



The New Director's Chair

Conversations with business leaders about changing board dynamics in an age of disruption.

I Look For Leaders With Humility And A Relentless Will For Driving Change

Published on April 26, 2022



Joe Jimenez



Adam Bryant 

Managing Director at The ExCo Group (formerly Merryck & Co. Americas)

Joe Jimenez, a veteran CEO and board director, shared timely insights with me and my colleague, David Reimer, CEO of The ExCo Group. [Subscribe here](#) to receive all our interviews with board directors.

Reimer: How has the last two years changed the dynamics of the boards you serve on?

Jimenez: Because most companies have run their board meetings remotely for the last two years, it has changed the role of the individual board members to ensure that they are still going as deep in the company as they did when they were there in person and were able to have one-on-one meetings with individual members of the management team.

You want to know what is happening in the company and what the mood and tone is. That's more challenging as board meetings have moved to Zoom. But one way that I've tried to get around that is to continue to have those one-to-one meetings over video — setting up additional time so that you can get the pulse of what's happening in the company.

Bryant: Part of a board's responsibility is assessing broader risks to the organization. How have those discussions evolved, given the relentless disruption of the last two years, to help build more resilience into the organization?

Jimenez: It has led to a conscious effort to spend more time on risk management in not only the risk committee, but also with the entire board — trying to understand what might be missing from that list of possible concerns so that we can get ahead of it and put mitigation plans in place.

In terms of building resilience, I do believe the relationship between the board and the CEO is key during times like this. Are we hearing from the CEO how they're managing their associates through some of the external events? What are we doing to ensure that people are safe and staying focused on their job so that we can execute through these very difficult times?

If those conversations don't go well, or if we don't feel like a board is comfortable with the degree of paranoia by the CEO, then the board will get more involved.

Reimer: Are there aspects of the CEO role that have changed in ways that influence the advice you give to them as a mentor and director?

Jimenez: The job has changed. If you think about what has happened in the whole ESG space today versus just five years ago, a CEO has to be much more attuned to the critical ESG issues in their company. They have to be managing them in a way that is very different than the way we managed them five years ago.

A CEO has to be much more

*attuned to the critical ESG
issues.*

It's important that the board members ensure that ESG is not managed as a separate function. How do we embed ESG into the compensation committee? How do we embed ESG topics into the governance committee? How does the CEO manage those issues so that they are integrated within the functions?

Bryant: Employees increasingly feel that they should have a voice in company policy. What is your framework for thinking about that?

Jimenez: One of the hardest parts of leadership is being able to make hard decisions and still capture the hearts and minds of the rank and file. And that's become even harder in these days when you have Gen-Xers and Millennials who believe that they need to be a part of key decisions in the company. They don't just work for the company — they're dedicating part of their life to that company, so they want their values to be reflected in the company.

So it's this fine balance of ensuring that you maintain their energy and their enthusiasm, but at the same time, you as the leader have to sometimes make decisions that are unpopular. The best leaders are able to do both.

They can create a vision of where they need to take the company. They

can put current events in the context of the company's values, and they can still make hard decisions that benefit all the stakeholders. It's a fine needle to thread, and it becomes harder when you've got an employee base that is quite different than it was 10 years ago.

Reimer: What are the X-factors that you look for in future leaders?

Jimenez: As a board, one of our most important roles is to select a CEO and the successor to the current CEO. We always have to start with where the company is, and what does the company need for the next 10 years? And that changes over time. When I became head of Novartis, the company needed a certain kind of leader, and that's why I got the job as opposed to somebody else. If you start with, "What does this company need over the next 10 years?" then the skill set you're looking for becomes very clear.

If you have three candidates that could deliver on what that company needs in the next 10 years, I look for a leader who has humility and a willingness to listen, but they have relentless will at the same time. And it's that paradox of having humility and relentless will that I have used over and over when I have selected people.

The second criteria for me is, does the person really believe that ESG has to be integrated into the different functions in the company? Or are they saying all the right things, but maybe they don't believe it in their core?

The third thing is how we think the leader will work with the board.

Some CEOs still see a board as a necessary evil and a governance mechanism, rather than seeing it as a resource to help ensure the right decisions are being made.

Bryant: Turn that lens on yourself for a moment as CEO. Did you come in open-minded? How did your own relationship with managing a board evolve over time?

Jimenez: To be honest, early on I did not use my board the way that I should have. When I first started as CEO, I was more in the prior camp, which was, “I know what I’m doing, I’m operating the company.”

It didn’t change until my board gave me some hard feedback. They said, “You come in here and it feels like you’ve put a shield up, and you’re here with your flak jacket presenting and your guys come in and give good presentations and then we leave, but that’s not the way we want to operate.” I was able to take that shield down and start to operate with them in a different way.

Reimer: In all the mentoring that you’ve done with senior leaders over the years, what are the most common themes that come up?

Jimenez: One of the common themes is lack of self-awareness. Often when boards select a CEO, they are selecting them because they’re a hard-charger, and they’re going to get the job done. But they are not as self-aware as they could be in terms of the impact they’re having on their people or the board itself.

At Novartis, we had incredibly smart people, and through many self-evaluations and many 360s we found that technical competence was through the roof, results orientation was through the roof, and self-awareness was a big challenge.

They didn't understand the impact that they had. And so a lot of what I do in terms of counseling senior managers or new CEOs is to make sure they are getting feedback from people they work with about the impact they're having on them. How are they showing up as a leader?

Showing vulnerability and empathy are good leadership qualities today.

It comes back to this leadership skill of being humble enough to really listen — not just go through the motions of listening, but to really internalize what people are telling you about how you're showing up and then modify based on that feedback. The best managers take that advice, they act on it, and then they change personally. Others take the advice but don't necessarily act on it.

Another theme that sometimes comes up is the fact that it's okay to be vulnerable. We put people in senior positions, and many of them put up that shield and don't want to be seen as vulnerable. Employees today want to know that a senior manager who's leading them is human, and that they too are impacted by the war in Ukraine or by the stress and depression that Covid has caused for a lot of people who were stuck at

home and isolated. Showing vulnerability and empathy are good leadership qualities today.

Bryant: Joe, this is the second in-depth interview I've had with you, and you have this quality of being calm, confident, and credible — which I think are important goals for all leaders. Were you always this way?

Jimenez: It was a learned skill. People who work with me, particularly at Novartis, describe me as more paranoid than I seem. I give this advice to CEOs as a board member — you need a level of paranoia about your business for you to know when to call a problem a problem. Because many CEOs get into trouble because they have not called the problem as soon as they need to call it. They just say everything is okay, we're just going to get through it, instead of saying, "This thing could become a mission-critical problem and so we're going to address it right now."

Now, that's very different than the way that you act. You do want to act calm and collected and ensure that you're not inciting panic in your organization. But internally, you have to have that level of paranoia so that you can act swiftly when problems start to arise.

[Subscribe here](#) to receive all our interviews with prominent directors. And for more leadership insights, check out our other three interview series with [CEOs](#), [CHROs](#), and [prominent Black leaders](#).