

Wharton Leadership Conference 2017:

Leading in an Era of Rising Uncertainty and Greater Complexity

What makes a leader? At the 21st annual Wharton Leadership Conference, some truly extraordinary individuals from many walks of life came together to share their insights on life, learning, and leading.

Leadership lessons can come from unlikely sources. In addition to distinguished speakers from the highest levels of corporate America, this year's conference also hosted a Special Ops lieutenant colonel, a prominent psychiatrist, a NASA astronaut, an NBA head coach, and the president of the White House Correspondents Association.

The conference was titled, "Leading in an Era of Rising Uncertainty and Greater Complexity," and many speakers vividly evoked a business environment that is moving at the speed of light. Business as usual is no longer an option. It was time, they said, for leaders to reinvent themselves.

Deborah Brecher of Accenture Strategy: Say Goodbye to the Hierarchical Organization

"Our work is changing, our workers are changing, the way work gets done is changing, and what the work is, is changing." With this sweeping statement, Deborah Brecher set the stage for the Wharton Leadership Conference. Brecher is a managing director at Accenture Strategy, the sponsoring partner for the conference.



Brecher talked about the disruption of the digital age, calling it the Fourth Industrial Revolution. "With the speed at which things are changing," she asked, "what does that do for us as leaders, as it impacts the workforce?" Brecher said most employees today are actually excited about businesses continuing to digitize, a fact which might surprise some. She especially puts Gen Z workers in

this category, whom she calls “digital natives.” “So they are grateful that we’re finally getting around to it, because they come to work and wonder why we are so slow.”

According to Accenture Strategy’s projections, digital won’t mean lost jobs as much as it will mean different jobs. Brecher emphasized the importance for leaders of continually re-skilling the workforce at all levels of the organization, top to bottom. She pointed out, for example, that only ten percent of board members today are digitally savvy.

Brecher stated that work itself is being redefined, and discussed the concept “liquid workforce.” “Liquid workforce means I have open-system access to a workforce that doesn’t reside inside my four walls.” And it is thoroughly collaborative, she said. “Organizations are getting flatter because the work needs to go faster, and more people need to be involved.”

“How many of you work in a classic hierarchical organization?” Many hands in the audience went up. “Okay. We’re kissing that goodbye,” said Brecher.

Jeff Tiegs of Guardian Group: “To Free the Oppressed”

For retired lieutenant colonel Jeff Tiegs, a 25-year veteran Special Ops commander in Iraq and Afghanistan, leadership is all about relationships. Even though the military maintains a hierarchical chain of command, often small groups of soldiers must make decisions together, on-site.

“Why I’m talking about small unit leadership is, it’s *all* small unit leadership,” he said. “I don’t care if you’re the CEO of a Fortune 500 company, a politician, a corporal team leader, or a general in the army.” And, he said, if you don’t forge a strong relationship with the small element that you truly influence and leverage, things begin to break down.

For Tiegs, the idea of small-group leadership involves nurturing a profound level of trust. He quoted the ancient Chinese writer Sun Tzu from his renowned *The Art of War*: “Regard your soldiers as your children, and they will follow you into the deepest valleys.” “[You need to] treat your *employees* like your children,” he exhorted the business audience. “We way lose sight of that.”



Sometimes trust involves letting people do the jobs they do well and not micro-managing. Tiegs poignantly illustrated this principle with the true story of a K-9 dog whose leash contained a quick-release feature. Detecting a suicide bomber hiding in an outdoor bathroom, the dog went off-leash as it was trained, attacking the bomber and losing its own life but saving many others.

“The K-9 handler has to let go of his control of that dog, and trust that he’s going to do the right thing.”

Tiegs continues his leadership today as Chief Operating Officer of Guardian Group, an organization that combats sex trafficking in the United States. He notes that in this capacity he continues to help battle terrorism, since money from human trafficking along with drugs and guns is often used to support terrorist activity. For Tiegs it is all part of his “commitment to fight, to fight for others, to free the oppressed.”

Diane Gherson of IBM: Agile is the Name of the Game

Many people don’t really associate IBM with innovation. They hear the acronym and think of a bunch of guys in white shirts and blue suits, said Diane Gherson. But it’s an outdated notion to say the least, and Gherson in her talk shared why.

As IBM’s chief human resources officer, Gherson has been responsible for some of the most significant innovations in the HR management space. She is a leader in predictive analytics: in fact, in 2013 she was awarded a patent in the field.

Speaking about organizational transformation, Gherson said some companies including IBM are recognizing the benefits of agile workplaces and design thinking. She explained how these systems differed from



conventional ways of introducing workplace programs, including in HR. “You put the user in the center,” she said. “You work *with* the people who are going to be using the program; you test, test, iterate, iterate; you don’t roll it out, ever... And you’re continuously asking people to help you make it better.” With an agile workplace, she said, employees are no longer consumers or bystanders, but owners and participants.

Gherson said that IBM has flattened its overall company structure and set up small, special-purpose, entrepreneurial groups. It has trained 165,000 people in agile methodologies, and renovated an area the size of 161 football fields as “agile” working space to promote collaboration among employees.

And an agile workplace demands agile leadership, Gherson stated. It requires leaders who pivot, who can admit errors, and who have the ability to listen and respond quickly to change. But candidates have not been showing up with these behaviors, she said. So IBM’s HR identified a new series of characteristics to measure people on, and began using it for selection into leadership roles.

Gherson was proud to state that in the last three years, IBM's engagement survey has gone up 22 percent as a result of some of the changes, particularly in leadership.

"Technology is being redefined," said Gherson. "But we as leaders need to redefine ourselves."

Maria Oquendo of the Perelman School of Medicine: The Value of Service

Highly-lauded psychiatrist Maria Oquendo, M.D., Ph.D. shared her leadership lessons. An internationally-recognized expert on depression and suicide, Oquendo is the chair of psychiatry at the Perelman School of Medicine of the University of Pennsylvania and the president of the American Psychiatric Association.

Oquendo laid out seven qualities that she believes are critical for successful leadership. They were readiness to serve; deep determination; recalcitrant persistence; commitment to quality; openness to feedback; devotion to developing people; and unfailing honesty.

About the number one quality—readiness to serve—she noted that she hadn't always thought of it that way. "As a Latina raised in a very traditional home, I was raised to be at the service of others: most importantly, men and my elders." Service in that context was far from being the leader; it really was about "being the low man on the totem pole."



In fact, she said, the importance of service in leadership didn't crystallize for her until twelve years ago in a rather unexpected setting: while volunteering to help at her son's middle school dance. Another mother, whom she didn't know, commented to her, "You [probably] run something quite big, don't you?" At the time, Oquendo was running a world-class laboratory studying the neurobiology of suicide for a major research group.

When Oquendo asked her how she could tell, the woman responded, "You haven't stopped since you got here. When there were not kids to serve, you started organizing things." Oquendo had instinctively been doing things like tying up the trash, checking on the supply of cups, and making sure the youngsters had a good selection of soft drinks to choose from.

"And it dawned on me then, she was right," said Oquendo. "Being a leader was not about being the boss... about telling people what to do... about being in charge. It was about service. It was about making sure that the team had what it needed, when it needed it; it was about making sure that the goals of the team were met, and met with excellence."

Laxman Narasimhan of PepsiCo: Leading in Emerging Markets

Laxman Narasimhan, the CEO of PepsiCo Latin America, said that today change is a constant. He quoted a lyric from Pink Floyd: “And every day the paper boy brings more.”

“The problem right now is, it’s not every *day*, it’s literally every *instant*. And it’s not the paper, it’s the Internet... The world is always ‘on’ and you’re literally always ‘on,’” Narasimhan said. Moreover, in his particular world—Latin America—the 54 countries he deals with are experiencing unprecedented volatility, and in some cases, political turmoil.



Narasimhan identified several key trends or forces that affect him and many other business leaders. He called the first “Global Plus Local,” saying, “The idea of being local is crucial... otherwise you’re truly irrelevant.” He gave the example of regulations being different in every country. These differences can impact product ingredients, posing challenges to creating a product and bringing it to market.

Another important aspect of being local, he said is “truly understanding consumers... what drives preference, purchase, and interactions online.” At the same time, “being global gives you scale and skill with the ability to bring it to local markets. Appropriately balancing the two and staying agile is key.”

Narasimhan’s second trend was “Technology Everywhere.” Digital is reshaping business, he observed, and it is changing how PepsiCo approaches its consumers, customers, and its operations. As one example, he referenced the Lay’s Potato Chips “Do Us a Flavor” online contest. “We’ve had several million entries,” he said. “It’s remarkable to see the engagement you get with consumers who want to be part of what you do.”

Third was “Open Source.” Narasimhan noted that the boundaries of corporations are changing and partnerships are gaining importance. PepsiCo, for example, works with Starbucks for ready to drink coffee drinks. And it forges alliances with other organizations for capabilities in analytics, digital, and consumer engagement.

Corporate trustworthiness and sustainability was emphasized as well. Narasimhan pointed out that PepsiCo’s revenues of 63 billion actually makes it larger than many countries. In dealing with the varied landscape of Latin America, he said, “you’ve got to be a responsible citizen and know how to work across that entire spectrum.”

Tricia Griffith of Progressive: “Doing the Right Thing”

Starting as a claims rep trainee in 1988, Tricia Griffith worked her way up to become CEO last year of Progressive, one of America’s top insurance companies. She talked about some of the leadership approaches that have brought her to where she is today.

While still the company’s COO, Griffith introduced a target marketing concept that reflects her longstanding focus on understanding people and helping them become effective in their roles. “I realized that the people who were answering the phones to take sales calls, and to service our customers, really didn’t understand the different types of customers,” she said. But rather than introducing abstract labels like “non-standard” or “preferred,” she and her team designed four “personas.”



She explained, for example, “Sam” is inconsistently insured; “Diane” has a car and maybe a renter’s policy, but will likely buy a home later on; “The Wrights” have an auto and someone else’s home; and “The Robinsons” (the Holy Grail customer, Griffith noted) have bundled auto and home insurance, and are likely to stay longer with Progressive.

“People now know what we’re trying to get at, as we try to achieve our goals,” said Griffith. The concept was so popular that analysts and even some competitors started using the personas.

Many of Griffith’s leadership principles as CEO involve openness, authenticity, and values. She illustrated this with the company’s handling of Hurricane Katrina. Normally when floods happen, insurance companies sell damaged cars to salvage dealers, who refurbish them and sell them elsewhere in the country. While this is all perfectly legal, said Griffith, the company’s leadership hesitated when it came to Hurricane Katrina. Then, “we made the decision to crush every one of those cars. It cost us millions,” she said, noting that Progressive was the only insurance company to do so.

“What if a year later, your daughter or son [had ended up] driving one of those cars? That doesn’t feel that great,” she said. “There’s *legal*, and then there’s *right*. And you should always use the standard of right.”

Brett Brown of the NBA: “I’d Rather Be Trusted than Loved”

For Brett Brown, head coach of the Philadelphia 76ers (and former assistant coach of the San Antonio Spurs under Gregg Popovich), creating an atmosphere of trust is paramount to leadership.

“All over the place, there are different ways to lead,” he said. “I will tell you that for me, I would rather be trusted than loved.” He added that if you lose any hint of integrity or honesty, “you’ve got no shot.”



He talked about what it’s like to coach up-and-coming basketball players who may be only nineteen years old and find themselves offered a contract worth something like \$30 million. “They feel, like we all would, bullet-proof. But they still have antennas where they understand sincerity,” he said.

Brown spoke about the tremendous importance of mentors in his own development and for that of a leader in

general. “My privileged basketball life has been around basketball royalty,” he said candidly. This process began with the discipline instilled in him by his father Bob Brown, who coached him when he attended South Portland High School. Brown also talked admiringly of the “mental toughness” of Louisville Cardinals’ coach Rick Pitino—under whom he played while attending Boston University—and the “wisdom and perspective” of coach Lindsay Gaze of Australia’s Melbourne Tigers, with whom Brown served as assistant coach from 1988 to 1993.

Brown shared that one of the leadership qualities he has found challenging to develop is the ability to delegate. “It was never a strong point of mine. I wanted to do it all. And I was very adamant [with] the people that were underneath me, ‘this is the way it’s done.’” He said that was his version of leadership as late as ten years ago.

Today, he delegates to eleven people who assist with offense, defense, and analytics, and he takes a different approach. “I’ve learned that they have a better chance of doing things really better if they do it the way that *they* see it... I encourage them in being creative.”

Chris Cassidy of NASA: Leading in Outer Space

NASA Chief Astronaut Chris Cassidy is a veteran of six spacewalks. On the sixth one, on July 16, 2013, his fellow spacewalker Luca Parmitano almost didn’t make it back alive. Cassidy captivated the audience with the harrowing tale and the leadership lessons that stayed with him as a result.

Early in the spacewalk, Parmitano mentioned he felt moisture on the back of his head. When a concerned NASA eventually terminated the spacewalk after an hour (it was supposed to last six hours), Parmitano began to move back toward the ship. The motion caused a large amount of water to suddenly flood the helmet, clogging his ears, eyes, nose, and communication microphone so he could only grope his way back and finally made it through the airlock. An ABC News headline that day announced, “Astronaut Nearly Drowns on Spacewalk.”



Cassidy said that as a leader there were things he would have done differently. He talked about the perils of “groupthink,” for one. Both the astronauts and NASA personnel assumed that the leak was coming from Parmitano’s water drinking bag. But later it was discovered to be a leaky cooling system in the spacesuit. “It ‘couldn’t possibly have happened,’ but it did,” said Cassidy.

He also emphasized the importance of clear communication. In a spacewalk the previous week, Parmitano had mentioned feeling slight moisture inside his helmet, but neither he nor Cassidy had paid sufficient attention, Cassidy said.

Above all, Cassidy regrets not listening to his gut. When the word came from NASA to “terminate” the spacewalk (not “abort,” which would have signified an emergency), Cassidy told Parmitano to go ahead while he completed a task. “OK, we’re going to be separated for just a minute or two,” he told himself. But he said that as he saw Parmitano disappear around the corner of the station, “I had this nagging feeling of, ‘I really should be with my buddy right now.’”

Overall, Cassidy delivered a powerful lesson on analyzing problems, admitting errors, and the importance of trusting your instincts.

Jeff Mason of the WHCA: Leading the White House Press Corps

It’s well known that the Trump administration displays a combative attitude toward America’s free press. Trump has repeatedly used terms like “fake news,” and “the enemy of the people,” and posted a doctored video of himself beating up a character representing CNN. Press conferences have been marked by arguments and tension.

But president of the White House Correspondents Association (WHCA) and *Reuters* reporter Jeff Mason—while acknowledging Trump’s statements are extreme and in some cases unacceptable—pointed out that other Presidents have had issues with the media as well. For example, under the Obama administration, “We didn’t always get what we wanted... President Obama doesn’t have an A-plus report card from the White House press corps.” And that’s

probably the way it should be, said Mason, referring to “the necessary tension between the press and... the White House.”



Mason explained what being President of the WHCA encompassed. Many people are aware of the high-profile White House Correspondents Association annual dinner, which made headlines this year when Trump refused to attend. But Mason noted that the WHCA also grants journalism scholarships, and above all, pushes for access to the highest levels of government for the 300-member White House press corps.

The WHCA tries to ensure that journalists can ask the president questions, have access to his advisors, and see him govern both domestically and on trips overseas. This mission is directly linked with the Constitution and the First Amendment, Mason noted.

Mason said that as a leader, he finds strength in diplomacy. He advised against matching angry rhetoric with similar language. At the same time, remembering your vision and values is paramount, he told the audience. “Because I can tell you that every time...I meet with Sean Spicer and often have to listen to him rant about something he’s upset about with regard to the press corps, I remember our vision and values.” Those are, Mason said, to stand up for the freedom of the press, the rights of transparency, and the ability of journalists everywhere to do their jobs.

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Interestingly, although digital disruption was a major theme of the conference, so was people and relationships. PepsiCo’s Narasimhan commented that he spends 40 percent of his time—nearly half—on people related issues. “It’s absolutely key to us,” he said. And several other speakers discussed the importance of relationships in being able to lead.

It was an eye-opening reminder that as digital and artificial intelligence transform our companies, relationships among people—whether it’s between employees and the CEO or within small groups and project teams—remain a key, complex, and ever-shifting challenge.