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# Two CEOs, No Drama: Ground Rules for Co-Leadership



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## **The co-CEO model can actually work. Here's how.**

Leonard, the chairman of a global consumer goods company, was wondering what to do with the two co-CEOs running the firm. While it had seemed a great idea to have two individuals at the helm, this arrangement had led to conflicts, stalled initiatives and an overall lack of direction. Some of the company's most valued executives had left.

Before Leonard had put the co-leadership structure in place, some of his peers had pointed out to him how rare it was. The health sector was one exception, with successful dyads composed of one person having medical expertise and the other, administrative skills. Leonard knew of several professional service and family firms that also thrived with co-leaders. What had gone wrong?

## **The benefits**

There are times when the benefits of shared leadership can outweigh its risks. A leadership dyad can enable two people to lead in a unique,

constructive way and, in doing so, surpass what could be accomplished individually. When two people are prepared to critically challenge and support each other, it can yield more creative and better-quality strategic solutions.

Furthermore, each leader has a **natural propensity to lead in a certain way** so combining different styles can result in useful complementarity. Think of good cop/bad cop, optimist/pessimist, holistic/atomistic thinking and other common leadership dualities.

In addition, running an organisation is a highly stressful endeavour. With a co-leadership structure, the work of each CEO can be divided, which can in turn mitigate each individual's level of stress. In addition, shared responsibility distributes the risk, **isolation** and challenges that top executive faces.

Finally, at a broader level, co-leadership can enable a collaborative culture. Having a healthy, high performing co-leadership structure sets an example to the rest of the organisation on how to successfully share responsibilities and work with one another.

### **The downsides**

However, as Leonard discovered the hard way, merely creating co-leadership positions is hardly enough. Dyadic success very much depends on a delicate dance between leadership personality, corporate culture and national culture. It is also important to create clarity around the rationale for co-leadership. In other words, there needs to be a culture that understands and supports co-leadership success.

Having two points of contact can be a very powerful thing, but only if everybody is crystal clear on who is doing what. At times, finalising a decision may require some healthy, but time-consuming debate between the pair. Even if both leaders have a solid relationship, disagreements will be inevitable. Narcissistic behaviour may come in the way of cooperation. If **power struggles** come to the fore, chaos can ensue.

Fortunately, there are a few guidelines for creating effective co-leadership structures. Recruiting wisely is paramount, but the key selection criteria should go beyond required technical expertise. The board should also put in place a series of ground rules.

## Structural ground rules

- *Mission/vision/core values:* The co-leaders must agree on the mission and vision of the organisation. They must also share the organisation's values. Culture compatibility will be of essence. Their personality makeup needs to fit into the prevailing company culture.
- *Role definition:* The organisational structure, reporting relationships and expected roles and responsibilities need to be clearly defined. If not, there is a risk of confusion both at the top and throughout the organisation.
- *Accountability:* Both co-leaders need to be held accountable for specific, measurable goals – some shared, some separate, but always complementary. Results must be monitored as co-leadership opens an opportunity to shirk accountability.
- *Authority:* Each co-leader should have sufficient latitude and power to make critical decisions and enact whatever changes they think are necessary. They should be able to make decisions in the areas that they are accountable for.

For co-leadership work to work, interpersonal processes are even more important than the structural measures just described. Dyads require soft skills, which are actually the hardest skills to maintain and measure as they are often intangible and hard to quantify.

## Interpersonal ground rules

- ***Know thyself:*** Co-leaders need to be familiar with their own strengths and weaknesses. If they can't recognise their counter-productive behaviour, it can result in prideful and defensive reactions. Conversely, better self-awareness can support de-escalation of conflict.
- *Collaboration:* Since two people are steering the ship, they must be able to collaborate with each other effectively. To avoid a high degree of interpersonal conflict, they both need a certain degree of agreeableness. In case of contention, however, the two co-leaders should keep in mind that they still need to keep a united front. If they have ever been parents, they will understand the importance of taking such a stand.
- *Communication:* Co-leaders must be willing to share knowledge openly. Executives sometimes imagine that knowing more than the other person strengthens their power base. Although there may be

some truth to this notion, hoarding knowledge is an invitation for disaster.

- *Honesty*: Co-leadership implies that no single person will be making all the decisions. Therefore, both parties not only need to be transparent with each other, but also with others in the organisation. Importantly, co-leaders need to be open not only about their successes, but also about their failures.
- *Trust*: A co-leadership team works best if both leaders operate in an atmosphere of **trust**. Each member of the dyad needs to show respect and give consideration to the other's position. In the context of trust, a major tenet of a mutually valued relationship is the presence of a safe space where both partners can freely express their thoughts and reveal their vulnerability. If not, each co-leader risks wasting much time and energy on monitoring the other party's motives and behaviour, thereby sabotaging the success and morale of the organisation.

## Coaching for co-leadership

For a co-leadership structure to work, executive coaching is often needed. Constant monitoring can ensure that the co-leadership runs smoothly. Left to their own devices, the two leaders may devolve into separate worlds.

Also, it is important to educate the rest of the organisation about shared leadership. Everyone should be familiar with the co-leaders' roles and responsibilities, their reporting relationships, and who should be approached with what issues. This will create realistic, practical expectations that will contribute to the success of this organisational design. After all, co-leadership can be a blessing and certainly needn't be a curse.

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