

LEADERSHIP

“Leaders must be able to lead uncertainty”



Modern day corporates demand a breed of executives with competencies that often go beyond their past experiences. Today, leadership is all about data-driven decision making. Perhaps the most unique aspect of this technology trend is that digital transformation is being driven from the top, personally mandated by the CEO.

Ralf Knegtman, managing partner at De Vroedt & Thierry executive search, zooms in on leadership, capabilities, and managing uncertainty.

What does digital transformation require from modern leaders?

“In terms of personality, the times of leaders being omniscient and creating their own vision are at an end. Modern leaders need to be more humble than before. The speed of change due to technology, the degree of specialisation and complexity is so huge that one individual, no matter how smart, can no longer keep up and oversee things on their own. Modern leaders know they are capable to do certain things extremely well, but they also realise that they lack expertise in other

areas or are partly ignorant. What is important is, that modern leaders are not too ignorant. To be able to ask the right questions one doesn't have to be an expert, but one must have a more than basic understanding of the matters at hand. The times of the powerful and omniscient CEO are over!”

“This was aptly illustrated during my interview with Indra Nooyi, the CEO of PepsiCo. She told us that when she had joined the company as a young woman, the then CEO was actually the one with the most accumulated knowledge. As a CEO herself she

had to make efforts to stay informed in all areas and keep asking the right questions. Leaders have become eternal students - they must ensure to keep up-to-date with new developments in the digital world.”

How does this differ from traditional leadership?

“In the good old days, CEO's and leaders were often the ones who knew the most and were at the forefront of developing the strategy. Their core tasks were to design a clear business strategy, next to the responsibility for running their company profitably and efficiently. This is still valid today, yet increasingly more, they will be designing the strategy with a team of multidisciplinary board and executive committee members, so running a company efficiently and profitably is still vital, but more is needed. Today, it is about combining both exploitation and exploration. In addition to getting the company running well and profitably, executives must also ensure their company is innovating and preparing for the future. It is no longer either/or, but and/and.”

Many executives have descended from the “command & control” era finding themselves in a digital world. How can they prepare for their own digital transformation?

“In our book, we have identified twelve characteristics that help leaders navigate the digital world, e.g. learning ability and adaptability, reducing complexity, resilience, and an open mind for innovation are crucial. It is difficult for leaders in the new world to fully oversee their situation in this new domain and make meaningful decisions. That's why we predict an increasing use of distributed or collective leadership. Here, the leader is the one who catalyzes collective leadership and ensures that others in sub-areas take on necessary leadership roles. In the digital world, we're talking about a 'leader of leaders.'”

In your book “Leadership in the Digital World” you stated that “it is crucial for a leader to have an innovative mindset”. How can organisations acquire such a mindset?

“It all starts with curiosity, the eagerness to learn and to adapt. Unfortunately, this can't be taught to a certain extent and is largely embedded in the proper cocktail of personality and motives. It's about finding people with the capacity to perform in a rapidly changing environment ('achievement motive'), with a strong sense of curiosity and the urge to continuously adapt in a changing world. As this largely depends on personal character traits that are difficult to change, you need to start with this as early in your career as possible. The longer you wait, the more complicated it becomes.”

What do you mean by “Leading in the digital world is mainly about managing uncertainty”, what consequences does this have for executives/organisations and what are the certainties that remain?

“The world is becoming increasingly global and volatile. Boundaries between industry and sectors are blurring more and more. Previously you knew exactly who your competitors were, but now a digital start-up can penetrate your industry out of nowhere. Technological developments are accelerating the pace of change. All this makes the world and the playing field in which we operate more uncertain. The only thing certain in life is uncertainty. At the end of the day, leaders must be able to lead uncertainty.” >>



“Expect the unexpected. For me, therefore, new leadership is about combining the right people and decisiveness. Accepting that you must make choices based on increasingly less certain information. Ensuring different competencies on your Board and making choices after a solid discussion, even though you don't know everything. Accepting that you have to take one step forward, without knowing exactly where those steps lead to.” Erwin Dreuning, CEO, Stater ●

In their book ‘Leadership in the Digital World’, Ralf Knegtman and Ylca Poelman explore the consequences of digitisation. Ralf Knegtman is managing partner of De Vroedt & Thierry executive search devroedthierry.nl.

