

Business leadership challenges in the current turbulent times



Conference Central and Eastern Europe in the
Changing Business Environment

Martin Zák拉斯ník



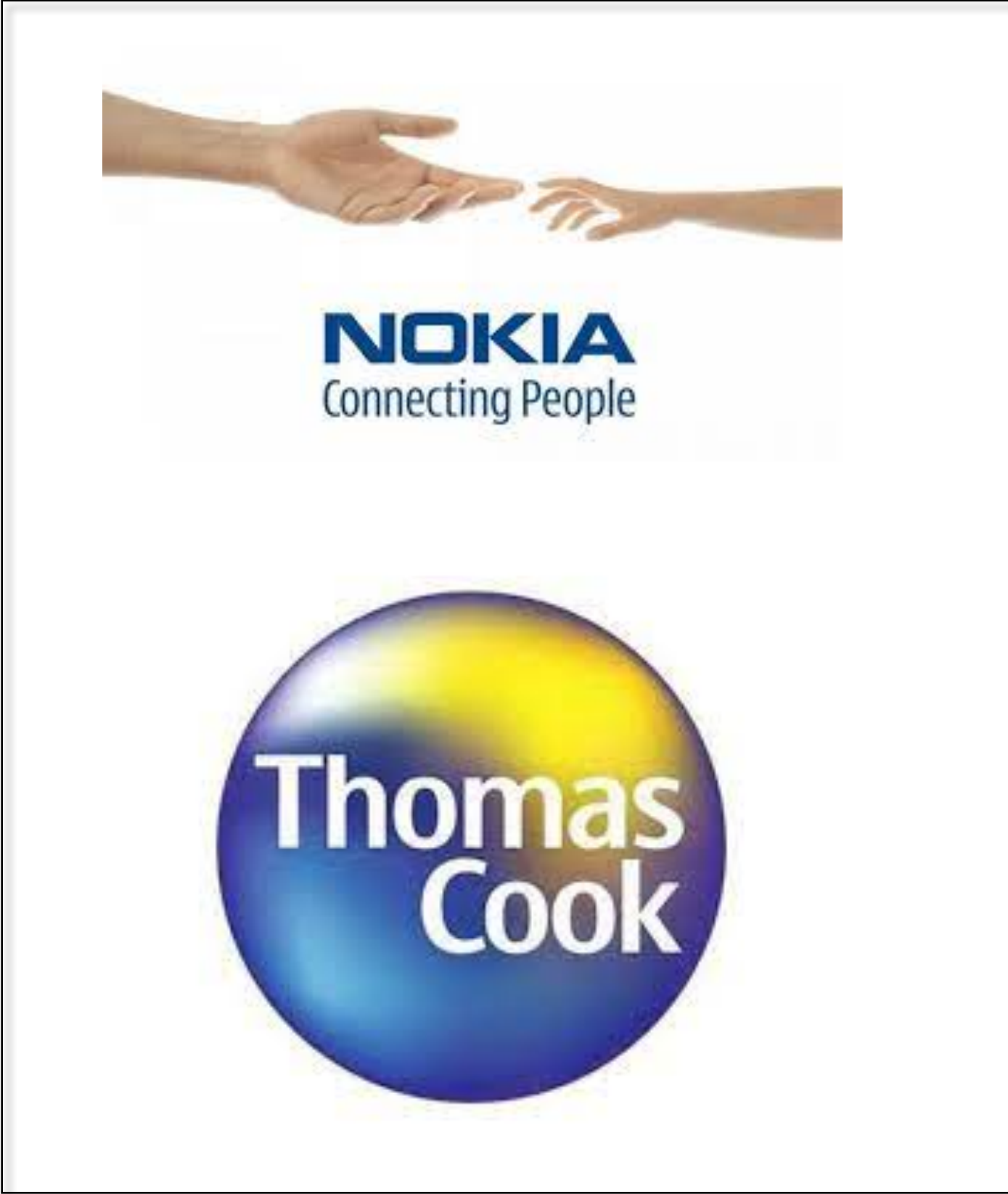
Expectations:

- What are the characteristics of the times we live in?
- How should business leaders respond?
- Enjoy the lecture

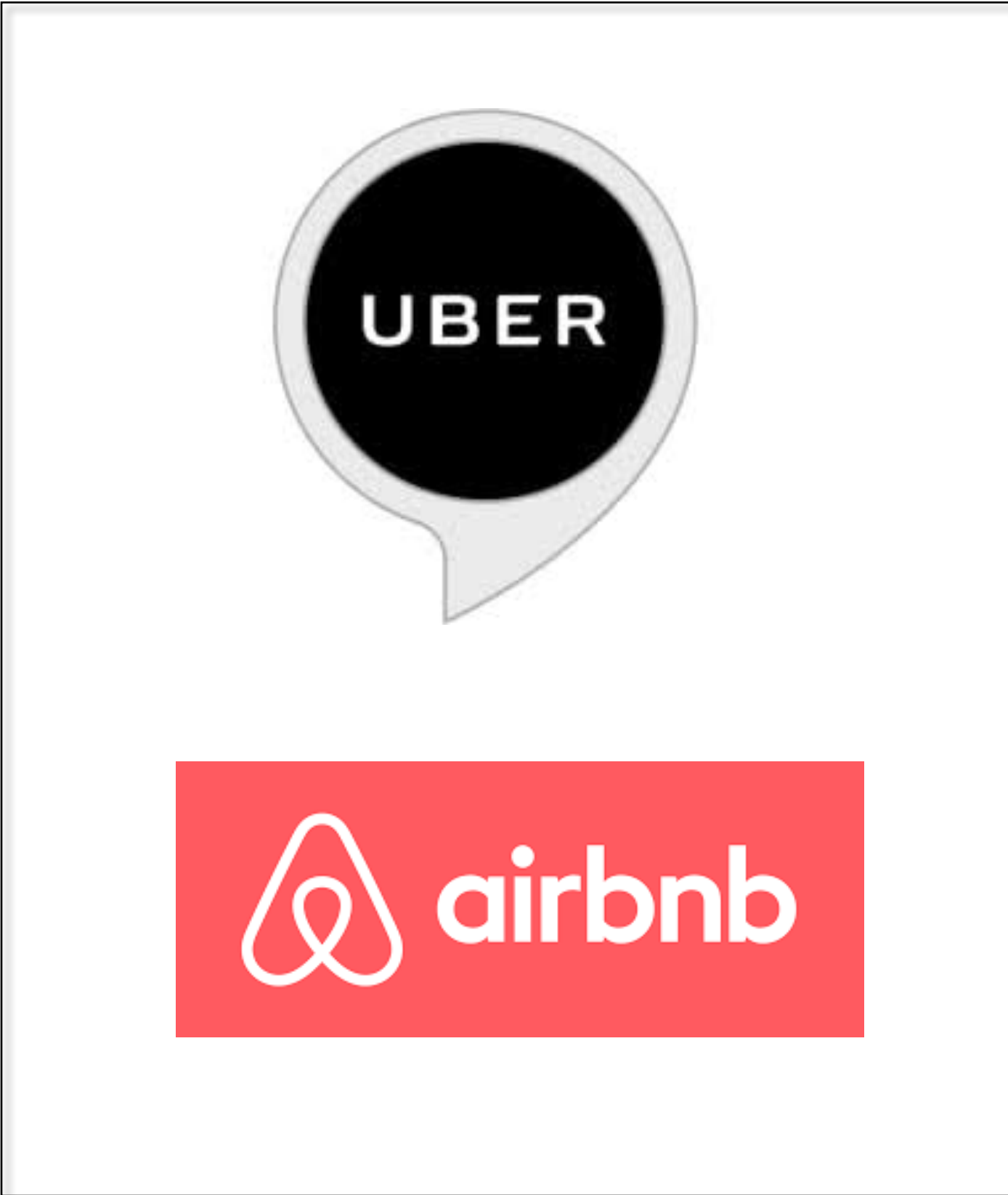


We are surrounded by constant disruption
Challengers of today will be challenged tomorrow

Failed companies



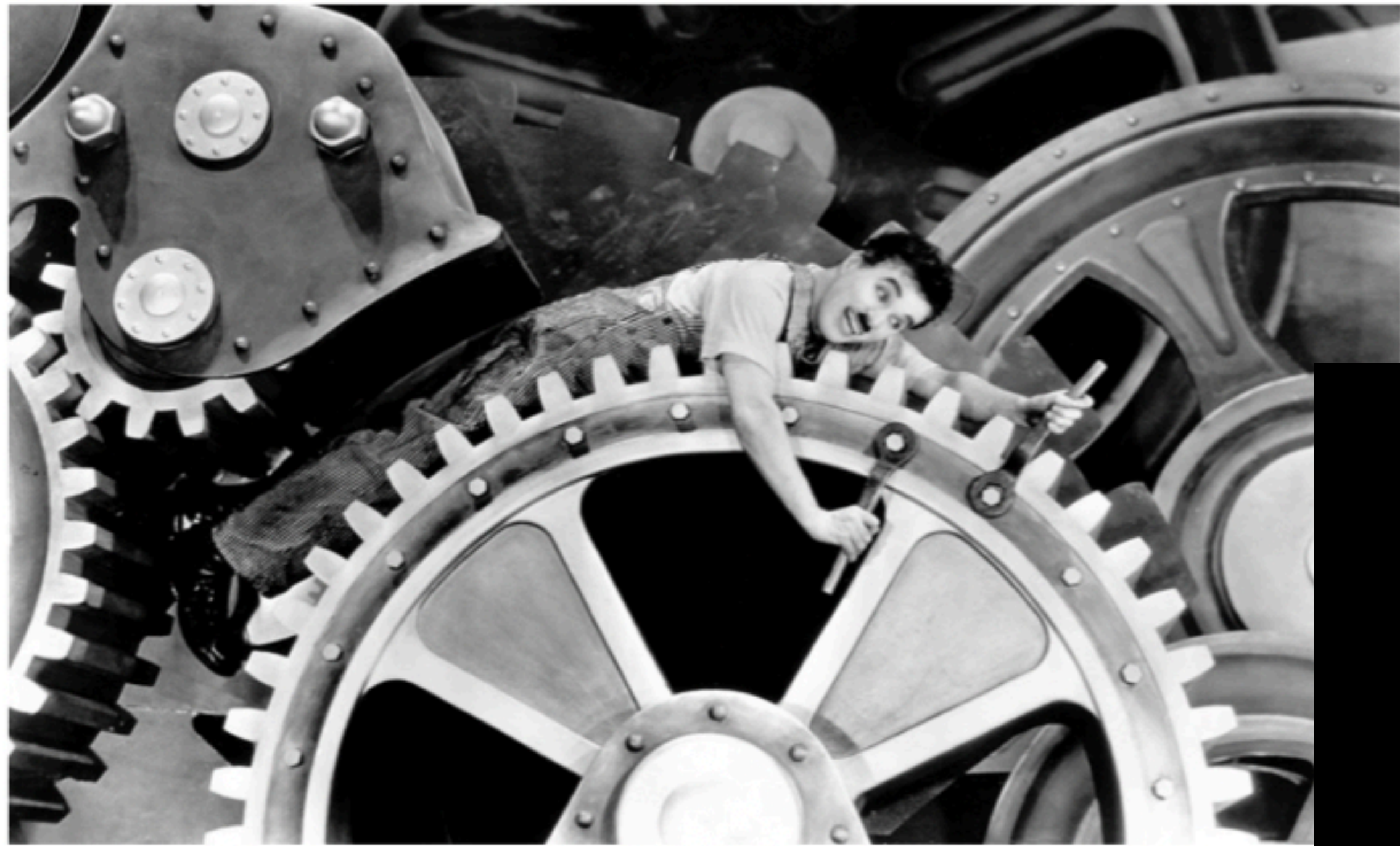
Challengers



Constant challengers



Our ancestors lived in the industrial age...



Modern Times
Charlie Chaplin

Modern Times © Roy Export SAS

... with its typical attributes

Organizations

- Centralized and hierarchical
- Chain of command
- Command and control
- Large siloed departments

Employees

- Focused on Inputs
- Perform repetitive tasks
- Tasks / job are clearly defined
- Slow, methodical work

Economic environment

- Low level of uncertainty
- Results visible and quantitative
- Mass production
- Simple products and processes



But now we live in digital age with its typical attributes

Organizations

- Networked, self managed
- Knowledge networking
- Coordination and inspiration
- Small connected workforce

Employees

- Focused on outputs
- Perform ad-hoc activities
- Tasks / job are not clearly defined
- Fast, agile, efficient

Economic environment

- High level of uncertainty
- Results invisible and qualitative
- Customer production
- Value-added products and processes



Challenge of our times: We are often fighting battles of the past



What caused the change?



Political

- Deregulation
- Liberalization
- Hypercompetition
- Supporting equality and diversity

Economic

- **Globalization**
- Increased competition
- Reduced barriers of entry
- Environmental factors

Social

- **Rise of millennials**
- **Phenomenon of social networks**
- Age of customer
- Diversity

Technological

- Computing power
- Fiber networks
- **Broadband seamless connectvt.**
- Mobile phones

Environmental

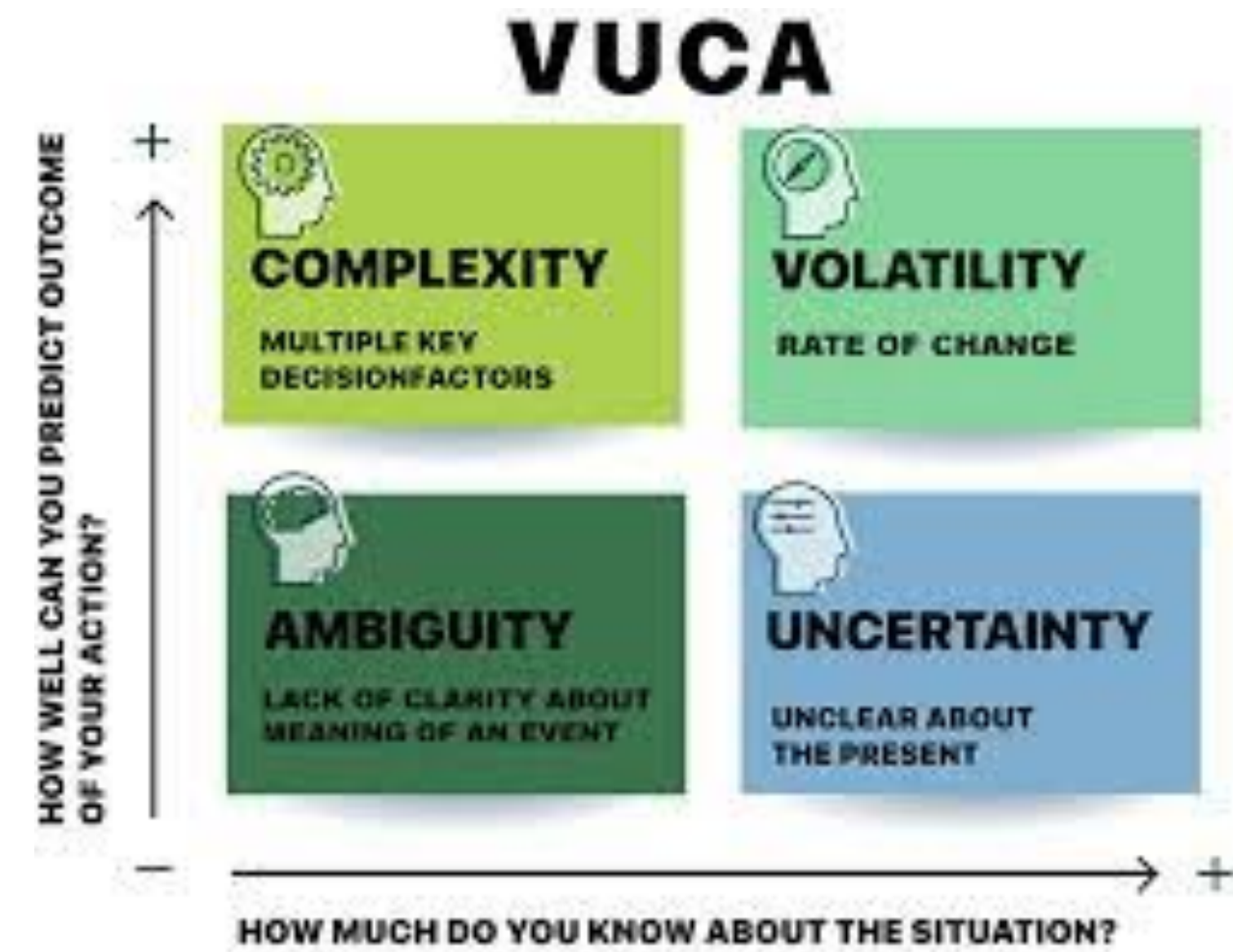
- **Climate change**
- Emissions increase
- Environmental awareness
- Energy savings

Legal

- Liberal laws
- EU taxonomy and regulation
- New regulatory frameworks
- Lobby groups and their interests

The current environment of constant changes is referred to as VUCA

+ HOW WELL CAN YOU PREDICT THE RESULTS OF YOUR ACTIONS? -	<h2>complexity</h2> <p>Characteristics: The situation has many interconnected parts and variables. Some information is available or can be predicted, but the volume or nature of it can be overwhelming to process.</p> <p>Example: You are doing business in many countries, all with unique regulatory environments, tariffs, and cultural values.</p> <p>Approach: Restructure, bring on or develop specialists, and build up resources adequate to address the complexity.</p>	<h2>volatility</h2> <p>Characteristics: The challenge is unexpected or unstable and may be of unknown duration, but it's not necessarily hard to understand; knowledge about it is often available.</p> <p>Example: Prices fluctuate after a natural disaster takes a supplier off-line.</p> <p>Approach: Build in slack and devote resources to preparedness—for instance, stockpile inventory or overbuy talent. These steps are typically expensive; your investment should match the risk.</p>
	<h2>ambiguity</h2> <p>Characteristics: Causal relationships are completely unclear. No precedents exist; you face “unknown unknowns.”</p> <p>Example: You decide to move into immature or emerging markets or to launch products outside your core competencies.</p> <p>Approach: Experiment. Understanding cause and effect requires generating hypotheses and testing them. Design your experiments so that lessons learned can be broadly applied.</p>	<h2>uncertainty</h2> <p>Characteristics: Despite a lack of other information, the event's basic cause and effect are known. Change is possible but not a given.</p> <p>Example: A competitor's pending product launch muddies the future of the business and the market.</p> <p>Approach: Invest in information—collect, interpret, and share it. This works best in conjunction with structural changes, such as adding information analysis networks, that can reduce ongoing uncertainty.</p>
	- HOW MUCH DO YOU KNOW ABOUT THE SITUATION? +	



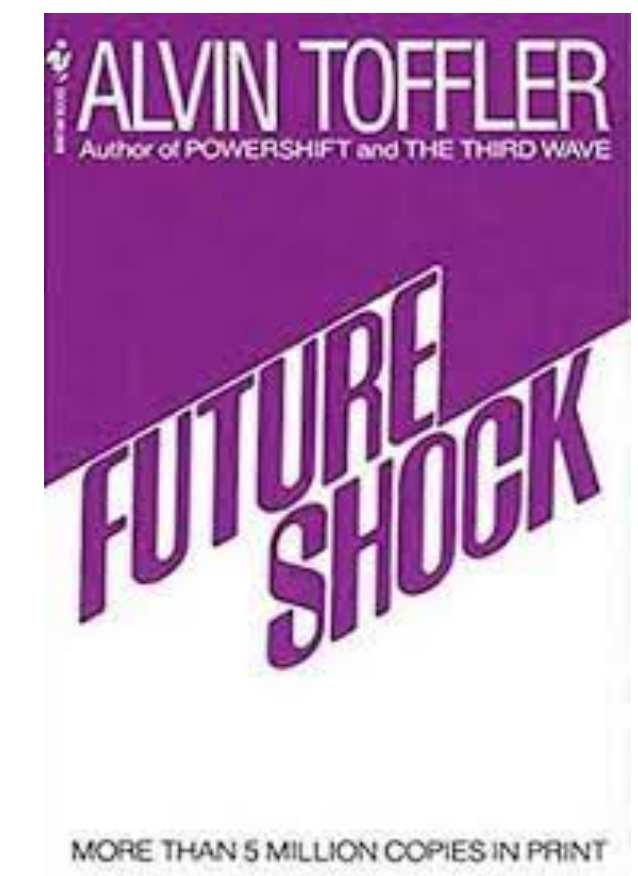
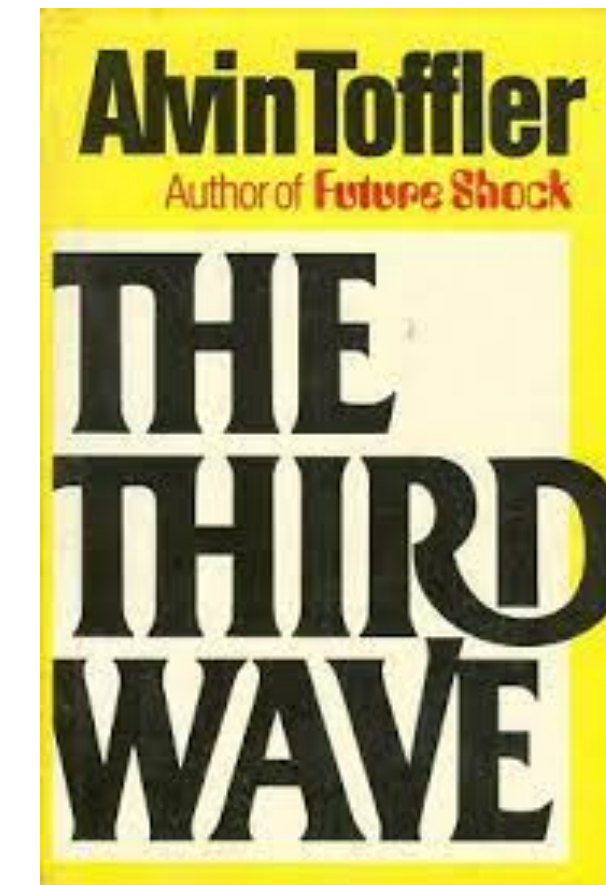
We need a different skill set -
distinguish between uncertainty (known unknowns) and...

Los analfabetos del siglo XXI no serán aquellos que no sepan leer y escribir, sino aquellos que no puedan aprender, desaprender y reaprender.

Alvin Toffler

The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn.

Alvin Toffler



...and ambiguity (unknown unknowns) leading to a redefinition of intelligence



What kind of skills do we need to have in VUCA times?

Organizations

- Networked, self managed
- Knowledge networking
- Coordination and inspiration
- Small connected workforce

Employees

- Focused on outputs
- Perform ad-hoc activities
- Tasks / job are not clearly defined
- Fast, agile, efficient

Economic environment

- High level of uncertainty
- Results invisible and qualitative
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- Value-added products and processes



Leader in VUCA times acts as an influencer, a navigator in a constantly changing environment and an intergenerational manager



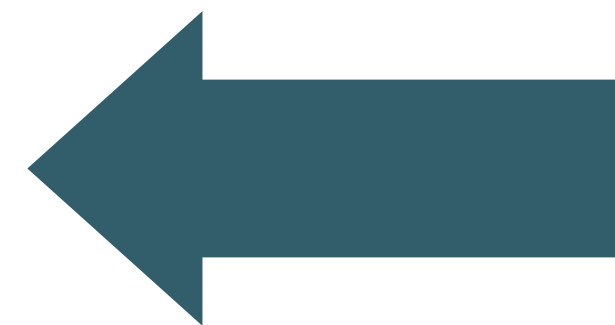
Leader as an influencer - Leadership is the art of influence

Content and personality

- Leader has a Mission
- Leader has a Vision
- Leader provides a Purpose
- Leader provides a Circle of safety
- Codevelops Strategy
- Actions / Behaviors



Communication
channels



Followers

- Follow voluntarily
- Their beliefs were influenced
- Their behavior was influenced
- They share common goal / vision
- They attract other followers
- They are motivated to achieve a goal

Leader as an influencer practices engaging leadership

Why is it important in digital and post covid times?

Status quo

- ✓ Social connectivity and mobile technology transform 21st-century leadership
- ✓ In a traditional hierarchy, leaders remained remote
- ✓ Leaders formerly relied on middle managers for intelligence about customers and employees

Engaging leadership

- ✓ Modern leaders can listen to employees and customers directly via social media
- ✓ Engaging leadership is defined as leadership behavior that facilitates, strengthens, connects and inspires employees in order to increase their work engagement


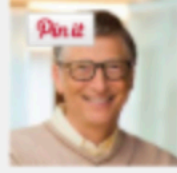




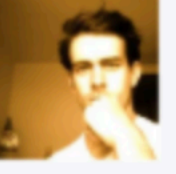



Charlene Li

THE ENGAGED LEADER

*A Strategy for Your
Digital Transformation*



US CEO ranking - leader as an influencer

Rank	Profile Picture	CEO Name / Twitter Username	Role	Klout Score	LinkedIn Influencer Followers	Twitter Followers	No. of Tweets	Our Take
1		@RichardBranson [Richard Branson]	Chairman & Founder Virgin Group	90	8,814,435	7,149,757	10,702	Still the top social CEO, with an upbeat tone & good leadership material. Also an active blogger. Some of his readers have called his content "fluffy", but it's easily digestible & has helped to make Sir Richard the most followed influencer on LinkedIn.
2		@BillGates [Bill Gates]	Technology Advisor, Microsoft Co-Chair, Bill & Melinda Gates Foundation	92	5,501,451	16,777,215	1,915	Big ent phl dev leat ent foli
3		@AriannaHuff [Arianna Huffington]	Co-Founder, President & Editor-in-Chief AOL Huffington Post Media Group	86	3,998,704	2,243,529	28,889	Wit soc Hul lots wor pro imp nigi
4		@JeffWeiner [Jeff Weiner]	CEO LinkedIn	80	3,679,712	297,277	3,170	The Link stop pro a th pov pos attu tho pos mei
5		@Benioff [Marc Benioff]	Chairman/CEO Salesforce	83	n/a	200,987	8,407	The "king of Twitter": with over 5 posts a day, Marc's the most prolific CEO voice, with an insider's view on tech, entrepreneurial and customer service.
6		@ElonMusk [Elon Musk]	Chairman/CEO Tesla Motors	86	n/a	3,311,098	1,543	An increasingly influential CEO who's getting lots of credit for his green vision for motoring at Tesla. Steve push comm "hype"
7		@Yuanqing_Lenovo [Yuanqing Yang]	Chairman Lenovo Group	60	128,666	8,297	405	Good embri Some imprt innov co-op Yuan the C Sina \ encot about social
8		@jack [Jack Dorsey]	CEO, Twitter CEO, Square	87	n/a	3,375,988	18,581	Watch the fu found CEO. I photo a winc techn CEO o
9		@Invoker [Ryan Holmes]	CEO, Hootsuite Founder, Invoke	72	1,242,054	55,623	6,059	A pioneer in social media tech, enabling you to manage multiple networks from one place. Timely posts on social media, marketing, startups, skills & productivity
10		@ReidHoffman [Reid Hoffman]	Executive Chairman & Co-Founder, LinkedIn Partner, Greylack	83	772,894	343,040	1,173	Having founded LinkedIn, Reid is now reinventing "the new world of work": lots to says on careers, education & personal identity, as well as entrepreneurship & venture capital.
11		@SatyaNadella [Satya Nadella]	CEO Microsoft	81	232,375	694,774	387	When he succeeded Steve Ballmer as CEO of Microsoft, he had a reputation as being "Mr. Cloud": Satya continues to focus on cloud-based technologies, and Microsoft's role in them, in his social updates. Employees, partners & young coders all get a mention.
12		@AnandMahindra [Anand Mahindra]	Chairman/MD Mahindra & Mahindra	81	n/a	2,813,196	11,327	A lively Twitter account with lots of emerging markets flavour from one of India's richest men. Anand provides a compelling vision of a big international role for India in the future, full of strong global brands.
13		@Jack_Welch [Jack Welch]	Founder, Jack Welch Management Institute Former CEO, GE	83	4,574,668	1,462,642	3,038	Seasoned management insights & positive thinking from the veteran CEO. Go to his LinkedIn influencer page for practical leadership guidance; head to Twitter for if you're more interested in his views on politics & American sports.

Czech CEOs and LinkedIn - leader as an influencer

1-7/2021

TOP 10 CEO S NEJVĚTŠÍMI ZÁSAHY NA LINKEDIN



1. THOMAS SCHAEFER
2. SIMONA KIJONKOVÁ
3. MATTHIJS WELLE
4. TOMÁŠ ČUPR
5. LUCIANO CIRINÀ
6. REMON VOS
7. MARTIN ZÁKLASNÍK
8. JAROSLAV HAVEL
9. TOMÁŠ SALOMON
10. GORJAN LAZAROV



8-12/2021

TOP 20 CEO S NEJVĚTŠÍMI ZÁSAHY NA LINKEDIN



1. THOMAS SCHÄFER
2. SIMONA KIJONKOVÁ
3. TOMÁŠ SALOMON
4. ONDŘEJ VLČEK
5. TOMÁŠ VALA
6. REMON VOS
7. JAN SADIL
8. MATTHIJS WELLE
9. LUCIANO CIRINÀ
10. ROMAN JURÁŠ



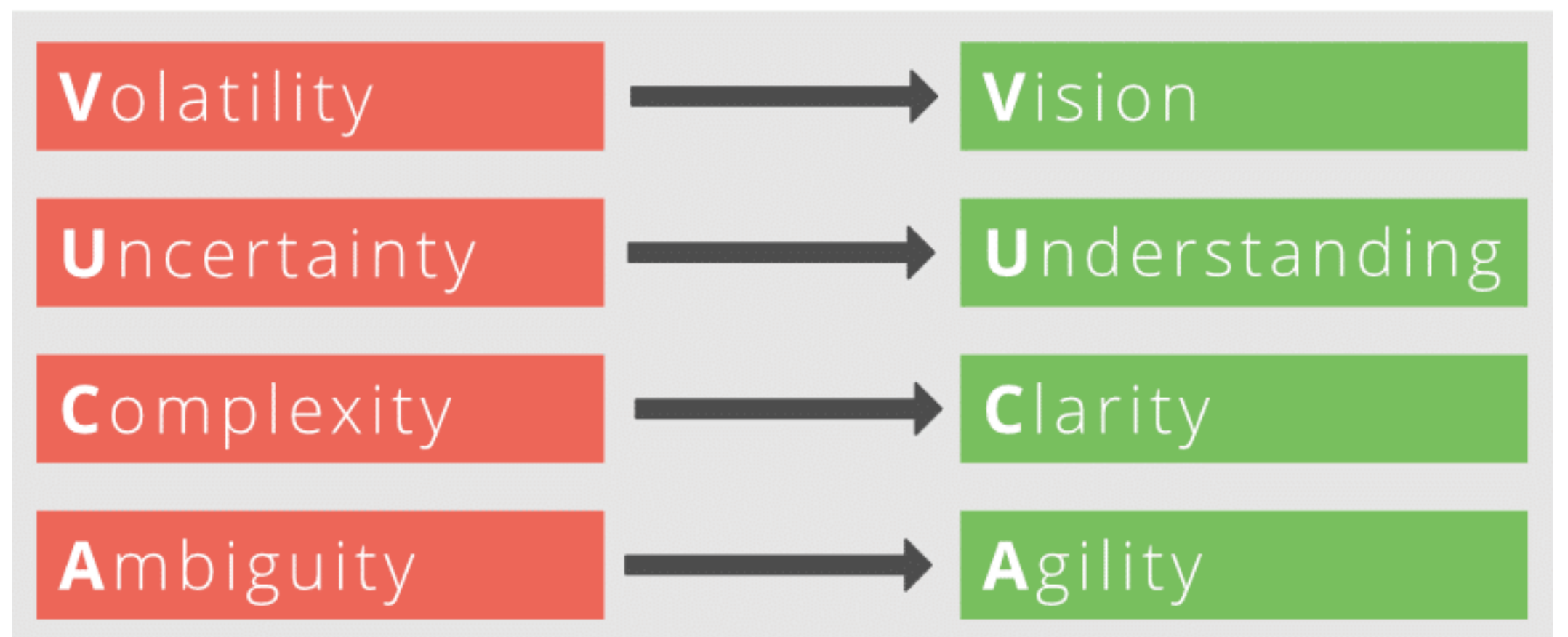
Source: LinkedIn Sales Navigator 01/22, Internal tool - Future Sales.

Leader as a navigator in a constantly changing environment

A VUCA environment can be dangerously disruptive. So, it's vital that we know how to cope. Turn VUCA to your advantage using these four steps...




















1. **Counter volatility with vision.** Create a compelling vision and values for your people. This will give them a clear focus and help them to react quickly to change.
2. **Meet uncertainty with understanding.** What are your competitors doing? What's new in your industry? When you're "in the know" you'll be able to anticipate threats and take advantage of new opportunities.
3. **React to complexity with clarity.** Be crystal clear when you communicate, and promote teamwork and collaboration. This will give people a clear direction, and encourage them to solve complex problems together.
4. **Fight ambiguity with agility.** Stay **adaptable**, even during uncertain times. Encourage people to learn new skills, stimulate debate, and embrace creativity.

VUCA



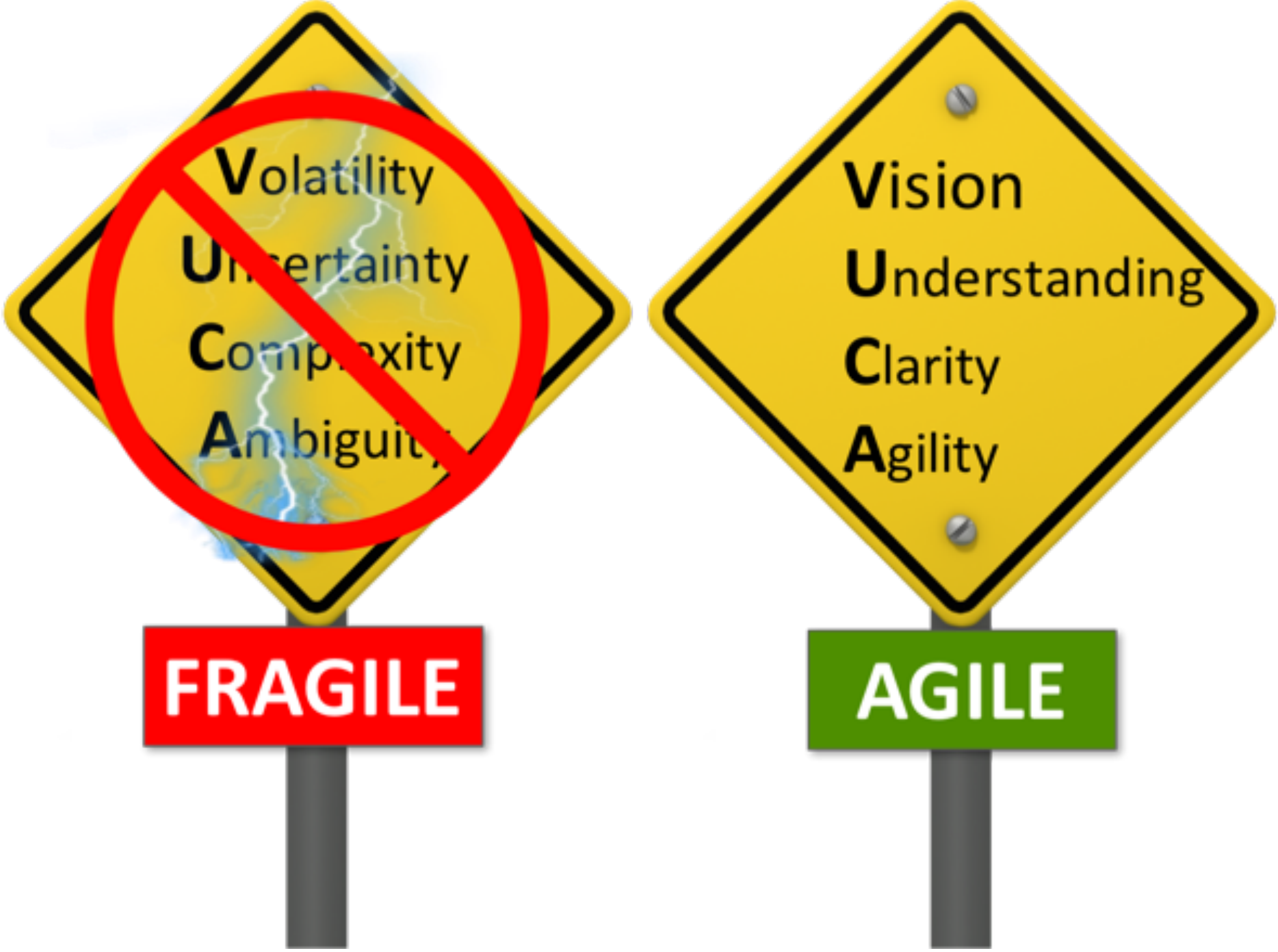
Leader as an intergenerational manager

Challenge: Millennial leadership and motivation for all generations

Characteristics	Maturists (pre-1945)	Baby Boomers (1945-1960)	Generation X (1961-1980)	Generation Y (1981-1995)	Generation Z (Born after 1995)
Formative experiences	Second World War Rationing Fixed-gender roles Rock 'n' Roll Nuclear families Defined gender roles — particularly for women	Cold War Post-War boom "Swinging Sixties" Apollo Moon landings Youth culture Woodstock Family-orientated Rise of the teenager	End of Cold War Fall of Berlin Wall Reagan / Gorbachev Thatcherism Live Aid Introduction of first PC Early mobile technology Latch-key kids; rising levels of divorce	9/11 terrorist attacks PlayStation Social media Invasion of Iraq Reality TV Google Earth Glastonbury	Economic downturn Global warming Global focus Mobile devices Energy crisis Arab Spring Produce own media Cloud computing Wiki-leaks
Percentage in U.K. workforce*	3%	33%	35%	29%	Currently employed in either part-time jobs or new apprenticeships
Aspiration	Home ownership	Job security	Work-life balance	Freedom and flexibility	Security and stability
Attitude toward technology	Largely disengaged	Early information technology (IT) adaptors	Digital Immigrants	Digital Natives	"Technoholics" — entirely dependent on IT; limited grasp of alternatives
Attitude toward career	Jobs are for life	Organisational — careers are defined by employers	Early "portfolio" careers — loyal to profession, not necessarily to employer	Digital entrepreneurs — work "with" organisations not "for"	Career multitaskers — will move seamlessly between organisations and "pop-up" businesses
Signature product	 Automobile	 Television	 Personal Computer	 Tablet/Smart Phone	Google glass, graphene, nano-computing, 3-D printing, driverless cars
Communication media	 Formal letter	 Telephone	 E-mail and text message	 Text or social media	 Hand-held (or integrated into clothing) communication devices
Communication preference	 Face-to-face	 Face-to-face ideally, but telephone or e-mail if required	 Text messaging or e-mail	 Online and mobile (text messaging)	 Facetime
Preference when making financial decisions	 Face-to-face meetings	 Face-to-face ideally, but increasingly will go online	 Online — would prefer face-to-face if time permitting	 Face-to-face	 Solutions will be digitally crowd-sourced

*Percentages are approximate at the time of publication.

Conclusion 1: We live in VUCA times and this will not change - it however requires a new skill set and a new leadership



Conclusion 2: A leader needs followers to be a leader and some followers become future leaders. A leader navigates in the VUCA environment



Conclusion 3:
Today more than ever generational leadership is needed



Feedback is a gift



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and
enter code
#7837439