Wharton Leadership Conference 2019
"Leading In a Context of Conflict"

Conflict is a signature feature of today's business environment and society. Leaders are faced with rising demands for greater accountability and the need to tackle social issues. Technology adds to the tension as the job market increasingly shifts toward automation. And while grappling with a wide spectrum of stakeholder interests, leaders must continue to satisfy shareholders.

At the 23rd Wharton Leadership Conference, the distinguished speakers included CEOs from telecommunications, insurance, and finance; a former NSA director and admiral, a state governor, a talent specialist at a major professional services firm, a business diversity expert, and others.

They shared, inspiringly, how they have steered through this environment of conflict to achieve notable success in their chosen fields.

Ron Williams

Giving Your People a "Clear and Elevating Goal"

As Aetna's new CEO in 2006, Ron Williams discovered that the company's first-year loss was projected to be over $290 million. He had left his previous employer on a Friday and started at Aetna the very next Monday, but he joked, "I guess I should have started on Friday evening."

Williams spoke about turning the company around during his term as CEO. By the time he retired in 2011, Aetna's market capitalization had grown to $15.3 billion (up from $4.7 billion in 2001), and the company was ranked on the Fortune 100 list. He is today the CEO of RW2 Enterprises, providing coaching to top executives, and the co-author of *Learning to Lead: The Journey to Leading Yourself, Leading Others, and Leading an Organization*.

Williams tackled the age-old question of whether leaders are born or made, commenting that he himself is "not the typical CEO either in appearance or background." He is African-American and from a working-class family: his father was a bus driver and his mother, a manicurist. Moreover, he "stuttered horribly" as a young adult. "If leaders were born, I would never have been a leader… But the reality is that most people can learn to be an exceptional leader with the right training and development." Good feedback and self-awareness are key, he said.

Among the many key leadership insights Williams shared was how to motivate people. What mostly excites the C-suite, he said, is achieving financial goals: "15% more EPS, great home run, the CFO is happy." But what excites most employees is being part of something that is a clear and elevating goal; something that makes the world a better place, he said.

If you as a leader can successfully articulate how your business activity links to that clear and elevating goal, he said, you can "unlock the discretionary energy" that people bring to work every day. Employees come in in the morning with ten things on their to-do list, he said. Seven are visible to others and will get done, but what about the other three? If you are communicating in an authentic way, they will accomplish all ten tasks.

Imagine you've got 50,000 people doing that every day, said Williams. "It is an enormous competitive advantage to the organization."

Ivan Seidenberg

A Journey from the "Phone Company" to the Technology Business

Ivan Seidenberg started at New York Telephone in 1966 as a cable splicer's assistant. By the time he left the telecommunications industry 45 years later, he was the CEO of Verizon and had helped lead its rise to become one of the biggest companies in America. He has a new book, *Verizon Untethered: An Insider's Story of Innovation and Disruption.*

Seidenberg regaled the audience with the vast changes he's driven and overseen during his tenure as CEO, from buying a hundred companies and investing $150 billion in capital, to negotiating with Steve Jobs about becoming the carrier for the newly invented iPhone, to building a nationwide wireless business. He spoke about converting the organization from a utility to a technology-based communications firm. "I grew up in the phone company, my successor grew up in the wireless company, and his successor has grown up in the technology business," Seidenberg observed.

The sea-changes in his industry have led him to recognize that while leaders should appreciate each person's capabilities in the organization, it's important to hire employees who are forward-looking. "The person who ran the greatest operation for the past ten years is a nice [guy]; they should be paid a lot of money and be rewarded," he said. "But… make sure you populate your organization with lots of people that have an interest in, and a curiosity about, the future."

According to Seidenberg, Verizon's culture is centered on doing your job but also making sure others do theirs, and on tackling problems head-on. What sparked this culture originally was the 9/11 terrorist attacks, he said. Verizon, because of its New York location, was assigned the enormous task of helping get the stock exchange back up and running. "We had to get it done," Seidenberg said, adding that the system of team accountability that crystallized at that time still exists at the company. "A key issue at [Verizon] is making sure all of us contribute to results."

"We've built a company where people [embrace] the challenge, and I'm proud of that," said Seidenberg. "Every time there's a hurricane, a Hurricane Sandy, floods, 9/11, we rise to the occasion. That's what we do."

Mark Turner

Disrupt Your Team, Disrupt Yourself

Leaders usually try to resolve conflict. Mark Turner believes they should create it.

The Executive Chairman—and previously the President, CEO and Chairman—of WSFS, a multi-billion dollar, publicly traded financial firm, Turner said that CEOs need to be "serial disruptors." Rather than simply managing change, leaders should seek to create what he called "constructive conflict" in their organization, which will help move them toward achieving their strategy and growth goals.

During his tenure, one of the disruptions Turner engineered involved the corporate board. He re-sized it from 15 to 10 people and replaced 85% of the board members. As part of this change, he reduced the preponderance of lawyers and added experts in areas such as technology, retail banking, and credit. This was a composition that aligned better with the organization's strategy and the marketplace, according to Turner.

He also disrupted the organization's strategy. Turner gathered insights for this change by taking three months in 2016 to meet with executives at 49 companies across the U.S. The firms ranged from mega-corporations to startups, including Walmart, DaVita Healthcare, Apple, and a number of fintech companies. "Then I came back to 'steal all that' and have the opportunity to make transformational changes in [my] business," he said.

Another of Turner's "disruptions" was to disrupt his own tenure as CEO. At the age of 50 he advised the board, to their surprise, that he intended to step down in six years. He then worked with the board on a succession plan. Turner said that if as a CEO you stay too long, you risk becoming "either complacent and arrogant if you've had some degree of success or power, or losing energy or becoming irrelevant." Proactively avoid those scenarios, he said, because as CEO you set the tone for the organization on a day-to-day basis.

Overall, said Turner, the constructive conflicts he introduced propelled the firm to a greater growth trajectory and greater success. He cited the saying "The best way to predict the future is to create it," but then gave it his own twist: "The best way to avoid being disrupted is to disrupt yourself."

Governor Jeb Bush

Setting "Big Hairy Audacious Goals"

Former Florida governor Jeb Bush said that what leaders need—whether in business or in politics—are BHAGs. For those unfamiliar with the concept from the Jim Collins bestseller *Built to Last*, BHAGs are "Big Hairy Audacious Goals."

Bush asserted that setting BHAGs helped him revamp Florida's troubled education system during his 1999-2007 term as governor. He said when he took office the state was ranked dead last in high school graduations, and "we needed to turn the system upside down." According to Bush, he began implementing some of the most dramatic and controversial education reforms of the past 25 years.

Bush touted results such as rising student achievement and improved graduation rates. He also stated, "We're one of the few states has actually seen a narrowing of the achievement gap based on race and ethnicity and income." (Bush is today the founder and chairman of the Foundation for Excellence in Education, a national nonprofit education reform organization.)

He said another benefit to leaders of setting BHAGs, or aspirational goals, is that it keeps you from falling prey to "the tyranny of the moment." That tyranny might include getting mired in relatively small matters such as squabbles among employees, or being distracted by every media story.

Bush talked about how leaders need to be clear and decisive, especially in today's environment. Currently "there's a lot of distrust in our institutions and in people," Bush said. So, "set the stage by saying what you're going to do—no secret plans—and then in a clear way, act on that belief and do it." He added, "The minute you don't do that is the first day of your demise, whether you're a CEO… or the governor of a state."

Overall, Bush advised that leaders, both in business and politics, should "go big and go home." He asserted that there was currently a climate of timidity in politics. Why would people confine themselves to unambitious goals, he asked? "The chance to serve, and to do bigger things when [a system] isn't working," is a huge opportunity, he said.

Rahul Varma

The Obligation to Re-Skill Your People

Sixty-seven percent of employees today believe it's important to learn new skills so they can work with artificial intelligence. They're expecting to see an increase in jobs that require collaborating with AI. A similar percentage of business leaders—61%—agree. Yet a meager 3% of leaders surveyed said they planned to boost their investment in training and re-skilling programs.

These eye-opening statistics were presented by Rahul Varma, Accenture's senior managing director for talent. He went on to assert that businesses have a responsibility to re-skill workers and invest in learning. "We believe it is the obligation of leadership to be responsible and compassionate leaders in what we see as an era of epic disruption," he said.

Varma explained further about that "epic disruption." He said that in the era of the fourth industrial revolution, which we are facing, artificial intelligence will have a profound impact not on manual labor but on white-collar positions. "The machines are going to come for the middle [-level jobs], to do the work that much of our brain does," he said.

He said Accenture is deeply dedicated to re-skilling and re-training, and added that the company employs nearly a half million people globally. To put a human face to these efforts, he told the story of an actual Accenture employee, Dorian, whose job as a mortgage advisor became obsolete not long after she had moved to a new city for it. Dorian was offered 12 weeks of on-the-job technology training, which was "nothing she had ever imagined she would do… Two years later, she is today a team leader in our technology business," said Varma.

According to Varma, in the past two years, Accenture has "new-skilled" 150,000 people from legacy IT to new IT. Moreover, he said, although many parts of the business are facing automation today, Accenture takes 60% of every dollar saved through automation and reinvests it back into training, "to upskill people in being able to make sense of data, and to play advisory roles and architecture roles."

Varma told the audience, "Each of you are here to learn to lead. But I would submit that… we also need to learn to *learn*. That's going to be a defining skill for the next many years."

Admiral Mike Rogers [Retired]

"Never Let a Crisis Go to Waste"

"Crisis also has opportunity. Never let a crisis go to waste," said Admiral Mike Rogers. The former director of the NSA and Commander of the U.S. Cyber Command said that leaders can ultimately benefit from crisis situations. "Crises force bureaucracies to get out of their comfort zones. [They] force leaders to sometimes make decisions that they wouldn't otherwise make because reputation's on the line, mission's on the line, resources, and money."

Above all, crises can help you transform the organization. He described how the Cyber Command was "a kind of startup organization" with the Department of Defense. He said his attitude was that anytime his team encountered a problem it would be put to use as a way to drive change.

Rogers also advised leaders to give their employees decision-making power. "You have got to set up your people," he said, "so that when it's not going well and they're by themselves, they're in a position to make decisions that align with your values, your ethics, and the broader vision." He added that with his own teams, once he had articulated the strategic vision and ensured they had resources and clearances, his job was to "get the hell out of the way" so they could do theirs.

As an example, he shared a gripping anecdote about how accidents at sea are responded to first by a team of relatively junior officers, who might have to seal a hatch to contain fire or flooding even though some sailors might be trapped as a result. "We don't tell the team 'get ahold of the captain,' Rogers said. "We tell the team, if you're on the scene and we've trained you appropriately, and you understand physics and… the nature of the vessel, you've got to make the decision."

But along with giving people the power to take action, he emphasized that as a leader you bear the ultimate responsibility. "I was very quick to remind [the team], I'm accountable," he said. In his position, this has included testifying before Congress and "getting raked over the coals." He said he always told his team not to worry about what the public thinks, saying, "I will take the bullets from the outside world."

Stephanie Creary

Why Diversity Isn't Enough

A photo of a woman caught mid-jump above a scenic lake flashed on the screen. It looked risky, but at least she was wearing a life vest. Stephanie Creary compared the scene to business leaders confronting diversity and inclusion. How do you "leap into parts unknown, into… scary places?" she asked. Your life preserver, she explained, consists of the strategies, tools, and tips that can be learned about diversity. Armed with the right information, you can begin to build relationships across your employees' differences.

A Wharton management professor and diversity specialist, Creary overviewed the history and current thinking in diversity, and identified five key concepts: equity, diversity, inclusion, belonging, and respect.

She said that equity, established by the 1964 Civil Rights Act, means fair pay and compensation, and equal access to opportunities. Diversity is the mix of people represented in your company. But people became aware that simply being hired into a firm isn't enough, which led to the concept of inclusion: giving people "a seat at the table;" allowing different voices to be heard. Belonging—a concept Creary said was introduced only about five years ago—means feeling like a valued member of a group or community. And respect, a term that Creary said is now emerging—particularly around issues of sexual harassment—involves civility, caring, and thoughtfulness.

She described examples of companies recently in the spotlight for their diversity and inclusion efforts. Papa John's Pizza, for example, after its former CEO used a racial slur on a conference call, is attempting to diversify its board. Johnson & Johnson is among several companies that have posted social media videos of employees talking about their sense of belonging. The French company Sodexo, one of the world's largest multinationals, has signed a pledge to advance gender equity.

Creary also recounted how Goldman Sachs a few years ago held a company-wide conversation, sparked by recent police shootings of unarmed black men, about race in America. She said many companies were inspired to follow suit. Of these firms, Creary commented that they "recognized that who we are *outside* of work is also who we are *in* work. And we can't talk about… what we can contribute, if we can't recognize all of our experiences and how that affects us."

By the end of the Wharton Leadership Conference, the attendees had been treated to a rich variety of viewpoints, experiences, and strategies for how leaders can navigate an atmosphere of conflict.

The speakers had shared how they had driven tremendous changes, dealt with failure and success, and above all, stayed the course.