

My advice to Chief Executive Officers

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Every person charged with running an organisation carries an enormous task on half of the key stakeholders. Others take this role as a way to enrich themselves personally while others take this role as an opportunity to do well for the benefit of society. At the core of leading an organisation are the people. Without a strategy of leading the people that work for you regardless of the size of your organisation any success you may enjoy is likely to be short-lived. Here are the issues that every CEO must reflect on:

1. **Hire the best people available** – regardless of the pressure from anyone, the best favour you can do for yourself, as a CEO is to hire the best people. Talent is what formulate and drive sustainable strategy. Any company short of quality thinking will struggle. “If you want Singapore to succeed...you must have a system that enables the best man and the most suitable to go into the job that needs them...” This what Singapore’s first prime minister, Lee Kuan Yew said. He was right; countries that recruit and select people on merit to fill in public service positions tend to do well economically. The same principles apply to private organizations. Get the best people for the job and never compromise on who joins the organisation.
2. **Pay people differently** – Pay your top performers far much more than your average performer. Do not underpay your top performers in the name of equity or some policy. Good performers give more when there is a big difference between them and average performers. Every benefit an employee gets must be a reflection of their value, nothing else.
3. **Empower your top team** – If you have good people in your executive team things move. Empower them to make decisions within policy and only consult you on big issues that require CEO or Board approval. The challenge in practice is that most of the people who have the title “executive” have no decision making power. Such an arrangement retards progress. Good CEOs share power with their executive team. However, this should only be done when the executive team is competent.
4. **Humility** – Be kind and tough on results. There is no need to harass your team including other levels of employees. You can be extremely tough on results with a very kind heart. Remember the exit from the CEO role is not always smooth. You will need your subordinates for support one day.
5. **Performance is everything** – Cultivate a high-performance culture throughout the organisation. Be tough on performance targets. Remember all targets must be agreed between the managers and those they manage. Do not allow a situation where targets are dictated no matter how powerful you.
6. **Know – When its time up** - You must decide when you want to exit the organisation at the beginning of your tenure. Do not wait to be pushed. Even when performance is good, it is better to leave at the height of good performance. Do not be persuaded to stay.
7. **Succession Plan** – Have a succession plan in place. Identify at least 3 to 4 people who can take over from you. Prepare all the candidates for the role. When the time comes, the job must go to the best person among your chosen successors.

8. **Leave a good legacy**- what are the people going to remember you for? Is it going to be performance or greedy and plunder of company resources? CEO roles wield so much power. Some incumbents are tempted to abuse this power for personal gain. Always make a distinction between company resources and your own. Never take more than what is provided for in your employment contract. It will catch up with you and normally it does not end well.
9. **Build a sustainable Culture** – If you build a good culture, half your job is done. Culture is the engine of sustainable company performance. Invest time and resources in building the right culture for your organisation.

This list is not exhausted, but I see these as the major issues CEO must deal with in order to build successful organisations.

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