

WHITE PAPER

Leadership, Disrupted

How to Prepare Yourself to Lead
in a Disruptive World



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Your Leadership Disruption Journey

Welcome to the future of leadership, and get ready to be brave! If you are leading a business, an organization, or just your career, you should be asking many questions to inform your future. In this white paper, the Center for Creative Leadership (CCL®) frames the leadership challenge by describing how we got here and where we need to be. We provide insights from our global experiences of preparing leaders for disruption, specifically the need to disrupt your role, your identity, and your meaning. While some might be overwhelmed by the complexity of a disruptive world, we see this as an exciting time for bold and forward-thinking leaders. To paraphrase George Bernard Shaw, we believe leadership isn't about finding yourself, it's about creating yourself. We look forward to contributing to your journey—either accelerating your current transformation, or disrupting yourself, your organization, and your community to achieve meaningful shared value.



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Welcome to a Disruptive World

Welcome to the future of leadership and get ready to be brave! You lead in a volatile, uncertain, complex, and ambiguous world, where new technologies, ways of working, and players regularly change the rules, and sometimes the game itself. Whatever industry you are in, disruption is either in your face or just on the horizon. The block chain enables new depths of interaction with trust; artificial intelligence provides new insights to inform decision making; the Internet of Things offers new connectivity between people and things; sharing transforms ownership and business models; and data makes everything more personal (and more transparent). The ripples and waves will continue to flow—there is no expectation that the turbulent waters of change will recede.

Whether you see your world as VUCA (volatile, uncertain, complex, and ambiguous), disruptive, or exponential, one thing is sure: Unless you are riding a wave, you most likely aren't sleeping well for fear of drowning. "How can I ensure a sustainable future for my organization and myself?" is just the start of what may be keeping you up at night. In our regular interactions with executives across the globe, we hear many more questions, including these:

What's Keeping You Up At Night?

- 1 How might I use digital channels to engage customers and employees personally, to increase impact and efficiencies?
- 2 How might I use data, analytics, and AI to improve my ability to understand customers and enable better decision making?
- 3 How might I innovate to create new products, services, and businesses while improving ongoing operations?
- 4 How might I design personalized and value-generating experiences across all channels?
- 5 How might I leverage networks of virtually distributed teams to create ecosystems that increase efficiencies, learning, and scalability?
- 6 How might I establish communities of employees, customers, experts, and/or partners to contribute to my organization?
- 7 How might I create shared value across my value chain to benefit my community?
- 8 How might I transform my organization to stimulate and sustain personal, organizational, and societal change?

If you are leading a business, an organization, or just your career, you most likely relate to some of these questions. If not, you should be asking them because the answers will inform your future. By asking, “How might I . . .” to explore the critical themes of today—innovation, technology, collaboration, and community—we expose the essential enabler: *leadership*.

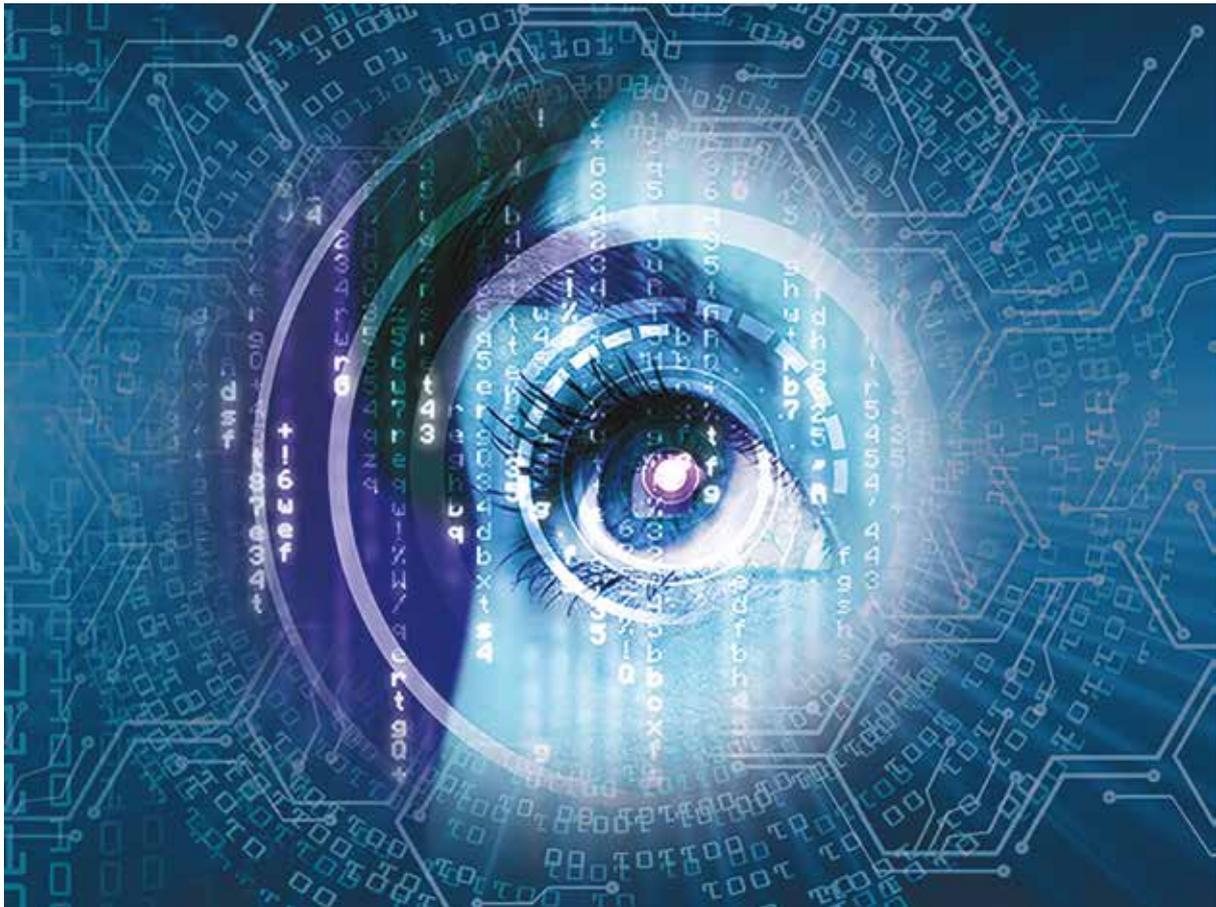
While some might be overwhelmed by the complexity of a disruptive world, we see this as an exciting time for bold and forward-thinking leaders. Unfortunately, our current models of leadership are unable to answer clearly many of these strategic questions. We are still bound by outdated paradigms of leading traditional linear and hierarchical organization models. Many of the policies, systems, and processes that worked well in the past will not be effective in the future. New realities call for new imperatives. Leadership needs to show new direction, governance, framework, and guidance. To be future-ready is a journey. In this paper, we guide you through what is driving today's biggest leadership challenges—and explore what global leaders are doing in response. We aim to provide you with the insights required to transform your own leadership models and to successfully guide your organization toward greater performance in a sea of disruption.

How You Got Here and Where You Need to Be

As technology, customer preferences, demographic shifts, and sharing economies disrupt our ways of working, leadership is also on the verge of disruption. Since organizations need leaders at all levels to remain agile and adaptable, your ability to lead through a disruptive business environment will be an essential competitive advantage. From our experiences with leaders globally, we see a significant shift from current and future leadership practices. Where are you today, and where do you need to be tomorrow?

Today	Tomorrow
A leader leads a defined team of followers.	A leader leads open and dynamic networks and teams of followers.
A leader is formally or semi-formally assigned, acknowledged, and defined.	Leadership is defined by role and is contextual.
There are defined organizational structures with clear direct and dotted lines.	Structures are organized through networks of influence. Multiple leadership roles are networked, dynamic, and highly contextual. Multi-function project team structures are increasingly popular as a way of organizing.
Teams are structured for command and control.	Teams are structured for agility and performance. This means that there is always a multi-tiered way of organizing for speed, agility, adaptability, and stability.
A leader leads with vision, direction, plans, and followers on a relatively stable roadmap.	A leader has a core vision and insights, but the rest is highly dynamic and uncertain.
Leaders' effectiveness depends on their influence on individuals.	New media offers multiple channels to extend leaders' influence in ways not seen before.
Communication channels are tightly managed and controlled by the brand.	User-generated content on new media channels affects the brand, image, and influence (i.e., leaks are quickly spread via social media, potentially derailing leaders and organizations). All business leaders must demonstrate skill and strategy in using new communications channels.

From our experiences and observations, we believe most leaders are not adequately prepared for the future. This notion is also highlighted in research by our colleagues in the article [Are Your Leaders Ready for the Future? Probably Not](#). To prepare yourself to navigate the polarities and make your transformation possible, we recommend disrupting leadership itself, in three essential places.



1 Disrupt Your Role

*“As the water shapes itself to the vessel that contains it,
so a wise man adapts himself to circumstances.”*

—Chinese proverb

Kyocera, the Japanese multinational ceramics and electronics manufacturer, needed to become more agile, adaptable, and resilient in order to face increasing competition, changing customer needs, and new business models. Under the leadership of Kazuo Inamori, Kyocera reorganized its 50 divisions into 400 *amoebas*: self-organizing units that are responsible for their own business. Every amoeba has its own support functions (finance, HR, etc.) and does business together in an internal market environment, constantly searching for better customers. Depending on the business situation, the amoeba can be divided into smaller units or integrated with other amoebae.

Facing similar business challenges, Haier, the Chinese consumer electronics and home appliances company led by Zhang Ruimin, reorganized its 80,000-person workforce into 2,000 independent units, each with its own P&L, with employees paid based on performance. Like Kyocera, Haier's units are aligned with the overall business objectives and guidelines even when they adapt to the changing business circumstances locally. They are organized to listen constantly to clients and the business environment. They are always ahead of the curve. They invest in their readiness to shape the future.

To stay ahead, both Inamori and Ruimin disrupted their organizations by re-thinking their roles and responsibilities within the organization. In seeking how to prepare yourself to lead in turbulent times, we recommend learning from these cases to **Disrupt Your Role**—seeking new roles to play and taking on new responsibilities to ensure the agility and stability of your organization. Rethinking your role can include:

A Chief Ecosystem Officer. The future CEO looks for and cultivates the broad network of collaborators and partners to stimulate a movement toward a better future.

A Chief Intelligence Officer. The future CIO gathers data, develops algorithms, and uses machine learning to increase the intelligence of the organization and its partners.

A Chief Experience Officer. The future CXO creates engaging experiences across all channels in the value chain to strengthen the brand equity.

A Chief Maker Officer. The future CMO leads developers, hackers, gamers, and robotics experts to prototype, fail fast, and rapidly bring new products, services, and experiences to market.

A Chief Value Officer. The future CVO defines shared value across the ecosystem and leverages the block chain to ensure equitable distribution across the value chain.

We know the traditional executive roles within our management systems will still be prevalent. However, we recommend these roles must evolve to stay relevant. To keep up with innovation in technology and competition, Huawei—the Chinese multinational networking and telecommunications equipment and services company—moves faster by getting more people involved in the decision-making process. Each business group is overseen by a highly autonomous executive management team. Decision making is dispersed by rotating the CEO role among a team of eight top executives so that new ideas are constantly generated. Acting as a Chief Ecosystem Officer, the CEO leads strategic planning while the other seven members focus on operations.

As a leader, you must shape your future, not just accept your present. Start reflecting on what is truly required to succeed in a disruptive business environment. Don't just accept the traditional positions of power.



2 Disrupt Your Identity

“Life isn’t about finding yourself, life is about creating yourself.”

—George Bernard Shaw

Pete Blackshaw, Global Vice President of Digital Innovation & Service Models at Nestlé, is a forward-thinking executive who personifies a variety of leadership identities. One of his many business-critical initiatives is the Digital Acceleration Team (DAT). The DAT develops and networks top talent to leverage digital platforms to listen and serve consumers. The DAT also experiments with new and emerging technologies, working with startups and technology companies through corporate hackathons. It essentially serves as a digital lab that aims to move the company faster, according to Blackshaw. In our view, Pete’s success is due in part to his leadership style—personifying a range of identities. He acts as the consumer, a technologist, and even a revolutionary. In his recent [AdAge column](#), he is an optimist—emoting positive energy by reflecting publicly on personal experiences and insights.

Embodying a mindset is a powerful way to develop and demonstrate the critical skills required for leading transformation. In our experience, we recommend leaders adopt the guises best suited to achieve the strategic objectives within your environment. While many possible identities exist, here are a few to consider for your disruptive needs:

1 **Be a Consumer.** Use the consumer experience to develop new, more meaningful ideas.

2 **Be a Neuroscientist.** Understand how decisions, impressions, and behaviors will be made in shaping innovation outcomes.

3 **Be a Mad Scientist.** Experiment in creative ways and take calculated risks to explore the “what if?”

4 **Be a Revolutionary.** Challenge the status quo by asking probing questions (like “why not?”).

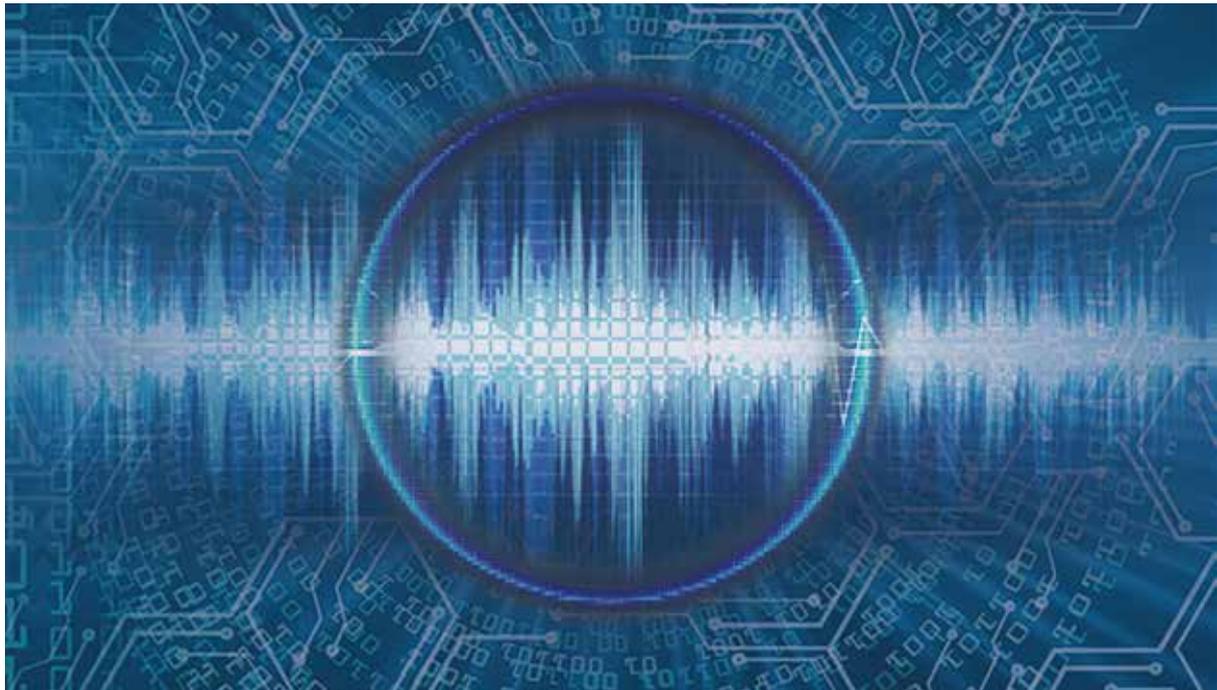
5 **Be a Catalyst.** Facilitate incessant iterations within the innovation process to drive collectively the transformation of strategy, organization, and market presence.

6 **Be a Networker.** Maintain relationships with talent, experts, and consumers, and build internal and external communities to spark “crowd-accelerated” innovation.

7 **Be a Politician.** Engage a variety of stakeholders with insightful, transparent communications and/or relevant content while establishing positive relationships that help build an innovation environment.

8 **Be a Mercenary.** Seek out a diverse set of collaborators who will use creative conflict and productive friction to spark iteration and sustainable innovation.

We know the traditional identities within our current leaders will still be prevalent—the hierarchical, the visionary, and the performance-driven, just to name a few. However, we recommend these identities must broaden to stay relevant. At a recent CCL forum, SAIC General Motors executive vice president Julian Blissett shared how individuals in the company deliberately meet with other companies to explore synergies. They bring outside experts into the company weekly to inject new thoughts and ideas, have employees go through design thinking workshops that lead to new projects, and leverage an internal incubation platform to foster collaboration. Not only does Blissett’s identity as Networker have business value for today, but he also embodies the leadership required for success in the business ecosystem of tomorrow.



3 Disrupt Your Meaning

“What man actually needs is . . . the call of a potential meaning waiting to be fulfilled by him.”

—Viktor Frankl*

It has been a tumultuous time for the ride-sharing company Uber. In June 2017, founder Travis Kalanick was forced to resign as CEO due to mounting allegations of workplace culture problems and sexual harassment rampant at Uber. Dara Khosrowshahi is now steering the ship and has made what we believe is a bold decision in trying to reshape the culture at the company. In a November 2017 [LinkedIn post](#), Khosrowshahi announced that the new cultural norms at Uber would be cocreated with the employees. “More than 1,200 of them sent in submissions that were voted on more than 22,000 times. We also held more than 20 focus groups . . .”

With this move, Khosrowshahi demonstrated what our colleagues Wilfred H. Drath and Charles J. Palus described over 20 years ago in a short but disruptive book, titled *Making Common Sense: Leadership as Meaning-Making in a Community of Practice*. They argued that “. . . leadership is meaning-making in a community of practice.” Uber’s attempt to change the culture through cocreation is laudable, and it opens insights into our third recommendation, to Disrupt Your Meaning.

* *Man’s Search for Meaning* (1946)

With purpose high on the agenda of many organizations, developing a shared sense of meaning is more feasible today than ever before. Learning from Uber’s attempt to redefine its culture and meaning is different from purpose. Meaning goes beyond today’s use of purpose—an objective with some social value. To summarize Frankl’s original description, meaning is a deep physiological, emotional connection to the future. The importance of meaning also has implications for business innovation—a critical enabler of success in today’s disruptive world. Professor Roberto Verganti, author of *Overcrowded*, writes that in a world awash with ideas, innovating meaning is the essential differentiator between success and failure.

With *meaning*, leaders can stimulate and sustain innovation to achieve shared value. Obviously, the products and services your organization develops must fulfill the needs of users for your organization to create value. However, with the increasing emphasis on (and expectation of) also providing benefit to society, purpose requires leaders to expand and deepen purpose with meaning for:

1 A Person. A user of products and services with meaning, who derives functional and emotional benefits from the experience.

2 The Organization. Purpose that creates value, both tangible (e.g., financial) and intangible (e.g., brand).

3 Your Society. Those whom your organization’s purpose directly or indirectly influences.

Leaders who are able to create a unifying vision across these three perspectives will have the resilience to fulfill their leadership mission. The good news is that, with business challenges like innovation and digital transformation, leaders find themselves within problem spaces that encourage the creation of personal, organizational, and societal meaning. If you can find a purpose for these three, with a unifying response to the questions keeping you up at night, we guarantee your organization will be well-positioned to deal with the disruption.

Majdi B. Abulaban, President of Delphi E/EA, Delphi Engineered Components Group & Delphi Asia Pacific, a high-technology company that integrates safer, greener, and more connected solutions for automotive and transportation sectors, described a near-death experience and salvation through meaning. Although Delphi was an industry powerhouse for a number of years after its spin-off from General Motors, the company was not well-positioned to deal with disruption in the industry. Products were not aligned to where the market was going, and there were unsustainable legacy costs, among other challenges. In 2005, Delphi filed for bankruptcy.

A period of soul searching led to a new identity. A new common code at Delphi was established around excellence and passion for customers. This new culture positioned the company to change its business model. Amid an industry that is moving aggressively toward electric and autonomous vehicles and disruption by nontraditional players entering the space, Delphi was executing a strategy to develop advanced technologies that make the world safer, green, and connected with a focus on software and system integration. Today, Delphi’s stock is at an all-time high. When the company went public in 2011, its value was below \$3 billion. Today, its value is over \$28 billion.

“If you are in business, you will face disruption and change,” Abulaban said. “Find meaning in what is happening around you. Only then can you explain it and have people embrace it with a common purpose. Only then can you reinvent yourself.”



Start to Disrupt Your Leadership

To paraphrase Anton Ego, food critic from the Pixar film *Ratatouille*, we believe that “Not everyone can become a great leader, but a great leader can come from anywhere.” In a disruptive world, the plethora of burning platforms provides many opportunities for those willing to take the leaps to plan and build the organization of the future. If you disrupt your *Role*, your *Identity*, and your *Meaning*, we believe you can translate a disruptive environment into a competitive advantage.

To start disrupting your leadership, we recommend a few simple, yet powerful, actions to begin your journey:

1

Be Relevant. Find ways to prevent your company from falling behind competitors and market disruption. Seek the signals of emerging customer behaviors, new technologies, and potential partners outside the organization. Expand beyond the present, and your leadership will project into the future.

2

Move Ahead. Make bets with calculated risk to disrupt your industry, market sectors, and competitors. Adopt and invest in innovation and new technologies. Encourage experimentation in new products, services, and experiences. Make small moves smartly, and your leadership will plant seeds for growth.

3

Grow Value. Create greater impact, while being efficient and leveraging the resources of others. The sharing economy opens new opportunities to do more with less. By reducing the need to “do it all,” sharing across the value chain increases speed and impact. Partner with others to deliver meaning, and your leadership will have impact across the value chain.

4

Seek Gigs. Engage talent in a flexible, yet impactful way. Shifting needs for new capabilities demand a flexible talent pipeline to be future-ready in a sustainable manner. The gig economy opens a new mindset to do this. Provide them an environment and opportunities to go the extra mile, and your leadership will be distributed across the network.

In our view, nothing is more pressing than building future-ready leaders. The leader of the future needs to differentiate between what is important and critical to business success—and then choose how to get there. We believe that starting your journey to become a successful leader in a disruptive world starts by disrupting yourself. From there, you will be able to transform your team, your organization, and even your community, to create a sustainable future, filled with shared value and meaning.



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