

THE WORLD HAS CHANGED – DO WE NEED NEW BUSINESS LEADERS?

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Is the world changing so much that the men and women who run companies also need to change?

Will the core functions of business leadership change in such a way that other profiles will be needed to succeed in the emerging new environment?

In short, yes!

We are currently experiencing a major crisis and revolution in the parameters that leaders need to consider in order to successfully manage their companies and their teams.

The terms “crisis” and “revolution” are not too strong to characterise the depth of the technological, geopolitical and health changes which are accumulating over a very short period. The upheaval is not only profound, it is intense because everything is happening all at once.

Moreover, we know what we are leaving, but we cannot clearly see the consequences of the changes underway in terms of the strategies to be adopted, the organisations to be set up and the competencies to be developed.

We are in the middle of a period of heavy transition which increases the uncertainties and multiplies the complexity of the leader’s role.

There will, of course, be constants in this role.

The leader must, and will always have to,:

- Inspire and take on board
- Imagine and take risks
- Organise to stay on course

But the content of these three missions, and the means of carrying them out effectively and safely, are undergoing profound change.

To inspire and take on board, it is necessary to establish trust with all stakeholders: employees, boards of directors, shareholders, investors, young graduates, consumers, sometimes political leaders.

This implies a great sense of consultation; a lot of time spent building a *raison d'être* that creates a strong sense of belonging to the company; the setting up of effective communication relays towards stakeholders (stakeholders committee, works council, board of directors, investors' club, corporate communication on social responsibility and ethics, etc.).

At the same time, this requires balanced governance that facilitates decision-making that no longer stems solely from the legitimacy of the corporate officer's power, but also from the support of stakeholders linked to the leadership of the executive. The latter can no longer be the only "master on board", at least in the traditional sense of the expression. He or she must share the strategic thinking and convince all the stakeholders.

From this point of view, it is certain that so-called "dual" governance, with a Chairman separate from the CEO, or any similar organisation (Lead Director counterbalancing the CEO, for example), facilitates the balance of power, the sharing of points of view and the creation of a minimum of consensus, all of which are essential elements for establishing trust. This will certainly be the preferred approach in the future and it will be important to ensure that business leaders are genuinely willing to cooperate with others in this area.

Finally, it will be more important than ever for leaders to be exemplary both inside and outside the company. Our society is becoming totally paranoid and transparent, with transparency feeding paranoia and vice versa.

There is no longer any possibility of pretending not to know all elements of remuneration, private life made public by social networks, questionable management style, preferential recruitment, etc.

There must be an alignment between what the leader does and what he is.

To imagine and take risks in the transition phase that is now open, business leaders will need to be clear-headed and have finely honed listening skills (without too many preconceived ideas, except about values), a high level of vision and intellectual agility, creativity... and luck, of course.

Indeed, the business environment is now, more than ever, marked by all kinds of uncertainties and by the questioning of almost all economic, technological, geopolitical and societal fundamentals.

For example, who can say with any certainty what part artificial intelligence and digital technology will play in the production of goods and services, and consequently decide calmly on the technical and human investments to be made in this area? Where? For what amount? With what level of acceptable risk?

Similarly, the preservation of the planet will require serious and lasting changes to production and consumption patterns, the use of energy sources and means of transport. All sectors are concerned.

Here again, what should we invest in wisely, betting on the speed of technological progress and sorting out the political (or populist) fashions, and minimising the risks, especially of being wrong? In wind power, solar power, nuclear power, ... ? In railways, electric vehicles, ships, planes, ... ? In the circular economy, to what extent? In new products that replace the consumption of animal species?

The Covid pandemic revealed our ignorance (but also our capacity to innovate very quickly), the vulnerability of our 'village world' as it is organised (or not), and the political sensitivity of populations to this type of disaster on all continents.

It is clear that the globe was not at all equipped to deal with such a crisis (masks, hospital and healthcare systems, borders, transport, political communication, etc.). Should we consider that this was an exceptional phenomenon, which will rarely happen again, or should we equip ourselves fully (and therefore invest) so as not to be caught by surprise anymore? If the second option is chosen, organising, equipping and investing to deal with the most violent and international crises means taking a gamble on the most efficient and reasonable system of organisation and level of equipment, and therefore making very heavy decisions.

This dilemma does not only concern the leaders of public services. It is also a topic to be addressed by companies: how much teleworking? what protective hygiene measures should be taken in the workplace? what relocations and in which countries? what level of devolution in the supply chain? For good measure, the revolution in fundamentals is also the result of geopolitical upheaval. The respective weight of the major and medium-sized economic and political powers is being totally reassessed.

Trade wars are raging and multilateralism is losing its influence. Protectionism tempts all nations. The irrationality of the decisions of some important leaders increases the uncertainties. So which countries and markets should be invested in over the medium and long term? Are the "political risk" assessment models used until now still valid?

How can we ensure the necessary reliability of production and supply chains? Is the

global just-in-time logistics practised in recent times sustainable? Shouldn't "crisis reserves" be built up? At what level and in which countries?

Economic sovereignty is not just a matter for states. It is also a sometimes vital issue for companies, for logistics as well as for access to strategic components of industrial products. As we can see from the current debate on the geopolitics of rare earths and metals, there are major and costly decisions to be made.

As we can see from these examples, we are not simply managing developments linked only to progress, as has often been the case in the past. We are faced with in-depth changes for which we do not have a 'model' enabling us to anticipate and help us make decisions. We will therefore have to improvise with flair, take risks, in order to survive and "come out on top". This is what leaders will be expected to do, sometimes with childish impatience, as shown by the reactions of some to the grappling of the public authorities in the management of the Covid pandemic.

Staying on course will require agile and skillful organisers – not only to cope with technological, environmental and geopolitical revolutions, but also to adapt management and organisation to the new aspirations of workers towards companies.

Raison d'être, having meaningful work, considering the interest of projects rather than careers in companies, "hybrid" work mode (teleworking and presence in the company), ... are concepts that are becoming increasingly important in the relationship that new generations of employees have with the world of work.

Millennials and their offshoots obviously thrive even better on the soil of ongoing transformation. The career path they seek is a difficult balance between aggressive individualism ("I only want to do what interests me") and benevolent or idealistic altruism ("I want my work to be useful; I must help save the planet").

It is by taking these parameters into account that managers will have to attract and retain people in their companies in the future. Projects will be put forward rather than career projections. We will make people dream with strategies that inspire, and develop corporate social responsibility as well as the benefits of new technologies. The greatest attention will be devoted to business ethics issues, and training and monitoring relays in this area will be systematically set up and enhanced. Corporations will set up organisations that are conducive to the sharing of ideas of all stakeholders and to the balance of decision-making powers. The frameworks and rules for working in the company and at home will be rethought and adapted to allow for the fluidity of 'hybrid' work.

In short, the leaders of the "world after" will also have to rebuild the feeling of belonging to the company on new bases, otherwise the work environment might be

severely disarticulated. It is undoubtedly on addressing this challenge that their performance will be judged, as the sense of belonging must apply to all stakeholders, internal and external.