



by Dr. Tom Mutch, Odgers Berndtson

#### Dr. Tom Mutch, Board and Public Sector Practice Partner, speaks to four CEOs about the people leadership lessons they've learned and what it takes to be a unifying leader.

Global conditions have never been more uncertain. Economic factors and social disruption caused by the global pandemic and the shocks that followed have created a time of genuine uncertainty. Organisations globally face disruption and disunity. But there are many other matters that occupy the time of leaders - some matters emerging and others more entrenched. For example the rise of AI and machine learning, climate change and ESG more broadly, diversity and inclusion.

Workforce instability and workforce retention are also among the top concerns for CEOs. Higher rates of workplace anxiety among Gen Z and Millennials, increasing rates of burnout, and personal financial worries create fragility.

Nearly half of Gen Z and 40% of Millennials are stressed <u>all or most of the time</u>, while more than half of both generations live 'pay check to pay check'.

At the same time, Gen Z and Millennials approach work with strong ethical stances, leading to a much greater likelihood of them 'voting with their feet'. <u>One in six</u> have already changed jobs due to climate concerns, while four in 10 say they have rejected work assignments on ethical grounds.

These aren't the only tensions – fractures are appearing between generations. <u>40% of</u> <u>baby boomers</u> prefer remote or flexible work, while only 32% and 29% of Gen Z and Millennials say they prefer to work from home, exacerbating the ongoing <u>power struggle</u> over return-to-office mandates.

At a time where stability and unity are needed to weather a very uncertain economic future, we spoke to four CEOs to find out how to be a unifying leader.

#### **Connect People to Culture**

Culture is inherent in uniting organisations. "It is a manifestation of the whole business, and is not independent of running it," says Andy Penn, former CEO of Telstra.

Andy also believes culture is defined by leadership: "the way culture manifests itself is around the decisions you make every day; what you say and what you do."

Rob Scott, CEO of Wesfarmers, agrees – he argues leaders set the cultural tone. "People look for alignment with their leaders – they want their values to match their employer's values, and if you're the sort of leader who goes to the 'penthouse' by themselves you won't achieve this."

Elizabeth Gaines, former CEO of Fortescue, shares the belief that visible leaders are critical for culture creation. "Don't sit in the ivory tower, it's important for leaders to be more empathetic with the entire workforce." She also believes bringing people back to the office is necessary for culture to thrive.

The CEO of Virgin Australia, Jayne Hrdlicka echoed their sentiments: "the single most important thing is to reconnect people to culture and to each other."

Like Elizabeth, part of unifying her organisation is bringing people together in a way they want to come together: "we need to create an environment people want to be in, where they can share the benefits of coming together, share the sense of purpose and reignite the flames. Being together drives intrinsic satisfaction. More so than ever, we're on a mission to get everyone back in the office."



#### Set Ambitious Goals

Uniting organisations only works if there is a shared goal everyone is working to. In an age of disruption and uncertainty, that goal must be ambitious, and the leaders setting it, capable of extreme agility.

#### "Set a bold vision and strategy. More than just the next quarter or the next budget." - Elizabeth Gaines, former Fortescue CEO

Within this strategy, adaptability is paramount: "good leaders are open to change, they don't find change confronting, whether macro or micro."

Andy agrees; ambition requires leaders and teams to embrace change: "if your organisation has bold ambitions, the people in that organisation need to be comfortable with doing things differently."

For Rob, ambition translates to high performance – a characteristic that also means leaders cannot rest on their laurels: "if you want to be a high performing organisation, constantly challenge yourself on what you can do better."

### **Be Courageous and Accountable**

"When times are hard, people look to decisive leaders," says Elizabeth. "Step up and back – even if there are dissenters." This means being courageous in decision making, and when those decisions lead to the wrong outcome.



"When on a path, stay true to it," adds Elizabeth. "Back yourself and your team, and say yes more than no. Don't treat people differently, and don't shift accountability."

Being a courageous leader means having the courage to make mistakes. "It's ok to make mistakes, nobody is perfect" Jane said, but only "as long as you learn from them."

Courage is also critical for organisations to achieve long-term goals.

"As a leader, you need to avoid getting sucked into group think or pandering to the shortterm perspectives of various commentators and investors," Rob explains.

"If you do, you'll never create long-term value, so have a vision and purpose, and stay true. Stare the market down and say 'no'. All the while, be honest and act with integrity."

### Have Clarity of Purpose

In a world dominated by distraction and uncertainty, clarity must underline purpose if leaders are to unite organisations.

"You need to start with being clear about your objectives as a company and as a leader," adds Rob. "Be clear about your strategy and vision and keep reinforcing it internally and externally. Say the same things day after day. Don't say anything different."

Andy agreed, explaining that, "when you're not clear on your strategy it can create ambiguity and make people feel like you are moving the goalposts on them with little rationale behind the move. There needs to be clarity and consistency in the message you are delivering."

For Elizabeth, clarity is not just how a leader acts, it's also part of who the leader is: "Be calm and measured when times are challenging. Communicate and explain to individuals. A big part of leadership is communication and people want to hear from leaders."

## **Demonstrate Transparency & Honesty**

United organisations are made of a connected workforce; people who feel connected to the organisation and those leading it. As a leader, connection is achieved through transparency and honesty.

"Be honest and transparent in and out of work," Elizabeth says, "take your 'full self' to every situation; be present, approachable, and engage with your people. Poor leadership is done by people not willing to engage, not being authentic, and being dismissive of others."

For Jane, transparency is also about being visible: "a component of good leadership is making yourself accessible to everyone in the company. Show your people that you are a CEO who cares. Be a person. Get out and about. Be approachable and don't always believe everything you are told – ask the questions."

Andy agrees – he explained transparency works both ways: "be honest about where the organisation is at. At the same time, make sure the people beneath you are being honest when things get communicated; and that the message isn't polished. Make sure the edge isn't taken off reality."

Honesty is critical in building trust, particularly around key metrics, according to Rob. "As a leader, encourage your people to be honest when presenting on performance. Don't grandstand about the big wins, focus on what isn't working well."

# Being a Unifying Leader

Workforce instability, employee fragility, and intergenerational tensions show no signs of slowing down. Leaders will need to align their people around a grand strategy, bring them together through culture, and lead by example, demonstrating transparency and honesty.

As we enter a new year, CEOs will need to skillfully balance cost management and performance with maintaining high employee morale and retention rates. They need to galvanise their workforce, communicate the challenges and risks with clarity and integrity, and ultimately unify their organisation.



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Tom has twenty years' experience in executive search, specialising in Board and C-suite appointments. He has worked with a multitude of global and domestic clients across private and public sectors, and he prides himself on being open, insightful and candid. Before relocating to Australia in 2013, Tom spent ten years in Hong Kong as a headhunter covering Investment Banking. Before this, Tom spent over ten years in academia, culminating in a PhD and Post-Doc in Physics and Climate Change.