

The CEO Interview

Heidrick & Struggles on the changing nature of leadership

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Tracy Wolstencroft, CEO of the global executive-search firm, explains the importance of authentic leadership, listening, and getting comfortable with being uncomfortable.

The world is increasingly volatile, uncertain, complex, and ambiguous. What does that mean for leaders? In this interview, Tracy Wolstencroft, chief executive officer of global executive-search firm Heidrick & Struggles, discusses with McKinsey's Rik Kirkland the implications the changing world has for the art and science of leadership and what companies are looking for in potential executives. An edited transcript follows.

The importance of authenticity

When it comes to talent and leadership, it starts with content. Today, you're in a fishbowl. And part of being in that fishbowl means you're taking information from multiple sources, you're being evaluated on how you take in that information, you're constantly learning, constantly teaching, and you have to have a constant ability to modify. Those who adapt best are the ones who thrive.

But how do you lead today if you're going to have to change or be prepared to change tomorrow? How do you do that without being wishy-washy? It gets back to communication. You have to strike a balance between being confident and assertive, while helping folks realize, "Here are the risk factors." There's honesty in that.

The more the individual can convey that inner sense of integrity, that inner sense of authenticity, then the more folks will give them the benefit of the doubt that *if* they have to change, it's not because they've changed their mind. It's driven by circumstances in the world that have changed. If the individual has flagged that as a risk factor, that's part of being authentic.

Merging innovation and consistency

The liability of being in a fishbowl is you're being looked at from multiple vectors simultaneously—the proverbial 24/7. That's the liability. The positive is you have information coming to you from so many sources and the ability to have an open mind to that information. The best idea for your business may come from an 18- or 20-year-old who's living in Shanghai or living in Bangalore. You have to be open to that.

The way I'd say it is we live in what's been termed a *VUCA* world—volatility, uncertainty, complexity, and ambiguity. In a *VUCA* world, there's only room for humility. There is simply too much happening every given day that can make you humble. So get ready for it. Be comfortable. Be comfortable being humble in a *VUCA* world.

The more feedback mechanisms you have, the more you have organizations where people realize that no one person can have the best solution. The more minds on a problem, the better. And that gets back to the fact that the fishbowl can be an asset, not a liability. It's constant feedback loop. And I think a compass, or a purpose, just gives you a sense of where true north is. What do we stand for?

Some of the best leaders have the ability to incorporate what I think of as a compass, or a broader purpose. A purpose statement or a vision statement in and of itself isn't a strategy. But it is a compass. We live in a world that is looking for quick hits, looking for quick action. But there has to be a trend line. Those compasses, those purposes, help drive that.

Being comfortably uncomfortable

Someone said, I can't remember who, that comfort and change never coexist peacefully. So I think as you go out 10 or 15 years, and as we get into this environment where it's not just a *VUCA* world but a *VUCA*-squared or a *VUCA*-cubed world, you almost have to get comfortable being uncomfortable.

You have to recognize that an uncomfortable state is OK because it typically means that you're growing, you're learning, and you're allowing yourself to be even more authentic with the groups that you're interacting with. You know, there's nothing better than for a leader to ask a question that shows he or she doesn't understand everything. Letting someone explain what the answer is empowers them, it energizes them, and the CEO also learns.

Be agile enough to take all that information, assimilate it, and put your best judgment forward. But also be humble enough to recognize that you may have to adapt down the road and communicate, when you express the strategy, what you're looking at. That way, if you have to come back and adapt, you're not seen as changing your mind so much as adapting to the external environment.

Talent requirements

We see clients who are very focused on staying close to home—whether that be geographically or whether, for example, they're in a consumer business—and they want a CEO or a director or more leadership who knows the consumer business cold. But we also have clients who recognize that they're not moving as fast as they could, and they want an outside view. It's not as if they have to be prepared to turn 180 degrees—although some are—but to go halfway there at the board level, at a CEO level, at a senior-team level, to inject a freshness into how to look at their relationship with their consumers or their relationship with how they leverage technology.

It's a mix, and we're seeing both. The overall trend is that people recognize that there are all these vectors happening in the world and data coming in from different sources, and they want a CEO and a board who has the agility to assimilate all that. They want outside-the-box thinking, because then they will figure out how to apply it.

Building relationships

You have to spend time with the clients. I immensely enjoy spending time with clients and get tremendous energy from it. But it also helps us drive our strategy. It helps us think about where we need to adjust. It helps us get feedback.

Ideally, I'm with clients and my people. That way, in every meeting I'm in with a client, I'm really talking to two constituents in the room: the client, but also my colleague. That's an important chunk of my time, and it's important for my key leadership team to feel confident and spirited by the strategy, to debate it, and get input. You never know where a great idea is going to come from. As I said, the best idea may come from someone you just hired who's bold enough and courageous enough to ask a question that no one else asked. You have to be open, showing your team that you're prepared to go out and connect with people. It sets a great tone. □

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