

Leadership for Business Success: Creating a culture that drives performance and innovation

Paris Executive Summary



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Introduction

Are current leadership development practices helping or hindering the culture necessary to support innovation? Now that organisations across all sectors face multiple challenges, threats and opportunities, it is only the agile that survive. Businesses know they need to be more collaborative and creative, but they do not always know how to do so – especially where traditionally hierarchical, command and control cultures are deeply embedded.

Corporate Leaders in partnership with the Center for Creative Leadership, hosted the second in its 'Leadership for Business Success' series of European Executive Briefings. Following on from the opening event in Munich, the Paris event was attended by senior HR executives from global companies to explore how to meet the challenging requirements of business leaders and foster a culture of innovation.

The event opened with presentations from David Learmond, Senior Advisor Human Capital at The Conference Board, and Jean-Michel Estrade, Senior Vice President Global Employee Services, Atos, before opening up to a roundtable discussion lead by Veronique-Sophie Bounaud-Lemoine, Strategic HR Advisor, Florence Plessier, Practice Leader, Organisational Leadership and Senior Team Development at the Center for Creative Leadership, and Jasmine De Clerck, Regional Director at Center for Creative Leadership.



Talent and leadership development along with **slowing growth** in emerging markets are topping the Hot Button list.

Leading in Volatile, Uncertain, Changing & Ambiguous times

To set the scene, David Learmond presented his research into the top challenges CEOs face in today's 'VUCA' business world, filled with volatility, uncertainty, complexity and ambiguity. Improving organisational capabilities to drive business results and inspire innovation, he said, are high on the CEO's wish list: "Innovation is a very key point today... there is a growing realisation that to grow successful businesses, there have got to be more ideas coming into the business and we've got to speed up the rate of innovation. That's very much in tune with the idea of a VUCA world."

For the last 10 years, Learmond and the Conference Board have been encouraging companies to "take a longer-term approach to strategic workforce planning... getting organisations aligned, making them more agile, supported by effective enterprise-wide communication."

Much of this was damaged during the financial crisis, he argued. "It's a great shame that if we think back to 2008, guess what was cut first when business times were hard? It was the L&D budget, some companies stopped recruiting graduates and did enormous damage, I believe, to their reputation for people that wanted to join a really forward-looking business. They've had to pay a price for that."

The lessons learned during that period, leading to today's VUCA climate, are now pushing organisations and leaders towards collaborative leadership and innovation cultures.

Global companies want "leaders to have a global mind-set, but they also want to allow people to have the freedom to make decisions in their local environment. How do they do that?" asked Learmond. "Leading companies seem to be saying, you know what? We're going to scrap the rulebook. We're going to move to more guiding principles. But, of course, in order to do that you need to have an atmosphere of trust. You need to have strong values. You need to have a strong purpose about what your company is about."

"Improving organisational capabilities to drive business results and inspire innovation are high on the CEO's wish list."



Over **85%** of executives report that their culture is not what it needs to be.

(2015 Study from Duke and Columbia University)

Changing the culture at Atos

This lead nicely into Jean-Michel Estrade, Senior Vice President Global Employee Services, Atos, whose presentation shared his experience of transforming leadership development within his organisation. This, he said, started with an understanding of the difference between management and leadership. "A manager is somebody who makes the best out of the resources he has been allocated with," said Estrade. "A leader is somebody who makes the best out of the situation he's in, whatever the resources he's allocated."

Atos is a €10.7 billion company that has doubled in size in just five years through the integration of multiple companies. It's 100,000 employees worldwide include the assimilation of two 10,000-plus companies in the last two years alone.

In a time of such rapid assimilation, HR's contribution to the group, informed Estrade, is "integrating personnel, increasing people motivation, engaging employees, and developing wellbeing at work: this is where we start to do things that are innovative."Homeworking is not yet commonplace in

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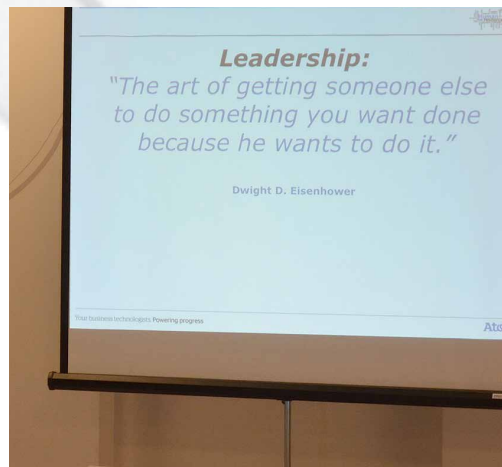
France, yet close to 24 per cent of Atos employees in France work an average 1.9 days per week from home. "It is better for the employee, less time in transport and commuting... and in terms of productivity it's good as well because they do their task knowing that the company is taking their constraints into account."

The old assumption that "if I cannot see you at the office, you are not working" is now being replaced by "personal authority, the pride and feeling of fulfilment from the employee to know that he's contributing to something... It is his commitment, his engagement to the company."

New ways of working were also introduced by the CEO Thierry Breton's 'Junior Group' initiative, whereby international talented young employees are asked to work as a class on specific topics with quarterly meetings to formalise their recommendations. "Five years ago the topic was, how do you want to work and to operate in the company? The answer was we don't believe in emails, we are on social networks... that drove the company to change everything." Communication was moved to an internal social network, and total volume of emails reduced on average by 60%.

"Bringing communities of workers and managers together is key to driving change, innovation and engagement," said Estrade. "The first step is humility. This is the first quality of a leader, acknowledging the fact that they don't know everything... and the second quality is for people to trust them to make things happen: I am an employee, I have a very good idea and I entrust my idea to the management through the community so that people can interact about it."

"Every detail from office layout, open spaces, shared desks and social networks, must lead employees, managers and leaders to always question themselves and their positions relatively to their own set of values, to the expectations of their teams and as well to their inscription in the ecosystems," said Estrade. This, he admitted, is very difficult to do, but gives an insight into how such cultures can be nurtured and potentially transformed.



One of the top leadership practices most needed and yet least practiced is cross-functional collaboration.

(CCL Survey)



Roundtable Discussion: HR's role in changing leadership cultures

The ensuing roundtable discussion looked at what HR leaders are doing, and can do, to foster an innovation leadership culture.

Florence Plessier, Practice Leader, Organisational Leadership and Senior Team Development, Center for Creative Leadership, began with her insights: "When we approach culture change we make a conscious effort to approach three dimensions: the mindsets behind the culture; the behaviours; and third the organisational processes and systems that support or hinder the behaviours."

A question was raised in the room as to whether it is possible to ignite agility and collaboration in the leaders who don't naturally have those qualities.

David Learmond commented that many organisational change programmes and values initiatives often hit what he describes as 'the clay layer' – "the people that have been there for years and years, to whom this is a totally new world. You've got to really think about that group... The top teams know they have to do something, the new people coming through totally buy into it, but then things got stuck in that middle layer. At the end of the day you can persuade, demonstrate how things have to change, but sometimes you just need to part company with some of the people that are holding up change."

One executive in the room responded that the important thing was to have "a critical mass of people to drive change through."

However, the methods used to assess and understand leadership behaviours were also called into question. The preferred method for most was 360-degree feedback. This requires a high level of trust and honesty – one delegate recalled a CEO who publicly demanded those with low 360

"The hopes of navigating through a VUCA environment lie in the next generation of leaders, and the training and development initiatives needed to encourage innovation and collaboration."

scores to "come see me in my office", which spread a "wave of fear and panic" that almost damaged the whole exercise.

Jasmine De Clerck, Regional Director at Center for Creative Leadership, informed that for Millennials the "key issue is giving feedback and receiving feedback, and separating the intent and impact of behavior... Then we can perhaps come to the point where we don't need 360s because there is a constant, ongoing conversation about the working relationship and giving feedback."

One delegate took this further by saying the hopes of navigating through a VUCA environment lie in the next generation of leaders, and the training and development initiatives needed to encourage innovation and collaboration should focus on them rather than the current executive team. Some disagreed with this, offering the importance of diversity of opinion and of the role modelling of behaviours.



Top 5 characteristics for high performing teams:

Psychological Safety Dependability

Structure & Clarity Meaning Impact

(2013 Google Staff Study)



Supporting leaders to take risks

But irrespective of which management layer an HR-led initiative is focussed on, to become embedded it requires executive level sponsorship. “I see many culture change projects owned and kicked-off by HR,” said Jean-Michel Estrade, “but if it does not translate into the business challenge, with the sponsorship needed at the top, then you need to stop it. It must be grounded in a business challenge with consequences for the business.”

Finally the conversation moved on to how leaders need to be helped and supported. One delegate referred to the importance of creating “the time for leaders to reflect on themselves.” He recalled previous intensive retreats, “getting 80 leaders to Iceland for the week – the time for reflection was incredible. But how do we do that in the modern world today where the pressure is there all the time?... Acceleration is key, but to do that we need to slow down.”

There were some solutions suggested in the room. One organisation required its executives to stop for a 6-12 month sabbatical after 6 years of service. Others encouraged leaders into teaching positions, which in turn forced them to reflect on their own experiences and challenges. Forming leadership networking groups, coaching, breathing exercises, and even yoga at the desk were also suggested. Such methods are being “requested more and more”, said one executive, “because they need to stop, they are always connected”.

For Jean-Michel Estrade, the idea of creating space is a crucial factor for innovation: “You need to create the space for innovation, meaning managers should allow innovation in their teams [by being] open, empowering people, brainstorming sessions, regular innovation meetings where people really open their mind... it should be a cultural approach from the top of the company down through all the levels of management.”

An executive offered an example of attempting to embed this at a mobile telecoms firm. “You need the top level to embrace failure as a way to measure risk and to push barriers. To encourage people to take risks we distributed what we called ‘Lions cards’, the lion representing courage. So that when people take a risk, the manager, executive board member or employee would give the other a lion’s card that they could keep or collect in their office – the idea is to have a physical, tangible representation of the risk that you took as a positive feedback to encourage you.

“You need to find a way of making risk and creativity safe.” She admitted “we haven’t figured it out yet”, but such attempts are an important start on the road to creating an innovation culture.

“Creating space for innovation: it should be a cultural approach from the top of the company down through all the levels of management.”



Conclusion

Innovation is now a top priority for every company. To navigate through increasingly uncertain market conditions requires creative, agile solutions, and equally fleet-of-foot leadership. Many organisations today – especially European-headquartered, global firms – therefore face a dilemma. The executive teams in place are typically from a different world of work, however, the new generation coming through at the bottom of the workforce and already entering into senior management positions are demanding a more collaborative, networked, and crowd-sourced approach.

HR and academic literature is increasingly finding that innovation comes from groups of people collaborating across functions and silos, rather than orders percolating down through hierarchies. Employees working with customers every day often know the market and the way the business is perceived more than anyone. They have ideas that can be tapped into. Similarly, diversity of gender and culture within teams and throughout organisations have been found to boost bottom line results by eradicating group-think, reflecting the customer base, and simply having a greater variety of experiences to draw upon.

“Create the environment, and people will prosper within it.”

David Altman, Managing Director Europe, Center for Creative Leadership

“Culture isn’t just one aspect of the game. It is the game. It’s the foundation on which businesses succeed or fail.”

Louis Gerstner, Former CEO of IBM

The organisations embracing this new way of working are better able to utilise all the skills across their employee base, making them more agile and responsive to market opportunities. Some leaders get this, recognising their role is not diminished but in fact becomes more important, as role models of behaviour and in establishing the conditions, policies and even workplace design that allow innovation and collaborative working to flourish. Other leaders need help and guidance through mentoring, reverse mentoring, and being given the space to reflect on their leadership. HR is uniquely positioned to help leaders and businesses on this journey to cultural transformation. But to do so, the delegates and speakers at this event agreed, they must link cultural and leadership change to the business strategy: namely costs, productivity and innovation of new products and services. When all those things are aligned – as Atos’s recent success demonstrates – rapid growth can follow.



Speakers



**Veronique-Sophie
Bounaud-Lemoine**
Strategic HR Advisor,
on behalf of Corporate Leaders

Veronique-Sophie is a senior HR Executive with a wide experience in international environments (emerging and mature markets). She has 31 years of experience where 23 were spent in corporates and 8 with consultancy firms. She is the founder of Human Leaders In, a company with 2 activities: HR advisory services and executive development.

Veronique-Sophie has managed a wide variety of HR functions including operational, functional, strategic, and consulting. She has worked in different environments - industry and services: IT, consultancy, automotive, electronics, chemicals, financial services, insurance, oil & gas, defense and FMCGs.

As a consultant, Business Unit HR Director, Member of the Executive Committee at Valeo, Global VP Executive & Talent Management at AXA, and Head of Leroy Dirigeants, she has recruited, observed and assessed, developed, coached and transitioned leaders. She has also led strategic projects, like greenfield projects, M&As, downsizing projects, and transformation projects in France and other countries. In addition, she has negotiated agreements with unions internationally and created, organised and managed HR teams.



Jasmine De Clerck
Regional Director, Center for Creative
Leadership

Jasmine's experience spans four continents and five key industries: life sciences, (petro) chemicals, environmental technologies, telecommunications and government. She worked and lived in Stellenbosch (South Africa), Mumbai (India), Paris (France) and worked extensively in the United States.

She has seven years of experience as executive search consultant working on regional and global assignments in life sciences, (petro)chemicals, food ingredients and environmental technologies. Clients include Edwards Lifesciences, Stentys, GE, Borealis, SABIC, Ferring Pharmaceuticals, Genzyme, Indaver. Before, she worked with EquaTerra (today KPMG), a US-based Sourcing Advisory Firm, where she carried out EMEA Strategy and Assessment Reviews for Fortune 500 companies looking to optimize their HR capabilities.

Jasmine's experience includes developing off-shoring expertise for pharmaceuticals related sourcing activities in India. She carried out a 60-company evaluation across the sub-continent to identify sourcing opportunities in areas such as clinical trials, data management, contract research, manufacturing, bio-informatics and back-office services.

Prior to her move to Mumbai, Jasmine worked as European Project Manager on several business transformation programs encompassing the marketing, sales and order entry departments at an American telecommunications company. She started off her career as Project Manager attracting foreign investors to Belgium.

Jasmine is a Belgian national, fluent in Dutch, English and French. She holds an ICF accredited degree in coaching and works as Business Coach for executives based in Belgium. Specific work areas include Career Transition Coaching and Leadership Development. A Laureate of the Prince Albert Foundation, Jasmine holds a Master in Applied Economics and International Management from the Catholic University of Antwerp, and completed the Expert Class in Internal Audit at the University of Antwerp Management School.

Speakers



Jean-Michel Estrade

Senior Vice President Global Employee Services, Atos

Jean-Michel started his career in operational roles, with IBM as a Sales Engineer and with Steria as a P&L Manager, interspersed with periods as Executive Search Consultant in many fields (IT, banking, heavy industry and hospitality).

Since 2000, Jean-Michel has occupied HR Director positions within different industries: electronics with Gemplus (now Gemalto), IT (with Capgemini and Atos), heavy industry (Alstom) and hospitality (Accor). His appointments allowed him to cover the full extent of the HR function since he has been in global positions (Gemplus, Alstom, Accor, Atos), regional ones (Asia Pacific for Gemplus), and geographical ones (France for Capgemini and Atos).

In his responsibilities, he always had to set-up the proper organization to support the business, identify internal or external potential candidates who would contribute to the development of the company, and do so in a rapidly moving environment (facing turnaround situations as well as greenfield projects).

He stands out as a proven ExCom member in large national or international companies (over €1B revenue) and is seen first and foremost as a full-fledged ExCom member who has the responsibility of the HR dimensions. Jean-Michel is a graduate from HEC (Paris).



David Learmond

Senior Advisor and Senior Fellow, Human Capital, The Conference Board

David is a senior advisor and senior fellow in human capital at The Conference Board. In these roles, he supports the human capital practice, which includes Human Capital Exchange™, research, conferences, webcasts, and other human capital programs. He has also written and contributed to a number of reports from The Conference Board, including Bridging China's Talent Gap and Go Where There Be Dragons: Leadership Essentials for 2020 and Beyond.

In addition to his work at The Conference Board, he is a principal industrial fellow of the Institute of Manufacturing at the University of Cambridge and a partner at Better Business Coaching, LLP, an international coaching business.

Learmond was previously senior vice president, human resources, greater China for Unilever, a position based in Shanghai. During his tenure at Unilever, he also held various senior human resources positions in the United Kingdom, the Netherlands, and Australia.

Speakers



Jesper Lillelund

Partner & Co-Founder, CorporateLeaders

Jesper has been engaged in building valuable business networks on the international scene for over 20 years. Jesper combines his in-depth industry knowledge, access to a wide network of business leaders, and market development skills focusing on making business transformation and corporate excellence part of the business agenda.

Prior to co-founding CorporateLeaders, Jesper was instrumental in building a leading independent business transformation association from an informal business community to a global player. He also served as the Marketing Director at The Wall Street Journal Europe where he was responsible for managing brand, direct and on-line marketing. In his career at the Journal Europe, Jesper was also responsible for developing new revenue generating businesses.



Florence Plessier

Practice Leader, Organizational Leadership and Senior Team Development, Center for Creative Leadership

Before joining the Center, in her latest corporate position, Florence was Head of the Corporate University of STMicroelectronics in Asia Pacific where she and her team provided consulting, training and coaching solutions in organizational development, culture transformation and leadership and as well as team performance across 10 countries in Asia.

Interested by the power of coaching as a transformational tool for individuals, groups and organization, she decided to explore it further and developed a successful Consulting practice reaching across 4 continents where she specialized in Senior Leadership Team Development and Executive Coaching. Her extensive coaching experience – more than 2500 hours of coaching – had led companies and coaching organizations ask her services to mentor coaches, develop internal coaching programs, facilitate coaching skills workshops for business and HR leaders and consult on transformation for coaching culture.

The first 10 years of her career were spent in the electronics corporate world where she developed her business acumen as part of the management team of – successively – StorageTek, Motorola and STMicroelectronics with responsibilities in Industrial Investment, Human Resources and Leadership Development.

From September 2012 to April 2015, Florence was the Coaching Practice Leader EMEA at the Center for Creative Leadership in Brussels, Belgium. As the content expert in the field of coaching both within and outside CCL, she led and oversaw the development of the coaching portfolio and had overall responsibility for high quality and consistency standards of capability across countries and clients supervising a group of 150 coaches.

In May 2015, Florence was promoted to Practice Leader for Senior Teams and Organizational Leadership where she will apply her corporate and development experience to the design and delivery of leadership and culture transformation interventions and programs with a focus on team and organizational learning and performance.

Florence holds a MBA from the Toulouse Business School, France and graduated from the Corporate coaching Program, Corporate Coaching University.

Hosts



The Center for Creative Leadership, a top-ranked global provider of executive education, offers what no one else can: an exclusive focus on leadership education, research and unparalleled expertise in solving the leadership challenges of individuals and organizations everywhere. For over 45 years (25 years in EMEA), we've equipped clients around the world with the skills and insight to achieve more than they thought possible through an array of leadership programs, customized products, digital learning, Coaching, Assessment, Tools and Support with nearly 750 faculty and an associate network of 1,000 members in North America, Europe, The Middle East, Africa and Asia.

CCL® has consistently been ranked as one of the top 10 providers of leadership solutions by the Financial Times and Bloomberg. For the last two years we are ranked Number 4 in the Financial Times rankings for Executive Education.

CCL is redefining the field of leader development beyond individuals to embrace the leadership development for you, your business and the world that together set direction, obtain alignment and commit to imperious change results. CCL believes that organizations need to bring leadership development and capability to the next level of maturity while implementing strategic imperatives. Organizations who can successfully navigate these turbulent waters will be success in managing complex changes they face.

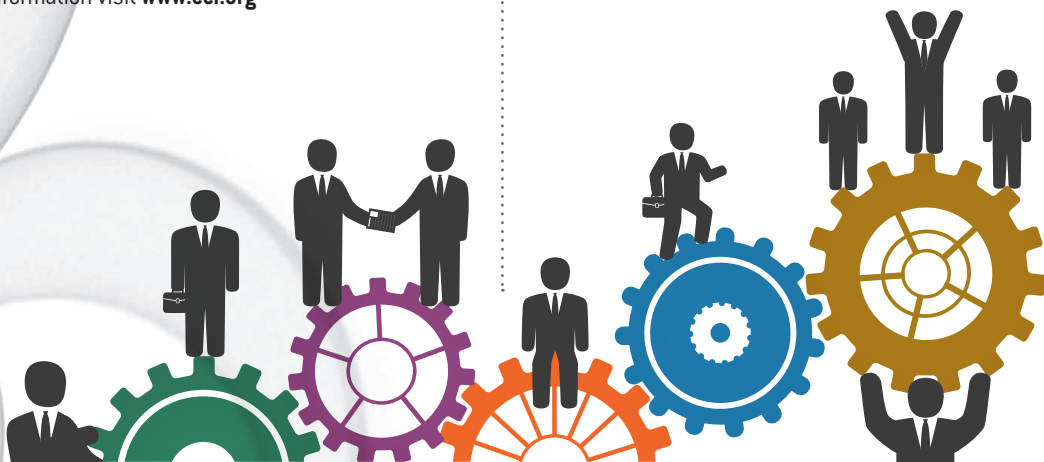
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