

# Harvard Business Review

## Three Strategies for Innovating to Attract Top Leadership Talent

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When you think about accelerating innovation, what often leaps to mind first is finding new technology.

But with global economies challenged by geopolitical volatility, runaway inflation, congested supply chains, and the tightest labor market in decades, innovation is more than ever about discovering and simplifying the process of attracting, engaging, and retaining employees in ways that differentiate your value proposition to attract the best talent.

In a global survey by the Chief Executive Alliance, 70 CEOs shared insights into how they're coping with the talent market by using innovative leadership and succession development programs to set themselves apart from the competition. The survey uncovered three predominant strategies.

### **1. Unlock innovation by unleashing your leadership team.**

As the president of Pixar, Ed Catmull created physical spaces that would intentionally differentiate each step of the brainstorming and development process and encourage all stakeholders to lean in. "To take full advantage of every creative thought in the room," Catmull once told me, "the first space for a new project is a sacred safe spot where all ideas are welcomed, encouraged, treasured, and vigorously protected."

For most organizations, the process of launching a product or line of business doesn't feel welcoming; it often involves a mountain of paperwork and tackling expensive regulatory hurdles over months or years for approvals. For an entrepreneur starting a venture—or an "intrapreneur" inside a large organization who is trying to innovate—the process can be daunting.

But one of the most innovative steps you can take when you encourage people to come back to the office is to make the space feel safe for productive work that makes it worth the commute to be together—just as Catmull did so effectively with the office at Pixar.

In the United Arab Emirates, Abu Dhabi intentionally made itself more attractive to global leadership talent and entrepreneurs by streamlining its

application process for starting a business. Abu Dhabi brought together the chairman of each department involved in the approval process to target redundancies and condense the process while maintaining the highest levels of quality.

The courageous collaboration resulted in a 71% reduction in business requirements along with sharply lower local fees—down 91%—and complete elimination of paper as the process is entirely electronic. Not surprisingly, the change has encouraged businesses and attracted leadership talent by setting the nation apart from other countries and regions where it's more costly and time-consuming to start an innovative organization.

## **2. It's lonelier than ever at the top. But it doesn't have to be.**

More than ever, leaders are feeling the need to find a private sanctuary to share ideas, compare scar tissue, and even vent off the record. To increase the engagement and retention of your senior leadership team, you must create a safer, more personal place for those executives to talk with peer-level leaders.

As an experiment in innovative leadership development, Marshall Goldsmith and I launched private CEO Life Process Review (LPR) sessions every Saturday and Sunday with 70 of our highest-achieving clients—CEOs, Olympians, bestselling authors. What makes these sessions different from other useful private executive gatherings—often called “management salons,” “forums,” “masterminds,” or “a personal board of directors”—is that our LPR program rotates groups of up to 15 executives on each two-hour video call, so executives are not always with the same cohort.

We've also curated our group to include culturally and ethnically diverse CEOs and thought leaders, composed equally of women and men from every continent. It's common for LPR sessions to include leaders from Silicon

Valley, Singapore, New York, London, Dubai, Mumbai, Jakarta, Lusaka, and Zambia on the same video call in real time.

“As each of us shares our goals, triumphs, and failures, you quickly get the feeling that the problems and opportunities we face as leaders are very much the same set of struggles wherever you are in the world,” said Srikanth Velamakanni, cofounder of Fractal Analytics, based in Mumbai. (Fractal Analytics cofounder Pranay Agrawal joined on the same weekends from his base in New York.)

LPR sessions help executives feel they can “show up as better human beings at home and at work,” said CEO Mike Kaufmann of Cardinal Health, with revenue of more than \$160 billion. Serving as “peer coaches” for each other, Kaufmann observed, is one of most innovative ways to help leaders return to their leadership role renewed and focused on the right mission and messaging.

### **3. Go ahead and feel paranoid. Just make sure it’s productive paranoia.**

Despite the massive scale and financial resources of his company, Amazon, founder Jeff Bezos once told me, “It’s inevitable that Amazon will be disrupted.” I sat in astonishment until Bezos finally guffawed, “But it won’t be during my lifetime!”

As a CEO coach, I have found that iconoclastic attitude increasingly permeating the most innovative leadership development programs. Many global companies convert a natural paranoia of the competition into productivity during off-site executive programs in which leaders compete to destroy their own company and create faster, more agile organizations offering competitive products. It used to be that only special task forces at companies, often called red teams, would run drills, posing as an enemy to help an organization better respond to threats. But today, these exercises have become more mainstream and creative to help shift the entire leadership

team's mindset from defense to offense, from a focus on the status quo to unlocking new opportunities across the organization.

Jesper Nordengaard, president of Colgate-North America, brought his team to Google's office in New York rather than to a hotel or a company conference room in order to change the setting and ignite rich conversations with outside influencers. We invited prominent institutional customers and retail clients who shopped convenience stores to talk openly about the best and worst practices of the industry and how we could innovate and elevate service.

"This deeper connection with customers requires that you encourage the toughest possible feedback—which is surprisingly refreshing and energizing in terms of engagement," said Vinod Kumar, CEO of Vodafone Business in Europe.

Kumar had asked me to lead "company-killing, team-building" sessions when he was CEO at Tata Communications. During our sessions in Singapore, we brought together his most senior team members and a few trusted customers, who ganged up to find ways to "reinvent our thinking by designing companies that would destroy us!"

The process opened up innovation, but unexpected benefits were increased engagement and teamwork. The sessions gave leaders permission to explore what was and wasn't working on their teams and greater ownership of the potential to improve as a senior leadership team.

## **Designing your future**

The type of innovative leaders you're hoping to attract and retain in this competitive market for talent fundamentally appreciate frequent opportunities to face the brutal truth about your company. This process gives them a greater sense of accountability and agency over the organization's future (and their careers) rather

than denying their need to be more creative as a group to collectively defend against disruptive outside competitors.

Unleashing your leadership team in this way, along with intentionally building a safe peer network for each of your high achievers, increases loyalty and engagement by creating a welcome space for them to wrestle with the toughest issues, and in turn, it increases their capacity to accelerate innovation and growth in one of the most volatile markets in history.

*To learn more about professional executive coaching and its organizational benefits, visit the International Coaching Federation (ICF).*

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