



Leading Through Disruption

Powerful conversations with prominent leaders on navigating this era of relentless change



Rolv Erik Ryssdal

To Create A Diverse Culture, It's Not Enough To Have Good Intentions



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***Rolv Erik Ryssdal**, a veteran CEO and board director, shared his key leadership lessons with me and my colleague **Adam Bryant**, managing director of **The ExCo Group**, in our latest "Leading Through Disruption" interview. [Subscribe here](#) to receive future interviews.*

Lauterbach: You were a CEO for more than a dozen years. How is the role of the director different for you?

Ryssdal: It's more about coaching and guiding. When I was CEO, I should have allowed myself to spend more time on the balcony, taking a long-term view. But as the CEO, you want to be involved in everything. So what I do now is to help the CEO and the team think about their long-term goals and how best to achieve them.

One big danger today is that there is so much volatility that it can be tempting to respond to every new development. I used to meet with financial analysts each year. They're very smart, but you start to understand how much they can get caught up in the moment. They will be asking you questions that are the complete opposite of what they asked a year earlier. As a CEO, I tried to not talk too much to financial analysts. As a board member and chairman, it's even more important to take the long-term view and provide some assurance to the executives running the company.

Bryant: What is your playbook for leadership? If you were to take over running a new company, what would you tell people on the first day about your approach?

Ryssdal: I would start by listening and trying to understand the company's current situation—is it a smooth-functioning machine or is it in distress? That would affect how much of an active leadership role I would have to take. Should it be directive or more of a coaching role?

Then I would try to really understand the company's values, because values are the basis for culture. If you're a good corporate citizen and you have a long-term view and integrity, those are strong values. Then, given the volatility we're facing, you have to be able to see around corners. You have to foster innovation, and that includes understanding that mistakes are part of the process, rather than something to be punished.

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Then I would try to figure out the elephant in the room. What are the things that people don't want to talk about? What are the unpleasant things here? What are the decisions that only the CEO can make, and needs to make?

Lauterbach: Can you talk more about your playbook for creating a culture of innovation?

Ryssdal: You have to promote behaviors like speed, delegation of authority and risk taking, and you have to accept mistakes. If you are in a business ripe for

disruption, you have to create a structure that allows you to grow and compete with yourself. When you create a separate unit and give people responsibility and the ability to act with speed, you will be able to attract top talent. You have to delegate and trust them. If you want to disrupt yourself, you have to create a structure and give people a real opportunity, and not just lip service, to create something new. Then you have to step back and let them do their job.

Bryant: When you were a CEO, what steps did you take to build a diverse culture?

Ryssdal: You've got to create an environment where people are comfortable challenging you. And you have to build a diverse leadership team so that people understand that everyone has the same opportunity to advance, regardless of the color of their skin or their gender or any disabilities. As a leader, you have to be tough to ensure that happens.

I remember once when we were working with a prominent search firm to fill a very senior position. I told them that I wanted a diverse list of candidates. They brought me a good list, but then they came back a few weeks later with the short list, and all the diverse executives were gone.

I let them know I was angry, and told them to come back with a better list, and we ended up hiring a female executive who helped diversify our leadership team. It's not enough to have good intentions. You've got to be a bit stubborn. As I said often, "We are a big organization. If we cannot do this, who else can do it?"

Lauterbach: What are the most common themes that come up when you are coaching senior executives and giving people feedback?

Ryssdal: I often spend time trying to instill confidence in people. I will tell them, "I believe in you. The company believes in you. You must believe in yourself." I also give them a lot of advice about prioritization. You cannot do everything at once. What are the two or three most important things that you need to achieve this year?

People can get caught in a kind of centrifuge, given all they have to do, and they cannot think. So I'll say to people,

“What are the things that you don’t have to deal with today or this month? What can you take away from your agenda?”

Bryant: What other insights have you learned about driving transformation?

Ryssdal: One is that you have to relentlessly repeat the strategy to get people to buy into it. Also, don’t try to do too many things at the same time. There’s only a few things that the company can do at once. Companies also need to slow down in order to move fast later.

Finally, you have to divide the work into digestible parts. I’ve seen many transformations that went badly because the matrix structure was far too complex. People didn’t understand it.

So you have to create clarity around roles and responsibilities. And everyone must know who is making the decisions, because that’s often unclear. Having said that, people need to also be able to challenge each other and influence each other to ensure they come to the best decision. If you can create that environment, you will have an inspiring and cross-cultural way for people to learn from each other.