

Rethink leadership

What leaders will we need tomorrow?



Didier Avril, série Storytelling

Our sources

This synopsis is based on the publications presented below and on the back page.

Le management augmenté
Dominique Turcq, Boostzone Institute.

Les nouveaux horizons RH
Alexandre Pachulski, Diateino.

In the coming years, business leaders will be forced to face challenges for which they are ill prepared. For the past century, management has essentially focused on eliminating error and securing production. Nowadays, however, Google delivers beta versions of its applications to volunteers who are often only too delighted to suggest improvements. The rise of networks and interconnectedness has erased traditional dividing lines and brought together formerly separate worlds. Leaders must thus learn to manage their participation in many different communities and create value in a more open and uncertain context. Such changes require both unlearning obsolete skills, such as certain planning reflexes, and developing new skills, such as agile project management. Managerial roles and attitudes must also be rethought in the process.

Executives, talent managers and professionals at every level of the organization must recognize the emergence of these new demands. Indeed, the individual and collective price for

ignoring them is reduced employability for managers and poor adaptation to business conditions for companies.

The publications selected for this synopsis underline three new requirements which deserve particular attention:

- **Learn to manage uncertainty for yourself and your teams.** Because it is risky to rely too heavily on knowledge or expertise which may become obsolete, managers must learn to support their teams in turbulent times.
- **Learn to manage exponentially growing volumes of information** to avoid being submerged and distinguish the essential from the secondary.
- **Pay attention to your emotions** to manage the stress which may be generated from a barrage of demands and interact effectively with increasingly scattered counterparts.

In this synopsis...

- 1 Regularly **challenge old habits**
- 2 Equip yourself to cope with **volatility**
- 3 Manage the risks of **infobesity**
- 4 Be **aware of your emotions**

1 Regularly challenge old habits

The principles of leadership are sometimes thought to be immutable and uninfluenced by the current context. This is partially true. Many strategic and human fundamentals continue to apply, and much remains to be learned from the experience of great leaders of decades and centuries past.

However, believing that what made good leaders yesterday will necessarily make good leaders tomorrow is illusory. Although some fundamentals are still valid, managers must make some major adjustments to cope with the upheaval in today's business environment. The repercussions of the digital revolution remain to be seen for the most part. Experts are investigating, for example, whether or not children should continue to learn traditional writing in school. Forty-five states in the U.S. are already on the verge of eliminating cursive writing from the obligatory curriculum in elementary

school, to focus instead on helping children master printing and typing. In the world of business, the ability to create and facilitate professional or customer communities is becoming indispensable, while it was marginal just a decade ago. Combined with globalization, this digital revolution is driving an ever-increasing level of volatility. Today's leaders admit they find it hard to cope with accelerated decision-making processes and the lack

Leaders must regularly challenge their existing knowledge and practices in today's increasingly uncertain, complex and changing environment.

of visibility. They were not prepared for this context, and the adaptation process can be delicate. Likewise, it used to be possible to base an entire career on a single skill base. Young adults entering the workforce today, however, will likely exercise three or four different

professions over the course of their career.

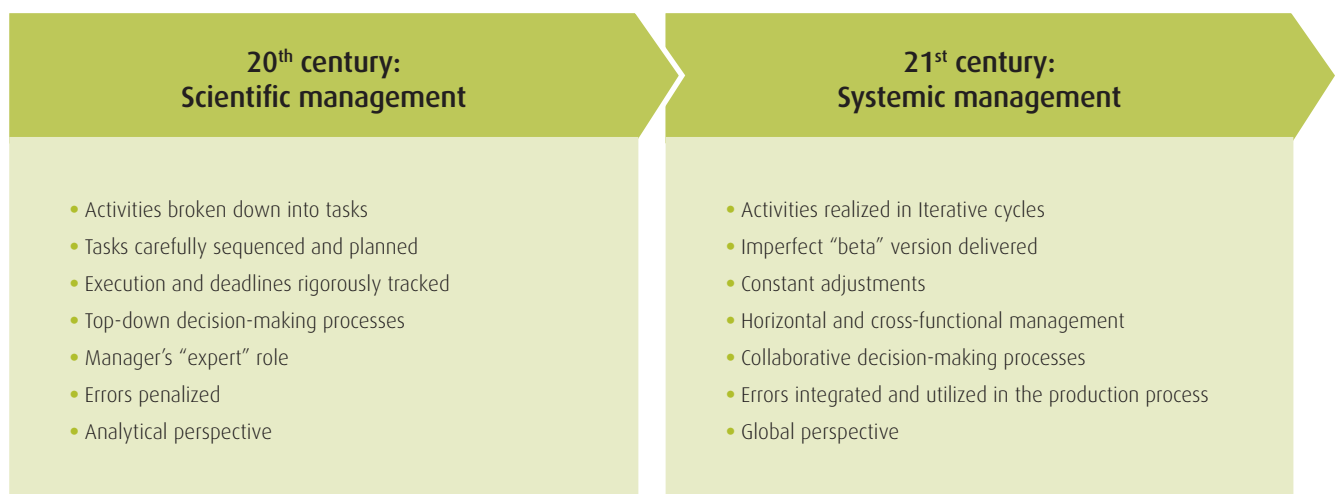
So, managers must be careful to update their knowledge and know-how regularly, or find themselves rapidly out of synch, or even unemployable. This takes acquiring more than new knowledge and skills. Although leaders do not always realize it, they must also unlearn often ingrained habits to master this new environment. If they do not, they may well maintain reflexes that are counter-productive in the new context (**Figure A**). Managing a personal portfolio of skills and human capital has hence become a necessity. Each individual must identify obsolete skills and develop critical new competencies to adapt to the fast pace of change. Cognitive research shows that the ability to challenge old habits regularly in this way is a skill in itself, because the more one learns, the easier learning becomes.

The scope of ongoing transformations is so vast that managers find it hard to decide where to focus their efforts. Even if the answer must necessarily be

FIGURE A From scientific management to global management

Management guru Garry Hamel purposely exaggerated somewhat when he recently explained that management techniques have hardly changed since Fayol and Taylor, meaning that we have long continued to practice scientific and sequential management. The corner which management has reached at the dawn of the 21st century is all the more difficult to turn as a result.

Scientific management, characteristic of the past century, was designed to eliminate error and uncertainty, specifically through rigorous planning. However, uncertainty and error have now become part of the process. Managers must now learn to cope with these factors at the very least, and ideally turn them into key drivers.



Based on *Little bets*, Peter Sims, Free Press.

personal, expert observations invite leaders and managers to pay particular attention to three main challenges:

- How can one most effectively prepare to drive value creation in a continuously-fluctuating environment?
- How can one cope with the massive intensification of information flow and volume?
- How does one navigate in a demanding world characterized by an increasing number of remote interactions?

2 Equip yourself to cope with **volatility**

The speed of change is trying for individuals and organizations. Skills formerly in great demand suddenly become obsolete, as many administrative and finance directors discovered when their companies created shared service centers. The authors encourage managers to beware of the false sense of security that comes with mastering a given skill, while acquiring the know-how required to face change and uncertainty.

Beware of the illusion of expertise

Expertise was long used as the basis for promotion within business organizations, that is, team managers were chosen based on their mastery of the team's business line or profession. For example, the accounting director used to be the point of reference for the other team members, considered to be both competent and legitimate to organize and supervise the work of department employees, because he knew the job better than they did. The type and quantity of work was predictable for the coming year, and regular updates were enough to keep things running smoothly. This model is becoming obsolete, however, as SAP-

type applications are developed, some functions are outsourced to low-cost countries, and frequent, rapid restructurings profoundly modify the way accounting departments are managed. Technical expertise, such as a detailed understanding of accounting methods, is no longer a priority for accounting directors. They are better off understanding the logic used by a software application in order to identify the cause of anomalies. They must learn to integrate

The ability to manage uncertainty equips people for change.

and manage teams based in Slovakia or India. They must adapt in just a few weeks to an acquisition or reorganization, whereas they used to have a comfortable idea of what to expect in their calendar. Turning this corner is often difficult for manager-experts who must become manager-pilots. When managers view their expertise as the main source of their legitimacy, they are often reluctant to let it go and tend to hang onto obsolete know-how which may be irrelevant to the new demands of their role.

Managers must henceforth be careful not to bet too heavily on expertise that could rapidly become obsolete or insufficient. They must focus instead on developing the ability to help people find their bearings in a changing world.

Learn to give meaning

Continuous change may easily be destabilizing. In such contexts, an essential added value of leaders is to make change meaningful and the “why” of strategic reconfiguration or restructuring visible and comprehensible to their employees. Now, executives and managers often tend to focus on the “how,” that is, breaking the strategy down into operational terms. For instance, the back office of one large bank

had gone through a major restructuring every year for the previous five years. The pace of restructuring was previously once every three years, which employees already felt to be quite rapid. To facilitate change management, executive teams focused on roadmaps and action plans. However, people were disturbed by the constant changes, because they had trouble finding their way among the continuously shifting processes, counterparts, and interfaces. Wondering what new change would be coming just a few months down the road, they hesitated to engage and rapidly began to show signs of demoralization: increased tardiness and absenteeism, more mistakes, etc. Executives and managers re-motivated employees by giving meaning to their efforts with three initiatives. First, they began by explaining the “why” of the change. Thanks to these explanations, people better understood why modifications to banking regulations required process changes, such as the separation of certain functions. Local managers then realized that they couldn't just present restructuring in an amphitheater, because people didn't dare ask questions in this intimidating atmosphere where the abundance of slides presented rarely facilitated simple explanations. Without worrying about repeating themselves, they broke the explanations down in their own words and discussed them in team meetings and informal conversations with team members. People finally began to grasp the meaning of the change, as demonstrated by the fact that they were able to reformulate why restructuring was unavoidable. Finally, every message highlighted what would remain the same to ensure a stable foundation. The ability to explain the “why,” break this message down in different ways, and provide stable bearings helped the bank restore team performance (Figure B).

Open up to the outside world

To plan and conduct change, managers must make sure their teams are open to the outside world and interact regularly with other company departments and with external players concerned by their business. Otherwise, people tend to focus on optimizing their work based on rigid performance indicators and a short-sighted vision. They then discover too late that they are out of synch with what is actually needed. However, many people still do not work together transversally as a natural practice; it is thus essential that managers add cultivating such collaboration to their portfolio of essential skills.

A company in the energy sector observed this phenomenon at work. To accelerate adaptation to market trends and facilitate the circulation of know-how across countries and business lines, this firm had recently established professional communities. Yet, company leaders and managers had a great deal of trouble implementing this change. They first needed to

accept that their subordinates would not necessarily go through them for every piece of information they needed. Some felt short-circuited and experienced this change as a loss of power and legitimacy. Managers must themselves learn to offer resources to their peers, of course, but they often find it even harder to learn to ask for help. They are reticent to ask about best practices, because they view this as an admission of incompetency and a sign of weakness.

How can one incite managers to work transversally? Two initiatives can be used to convince the reticent. The first is to make successes more visible. For example, have a manager and his team spend a day in another division and then share what they have learned with the rest of the organization. The second is to recognize individual contributions which would otherwise be lost in the flow of collective efforts. Paradoxically, individual recognition is particularly critical to initiate and sustain collective momentum.

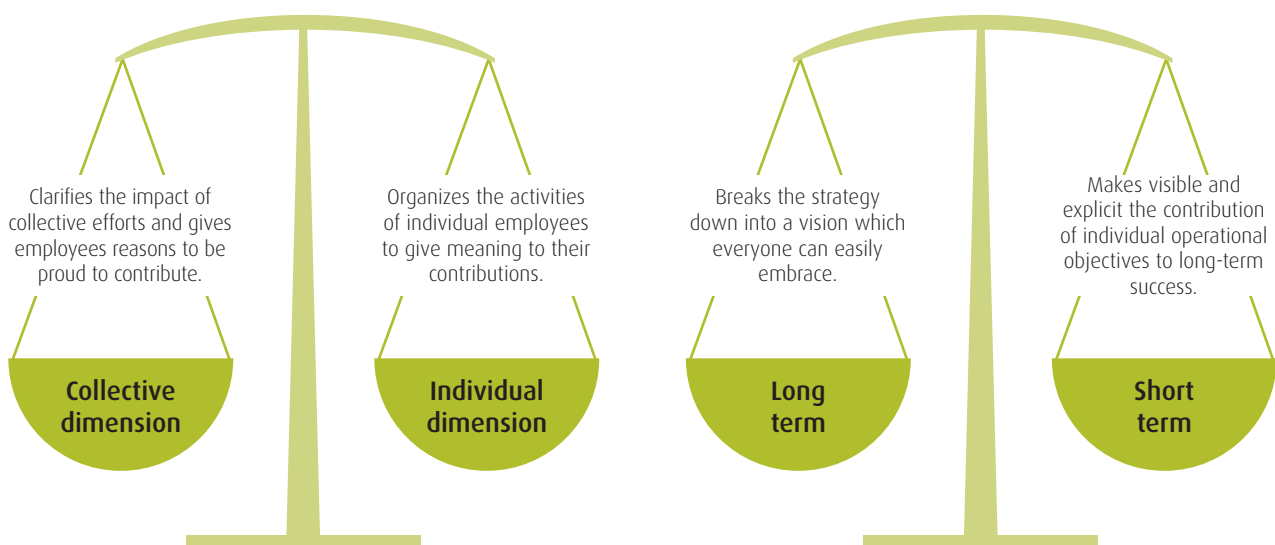
Learn to surround yourself with the right people

Just as managers must take care to ensure their teams stay in touch with the outside world to remain up to date with environmental trends, they must also dare to regularly challenge their own convictions. Indeed, in making decisions, the human brain naturally refers to what has worked in the past. Even our most intense convictions and intuitions are simply the reflection of what experience has taught us. However, these experience-based conclusions are partly biased. For example, when confronted with an obvious mistake, people tend to find attenuating circumstances or even deny the mistake. For instance, a manager may choose to believe that a product launching failed because the market wasn't ready or because the legal department put a monkey wrench in the works, while subconsciously minimizing or ignoring his own errors. In so doing, he draws the wrong lessons from the experience. And even when correct conclusions are drawn, they

FIGURE B Two registers to give meaning

Managers must integrate two registers to give meaning to the initiatives of their subordinates:

- Interconnection between individual objectives and the collective vision, to clarify who is supposed to contribute what;
- Interconnection between short-term and long-term objectives, to clarify the perspective in which day-to-day efforts are made.



may become rapidly obsolete as the environment changes. In rapidly shifting environments, managers are strongly advised to regularly challenge their world view by identifying subordinates and mentors able to provide different viewpoints, constructive criticism, and offbeat suggestions. Such feedback is helpful in avoiding the most common cognitive biases. Indeed, accepting to challenge your certitudes and seeking feedback are excellent ways to make better decisions in extremely unstable environments.

3 Manage the risks of infobesity

Not long ago, executives could read a monthly trade journal to find what they needed to know. When they wanted a specific piece of information, they could ask the documentation department to undertake a search. Today, the rationale is reversed, as people are flooded with random information. Finding information is no longer the challenge, but rather protecting yourself from its overabundance.

The neologism “infobesity” is used by the author of *“Le management augmenté”* (*“Augmented management”*) to describe the dangers of this hard-to-manage flood of information of variable quality. When this flood is poorly managed, people may easily be swamped and paralyzed, rather than enlightened. Worse still, they may make decisions based on erroneous input. The ability to filter, assess and share information effectively without generating infobesity, is thus extremely useful.

Manage “big data” in a relevant and ethical manner

Big data are generated and collected daily by information systems. Managing colossal volumes of big data, which practically double year on year and are

measured in exabytes, requires very specific tools and operating methods. Interest in big data is increasing as their volume grows. For example, store managers can obtain detailed

The ability to manage an overabundance of information is becoming a key competency.

knowledge of their customers’ habits and preferences, politicians can adjust their campaigns in function of feedback from the electorate, sales directors can gather increasingly precise forecasts, etc. However, these technical possibilities require an excellent statistical knowledge base and approach to avoid falling prey to cognitive biases. The abundance of figures can easily give a false impression of accuracy. If irrelevant indicators are used, for instance, erroneous responses will be obtained, but may be considered nonetheless to be reliable because generated by powerful calculators.

In addition to technical skill, leaders of the future must also establish a code of conduct for using this data. To what point is it ethical to use private information? A supermarket manager was confronted with this question, for instance, when the father of a 15-year-old girl came to ask why his daughter was receiving coupons to buy baby bottles and powdered formula. The loyalty system had determined from the girl’s purchases that she was pregnant—something the father did not know.

Select relevant information streams

People can subscribe to many data streams, especially on the Internet. These streams are valuable to monitor intelligence in a given domain, identify opinion leaders and perceive emerging trends. For example, a pharmaceutical laboratory director would likely be interested in tracking

communications by groups of patients, doctors and healthcare authorities to identify new needs, regulatory trends and potential risks. However, a great wealth of information can be stressful and distracting without appropriate sorting and consolidation tools to limit the volume of information and ensure its relevancy. Managers must thus prepare to become their own curators to manage, synthesize and maintain control over the relevancy of the information gathered. Along with this technical skill, managers must also learn the behavioral competency of being able to let go and accept that they cannot be aware of everything; they must learn to trust their subordinates, peers and community members to identify and share important information.

Communicate without contributing to infobesity

Who hasn’t experienced the torpor and confusion of sitting through an interminable PowerPoint presentation with eighty overloaded slides? However, these presentations aren’t simply boring. They can lead to serious mistakes, because important information may be hidden in the mass of trivial information. True comprehension becomes difficult when data is simplified to the extreme to fit into bullet lists. The audit conducted after the Challenger space shuttle explosion, for example, revealed that important facts concerning the o-rings on the shuttle fuel tanks were buried in the presentation material used for a telephone conference. This lack of clarity led to a fatal decision. Today, the most effective presentations are inspired by the minimalism which has become the specialty of people like Garr Reynolds, author of *“Présentation Zen”* (*“Zen Presentation”*).

In addition to protecting themselves from infobesity by effectively sorting and consolidating information, managers must be particularly careful to avoid contributing to infobesity around

them. They must learn to present information in a clear and simple manner, yet without oversimplifying. Paradoxically, minimalistic presentation techniques and graphics often have a much more powerful impact on a jaded audience than sophisticated animation effects. These techniques may be used to convince not only customers, but also team members, for example, when presenting change projects.

4 Be aware of your emotions

Globalization and greater streams of information oblige today's leaders to interact constantly with their teams and other counterparts. Technological progress has made managers and executives contactable any time, any place. The CEO of a multinational explained that he misses the downtime between two trips or between two meetings

which used to let him recharge his batteries. This time is now devoted to making telephone calls or managing email. This new context puts people under pressure to continuously manage demands and forces them to develop efficient remote interaction skills.

Manage your energy

At the mercy of incessant demands, executives must be careful to actively manage their energy. Several international leaders interviewed by McKinsey observed that to support and inspire their teams, managers must learn how to recharge their batteries. Executives who become aware of the importance of mental energy are very careful to maintain balanced lifestyles. In a McKinsey study, Carlos Ghosn explains that he is able to maintain such a high-powered pace because he "lives like a monk." Surveyed executives describe the leaders of the future as "pro-

fessional athletes." This might seem like an exaggeration. Yet, many experiences prove that when we are physically or cognitively fatigued, we tend to make "easy" decisions which take the least possible energy. We may discard an idea, prefer the status quo, or continue to do things as in the past simply

Increasingly remote interactions make it essential to perceive your own emotions and the feelings of others accurately.

because we feel the need to economize our cognitive capacities. After a night shortened by travel, several telephone conferences and hypoglycemia typical of the end of the morning, an executive is not in good shape to make important decisions.

Managing physical energy, watching for signs of fatigue, and paying close attention to mental and cognitive

FIGURE C Key competencies of 21st century leaders

McKinsey conducted a survey of six global leaders to understand their vision of leadership in the 21st century. As their role rapidly evolves in major ways, they share the practices they use to cope with these radical changes for which they were often ill prepared.

Five key skills		Connected behavior	
1	Manage risk and crises	- Assess the impact of crises (financial, political, environmental, social, etc.) on the business - Identify key people and rapidly take required initiatives - Manage communication	
2	Ask for support	- Identify a mentor or coach to help you see yourself more clearly and put things into perspective - Identify people likely to provide an offbeat vision, express disagreement, or challenge assumptions	
3	Manage your physical and mental energy	- Adopt the balanced lifestyle of a professional athlete to compensate for the imbalances created by frequent travel - Know yourself sufficiently well to spot the signs of fatigue - Maintain a private world to recharge your batteries	
4	Inspire trust and convey stability	Demonstrate and convey assertiveness and self-confidence to your teams	
5	Be empathetic	Develop your empathy to get along better in multicultural environments	

Based on *Leading in the 21st century*, Dominic Barton, Andrew Grant, Michelle Horn, McKinsey Quarterly.

energy is a new skill which leaders must develop. They must take care of themselves by limiting interruptions and multitasking, wrongly viewed as signs of high productivity. Others practice meditation to be fully in the here and now (Figure C).

Develop your emotional acuity

Business teams are becoming increasingly scattered across different sites, with some people working at headquarters, others from home, and still others in low-cost countries (Figure D). In addition to physical distance, cultural differences also make communication difficult. The risk of misunderstandings, mistakes and friction is consequently higher. Tools such as high-definition video conferences certainly help to bring more interpersonal rapport to discussions. But very often, they are used only for structured discussion and

not for the informal chats which help people get better acquainted and thus interact more smoothly and flexibly. Yet, in times of crisis and change, managers need to interact more than ever. They must be able to decipher the emotions of their subordinates to calibrate the support they need most effectively.

How can managers interact more effectively under these circumstances? By taking inspiration from crisis negotiation experts who have learned to use their own emotions to find the right mode of communication with opponents. The first step is to identify what you feel, then identify the emotions present in your counterpart. Finally, ensure that your analysis is correct using “I” statements, which give the other person a chance to confirm or refute each statement. For example, “I have the impression you are worried” leaves more room for dialogue than “You are worried.” Awareness of your

own emotions and those of others can be developed and refined if you make a conscious effort every day. Without this sensitivity, you may easily fail to identify the real needs of the other person, e.g., to be reassured or recognized, or to be have fewer demands placed on their time. These different needs require different responses.

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Given the fast pace and unpredictability of environmental changes, managers must learn to manage their skills more than ever. Knowledge and expertise are assets whose value will become increasingly uncertain. Conversely, the ability to challenge one’s assumptions and habits, navigate in an unceasing flow of information, and be aware of your emotions provides a valuable foundation in a perpetually-changing world.

FIGURE D Develop new team facilitation skills

One U.S.-based manager took one year before meeting face-to-face with a new member of his team. At this first in-person meeting, however, they had the impression they were already well-acquainted, thanks to a good use of remote communication tools.

This example may seem extreme, but such situations are increasingly common, as team members become more and more geographically scattered. These types of teams require specific facilitation techniques.



Based on *Preparing for a new era of work*, Susan Lund, James Manyika, Sree Ramaswamy, McKinsey Quarterly.

Our selection

To find the best ideas on this subject, we recommend the following publications:

Le management augmenté

Dominique Turcq, Boostzone Insitute.



In our fast-changing world, how will management evolve over the next decade? The futurist Dominique Turcq shares original thinking on this topic, offering a wealth of concepts and concrete recommendations.

He makes the observation that managers have trouble coping with the rapid changes which have affected our society. They are confronted with an overabundance of information, pressure to take quick action, loss of meaning, and a sense of losing control over their environment.

The fact that the business world lags far behind the general public bridles its ability to adapt. Our personal computers and applications are more powerful than those provided by the company; corporate social networks, when they exist, are still just getting started, while we are constantly interacting on private social networks. We exchange cooking recipes, videos with those close to us or even with total strangers, but we don't have the reflex to share best work practices. The challenge consists, at the very least, in getting companies up to speed! This twofold observation would be fatalist if the author did not pick out the eight types of knowledge to help "augmented managers" find some room to move and adapt in complex environments and to develop people. One type of knowledge, that of the "Curator," involves creating value through knowledge management - that is, the ability to identify and share relevant information without generating what the author calls infobesity! In the era of big data, we can easily understand the importance of this challenge.

An excellent incitation to take back control of your development plan and practice the 8 competencies to become an "augmented manager!"

Les nouveaux horizons RH

Alexandre Pachulski, Diateino.



HR players are often dubious about Corporate Social Networks (CSN) and do not always know how to capitalize fully on the possibilities offered by the Web 2.0. Alexandre Pachulski paints a picture of the opportunities that HR departments can no longer afford to ignore in order to simultaneously manage talent, ensure lasting performance and make employees happy.

The author lucidly and transparently analyzes the challenges often encountered by business organizations when setting up CSN. Two main pitfalls should

be avoided, namely, expecting the CSN to turn a very hierarchical organization into a collaborative one and believing that it is entirely up to employees to keep the CSN going without management support. On the other hand, the CSN can reasonably be expected to foster a sense of belonging to the company, facilitate information sharing and interactions, and equip access to new ideas. The CSN is thus a good vehicle to help HR players play their change management and talent development role more effectively.

Training is also affected by 2.0 technologies, which make social learning possible. This in turn by allows learners to become active participants in their own development, because learning takes place through discussion and collaboration.

A book that summarizes very recent studies and makes CSN objectives understandable without oversimplifying the challenges, by taking an enlightened look at the opportunities and difficulties represented by CSN for HR players.

And also...

We also relied on the following publications:

- **10 New Skills That Every Worker Needs**, Devin Fidler, Marina Gorbis, IESE Insight.
Ten key skills to cope in a fast-changing environment.

- **Leading in the 21st Century**, Dominic Barton, Andrew Grant, Michelle Horn, McKinsey Quarterly.
Six leaders share their vision of the leader of tomorrow.

- **Preparing For a New Era of Work**, Susan Lund, James Manyika, Sree Ramaswamy, McKinsey Quarterly.
A look at the concrete organizational impact of globalization, demographic trends and new work habits.

Further readings

To explore this topic further:

- **The Intuitive Leader** (Manageris synopsis 199b)
We have focused on logical reasoning to the point where the importance of our emotions and intuition has been sadly neglected. Yet, intuition is an extremely powerful faculty, so long as we don't trust it blindly. How can we make our intuition more reliable?
- **Prepare the Leaders of Tomorrow** (Manageris synopsis 173b)
To ensure a successful CEO succession, many companies are obliged to look outside the organization for lack of a credible internal candidate. How can companies organize the identification and preparation of future leaders?
- **Develop your Emotional Intelligence** (Manageris synopsis 205b)
Emotional intelligence is a widely recognized performance factor today. Yet, this concept often remains abstract. How can you develop your emotional intelligence?

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