

THE DIPLOMAT-IN-CHIEF

REIMAGINING LEADERSHIP IN THE SEMICONDUCTOR INDUSTRY

Semiconductor CEOs have evolved from engineers into envoys, requiring far more than technical and business acumen. As geopolitical tensions rise, they must quickly develop the diplomatic finesse needed to navigate government relations, trade policy, and global negotiations.

Once a behind-the-scenes player, the chip industry is now at the center of the global stage. Today, government interventions in the sector have reached unprecedented levels. On top of investing billions to localize semiconductor production—as seen with the United States’ CHIPS and Science Act and parallel initiatives in Europe and Asia—governments are applying pressure to build independence by leveraging subsidies, tariffs, and export controls on advanced chip and equipment sales.

These measures reflect a broader geopolitical shift toward sovereign self-sufficiency. As tech historian Chris Miller, author of *Chip War: The Fight for the World’s Most Critical Technology*, notes, **“The semiconductor industry is now at the epicenter of geopolitical competition and regulatory flux. Corporate leaders now realize they must understand and engage with major governments as a matter of priority.”**

In response to these developments, the sector **“is shifting from B2B to B2G—from selling to businesses to navigating relationships with governments,”** says Selena LaCroix, who leads Korn Ferry’s Semiconductor & Technology Systems practice.

This change raises the stakes for semiconductor CEOs. No longer are these leaders focused solely on designing better chips faster. They now must navigate a fluid environment where every business decision can trigger downstream effects across geopolitics, national security, and business outcomes.

PROFILE OF A DIPLOMAT CEO

New Leadership Capabilities Needed

Traditionally, semiconductor CEOs have evolved from engineering and product leaders into business executives. Now, they must develop an entirely new skill: diplomacy.

These diplomat CEOs may find themselves drawn into high-stakes political situations they are not prepared to navigate. They need to learn how to handle nuanced negotiations with external stakeholders and government leaders quickly, as a misstep could threaten the company’s position and reputation.

Succeeding in these new conditions requires these CEOs to have technical and business acumen paired with diplomatic prowess. The latter includes the ability to navigate the domains of international relations, global trade, and industrial policy.

So, how well are today's semiconductor CEOs equipped to manage these changes? Korn Ferry's analysis of publicly traded semiconductor companies in North America shows a leadership landscape in transition. Nearly 41% of these CEOs have been in the role for three years or less, according to our findings. For many, it's their first time as chief executive.

To help semiconductor leaders navigate today's geopolitical landscape, Korn Ferry experts have identified three leadership capabilities that embody the new profile of the diplomat CEO:

- Instills Trust & Credibility
- Ability to Adapt to Change
- Builds Multi-Dimensional Networks

Instills Trust & Credibility

A diplomat CEO builds trust and projects credibility in high-pressure situations. They earn credibility through transparent communication, consistent actions, and principled decision-making, especially when regulations and negotiations shift quickly. They need to build trust in real-time during intense negotiations, when delays can cost entire markets and other critical business advantages.

The need for trust is magnified when political conditions are in constant flux. CEOs can no longer count on stability after reaching one compromise or agreement with government stakeholders. Instead, new requirements and oversight place them in a permanent state of diplomacy and uncertainty.

Leaders should **“approach negotiations from a position of strength, which allows them to reframe concessions into stepping-stones toward stronger partnerships,”** says Karena Man, Korn Ferry Senior Client Partner. Trust and credibility underpin these

partnerships, accelerating approvals, protecting market access, and strengthening the company's reputation in a volatile global landscape.

Key Characteristics

- **Composure under intense scrutiny:** Demonstrates emotional steadiness and sound decision-making in the face of what may be intense public, political, or shareholder pressure.
- **Transparent communication across constituents:** Balances openness with discretion to build alignment across diverse audiences.
- **Coordinating multiple stakeholders across borders:** Navigates cultural, political, and organizational complexities with tact and agility; inclusive decision-making reinforces trust.

Ability to Adapt to Change

Diplomat CEOs respond quickly to disruptions—from pandemics to trade wars—making decisions with limited data. These leaders turn volatility into opportunity and keep the company ahead in both technical and diplomatic arenas. The transition from B2B to B2G has intensified in recent years, and many leaders are learning statesmanship under pressure. They are adjusting to policy and political shifts that can either disrupt markets and supply chains or open opportunities overnight.

This is also where external support becomes invaluable. **“CEOs can hit the ground running as they step into these highly visible roles through bespoke development experiences, including high-fidelity simulations,”** says Jamen Graves, Global Leader of CEO & Enterprise Leadership Development at Korn Ferry. **“In these simulations, participants are put into high-stress situations to help test their resolve and ability to act with precision. The lessons participants learn can be quickly converted in real-time to actual situations they are facing on the job.”**

Key Characteristics

- **Tolerance for ambiguity:** Knows change is inevitable.
- **Anticipates the unlikely:** Reads the landscape before it shifts and proactively develops flexible strategies to accommodate multiple scenarios.

- **Stakeholder-centric communication:** Adapts messaging for a shifting cast of key stakeholders, from the government to shareholders to employees, while maintaining clarity and consistency across diverse audiences.
- **Champions organizational agility:** Fosters a culture where flexibility drives competitive advantage and empowers integrated teams to translate external signals into immediate, coordinated action.
- **Outcomes-focused:** Knows when to lead, when to listen, and when to recalibrate. Prioritizes progress over personal credit, especially in complex, multi-party negotiations.

Builds Multidimensional Networks

Diplomat CEOs need to build relationships with industry peers, influence regulations, and manage geopolitical complexity. Opportunities to shape outcomes fade quickly, and slow action can result in missing strategic advantages. CEOs can no longer rely on industry associations to lobby on behalf of companies. Strong networks, supported by government affairs teams, can enhance advocacy and boost the sector and the company's collective and individual ability to influence.

Key Characteristics

- **Ecosystem leadership:** Curates reciprocal relationships across agencies, governments, peers, critical suppliers, and strategic customers.
- **Non-conventional crisis response:** Demonstrates agility and sound judgement amidst ambiguity and unprecedented situations. Aptly responds to rapid changes in the market and geopolitical environment.
- **Government affairs as a force multiplier:** Exhibits a strategic mindset that elevates government affairs expertise into strategic planning and crisis response teams and ensures their perspectives are considered early and often.

THE FUTURE OF SEMICONDUCTOR CEOS

Executives now need a balanced portfolio that blends diplomatic acumen with engineering mastery and commercial savvy. This evolution signals a broader transformation in leadership expectations, making geopolitical fluency a prerequisite.

As the industry pivots, semiconductor CEOs must build trust, adapt with agility, and expand networks beyond traditional corporate boundaries. They also need to prepare their successors to take on this dual role of technical operator and diplomat. CEO succession planning is more than good governance—it is a core strategic asset.

The next generation of semiconductor leaders will need to develop resilience and grit to navigate a realm where stakes are high, pace is relentless, and rules change constantly. They must also engage political forces diplomatically so that their businesses can succeed. **“For semiconductor CEOs, the successful playbooks of the past no longer work in this environment,”** LaCroix says. What matters is that they are prepared, determined, and ready to rise to the challenge.

As unpredictability grows, one thing is clear: the profile of a successful semiconductor CEO is transforming, and leaders need to act decisively and strategically as diplomat CEOs.

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