

# Tougher, faster, smarter

*European CEO* talks to Josette de Goede, Executive Director at Rotterdam School of Management, Erasmus University, the leading Dutch business school, about preparing leaders for the future



**Do you believe there is a future for executive education?**

Yes, of course. Executive education is essentially about learning and there will always be a need for people and organisations to learn. But I believe that the nature of executive education will change, and for several reasons. Firstly, because the executives themselves will be different – much more diverse, drawn from different geographies and backgrounds and that will affect how we teach and stimulate development. Secondly, because the world they operate in will also be different and we need to prepare them for that – this will affect what we teach. And of course the notion of education itself is changing, new forms of teaching and learning (and even unlearning) are emerging that better fit the requirements of this generation of executives.

**What do organisations need to have now?**

They need what they've always needed – solid foundations, products and services that customers want to buy and of course, good leadership – but in the context of new paradigms. For example the borders of organisations are becoming less clearly defined. Supply chains are becoming supply networks as different suppliers co-produce to create mutual value. Learning to trust outside parties with proprietary knowledge requires a mindset change to take place in understanding how competitive advantage can be gained. Organisations also need an understanding of the dynamics of markets.

**So is it just a question of applying the old techniques to current circumstances?**



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we're observing now is that a particular set of leadership capabilities are becoming more and more desirable in relation to the current context. To create wealth (and welfare), values have to be brought together; values which are not always easily reconciled. For example, it's not enough in today's competitive environment for an organisation to position itself as a low cost player in the market or an expensive niche player. Today's consumers demand quality and value. So organisations need leaders who can act beyond this polarity and who can challenge their teams to think beyond conventional solutions. Leaders realise that in uncertain times they don't have all the answers so they do have to have a new kind of openness for the environment in which they operate and stability in terms of their own personality to be able to deal with this.

#### What is good leadership then, according to you?

Three key elements are coming through. Leaders need to be agile, and create organisations that are agile as well. By agile, I mean something more than flexible or adaptable. It's the ability to take in, process and interpret information and make decisions for action on the basis of that. Of course in order to do this well, leaders need to extend their gaze to look further into the horizon in order to pick up on weak signals that show what's coming. This can be very difficult at a time where short-term results are being scrutinised so closely and this brings me to the second quality I believe good leaders must have.

Sometimes called authenticity, I'm referring to the ability to live by the courage of their convictions. To stand by their decisions even in the face of adversity and challenges that can come from every direction. The third quality that I believe is important in leaders today is mental toughness. There is no denying that these are difficult times and that there are no

simple solutions or easy fixes. Leaders today have to be in it for the long haul; they have to really believe they can cope with anything that gets thrown at them and basically, to never give up.

#### This sounds rather harsh

Yes, I think some people will find it rather harsh but that is the nature of the environment. It doesn't mean that leaders have to be hard or lack the human element. What makes these decisions so difficult in most cases is that they do involve people and leaders are people too, they don't like to continually engage in conflicts or disrupt people's lives. But I believe that what separates the best leaders from the rest is the ability to act with empathy but a tough empathy. That ability to take in the bigger picture, keep an eye on the longer term and then set a direction that people can understand and follow.

#### You have mentioned previously that changes happen more frequently, are people prepared to adapt?

There is always this belief that people struggle to cope with change but that is not what I see. People can cope with change, what they struggle with is uncertainty. Leaders need to inspire confidence and the way they do that is by providing clarity, helping people make sense of what is happening, why certain decisions are being made and what the outcomes of any changes will be both for the organisation and of course, for the people themselves. Doing this well comes down to simple old fashioned communication, taking the time to explain to people what's going on and what it will mean for them.

#### What does RSM bring?

To me that's a question about creating value - what extra do we provide to executives that they don't already have themselves? In our experience, most successful executives already know how to act and they really know how to react. So for them, learning takes place when we focus on what we can contribute - extending their ability to think critically, providing tools and frameworks to rapidly interpret and evaluate information. We can support them in developing the skills they need to make considered decisions which take into account both short term and long term gains as well as building on their existing ability to act so that ultimately they become more agile and effective leaders. RSM's promise to executives is 'Critical thought. Practical action.' I think it sums up really well what we are trying to achieve. ■

*For more information - [jgoede@rsm.nl](mailto:jgoede@rsm.nl)*

It's about more than that. We are operating in a dynamic and volatile environment in which we are less able to predict change, and this contributes to a feeling of greater uncertainty. Organisations need both insights and the ability to identify patterns in the insights they observe, plus an ability to understand their customers and react to their needs. It's also not just about bringing a new product or service to the market, I think that true competitive advantage is based on combining your offerings in a unique, professional way. So what constitutes a good leader is also changing as times are changing.

**There is some fear in certain sectors that, in uncertain times, businesses are moving back to the command and control management models.**

That is not actually what we're seeing. What