WHOLE-BRAIN LEADERSHIP:
THE NEW RULES OF ENGAGEMENT FOR THE C-SUITE

OUTLOOK FOR TECH 2020
Katherine LaVelle  January 24, 2020
Disruptors through the eyes of the C-suite increasing in impact and intensity...

85% Say disruptive impact of new technologies has increased

74% Say disruptive impact of constantly shifting customer demands has increased

72% Say disruptive impact of new market entrants has increased

62% Say investors are among their most disruptive stakeholders

49% Say employees are among their most disruptive stakeholders

...and creating a combinatorial effect.

“Today’s operating environment is more complex...I think there is a compounding effect of market conditions, political stress, and regulatory intervention that takes the complexity to a considerably higher level than we operated in let’s say 10 or 20 years ago.”

— Board Member, Banking / UK
"I value what benefits me."  

EMPOWERED  
"I can challenge companies."

Agitators  
Employees: 15%  
Customers: 19%

Employees: 35%  
Customers: 30%

Pathfinders  
Employees: 31%  
Customers: 31%

Employees: 18%  
Customers: 21%

Indifferent

Disenfranchised

NOT EMPOWERED  
"I can’t challenge companies."

ME  

WE  
"I value what benefits society."

Employees: 31%
Customers: 31%

Employees: 21%
Customers: 19%
A super group with super powers...

Their composition defies conventional wisdom

- Not gender specific
  - Female: 52%
  - Male: 48%

- Not generation specific
  - 40+: 48%
  - >40: 52%

- Both customer & employee
  - 49%
  - 51%

A group you cannot afford to ignore

- >2x
  - as employees more likely to be on the fast track to leadership and possess critical skills

- 84%
  - as consumers more likely to be in the top 10% of household incomes

Have clear and different expectations of leadership

- 57%
  - as employees more likely to place a particular emphasis on working for companies who have a clear purpose they can relate to

- 67%
  - as consumers more likely to place a particular emphasis on buying from companies who contribute to society
...AND THEY HAVE CLEAR EXPECTATIONS OF THE C-SUITE

Pathfinder view of importance of a whole-brain skillset for C-suite
View of key skills required of leadership:

- Pathfinder
- C-suite

- Ability to influence, coach and empower others
- Making tough decisions effectively
- Ability to synthesize diverse thinking and viewpoints
- Creative thinking and experimentation
- Having a clear vision and strategy for the team
- Understanding of new tech & having the right tech skills to advise teams
- Being vigilant to the external environment
- Empathy and self-awareness
- Willingness to embrace and enact change
- Results orientation
- Critical reasoning
- Data analysis and interpretation
- Ability to lead others
- Intuition

MANAGE THE RISK BY CLOSING THE GAP
C-SUITES RECOGNIZE THEIR OWN ORIENTATION

89% of the C-suite have formal training in left-directed degrees

- Business, Finance, Economics
- Science
- Technology
- Engineering
- IT
- Other
THE C-SUITE’S SELF-DESCRIBED GAPS CLEARLY DEFINE THE STARTING POINT

65% of the C-suite say a right brain skill is their weakest

• Intuition
• Empathy & self awareness
• Vigilance to the external environment

...and compounds the impact of a continuing left-brain weakness: Understanding of new technology & having the right tech skills to advise teams
IT’S WORTH THE EFFORT: THERE IS EVIDENCE OF A BOTTOM LINE IMPACT

Use a whole-brain approach today...

…and they report stronger average growth & profitability

Intend to use a whole-brain approach in the next 3 years

8% avg 3-yr Revenue growth

+22% avg 3-yr Profit (EBITDA) growth

+34% 82%
MAKE THE PLAN, WORK THE PLAN: SEIZING THE OPPORTUNITY

1. Change the mix by diversifying the C-suite’s strengths.

2. Relinquish some traditional leadership to gain currency and relevancy.

3. The enterprise potential of whole brain: greater than right + left
#1. CHANGE THE MIX

Diversify the C-suite strengths

9 in 10 of C-suite executives are already addressing current skills gaps

55% re-skilling C-suite members

46% bringing in new talent from outside

Source: New Rules of Engagement, C-suite Survey
Deutsche Telekom levels up its executive team

Deutsche Telekom launched a unique, year-long training program for its executives worldwide, to give them the leadership skills and methods required for the complexity and ambiguity of today’s operating environment.

“Managers today are facing truly unprecedented pressures to make changes. The pace of digitization is producing organizations that are more agile. As a result, leadership methods and behavior are being redefined.”

Christian P. Illek, Chief Human Resources Officer
#2. RELINQUISH SOME TRADITIONAL LEADERSHIP FOR RELEVANCY AND CURRENCY

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<tr>
<th>HIGH RISK</th>
<th>HIGH REWARD</th>
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<tr>
<td><strong>5x</strong></td>
<td><strong>2x</strong></td>
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<tr>
<td>more likely to take action in numbers against their employer</td>
<td>more likely to be completely motivated to give their best for their employer</td>
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<td><strong>61%</strong></td>
<td><strong>2x</strong></td>
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<td>have already taken disruptive action, voicing their disappointment as a customer</td>
<td>more likely as a customer to choose a more expensive brand because they prefer what it stands for</td>
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Airbnb harnesses an ecosystem of stakeholders

What makes Airbnb so different is the fact that *we’re a community*...there’s many home rental websites, there’s not many communities.

*Airbnb co-founder and CEO Brian Chesky*

In that vein Airbnb has employed local mobilizers to organize home sharing clubs for hosts in cities around the world. Airbnb uses these as an opportunity to educate hosts about regulatory and political challenges, and to facilitate letter-writing campaigns, media interviews, public rallies, and meetings with politicians.
#3. THE ENTERPRISE POTENTIAL OF WHOLE BRAIN: GREATER THAN RIGHT + LEFT

Applying new, richer depths of the left...
- Data science
- Analytics
- Visualization
- Machine learning
- AI

...with more tangible applications of the right...
- Creative thinking
- Experimentation
- Innovation
- Empathy
- Intuition

...to solve the highest value problems with data-led and human centric design approaches
WHOLE BRAIN LEADERSHIP AT WORK

How Microsoft’s CEO built a growth mindset and culture across the company

“The CEO is the curator of an organization’s culture. Anything is possible for a company when its culture is about listening, learning, and harnessing individual passions and talents to the company’s mission. Creating that kind of culture is my chief job as CEO.”

Microsoft CEO Satya Nadella

To overcome the company working in siloes and to ultimately drive a growth mindset, Nadella began with deep listening, and focused on gaining his people's trust. It took time, patience, and emotional intelligence, but eventually Nadella won them over.