

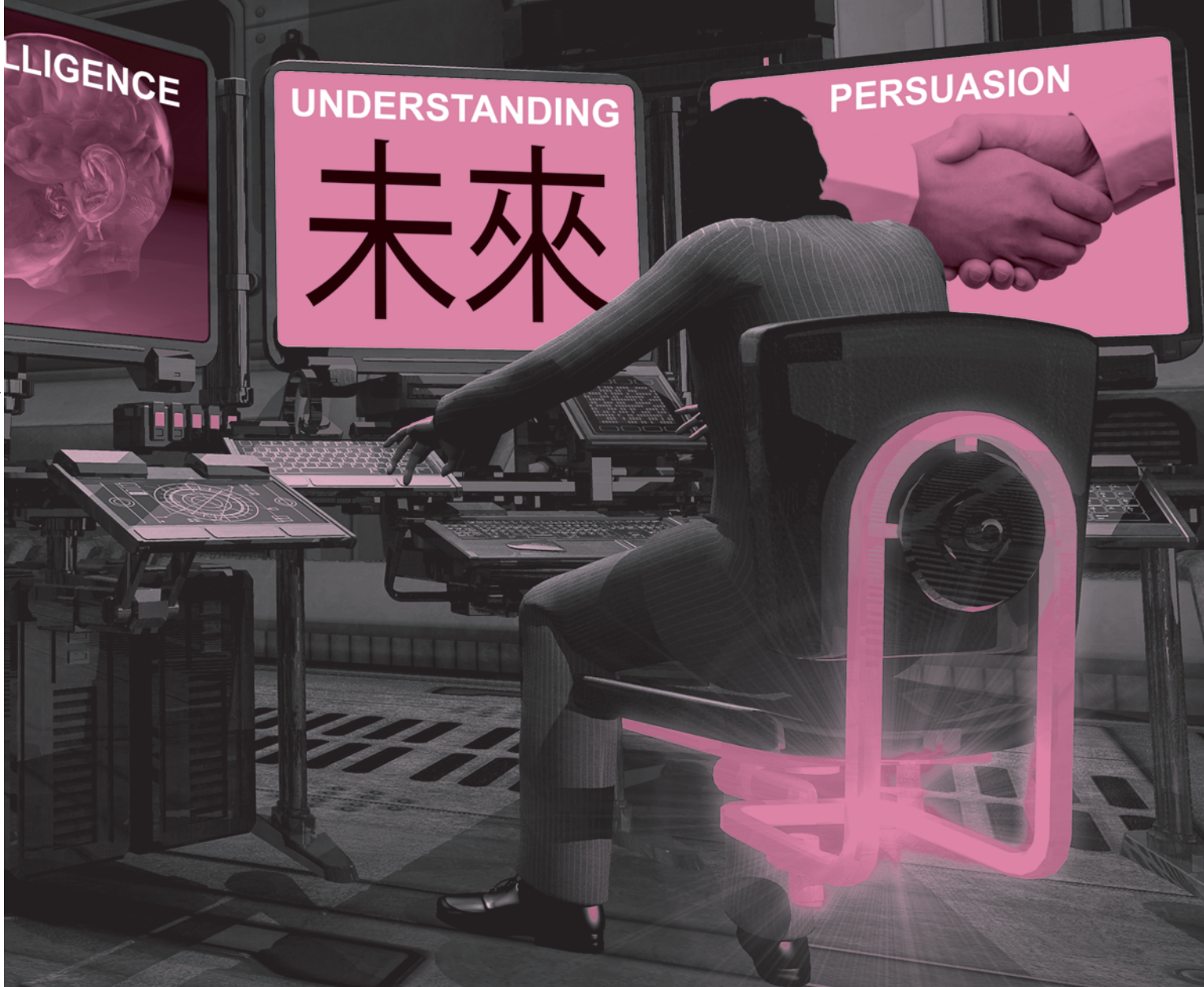


The CEO in 2030

What skills and qualities will corporate leaders need to succeed in two decades' time? *LQ* talked to some of the world's leading management experts to find out.

ILLUSTRATIONS: JURGEN ZIEWE

[34]



If you were graduating from university today, and you had your heart set on becoming a CEO by, say, 2030, how might you think about preparing? What experiences would you want on your résumé? What skills and knowledge would you want to acquire? What personal qualities would you need to run a large organisation? *LQ* spoke to a range of management and leadership thinkers, asking them to forecast what the world might look like in 2030, and therefore what attributes CEOs might require. Obviously, predicting the future is difficult, if not foolhardy. But, based on current trends, and things we all know are likely to happen in the next 20 years, they gave us some educated guesses and insights.



Able to process large amounts of information

Eve Poole, Deputy Director of the Ashridge Public Leadership Centre, says that CEOs will need to be “turbo-charged Google brains. They will need to be able to take in extraordinary amounts of data (management information, news, trends) and convert them into practical wisdom in the blink of an eye”. High technological literacy will also be essential. A generation that has grown up with the internet and computers will use technology like it is second nature. The best CEOs, says Poole, will therefore be the ones who can cut through the noise and get to the points that matter. In other words, logical decision-making will still be the most important attribute. “By

then, we may be able to download data, *Matrix*-style, straight into our brains, so it is what you do with information that will make the difference,” she says.

Happy with diversity

Many large companies are increasingly diverse, representing changes in society at large. That mixing of cultures will continue through to 2030, changing the make-up of boardrooms (which have been somewhat resistant to wider trends, according to several of our experts). Future CEOs will need to be able to harness the benefits of diversity,

including access to new types of information, and the ability to target every part of the world effectively. Daan Van Knippenberg, Professor of Organizational Behavior at Rotterdam School of Management, says the key for CEOs will be to manage what he calls the “double-edged sword” of diversity: that different backgrounds broaden perspectives, but sometimes lead to conflicts because people fail to understand each other easily, or feel resentful about the intrusion of outsiders. CEOs will need to be “sense makers”, explaining to the company that the benefits of diversity outweigh the downsides, he argues.

Fluency in Mandarin

The experts we spoke to are divided on the importance of languages in 2030. Some argue that English will be the “language of business” even more than it is now. Others see English losing its central role as Asian powers gain ascendancy. Whichever scenario plays

Future CEOs will need to be turbo-charged Google brains

out, however, all our experts agree that speaking Mandarin (and probably Spanish) will not hurt the aspiring corporate leader. The importance of language ability will go beyond its direct uses, to its role in demonstrating the CEO's open-mindedness and adaptability, notes Van Knippenberg.

Sensitive to different cultures

In the wake of accelerated globalisation, several of our experts point to the importance of sensitivity to different cultures for the CEO of 2030. To an extent, corporate leaders will have to “unlearn” some long-held Western notions of how to run companies effectively, in favour of how other cultures run their enterprises. Donna Ladkin, Senior Lecturer in Organizational Learning and Leadership at Cranfield School of Management, says the

between countries will remain wide so corporate leaders will have to become more adaptable: “Much regulation and legislation will be standardised, but local operating conditions will still vary enormously as communities get more particular in the face of growing global homogenisation. A successful multi-country track record will be vital for the future CEO's credibility”.

More “transformational” than “transactional”

The CEOs of 2030 will have to be able to adapt to changes in the nature of their workforces. Because of the need to deliver more knowledge-intensive products, and more “complex” services, companies will have to employ greater numbers of highly educated, intelligent, professional people. If CEOs want such employees to be innovative and

“The CEO may have to rely on different ways of motivating staff,” says Ladkin.

More outwardly focused

The past hundred years have seen the gradual fragmentation of companies – from the integrated production lines of the 1920s Ford Motor Company to today's “hollowed out” firms that rely increasingly on a range of partners to do essential tasks. This trend will continue during the next 20 years, with still more functions being outsourced. In turn, this will require the CEO to be a different type of leader. Rather than dominating “the medieval kingdom”, they will need to be able to reach out to multiple collaborators, says Jo Owen, author of *How to Lead and How to Manage* and *Tribal Business School*. “CEOs will have less time for managing down and will have to spend more time managing relationships with regulators, stakeholders and interest groups,” adds Gosling.

Able to collaborate and delegate

Several of the leadership experts we spoke to point to the multi-faceted demands on future CEOs and wonder whether a single person will really be able to meet all the requirements of the role on their own. Ladkin says that CEOs may have to delegate more. “The days of the heroic leader who charges in on his white horse to save the day is over. CEOs will need a more collaborative form of leadership. One person will not be able to cope with all the complexity.” Katherine Klein, Professor of Management at Wharton School, University of Pennsylvania, makes a similar point: “The problem with the image of the heroic, visionary leader is that the distance from heroism to arrogance is pretty short. If you think you can do everything, you are going to fall flat on



The CEO may have to rely on different ways of motivating staff

predominance of Chinese and other Asian cultures will bring fundamentally new ways of doing business to the fore. “CEOs are going to have to understand more ‘communitarian’ ways of operating. The problem some companies have today in China is that they don't understand the differences.”

Experience of working overseas, preferably for extended periods, will be an absolute must for any aspiring CEO. “To get promoted, you are going to require worldliness,” says Jonathan Gosling, Professor of Leadership Studies at Exeter University. Poole says the differences

creative, they will need to treat staff with respect and understanding. Gifted people, with lots of options in their lives, do not take kindly to being ordered around. “CEOs will have to rely on professionals' intrinsic motivation to do the best-possible job. The carrot-and-stick approach will no longer work. You will have to inspire them,” says Van Knippenberg. Surveys show that money is less important to many employees than it used to be; that employees are less deferential; and that they tend to be more interested in a work-life balance. If these trends continue until 2030, CEOs will have to be more inspiring than bullying.



› your face. The emphasis in the future will be on the ability to listen, to collaborate, to be good at working with a team”.

Overcoming silo issues

Communication – whether it is with stakeholders, the media or internally – is an ever-present theme in any discussion of future CEOs. A frequent refrain is that CEOs will need to be leaders first and foremost rather than managers: in other words, their ability to communicate a vision will be more important than their ability to make decisions. One problem in doing this is that, in many companies, different parts of the business do not always communicate effectively with one another, often because they focus on

different types of activity or specialism. One job of the CEO, says Ladkin, will be to bring groups together. “CEOs need to be translators across professional discourses. There is going to be a need for leaders to ensure that people understand one another. Rather than directing organisations, they are going to have to translate information across different knowledge groups,” she says.

Managing environmental damage

If some of the darker predictions for climate change play out, the CEO of 2030 may have a quite different world in which to operate. Gosling says the collapse of eco-systems due to climate change could bring millions of

African refugees to Europe, which could, in turn, promote a very different set of political circumstances. Companies are more likely to be held accountable for what they used to “externalise” as a political issue and therefore nothing to do with them. “In the future, it really will be a fiction that all that managers have to do is to run the company. To be a successful businessman, you are going to have to do much more than be a businessman,” says Gosling.

A management education

There was a time when the upper echelons of large companies contained many “generalists”. They might have had previous careers in the public sector, and chances are they had never been near a business school. By 2030, says Owen, the vast majority of senior managers are likely to have been through formal management education. Most will have MBAs – a qualification almost unheard of in Europe 20 years ago. Management will be more systematised, “by the book” and professional. Will that lead to better decision-making? The jury is out.

Comfortable with transparency

All of our experts expect “corporate responsibility” to take up a greater part of management time in two decades, chiefly because of the greater availability of information about a company’s performance and actions. Ladkin says: “CEOs are going to be limited in their ability to do things because of the way we are all connected. The way news about companies spreads like wildfire now through social networks will not go away. CEOs are going to be much more transparent about the way they do things”. Business ethics also will be



important because employees will increasingly want to work for a firm that has a good standing in society at large. CEOs will need to ensure that their companies behave in the right way and convey that they are ethical. “With increasing general mistrust of business leaders, it becomes increasingly important for leaders to convey an authentic commitment to ethics,” says Van Knippenberg.

Many things will stay the same

It is easy to exaggerate how different the CEO role will be in 2030. Lots of things will remain the same, says Owen. Many CEOs will continue to be “leaders in name only” – stewards who do an efficient job, without making great waves, or inspiring staff

“**If you think you can do everything, you are going to fall flat on your face**”

to great heights. CEOs will continue to be “smart, confident, driven, and, in many cases, arrogant”. Not every CEO will be a humble “follower-leader”, who listens to ideas and goes out of his way not to hurt anyone’s feelings. ■

Ben Schiller is a freelance writer.

INSIGHTS FROM LEADING MANAGEMENT THINKERS

“In future, managers won’t be prepared to wait around for 30 or 40 years until they get their chance to lead the company. And people at the top won’t necessarily want to retire at 65. So people will want to get through faster, and people will want to stay longer. That could lead to some profound changes to traditional career patterns.”

Jo Owen, author of *How to Lead and How to Manage* and *Tribal Business School*

“CEOs will have to be manifestly better global citizens and at ease with 24/7 transparency. Data will be better so their performance will be more exactly managed, communicated and rewarded or punished.”

Eve Poole, Deputy Director of the Ashridge Public Leadership Centre

“People will leave if they don’t find meaning and community in the organisation you are building.”

Katherine Klein, Professor of Management at Wharton School, University of Pennsylvania

“English in 2030 will get you a long way, but learning another language will symbolise a type of respect for other cultures that will be increasingly important in leading diverse groups.”

Daan Van Knippenberg, Professor of Organizational Behavior, Rotterdam School of Management

“The big thing about globalisation is that everything is connected. Actions have unforeseen effects on different parts of the system. CEOs will have to be aware of the possibility of unforeseen effects and be able to adapt. They have to do their best to think about the possible consequences of actions. But they will also have to accept that they won’t think of everything.”

Jonathan Gosling, Professor of Leadership Studies, Exeter University

“I do a lot of work with the Ministry of Defence. One of the problems they are having is that they used to have recruits come in and they would say ‘jump’ and they would jump. That doesn’t happen any more. It’s similar in companies. CEOs can’t just coerce people to do things any more.”

Donna Ladkin, Senior Lecturer in Organizational Learning and Leadership, Cranfield School of Management