Leadership For The Fog

Idea In Short

Boards should stop treating leadership selection as a search for stable-era efficiency in a world that no longer behaves that way. The operating environment has become less predictable, stakeholder pressure has broadened and intangible assets now shape enterprise value more than physical systems alone. That shift changes what effective leadership looks like. Directors should therefore test for five qualities with more rigor: directional judgment without certainty, the ability to turn uncertainty into a collective capability, visible consistency between words and resource choices, fluency in matrixed organizations and character anchored in lived values. These are not soft add-ons to performance. They are the practical foundations of leadership in conditions where assumptions expire quickly, strategy moves under pressure and the wrong executive can destroy value faster than any formal scorecard will predict

Leadership evaluation has moved into a harsher reality. For decades, boards could treat executive effectiveness largely as a matter of performance delivery inside a system built for efficiency, scale and relative predictability. That system has weakened. Companies now rely more heavily on intangible assets, confront sharper geopolitical and stakeholder pressure and operate in markets where reversals arrive faster than planning cycles can absorb. In that setting, boards cannot keep asking stable-era questions and expect to identify leaders suited to current conditions.

Beyond the stable era

From the postwar period through the first months of 2020, many boards judged chief executives primarily through operational steadiness, earnings reliability and shareholder outcomes. Physical assets carried more of a company's value, long-term planning documents felt more credible and leaders were expected to reduce variance wherever possible. Efficiency became both a management discipline and a cultural ideal.

That environment has changed. Corporate value now rests far more on intellectual property, digital capabilities, brand, talent and other nonphysical assets. At the same time, stakeholder activism, geopolitical strain, technological shifts and macroeconomic shocks have expanded the number of forces leaders must absorb. In the words of one Fortune 50 board member in the source article:

> The external pull is becoming so great — to manage issues and pressures and activism — that to be the CEO in our traditional sense is becoming impossible

Boards have responded by reconsidering what effective leadership actually means. The shift is visible in succession planning. Candidates who once looked like obvious next chief executive officers [C.E.O.s] can quickly lose that status if they remain too attached to hierarchy, control, or predictability. That does not mean performance stops mattering. It means numbers alone no longer answer the central board question: can this person lead credibly in an environment that keeps moving?

Lead with a compass

The first quality is directional judgment without the comfort of a fixed map. Detailed multiyear road maps have become less reliable because assumptions deteriorate faster than before. Leaders still need to provide destination, coherence and performance indicators, but they cannot pretend that the exact route will hold.

A veteran Fortune 25 CEO described the need to make a decision today, while accepting that tomorrow's information may force a reversal. That is not indecision. It is disciplined adaptability. Leaders now need the confidence to act and the humility to revise.

Mark Thompson, former chief executive officer of the New York Times Company and current chairman of Ancestry, described the point clearly in the source text:

> It's not about trying to find the perfect strategies. It's more about helping organizations to be more open, flexible and adaptable to change

That perspective changes how boards should assess successors. They should ask whether candidates can frame direction in a way that survives volatility. They should also ask whether those candidates know how to redesign management routines so that course correction becomes normal rather than humiliating.

Siemens offers one practical example. The company moved away from annual target tracking as a ritualized performance device, a practice Barbara Humpton of Siemens U.S.A. called "performance-management theater" in the source article. In its place came a simpler leadership framework built around a few shared priorities and ongoing dialogue. That kind of shift matters because it aligns the management system with the reality leaders are actually facing1.

Make uncertainty collective

The second quality is the ability to turn uncertainty from an executive burden into an organizational capability. Ambiguity is no longer a special condition at the top. It is the backdrop. The better question is whether a leader can help the enterprise absorb it without panic, denial, or paralysis.

That requires narrative as well as process. Teams need language that makes uncertainty workable. They need leaders who can say, in effect, that the future is unsettled but the organization is built to operate inside that fact. This is different from motivational optimism. It is a management discipline that turns uncertainty into a shared operating assumption.

The source article used Intuit as a useful illustration. When Sasan Goodarzi became chief executive officer in 2019, he deliberately described the company's enterprise priorities as bets. The wording mattered because it signaled both ambition and acceptance of risk. A bet implies informed conviction, not guaranteed control. That distinction helps teams take calibrated swings without pretending that perfect foresight exists2.

Boards should therefore test for more than personal tolerance of ambiguity. They should examine whether a candidate has ever institutionalized adaptability. Did they create norms, language, incentives and review mechanisms that helped teams respond without freezing? A leader who can remain calm alone is useful. A leader who can make calm contagious is far more valuable.

Match words with choices

The third quality is consistency between stated priorities and actual decisions. In a period of broader stakeholder scrutiny, leaders lose trust quickly when their speeches point one way and their budgets, talent moves, or management attention point another.

The source article described a large technology company whose chief executive officer energized employees and investors with a compelling long-term vision, while daily management conversations stayed dominated by quarterly performance. Middle and senior managers concluded that the company had a financial strategy rather than a business strategy. The lesson is straightforward. Employees watch allocation more closely than aspiration.

One board director quoted reduced the issue to a sharp test:

> if a leader says something is important, the budget should show it

That is why operating expenses, capital allocation and talent deployment often reveal a strategy more honestly than any town hall presentation. Where words and resourcing diverge, people assume the budget tells the truth.

This quality matters because trust compounds or deteriorates through repetition. When leaders reinforce the same strategic destination through resource choices, milestone design and management rituals, people begin to believe the strategy is real. When the opposite happens, skepticism spreads. Research on employee trust and leadership communication continues to show that credibility depends on clarity, transparency and visible follow-through rather than message volume alone3.

Boards should therefore ask candidates for evidence. What did they say would matter? How did they fund it? What trade-offs did they make visible? What did they stop doing? Leaders who cannot answer those questions with specifics usually do not have a strategy problem alone. They have a coherence problem.

Master the matrix

The fourth quality is the ability to lead effectively inside a matrixed organization. Many companies moved toward matrix structures because efficiency alone no longer provides enough responsiveness. Customers, technologies, regions and product lines interact in ways that require more lateral coordination. The result is a structure that can be more adaptive but also harder to lead.

The source article handled this well. A matrix can unlock cross-disciplinary thinking, push innovation closer to customers and improve responsiveness. It can also trap executives in blurred accountability, endless meetings and fights over priorities. Leaders who perform well in that environment do not merely survive complexity. They give it shape.

That usually starts with shared success. Sowmyanarayan Sampath of Verizon Consumer Group, quoted in the source article, emphasized the importance of defining success through metrics people actually understand across the matrix. Without that clarity, cost, growth, service and speed priorities collide in ways that no amount of coaching can fix.

This is one of the article's strongest points because it rejects the sentimental view of collaboration. Matrix leadership is not about everyone agreeing more often. It is about making hard trade-offs visible, clarifying decision rights and aligning incentives so that collaboration has a workable basis. Research on organizational design has long shown that matrix structures succeed only when leaders address these coordination tensions directly rather than assuming good intentions will carry the system4.

Boards should therefore look for candidates who have made a matrix more productive, not just those who claim to be collaborative. Did they build trust across lines of authority? Did they reduce decision friction? Did they align metrics across competing units? Those are more revealing questions than generic assessments of teamwork.

Show real character

The fifth quality is character grounded in lived values and accompanied by self-awareness. In a world where internal communication can quickly become public and every stakeholder has a platform, directors increasingly want to understand who a leader is when pressure rises. Competency models can suggest potential. They cannot settle the question of character.

The source article made this point through both risk and method. It referenced Steve Easterbrook's dismissal from McDonald's after violating company policy, an event that erased billions in market value as the share price dropped. The financial consequence underscored a broader lesson: values failures are not private side issues when the person involved leads the enterprise5.

The article also offered two practical frameworks: an authenticity index and a self-awareness index. The first compares the values a leader claims to hold with the values colleagues actually experience in that leader's behavior. The second compares a leader's self-description of strengths and development needs with the assessments of close colleagues. These are not scientific proofs. They are disciplined prompts for better board discussion.

That is the right level of ambition. Succession cannot become a clean-room exercise where binders and psychometrics create false certainty. Boards need sharper conversations, not the illusion of precision. Character assessment works best when it treats values as lived patterns rather than abstract declarations. The real question is not whether the candidate sounds convincing in an interview. It is whether people who work with that leader experience the same person the leader claims to be.

Rethink board conversations

Taken together, these five qualities point to a larger shift in board practice. Effective leadership can no longer be reduced to stable performance within inherited systems. It now depends on whether a leader can create direction without false certainty, normalize adaptation across the enterprise, reinforce strategy through allocation choices, work productively through matrix complexity and bring values into action under scrutiny.

That also means boards should become more suspicious of overengineered succession processes. The source article quoted Matt Breitfelder of Apollo Global Management on the danger of overengineering succession in pursuit of an unattainable sense of certainty. That observation lands because it names a common boardroom temptation. Formal process can create comfort while obscuring the harder human questions that determine whether a leader will actually be followed.

1. Ask candidates how they changed course when facts changed
2. Examine whether they built adaptability into team routines, not just into their own mindset
3. Compare their stated priorities with budgets, talent moves and operating choices
4. Test whether they have led across matrix complexity with clear metrics and decision rights
5. Probe how closely their stated values match the experience of colleagues who work with them

Boards do not need a looser standard. They need a more realistic one. The environment has already changed the role. Succession practices now need to catch up.

- 1Performance Management Theater
- 2Intuit Earnings And Strategy Commentary
- 3Listen To Your Employees Or Lose Them
- 4How To Make A Matrix Organization Really Work
- 5McDonald's Fires CEO Steve Easterbrook Over Relationship With Employee

Summary

The leadership model built for a more stable era assumed that planning horizons were longer, performance metrics were cleaner and the route from strategy to execution was easier to control. That model has weakened. Boards now face a different challenge: selecting leaders who can navigate instability without pretending to eliminate it. The five qualities in this article offer a sharper way to evaluate that challenge. They focus attention on how candidates behave, how they create clarity under pressure, how they align people across complexity and whether their values hold when scrutiny intensifies. Succession decisions will never become a science. They become better, however, when boards stop chasing false certainty and start asking whether a leader is equipped for the environment the company is actually facing