entering, 'McKinsey strategy and corporate finance' in the search bar to visit our practice page. Thanks again for listening. We look forward to having you join us again soon inside the strategy room.

Episode 2

Sean Brown: From McKinsey's Strategy and Corporate Finance practice, I'm Sean Brown and welcome to Inside the Strategy Room. Today we offer the second part of our discussion on the findings from the recent McKinsey Quarterly article, 'The CEO moment: Leadership for new era'. In our first podcast we discussed two of the four shifts we're seeing CEOs make in response to the pandemic. The first shift is significantly raising the level of their organization's aspiration and metabolic rates. The second is bringing more of their own humanity into the workplace and making sure

they are being authentic and empathetic. Today we'll cover the two remaining shifts; embracing stakeholder capitalism and leveraging peer networks. Sharing their insights on this topic with us today are three of the Quarterly article authors. Carolyn Dewar is a senior partner and co leader of our CEO and board excellence practice. Monica Murarka is a senior expert and part of the global leadership team of the CEO and board excellence practice. And Kurt Strovink is a senior partner and leader of our insurance sector work globally. Kurt, why don't you start us out by taking us through that third shift.

Kurt Strovink: Okay, the third shift that we see underway; this question of fully embracing stakeholder capitalism or moving beyond the shareholder as a primary and sometimes overriding consideration of the way that CEOs and their boards lead. And the central idea is that while shareholders are not unimportant, and they're not going anywhere, and clearly the reliance and focus on them needs to be maintained. There is an increasing focus we see to employees, to suppliers, to customers, to society at large. And the question that we're asking here is, does it have the potential to become a more permanent shift? And we're seeing some evidence from different CEOs. We posed the question in a number of our interviews. And we've also, in our own to counseling globally, we've seen this arise in a number of settings. The jury's out about whether that's going to continue in that way or whether it'll snap back to being more shareholder capitalism driven. I'd say CEOs seem to be split on that. But there's a lot that think this has the best chance it's ever had to become a broader base of constituencies that CEOs are thinking about.

Carolyn Dewar: Clearly, during COVID-19, there's been extraordinary pressure to balance the different stakeholder groups, right? The immediate business need, the clear need to protect your employees, your customers, your consumers, society at large, the environment - all of those things have been juggled real time. And that's something we're seeing a lot of CEOs wonder about and question and feel some sense of personal purpose around trying to advance,

right? I think they've seen the power of these interconnected networks that we're all part of, and they absolutely are seeing it as part of their role as CEO and managing that going forward. The Business Roundtable came out with some new thinking around, what are the measures for this balanced stakeholder landscape that we're all operating in? And I do think measurement is a key piece of this, right? CEOs and others will respond to what they know they're being held accountable for. And so to what extent, CEOs as individuals, or as a collective community, like through The Roundtable, are they choosing to sign up for a broader set of measures of success than they have been in the past?

Sean Brown: In what ways are CEOs and their companies indicating to the markets, that they're embracing stakeholder capitalism?

Carolyn Dewar: There are definitely some early indicators. And to be honest, in some cases, the markets or society are the ones that are holding the companies accountable. So I'm thinking about some of the big investors who are going out quite boldly saying, not only do we have sort of environmentally oriented funds, where we have funds, who are thinking more broadly about other social purpose and other stakeholders. I think that will actually apply pressure back on CEOs and back on organizations. Some CEOs absolutely are very purpose driven. And their organizations are purpose driven. And they're being increasingly vocal about the broader set of measures of success that they're looking for. And we're seeing that in pockets in certain different industries as that plays out. I think this is one where positive peer pressure can be extraordinarily helpful.

Monica Murarka: Yeah, I mean, I think there's sort of two realities. There's a set of companies that essentially are very much struggling and for them, survival is at stake. And so there's a set of things that they need to do very operationally, literally to survive. There's also then another set of companies that what they choose to do and how they choose to react, will greatly affect their brand and the way that

consumers view them. The key point here is when we say the markets react, there's also this view of, how are they caring for their employees, but also for longer term connection and productivity of the employee workforce? Also in the community and the employees, they want to know that. I mean, a lot of our research shows that millennials and so forth, really care about the purpose and having meaning in the company. So a lot of this is also what these companies choose to do at this time and stand for starts to show the evidence of their purpose, their values, their mission, their strategy.

Sean Brown: Thanks, Monica. So now let's move to the fourth shift. Carolyn, would you like to walk us through that?

Carolyn Dewar: Sure. So the fourth big theme that we're seeing from CEOs in this moment, is them really harnessing the real power of the peer network, right? Certain roundtables or CEO forums - people are really showing up, right? They're present, they're highly engaged. A lot of the more formal CEO networks are meeting at an incredibly frequent pace, engaging on real topics, and being incredibly vulnerable with one another in ways they haven't before. Right? So it's no longer just, you know, 'let me show you how I have everything under control', but that humanity we talked about is showing up here as well. CEOs know that each other can understand what it's like to be in their shoes. They're sharing much more openly in terms of some of the real questions they have that none of them have faced before. And they're trying to navigate together. There's two particular pieces going forward that we see really continuing, in addition to that. One is this idea of analogies or having analogous companies and CEOs to learn from. I think in these networks, people have realized that they have a lot to learn from other organizations that may not be the exact same industry as them or in the exact same period of their growth, but they're facing similar challenges and how do they learn even one industry learning from another that's further ahead, right? I think about some of my, you know, technology organizations that are quite adept at working

remotely and working in these ways. Other CEOs are looking to those sectors and saying, "How do we catch up?" The other piece, which is happening in some ways today is CEOs coming together to actually solve joint problems together that can only be solved by one or more of them acting on behalf of society and for the good. Whether it's retraining employees and a whole sector for the future that's fundamentally shifted. Whether it's working together on some of these broader vertical industry issues around sustainability. And again, that's another that we think could be a real unlock. If CEOs were willing to continue thinking about what can be solved as we work collectively together, what would that look like?

Kurt Strovink: We've long been focused on CEO learning. And we've long believed that ideas across industries can be very powerful for innovation. And I would just underscore Carolyn's point that the uptake in desire to learn from CEOs has been really substantial in the last four or five months from what we've seen. Most CEOs are saying I don't want to learn from somebody who used to be a CEO under a different era. What I find more helpful as people who are facing the same situation that I am from different vantage points from different industries and learning and listening to them and comparing notes. And in a number of the CEO forums that we maintain, as a firm, we're seeing the increase in desire by the members to meet to be three times the rate from before. So things we've done every 18 months, we're now doing every six months. And I think these networks that they're forming, we think have a potential anyway to be more durable over time. And if they can create more of a learning organization that is more porous, in its membrane maybe with the rest of industries and other companies, we think that's a huge potential source of value.

Sean Brown: Current when you think about all of these shifts together, what do they mean broadly for the future of the CEO role?

Kurt Strovink: We sometimes think about CEOs as calibrators in chief. They are in some sense, the

place in the organization that will have to assess the extent, the speed, the proportion, of response to a changing external world. And we think that many of these parts are aspects of basically playing out the key role of the CEO, which is to calibrate and to decide, are we doing enough? Are we doing it fast enough? Are we doing it imaginatively enough? The CEOs that are thinking that way, and deciding on moving maybe even faster than some voices around them would suggest, as potentially unlocking additional sources of value and not just financial value. The final thought that we wanted to leave you with is we talked about this as a CEO moment, and we talked about it as a, you know, a moment of individual CEOs and we tried to synthesize out some of that enduring themes we see, but we also are excited about the possibility, the potential, that if a number of CEOs make these moves, we think it could add up to a bit of a movement more broadly and advance the role of CEOs within society. We think about the CEO like a domain that is to be studied in its own right, much like he would study talent management or digital or analytics or other important areas. If a number of CEOs make moves and shifts, like the ones we're talking about, it could add up to quite some substantial contribution to society as a whole.

Sean Brown: Many of these shifts that you're describing are also substantial enough to merit the attention of boards of directors. How are CEOs collaborating with their boards on these issues?

Kurt Strovink: First of all, I think we're seeing that the board and the CEO are interacting much, much more frequently. So the working and give and take and the management team is not just updating boards at arm's length, but actually involving them in the core problem solving is on the rise. We're seeing that across industries. And I'd say that the cycle time of board interactions in various ways is up two times, maybe three times in some cases. Second, we're seeing lots of focus on questions of succession interestingly. It's made them more mindful of sustainability and boards are participating in that dynamic. There's also a number of things on the M &

A front and combinations are being looked at, which obviously brings the boards in closer. We're also seeing a number of CEOs expose next generation talents to the boards in different ways during this period of time, through formal and informal processes. And I think you can say overall that this period is one where the board and the management team, they've become more closely connected. So I would say those are some of the trends that we're seeing with CEOs and their boards during this period.

Sean Brown: So let me end by asking, what do you find most exciting about what you've learned from CEOs during this research? Monica?

Monica Murarka: Sure. I think for me, CEOs, or the role of CEO is really a powerful shift for not only organizations but society at large. And so what a CEO individually chooses how they spend their time, where they put their effort, has huge consequence and huge impact. And so I think what we're learning through this environment is that CEOs can show up into ways that they potentially hadn't thought about, and really put the time into and focus into.

Carolyn Dewar: Absolutely. And I think Kurt and Monica said it well as it really is a, it's an unfreezing moment. And there's so much in flux, and how do we take advantage of that and be very intentional about how we want to reform our view of leadership and CEO in organizations going forward? I think that that

is the invitation for the generation right now. And it's an exciting one.

Kurt Strovink: Yeah. And I would just say, I think it's the possibility of learning from others across industries at a time of rapid compression and innovation and the long term effect of that. You know, there's an old quote that says, this world cares too much about one year and not enough about 10. And I think there's a chance to really take a you know, five to 10-year standard and to put in motion some things that can really shape industries at this point.

Sean Brown: Carolyn, Monica, Kurt, thank you again for taking the time with us. A transcript of this conversation will soon be made available on the Inside the Strategy Room page on mckinsey.com, where you may also find links to our previous episodes, including the prior session on the first two shifts. If you'd like to share feedback or an idea for a future episode, please email us at insidethestrategyroom@mckinsey.com. If you'd like to receive email alerts as we publish new insights, you can sign up on the Strategy and Corporate Finance section of mckinsey.com, or follow us on Twitter @MckStrategy, or connect with us on LinkedIn by entering 'McKinsey strategy and corporate finance' in the search bar to visit our practice page. Thanks again for listening. We look forward to having you join us again soon inside the strategy room.

Carolyn Dewar is a senior partner in the San Francisco office, where **Monica Murarka** is a senior expert. **Kurt Strovink** is a senior partner based in New York. **Sean Brown**, global director of communications for the Strategy and Corporate Finance practice, is based in Boston.

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