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Contending with the impossibility of deprioritization: The reality of modern-day leadership

By **Bryan Furman**

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Contending with the impossibility of deprioritization: The reality of modern-day leadership

Deloitte Insights surveyed C-suite execs around the world to see how they're allocating their corporate investments and found corporate agendas driven by urgent and often conflicting demands.

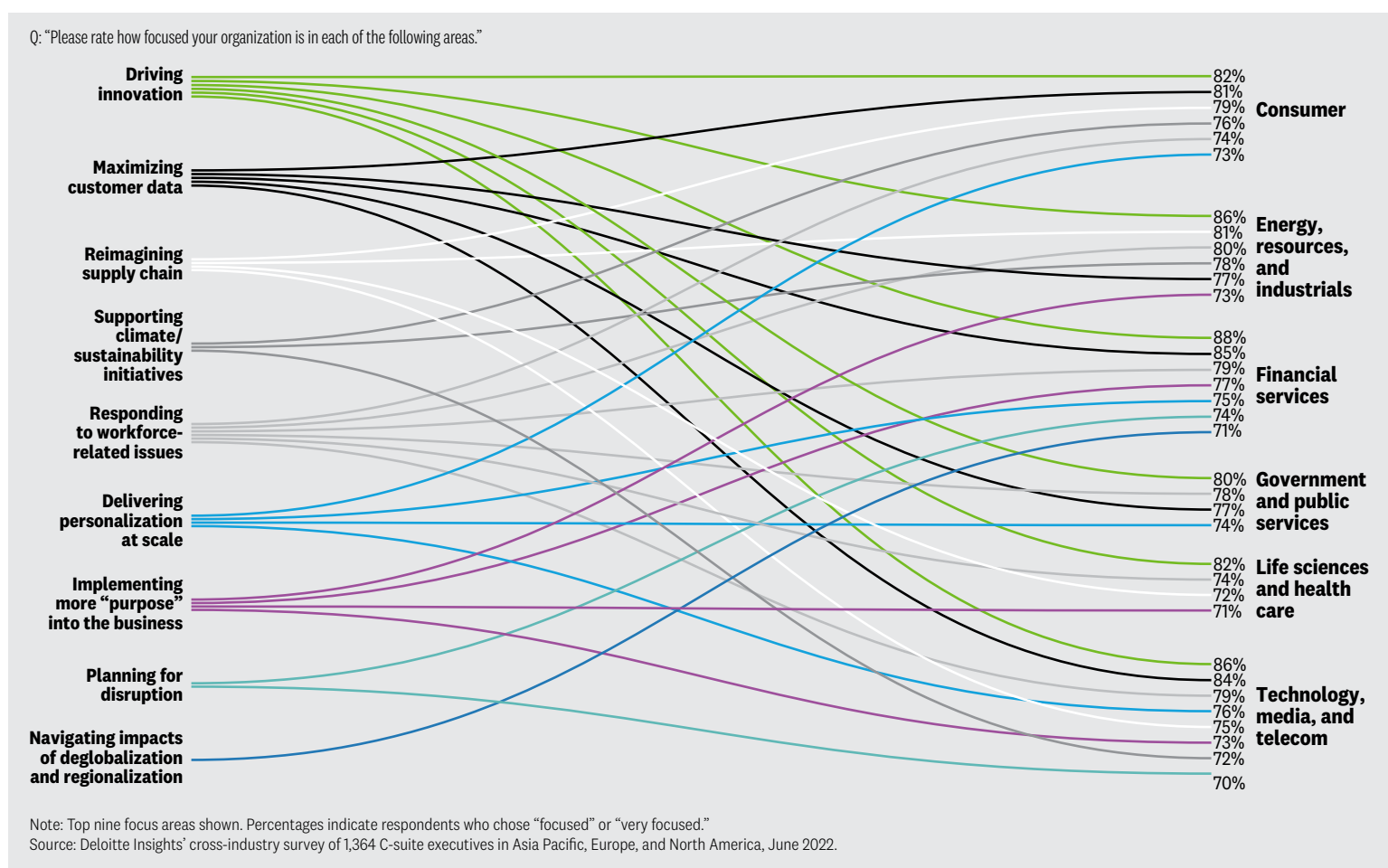
By **Bryan Furman**

To get a good picture of the complexity of modern-day leadership, consider the numerous and diverse priorities for the C-suite today—from global issues that are reshaping the role that business is taking in society (climate, trust, the future of work, well-being) to critical transformation projects (digital, business model innovation, customer centricity) to the challenges that come with an ever more volatile business environment (supply chain disruption, inflation, geopolitical unrest) to the centrality of earning and maintaining trust across all stakeholders (employees, customers/citizens, suppliers, and

governments). Executives told us that they find themselves having to prioritize these issues, and more, all at once.

In June 2022, we surveyed 1,364 C-suite executives in Asia Pacific, Europe, and North America across functions and industries to understand their priorities and vision for their corporate investments. We asked them which of 10 issues they're focusing on now and in their near-term strategies, and how they rank these priorities. Spoiler alert: None of these priorities can be truly deprioritized.

FIG 1: Driving innovation, maximizing customer data, and handling workforce-related issues are C-suite respondents' current top priorities in our survey





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C-suites' long lists of to-dos are filled with must-dos

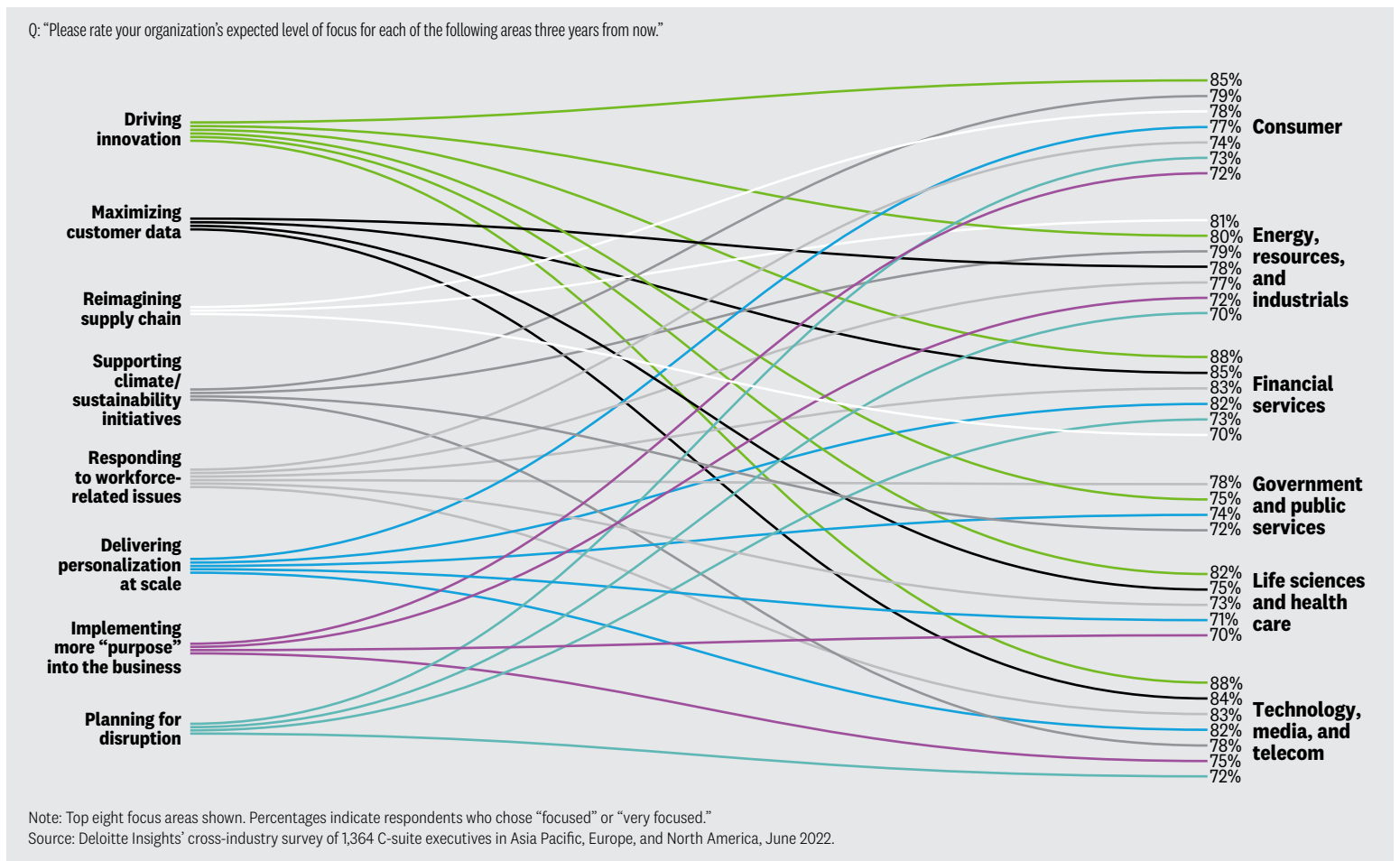
When asked to choose their focus areas among the 10 core business priorities broadly categorized across growth, purpose, people, process, and technology, over 60% of the executives we surveyed chose seven or more priorities, and 25% chose all 10 (figure 1).

And the leaders we surveyed expect the complexity to increase: When asked what they'll likely be prioritizing in three years, 30% of executives selected all 10 (figure 2).

For most industries in our analysis, the top priority is driving innovation, with maximizing and protecting customer data ranking second. Many respondents expect these top two priorities to remain consistent over the next three years.

This emphasis comes as business leaders are already contending with a packed agenda that includes increased competition, more vocal investors, more empowered consumers, and growing talent challenges, as well as transformative initiatives. In June 2021, 74% of CEOs said their organizations were pursuing large-scale digital transformation initiatives, 71% were investing

FIG 2: C-suite respondents' top priorities likely will remain consistent over the next three years, with more priorities entering the picture



in workforce transformations, and 46% were prioritizing sustainability-focused transformations, according to a *Fortune*/Deloitte CEO survey of 110 chief executives across more than 15 industries.

Customer centricity is a top goal

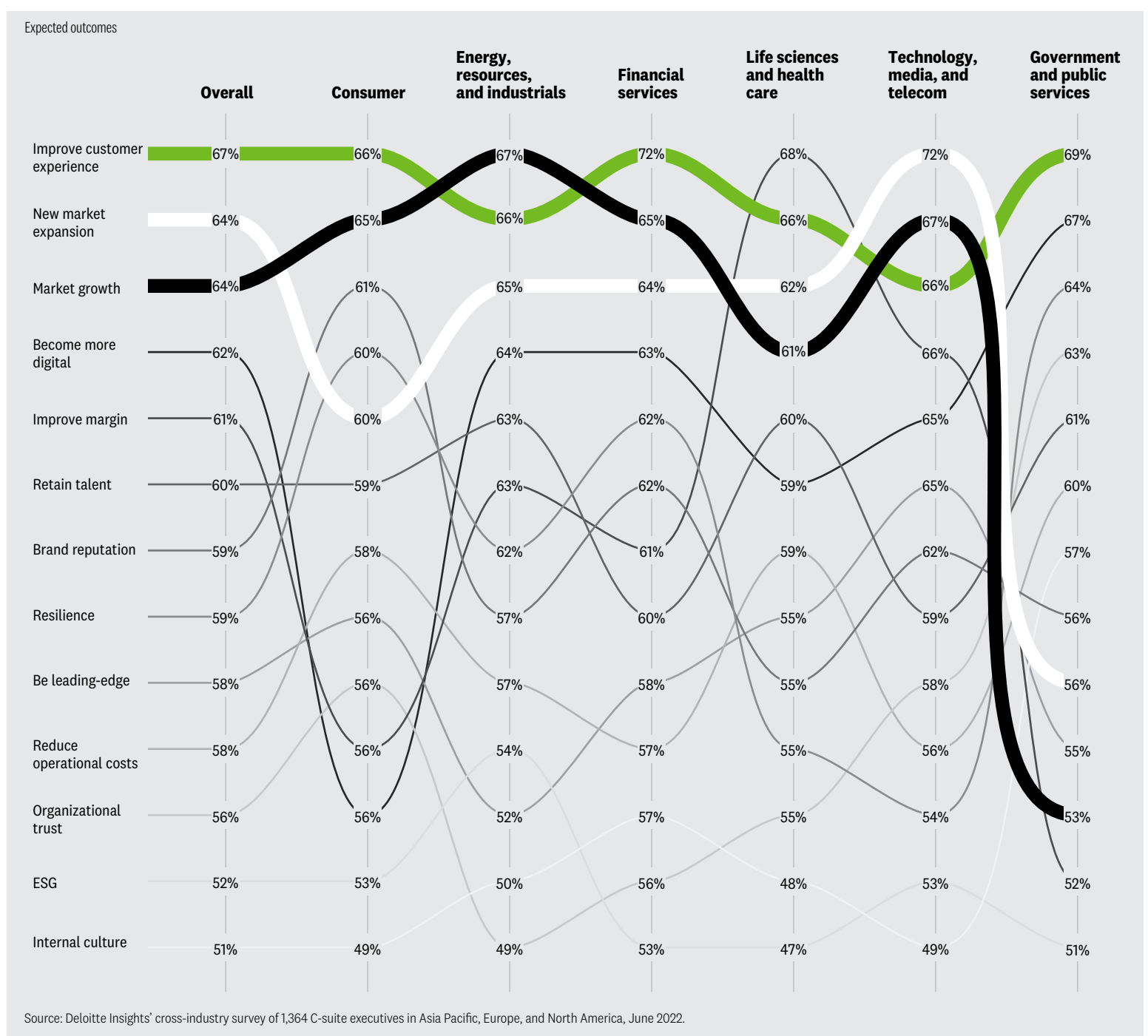
Fast-forward one year later and the executives we surveyed are, across the board, focused on customer experience, new market or product expansion, and existing market or product growth as the expected outcomes from corporate investments—with

customer experience ranking first or second for leaders in five out of the six industries we analyzed (figure 3).

It's hard to prioritize when everything's a priority

Changing expectations and conflicting priorities are the top two barriers to achieving expected outcomes for every industry and geography in our survey. They outrank a lack of talent or budget, as well as macroeconomic trends that could hinder organizations' progress—although, those issues also were named as significant barriers by the majority of leaders we surveyed (figure 4).

FIG 3: Many respondents are focusing corporate investments on initiatives that will improve the customer experience





In Deloitte's latest CxO survey, climate ranks second among C-suites' many pressing issues. Read more at www.deloitte.com/cxoreport

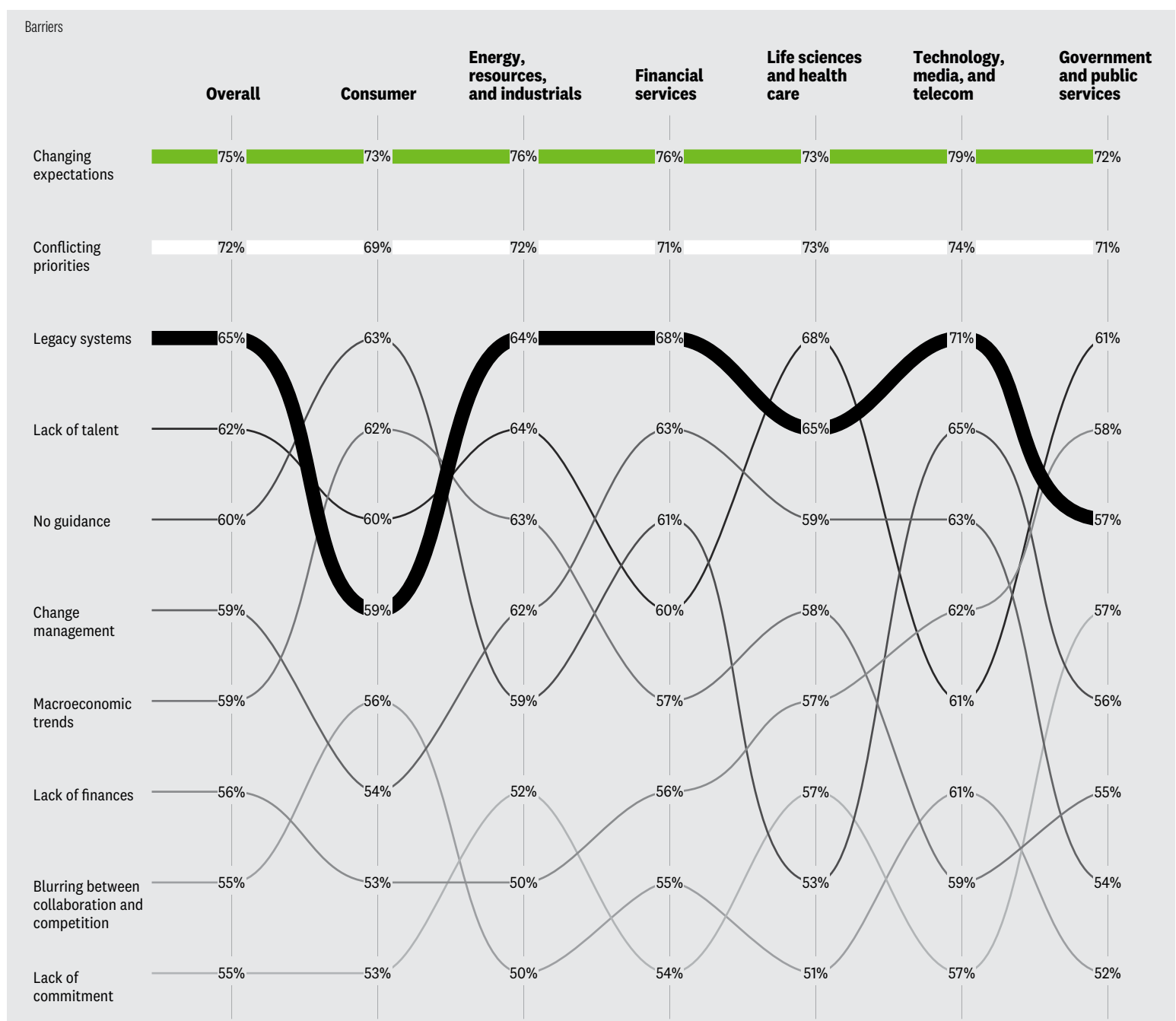
In the face of these findings, organizations that can build trust and resilience may be better equipped to manage the relentless challenges that come with fast-moving and conflicting targets. The level of trust that an organization has built among board members, investors, employees, customers, suppliers, and other stakeholders is integral to topics ranging from cyber to ESG; compliance; diversity, equity, and inclusion; and product and service quality. Resilience, the ability to thrive amidst continual disruption, is a capability that can help organizations have successful digital and workforce transformations, mitigate and adapt to climate change, and shore up stakeholder trust.

And when everything is a priority, we believe there could be a need for a massive rethink in how organizations will be resilient going forward—not just to respond to a generational crisis, a geopolitical conflict, or a recession, but to thrive in the everyday complexities and challenges of running an organization.

In a world in which there seems to be no “back burner,” how well leaders can manage competing priorities could become a critical differentiator, one that both shapes how organizations evolve and determines which ones thrive. ●

Data analysis provided by the Deloitte Data Science and Survey Advisory team

FIG 4: Changing expectations and conflicting priorities were named as the top barriers to achieving the expected outcomes from respondents' corporate investments



Source: Deloitte Insights' cross-industry survey of 1,364 C-suite executives in Asia Pacific, Europe, and North America, June 2022.

The organizational resilience movement

Some research and insights have a short shelf life, while others continue to gain color and context. In each issue of Deloitte Insights Magazine, we look back on research we published and ideas we pitched, and evaluate whether they've stood the test of time.

By **Bill Marquard**

Global leader of Deloitte's resilient organization and leadership program



What we said then

“Resilience is not a destination; it is a way of being. A ‘resilient organization’ is not one that is simply able to return to where it left off before the crisis. Rather, the truly resilient organization is one that has transformed, having built the attitudes, beliefs, agility, and structures into its DNA that enable it to not just recover to where it was, but catapult forward—quickly.”

The essence of resilient leadership: Business recovery from COVID-19, Deloitte Insights, April 2020.

What we say now

So, based on what we've learned from navigating through the onslaught of disruptions caused by COVID-19, geopolitical tensions, and concerns about an impending global recession, is resilience a way of being, or has it proved to be a means to an end—a way for organizations to weather the current storm?

There's a parallel to be drawn in the quality movement: Today, quality is embedded in the fabric of every organization, virtually a nonnegotiable expectation from all stakeholders. It's a way of being for 21st-century organizations.

Yet in the second half of the 20th century, quality was a competitive differentiator and something that needed to be worked at through explicit levers such as statistical quality control, total quality management, and the implementation of ISO 9000 standards. We needed an exercise regimen to build the quality muscle repeatedly, until it became a lifestyle.

Isn't resilience following a similar path? In conversations with executives, in business media, and in this very publication, there's ample evidence that leaders of organizations around the world are following an exercise regimen of resilience reps spanning strategy, supply chains, finance, systems, operations, and the workforce, with a goal of achieving resilience as a way of being—a means to its own end. It seems we're in the midst of the resilience movement. ●




Access more insights on how to build a more resilient organization at www.deloitte.com/resilience


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