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Special supplement

# Leadership for a better Future

# Leadership for a better Future

## Contents

2
**Introduction**
Mike Johnson and Eric Cornuel

5
**The Apocalypse of Leadership**
Richard Savage

11
**Authentic and Respectful Leadership**
Stuart Neilson

17
**The Trouble with Learning...**
Ben Emmens

23
**Re-humanisation: Oh, we forgot**
Patrick Cowden and Matthias Moelleney

27
**The Productive Leader**
Peter Thomson

33
**The Leadership Challenge of Talent management**
Michael Staunton

39
**Building Sustainability**
Rudi Plettinx

43
**Leadershift: Creating the innovation-ready organisation**
Cliff Dennett

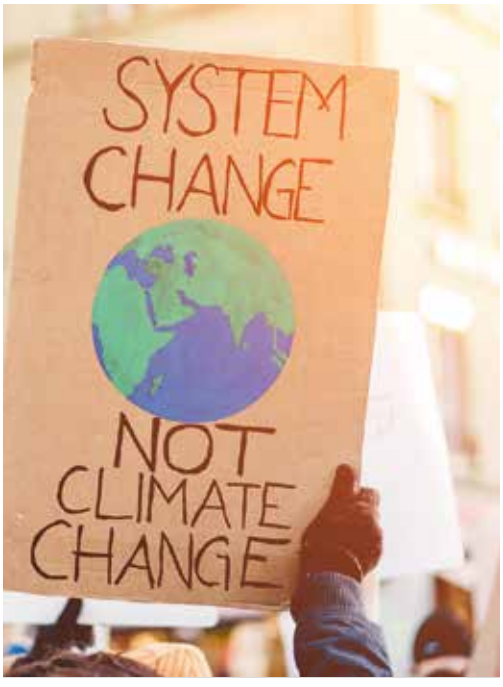
49
**Future of Diversity and Inclusion**
Carolina Yeo

55
**Tomorrow's Leaders**
Michael Devlin

59
**Are Business Schools doing Enough?**
Alain Haut

63
**Engaging with Technology**
Susan Stucky

> *The world has changed and leaders are in danger of being left behind. We are at a critical time in history with a generation joining the workforce who are asking how we have managed to get the planet in such a mess*




We do not need to read journals or study research results to know that the world is changing rapidly. We just need to look around and see what is happening. Our lives are being transformed by technology, bringing with it some real benefits and many thorny problems. We are experiencing social change on a massive scale, from the role of work in our lives to the attitudes towards diversity and inclusion. And we are now all aware of the damage the human race has done to the planet and the pressures from the younger generations to reverse this trend.

Yet parts of the corporate world have continued along the existing path ignoring many of the changes happening around it. It is as if many organisations believe they are immune from societal, economic and technological change, continuing on their course in the assumption that many of the disruptive factors are just short term and if ignored for long enough will disappear.

The prime focus for most leaders is still the bottom line. Whether it is increasing profits, maximising shareholder value or saving public funds, short-term financial goals win out over all others. The hard-nosed, numbers-driven leader is still seen by many as the model for success. He, or occasionally she, has risen to the top by working in a traditional hierarchical structure promoted by people who themselves were successful in a 20th century culture.

The world has changed and leaders are in danger of being left behind. We are at a critical time in history with a generation joining the workforce who are asking how we have managed to get the planet in such a mess.

"Sustainability" has moved from being a lobbying cry from environmental protesters to

**Innovation in Leadership**
Introduction

*"This is not just a small step in the evolution of leadership. It calls for a mindset change from the short-term, numbers-driven approach of the 20th century to a sustainable, long-term, people-oriented form of leadership. In attempting to run organisations like machines we have forgotten the human factor*

being a question being asked of every aspect of modern life. It is now a subject that has reached the boardroom agenda, though many CEOs are not sure how they should react.

To run organisations that are sustainable into the future, leaders need to focus on the purpose of their business and pay attention to the societal dimension of being an employer. Just understanding the workings of a business and keeping the shareholders happy is definitely not enough. The effective leader now has to keep abreast of a rapidly changing world, with digital technologies accelerating the rate of change and the millennial generation expecting a new relationship with employers.

This is not just a small step in the evolution of leadership. It calls for a mindset change from the short-term, numbers-driven approach of the 20th century to a sustainable, long-term, people-oriented form of leadership. In attempting to run organisations like machines we have forgotten the human factor. We need to re-humanise the priorities of leaders. We have gone beyond the era of valuing only the MBA. Now we need "Masters of Business Purpose".

This *Global Focus Special Supplement* has tapped into a unique resource to answer some of the questions now facing leaders. All the contributors are Partners in the FutureWork Forum (FWF), a collection of experienced managers and consultants who have applied their minds to this problem (see www.futureworkforum.com). They all have a common interest in how the new world of work impacts organisations and how leadership and management have to adapt or die.

The FWF has been a friend of EFMD for many years, collaborating on various projects where our interests aligned. For the past few years, FWF Partners have become increasingly concerned and dissatisfied with the general apparent lack of concern by leaders for "the wider good" and the impact of the "de-humanisation of work". Their recent book, *Conquering Digital Overload*, gave direction for leaders to help them address the issues in their businesses that the so-called "digital revolution" is clearly having on employees.

In this supplement a number of FWF Partners seek a "Leadership for a Better Future". How can leaders regain the trust so clearly missing and re-generate the collective value to be achieved by empowering people? How can we restore faith in "the system", the governance of how companies are managed and led?

These articles display a wide-ranging critique over how leaders – and by extension those who help to train and educate them – need to re-focus their mindsets and efforts to address those needs that are within the scope of companies and organisations.

They start with a statement of the problem: the "Apocalypse of Leadership," (page 5), which shows how capitalism and the pursuit of financial goals has led to frustration and anger among employees and the wider public.

The "Responsible Leadership" (page 11) approach explains how authentic and respectful leaders are key to business success and the "Productive Leader" (page 27) supports this by promoting genuine employee empowerment.

"Building Sustainability" (page 39) shows that running a profitable business is compatible with saving the planet while "Always Learning" (page 17) emphasises the need for leaders to keep up with the changing business environment.

Other articles touch on productivity, talent, innovation and technology.

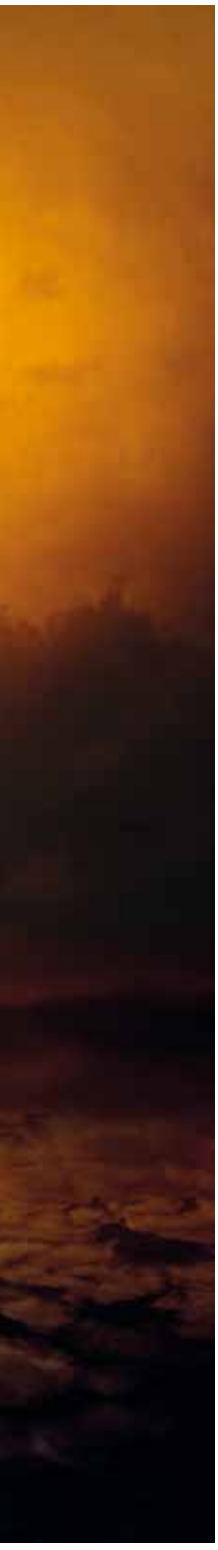
Together they provide a unique guide to re-humanising leadership, ready for the challenges of the next decade.

**Mike Johnson**
Chairman and Founder, FutureWork Forum

**Eric Cornuel**
President, EFMD

By
**Richard Savage**

# The Apocalypse of Leadership



We are in a parlous state and we need a new cohort of leaders to regain people's belief and faith in the system

Capitalism is believed to be the system that best provides the wealth necessary to lift the standard of living for all people. Yet in the developed world, it is far from delivering on this promise and its standing is the lowest it has been for over 50 years.

Blame can be attributed in a number of directions; one is obviously politicians. However, I believe the populist politicians we seem to be getting recently are often the electorate's response to the excesses and self-serving they see practised by leaders in the corporate world.

What's happening to cause this discontent?

There are many causes. Probably the most significant is that, in the developed world, people's standard of living is still below, or at best flat, with the level in 2007.

"The lost decade", as it has become known – though now well into its 12th year – has generated huge feelings of dissatisfaction and resentment. The squeeze on pay levels has also significantly increased the number of "working poor" across the EU - people who have work but where pay levels, or hours available, are insufficient to provide a decent family income.

Meanwhile corporate profits and CEO and executive pay levels have continued to advance far faster. While governments may have provided the immediate bail-out funds that kept banks afloat, most people believe that it has been themselves who have been the only sufferers. Throw in governments' cuts to services, the raising of pensionable ages and the discontent should not surprise you.

For those of you too young to remember, it's worth drawing the comparison to 50 years ago. Then we had protests against perceived injustices, civil rights in the US; the anti-capitalism protests in France and other countries; and anti-socialist protests – ever where people felt the injustices taking place were not being addressed.

> *"It's worth drawing the comparison to 50 years ago... now, we have the Extinction Rebellion; climate change protests; Hong Kong; the rise of populism in its different forms as people reject the* status quo *as "not working for me"; Brexit in the UK and the frustrations of people who felt their concerns were ignored; the* gilet jaunes *in France, which morphed from fuel protests into a general grievance of felt injustices. Not that different to 1968?*

Now we have not dissimilar levels of frustration and anger. We have the Extinction Rebellion; climate change protests; Hong Kong; the rise of populism in its different forms as people reject the *status quo* as "not working for me"; Brexit in the UK and the frustrations of people who felt their concerns were ignored; the *gilet jaunes* in France, which morphed from fuel protests into a general grievance of felt injustices. Not that different to 1968?

In 2016, a Mckinsey report referred to people in advanced economies who knew their situation had not been improving and didn't see that changing. This group, McKinsey suggested, is where social unrest would show itself – all driven by feelings of being left behind, of inequality

and a system that does not work for them, and does not care for them. And in the US, a recent Gallup survey showed that 51% of 18-29-year olds viewed socialism positively (assuming they understood what it actually means).

Now I don't think that system change is likely (although that is probably what various monarchs were thinking just before their demise). But I do know that capitalism as currently practised is not delivering for the vast majority of developed populations.

While governments clearly have a role to play, most appear unable or unwilling to address the issues and tackle the abuses. That void needs to be filled and since many of the issues fall at our doors – business people, shareholders, educators, influencers – it is our responsibility to address them.

If we are to regain belief, goodwill and support for the system, a new cohort of leaders are key to restoring people's belief that companies (capitalism) are (is) a force for good. What is needed are leaders who are capable of recognising the legitimate needs of all stakeholders, not just shareholders.

If you want further proof of our failings, just take the continuing slew of company scandals. Corporate leaders are perceived as out only for themselves, feathering their and shareholders' nests at our expense.

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A YouGov report in September 2015 across seven countries for the Legatum Institute, found that only 10% of participants thought that big business was clean and most believed they achieved success by cheating and polluting.

It is hardly likely to have improved as the scandals keep coming. Everyone has their own list but Volkswagen, Uber, Google, Apple, Facebook, Kobe Steel Carlos Ghosn, #MeToo, money laundering, rate fixing, the UK's PPI* mis-selling all come too easily to mind.

What adds fuel to the fire of inequity are the egregious levels of CEO pay that are apparent and reported by a press that is happy to fan the flames.

Though I doubt that many employees read the details, it is clear that CEO and other executive pay is rising much faster than employees' pay. The level of disclosure means that this data is now happily feasted on by the media along with a number of shareholder action groups who are challenging executive pay levels. No wonder companies are fighting the ever-increasing levels of disclosure – but they're happening because of the abuses that are taking place.

Adding to the sense of injustice and disbelief that anybody cares is the impact on employees of the so-called Digital Revolution. Clearly, any expectations of this making our lives easier has been well laid to rest. All the "revolution" has brought is our 24/7 accessibility.

€510bn

The WHO states that stress is the health epidemic of the 20th Century and is costing US businesses over $300billion a year. And the EU, in a 2015, report stated that the cost of workplace depression was €510 billion a year

We are always on-call and expected to be so. Bosses ensure that we are not slacking when we cannot be seen by demanding our undivided attention 24 hours a day, seven days a week, at the drop of a text or email.

We see the effects of this 24/7 life in many worrying ways – most of all in our and our children's health. The World Health Organisation states that stress is the health epidemic of the 20th Century and is costing US businesses over $300billion a year. And the EU, in a 2015, report stated that the cost of workplace depression was €510 billion a year. What are we doing to ourselves – or are others doing to us?

What is worse is that we're passing this curse onto our children. The WHO says that in Europe "there is a high and increasing rate of mental and behavioural health problems in adolescents" and in both Europe and the US the rates of mental health problems are rising fastest in this group.

There are clearly a number of factors at play here, including the effects of social media; but parents who are 24/7 adhered to their phones and pcs, cannot absolve themselves. As the WHO puts it "supportive parenting, a secure home life and a positive learning environment in school are key factors in building and protecting mental health".

No wonder that 18-29 year-olds in the US are turning to socialism, they are seeing the effect capitalism is having on their parents.

And, just when you thought "well this is as bad as it gets" now the speculation is over the number of jobs that will likely be replaced by either the Internet of Things or AI. We see articles every day telling us which jobs are likely to go, all of which does nothing to alleviate the fears that the future is bleak.

What we do know is that companies will just wield the axe when the opportunity presents itself, without hesitation. We don't just know on whom and when.

Enough is enough; we all (should) know we've more than reached the tipping point. Current leadership pays lip-service to ethics.

Their only concerns appear to be shareholders and the minimum necessary to hold on to customers and employees.

What do we need? Leaders who are above all both ethical and moral and who will insist on these standards across all their employees – and suppliers. In this they are transparent, inclusive and accountable, day in day out year in year out for the fair treatment of their suppliers, employees, customers, shareholders and community as they focus on the organisation's purpose and its shared values.

Now that sets a new high in the requirement of a leader and one we should be focusing on developing both within companies and in particular in our educational facilities.

And then, at last, I can see the death of corporate hubris!

I hear the outcry "the purpose of a company is only to maximise value to its shareholders". Well, look where that has got us: a continuing slew of corporate scandals, capitalism at its lowest standing, growing inequality, beaten-down and stressed-out employees. It absolutely must end.

> *What do we need? Leaders who are above all both ethical and moral and who will insist on these standards across all their employees – and suppliers. In this they are transparent, inclusive and accountable, day in day out year in year out for the fair treatment of their suppliers, employees, customers, shareholders and community as they focus on the organisation's purpose and its shared values*

While climate change may invoke strong feeling on all sides, there is no doubt that Generation Z, who will increasingly be a larger proportion of both the workforce and of leadership positions, won't let this drop.

And ask yourself what kind of company do Gen Zers want to join – it's clear, ones with a purpose and the planet in mind with "woke" leaders. Where they don't find this, they will be out of the door very quickly.

Those who don't see this are the dinosaurs. But, on the positive side, how wonderful will it be to have the opportunity to be one of these new leaders.

**About the Author**

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By
**Stuart Neilson**

# Authentic and Respectful Leadership

Leaders of the future who underestimate the importance of "respect" as a central element of their culture do so at their peril. Leadership culture will be the biggest single influence on organisation performance and success. Without appreciation and respect for other people leaders will struggle to be effective.

Business leaders today face pressure for higher profits and short-term results. They are experiencing this while their employees expect work to be an extension of life and are concerned about personal wellbeing.

Every generation has a slightly different expectation of what they demand from work. Millennials expect to have access to the latest communication systems and also want to see a clear purpose for their role and how it contributes to the overall objectives of the company.

Modern-day leadership must adapt to, and be relevant to, people in all societies and business communities around the world. The key to successful leadership is to recognise those changes, creating an environment and culture where people can perform at their very best, knowing they are respected and valued. A good leader will understand they have the capacity to have a profound impact on the quality of people's lives and take this responsibility seriously.

Unfortunately, CEOs in many large companies around the globe still employ dictatorial, command-and-control leadership tactics that are often accompanied by lack of respect for their employees.

This approach may be enough to deliver against basic performance targets but will very often fail to optimise an organisation's full business potential. In such an environment targets may well be achieved, but rarely in full measure and the attrition rate of talent is high.

A disrespectful leadership style often results in a blame culture where people are scared to take responsibility. Highly talented people fail to be creative or take decisions for fear of the consequences. They prefer to keep their ideas to themselves rather than risk being undermined by the boss.

And consequently, they end up feeling that their contribution is not valued. They never seem to be asked their opinion by their manager and feel they have been left out of the loop on important decisions.

The biggest toxic assumption made by disrespectful leaders is that showing care and empathy for your people is a sign of weakness and is somehow "soft". In reality it is a strength and will help release the full potential of people and the organisation.

The ability to empathise is a also a sign of respect for people's feelings and emotions and will help build trust . Without trust it is impossible to become a great leader.

But building trust can be a slow process, established through believing in people's capability, being honest, acting with integrity, asking for employee inputs to problems, recognising performance and accepting failures.

In a *Harvard Business Review* survey of 20,000 employees around the world no other leadership behaviour had a bigger impact on engagement and commitment than "respect". Every person has the innate right to be respected and to be treated with dignity. They have the right to work

20k

In a *Harvard Business Review* survey of 20,000 employees around the world no other leadership behaviour had a bigger impact on engagement and commitment than "respect". Every person has the innate right to be respected and to be treated with dignity

*In the context of good leadership, being authentic means being true to your values and behaviours in a consistent manner. Great leaders show consistent behaviours and they need to demonstrate their values every single day. Eventually those around you will start to understand and trust you more*

for a leader who understands that they have a life outside work and who avoids invading their personal time where possible.

So why does this type of disrespectful behaviour happen? Organisations of all shapes and sizes are under immense pressure to be innovative, to increase brand dominance or hit ever-increasing sales and profit targets.

When performance wanes, leaders feel pressure and consequentially they often make quick, ill-thought-through decisions without consideration for their people. These decisions are also driven by leaders with high ego and low empathy.

This type of leader is often highly intelligent and will often rise through the ranks by influencing and manipulating those who can help them achieve their goals. However when they arrive at the top of the company their lack of empathy can become highly destructive to the entire organisation.

Working in a disrespectful and toxic company will often create some of the clear negative signs noted above.

To counter these behaviours, it's important to tackle the source of disrespect as quickly as possible; it must not be left unaddressed. But it should be handled in a respectful way to set an example. The perpetrator should not be confronted in public but their behaviour should be pointed out to them in a one-to-one meeting. This is also an opportunity to agree what "respectful" behaviours actually are.

**Authenticity**

Having determined that trust and respect are key to good leadership we should examine the importance of authenticity. In the context of good leadership, being authentic means being true to your values and behaviours in a consistent manner. Great leaders show consistent behaviours and they need to demonstrate their values every single day. Eventually those around you will start to understand and trust you more.

Being authentic and acting according to your values is not always easy, it takes courage and conviction, especially when everyone around you is acting differently and more senior people are pressurising you in a certain direction.

There are many pressures daily, especially in large, politically driven organisations, where your values and authenticity will be continually tested. Being true to your values may be challenging to the point where you may even need to consider leaving an organisation that does not share the same values as you.

All leaders have their own set of values but how do you determine your values and what type of values will deliver high performance? "Values" in this context are a set of principles or standard of behaviours that you believe are important when leading people.

When establishing your own values think long and hard about what is important to you and how you would like to be treated by others. Try to establish a list of at least five values you feel very strongly about. More can be added later but these will act as a good starting point .

Values don't have to be expressed in a single word. You bring them to life by creating short sentences such as "everybody should know their purpose"; "treat people as you expect to be treated"; "always seek to understand before judging". When you have your list of values try openly sharing them with your friends, family and colleagues and invite feedback. You will soon see if you act and live according to them.

If you have a new team, sharing your values should be one of the first things you do. Talking about this early will help your team trust you and also explain why you behave as you do.

It is important to know that values will develop over time based on new experiences and insights. And it is most important that they are genuinely your values and not a list you've found somewhere else and adopted. Being authentic is key.

*"Successful leaders must offer hope to employees and customers. They need the ability to paint verbal pictures of what success looks and feels like. They are passionate about their beliefs and are able to communicate honestly and effectively. Motivating people is essential but only when the motivation is based on reality, sincerity and authenticity*

**Living the values**

As an example of living my values I remember a time when I was only six months into my tenure as managing director when our largest customer, which accounted for 20% of our revenue, announced unexpectedly that it was delisting us. We were only one month into our new financial year so budgets could not be changed.

There was no alternative customer we could immediately turn to that would compensate for the loss of business. Naturally, I feared for my own job so early in my tenure but more importantly I feared the impact this loss of revenue would have on our people and the potential redundancies that would inevitably come if we could not find a solution.

It was clear to me that I alone could not resolve this problem. It had to be a team effort. My job was to be open and honest with the team but at the same time instil the confidence and trust they needed to have in me to lead them through a process that offered us the best outcomes.

We discussed the challenge. I invited people's thoughts on how to resolve the situation. I listened, I took account of what they thought and we agreed we'd have to either lose people through redundancy or ask all our employees to accept no salary increases during a period when we sought commercial ways of resolving the revenue shortfall. Having personally addressed every department face to face to share the options, all employees agreed to accept a salary cap.

The commitment I gave the entire company was that the management team would do

everything within their power to find new business and recover the lost revenue but we needed their support and commitment. We embarked on a strategy to revisit our customer base and found new opportunities to deliver results that had not been identified in budget planning six months earlier. We managed to recover the gap and eventually achieved our annual budget on the very last day of the financial year. Without respecting our employees and gaining their trust this remarkable turnaround would not have been possible.

Successful leaders must offer hope to employees and customers. They need the ability to paint verbal pictures of what success looks and feels like. They are passionate about their beliefs and are able to communicate honestly and effectively. Motivating people is essential but only when the motivation is based on reality, sincerity and authenticity.

People want to believe in their leader. They want to feel they are an important part of the journey we are all on. In the modern and future business world, high performance is more likely to be driven by putting people and respect at the centre of strategy and culture.

Failure to listen to the needs of employees, embrace diversity and respect people will ultimately result in poor performance. Employees will disengage; talented people will vote with their feet; and the quality of human lives will be affected.

**About the Author**

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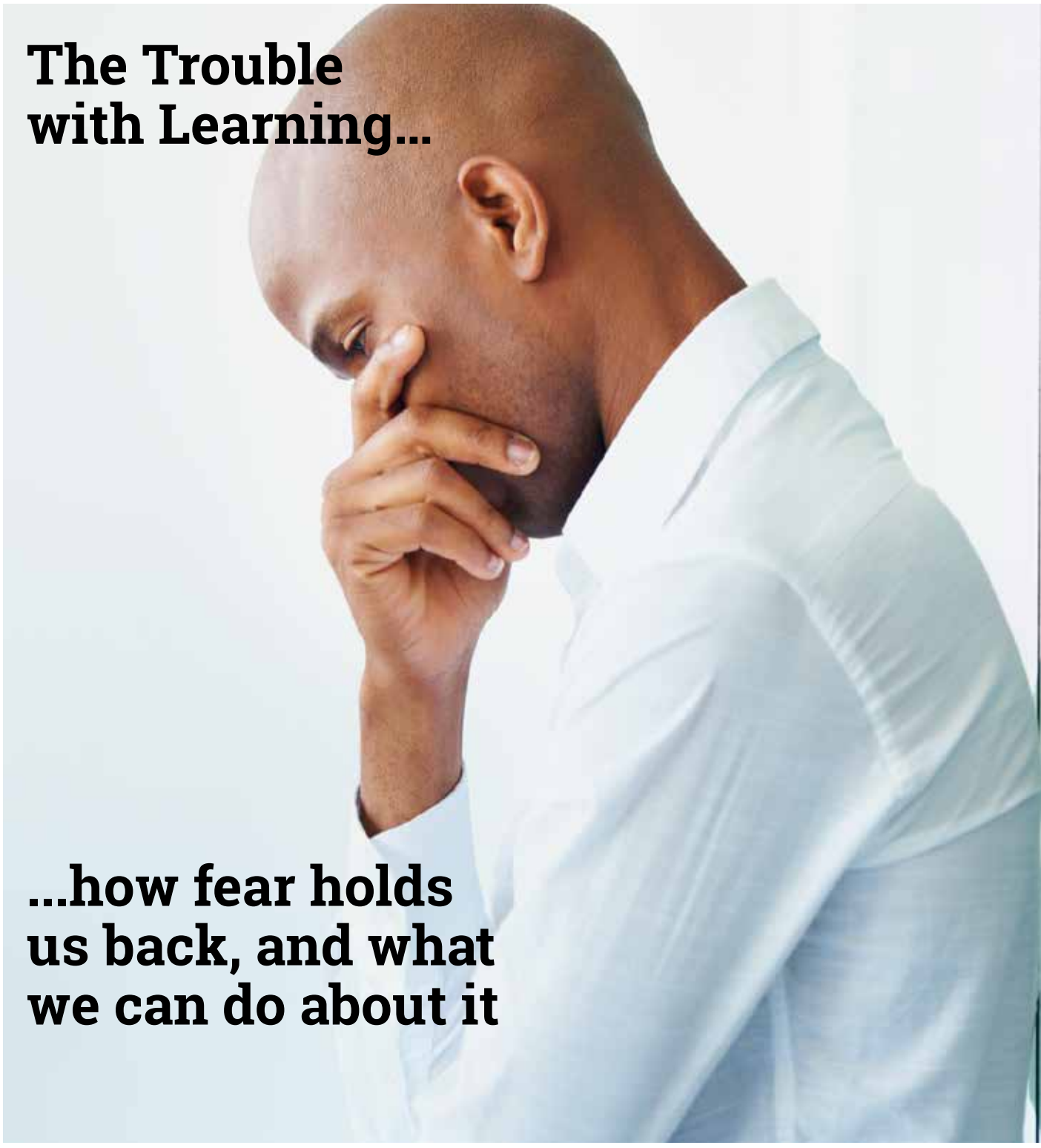
By
**Ben Emmens**

# The Trouble with Learning...



## ...how fear holds us back, and what we can do about it

The trouble with learning is that it requires us to acknowledge that we don't know enough.

Even worse, learning means we're very likely to have to change something we don't think needs changing. And, together, these truths scare us. They go against our nature and admitting to either is, at the very least, socially unattractive. We fear being exposed, or showing our vulnerability. That's not without good reason, for experience tells us that those admitting ignorance are often mocked or side-lined and those showing vulnerability often bullied.

So, if you're reading this as a leader, you'll see a dilemma: on the one hand you are expected to know what to do in any given situation based on the experience and expertise you bring, and on the other hand, your ability to successfully navigate the challenges and complexity of business today depends on your own ongoing learning and the culture of openness and learning you inspire around you. And, with regard to the latter, how can you credibly encourage others to learn if you yourself do not demonstrate your own personal commitment to learning?

*"Maintaining a kind of* status quo *is much more appealing than living the pain of transformation. For the well-established business schools providing a large proportion of executive education, if the business model is "kind-of" working then there is little incentive to stop doing what you've always done, especially if it gives you what you always got*

**A precarious position**

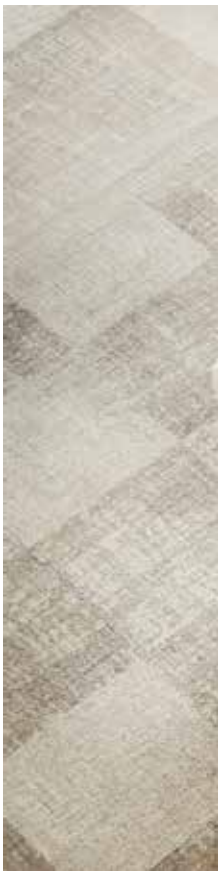
And what if you're in the business of learning? Is this true for learning providers as well?

Sadly, yes, it is. Organisational learning can be a risky and expensive business, which explains why so many organisations – learning providers included – are so slow to embrace change. Maintaining a kind of *status quo* is much more appealing than living the pain of transformation. For the well-established business schools providing a large proportion of executive education, if the business model is "kind-of" working then there is little incentive to stop doing what you've always done, especially if it gives you what you always got.

But there's a growing and existential risk for learning providers to consider: competition. New learning models, new learning delivery channels and new learning providers are all becoming increasingly viable and prolific. Initially financially precarious, digital learning is revolutionising the business of "lifelong learning".

We see individual learning increasing in popularity and becoming more of a private, personalised affair – thus mitigating the perceived risks of learning out loud or in public – especially now it is widely available, easily accessible and much more affordable.

Although the benefits of learning in a community remain, learners have many more options to choose from. As we hear about institutions frantically re-imagining their business models in response to a struggle for market share, as costs escalate, as freedom of movement curtails student numbers and competition from new providers increases, it's hard not to be left with the impression that there is an existential crisis in the offing. And so we might reflect "do learning providers fear the very thing they promote: learning?".



**Facing the fear, and being open to learning?**

Partners at the FutureWork Forum have long argued that a "learning mindset" – that is an attitude of openness and possibility – is what determines success. Facing and ultimately overpowering our fear – of ignorance, of being exposed, of change, of failure – is where we need to channel our energy and this is what will create safe, growth-nurturing learning cultures. This is a big ask at a time when the economics of learning are under huge pressure from social change and a global financial downturn. I suppose the alternative is denial... which when we look around we can see is a fairly popular option. I wonder why?

*"Partners at the FutureWork Forum have long argued that a "learning mindset" – that is an attitude of openness and possibility – is what determines success. Facing and ultimately overpowering our fear – of ignorance, of being exposed, of change, of failure – is where we need to channel our energy and this is what will create safe, growth-nurturing learning culture*

**Encouraging a learning mindset**

When we analyse what it takes to "always be learning" we can identify the characteristic values, attitudes and behaviours of a learning mindset. Perhaps unsurprisingly, they don't tend to be ones that are highly prized in today's world and nor do they tend to be ones that are demonstrated by many of today's leaders. It might not be fashionable to admit it but humility is right up there as one of the most important learning attributes.

Apart from notable voices such as Brené Brown and Ken Robinson, few people are known for eloquently and persuasively urging education professionals to have the courage to say "I don't know, let's find out". It takes strength of character and a unique leader to swim against the tide by opening up, being consistently curious, and embracing the messiness and discomfort of our own learning.

Another important learning attribute is "vulnerability", in other words being intentionally open to risk. Like humility, vulnerability is rarely rewarded and often penalised.

In a learning mindset there is a paradox, of course: the humility and vulnerability needed for learning have to be accompanied by self-assurance, that is a tenacious determination and the self-confidence to ignore detractors. Balancing these two sides is extremely hard when you are part of a system that rewards confidence above competence and truthfulness.

**'How we learn is as important as what we learn'**

How can we encourage a learning mindset? First and foremost, we need to recognise that how we learn is as important as what we learn. We need to strengthen trust and transparency in our workplaces and in the learning environments we create, taking care to establish and nurture the psychological safety that is essential for "ignorance" to be admissible, and for learning and experimentation to happen.

Much has been written about how learning needs to be fun, and it can be. Whether through gamification via smartphones, interactive learning approaches in the workshop room or serious play methodologies using tools such as Lego, learners can be motivated through modalities that stimulate curiosity and the appetite for learning.

**Learning in a community requires trust**

Learning in a community – whether virtual, at distance and asynchronous, or face to face and simultaneous – is a key pillar of effective learning design and delivery. This notion isn't new – proponents of the social constructivist approach have been promoting it for at least 50 years – but what learning institutions need to do now is jump-start and prioritise the building of psychological safety in the learning environment, to ensure that the learning community is as diverse and as inclusive as possible.

This means that learning cohorts will likely need the investment of an experienced moderator or facilitator to set group norms and build trust, in other words it will cost both time and money. The same goes for our workplaces; we know from recent research by organisations such as Google that psychological safety in the workplace is vital for business success and for high engagement.

**Learning needs leadership and leadership needs learning**

Given learning is about developing and changing attitudes as much as it is about developing or acquiring new knowledge or skills, the role of leaders is critically important and the tone they set can make or break a learning environment and the learning mindset.

Inspiring leaders are those that demonstrate humility and an openness to learning themselves, eager to ask open questions of those they lead, and to admit they do not know everything. Arguably, humility is not necessary to be effective and gather followers, as many current political leaders demonstrate, but it is a key characteristic of leaders in high-performing teams. And we can perhaps be bolder in asserting that directive autocratic leadership based on instilling fear is much less likely to tolerate experimentation and failure than one where speaking up and learning from mistakes is not penalised.

**A contextual caveat**

Learning should never be the exclusive preserve of a privileged social or financial elite but making learning inclusive and widely distributed presents a whole new set of challenges. Of course – given the risks associated with learning – those who have reached a certain level of maturity, success and accumulated status or wealth may be the very ones most reluctant to learn for fear of losing what they have.

But as formal education becomes more expensive, it is distinctly possible that those hungry for change lose access. Those most in need may also hesitate to risk what little they have in order to learn and change. However, it was Drucker who said: "If you think training is expensive, try ignorance". Although in the middle of political chaos we might prefer the "bliss"' of "ignorance", in reality our collective survival depends on learning and our ability to adapt and change.

*Given learning is about developing and changing attitudes as much as it is about developing or acquiring new knowledge or skills, the role of leaders is critically important and the tone they set can make or break a learning environment and the learning mindset*

**Learning into the future**

Looking ahead into the future, with its promise of artificial intelligence, big data and virtual reality, we might be wondering how we will build meaningful social connection in learning communities. A growing number of chatbots seek to assist us and the path to accessible lifelong learning seems more complicated than ever.

As we head into unchartered territory, new and interesting conundrums face learning designers: how can inclusion be "designed-in"? how can bias be reduced by learning designers and coders who themselves are not a very diverse bunch?

Sure, we may have a lot to look forward to in terms of lower costs and increased access to learning but we also have a long way to go in terms of increasing uptake, especially among marginalised communities with low incomes, low connectivity and low opportunities.

In reality, those of us with the power to influence and accelerate change towards a more inclusive system must fulfil our responsibilities and ensure the benefits of lifelong learning are widely distributed. Naturally this will be scary for some but withholding learning opportunities because we haven't figured out how to make them available or out of fear of being overtaken or side-lined by enthusiastic and ambitious learners, is inexcusable.

**Democratising learning**

While the *status quo* exists, "lifelong learning" remains a privilege that many can only dream of. For those with the means and the benefit of a supportive enabling environment it can be easy to ignore this. Perhaps the true test of the mantra "always be learning" should be the extent to which the way is smoothed for others to enjoy the same opportunities as those with privilege. This is the responsibility of leadership.

Democratisation may be a tired and flawed metaphor these days but when it comes to learning, a shared common good must be our aim. Leaders must work to overcome inequality and concentrate on working to enable access, tackling head-on the fear that surrounds learning in every field. Our survival depends on it.

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By
**Patrick Cowden** and **Matthias Moelleney**

# Re-humanisation: Oh, we forgot

We have arrived in the digital age but we forgot the human factor in our businesses and business schools.

How come when we talk about the one thing that makes all the difference in our businesses we talk about mindsets, emotions, passion, identity, purpose? The human factors, as we say.

And how come when we share thoughts about transforming our businesses and our business schools into a better future state, we return to talking about high levels of engagement and embracing change as crucial for the success of all our plans? Because we know they are essential to business success.

But then, when we begin to actually *do* something, we stop talking about anything human and focus almost all our attention on strategy, organisation, processes, technology, numbers, KPIs, project plans, and communication programmes.

Basically, we talk about everything except what we talked about before we got down to work.

While we are putting these questions on the table, let's not forget to talk about teams, in which much of the work of a corporation gets done. Teams have their own dynamics, their own mindsets, emotions, passion, identity and purpose.

Teams come and go more readily than individuals or corporations[1]. But we don't make the room; we don't take the time. We surely do not develop the capability to address human factors as teams form and disband and new ones emerge.

This gap can only contribute to the disconnect between talking and doing. And when a disconnect is finally recognised, when a project fails or a team does not achieve its potential or a transformation is stymied, the response is "Oh , we forgot about the people".

So, all we have to do is to *remember* that the human factor is the most crucial factor in the success of *anything* we want to do that is different from what we do now. It is the intrinsic element that makes all the rest come alive.

So, all you have to do is invest at least as much effort into activating the collective human factor as you would into the rest of that stuff. That means putting time and attention and money into innovative frameworks and tools.

And, yes, there is much new thinking around the empowering of teams: from lean to agile and from design thinking to holacracy. So many forms of people-empowering ideas, processes, organisational structures and even brand-new variants of self-managed teams have cropped up around the world. All to address exactly this missing factor.

And the greatest examples such as Zappos in the US, Buurtzorg in the Netherlands and Semco in Brazil, are organisations that grew into these newly empowered forms of leadership. But for some reason every attempt to emulate and transfer these forms into other organisations struggles tremendously in the transformational challenge. They get stuck between the old and the new and cannot seem to find a way to scale them to the future state they are striving for.

**1.** Charles Duhigg 'What Google learned from its quest to build the perfect team', NY Times, The Work Issue: Reimagining the Office, 25. February 2016, Ch. 1

Imagine if the reason it hasn't been working is that there actually isn't any way for an individual leader to turn on the collective potential of a group. There never has and there never will. So no matter how much you inspire, train, coach or guide, command or plead or beg, you can never truly activate and unleash the group potential in the room. Actually, the more you try to do any of that, the worse it gets.

There is not a skill or a competence that you can acquire that allows you to do so. There's not a school in the world you can go to that can show you how. And there isn't a guru on the planet that can meditate you into a state that makes it possible. There isn't even a specific leadership style or model (of so many out there) that actually allows you to do it.

The inability to transform traditional leadership models in such a way that they also function in structures that involve the unfolding of human potential has also led to a rethink in science.

Relevant areas of leadership research have therefore been dealing with followership concepts for some time now. The point is no longer to focus on one leader (the lonely leader at the top), but on people (co-operation across traditional boundaries). The scientists distinguish between passive followers (workers) and active followers (co-creators) and try to figure out how a development from passive to active followers can be effectively supported[2].

What is crucial is the connection between the "Need to Produce" and the "Need to Innovate", or in other words, meeting the following three requirements: to do the right things; to do the things right; and to achieve a high speed in adapting to changing conditions.

One approach to changing patterns of interaction across the organisation in order to meet these three requirements was developed by two authors, Patrick and Matthias, along with their colleague Sybille Sachs.

It combines the lessons learned from good team-building approaches with the concepts of trust-based management and positive leadership. In essence it relies on developing new work practices in order to achieve a sustainable level of shared values consistent with organisational purpose. They have described it as a way of "developing mutually viable solutions" which overcome the limitations of classic leadership practices and go beyond into the field of purpose-driven followership[3].

> *"Relevant areas of leadership research have been dealing with followership concepts for some time now. The point is no longer to focus on one leader (the lonely leader at the top), but on people (co-operation across traditional boundaries).*

They are not the only ones to champion the importance of shared values, of course. It has been reflected in the research of Stephanie J Creary, Brianna Barker Caza and Laura Morgan Roberts[4] , who claim that only if the partners of a co-operation can successfully agree not only on the work but also on the values they share, can value be co-created and psychological safety[5] be increased.

If there were a vehicle, tool, instrument, framework or approach that when utilised would truly activate and unleash all of the collective potential in the room, it would turn on that human factor to its highest quality and would allow the strength and intelligence and deepness of who we are to fully unfold.

Then we would have a game changer big enough to change everything in leadership we have ever believed in. It would mean that followers do not need leaders as much as we always thought; and it would confirm that ego-leaders in the room actually get in the way of this potential every day.

**2.** Uhl-Bien, M., & Arena, M. (2018). Leadership for organizational adaptability: A theoretical synthesis and integrative framework. *The Leadership Quarterly*, 29(1), 89-104.

**3.** Moelleney, M., Sachs, S. (2019). Beyond Leadership. Zurich: SKV Verlag

**4.** Creary, Caza und Roberts (2015). Out of the box? How managing a subordinate's multiple identities affects the quality of a Manager-Subordinate relationship, Academy of Management Review, 2015, Vol. 40, No. 4, pp. 538–562

**5.** Edmondson, A. (1999). Psychological Safety and Learning Behavior in Work Teams, Ad instrative Science Quarterly, 1999, Vol. 44, No. 2, pp. 350-383

But what this really means is that we could all stay just the way we are and we would not need to bend and twist ourselves into someone we are not.

Boom! Then we will have finally discovered a form of leadership so far beyond everything we have known and loved that it would truly redefine the whole world we live in and turn it upside down.

But we could finally stop trying to be someone we're not, and just be who we are and know that that is good enough. And then we would join our friends in that collective vehicle of activated goodness and go out there and be the very best we could ever be. Every single day. And we would never forget that human factor again.

gf

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By
**Peter Thomson**

# The Productive Leader – a new approach for the digital age

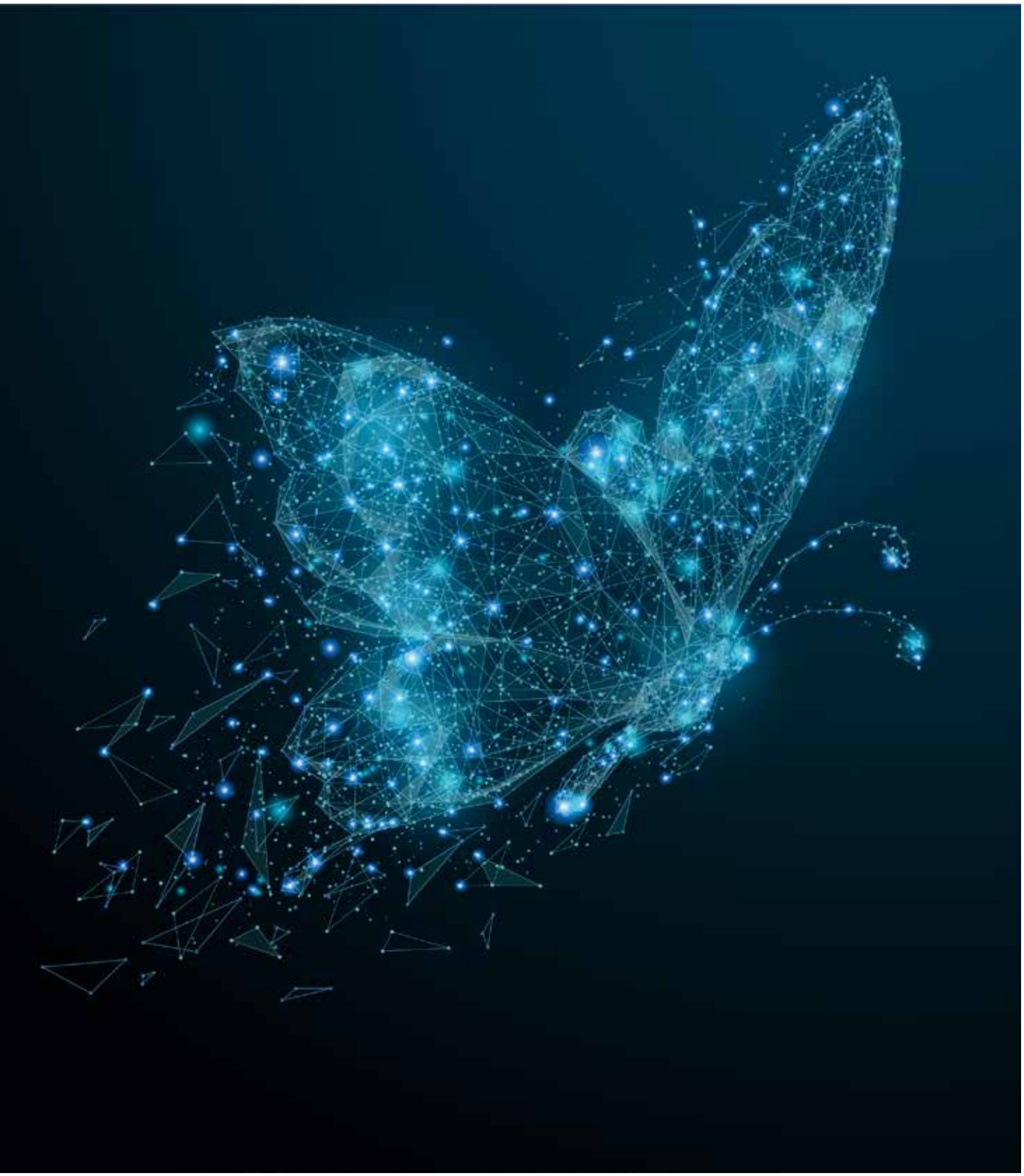
We need to create productive organisations by genuinely empowering employees and allowing them the freedom to choose how they work.

We have spent the last 200 years building ever-more complex organisations. We have built up multinational empires blindly assuming that economies of scale are justifying the mega corporations. Exciting, innovative, organisations have been bought by the established players and their products absorbed into the corporate offering. You only have to look at the technology sector to see how power and profits are concentrated in a handful of top players.

All this is changing. A new breed of organisation is emerging that proves big is no longer beautiful and networks of small businesses have the edge. This provides a fundamental challenge to leaders whose power base relies on being at the head of an empire. There is a simple reason for this: smaller organisations are more creative, agile and, above all, more productive.

Productivity drives prosperity. Living standards are dependent on thriving economies and these come from work that produces output. Employers can afford to pay more if their employees generate more income or work more effectively. Yet leaders rarely focus on improving individual productivity, concentrating instead on the bottom line and controlling costs.

*A new breed of organisation is emerging that proves big is no longer beautiful and networks of small businesses have the edge. This provides a fundamental challenge to leaders whose power base relies on being at the head of an empire. There is a simple reason for this: smaller organisations are more creative, agile and, above all, more productive*



The model of work that prevailed in the 20th century is no longer fit for the 21st. It relied on employees being willing to do jobs defined by employers in hierarchical structures under a command-and-control regime.

In spite of the many "engagement" initiatives being run by managers it's still impossible to get away from "top-down" leadership. The predominant pattern of work has still been made up of people performing jobs in exchange for a salary.

There has been a small shift towards self-employment as the "gig economy" starts to take hold but the inertia that exists in traditional organisations prevails. As we move further into the digital age this is likely to change.

Platforms such as Uber are the tip of an iceberg in the world of work. They have shown that there is an alternative model that can be very effective and does not involve the overheads of a corporate structure.

**We are measuring the wrong things**

The problem with conventional employment is the reward system. People are paid by the hour. Even if they are not paid overtime for extra hours, they have a salary related to the time they spend working. Part-time workers are paid less than full-time employees on a *pro-rata* basis. The contract of employment states the hours someone works and the salary they earn. It doesn't say anything about what they produce.

In this environment people who work long hours are seen to be the loyal, hard-working employees. They get promoted to senior positions as a reward. On the other hand, people who leave work early to get home are seen to be less valuable. As a result, we end up with long-hours work cultures and associated increases in stress levels.

But rewarding people for effort bears no relation to productivity. In fact it is the reverse. If we have two employees doing the same job to the same quality and one gets it done in a shorter time then by definition they are more productive.

> *We are clearly measuring the wrong things. We measure effort, or input, in hours, rather than measuring what is produced as output. Yet all jobs are created to achieve a result of some sort. So if we measure that, and reward people for actually doing work, not just making an effort, we will encourage productivity*

We are clearly measuring the wrong things. We measure effort, or input, in hours, rather than measuring what is produced as output. Yet all jobs are created to achieve a result of some sort. So if we measure that, and reward people for actually doing work, not just making an effort, we will encourage productivity.

**It is now becoming more visible**

Take part-time work as an example. Our conventional payment systems reward people *pro-rata*. So the person who works half-time gets 50% of the salary of the full-time employee. Yet there is ample evidence to show that people do not produce results equally per hour in most jobs. They slow down as they get tired or they stretch the work out to fill the time available.

It is now quite common for parents, returning from parental leave, to request to work part-time. Managers who do not want to lose experienced employees are usually willing to say "yes" and will welcome them back perhaps for a four-day week. After a few months they review the situation and find that most, if not all, of the "full-time" results are still being achieved.

The employee has reacted positively to being able to take more time with their family and has been more motivated. They have probably cut out some time-wasting activities associated with the old way of working. And they have adjusted the way they work to make best use of the time available.

The manager is happy because he or she has an effective employee and is now only paying four-fifths of the salary. But eventually the employee realises they are being paid less than "full-time" colleagues for doing the same job. Yet they are clearly doing it in a more productive way. If they do not get rewarded equally they can be tempted to look around for a fairer system and take their talents elsewhere; or worse, stay and be a disrupter.

**How can it be done differently?**

An alternative to jobs and salaries is self-employment. By definition, someone running their own business is paid by results. The Uber driver is paid to take the passenger from A to B. But when conventional views of work are applied there is a problem. Small companies have some chance of measuring people on the impact they have on the business as a whole but as they grow this becomes more complicated.

Take the example of two people who run their own replacement windows business. They get appointments, visit the customer, estimate price and sell the job. They design, make and install the windows. They also do their own invoicing and accounts paperwork and produce five windows a week.

Soon the business starts to grow and they need to recruit more people. First, they hire a PA to organise things; then a surveyor to do estimates; and a sales person to bring in the business. Soon they need more production people, a quality controller and an accounts department. By the time they have a staff of 40 people they are producing 80 windows a week and are proud of their increase in productivity.

But by measuring output per employee we find that productivity has decreased. The two of them produced five windows a week. So with 40 employees they should be producing 100 a week but are only managing 80.

Clearly this is because very few of the staff now actually make windows. They are all busy carrying out their important specialist functions and attending meetings with other staff members. But they have lost sight of the bigger picture. There has to be a better way to grow a business and maintain productivity.

**Where are we going?**

In the interest of productivity we are likely to see many more small businesses in the future without the overhead burdens associated with specialist departments. Technology will allow people to perform work directly for customers and be paid for their services not for their time. And there will be a revolution in the way work is distributed within companies, creating multi-skilled jobs for employees with broad

> *"The day of reckoning for many leaders is not far away. As self-managing teams develop into self-directing units the need for guidance goes down. As fixed organisations evolve into networks of individuals the need for a structured work environment decreases. And as high-performance teams prove to be more productive than traditional structures, task orientated managers will become redundant*

responsibilities, buying in specialist support only when needed.

Somehow we have to cut back the wasted energy going into running an organisation. We have to stop divisions and departments fighting each other for resources, focusing on their own narrow goals and ignoring the impact on the business as a whole. But how do we do this?

One way is to reverse the specialisation trend. Keep jobs as broad as possible, which makes them more interesting and engaging for the people concerned. There are now examples of this type of structure emerging, starting with self-managing teams.

These organisations have found a way to genuinely empower people. The employees making the product or delivering the service are not supporting layers of overhead or having to comply with policies, procedures, rules and regulations passed down from above. They are free to work the way that suits them best.

They feel that they "own" the business because they can influence everything happening from customer contact and selling through to production and delivery of the product. They are also rewarded for achieving results and not just for putting in effort.

**What does this mean for leaders?**

The leaders of today's organisations are not about to admit that there may be a viable alternative to the traditional model of control. They have a vested interest in keeping their hierarchies intact and they look to the growth of their empires as a sign of success.

There is strong evidence that delegating power down the organisation can dramatically increase productivity. But this means admitting that people are quite capable of managing themselves and left to do this will find much more productive ways to work.

It takes a brave leader to let go of control and trust people to get on with the job. Maybe this is why there are so few examples of genuine self-managed teams or individuals at the moment.

The day of reckoning for many leaders is not far away. As self-managing teams develop into self-directing units the need for guidance goes down. As fixed organisations evolve into networks of individuals the need for a structured work environment decreases. And as high-performance teams prove to be more productive than traditional structures, task orientated managers will become redundant.

True leadership will survive by creating organisational cultures that reward productivity and trust people to make decisions for themselves. Leaders who don't get this message will rapidly find themselves the dinosaurs of the digital age.

gf

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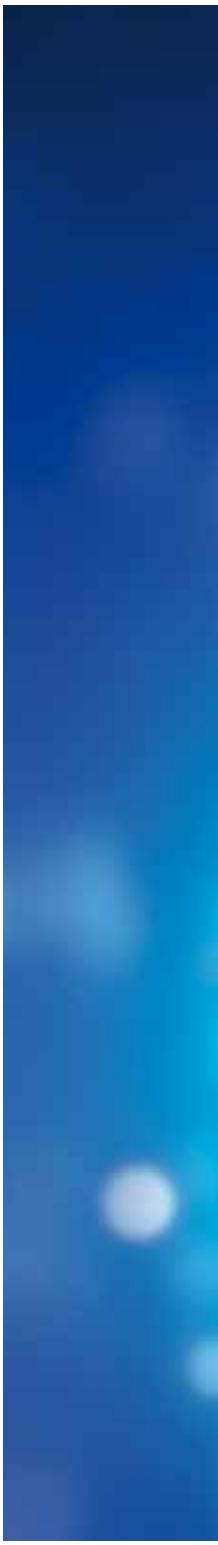
By
**Michael Staunton**

# The Leadership Challenge of Talent Management



The context of business is undergoing a radical rethink or at least a questioning of the fundamentals. In particular the role of the leader is being challenged to be more inclusive and to add some form of social responsibility to an already tough job description.

Talent management is a key area where leaders are, or should be, focusing increased amounts of their attention. For too long and in too many companies talent management has been "owned" by HR. It has been an annual process not a business needs driven ever-present requirement needing constant leadership focus. Some CEOs have got this but too many still look at static organisation charts once a year to plan succession and think that's talent management.

One of the areas that increasingly figures on CEO surveys of concerns for the future is how the shortage of talent will affect the organisational capability to reach their business targets. But how to get to grips with this? It is not helped by the multiple definitions of talent management that academics and practitioners have come up with trying to create a standard definition.

*"Talent management is a key area where leaders are, or should be, focusing increased amounts of their attention. For too long and in too many companies talent management has been "owned" by HR. It has been an annual process not a business needs driven ever-present requirement needing constant leadership focus*

**So the first challenge for leaders is defining "talent" and it's "meaning" so that it fits with each organisation's particular needs, circumstances, culture and business challenges and is designed to help achieve business aims.**

Talent management is very much a product of the organisation it develops from; it's history and culture all play a part. A high-tech company's needs are different from a manufacturing or service organisation. Each will have to define their own path on the talent journey.

Some organisations create an explicit documented talent management system while others are largely undefined. However, it can be argued that as "talent management" covers a set of interrelated activities to identify, attract, integrate, develop, motivate and retain talented individuals every organisation has these activities either by default or by design.

The point is that whether or not you formalise your definition or system you have one in place already and the employees will be aware of it. If it is not thoroughly thought through, the strategic plan is at risk. Whatever else, leaders need to work with others to detail the skills, key roles and behaviours necessary for the sustainability of the organisation.

**The second challenge for leaders is how to take account of the digital age with its challenges and opportunities for leadership and talent management.**

It has been argued that leadership in the digital age will not be totally new but an 80/20 rule whereby 80% of a leader's role stays the same and there is a 20% uplift required.

The ability to learn and develop a growth mindset will be vital to cope with the increasing disruption and the development. Leaders will need to become more closely involved with talent management as new situations develop. Of equal importance will be the up-skilling of the workforce to be able to effectively use and interact with new technology. The age of "lifelong learning" has arrived. Companies will need to develop or recruit talent to be able to maximise their technology investments.

80/20

Leadership in the digital age will not be totally new but an 80/20 rule whereby 80% of a leader's role stays the same and there is a 20% uplift required

*"Leaders must take on the specific talent management challenge for their organisations. Although talent management is not clearly defined it cannot be ignored and leaders need to own and set the meaning in their own organisational context. and performance*

**The third challenge for leaders is should talent management be exclusive or inclusive of larger populations or even the whole organisation?**

The exclusive model of talent management often uses the premise that 5% of roles create 95% of the value. By identifying these roles and making sure your most talented people fill them, value can be maximised.

This is often termed the "talent to value" approach. It requires identification of the roles that drive the greatest value, the competencies, skills and behaviours necessary for those roles, and then to fill them by those with the requisite talent from inside or outside the company.

While there is logic to the talent to value approach, questions inevitably arise about the rest of the organisation. There are huge risks in not positioning this approach in terms of employee engagement across the organisation and the real loss in terms of nurturing talent to meet the challenges.

In today's world, just about every start-up ensures that it develops everyone as far as they can go. They know that, as they grow, new and up-lifted skills are necessary so they do all they can to develop the talent they have.

It need not be an either/or; it can and should be both. While the CEO's focus may well be on the talent to value, he or she needs to ensure the rest of the organisation is filling the pipeline.

It is clear is that the old high-potential approach to talent is becoming dated, exclusive in its approach, elitist and, almost certainly, demeaning and demotivating to the large majority of employees

Not every employee is going to be given the chance to study a sponsored MBA or go to Wharton for 12 weeks but ignoring this potential to be gained and the downside of demotivation does not make economic sense.

Given all the above, it is time to revaluate the current talent approach. It must become broader in terms of the whole organisation rather than a small subset and create more meaningful work for more people inside and outside the organisation.

Talent management is a fast-developing concept and it is important to learn from different perspectives and actual examples. The three case studies on pages 37 and 38 illustrate potential directions for the concept of talent management. One from a British retailer employing ex-offenders; the use of new software to make the company a "talent marketplace"; and, finally, how the National Health Service (NHS) in the UK is approaching talent management.

Leaders must take on the specific talent management challenge for their organisations. Although talent management is not clearly defined it cannot be ignored and leaders need to own and set the meaning in their own organisational context.

Exclusive, inclusive and hybrid approaches need to be part of the decision making as well as the implications of the digital age, Leaders must engage with talent management so that it adds value to the organisation and enhances engagement and human development inside and outside the organisation.

5%

The exclusive model of talent management often uses the premise that 5% of roles create 95% of the value. By identifying these roles and making sure your most talented people fill them, value can be maximised

**Case Study 1**

This is a story of a company using a talent strategy that has a social and both non-economic and economic benefit. Timpson's, a British multinational retailer with nearly 5,000 employees works with ex-offenders in an inspiring example of how to connect social benefits to a talent approach and create economic benefit for an organisation.

Today over 10% of Timpson's workforce are ex-offenders. The social challenge is that it is estimated that 25% of men over the age of 18 in the UK have criminal convictions and for the last 12 years James Timpson, the CEO, has recruited ex-offenders.

Timpson's view is that the ex-offenders are a source of talent for the business and it's a win-win situation for all the stakeholders.

For the government and society this approach reduces the rate of re-offending, rehabilitates offenders, reduces prison numbers and therefore reduces social costs.

For Timpson the evidence has shown the company recruits motivated and loyal employees. For the ex-offenders themselves it is an opportunity to turn their lives around. This model gives an economic and social benefit that can be utilised further by others.

10%

Today over 10% of Timpson's workforce are ex-offenders. The social challenge is that it is estimated that 25% of men over the age of 18 in the UK have criminal conviction...

12yrs

...and for the last 12 years James Timpson, the CEO, has recruited ex-offenders

**Case Study 2**

The second case study is the idea of remote working driving talent and engagement and productivity. A study by the Centre of Economics and Business Research (CEBR) highlighted the opportunity to leverage flexible and remote working to attract talent and also to increase employee engagement and productivity.

In an online survey of more than 2,500 US knowledge workers conducted in July 2019, the CEBR study claims that in offering virtual/remote work options and providing the tools to enable them, companies can better compete in the battle for talent by dipping into untapped pools of workers.

These include "unemployed" individuals such as parents raising children at home or those caring for elderly relatives and retired baby boomers who would work if it could be done mainly remotely. The survey found that economically inactive individuals indicated that they would be encouraged to start working if given the opportunity to work flexibly.

In addition, companies offering flexible/remote-working options can engage contract and part-time employees to take on more work. According to CEBR, this would make major savings for workers (and employers) as well as major savings in time and for the environment by reducing commuting costs as well as improving work/life balance. Using remote working imaginatively would help open up access to talented individuals.

5th

The NHS in the UK, which with an employee population of 1.7 million, the fifth-largest employer in the world

**Case Study 3**

The third case study is the NHS in the UK, which with an employee population of 1.7 million, the fifth-largest employer in the world. The NHS belief is that all employees benefit from the talent journey, and are in a sense talented. Indeed, the National Head of Talent Management argues that the NHS is obligated to enable all staff to do the best that they can do in their career. The premise is that engaged and developed staff will maximise patient care – "if we show we care about our employees; they will show care to patients".

The strategy also includes the idea that leaders/managers drive the journey with the individual. So there is also focus on leadership and diversity in the NHS as an exclusive element but with a whole organisation included. The talent strategy is in a sense a "hybrid" rooted in the context of the NHS, its values and challenges.

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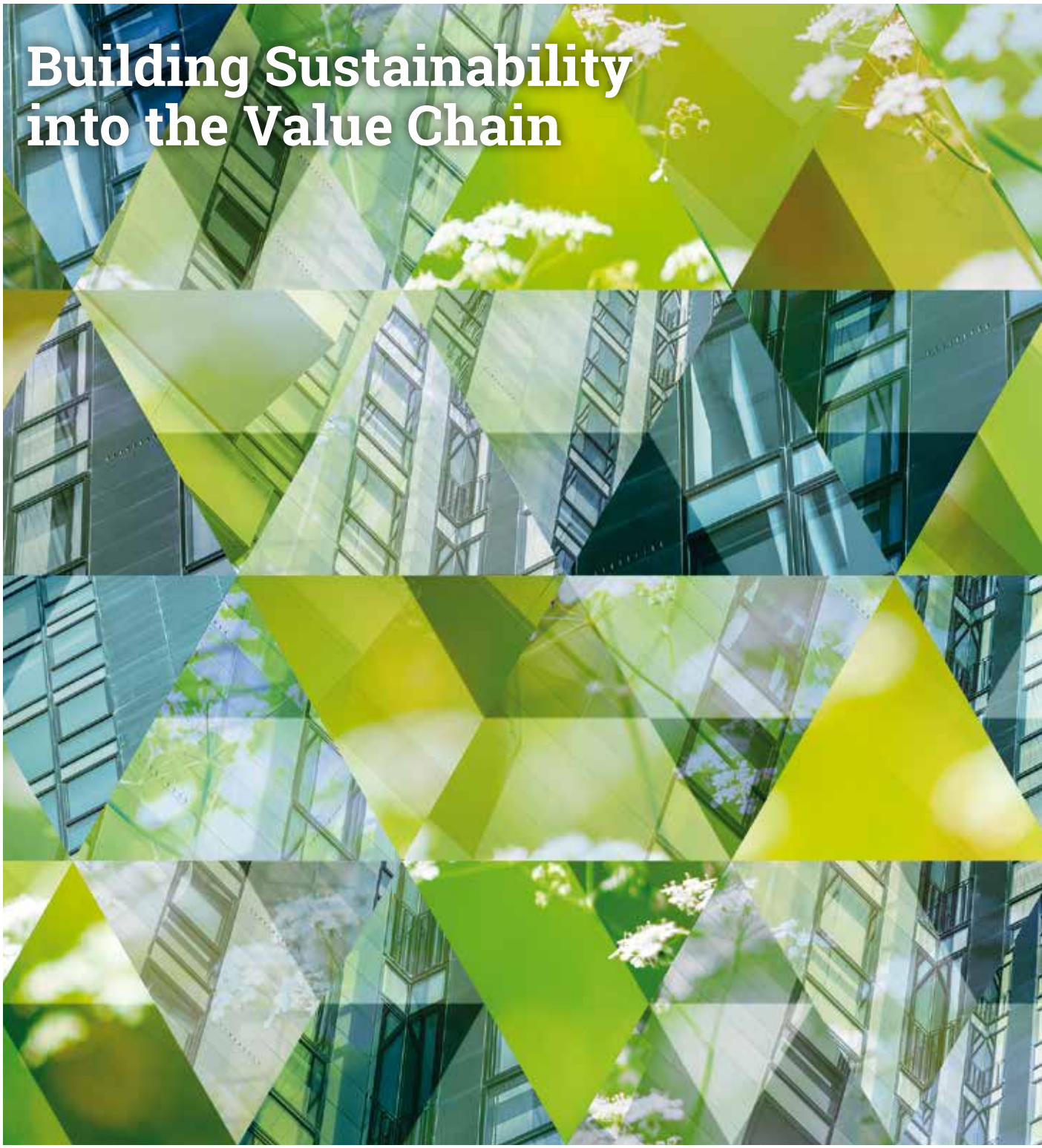
By
**Rudi Plettinx**

# Building Sustainability into the Value Chain



Running a "sustainable" business is not about recycling and tree-planting programmes, it's about putting sustainability at the core of your shareholder value proposition. To achieve sustainability transformation in companies, leaders need a broader skill set. This means that management education thinking also needs to be transformed to address sustainable values.

Is sustainability in business misunderstood? Some senior managers see it as the end of business – a strategy that strangles profits with green priorities and environmental constraints. To others it's a handy promotional tool. But aren't recycling and community tree planting merely lip service – corporate social responsibility for the annual report and yearly updates to the board?

If this is how you see sustainability, you are still not "getting it". Businesses exist to build value and drive profit. This won't change. Forward thinking leaders see this. They also know that the past decades' trend of unbridled resource consumption – and the irresponsible environmental practices that have brought us to where we are today – cannot continue.

Quite simply, sustainability is set to become the new business model for the rest of the 21st century. To stay in business, tomorrow's companies need to build value continually, innovate in productivity and increase profits. Nothing new here.

The twist is that sustainability is fast becoming an essential part of value assessment – the core of the new business model. Delivering this requires a new brand of leadership, thinking and practising with a dual vision for the future of the business and the planet.

Leaders who are serious about building value for the future need to be serious about making sustainability central to the value equation. The first step is to be clear on what that means – for you, your teams and your stakeholders – and how to translate that into a business model.

Building sustainability is not a programme but a business and profit model with sustainable planning as an integral part of the value chain. The message that your shareholders, customers and the talent you recruit need to hear is that you are leading a business strategy that's more profitable and based on sustainable values. Not the double bottom line: the integrated bottom line.

Examples abound of wildly successful businesses that are running the environment into the ground. In the near future this will no longer fly. But most business schools continue to sing from the old hymn sheet – that if you have to choose between profit and green, the only viable business choice is not 'or', it's 'and'.

So the new business target is sustainability and "Leadership 3.0"

Leadership 1.0 was based on last-century paradigms and research, focusing on qualities such as creating self-awareness, giving and receiving feedback and coaching, version 2.0 added mindfulness and authenticity.

To make Leadership 3.0 a reality, executive education and leadership development professionals need to develop business leaders who are self-aware, visionary and run a profitable business that contributes to improving society and the environment. You will need to clearly elaborate and demonstrate the sustainable value chain. That's the sustainable business model.

Are you doing this today? Most likely, not. What you are doing is reporting to your board on "sustainability targets" largely through the lip-service lens of communications programmes and CSR activities – window dressing.

This thinking drives linear growth. Applied affectively, sustainability 3.0 drives circular growth. It's not about recycling – of course that's part of the picture – but looking at the entire supply chain through the sustainability lens.

In light of the rapid pace of change in climate thinking, leaders concern for "…how can we afford to do this" will soon become "…how can we afford not to do this".

Is change really coming? The current era of populism will not last forever (some are hoping for a two-year horizon). Today's world of 75-year-old politicians holding onto the past will soon give way to a new electorate and consumer base that is looking for proof of sustainability.

The call for climate action and corporate accountability will only get louder. Activism is already evolving into national and international

legislation in treaties such as the Paris Agreement and other environmental treaties. This year's young climate activists will be policy makers, investors and business leaders a decade from now.

In many sectors, changing consumer preferences are advancing in lock-step with new legislation. Sustainable financing, or the rejection of financing that does not have a clear sustainability benefit is taking hold. Likewise, pension and investment funds are focusing their investments away from unsustainable sectors.

All this should be a no-brainer for leaders who are attuned to thinking five, 10 or 20 years into the future. And for tomorrow's leaders to embrace this new thinking, another group needs to be reskilled in short order: the business schools that develop them – many management development institutes are teaching last-century business models. If the policy makers and investors are measuring against green criteria today – it's a signal that everyone needs to put their sustainability lenses on.

The business schools need a more a transdisciplinary approach in their education. They can be inspired by Renaissance thinking – to revisit what it means to be a holistic leader. Business schools are too focused on case studies, shareholder value maximisation and undervalue the role of the shareholder. They need to develop "trans-disciplinary graduates" with skill sets that blend elements of management, engineering, sociology, history and psychology – a new crop of Renaissance women and men.

The change brought by this new thinking will be a new generation of leaders who are driven to build businesses with a *purpose* and driven by *prosperity* rather than solely by profit and shareholder value maximisation.

Now to the more practical question: how to do it? Leaders can be inspired by frameworks that guide development of sustainability and action plans.

Responding to climate science isn't rocket science, it's basic management science. This is another thing that visionary leaders are good at: change management, innovation, and driving and managing disruption. The starting point for building sustainable value into your business is the same as any corporate transformation effort – baseline, targets, audit reflection, adjustment.

The sustainability audit is a management audit with a sustainable lens. It brings a fundamentally different set of core criteria to the business model.

The foundations of the new model developed in a dialogue process – a sort of 360 scan of the business from a sustainability perspective:

• **Developing and engaging** all actors in the value chain to embrace sustainability values – the board, managers, employees, customers, suppliers and shareholders

• **Integrating sustainability in the organisation** – an iterative process of co-creation that sets the mission, strategy and action plan with clear and frequent communication to all staff and external partners;

• **Achieving the goal** – or rather taking steps toward it. This is a progressive process that keeps the conversation going on the benefits of our journey together around providing benefits for through partnerships, prosperity, the plant – and the ultimate beneficiaries of our products and services, delivered in a sustainable model: people.

• **Assessment and learning** – this phase asks the question: are we "Sustainability-fit"? in a process of integrated reporting, impact measurement and self-assessment?

This Sustainability fit approach differs from well-known business planning and continuous improvement paths, such as Total Quality's 'plan-do-check-adjust' in two ways. First, it puts sustainability at the centre of a business-value-profit model; and, second, it guides a "co-creation" process where all key internal and external stakeholders are engaged in developing the new business model.

For leaders who want to go sustainable, the pathway and business case are clear, getting there is a question of planning. As the Leadership 3.0 approach attracts the interest of leaders and senior managers as a real value proposition for shareholders, the remaining gap is preparing the next generation of leaders and managers.

> *For leaders who want to go sustainable, the pathway and business case are clear, getting there is a question of planning. As the Leadership 3.0 approach attracts the interest of leaders and senior managers as a real value proposition for shareholders, the remaining gap is preparing the next generation of leaders and managers*

Are business schools and the management development community prepared to build skills and knowledge on sustainable business thinking? Today: probably not.

Business schools need to adapt their thinking and teaching. Some are moving but many seem to be slow in rethinking executive development and leadership development programmes to develop leaders for a sustainable future.

Management's focus on profit maximisation for shareholders as the only value by which success is measured got us into the current climate mess. It's about more than carbon and global warming: consider issues such as pollution of water, and air; or plastic particles embedded in the in the food chain and the human genome.

What's at stake for staying with the current shareholder value model and not addressing these issues in your business? Back to basics…. lost profit. The phenomenal rise of 'B Corporations' in recent times shows how companies that get it, will attract employees, customers, suppliers and investors ahead of those that do not.

From the CEO's perspective, any investment is not about cost but ROI, putting sustainability in that calculation will progressively transform business and society, just as poor corporate environmental practices have done over the past 50 years.

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By
**Cliff Dennett**

# Leadership: Creating the innovation -ready organisation

There is perhaps no greater challenge for modern leaders than to protect their companies from the threats of the near-term future. Companies such as Woolworths, HMV and Thomas Cook failed to meet the challenge of external threats.

In contrast, companies building processes to import innovations developed outside of the organisation are maintaining their relevance and attacking strategic challenges head on.

Examples of these "open innovation programmes" include BMW"s Startup Garage, National Express NXIS Accelerator, Unilever's Open Innovation Portal, LEGO's Ideas Platform and the UK Health Service's Meriden platform.

As digital connectivity continues to flip the business models of many industries, accessing innovations created within SMEs will become increasingly vital to the future success of many large companies.

"Leadership myopia" caused by years of operating in the same industry can prevent breakthrough thinking. SMEs can help fix that. Large companies benefit if leaders can shift priorities and genuinely place innovation at an organisation's cultural heart.

Most leaders recognise this, of course. Large companies understand the need to innovate and small companies want to be the source of that innovation. Yet when both meet, disappointment is often the only thing created. This is because innovation still takes a backseat to "business as usual".

The theory is that future success will be assured through innovation but in practice, daily operational concerns and annual targets almost always win the battle for leadership resources.

*Most leaders recognise this, of course. Large companies understand the need to innovate and small companies want to be the source of that innovation. Yet when both meet, disappointment is often the only thing created. This is because innovation still takes a backseat to "business as usual"*

**Why corporates fail to innovate with smaller companies**

Despite the positive intent of those involved, many external innovation activities within large companies often fail to deliver. Leadership fails to prepare the company for innovation and so its immune system rejects it when it arrives.

Imagine sitting at your desk, pondering the day ahead with one of those "executive toy" Newton's Cradles in front of you. You pull back and release the heavy metal ball at one end, setting off waves of satisfying energy transference and change throughout the rest of the system.

Now imagine you replace that first ball with a glass lightbulb, pulled that back and released it. You would witness a very different and much shorter-term outcome and possibly spill your coffee all over the desk.

Unintentionally, a similar exchange usually happens when a large company starts working with a smaller one to integrate the latter's innovative technology. The lightbulb moment of the start-up crashes into the solid control processes, strategies and personalities of the larger company.

The expectation is of waves of energy and change, the reality is a lot of hot air, mess and no outcome aside from the sharp debris of failure on which others will cut themselves in the future.

When a large company wants to innovate and a small company wants to deal with that company, everyone's intentions are usually good. The large company has a challenge (most have many) and the small company has a solution. The large company is very keen to find a solution because it is trying to solve an expensive problem. The small company sees opportunity to do a deal or even get bought and so it seems that the two organisations are aligned for a win-win situation.

This dynamic of large firm/small firm interaction plays out many times. The SME founder meets a corporate contact at a business event and exchanges cards with the promise of a meeting. The founder adds the contact to their prospects list and make the first follow up-calls or emails. After two or three attempts, the corporate contact may respond, often asking for more information. The corporate contact is genuinely interested and wants to help.

> *Despite the positive intent of those involved, many external innovation activities within large companies often fail to deliver. Leadership fails to prepare the company for innovation and so its immune system rejects it when it arrives*

After two to three months, the first meeting may finally happen and everyone will likely be interested in the new gizmo. At the end of the meeting, a follow up may be offered as long as the founder jumps through a few more hoops; "Can you mock this up in our brand style?" or "What would this look like with [X] functionality?"

And so continues the dance, month after month, until the corporate contact changes job, loses budget, leadership pulls the plug, the SME goes bust or the communication just dries up.

Many large companies just have no idea how to integrate the offering of a SME, despite the positive intentions of those involved, and this challenge rarely finds a space at the top leadership table.

**The need for speed**

It's almost trite to say it but things work differently in larger organisations than they do in smaller ones. Minds inside large organisations have different world views to those inside start-up businesses. The vocabulary, corporate culture and ability to operate is very different to that in an early-stage business.

Corporates have decision-hierarchies, rigid budget processes and employee reward mechanisms that can sit completely at odds with the flatter structures, flexible strategy, agile modus operandi and founder motivations of the SME.

This mindset contrast is not based on a difference in enthusiasm or energy; there are plenty of corporate employees who can equal the verve and drive of the archetypal entrepreneur but for smaller companies, speed is everything.

Many SMEs have had little experience of the decision-making processes and timescales of large companies so expect everything to be done in days or weeks rather than months and years. Speed of action is a necessity for smaller companies because they are invariably always about to run out of money.

All too often, SME-corporate engagements suck up everyone's time for little gain. For the corporate employee, all that's happened are a few welcome and interesting meetings to break up the day's usual pressures but for the start-up business such time-drains can be fatal.

**Mortgages don't care about innovation**

Despite the call for innovation and the worry of market disruption threatening obsolescence to incumbent businesses, employee reward structures generally are not setup to encourage innovation.

Most large companies have become big by developing a competence for a particular product, service or operation. Business planning and management processes are established to try to maintain and improve that competence and so anything new and radical finds it hard getting air time at the right meetings.

This leads to corporate employees becoming inherently risk averse; they have to be, to deliver against the company's core competence and so protect their monthly salaries and future wealth.

**An open innovation 'leadershift' toolkit**

While there is no universal "playbook" when it comes to securing innovation, leaders need to build in a deeper level of structural innovation that addresses the negative consequences of the *ad hoc* situations described above.

Leadership needs to consider how their particular company culture and business model can absorb the new, turning it into competitive advantage. This "leadershift" takes time, focus, engaged people, belief, new processes and an operational structure that scouts for, selects, tests, operationalises and measures innovation.

This isn't about smashing any emergent creativity between start-ups and corporates but more about creating the conditions that allow the organisation to use innovations for the benefit of all parties.

To build an effective open innovation programme, leaders should consider the following;

**► Plan for fast-tracking innovation**

A company needs a methodology that can take innovations through a rapid assessment pipeline that; (a) engages the right stakeholders at the right time, (b) passes innovations through clear decision gates and (c) provides managers with the freedom and incentives to act.

**► Commit to a multi-year (at least three years) programme**

Large firms need to overcome internal resistance to external change and learn how to internalise innovations from SMEs. Furthermore, the company needs to signal clearly to the rest of the organisation that it is serious about innovation. Finally, it can take six to eighteen months for a SME's innovation to gain traction within a large firm. As the organisation learns how to internalise innovations, these timescales will shrink.

*"Leadership needs to consider how their particular company culture and business model can absorb the new, turning it into competitive advantage. This "leadershift" takes time, focus, engaged people, belief, new processes and an operational structure that scouts for, selects, tests, operationalises and measures innovation*

50%

Careful selection of SMEs can produce success rates (in terms of commercial trials) of 50% of the initial cohort selected, though success rates don't have to be this high to add huge value

**▶ Run it in the right place**

An offsite innovation programme helps involve other corporate and supply chain partners and also helps the SMEs maintain their independence. Co-locating with other innovation activities and other knowledge-intensive businesses can provide a steady pipeline of SMEs and other inspiration. Being nearby to universities helps as does being located in or very near to city centres, creating the right kind of energy and flow of talent.

**▶ Assign enthusiastic, skilled, connected people**

The quality of talent that leaders assign to their innovation activities determines the value of the impact on the firm's future. Sometimes, the role of innovation lead is given to those who "don't quite fit" anywhere else. This is leadership "copping out"; paying lip service to innovation.

**▶ Set challenges but remain open**

Leaders should agree four to six strategic challenges that SMEs are asked to address and revise them every one or two years. It's important to include a wildcard option for non-challenge-based "left-field" innovations that can reveal opportunities the corporate isn't even aware of.

**▶ Set targets and measure the number of..**

- new SMEs accepted onto the programme every year (of course passing quality thresholds)
- trials completed
- deals signed innovations integrated
- investments made

Careful selection of SMEs can produce success rates (in terms of commercial trials) of 50% of the initial cohort selected, though success rates don't have to be this high to add huge value.

It takes bold leadership to create an innovation-ready organisation but against relentlessly shifting markets and technological disruption, this leadershift is the only option.

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By
**Carolina Yeo**

# The Future of Diversity and Inclusion: can leaders scratch beneath the surface?

> *Businessess should be working on entrenching diversity into the business value chain and taking into account the organisation's diversity of thought, an individual's belief, their values and diverse personalities. It is only by understanding the individual's motivation and drive, can you begin to unlock their full capabilities and commitment and align those with the company's needs*

We have recently seen the boom of chief diversity officer roles and teams, many within the HR and talent management portfolio. However, the reason leaders find it hard to make the kind of benefits that can accrue from diversity and inclusion is that they only scratch the surface, most looking at measuring the main categories of diversity, gender, age, ethnicity and culture often from a "quota" perspective.

What they should be working on is entrenching diversity into the business value chain and taking into account the organisation's diversity of thought, an individual's belief, their values and diverse personalities. It is only by understanding the individual's motivation and drive, can you begin to unlock their full capabilities and commitment and align those with the company's needs. In this way, employees will take full ownership for their contributions to the business objectives.

To investigate this question deeper, let's go back to the fundamental question of what is diversity? A web search reveals different perspectives: one states: "...understanding that each individual is unique, and recognizing our individual differences." Another defines it as ...an instance of being composed of differing elements or qualities: an instance of being diverse. A diversity of opinion." And for inclusion: "....the act of allowing many different types of people to do something and treating them fairly and equally."

The first definition relates to talent diversity. Most organisations today measure the diversity of their internal talent pool with classifications of gender, age, ethnicity and culture. Compared to the definitions above, current diversity metrics seem to go against the true meaning of the definition.

Grouping people using these diversity metrics ignores our core uniqueness as individuals and our true diversity as individuals from our past history, experience, and also our present and future in terms of our passions and impact that we want to create.

In addition, this kind of narrow view of diversity can create new biases and strengthen old ones. One example is the trend in the US where women-based organisations are being sued for discrimination against men, including colleges who have been sued for women-only scholarships.

These and other cases are being resolved by ensuring that the programs are inclusive and discussions on where the line should be drawn are ongoing. This doesn't mean that all current diversity metrics should be ignored or eliminated. But rather how do we see diversity and inclusion beyond the current "metrics" lenses?

**Bringing the human back**

To address this challenge, it is important for organisations and their leadership teams to go back to basics by stressing the importance of appreciating "individual uniqueness". This process aligns the deeper values and purpose of the employees" with the companies" values and mission in addition to the current metrics.

In our work with corporate leaders, we see that an increasing number of boards are asking their high-potential talent this in internal promotion assessments: *"What do I stand for?"* Having conversations about the why with people, and taking time to help them understand "Who am I?" and "What do I stand for?" has become a core element of the talent management strategy in forward-looking organisations.

Our career relaunch & ahead programmes, for example, help people who are looking to relaunch their careers - after a career break or mid-career reflection. These conversations reveal an increasing focus on helping professionals clarify their development pathway to build their personal brand around a combination of their past, their present, their strengths and their future. This reflection helps them define their passion and the impact they want to create in the world.

Rather than only looking at their past – their previous work experiences and track record.

£200bn

According to CIPD companies comprising the FTSE 100 annually spend over £200 billion on their workforces alone

> *Companies that create an environment that respects and celebrates the unique differences in behaviours while integrating it into processes, structures and systems within organisations are the ones that will win not only the war of talent but also in long term business sustainability*

This information can then be used by them together with their current or new employers to plan their next career move beyond the traditional career silos and tracks. As more and more organisations move towards agile transformation, many of our corporate partners have shared that it is imperative for them to transform their organisation starting from the human factor.

For example, we use the Beyond Leadership vehicle in our workshops that was created more than a decade ago by the former managing director of Dell Germany, Patrick Cowden, which aims to help companies unleash their potential by starting with understanding and respecting the human factor at the core and starting the deep conversations early.

While many leaders recognise that talent is crucial to business success and social value for companies, many still understand little about the value of their "most important asset" – their workforce on which the companies comprising the FTSE 100 alone annually spend over £200 billion according to CIPD.

So how can we measure that? In my conversation with the talent analytics team at a global pharmaceutical company, it was suggested that in addition to looking into the common diversity and inclusion, why don't we also look into personality metrics and psychometrics as an additional indicator. This helps us look beyond the few mainstream diversity metrics and also avoid looking at the past but more into the future.

And more importantly companies that create an environment that respects and celebrates the unique differences in behaviours while integrating it into processes, structures and systems within organisations are the ones that will win not only the war of talent but also in long term business sustainability.

They are currently undertaking exploratory analyses on the topic of diversity—analysing demographic factors collectively, as opposed to individually. In addition, the company is analysing personality attributes, combining these with demographic factors, to determine if there is an optimal combination of "diversity" among leadership teams, which enables better decision making and performance.

*In an article, Barbara Wege, who heads autonomous-vehicle ethics at Audi, says surveys such as the Moral Machine can help to begin public discussions about these inevitable accidents that might foster trust. It may not be possible to go to these lengths in many of the cases, but it is important that a culture that welcomes diversity of thought and challenge is established*

It is important to note, however, any tests that aims to classify individuals and simplify the complexity of what is it that makes us humans unique will still contain a certain degree of bias. So what can leaders to reduce the bias in their usage of data and enable better and more efficient decision making?

It is interesting then to look at a project that aims to tackle this problem. Many automotive companies have now self-driving features in their offerings. This has lead to a business and moral question that many have brought up. Instead of keeping the decision making power to a few selected individuals in the company, Iyad Rahwan tries to answer this question holistically in his project coined the MIT Moral machine uses crowdsourcing and gamification in the collection data.

Anyone who has access to a computer and WIFI can provide their input based on a number of scenarios hence collecting perspectives not only from diverse individuals but also encouraging individuals to create the scenarios that they may experience day to day.

40m

Within 18 months, the online quiz (the MIT Moral machine) had recorded 40 million decisions...

223

...made by people from 233 countries and territories

> *Brands touch the lives of various stakeholders every single day: employees, customers, business partners, media, passers-by. They watch and feel every action done by every single person involved in building a brand. Every detail has an impact on how a brand is being perceived*

Within 18 months, the online quiz had recorded 40 million decisions made by people from 233 countries and territories. Even the automotive companies have taken notice. In an article, Barbara Wege, who heads autonomous-vehicle ethics at Audi, says surveys such as the Moral Machine can help to begin public discussions about these inevitable accidents that might foster trust.

It may not be possible to go to these lengths in many of the cases, but it is important that a culture that welcomes diversity of thought and challenge is established. Certainly in the future, talent will be more diverse and only companies that are able to make use of this different group, will be able to take the full benefits. Changing views to embrace this will add to better decision making and innovation. That argument needs to be won.

With this approach, business leaders can better connect the results of their diversity and inclusion efforts to their long-term business performance as they start to explore new ways where they can crowdsource or democratise their decision making and use it as a channel to drive crucial topics and public discussions.

**Tackle diversity of thought not of people**

The next definition that we have highlighted is the measuring of diversity of thought and opinions instead of people or talent. Most initiatives aim to tackle talent diversity instead of looking at it holistically which also includes tackling diversity of thought.

One scenario for example is to look into how companies can better measure diversity of thought in brands? Silvia Raks shares in her article: "Brands touch the lives of various stakeholders every single day: employees, customers, business partners, media, passers-by. They watch and feel every action done by every single person involved in building a brand. Every detail has an impact on how a brand is being perceived."

How can companies foster the diversity of thought? A Deloitte 2013 report called Diversity's New Frontier states, "Diversity of thought goes beyond the affirmation of equality." Leaders need to broaden their scope beyond the current metrics and focus on creating an agile learning culture and environment for diversity and inclusion strategies. Where people feel that they are allowed to try, make mistakes, learn from each other, reiterate, review and try again to find an approach that makes sense for the business, the social impact and their teams.

It is only when leaders take a step back and look at the topic of diversity and inclusion beneath the surface and constantly adapt the use of their diversity and inclusion initiatives to the meaningful impact that they would like to achieve, then the future frontiers of Diversity and Inclusion would continue to be powerful, impactful and everlasting. As Charles Darwin in one of his well-known quotes says: "It is not the strongest of the species that survives, not the most intelligent that survives. It is the one that is the most adaptable to change."

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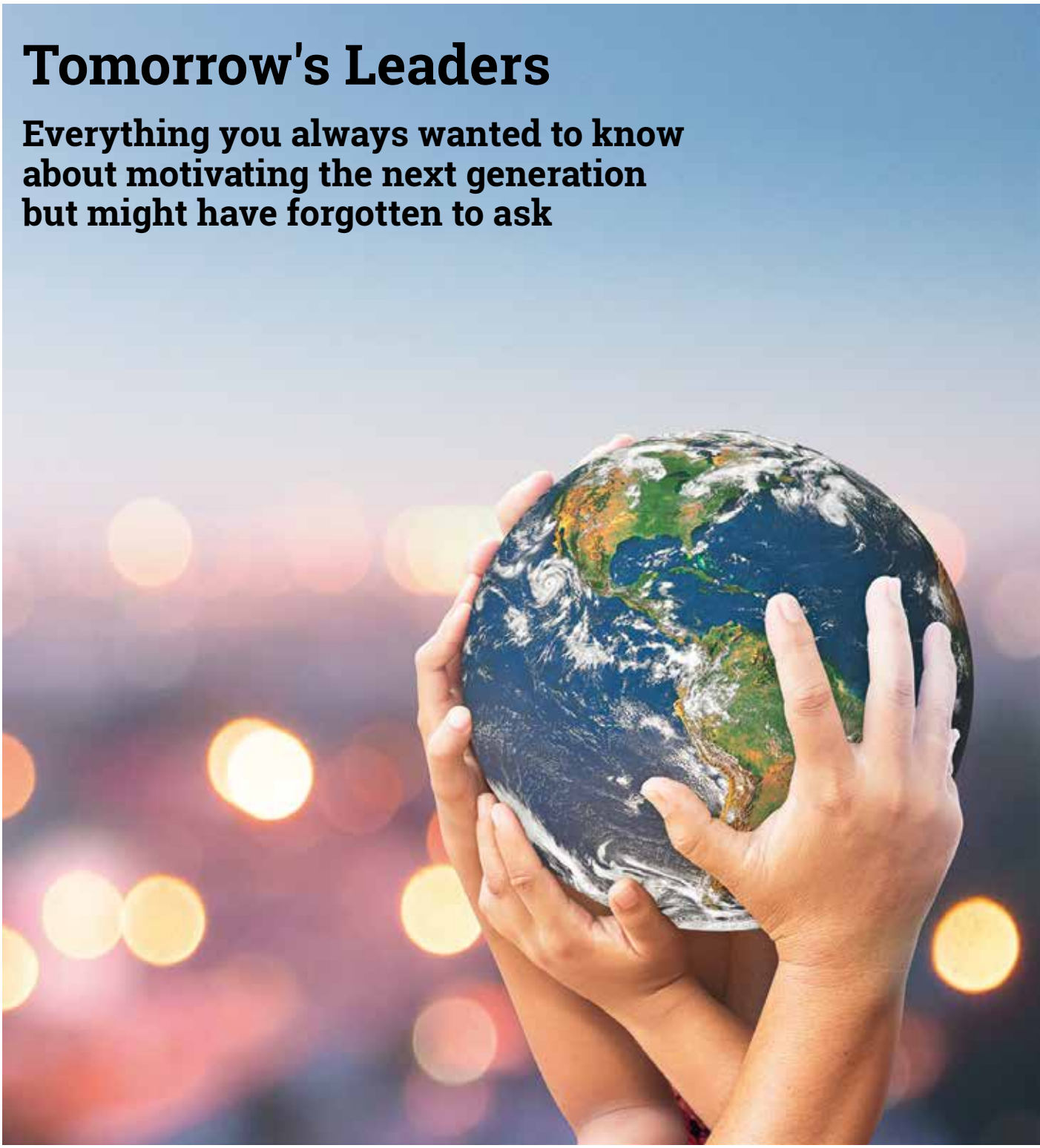
By
**Michael Devlin**

# Tomorrow's Leaders

## Everything you always wanted to know about motivating the next generation but might have forgotten to ask



Are we listening to the needs and concerns of our talented professionals who will soon be tomorrow's leaders? Seven young professionals talk about how they see leadership today, what needs to change and how they would do it differently.

When browsing management articles and cases about young professionals, one of the first issues that pops up is a long list of clichés about millennials and their behaviour.

The conventional view of millennials – today's generation of 20/30-something professionals – holds that that they are tough to manage, overly anxious for rapid advancement, narcissistic and self-focused, impatient and ready to hop jobs at the drop of a hat if they do not get what they want.

Elements of this profile are true and young professionals born into the internet age definitely have a different world view and influences from their older colleagues. But the sweeping statements about who millennials are, are largely clichés. Nor is the entire generation convinced that they have it all figured out. Millennials are just as hungry to develop their skills and learn from their seniors as previous generations of professionals; and most do not hop jobs just to teach their old-style employers a lesson.

The young professionals interviewed for this article have divergent views on life and work. There is no universal truth here. But some interesting common threads emerge from these conversations with young people from Brazil, India, the US, Germany, the UK and The Philippines. They are all global citizens, living and working outside their home countries – in the EU, Asia, the Middle East, South America and the US.

This article addresses two questions: what do tomorrow's leaders want and how do they see their current situations? And: what messages does tomorrow's generation have for today's business leaders about how they can improve their leadership style?

**What do young professionals want?**

The cliché of the mercurial job-hopping millennial is more of a logical reaction to today's realities than a personality trait. Faced with a lack of long-term career prospects from employers, they are more easily motivated to move on if their current leadership does not listen and if they don't feel valued.

One interviewee, a professional in a global media corporation, says that he and his peers are motivated by a combination of factors – salary, the opportunity to be involved in interesting projects, recognition of their skills, flexible work practices and access to mentors.

What leadership traits demotivate them? Senior managers who don't listen to their younger counterparts and those who do and make them feel appreciated.

He believes that the ideal project blends the skills of younger and older talent to deliver optimal results. "The foundation is the knowledge base of senior management," he says. "The rocket fuel is new perspectives and ideas from the new generations. They bring different perspectives. But 'outside the box' is innovative thinking for every age."

Delegation is a key motivator, he says: "Show trust by giving me full responsibility for my project."

All the professionals interviewed commented on the lack of flexibility – one of the highest-value factors for them in selecting the best positions. They ask leaders to stop prioritising presenteeism, making work-from-home common practice, make you feel like you're an entrepreneur, and leave team members time to develop their own projects.

Other suggested zero-cost options guaranteed to boost motivation for colleagues: don't schedule the first meeting at dawn; consider flexible holidays, time off to learn and work in another location; and put the priority on delivering agreed results and exceeding expectations over presenteeism.

**It's about more than money**

"More money is not the driver for us," says the youngest interviewee. "We are looking for a challenge, recognition of our professional skills and the opportunity to develop through our work." She, an early-career professional, recently moved from Brussels to Beijing to progress in her career as a manager in international policy circles.

She explains that the temporary nature of work offered to young professionals means that they do not provide opportunity and professional challenges, which may push talented staff to look for new positions.

For her, the most valued aspects of the professional experience are "to be myself", to voice her opinion and be heard; to be trusted by superiors; and to have a flexible work schedule. This includes the opportunity to manage people and work with leaders that support her to learn the skills needed.

**The future needs digital….and core leadership skills**

As business becomes faster, more ambiguous and more complex, getting to digital is crucial for all companies. Senior management needs to embrace today's digital moment. But this does not mean all young professionals are good at digital and can be hired only for these skills. Our media professional reminds us that: "behind digital is people, relationships, networks".

What about the idea that the modern company cannot succeed without a heavy dose of young digital wizards actively disrupting and breaking the rules to transform the organisation?

One interviewee told us he sees many young firebrands burning out and leaving, some successfully…others very unsuccessfully".

Today's requirements for sound management and inspiring leadership are not so different from past practice, except for less long-term guarantees and job expectations, he says. "Reputation, skills and network are still the core. These are the same principles that make you successful."

But the fact that core business approach is the same doesn't mean that leaders can continue with business as usual. According to all those interviewed, there's much room for improvement. Many senior managers are not walking the talk.

**Another view of diversity in leadership**

One interviewee is a marketing manager working in international development. She offers another view of diversity issues that she feels leaders are not addressing.

"Leadership needs to be more open-minded on work approaches and management styles. Companies pay attention to diversity of colour, gender and sexual orientation but there is a systemic and individual bias against differences in work style and personal strengths. This is also a part of diversity," she comments.

**Getting value from yesterday's leaders and today's talent**

One scientist runs rural development projects in the Middle East, Asia and Africa. He sees that many of today's leaders have developed their management styles based on peers and superiors in the 20th century; and they are not comfortable with the new generation of research professionals.

"Times have changed. Technology reduces the need for face-to-face interactions to work effectively. You can easily monitor staff productivity with technology. Today's senior managers in my sector are struggling to relinquish control. Their reaction to change is more micro-management of tasks that are easily delegated or can be done with technology tools," he explains.

**Reflection on two inspiring leadership styles**

A big data manager for a global research agency says he is happily living a very cool professional experience. He is managed and mentored by two leaders, each with a different style.

One is a hands-off relationship. They are located on different continents and meet face-to-face once yearly, with frequent phone conversations. "We discuss strategy over a beer, agree on expectations and how to get there".

His other supervisor is more hands-on, requesting follow-up more frequently, tough and blunt at times – setting high standards. "He made his high expectations very clear from the outset; and people look up to him. He cares for his team and creates the best conditions for us."

*Our finance manager and former Big-Four management consultant echoes other interviewees, saying that leaders are off-track if they see money as the prime motivator for young talent they are trying to attract. Many young people he sees want to give back and contribute to a greater good, such as climate action*

**What's the 'other value' in the job offer**

Our finance manager and former Big-Four management consultant has seen first-hand the inner workings of large corporations and the challenge of motivating the teams he leads.

He echoes other interviewees saying that leaders are off-track if they see money as the prime motivator for young talent they are trying to attract. Many young people he sees want to give back and contribute to a greater good, such as climate action.

"Profit is an obvious goal for any organisation. But what is the other value you are offering them to participate in? This is very important to many young professionals."

**What has changed?**

Taking stock of the reflections and experiences of these young professionals it seems that there are serious concerns that need to be addressed. Not so much in "handling millennials" but rather in having stronger and inspiring leadership. Change is needed – these young professionals need inspiration, trust (which is a two-way street) and belief in them. Without this, the adage of "job-hopping millennials" will become a truth.

Reading these stories, seasoned leaders might say that there's nothing new here. Leadership has always been about addressing change, managing uncertainty, pushing innovation, and catching and motivating the best talent we can find.

They are correct.

And listening to the concerns of the enthusiastic professionals who provided input to this article, it seems that many of our leaders aren't quite there yet!

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By
**Alain Haut**

# Are business schools doing enough to prepare students, the workforce and potential business leaders for a sustainable future?

**What do you mean by a "sustainable future"?**

A sustainable future is one where the demands on the business leaders of our highly complex and interlinked world will be reconciled with the demands of "new" citizens (among them the Millennials and their successor generations – many of whom might indeed be business leaders in the future). We see the need to ready students for a highly disruptive future in order to be sustainable.

**How is this disruptive future affecting business schools?**

In this context, what is the evolving role of information and communication technology? Are we ready to compromise on economic profit (by the way, the very first test of "sustainability") to absorb the costs related to the concern for people and the care of the planet?

Will business academic research keep its mammoth focus on "social and environmental sustainability?" Or should there be other traditional areas to improve and move forward? Those are just a few questions that should be of concern to business schools.

**What do you see as hurdles for business schools to overcome in this context?**

Business schools generally have a tendency to organise themselves on specialised fields of business where faculty, separately, does a pretty good job of teaching students to get it done "more, better, faster". In a way, they excel at transforming possibility into capability and then into legacy.

However, considering that in the next 20 years there will be probably more changes than in the last 2,000 years that implies that a previous lifetime now "changes" every 10 months. And if we do not, at least partially, change our focus, many people' struggles will get a lot worse.

*"Considering that in the next 20 years there will be probably more changes than in the last 2,000 years that implies that a previous lifetime now "changes" every 10 months. And if we do not, at least partially, change our focus, many people' struggles will get a lot worse*

**Are you mainly considering the struggles of workers to adapt to the new world of work?**

Indeed, the working people – aren't we all? – could be the focus of interest but let's not forget the leaders of those working people. In a business school we train and develop both.

Of course, there will be new jobs to replace old jobs but let's not forget that, in the transition, there will be trauma, fear, uncertainty for at least 50% of "Team Future". How to make sense of things, change hearts and minds, clarify the complex, motivate people to take action, how to support them to transition towards a palatable future of work -- and of life. If we are not careful, personal hardship may erupt into social ills.

**Are those struggles real for every job and person?**

There is obviously no exact count but we can estimate without being far wrong that one person out of two is at least bothered by the demands of adapting to new ways but at the same time coping with the fact that the (business) world keeps spinning. We all need courage and empathy. That means more love than fear, more pulling together than pushing apart, more determination than resignation, more anticipation than despair to combat and potentially overcome the symptoms of unsustainability, volatility, uncertainty, confusion, disillusion.

**What in your view could be areas for improvement for business schools to consider?**

We will not insist on regular or permanent exchange of information with the corporate world through advisory boards, corporate adjunct faculty and the like. It is generally done well and most reputable business schools treat those matters on a continuous improvement basis.

However, there are in my view two other aspects where progress is largely possible. The first one is what we would refer to as "transversality". Very few schools consider programmes where some "specialised fields of business" are mixed together with other fields.

This is a missed opportunity, even more so for business schools integrated in universities that covers scientific, information and engineering departments. Business situations rarely occur and are solved in the isolation of a specialised field. We believe that efforts in this direction would be worth a lot to students, faculty and businesses.

**What could be other areas for improvement?**

It is important for business schools to create the space among those separated fields of business to educate, motivate and support for students to dream better tomorrows

This is not related to strategy, structure, process, technology, KPI numbers and the like. Business schools could come back to the basics of engagement towards embracing change based on the usual but often neglected or forgotten topics of mindset, passion, purpose, emotions; all elements that are so crucial for the successful achievement of any plan.

*"We need people who are dedicated to keeping the human race moving forward, turning possibility into capability and transforming capability into legacy. We need people who are passionate to protest current approaches and lobby hard to change things*

**Why have those topics be neglected or forgotten?**

The irreplaceable urge to "get-it-done". Those philosophical talking points of passion, purpose, motivation, engagement, creativity, innovation, proactivity, identity, curiosity are immediately forgotten when we all feel the need to shift to action.

The business school world is no different from the business world in this sense: when things do not go our way, we do not blame the technology nor the process but the "people who do not embrace what we want and try to get done". It seems that we are unwilling to invest as much effort in the so-called "human factor" as in the practical business enablers such as technology, process, organisation…

**What can be done to better activate the human factor and, at least, level efforts with those enablers?**

We need people who are dedicated to keeping the human race moving forward, turning possibility into capability and transforming capability into legacy. We need people who are passionate to protest current approaches and lobby hard to change things. We need some people who can break away from past limiting beliefs, reimagining what is possible, finding new paths for life to expand. And we need many fiery leaders who can reimagine entire systems – large and small, and invent new ways of being and with the vision to create roles for everyone.

We believe that academic leaders (and business leaders) may need to re-boot how they think about the futuredesign of work of the future through understanding, nurturing and integrating the protesters, the innovators and the new systems visionaries.

**Specifically for business schools, what would be some concluding remarks?**

Engaged faculty and staff members are critical to student success and should be emotionally and psychologically committed to their work, even if they have to practise some intrusive advising.

Despite their focus on their specialised business fields, they should think and act as a generalist, a general manager leading students through the intricacies of global business management. They should insist on the human factors of beliefs, values and identity as the most crucial .

Education leaders (like business leaders) should invest time and money in learning frameworks, tools and mechanisms that activate what we continue to call the "soft skills". Preaching your business field with excellence is not good enough anymore; leading students towards the acquisition and practice of generalist leadership skills should be the commitment.

**The title of this interview is "Are business schools doing enough to prepare students, the workforce and potential business leaders for a sustainable future?". What could be a short answer to that question?**

First of all, a sustainable future implies that sustainability is not perceived nor acted upon as anti-business; pragmatic and measurable business returns must be part of the sustainable business model. Leadership will. However, remain the key to success.

Yes business schools are doing a lot to prepare students for the business world of the future. They could do more in supporting faculty to consider a broader scope of future work (the general management approach) and create a space for transversality to support better acquisition of leadership skills.

**Note:**

*I have become a strong believer in the work of Bill Jensen. I would strongly encourage business schools and business leaders to explore the potential of his work. His three universal roles (Believers, Breakers and Builders) offer a route to better future leadership.*

*Also, my thanks to two other sources of inspiration: Didier Marlier (Engaging Leadership: 3 agendas for sustaining achievement) and London School of Economics (The evolving role of ICT in the economy).*

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By
**Susan Stucky**

# Engaging with Technology

**Why this time around is different**

Getting computers to do our bidding has always been a bit mysterious to those of us not steeped in machine code, operating systems and programming. We were content, if that is the right word, to muddle through command-line interfaces (CLIs) and then GUIs (graphical user interfaces), the ones with the files and folders metaphor as our means of interacting with digital technologies.

But two things have changed in ways that indicate the need for a broader cadre of leaders to engage with one another. It can't just be technologists any longer. One is the advent of machine-learning, a set of techniques developed in Artificial Intelligence (AI) that has vastly improved credit card fraud detection, for example. Farmers are now able to use automated farm vehicles to plough and sow using pinpoint-accurate GPS systems.

The second change is the kind of decision making we are willing to accord, or have accorded, our technologies. Should we should allow our technologies to act on those decisions without human engagement? Drones can navigate with amazing accuracy using GPS systems without any human engagement at critical junctures in real time. Should we let them?

To address issues like these, regulation has often been proposed as a means of controlling action by digital technologies. Regulation, however, is external to the technology itself; regulations operate at some distance from the actual technology and, as we have experienced, take a long time to develop and need copious, possibly unreasonable, amounts of governance.

In fact, regulation typically lags behind technology, though it will always be important.

But in today's fast-paced world, don't we want to act sooner?

We need to look for other ways to interact with digital technology, specifically ways to co-operate with it in real time, to determine in the moment whether things are going the way we expect.

Fortunately, new modes of interacting with our digital technologies are erupting all over. For much of the time since the 1960s we have interacted with digital technologies via a class of program known as user interfaces

What if we think instead of us vs them, us *and* them, as human + machine? Rather than automating humans' work or augmenting it (the two options to date), what if we humans actually were to work *with* and alongside technology to get work done? What if we were to engage with technology in a more co-operative fashion? Especially when it comes to knowledge work.

This way of thinking about our relationship with technology can help address leadership challenge: in this case, the re-humanisation of work by engaging with technology.

**Pushing toward human + machine**

In the Epilogue to her recent book, *Gods and Robots*, Adrienne Mayor reminds us that, once again, there is nothing new under the sun. Humans have been making gods and robots for a very long time. These creatures of our imagination and handiwork have inspired awe, dread, and, yes, hope[1].

We don't quite trust our new robots either – industrial robots are often caged off in the factories in which they toil. MIT has had to come up with an RFID system to keep track of its robots[2]. The appearance of more fanciful robots may require those chips too, say a mini robot cheetah that can turn flips and walk upside-down. At least there is a sense of humour out there.

But now we humans feel that we have truly let the genie out of the bottle. We used to think that if we had to, we could stop a machine, we could destroy it, keep it from doing harm. Now we are not so sure. Things seem to be getting out of hand.

**What can be done?**

What if we think about things differently? Now, when we think about people (aka humans) we focus primarily on the behaviour (or personality type or skills) of individual humans. We evaluate the capabilities of a particular technology.

Instead, what if we focus on patterns of interaction among humans and our technologies? After all, that is where value is created – is it going well? Badly?

Take a simple call centre exchange with a human. It's not hard to see whether that is going well or badly (though I still yell at chatbots). More to the point, how about longer-term spans of interaction that take place over weeks, months, even years.

I and my colleagues once worked on why long-term B-to-B contracts got cancelled when customer satisfaction was fine. Part of the answer was conversations in hallways that were indicative of dissatisfaction and not followed up, requests for help in solving a business problem that fell through the cracks.

Everyday conversation. Seemingly simple, but so human. So profoundly human.

> *"The bet is that taking insight from everyday conversational interaction patterns can help us innovate modes of interaction with technology that are not simply more natural but that we use with each other to hold each other accountable*

Figuring out how everyday conversation has impact has been a focus of attention for philosophers, computer scientists, linguists, sociologists and anthropologists for years. The findings can seem arcane, but they are now being talked about in trade publications and business bookshelves.

Several books have recently been published, books along these lines. Conversation, after all, is a universal and ubiquitous form of communication. Conversations are everywhere around us. More importantly, they are one way we humans hold each other accountable in real time.

For instance, humans have ways of assuring mutual understanding. Something as simple as "huh?" or "what", (which, it is claimed, are used every 84 seconds!), can invite clarification and, even vehement disagreement. It turns out that conversations that seem to be free-wheeling have a lot of structure. Some of this structure is even turning out to look as if it common across languages.

This insight and others are beginning to inform Conversational User Interfaces (CUI). We can only hope that the CUI designers take advantage of natural patterns of interaction among humans.

You and I experience rudimentary forms of CUI now. Chatbots, for instance. (Maybe you thought that interaction protocols were already based on natural conversational behaviour? No, not yet. Why do you think they are so abysmal?).

Increasingly, though, we will see CUIs used between health-care robots and those who need care. This is an acute need, especially in Japan and other countries where the percentage of the aging population is already quite high. Don't you think that we might as well use what we know about conversation to make our interactions as helpful as possible?

The bet is that taking insight from everyday conversational interaction patterns can help us innovate modes of interaction with technology that are not simply more natural but that we use with each other to hold each other accountable. If the robot doesn't "understand", it can say so. If the humans don't understand, they can signal that too. We hold each other accountable in conversation. We should be able to not only hold our technologies accountable but be able to query them in real time just as we do with each other.

What does leading conversationally-informed interaction protocols look like?

The idea of conversationally-informed interaction protocols is just one of many examples where big changes in the interaction between humans and technology is taking place. Think about Augmented Virtual Reality. Haptic interfaces.

What does this mean for *leaders*? To bring this kind of knowledge to the task of re-humanisation means bringing unfamiliar bodies of knowledge to the table.

What does this mean for *leadership*? It calls for design thinking, rapid prototyping and iteration, agile management.

This won't be leadership as we knew it, that's for sure. New ways of working will emerge just as they always do, though in more places and sometimes all at once. They can benefit from our help. Along with that, we will need to develop world wide-leadership and networking outside our comfort zones to help to fill in the blank spots. This calls for social norms to be developed and new practices encouraged as well.

Now that is real change that needs to be led. And hey, there is plenty of room for new players.

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84sec

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**1.** Mayor, A., *Gods and Robots, Machines, Myths, and Ancient Dreams of Technology*. 2018. Princeton University Press

**2.** 9/20/2019 https://www.businessinsider.com/mit-robot-rfid-radio-frequency-tracking-2019-2

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