



The Evolving Role of Today's CEO

To BCG's network around the world,

For the first time since January 2020, the [World Economic Forum Annual Meeting](#) was held in person last week in Davos. The crowd was slightly smaller than we're used to, but the discussions were energizing, especially at a time of such global flux and challenge.

One theme I observed and that has been on my mind a great deal recently: the fast-changing expectations of today's CEOs. I know from my conversations with many chief executives that taking a stand on non-core business issues—frequently under pressure and often without a playbook—has become a feature of their role.

Not that long ago, if a CEO focused on issues other than earnings, it was considered “off strategy.” Reputations were built and lost according to how much money was made. But now business leaders find themselves in an unfamiliar position. A new [report from Edelman](#) shows that business continues to remain the most trusted institution—above government, media, and NGOs—and that stakeholders expect business leaders to take action on a range of societal and even geopolitical issues.

This is a difficult role for leaders to step into. We can't (and shouldn't) act on every issue. Choosing the right challenges at the right time, and staying consistent and loyal to our values and purpose, will require more than a gut decision made under duress.

There are moments when the decision is clear, when company values and purpose align with employee sentiment and with the expectations of the great majority of customers and investors. Russia's invasion of Ukraine presented such a moment for

almost [1,000 global organizations](#), even though there were real risks involved with taking a strong position.

More often than not, however, these choices are less aligned and more divisive; they may build trust among some stakeholders while destroying it for others. And gauging the tradeoff is murky—particularly when competition for talent is fierce.

So how do you act boldly and with confidence? First, you need to align critical decision making with purpose. And second, you need a trust strategy.

In BCG's recent [trust report](#), which Rich shared in last week's Weekly Brief, there's an action list that can help CEOs build that strategy and adjust to their evolving role. The list includes thinking beyond the boundaries of the company, identifying promises to stakeholders and monitoring the company's ability to live up to them, and creating an adaptive trust strategy, understanding that trust is wholly dynamic and expectations keep shifting. Such a strategy is becoming a key CEO responsibility.

As these efforts can translate to value creation and strategic advantage in a stakeholder-driven world, they are muscles we all need to build—working to create greater trust in our organizations for the long haul.

Until next time,

A handwritten signature in black ink, appearing to read 'Christoph'.

Christoph Schweizer
Chief Executive Officer

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Strategist Ashley M. Grice explains the power of purpose to push boundaries of innovation and bring clarity to every aspect of an organization, from the top floor to the shop floor.

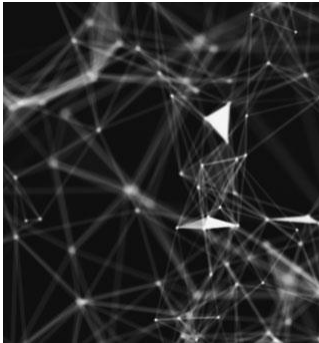
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