

# Leadership Observatory Report 2020

Paradoxical Management Challenges









# Acknowledgments

## Acknowledgments

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To all the above, thank you.

—  
**Tomé Salgueiro**

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# Executive Summary

Organizations of today are confronted with ever growing challenges in a progressively complex ecosystem in which multiple stakeholders battle for their time and resources. These challenges become salient as organizational tensions that need to be dealt with by managers and leaders. This report explores the challenges that leaders in Portugal are confronted with and some of the ways they deal with them. It is based on 25 interviews conducted throughout 2019 with prominent leaders working in Portugal, as they reflected on 4 big topics of their personal and professional lives: business & society challenges, talent management challenges, digital challenges, and work-life balance challenges.


The report starts by introducing the reader to the concept of organizational tensions, meaning the stress, anxiety, or discomfort they feel when they need to make choices that ultimately move their organizations forward. A distinction is drawn between different kinds of organizational tensions, namely dilemmas, dialectics, and paradoxes.

After introducing the topic of organizational tensions, we give focus to the role of leadership and leaders in dealing with these tensions. We highlight the well-studied advantages of behavioral complexity and self-leadership and we also explore how leaders can use “both/and”, in detriment of “either/or” thinking, to construct temporary workable certainties in a dynamic equilibrium that propels their success.

The report then resumes by examining leaders’ noteworthy statements on the 4 above mentioned topics:

- In the business & society challenges’ section, we examine the strategies some of the interviewed leaders use to deal with change, how they need to be fast, but also calm in their reactions and how they frame change in positive, generative ways. We report on how they deal with issues of performance and progress, seeking to remain profitable and growing businesses, but increasingly need to ensure they remain environmentally sustainable and socially conscious. Finally, we explore how the issues of agency affect their organizational identities and how family businesses, in particular, are adjusting to competing demands and a mismatch of long- and short-term objectives.



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- In the talent management challenges' section, we address the issues of talent development and how important it is to leave the comfort zone in order to grow. We reflect on the importance of education for the interviewees, even as this becomes a riskier and riskier bet. We interpret the challenges of self-assessed generational differences between the current leaders and the newer millennial and gen-Z employees and future leaders, as both groups seek to make an impact in society. We look at the necessary skills to become an effective leader and the characteristics that organizations look for when building up their second lines of leaders, as they prepare for the future. Finally, we examine the advantages and difficulties of fostering diverse teams, and how promoting diversity may stimulate creativity and innovation but is also becoming a significant headache for leaders.
  - In the digital challenges' section, we analyze the digital paradigm shift that took over the leadership role. We look at how the role of technology is changing the landscape of work and organizations. We explore how leaders are seeking to utilize this change to the advantage of their organizations. Finally, we look at how organizations might need to become momentarily slow in order to become fast in the future, and we discuss the consequences of the analog-to-digital transformation.
  - Lastly, we have a chapter on the challenges of work-life balance. In this chapter we discuss how leaders find comfort in being uncomfortable and what emotional mechanisms they use to reframe what is work and what is hobby. We discuss the importance of knowing how to delegate and how this is also a way of attaining some control. Finally, we analyze how an overload of human interaction and the lack of personal time can paradoxically make the leaders feel progressively isolated.

As a last note, it should be made clear that the interviews that gave rise to this report took place in 2019, before the 2020 pandemic crisis of COVID-19. Because of this, and while the suggestions for action remain, we believe, useful and pertinent, they do not take into account the massive changes that are taking place as we publish this report. If anything, it is our belief that some of the tensions we explore throughout this report are even more important in the present crisis. If there was ever a time for leaders to explore the benefits (but also the challenges) of a paradoxical operational mode and mindset, that time is now.



# Introduction

“Our work world is filled with multiple, often competing, demands... We need to solve problems creatively but in a timely manner. To be planned yet adaptive... To learn new skills while also taking advantage of existing capabilities... To perform at our best while also helping others... Our success depends on how we understand and manage these competing demands...”

—  
**Wendy K. Smith**, Nova SBE’s Paradox & Plurality Forum, 2018





In 1997 the Business Roundtable (BRT) Statement of Purpose reinforced Friedman's idea that the supreme duty of business enterprises and respective boards was to the corporation's stockholders, and the remaining stakeholders (like customers or employees) were simply *"relevant as a derivative of the duty to stockholders"*<sup>2</sup>. And although there should be no doubt of capitalism's role in the remarkable creation of value over the last century, one cannot but wonder if along the way it has not become decoupled from social progress, aggravating inequality, declining social trust, and contributing to environmental degradation<sup>3</sup>. Recent events such as the Covid-19 pandemic and social movements such as Black Lives Matter and the Hong Kong protests are engaging companies with politics.

The public discourse thus seems to be changing. In fact, just last year the 2019 Business Roundtable came together to propose a major overhaul to their previous Corporations' Statement of Purpose. Indeed, in this new document – signed by 181 CEOs of some of the largest companies in the world – the following commitments were made<sup>4</sup>:

- To continually deliver value to customers.
- To invest in employees, by fairly compensating and improving their benefits, while fostering diversity, inclusion, dignity, and respect.
- To deal fairly and ethically with suppliers.
- To support the communities in which they work, respecting the people, communities, and the environment, by embracing sustainable practices.
- And to generate long-term value for shareholders, who provide capital that allows companies to invest, grow, and innovate while committing to transparency and effective engagement.

These new commitments do not stray far from the notion of Shared Value, as explained by Porter and Kramer<sup>5</sup>, who explicitly ask leaders to practice a new line of capitalism. To ensure their own future sustainability Business leaders should *"move beyond trade-offs"* and embrace *"policies and operating practices that enhance the competitiveness"* of their organizations, *"while simultaneously advancing economic and social conditions in the communities"* they operate in. The creation of Shared Value, or the creation of profits with a social purpose, is a heightened version of Capitalism – one that could trigger positive cycles of organizational and communal prosperity.

The recognition of this need to foster performing Business that drives Societal Progress inspired Nova SBE's Leadership for Impact Knowledge Center to launch the Leadership Observatory (LO) in 2019. The LO was born with the goal of identifying, highlighting, and studying leaders, organizations, and trends in precisely the kind of leadership that brings about the integration of Performance and Progress, as recognized by Nova SBE's *alumni*.

The present report is the result of the analysis of 25 interviews with prominent leaders of organizations acting in Portugal in 2019. These interviews were conducted between May and August and focused on the topic of **"Leadership Challenges"**. Sub-topics ranged from *the personal journey of the leader, business and society challenges, talent management challenges, as well as digital challenges and work-life balance*.

<sup>1</sup> (Rangan, 2015)

<sup>2</sup> (The Business Roundtable, 1997)

<sup>3</sup> (Herzog, 2017)

<sup>4</sup> (The Business Roundtable, 2019)

<sup>5</sup> (Porter and Kramer, 2011)



The LO started its journey by reaching out to Nova's alumni and Faculty community asking the opinion of more than 5,000 people. These people were asked to identify any leaders that acknowledge not only business performance, but also social progress, as two integral parts of their business objectives, regardless of their age, gender, or background.

The leaders identified are those who found professional success without giving up caring for issues like diversity and well-being in the workplace, the environment, or different societal concerns. A total of 75 representatives were picked by our community and a panel of Nova SBE professors were tasked with narrowing down this list to the final 25 that are now the focus of this report.

The goal of this document is, therefore, not to provide know-all solutions on the topic of leadership, but to reflect on some of the grand challenges that affect these leaders today.

These challenges are analyzed through the lens of organizational Paradox Theory, in hopes that our reflection leads the reader to significant insights and an open path for improved action.







# A short note on organizational tensions

“All organization is founded on paradox: on the one hand it contains free, creative, independent human subjects; on the other hand, the relation between these subjects aspires to be one of organization, order and control”<sup>6</sup>

—  
Clegg, da Cunha, and Cunha, 2002

## Dilemmas, dialectics, and paradoxes

As many of our interviewed leaders conveyed, their roles force them to constantly stay on edge, balancing, or navigating tensions as they come. This is clear not only in the short-term as they react to the tensions of the day, but also as they plan ahead or try to be more strategic. These tensions have been described as “*stress, anxiety, discomfort, or tightness in making choices and moving forward in organizational situations*”<sup>7</sup>.

This is well exemplified, for instance, in our interview section about **Work-Life Balance**, where the tension stemming from constant tradeoffs of time, energy, and effort<sup>8</sup>, became apparent. For us, researching in the field of Management, these organizational tensions are a source of interest, since we can explore how the most effective leaders deal with such discomfort. For the readers of this report, we hope that making this information available might hopefully be useful in their daily lives and/or leadership roles. To do this effectively, and before we jump into the

analysis of the actual tensions felt by leaders, it is important to briefly explore some of the concepts that are used throughout this report.

In their well-known *Academy of Management Review* article *Towards a Theory of Paradox: A Dynamic Equilibrium Model of Organizing*, Wendy Smith and Marianne Lewis already summarized three different kinds of organizational tensions that will be useful in the analyses of our interviews. We will now briefly explore them as dilemmas, dialectics, and paradoxes<sup>9</sup>.

<sup>6</sup> (Clegg, da Cunha, and Cunha, 2002)

<sup>7</sup> (Putnam, Fairhurst and Banghart, 2016)

<sup>8</sup> (Putnam, Fairhurst, and Banghart, 2016)

<sup>9</sup> (Smith and Lewis, 2011)





### DILEMMAS

Dilemmas are typically one-shot organizational tensions in which there is an *either-or* decision to be made<sup>10</sup>. They are competing choices with both some advantages and disadvantages. When faced with a dilemma a leader should weigh the pros and cons of each alternative and be prepared to make trade-offs<sup>11</sup>. Once the leader makes this decision, the tension usually subsides.

A typical example of a dilemma faced by many leaders is that of “make vs. buy” when both decisions show upsides and downsides<sup>12</sup>.



Figure 1 – Dilemma

### DIALECTICS

Another kind of organizational tension is a dialectic. In organizational studies the dialectic concept stems from Hegel's<sup>13</sup> notions of thesis, antithesis, and synthesis. As the tension surfaces between the contradictory thesis and the antithesis, a merging solution eventually arises – the synthesis. These tensions are usually resolved by the combination of two opposing elements into one<sup>14</sup>.

A visual allegory is provided by Putnam and colleagues when they refer to dialectics as “*independent and mutually exclusive poles (that) are continually connected in a push-pull on each other, like a rubber band*”<sup>15</sup>. Synthesis comes out of a dynamic interplay of tensions that “*emerge, evolve, dissolve and reproduce themselves*”<sup>16</sup>.

Interestingly, this conflict is often framed as a positive driver of change in organizations, as this interplay of conflicting and opposite poles is often a source of dialog, creativity, and energy<sup>17</sup>. Simply put, in a dialectic perspective, change occurs when these two opposite poles join in an evolutionary process that leads to a new arrangement (i.e. transcendence)<sup>18</sup>.

<sup>10</sup> (Quinn and Cameron, 1988)

<sup>11</sup> (Putnam, Fairhurst, and Banghart, 2016)

<sup>12</sup> (Smith and Lewis, 2011)

<sup>13</sup> (Hegel, 1944)

<sup>14</sup> (Smith and Lewis, 2011)

<sup>15</sup> (Putnam, Fairhurst, and Banghart, 2016)

<sup>16</sup> (Langley and Sloan, 2012)

<sup>17</sup> (Bakhtin, 1981)

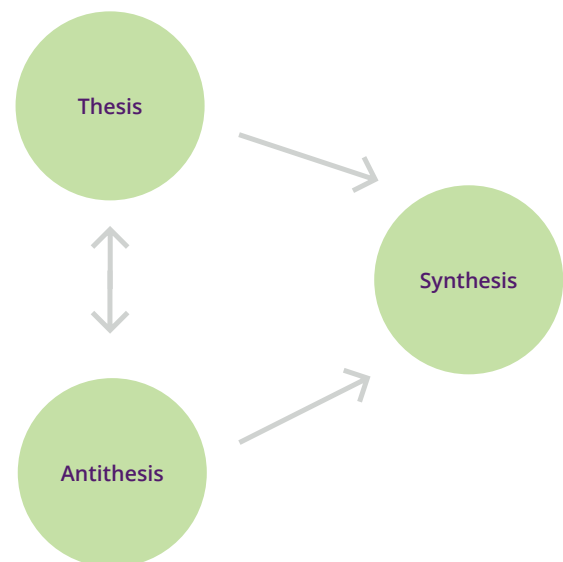
<sup>18</sup> (Clegg and Cunha, 2017)





This transcendence is, however, not necessarily a final state. In fact, some researchers argue that, in evolving systems, eventually the new synthesis will establish a thesis for a new contradiction, which in turn creates its own opponent antithesis. This establishes a cycle of synthesis-thesis-antithesis, characterized by moments of transcendence – that will themselves be overcome in a potentially infinite sequence<sup>19,20</sup>.

A typical example of a dialectic faced by many leaders is the one felt when they want to support flexible work programs but feel the need to do so by applying rigid guidelines. This may create push-pull tensions that can result in added work-pressures and stress<sup>21</sup>.



**Figure 2 – Dialectic**

<sup>19</sup> (Clegg and Cunha, 2017)

<sup>20</sup> (Clegg, da Cunha, and Cunha, 2002))

<sup>21</sup> (Buzzanell and Liu, 2005; 2007)

### PARADOXES

Finally, we will briefly explore paradoxes, a type of tension that is well illustrated by the Taoist symbol of Yin-Yang. According to Smith and Lewis<sup>22</sup>, a paradox refers to *“contradictory yet interrelated dualities that exist simultaneously and persist over time”*. These dualities seem logical when considered in isolation, but are seemingly irrational and absurd when put together, creating situations of almost impossible choice<sup>23</sup>.

For a paradox to exist, 3 elements need to be present<sup>24</sup>:

1. A tension or contradiction between two opposite elements;
2. An interdependence between those two elements – whereby a decision over one of them affects and has implications over the other;
3. A persistence over time, as the tension cannot be eliminated and calls for permanent attention.

In the Yin-Yang symbol, the contrast between black (Yin, darkness, intuition, femininity) and white (Yang, light, rationality, masculinity) emphasizes this nature of contradiction, while both sides are still necessary to create a unified whole. At the same time, both black and white are interwoven, highlighting the cyclical relationship between the two opposing forces, as one element informs, defines, and shapes the other<sup>25</sup>.

Curiously, as paradoxes can exist only when contradictions are synergistically bound together, the more we try to separate them – perhaps in trying to avoid the contradiction – the more enmeshed they become. This characteristic is also well expressed by the black and white dots that surface on the opposite sides of the symbol.

Clegg and Cunha<sup>26</sup> explain that paradoxes can be generative or paralyzing – a source of great opportunity or of substantial discomfort. These authors argue that in trying to resolve paradoxes, leaders often find themselves in cycles of *“vicious circularity”*, repetition, or inertia. For example, attempts to separate and resolve the paradox by focusing on one pole of the tension often end up aggravating the original problem due to a lack of focus on the other vital counterpart. This is why paradoxes have also been framed as *“wicked problems”*: problems that can only be tamed but not resolved<sup>27</sup>.

At the same time, some paradoxes can be managed in such a way that they foster innovation, creativity, and long-term sustainability<sup>28</sup>. For example, some authors<sup>29</sup> argue that dealing with paradoxical tensions with *“Both-and”* approaches can be fruitful, as instead of restricting the interpretation of problems, they expand them. Instead of rejecting ambiguity, they can embrace it.

<sup>22</sup> (Smith and Lewis, 2011)

<sup>23</sup> (Putnam, Fairhurst, and Banghart, 2016)

<sup>24</sup> (Cunha, Rego, and Sousa, 2016)

<sup>25</sup> (Schad, Lewis, Raisch and Smith)

<sup>26</sup> (Clegg and Cunha, 2017)

<sup>27</sup> (Fyke and Buzzanell, 2013)

<sup>28</sup> (Jay, 2013; Lewis, Andriopoulos, and Smith, 2014)

<sup>29</sup> (Cunha, Rego, and Sousa, 2016; Smith, Lewis, and Tushman, 2016)



A typical example of a paradox leaders might face is that of their organization's corporate social responsibility, in which performance is linked with both financial and social goals. In these paradoxes, different internal and external stakeholders may hold competing goals and strategies and a paradoxical tension might surface when one tries to define success in the eyes of different stakeholders<sup>30</sup>. How should one measure success when, for example, advancing a social mission represents a failure for the organization's financial goals? Or vice-versa?

For leaders, understanding that their organizations are systems in permanent change in which they need to balance and navigate opposing forces, instead of necessarily choosing one or another, can be important to leverage the synergies and distinctions of paradoxically opposite elements<sup>31</sup>.



**Figure 3** – Yin-Yang symbol (representing paradox)

<sup>30</sup> (Smith and Lewis, 2011)

<sup>31</sup> (Lewis, Andriopoulos, and Smith, 2014)



### **DISTINGUISHING ORGANIZATIONAL TENSIONS**

As a last point of order in this introduction, it is useful to draw a distinction between a dilemma, a dialectic, and a paradox from the point of view of a leader<sup>32</sup>:

A dilemma requires the leader to make a trade-off, to select an option that maximizes the advantages and minimizes the disadvantages, and to measure the pros and cons. The decision might not be easy, but at least there are clear distinctions between each option. On the other hand, a dialectic asks the leader to continually find common ground between two opposing poles. Decision-making implies an integration of both options to reach a new, reworked state, that transcends the previous one.

Finally, paradoxes are tensions that cannot be resolved and persist over time, so they demand from the leader that they embrace elements that together seem illogical, inconsistent, and even absurd. The leader can, for example, opt to navigate these organizational tensions by adopting a both/and mentality that leverages the synergies, while also embracing the distinctions between these two opposing elements.

<sup>32</sup> (Lewis, Andriopoulos, and Smith, 2014)



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# Organizational tensions and leadership

“Leadership involves plumbing as well as poetry”

–  
**James G. March**

As the systems of the global economy become ever more complex, organizations, and particularly their leaders, face constant pressure from multiple fronts as they seek to navigate competing demands. As one might expect, some will be more successful in doing so, and others not so much. We now focus on the first ones, the ones that seem to thrive in complexity, in dealing with competing demands, uncertainty, and paradoxes.

## BEHAVIORAL COMPLEXITY

Although a never-ending number of factors influence leaders’ effectiveness in their role, in the last 20+ years a growing number of researchers have highlighted the importance of cognitive and behavioral complexity. The argument is that effective leaders are those who are able to respond appropriately to a wide range of situations that might require conflicting, even seemingly opposing behaviors<sup>34</sup>.

Effective leaders are able to exhibit opposing behaviors, as appropriate or necessary, while keeping direction, credibility, and integrity. The more diverse their skill repertoire and behavioral portfolio is, the more equipped to react to complex and ambiguous contexts they tend to be. This idea is well expressed by Francis Scott Fitzgerald’s famous quote:

“The test of first-rate intelligence is the ability to hold two opposed ideas in mind at the same time and still retain the ability to function”<sup>35</sup>

–  
**Francis Scott Fitzgerald**

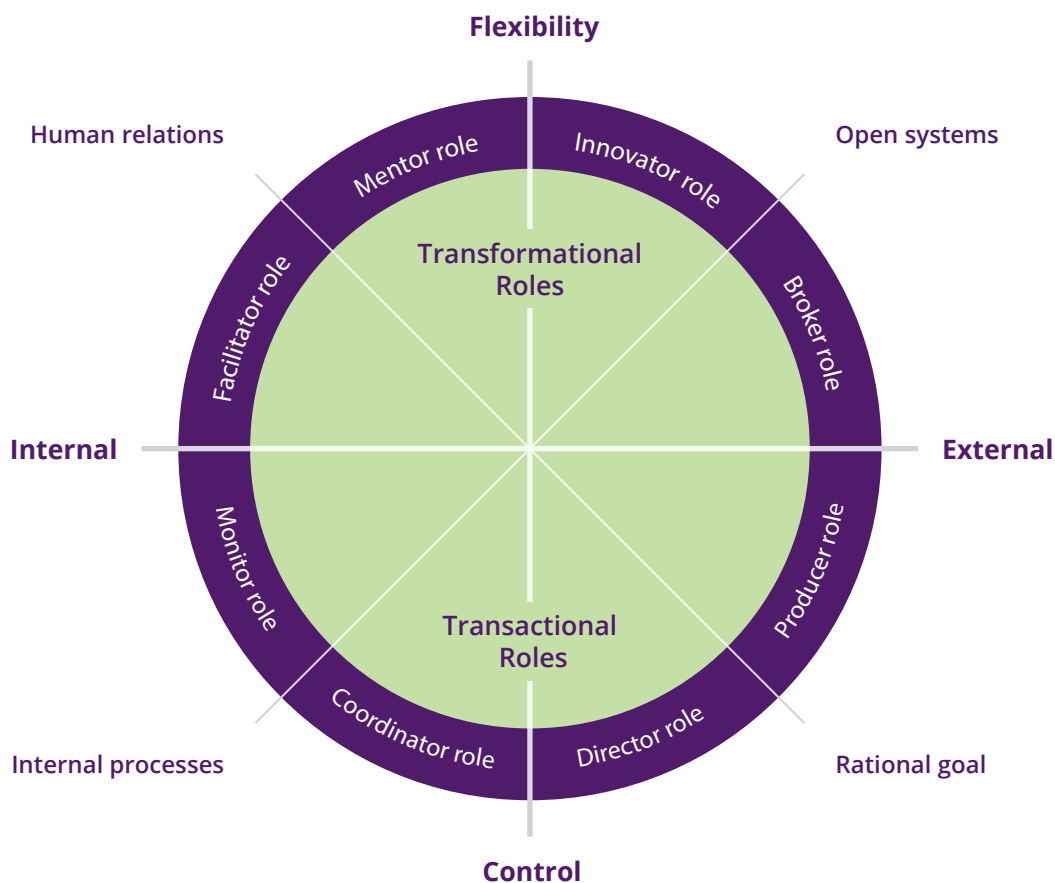
<sup>33</sup> (Augier, 2004)

<sup>34</sup> (Denison, Hooijberg, and Quinn, 1995)

<sup>35</sup> (Fitzgerald, 1945)

On the note of behavioral complexity, some authors have sought to formulate leadership frameworks that address competing demands. Among these, Robert E. Quinn's work on the "*Competing Values Leadership*" is particularly noteworthy<sup>36</sup>. Quinn's model of

leadership effectiveness is based on four dimensions of "Control vs Flexibility", "Internal vs External Focus", and eight underlying leadership roles.



**Figure 4** – Competing Leadership Values (Adapted from Quinn, 1988)

<sup>36</sup> (Quinn, 1988)

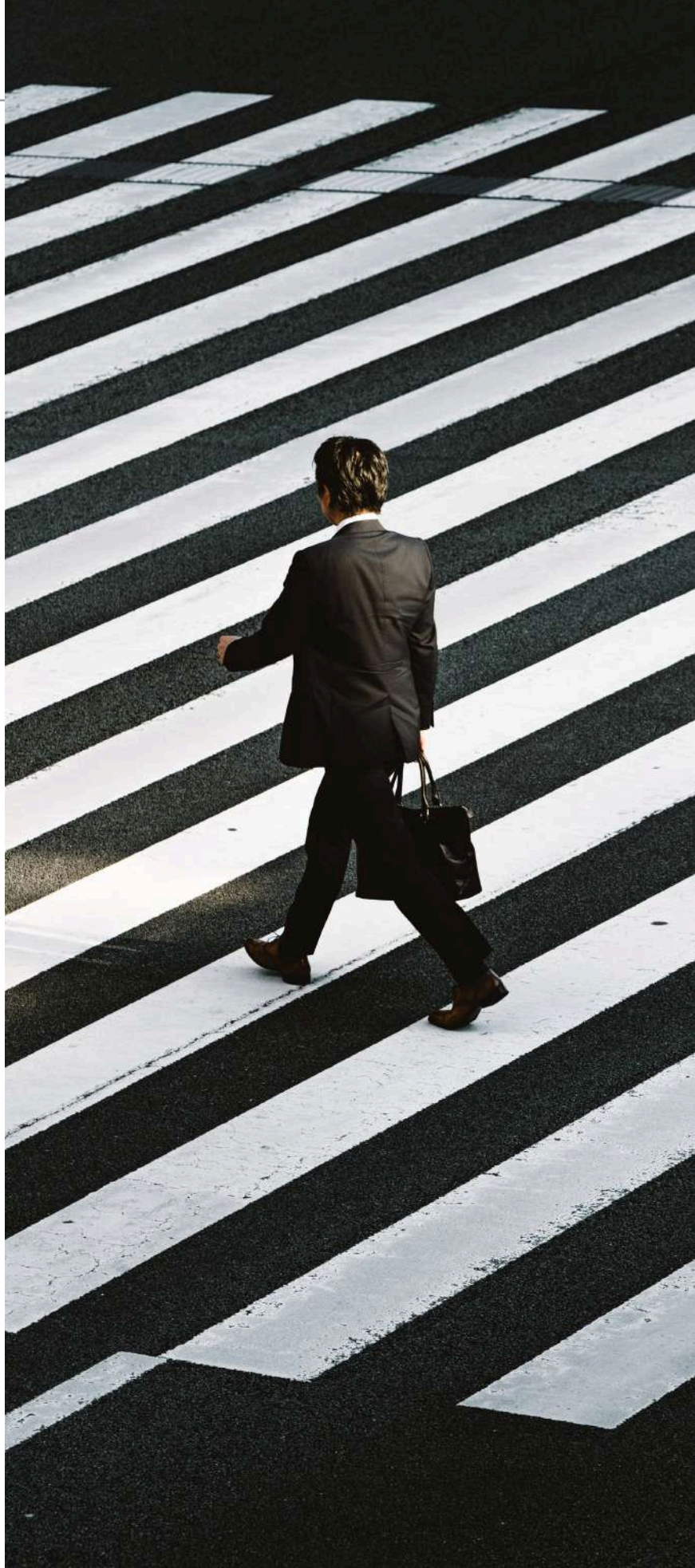


The author proposes that effective leaders display high levels of creativity and communication in their pursuit of change and the necessary resources for change management. This should make them effective innovators and brokers. At the same time, they should be effective in system maintenance and integration, having strong project management and supervisory skills. This should make them capable monitors and coordinators. Leaders should be goal-oriented and capable of directing those following them. This should make them competent Producers and Directors.

Finally, they should be able to motivate followers and drive commitment doing so in an involved, engaged way. This should make them strong facilitators and good mentors.

Overall, it is the leader's ability to navigate across all these eight different roles while balancing contradictory demands, that signals a higher level of leadership development. Indeed, subsequent studies on the applicability of the model also found that effective managers were perceived as displaying all of the eight characteristic roles more often than less effective managers<sup>37</sup>.

<sup>37</sup> (Belasen and Frank, 2008)

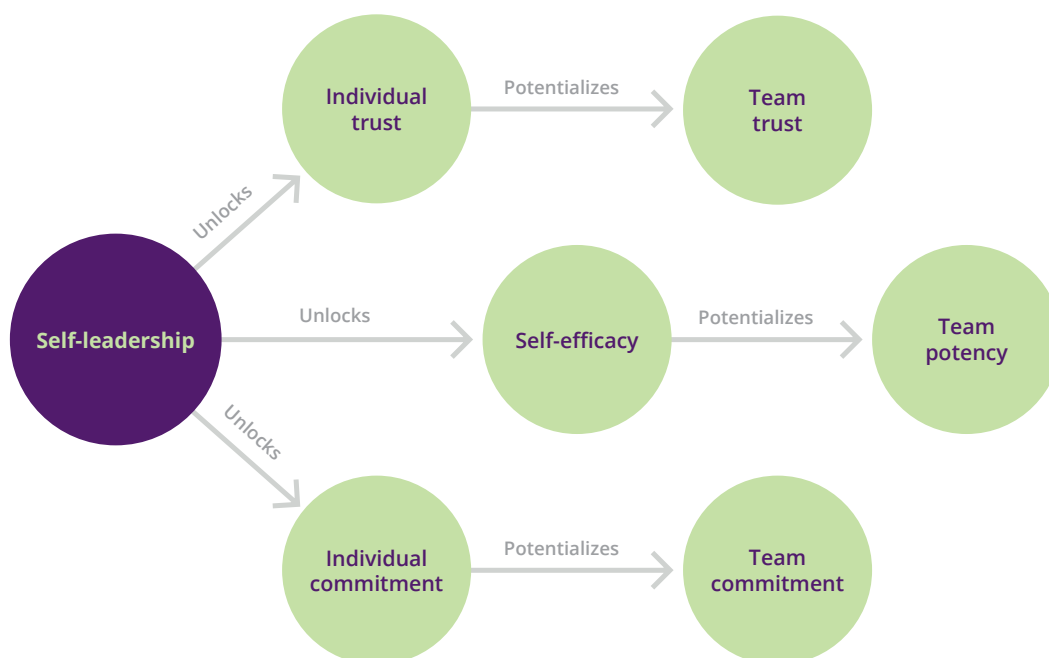




## SELF-LEADERSHIP

Navigating all these roles is a difficult, sometimes seemingly impossible task. As stated above, it demands from the leader an ability to operate with both an external and internal focus. To address competing (sometimes conflicting) demands, managers need first to be good at their own self-leadership. Self-leadership has been defined as the “*process of leading others with a high degree of reflexivity*”<sup>38</sup>, meaning, leaders who are able to self-motivate toward performance and self-direct toward goals<sup>39</sup>.

Beyond just taking responsibility for the managerial aspects of their job, or the mere execution of responsibilities, successful managers are able to work toward pre-set goals and self-administer rewards (and punishments), when necessary. Likewise, these leaders go one step further and incorporate control and regulation components in their daily life that emphasize the importance of intrinsic motivation – the motivation they get from simply completing a task<sup>40</sup>. They are able to reflect and rationalize on “why” they are acting and find naturally rewarding strategies that keep them self-regulated.



**Figure 5** – Self-Leadership positive externalities (Adapted from Bligh et. al, 2006)

<sup>38</sup> (Cunha, Pacheco, and Castanheira, 2017)

<sup>39</sup> (Houghton, Neck, and Manz, 2003)

<sup>40</sup> (Neck, Bligh, Pearce, and Kohles, 2006)



An effective self-leader is good at self-observation and self-correcting feedback. Many of these leaders underline the importance of mental imagery, positive self-talk, and being able to auto-correct their own belief system, as important aspects for their success<sup>41</sup>.

*“But how is this related to organizational tensions?”*, you might ask. In fact, self-leadership has been described as a useful competence to deal with paradoxical tensions and dualities<sup>42</sup>. Leading oneself involves handling and sustaining complementary and conflicting demands, in an ongoing effort to avoid losing the balance toward one or the other tension pole. Balancing dualities like “Challenge and Routine”, “myself and others”, “work and nonwork”, “mind and body” has been described as critical to managers<sup>ibid</sup>.

However, self-leadership is expressed in many different ways, and it also evolves over time, as people grow in their roles<sup>43</sup>. Regardless of this, to enhance their self-leadership capabilities, a leader will need to give him/herself the time to regularly update, should put in the effort to consciously adapt their self-leadership processes, and will tailor these processes to his/her own life or life-moments.

## **BOTH/AND LEADERSHIP AND KEEPING A DYNAMIC EQUILIBRIUM**

As the reader has surmised by now, the focus of this report is the identification of fundamental tensions that persist over time and that demand of leader’s a shared focus between both poles of such tension.

As such, we identify in this chapter what we perceive as a richer way of dealing with the constant change that characterizes today’s business world. We, the authors of this report, subscribe to the idea that *“the goal of leadership is to maintain a dynamic equilibrium in the organization”*<sup>44</sup>. Smith, Lewis, and Tushman have explored this dynamic equilibrium in the article *“Both/and Leadership – Don’t worry so much about being consistent”*<sup>45</sup>. In this work they highlight the benefits of being able to build a dynamic equilibrium by both separating the tension poles in conflict (giving each their own space and deserved respect), and by managing connections between these opposing poles (leveraging interdependencies and synergies that surface in the process).

A “both/and” thinking, in detriment to an “either/or” thinking, empowers leaders to purposefully make micro-shifts in the short term that enable sustainability and growth in the long run. The paradoxical mindset is, therefore, not that of irrational swinging decisions between poles of a tension, or the pursuit of permanent solutions.

<sup>41</sup> (Neck and Manz, 2007)

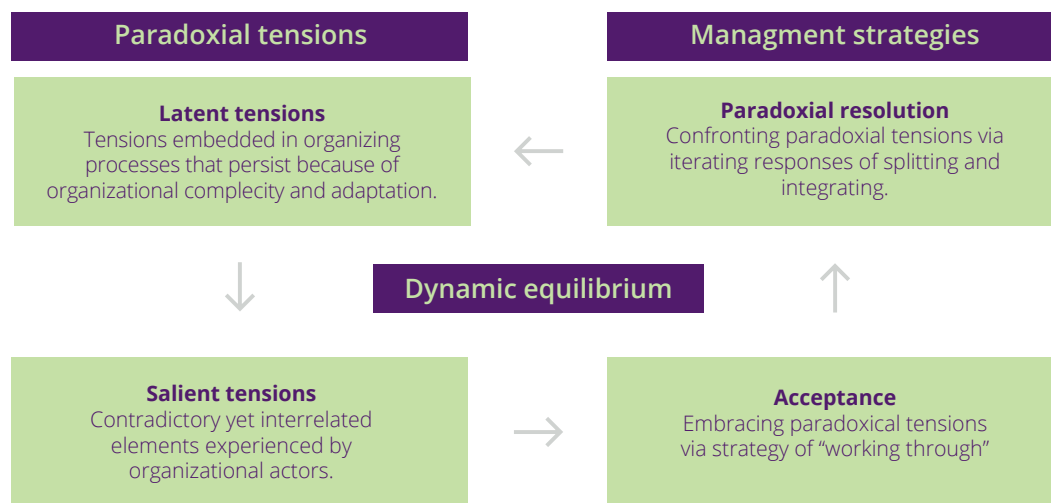
<sup>42</sup> (Cunha, Pacheco, and Castanheira, 2017)

<sup>43</sup> (Williams, 1997)

<sup>44</sup> (Smith, Lewis, and Tushman, 2016)

<sup>45</sup> (Smith, Lewis, and Tushman, 2016)





**Figure 6** – Dynamic equilibrium Model of Organizing (Adapted from Smith & Lewis, 2011)

It is instead one of seeking “*temporary workable certainties*” that help organizations move forward, while leaders remain cognizant of the nature of permanent change and need for future modification of their decisions.

In theory, this seems simple enough. But how do effective leaders operationalize this dynamic equilibrium in their business contexts? Again, we have no prescriptive recipes, but there is something to be said about creating supportive senior teams that help managers both separate and connect opposing forces:

To separate, one might need to create different business units based on their specific functions, products, or services they deliver. These units should be created with specific and actionable missions and have their own metrics for success. They should be allowed to develop their own internal culture and idiosyncrasies, as a testament of their distinct agendas and values within the organization<sup>ibid</sup>.

But in smaller organizations, or when tasks are unavoidably intertwined, this unit separation strategy might not be feasible. In those cases, separation might instead mean finding the specific times or spaces to explore the different goals. It might involve developing communication practices to pull strategies apart or creating different sets of metrics and rewards (e.g. social and financial) for each activity.

On the other hand, this strategy is complete only when the leader finds ways of connecting the separate poles, finding ways to unite people with a higher common purpose, and by having a clear main goal. A simple and comprehensible statement of purpose is one way of achieving this<sup>ibid</sup>.

To further operationalize connecting strategies, one might also consider creating and designing roles and systems that help to integrate and link separate business units.



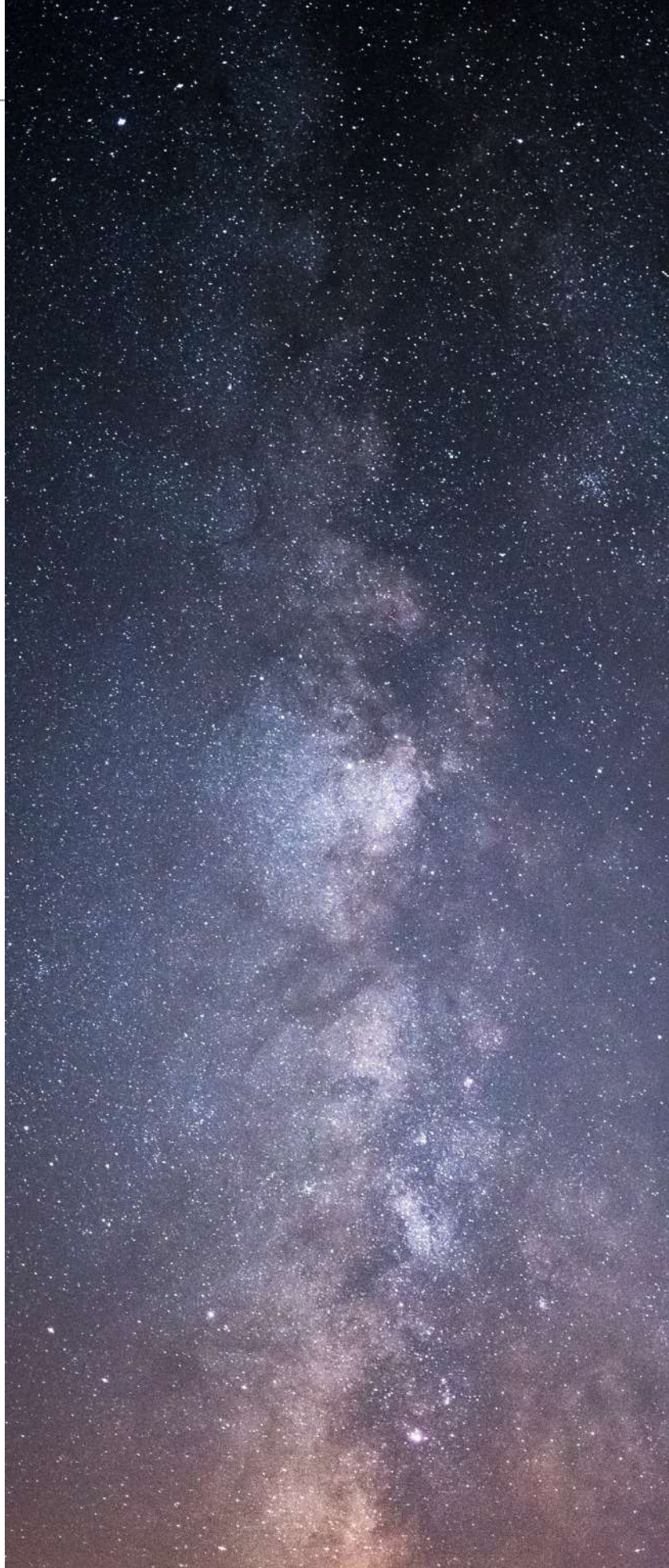
Some senior managers can, themselves, act as “bridges” whose goal should be to find spaces to bring together individual units and highlight the mutual advantages of this process. Having some integrated metrics, which in turn depend on the success of the entire organization, helps units to understand how they can benefit from one another and opens up the organizational culture to greater trust, collaboration, and joint learning<sup>ibid</sup>. Finally, and returning to the idea of dynamic equilibrium, a smart leader will be aware that keeping this balance represents a constant and ongoing effort that never ends while the leading challenge remains.

### WHO ARE THE STAR PERFORMERS?

In his work *“Star Performers: Paradoxes wrapped up in enigmas”*, Kets de Vries asserts that over more than 40 years of studying leaders, those that truly shine are the ones capable of a *“paradoxical operational mode”*<sup>46</sup>. De Vries suggests that the brightest management stars are *“walking contradictions”*, rebellious and conservative, and capable of managing with both short-term and long-term orientation. These leaders possess a solid dose of emotional intelligence, are capable of atomistic and holistic thinking, and are imaginative but maintain a solid sense of reality. They are extroverts with a proclivity for introspection. Action-oriented, but reflective.

The “brightest stars” thrive in ambiguity and are more inclined to give people who work for them more opportunities to experiment. Furthermore, their behavior is usually contagious, as others are inspired to follow their example.

<sup>46</sup> (de Vries, 2012)









# Business & society challenges



The complexity of the challenges faced by greatest shows no signs of slowing down, and all the leaders interviewed by the LO in 2019 were able to pinpoint at least one big societal challenge they face on a daily basis. For the sake of our analysis, we opted to select those challenges that seem to constitute and prompt the greatest tensions, either personally to the leaders or in their organizational contexts.

In this section we emphasize those challenges and tensions that our leaders recognize as particularly difficult, sometimes unresolvable, and that illicit conflicting, contradictory, or paradoxical thoughts or behaviors. The topics mentioned in this section of the interview were wide-ranging and included the challenges of speed and growth, or challenges of agency and progress.





# Dealing with change

## TAKING BABY STEPS BUT DOING ALL WE CAN

“[The environment?] ... we take baby steps, but everything we can do, we do.”<sup>A</sup>

A topic that was brought forward in the interviews was that of businesses’ ecological sustainability and the leaders’ concern, or not, with the effects of potential man-made climate change. Out of the 25 interviewed leaders, 96% agreed to some extent being concerned with such effects, and only 1 felt s/he was not contributing to a more ecologically sustainable society. This being said, and although leaders generally expressed genuine concern in tackling as many ecological issues as they could, many felt that to do this they must pace the change and transformation.

In one instance this became very clear, as one of the interviewees explained a number of initiatives s/he had implemented, while emphasizing the push back s/he had received in trying to change too much at the same time.

S/he then explained that pressures to become “green” were stronger when dealing with international partners or clients, while in Portugal that pressure was still not that common. Internally, trying to change certain ingrained organizational policies or habits was best achieved by taking very small steps at a time. Implementing ecologically friendly solutions or changing operating models to become more sustainable, saw more success when they meant, not a revolution, but instead a number of very purposeful and wide-ranging, incremental changes.

I am aware and concerned about the possible climate change caused by human action.

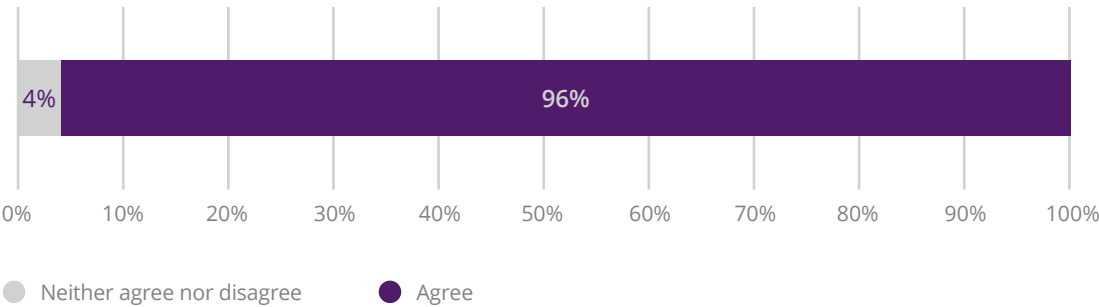


Figure 7 – Interviewed leaders expressing the belief that they are contributing to a more sustainable future

### RUSHING. BUT IN A CALM WAY

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**“Nowadays, everything is a rush. And our Group is the opposite... Everything is done at great speed, but in a very calm way.”<sup>B</sup>**

Something that became abundantly clear throughout our interviews was how the pace of change affects the operational side of organizations. It was on this topic that we got one of the most interesting, and seemingly paradoxical quotes of all the interviews. To address the neck-breaking speed of change, one of our leaders expressed aspiring to reply to fast change while keeping a calm attitude toward the problem. Yes, challenges to resolve come from many different directions and have very unpredictable timing. What seems to work in the case of this leader is being prepared to reply to the onslaught of problems in a calm way.

As a leader of an organization undergoing fast international growth, this leader underscored the importance of tranquility in addressing change. To do otherwise could mean incurring practices that disrespect the culture of each country. So, if there is a clear rush to build up capabilities for future business endeavors, this rush needs to be faced with a calm demeanor and a respect for the past, which maximizes the chance of success of the tasks at hand.

### THE THREAT OF CHANGE OR THE OPPORTUNITY TO CHANGE?

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**“I pick on change and transform it into profit. From something that is bad... I like to squeeze that bad thing and transform it into a positive. I even like change, but as a challenge!”<sup>C</sup>**

We noticed that many of our leaders were aware of the difficulties associated with change but preferred to frame them as an opportunity, rather than a threat. This goes along with what has been described in literature<sup>47</sup> as the ability to embrace dynamism and change with an abundant and generative view, rather than a scarcity view.

The irrevocable change is seen as a wave to surf. This was particularly clear with leaders operating in fast-paced industries (technology and automation) that were going through processes of fast growth and expansion.

### GROWING SLOWER TO KEEP ON GROWING

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**“Being well financially helps me make decisions. And that might mean having to slow down our growing pace, so we don't jeopardize our financial side.”<sup>D</sup>**

At the same time some leaders embraced the fast pace of change, others felt that to be successful and make the right decisions, they needed to take more control of this pace.

<sup>47</sup> (Smith, Lewis, and Tushman, 2016)

An interesting dichotomy between the need to “surf the wave”, and the need to slow it down, was more salient in leaders of younger, fast-growing businesses, where maturing (or not) too fast was an important factor. Indeed, one leader in particular, while recognizing the obvious need for continual growth, also had started seeing the value of being able to take more control of this growth process. The leader recognized how the fast growth was requiring him/her to take more and more risky decisions, and success was, at times, becoming the downfall of good judgement.

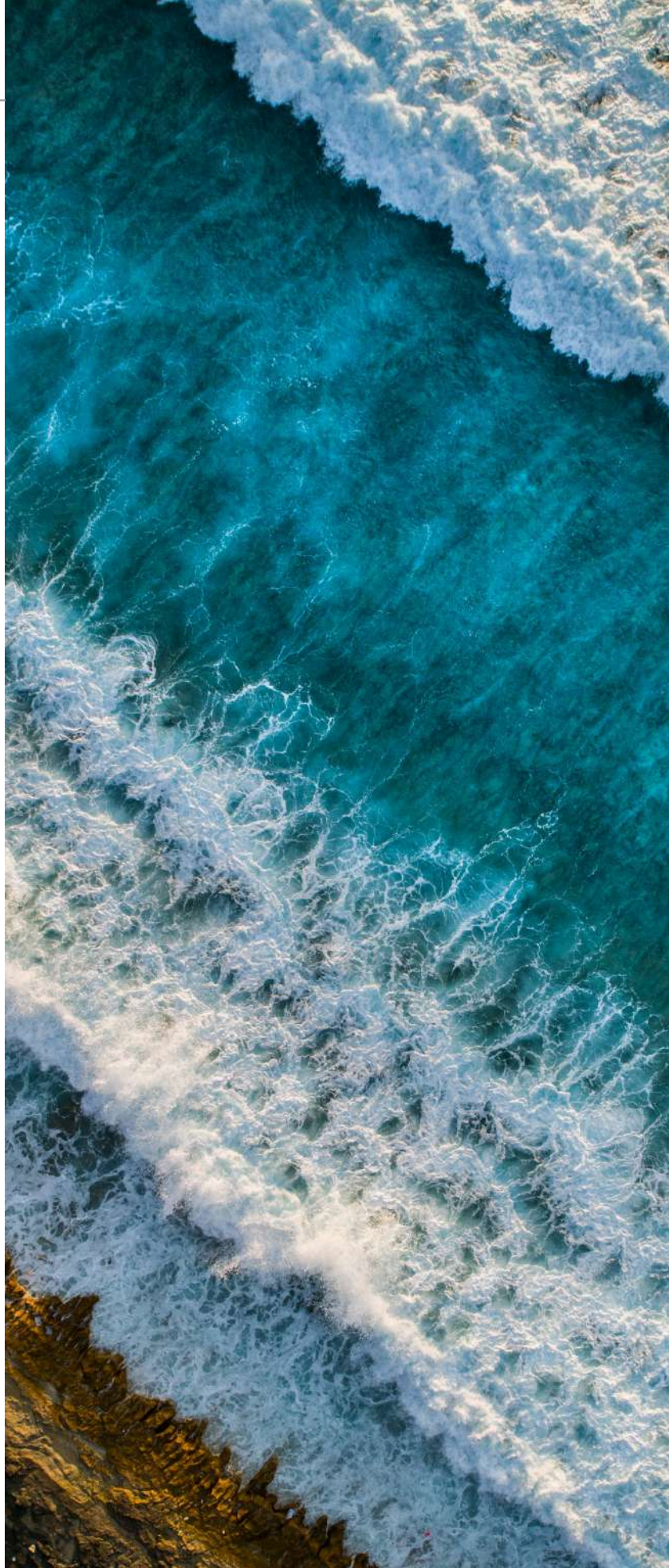
This case is a good illustration of the potential paradoxical nature of success. Indeed, the well-known Icarus parable and paradox<sup>48,49</sup>, describes a situation in which Icarus, emboldened after being given a set of wax wings, flies so high and close to the Sun causing the wings to melt, making Icarus plunge to his death in the Aegean Sea. Interpreting this tale at the light of this interview lets us reflect on how hubris and the idea of sustained and continuous success might dull one's senses. Too fast of a success may lead to potential farsightedness and complacency that may ultimately lead to failure<sup>50</sup>.

In a sense, what this leader conveyed was that his/her fast success and speed of growth were making him/her more prone to make mistakes and that, to guarantee the financial stability and success of the firm, there was a need to slow down decision-making processes. Paradoxically, slowing down business was framed as positive, even at the cost of potential growth or an exterior perception of success.

<sup>48</sup> (Miller, 1992)

<sup>49</sup> (Cunha and Putnam, 2019)

<sup>50</sup> (Amason and Mooney, 2008)







## CONTROL AND CREATIVITY

**“When I arrived in Portugal I was truly surprised. I see structures that are very heavy, very bureaucratic, very slow. They are traditional or traditionalist, very hierarchical. They suffocate creativity, and consequently, the competitiveness of companies and the possibilities to create real value.”<sup>51</sup>E**

The traditional understanding of scientific management and organizing is deeply influenced by the military<sup>51</sup>. And in military culture, regularity, consistency, hierarchy, and order are important values that many leaders still embrace and encourage in their own organizations. In this perspective, the Tayloristic idea that everyone within an organization shares the same best practices, and is heading in the same direction, is still for many a prerequisite for success.

However, in permanently shifting environments, approaches that depend on a strict sense of order and stability can often lead organizations to fail. While some hierarchy and, to a certain extent, bureaucracy can be positive signs of organizational maturity, some of our leaders reflected on the challenges associated with an overbearing need, in Portugal particularly, to subscribe and go along with a culture that depends heavily on such tools of control - some would argue, to an unnecessary, even hindering extent.

The risks of such behavior are obvious and well-illustrated by this leader's statement. Excessive control may kill creativity, may suffocate structures over the weight of bureaucracy, and in a purely technical regard, may not allow employees and collaborators the time to engage in exploratory tasks conducive to more inventive behavior and the creation of innovative value.

Also here, the paradox perspective opens up new interpretation to the tension between the leader's need to exert and maintain control, and the need to give up and allow more autonomy within subordinates. This tension is perhaps more salient today than ever before, not only because of the leader's physical inability to stay in total control of all aspects of the complex environments they rule over, but also because employees have come to expect higher levels of empowerment and flexibility<sup>52</sup>.

Embracing a paradox perspective on these issues involves finding simultaneous ways of keeping control while at the same time letting go of it. Some practical examples<sup>ibid</sup> of such control strategies may include the development of empowered second or third lines of leadership while staying alert and taking control of the situation, if it so requires, or maintaining a strong control over the output of tasks (for example, being strict with financial measures and controls), while having a looser control over behavior of employees.

<sup>51</sup> (Smith, Lewis, and Tushman, 2016)

<sup>52</sup> (Waldman and Bowen, 2016)





## BEING THE GOLIATH, BUT ACTING LIKE DAVID

**“Here in our organization we want to have a scale-up, start-up philosophy. To get back to the performance levels we had before the crisis. We have that challenge. And for that we have this startup side... we want to be ahead of the game. Having a startup mindset inside a world giant.”<sup>53</sup>**

A number of leaders reported experiencing a tension related to the need to innovate. An organizational tension that has been thoroughly described elsewhere (see James March’s work for one of the seminal discussions of the tension)<sup>53</sup> is the struggle residing in the need to focus on both exploratory and exploitative innovation.

On one hand, organizations need to continually focus on developing and improving existing products and services, thus investing on exploitative innovation. They need to increasingly extend current knowledge, and seek greater efficiency and improvement of the current *modus operandi*<sup>54</sup>. On the other hand, to ensure future survival they must also focus on radical, exploratory innovation, since the development of new knowledge and experimentation are the basis of future business sustainability<sup>ibid</sup>.

A bet on both exploratory and exploitative innovation implies an obviously difficult balance – an organizational ambidexterity<sup>55</sup> – that ensures that firms are capable of *“simultaneous, yet contradictory management processes, exploiting current competencies and exploring new domains with equal dexterity”*<sup>56</sup>. In this case, the leader of this organization (a market-leader Portuguese branch of a huge multinational) admitted that they were already very good at ensuring exploitative innovation, and that they had reached a very comfortable leading position in the market. However, this comfortable position had not allowed the company to go beyond pre-crisis revenue levels, implying that a significant effort was now being put into exploratory innovation.

This was done by changing the company’s mindset to that of a startup, giving this leader space to act as an “intrapreneur”. An intrapreneur is anyone acting as an internal entrepreneur within a large company to help boost the development of new products, services, or other significant contributions to the company<sup>57</sup>. An entrepreneurial climate foment the development of new ideas and new ways of doing things, which might in turn become commercial advantages in the long run. To achieve this, this leader was increasingly giving space for small, creative teams to experiment. Furthermore, s/he was especially clear on the importance of giving these teams the ability to fail in the process. This highlights a risk-taking, boldness dimension that is also characteristic of the intrapreneur<sup>58</sup>. This example suggests the importance of investing in exploitative as well as explorative innovation in order to guarantee the company’s success and competitive advantage moving forward.

<sup>53</sup> (March, 1991)

<sup>54</sup> (Andriopoulos and Lewis, 2009)

<sup>55</sup> (Duncan, 1976)

<sup>56</sup> (Lubatkin, Simsek, Ling, and Veiga, 2006)

<sup>57</sup> (Rodríguez-pomeda, Navarrete, Morcillo-Ortega, and Rodríguez-Anton, 2003)

<sup>58</sup> (Hisrich and Antoncic, 2001)

# Performance & Progress

## BECOMING ENVIRONMENTALLY SUSTAINABLE WHILE AVOIDING BECOMING FINANCIALLY UNSUSTAINABLE

**“Our business is to sell nature, and because of that all options need to be made with respect for it. Each small option we make, we try to make with that respect in mind. But there are several limitations for the company.”<sup>G</sup>**

Some of the organizations we visited during the interview process were clearly struggling to keep alive a social/environmental mission, while manifesting the additional fundamental need for financial results.

The leader of one company in particular shared his/her struggles during the decision-making process over 1) the demands expressed by the clients and workers for more environmentally friendly vehicles and 2) the financial sacrifices necessary to make such investment. On one hand, there was a recognition that for the future success of the company this was the only option (to “go green”), but this implied immediate sacrifices and possible financial struggles in the very short term.

The final choice, as described by this leader, was to very cautiously manage both sides of the tension, following a dynamic equilibrium resolution. While not abdicating from making more environmentally conscious decisions (in an ongoing, permanent way), assuming the need to do so in a very cautious, slow pace so as not to imperil financial hardships that could put the business in question - in a way, progressively moving beyond the conventional way of doing CSR and embracing the Creation of Shared Value (CSV).

## PROFIT WITH HUMANISM

**“The challenge here is how we maintain an ecosystem of Humanity, of proximity and justice, while in a context of great competitive pressure and a great need for performance.”<sup>H</sup>**

As we visited progressively larger organizations, some challenges relating to the “humaneness” of organizations gained visibility. One challenge more evident in larger organizations is how the need to grow and stay competitive might get in the way of the leader’s sense of Humanity and justice when dealing with collaborators and workers. In larger organizations leaders risk overlooking people in detriment to focusing on the structure itself. Organizations can become devoid of benignancy and affection to become mere grinding machines of talent.

But how to avoid falling into such traps? In *“The Uncompromising Leader”*<sup>59</sup>, Eisenstat and colleagues followed dozens of what they called “High-Commitment, High-Performance CEOs”, to find that exceptional leaders were those who refused to choose between people and profits. To handle this tension, these leaders took direct action to ensure that they:

- 1.** Earned the trust of all stakeholders, from directors to front-line employees;
- 2.** Engaged directly with employees, displaying a genuine concern for them;
- 3.** Built collective leadership power, assembling a strong core team of leaders with complementary strengths; and

<sup>59</sup> (Eisenstat, Beer, Foote, Fredberg, and Norrgren, 2008)

4. developed a sense of shared purpose, by having a message that highlighted a strong social mission (e.g. *"Building a better world"*) undissociated from the need to deliver a *"performance to be proud of"*.

In the particular case of this specific leader acting in Portugal, when primed to talk about how s/he managed this tension between humanity, justice, and performance, a few topics came up: first, the idea that a leader should strive to do the best and ask for the best from his/her collaborators, but avoid becoming unreasonable. To define concrete results, with clarity on the objectives and intellectual honesty. Second, to be close to the issues and pushing collaborators forward, while at the same time giving them space for growth. Third, to demonstrate an honest interest for the day-to-day issues faced in the organization. A willingness to contribute, to give ideas, even being pushy sometimes, if needed. But also to ask and listen to needs and feelings, balancing the need to show authority and decisiveness with care and genuine commitment.



# Agency

## AN ORGANIZATIONAL IDENTITY AS A COLLECTION OF INDIVIDUAL IDENTITIES

**“The company has a fundamental role in the development of an agenda to build up the Community. And that is the responsibility of each one of us.”<sup>60</sup>**

Throughout our interviews with leaders we noticed some speech cues that highlighted tensions between a sense of personal identity and their social/organizational identity (the one associated with the firm they represent)<sup>60</sup>. As individuals that are seen by many, both externally and internally, as paramount representatives of the organization, there is this expectation that leaders should fully embrace the organizational identity as their own.

Not surprisingly, in interviews where the leader was also a founder or main stockholder of the organization, plural pronouns like “us” and “we” prevailed in their speech. One of the interviewees, having inherited and grown a family business into a significant industrial powerhouse, found it impossible to detach identities, and kept assuming throughout the interview a joint identity (the leader and the company as one) in his/her speech.

In some other interviews however, especially in a couple of instances in which the leader had occupied that leadership position for a relatively short period of time, it was easier to detect moments of detachment between the organizational identity and the identity of the leader.

In one of those instances, the interviewed leader emphasized the challenges of joining the organization to occupy a very senior position as an outsider. S/he was put in a position to lead teams that already had very mature and unique dynamics and culture. S/he spoke of the importance of embracing these teams’ culture, building a relationship of trust, but also keeping a healthy distance. For example, when speaking of the organizational agenda to build up the surrounding Community, the leader simultaneously spoke of the importance of acting together as an organization, but also assigned this responsibility to each organizational participant individually.

In other words, in her/his speech the interviewee kept attaching and detaching identities, either speaking about him/herself (leader), the organization as a separate entity, or its collective members (the leader and the collaborators as a collective entity)<sup>61</sup>.

A superficial analysis of this tension could lead one to think negatively of such attitude, such show of attachment and detachment, especially coming from a leader, who is expected to incarnate the organization. However, following Smith and Berg’s (1997)<sup>62</sup> discussion, such identity tensions can be positive and generative. These authors argue that groups can thrive as their members become immersed in group dynamics, but also remain capable of detaching themselves and remain critical and even defiant of group processes and outcomes.

<sup>60</sup> (Brewer, 1991)

<sup>61</sup> (Luscher, Lewis, and Ingram, 2006)

<sup>62</sup> (Smith and Berg, 1997)





For a leader, being able to engage and be involved in group processes, but also retain an appropriate distance, allows one to self-reflect and remain sharp and critical of incongruences within the organization. And eventually, identifying these incongruences may be the first necessary step to take action and enact positive change.

### **FAMILY-RUN AND MANAGER-RUN BUSINESSES**

**“Family-businesses (...) are businesses with shareholder stability and tendentially have more of a long-term perspective. Now, just think for a second... if I have governance models that are very immediatist, a very short-term view... From the moment we separated the power of capital from the executive power, the executive power took too far its power to self-reward.” <sup>63</sup>**

A tension that continues to be present in some of our leaders’ minds is that of the role of the owner versus the role of the steward. This agency issue<sup>63,64</sup>, has long been debated by scholars and concerns the question of a leader’s long-term versus short-term orientation when managing organizations.

The idea behind this tension is that while the owner/majority stockholder is in charge of the organization’s destiny, it has more incentive, power, and the necessary resources and information to efficiently monitor, consolidate, and grow the business<sup>65</sup>. At the same time, it assumes that, in opposition, a steward or manager with no such ownership may be driven by, for example, an economic self-interest of a more immediate nature, therefore adopting a short-term orientation that is mostly profit-driven.

<sup>63</sup> (Hill and Jones, 1992)

<sup>64</sup> (Eisenhardt, 1989)

<sup>65</sup> (Miller and Le Breton-Miller, 2006)

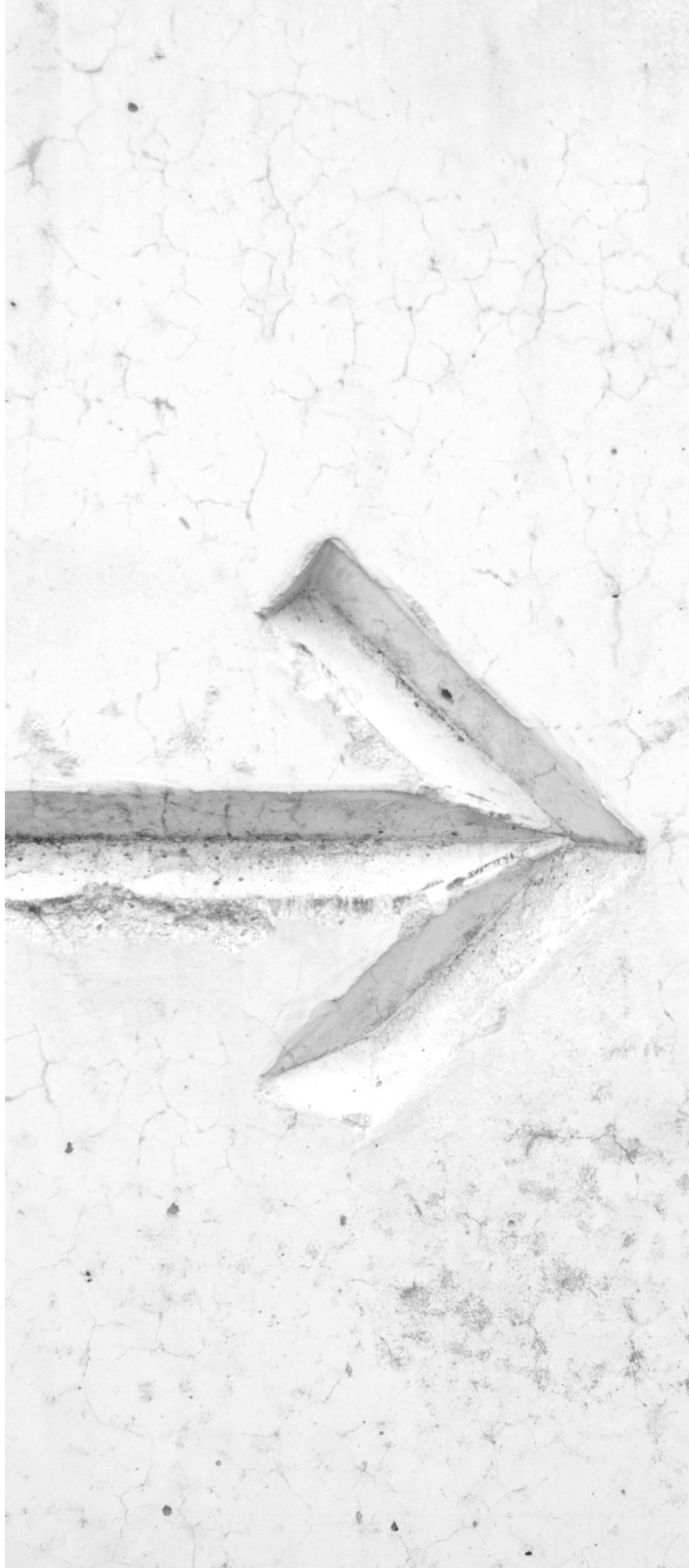
Although broad generalizations may be dangerous, there seems to be some evidence of family-firms having a longer-term orientation as the identity of the family members is closely tied with the reputation and performance of the firm<sup>66</sup>. Not only do CEO tenures tend to be longer in family-run businesses, but there tends to be a permanent and underlying concern for subsequent generations<sup>ibid</sup>. These companies tend to have unusually low free-rider agency costs, meaning that the shareholders' and the managers' interests coincide, and a concentration of capital that confers family-members the ability, motivation, and most importantly, the power to appoint and monitor directors closely<sup>ibid</sup>.

Notably, and perhaps paradoxically, the presence of significant non-family directors has been noted to contribute with much needed expertise and objectivity, as they bring to table competences and resources that would otherwise not be available in these companies<sup>67</sup>. They can be objective monitors of family executives, improve resource-allocation decision, help with hiring of talent, and perhaps act as checks on of rogue family members. Furthermore, if these independent directors are also significant shareholders, they have added incentives to act more vigilantly over the resources and the long-term success of the company<sup>68</sup>.

<sup>66</sup> (Lumpkin, Brigham, and Moss, 2010)

<sup>67</sup> (Margolis and Walsh, 2003)

<sup>68</sup> (Burkart, Panunzi, and Shleifer, 2003)



# A few final takeaways

- A large majority of interviewed leaders claim to be aware of and concerned about potential climate change caused by man, but when it comes to making businesses more environmentally sustainable, their approach is cautious. To avoid strong cultural resistance and organizational antibodies they prefer less disruptive approaches and to implement slow, incremental, and continuous changes in their organizations.
- A major tension is surfacing in several businesses we visited: the need to guarantee financial performance but to do so in increasingly sustainable and socially minded ways. High-commitment, high performance leaders are those who refuse to choose between people and profits. However, while some organizations we visited are already moving from just a CSR approach to more of a 'Shared Value' approach, even the most successful need to focus efforts on transitioning from ideology to practice.
- Many of the interviewees feel their business ecosystem is in flux and that they are pressured to make quick decisions all the time. To tackle these decisions, preparedness and tranquility are key. One must act fast but, in a calm, secure way.
- Be a "half-full" kind of leader. The successful leaders we interviewed are more likely to look at fast societal change as an opportunity, rather than a threat. They embrace change with an abundant and generative view. However, fast periods of growth and success can make leaders more prone to mistakes, hence the danger of hubris. Punctuating fast periods of growth with moments of reflection or "breathing spaces" can help leaders prepare for longer-term objectives.
- It is apparent that Portuguese leadership culture still depends significantly on strong mechanisms of control and bureaucracy. While these might signal organizational maturity, excessive control is often a creativity killer. The pull-and-push balance of both exerting and letting go of control in the organization is an important tool in the arsenal of any successful leader.
- Welcome the intrapreneurial model in your organization. Successful organizations do not shy away from embracing the startup's spirit of innovation. Able leaders give space for teams to experiment and even fail. They seek to foster a climate conducive to the creation of new products, new services, new ideas.
- An effective leader is able to incarnate the organization but must be able to detach from it from time to time, so it can remain critical and sharp when it comes to identifying incongruencies and internal failures of the organization.
- The agency issue is still a challenge for many family businesses. The fear of misalignment of interests between external CEOs and family members is real. Again, the solution might reside somewhere in the middle. While the presence of family member leaders is often associated with the firm's longer-term orientation, non-family members with significant shareholder positions bring in competences and resources that would otherwise be unavailable. Both sides can assume a supervisory stance over the other and find a balance that perpetuates the success of the firm.









# Talent management challenges

Managing and recruiting talent remains one of the greatest, and perhaps most difficult tasks for any leader. No self-respecting leader refutes the fact that being surrounded by both competent and motivated teams is a major factor in their own, and their organization's success. Indeed, all the LO interviewees recognized this.

Creating and handling teams, subordinates, or collaborators, has always represented a challenge, no matter what generation we focus on. However, tensions in managing talent have perhaps never been as complex as they are today. Not only do we have higher longevity, making generational tensions more common, but the newer generations are also more adamant about their sets of values and beliefs.

Leaders have perhaps never been faced (at least not at this scale) with such a burgeoning number of demands, internal and external, over issues related to the environment, well-being, and societal responsibility.

It is no surprise therefore that throughout our interviews no other topic elicited as many tensions as this. In our interviews, leaders mentioned topics that ranged from the struggles they face in recruiting and developing talent, as well as their own need to procure and prepare a new generation of leaders, that one day will eventually take their place. These are the topics we will delve into in the following chapter.



# Developing talent

“Act always as if the future of the universe depended on what you did, while laughing at yourself for thinking that whatever you do makes any difference... It is this serious playfulness, this combination of concern and humility, that makes it possible to be both engaged and carefree at the same time”

– Mihaly Csikszentmihalyi<sup>69</sup>

## PERSONAL DEVELOPMENT AND LEAVING THE COMFORT ZONE

“In a country like Portugal, I have a serious challenge: I have people that don’t want to go outside. And even if I am, indeed, managing a large-sized business, there is only so much I can offer in terms of career, if the person in question never leaves the country. Sometimes it is just a matter of them leaving [organization X] and then returning. To have richer experiences. Only recently were we able to send one person outside of Portugal.”<sup>\*\*k</sup>

One of the tensions worrying leaders in Portugal relates to what they perceive as a certain unwillingness from some employees to take more risks, while seeing this as absolutely necessary for their career growth and development.

According to this leader, while a sense of stability can bring one comfort, being faced with challenges and being put to the test can unlock further personal and professional growth. The challenge is obviously managing this balance between these poles.

In this case, the leader took it upon him/herself to incentivize the employee to leave for an international branch of the company, as doing so would allow the worker to eventually return, with new tools and new experiences that would justify a future promotion. Because the employee was not 100% comfortable with the idea of leaving Portugal, an arrangement was made that would allow the employee to spend a few days per week abroad and the rest of the time at the Portuguese headquarters.

I am confident that each year that goes by, I am able to recruit people with more talent.

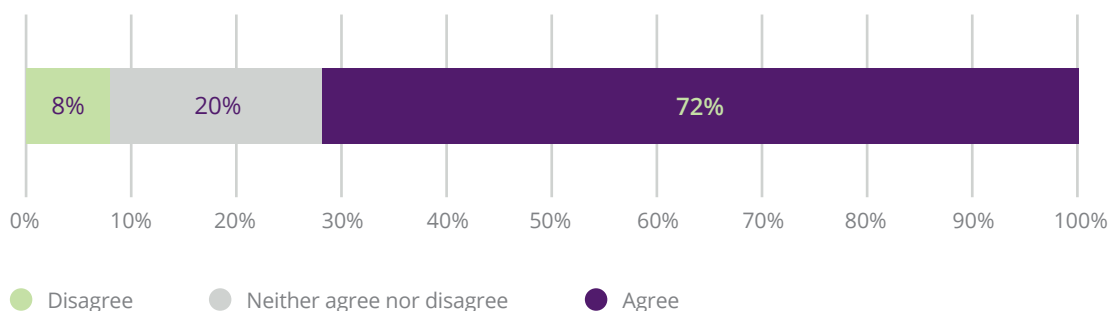


Figure 8 – I am confident that, each year that goes by, I am able to recruit people with more talent

<sup>69</sup> (Csikszentmihalyi, 1997)



### THE (UN)SAFE BET ON EDUCATION?

"R - What challenges do you identify when it comes to the management of talent?

L - The main challenge... is to make sure that any person that gets put in a new area goes through an enablement and training process. As fast as we can. This is very difficult to do in a company that is constantly changing." \*L

A major concern for leaders in fast-growing businesses we visited related to the speed of change they were experiencing, particularly when it came to the preparation and training of staff. Planning and making investments in the employee education and training was a major challenge in their minds, no less because such activities represent costly investments of time and money. Some of the talks we had suggested that leaders were sometimes asking themselves: *"Is it worth it?"*

*To invest today in something that might well be outdated tomorrow?!".* Inevitably these same leaders ended up answering this question with a "YES". They were deciding to still make these investments, even if they were well aware of the risks they were taking.

This remained true when it came to self-investment in their own education as leaders. 96% of all those interviewed expressed continuing and continually investing in their education. So, even though the tension was well present in their minds and in their speech, they were ultimately deciding to commit to this investment, internalizing the tension but apparently resolving it in practice.

### I continue to invest in my education.

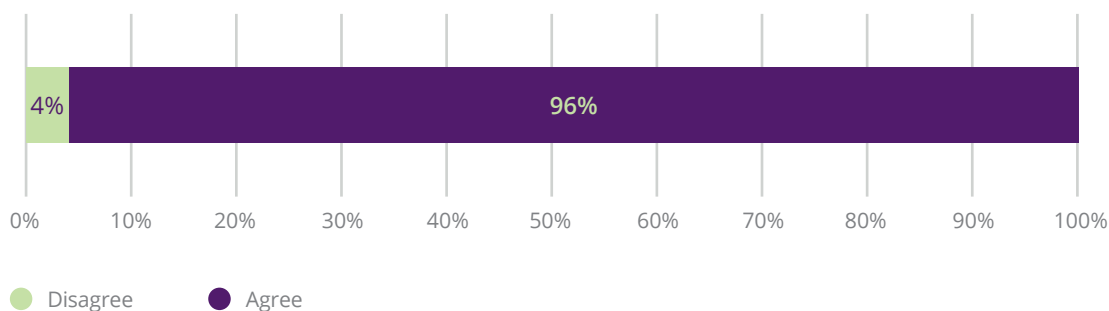


Figure 9 – I continue to invest in my education





## BECOMING A SPECIALIST OR A GENERALIST?

"I understand the economic advantages of specialization. What I don't see is that specializing is good for the individual character, integral to each human being. What I mean is that the more specialized one is, the less free he becomes. Because now, he only has this specific competence, or people only recognize this competence, a very specific tool or skill. This means he is automatically put aside from any other opportunities."<sup>M</sup>

But managing talent is not just about others. In fact, many of the interviewed leaders worried about the challenges of their own talent development. In one case the conversation led to an interesting debate about the tension between the need for specialization in one's careers, and an expressed need for freedom - a freedom that would come with not being labeled as "too much of a specialist" in any given field.

This interesting underlying tension is present throughout any career, as professionals have a need to prove to others, and themselves, that they are very good at something, but risk being viewed as very limited in their skills if they do so. For this leader, it was very clear that balancing this tension was a difficult task, but also a source of success. S/he had to be very good at a very large number of tasks, even though investing a lot of energy in multiple directions, and not fully commit to one skill in particular.

However uncomfortable this position (not being a specialist) was, the freedom and ability to take on many different projects and challenges became a source of genuine enjoyment of the daily work. The idea of never having closed doors to future self-development was itself a reward worth pursuing. The price to pay for deciding not to be a specialist was the need to continuously prove to him/herself and others his/her own self-worth in a large number of different tasks.

# Retaining talent

## ON-JOB RESILIENCE: A GENERATIONAL ISSUE?

"In my generation we still see what we saw in our parents' generation: people want a job for life, and whatever happens, they stay there. But now, I'm also very critical of the opposite, which I see in this younger generation. The smallest thing and they say: 'Oh, I'm not motivated anymore'." \*N

A topic that kept creeping up throughout many of the interviews was that of on-job resilience, meaning the willingness to stay in the same job and company for long periods of time. What many of the interviewed leaders reported to us, was that they felt there is significant change in the mindset of workers of different ages: if older generations tended to value the stability of a life-long placement, even at the cost of leading relatively dull careers, many in the younger generations seemed unwilling to hold a position for long.

Many of those who we interviewed saw this as a matter of lack of resilience. The younger generation is less able to cope with failure, they argued, and tend to quit too soon, without even a chance to "suffer through" any of the highs and the lows of any job. Others stated that younger employees simply refuse to hold what they perceive as monotonous, or tedious jobs, or jobs where they could not see an immediate purpose for their tasks. A persistent need to make an immediate difference, to contribute to social or environmental causes, that if unfulfilled, was leading them to low motivational levels or to quit altogether.

<sup>70</sup> (Mejia, 2018)

<sup>71</sup> (Blount and Leinwand, 2019)

Although there is no positive or negative confirmation in academic literature of this generational discrepancy in levels of resilience, we have some insights on the importance of mission and value alignment for workers of different ages. According to a 2018 CNBC and LinkedIn Survey<sup>70</sup> to more than 3,000 adult full-time workers in the United States, 86% of millennials would consider taking a pay cut to work at a company whose mission and values align with their own. At the same time, only 9% of baby boomers in the same survey would consider such a cut.

At the moment of the interview some leaders openly admitted not knowing what to do to retain this younger talent, while recognizing it was a serious struggle for their HR departments and overall organizations. Those that felt more comfortable with the issue spoke of the importance of a strong and personalized career plan for each individual employee. In a recent HBR article<sup>71</sup>, Professor Sally Blount and Paul Leinwand go further by stating that organizations need to clearly articulate their purpose statement. A purpose statement that expresses why the organizations exists and what the fundamental principles are that guide it. These should be well communicated and known internally by employees and how their role in the organization contributes to that purpose. Plus, leaders should make sure that they personify that purpose through their own words and actions, providing the adequate time, attention, and funding to drive such purpose. Ultimately the combination of these actions may increase the chances of retaining talent and keeping collaborators engaged and satisfied in their professional lives.

## AN IMPACTFUL CAREER. NOW OR NEVER?

“As I always say: I am only able to have the impact in Society I have now because I had a career. I have a lot more impact now because I built a career for myself from the age of 22, than I would have if I started contributing right there and then.”<sup>72,73</sup>

On the thread of this declared employee need for purpose (particularly for millennial and younger generations), the topic of having “an impactful career” resurfaced during one of our interviews. Indeed, the proliferation of hybrid organizations<sup>72,73</sup>, i.e., organizations that blur the line between profit and nonprofit, especially social enterprises, has opened up a number of career possibilities for young people coming up and seeking to have impact with their career.

One leader in particular had a curious point of view: in his/her opinion the success that s/he had achieved, by following what is perceived as a very successful, but conventional corporate career, is what now allows him/her to have a greater social impact in Society. It is the opinion of this leader that, if s/he had opted for a career in an impact-driven venture from the start, that his/her footprint and influence in pursuit of social goals would be less than it is right now. The leader argued that acting as a “fifth column” from within the corporate world, one has access to several resources and supporters that are difficult to replicate. As an insider, the mobilization of unexpected allies is made easier and access is itself a powerful tool in the recruitment of resources for the social causes at hand.

<sup>72</sup> (Billis, 2010)

<sup>73</sup> (Haigh and Hoffman, 2012)







In good paradoxical terms, some of those that followed a more traditional career path may also be the ones with more power to make a difference in pursuit of societal progress. Notwithstanding this, by recognizing that the new generations are attracted to more purpose-driven firms, leaders also have an opportunity to transform their own businesses, if they want to provide more fulfilling careers to their employees and retain the necessary talent inside their organization.

### PREDICTABILITY AND PURPOSE

“Many of the recent graduates we get here, with 22, 23, 24 years, they spent their life hearing that they have to follow their dream. I think that is fantastic. But they get here and after 6 months they tell me:

- ‘Now I want to change. I had the expectation of doing something that really makes a difference.’

- ‘Hey, fantastic, but listen...’

- ‘So, I’m going to leave.’

In all probability they are going elsewhere to find the same kind of frustration.” \*<sup>P</sup>

While claiming that this might be a huge challenge for their organizations, leaders willingly recognized the younger generation for their commitment to social and environmental concerns and their will to positively impact and change the world. In fact, these were in many cases the kind of profiles they were looking to attract to their organizations. But in doing so, yet another tension emerges.

By actively seeking and recruiting people who are mission-driven, leaders are quickly realizing the challenges of retaining this kind of talent. Because it is very difficult to ensure all jobs have this underlying social/environmental purpose, leaders that hire these profiles experience very high staff turnover. It becomes difficult to predict and control these exits that are the cause of much strain in their organizations. This is, of course, an unresolved tension because leaders are not, and should not, abdicate from these employees, but it seems obvious that most jobs will comprise some or another mundane task. Not all jobs can have a social goal at their core, or at least not in a direct way.

This is an obviously difficult tension to address. In the impossibility of building a business uniquely around a social or ecological purpose, it seems however helpful to mobilize the organization around some sort of mission. Even if that mission is not at the core of what the business is all about. An example of this is how at Standard Chartered Bank, CEO Peter Sands found a way of mobilizing the whole bank around the issue of blindness prevention<sup>74</sup>. In their intervention they helped more than 1 million people and by doing so raised the firm’s overall ambition and well-being. The mission of the bank became not only that of “banking”, but also something transcendent to the organization. Workers had a pervasive sense that everyone at their job was contributing to “build a better world”. And that made a difference in retaining talent.

<sup>74</sup> (Eisenstat, Beer, Foote, Fredberg, and Norrgren, 2008)





## PREDICTABILITY AND RESPONSIBILITY

"I get a lot of people here that after 2-3 years want to change company and go elsewhere... what I see is that I need to give them a lot of responsibility in the business. Or they will leave. It's important to be really close to people and give them constant feedback. What is good for the business has to be good for them also." \*Q

Candidates that show early signs of great ambition and high-level goals are obviously in high demand by recruiters. It is common for leaders to seek collaborators who, in the long run can take over major senior positions and even perhaps eventually replace them. The tension that comes from this is that this kind of profile also tends to show early signs of impatience when it comes to climbing the corporate ladder.

Ambitious and highly motivated workers can be a major asset for any company, but only if the company knows how to retain them in the long run. In our interviews, some leaders worried about investing heavily in these bright young stars and risk losing them along the way, without capitalizing on this investment. These bright stars become appetizing targets for competitor organizations and might be easily swayed to go elsewhere if an opportunity arises. The problem for the firms is obvious, as they not only lose bright potential changemakers, but also the investment committed in their preparation and training.

Another side of the conundrum is that allowing the very young and ambitious employees to ascend in the organization too quickly, might bring problems of its own. This might be the cause of serious peer unrest and discontent among the ranks of more experienced and tenured employees. Additionally, often these accessions may simply be impossible, as hierarchies are crowded with lots of people "in the line of succession".

So, if on one hand companies want and need to recruit workers who are willing to take lots of responsibility early on in their career, they must be ready to lose them, especially if they are not careful in tailoring attractive and unique career paths, while at the same time rewarding in a transparent and just way those above average, the so called "superstars".

## PREDICTABILITY AND ENTREPRENEURIAL PROFILES

"R – What characteristics do you look for when recruiting a leader?

L – This is tough... really difficult... I would almost say it's impossible for leaders not to be trained here. First because they are entrepreneurial profiles... and entrepreneurial profiles, after having a first experience they sometimes leave, or they prefer to create or own their own businesses." \*R

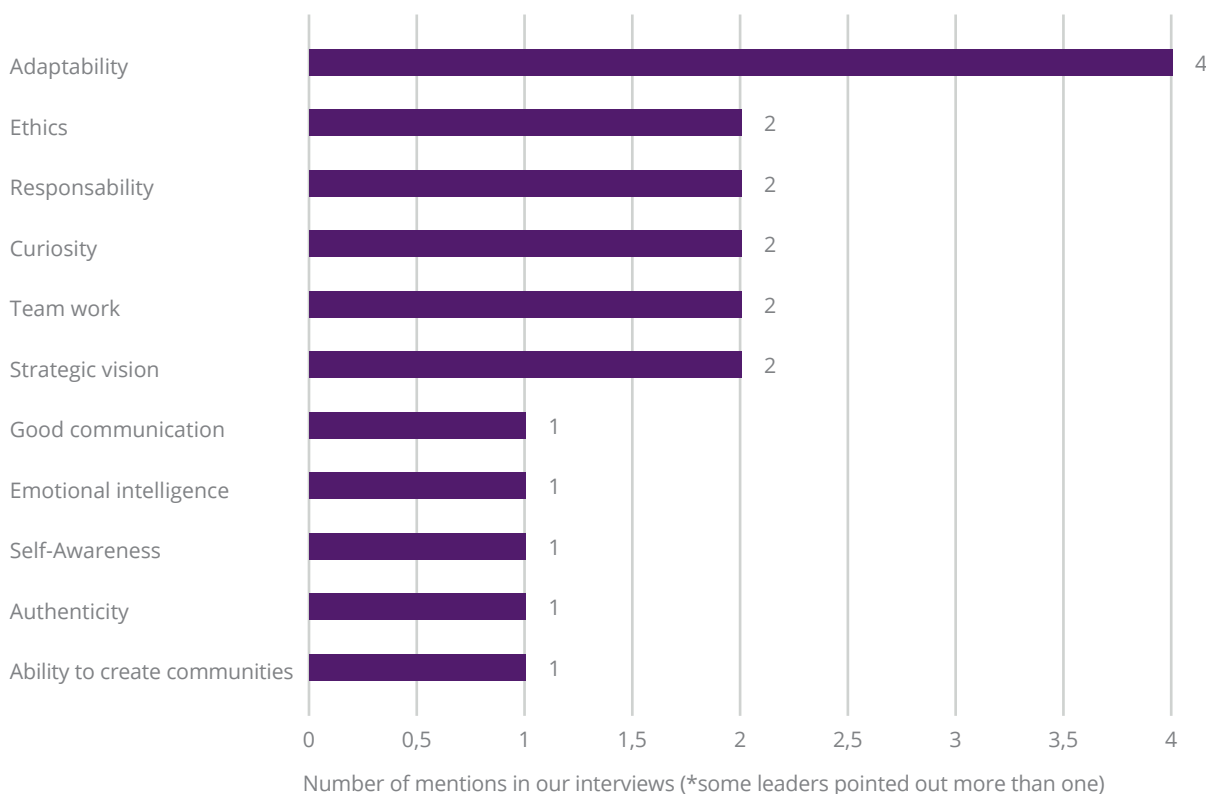
Entrepreneurs typically have a need for power and achievement, are self-driven and self-confident, risk-takers, and innovators<sup>75</sup>. For these and other characteristics, entrepreneurial profiles are in high demand in the organizations we visited in 2019.

However, these same entrepreneurial profiles might come with unexpected drawbacks for the recruiting organizations. This intrinsic appetite for launching themselves on their own makes these employees somewhat unpredictable for employers that would like to count on them for the long run.

<sup>75</sup> (Carland, Hoy, Boulton, and Carland, 1984)

During one of the interviews, an entrepreneur him/herself explained that if it were possible, s/he would like to recruit more entrepreneurial profiles, but this happened only on very rare occasions. In fact s/he had been more successful in promoting managers with a strong attachment to the firm's identity and a lower risk profile, rather than the more entrepreneurial profiles, as the first tended to be more reliable and loyal to the organization. A previous bet on hiring high-risk, but potentially high-reward collaborators had in this case, proved very costly, as important second-line managers with more of an entrepreneurial proclivity abandoned the organization in pursuit of their own entrepreneurial paths.

### What do you look for when recruiting someone for a leadership position?



**Figure 10** – What do you look for when recruiting someone for a leadership position?



## AUTONOMY OR CONTROL?

"One of the most difficult things for me, especially because I am a perfectionist... was when I started managing people, my great temptation was to do their job for them. (...) Today I know this must be different. Being demanding but having the patience to give enough space for them to make mistakes." \*<sup>S</sup>

As leaders grasp for control over issues and people, we found that some of them still end up embroiled in the day-to-day grind of micromanaging teams and tasks. On this topic, some of the more tenured interviewees reflected on the importance of actively giving up this need for control. In some of the organizations we visited, respondents reported finding somewhat of a middle ground, whereby the leader needs to be present in the organization, but also needs to find ways to stay away.

This paradox is well described in literature<sup>76</sup>, as leaders have described control as a permanent temptation they have to resist as, among other benefits, autonomy is known to foster creativity<sup>77</sup>. While it is crucial that a leader knows the organization's situation up close and to remain near, even mentor people, it is equally important to learn how to curb their eagerness and not intervene in certain matters.

As we saw in this case, this particular leader realized that giving more space and allowing people to make mistakes was key for their own success, and ultimately the success of teams and the organization. Embracing more benevolent leadership practices, while avoiding being paternalistic, had given him/her more peace of mind and allowed teams to thrive.

<sup>76</sup> (Fredberg, 2014)

<sup>77</sup> (Wang and Cheng, 2009)



### TECHNICALLY STRONG, BUT HUMBLE ENOUGH TO ASK FOR HELP

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**"R – What are for you the most important characteristics of a leader?  
L – I think being solid technically is very important. To pick up a topic, a problem, to analyze it, divide it, debate it with other people. I mean people that are really capable of materializing something. So... they don't need to know it all, but they need to know how to pick in any issue and ask for help when they need." \*T**

In his influential 2001 article, Jim Collins described the "Level 5 Leader" as one who *"builds enduring greatness through a paradoxical combination of personal humility plus professional will"*<sup>78</sup>. He described a type of leader with an unwavering resolve and the capabilities to produce results, while acting quietly and shunning public adulation. A kind of leader capable of recognizing personal limitations and of asking for help<sup>79</sup>.

This view on leadership is certainly aligned with the concept of a Servant Leader<sup>80</sup> as, rather than seeking self-gratification, these leaders tend to possess high levels of self-awareness and openness to learn and give credit to those that surround them (lower level management and followers)<sup>81</sup>.

<sup>78</sup> (Collins, 2001)

<sup>79</sup> (Morris, Brotheridge, and Urbanski, 2005)

<sup>80</sup> (Greenleaf, 1977)

<sup>81</sup> (Morris, Brotheridge, and Urbanski, 2005)

As stated in this interview, while seeking to attract very technically strong candidates (not always known for their soft skills), our leaders are always on the lookout for talented managers who are also capable of self-reflection. In this self-reflection resides implicitly the capability of admitting weakness, which in turn ought to result in an openness to find others who complement them in areas where they are weaker.

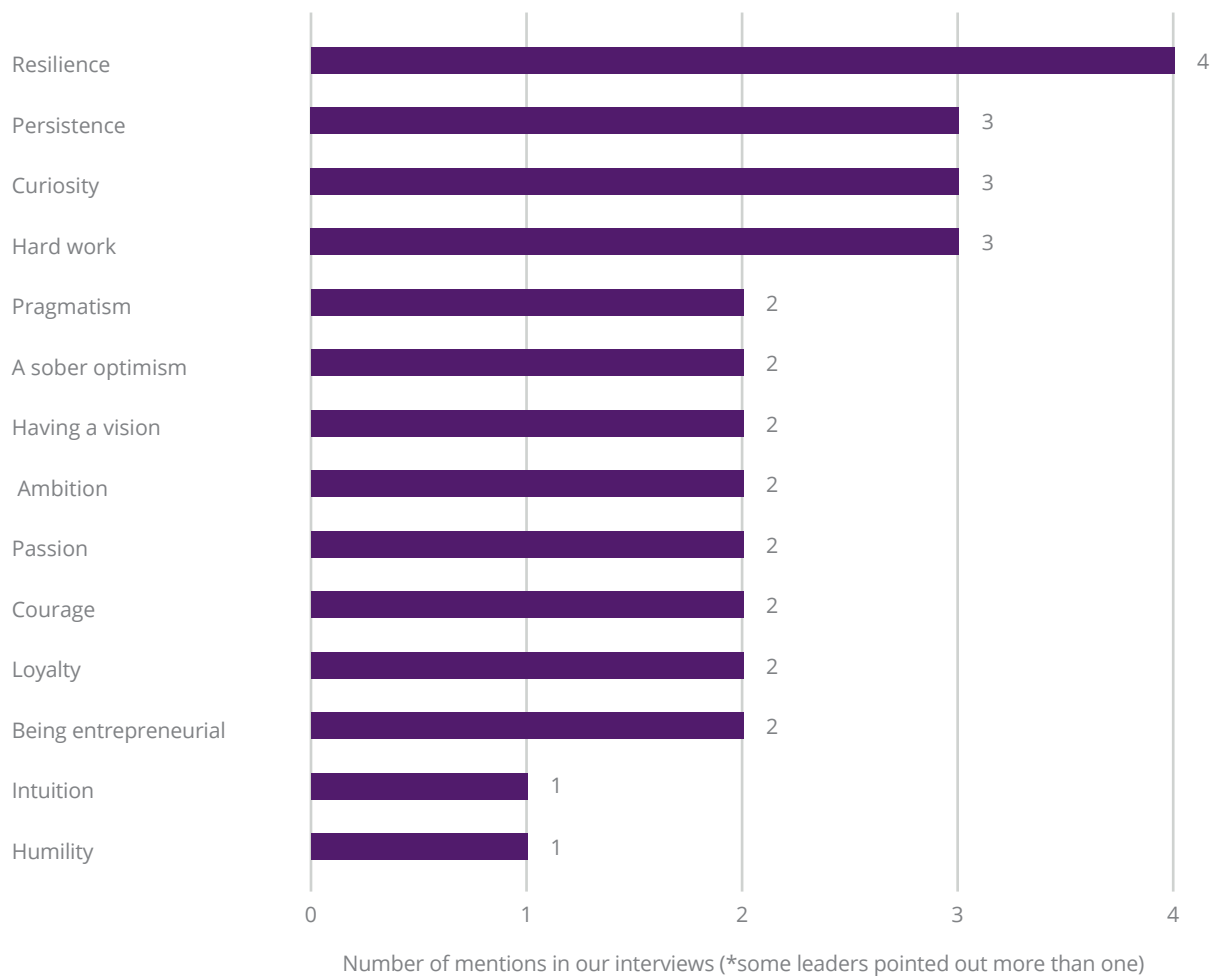
### INTRINSIC OR DEVELOPED LEADERSHIP SKILLS?

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**"R – How do you prepare your leaders?  
L – With challenges. At the beginning they work with me for a while. With some real decisions under stress. Spur of the moment decisions. But then I also want people with intuition." \*U**

We asked our interviewees what personal characteristics they saw as the main reasons for their success. A significant number of leaders mentioned characteristics like their resilience, persistence, or willingness to work hard. At the same time, we saw some of our leaders attributing great importance to skills to very singular traits, that in their view cannot be artificially replicated or taught. In one instance, one leader mentioned the crucial importance of intuition for his/her success, explaining which in no way could this trait be taught to others, and that they needed to be born with an inherent "killer instinct".

### What are the reasons behind your success?



**Figure 11** – What are the reasons behind your success

This “killer instinct” comment opened the interview to the debate between what one sees as intrinsic leadership skills, and skills that one can learn and practice over time. Also here, there were conflicting opinions. When asked if they agreed with the statement “Management competencies can be learned, but leadership competencies cannot”, around 24% of leaders agreed to some degree. However, and somewhat dichotomously, when asked if they had been “born natural leaders”, around 52% agreed to some degree.

One conversation got even more interesting when one of the interviewees admitted considering him/herself lucky. That s/he had the luck to be at the right place, at the right time, in order to succeed. Perhaps a bit paradoxically though, the leader finished by saying that successful leaders “made their luck work for them”.

Management competencies can be learned but leadership competencies cannot.

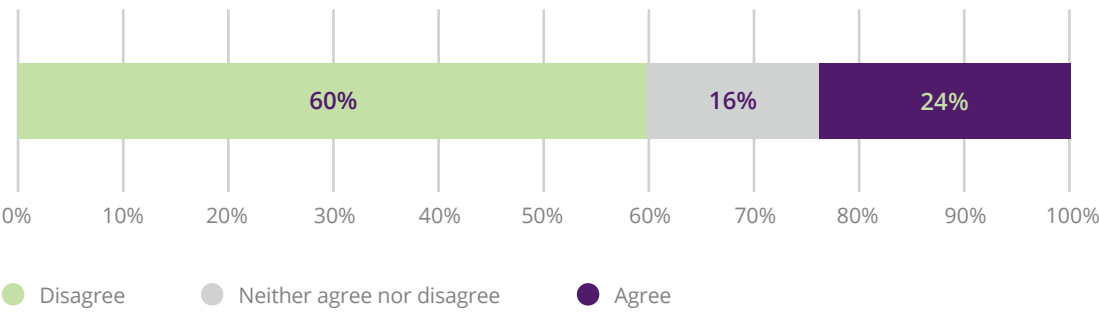


Figure 12 – Management competencies can be learned but leadership competencies cannot

I believe I was born a natural leader.

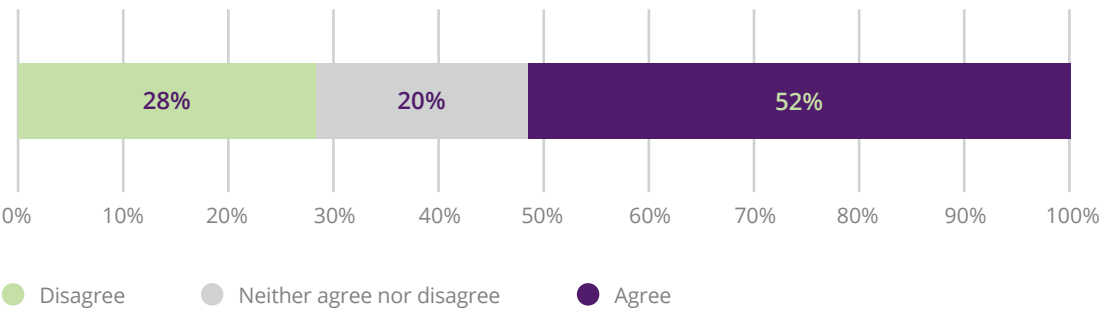


Figure 13 – I believe I was born a natural leader.



## FOSTERING DIVERSITY: AN IMPORTANT HEADACHE TO HAVE

"This is the challenge. Leaders have to have the emotional intelligence to deal with everyone. It's a headache when it comes to management, but it's a great advantage (...). So, I think leaders are nowadays suffering because they don't have the capacity to work with everyone. The challenge is being able to have all these mentalities in a team and make sure they respect each other."<sup>82</sup>

My teams are already very diverse.

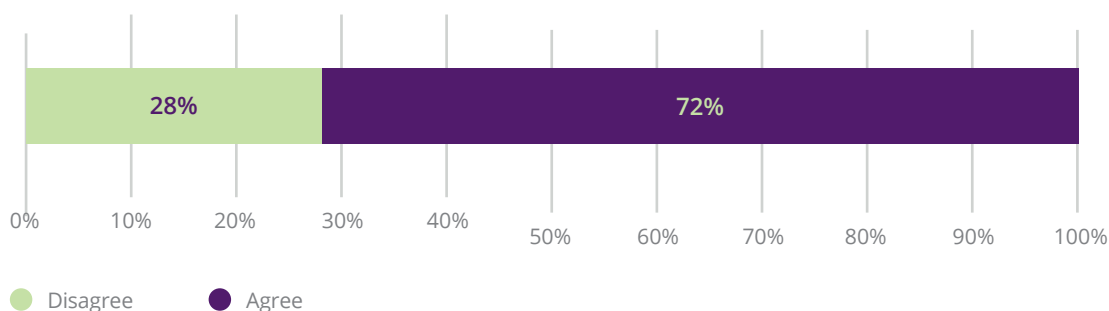


Figure 14 – My teams are already very diverse

When it comes to talent management, no other topic appeared timelier than the topic of diversity. While leaders and organizations seem to be making an effort to diversify their work force, particularly when it comes to leadership roles, many questions remain unanswered. In the words of Bernardo M. Ferman<sup>82</sup>: *"To be more inclusive, should I treat everyone the same or treat different individuals differently? To be more inclusive should I focus on our commonalities or should I highlight our differences? To be inclusive should I group people according to their common identities and interests, or should I mix groups up?"*

Such is the nature of inclusion, that one only feels fully included when connected to the larger collective, but at the same time preserves his/her own individual uniqueness<sup>83</sup>. Organizational diversity and inclusion, as paradoxically as it may seem, means allowing individuals to be fully-fledged members of the whole, while fostering and valuing everything that differentiates them from the whole.

<sup>82</sup> (Ferdman, 2017)

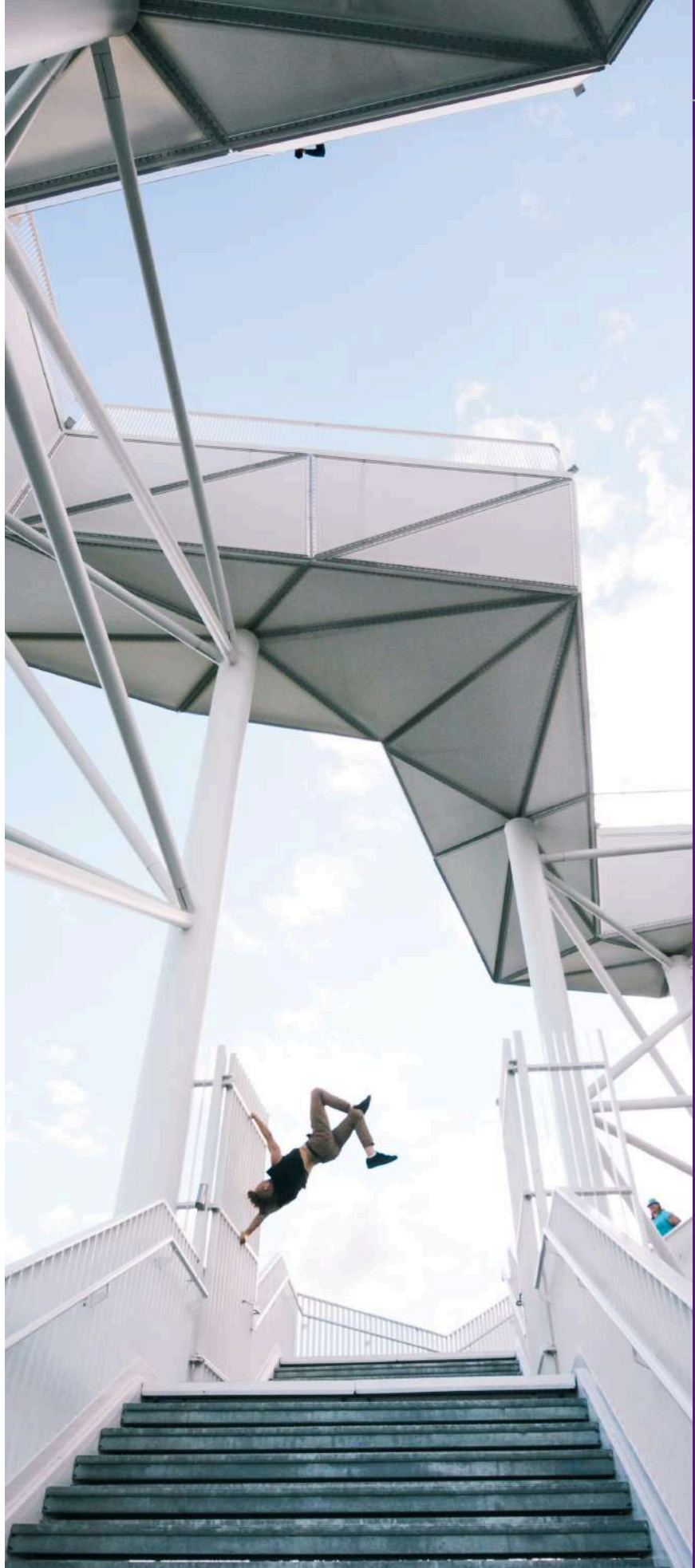
<sup>83</sup> (Ferdman and Deane, 2013)

## Talent management challenges

As one might surmise, all our interviewees recognized the importance of diversity in their organizations, but only a few explored in our conversation the challenges and headaches this represented. In one interview diversity was framed as a great advantage, but also a major headache. The leader saw the virtues of having multiple different identities in teams but confessed to being unable to keep everyone satisfied all the time. And there was no easy-to-apply, one-size-fits-all solution to this.

While diversity brings in new and different opinions and skills, it needs to be managed carefully. Leaders need to refuse all bigotry and at the same time avoid falling into a bland creative void of over-cautious social correctness. And this balance is a hard one to attain. Organizations that are successful in creating a sense of inclusion are those in which appropriate boundaries of identity are still present, but where these boundaries are also suitably permeable as to allow a sense of membership and common purpose<sup>84</sup> - where each of these identities hold on to their own needs, backgrounds, and goals, but ultimately seek to contribute to the success of the whole.

<sup>84</sup> (Nishii, 2013)



# A few final takeaways

- Nurturing talent is a top concern for leaders. However, some leaders reflected on the difficulties of challenging employees to get out of their comfort zone. Allowing employees to have more time and placement flexibility can be key to get more employees on board.
- Leaders continue to invest in education even as it becomes an increasingly riskier investment because of constant contextual and societal change. Investing in the self is still a priority.
- Interviewed leaders reflected on the dilemma between having to become a specialist in any given field or choosing to become a generalist. Our interviewees tend to opt not to pigeonhole themselves to any particular skill, but instead embrace the hard challenge of having to be very good at a large number of tasks.
- The new generation's mindset is often in conflict with the organizational and leader's needs. Many of the interviewed leaders reported struggling to retain young talent in their organizations. The importance of individual and personalized career plans early on and a well communicated purpose statement were some of the solutions proposed for this issue.
- Leaders admire their younger employees' commitment to social and environmental issues, but this is also a source of headache. Organizations are being challenged to give younger employees more control at earlier stages of their career or giving them jobs with more evident social purpose, otherwise they risk losing them earlier on.
- Entrepreneurial profiles are in high demand as current leaders seek to prepare future leading generations to eventually replace them. However, these entrepreneurial profiles imply even greater risks for employers, as potential entrepreneurs are easily tempted to create their own venture or embrace other outside opportunities if they are not given a clear path for growth.
- Besides strong technical knowledge, qualities such as adaptability, ethics, strategic vision and curiosity are some of the highlighted talent traits leaders are looking for in a new generation. Furthermore, these potential leaders need to have strong technical abilities but also the humility to ask for help and identify their own weaknesses, as surrounding oneself with a strong team is key for success.
- Fostering diversity in the organization is a forefront issue on the mind of the interviewed leaders. Diversity is with no doubt an advantage, but it is potentially emotionally taxing for teams.







# Digital challenges

The digital leader is here to stay. One could almost dare to say that living digitally is news from the past. For the LO interviewees, it is not any different: they all were able to reflect on the challenges and opportunities of living and taking on the digital age in their organizations. Given the nature of the group interviewed, we had some leaders who were already born as “digital natives”, while others admitted needing to make deliberate efforts not to become outdated in their knowledge.

All the interviewed leaders reflected on the changing role of the leader, as they must adapt to new tools and means of organizing and communicating. Accordingly, there is no doubt, in any of their minds, about the growing importance of such digital tools and processes. However, the effects this will have on leadership roles is not as clear and once this discussion was prompted, some uncertainty came up.

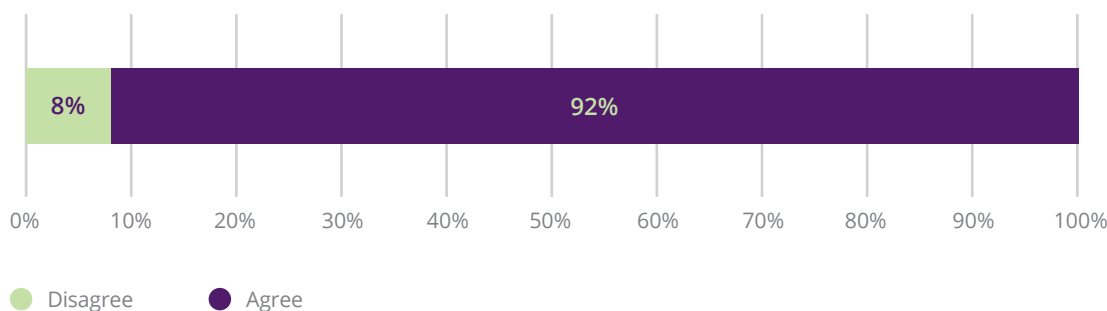
For most, if anything, soft skills and emotional intelligence are becoming increasingly important, if not for anything else, as a counterbalance to the “coldness” of data and machinery.

For others, technology is at the core of what they do, thus, they do not perceive digital transformation as a challenge, but more as a wave they need to surf.

Finally, when asked if they felt digitally capable and updated, almost all (92%) agreed to some degree. However, it also became apparent that, while some leaders had reflected deeply on these technological challenges, many had no time to mature and ponder such tensions. This perhaps explains the reduced number of tensions we were able to capture during our interviews. It is possibly a sign of how many of these leaders were “rushed” into leadership in the digital age without much opportunity for due reflection on the topic.

In this chapter we will look at the consequences of this digital transformation, its effects on leadership, skill replaceability, and transformation.

### I feel digitally capable and updated on the technological tools that support my job.



**Figure 15** – I feel digitally capable and updated



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# A digital paradigm shift

## TURNING LEAD TO GOLD

**“Inevitably we are going through a paradigm shift. Many people will work less, and machines will work more. There will not be enough work for people. But that is not necessarily a bad thing. People might be able to have a better quality of life. They might have time to go to museums, art, to breathe to spend time with kids and family.”<sup>x</sup>**

As we spoke with our interviewees about digital transformation in business, most of them expressed mixed, and even conflicting feelings toward its effect on the job market. On one hand, almost all expressed significant worries regarding the future. On the other hand, the great majority tended to see digital change in a positive light. When topics like automation surfaced in our conversations, most leaders expressed serious concerns for job loss and in interviews, the leaders spoke in great detail about their worries regarding those whose roles require less academic preparation (security guard and front-desk jobs were mentioned, for example). The worry related to the question of *“how can we use technology to make these workers’ lives more productive, more interesting and fruitful?”*. Their answer resided on the already mentioned need for continued upskilling and training.

Furthermore, a few interviewees expressed remarkably conflicting opinions regarding this topic. While still expressing serious concern, they opted to also speak about the opportunity that this transformation represented.

In fact, one of the leaders was particularly optimistic as to what the future holds in this area. Yes, automation may have been putting many job positions at risk and subsequently, a significant number of people under pressure to find other alternatives. However, this phenomenon also represented an opportunity to improve workers’ lives. By being less occupied with work, one could hypothetically engage in more culturally enriching activities, have more time to spend with family and live a less worrisome life. This leader remarked that in their own firm they were producing and selling very sophisticated machinery, and that for each machine out in the market, an average of 4 to 5 people could potentially lose their job – reinforcing the sense of urgency of this challenge. Interestingly, s/he finished by explaining the opportunity s/he saw in taxing machines, as one way of financing such societal shift and prevent the replacement of workers by robots.

## I WANT ALL THE INFORMATION I CAN GET... IF I CAN MANAGE IT...

**“One of the great challenges is going to be how we can survive with such an amount of information and knowledge. So, I’m going to need criteria on how to decide. This decision-making process involves a discerning process that depends a lot more on people’s personal references and values”<sup>z</sup>**

Another challenge mentioned by interviewees relates to the amount of data some of them are faced with daily, and their (un)preparation to deal with it.

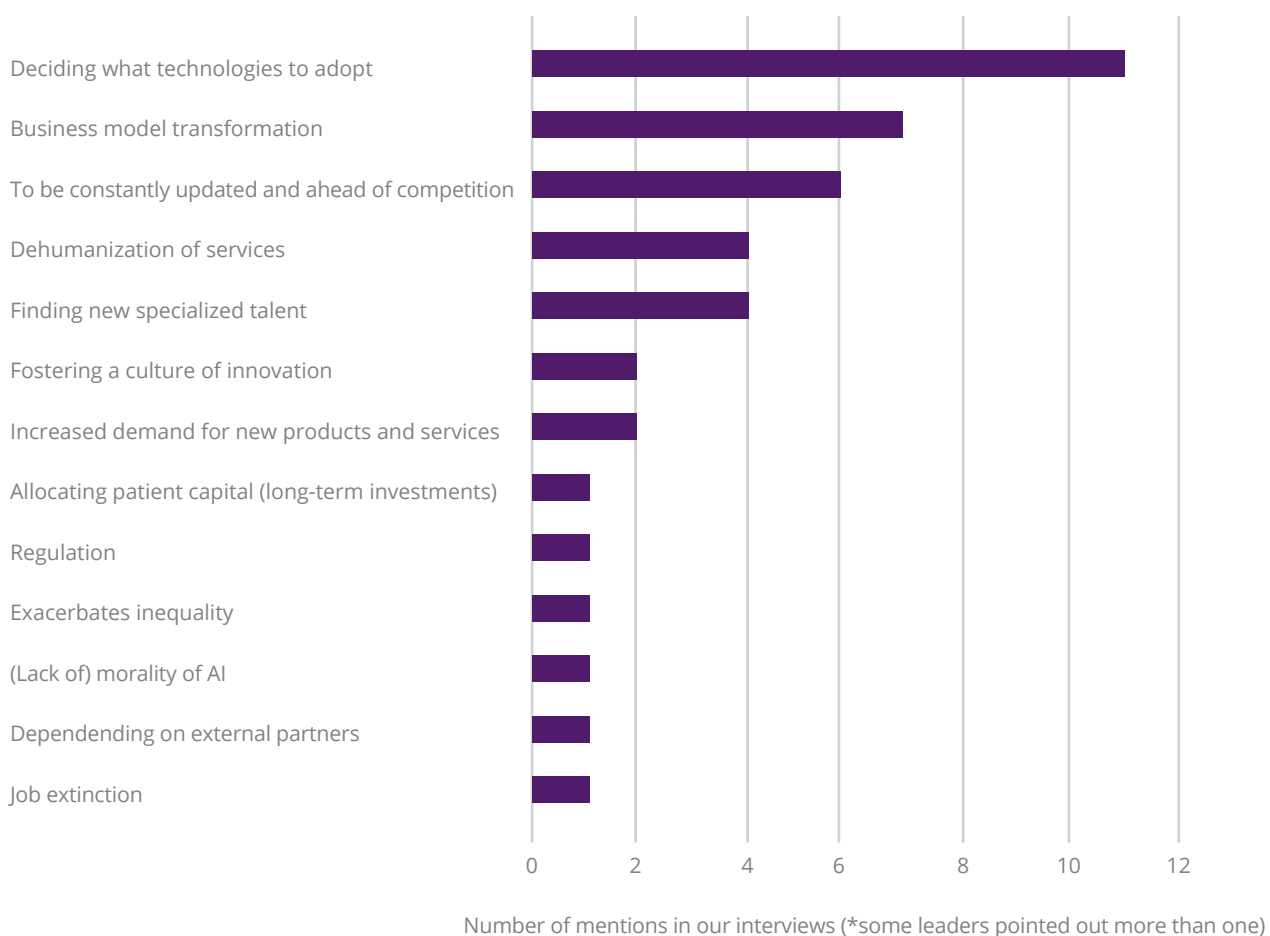
Data have become the most valuable resource in the business world<sup>85</sup>, and most decisions now require leaders to do some sort of “mining” and analysis of data. While the benefits of having access to data can be evident, the consequences of such dependence on data are less explored.

Most of the leaders we spoke to already have strong supporting teams that do most of the heavy lifting of collecting and treating data. Consequently, their job is increasingly dependent on their analysis capacity and on discerning mental processes that, some said, can be as painful as the actual mining of data.

Additionally, leaders reflected on the time they now need to “digest” this ongoing wave of information.

Perhaps not surprisingly, some of the leaders we talked to believe their roles now require them to rely more on personal values and on their own life experience. For many, the current challenge is navigating the sheer amount of information they receive and using less tangible leadership assets (e.g. intuition was mentioned) to discern what data to use and what data to exclude from their decision-making processes.

### Main challenges posed by emerging technologies



**Figure 16** – Main challenges posed by emerging technologies

<sup>85</sup> (The Economist, 2017)



## THE (IR)REPLACEABLE HUMAN?

"Machines may be able to do everything in life. But they lack intuition. They may be able to make decisions. But it's a weird decision (...) Well, when someone is telling me about some sort of business transaction or operation, in 10 seconds, I can see if it's a "Yes" or "No". I don't think there will ever be a computer capable of doing that."<sup>AA</sup>

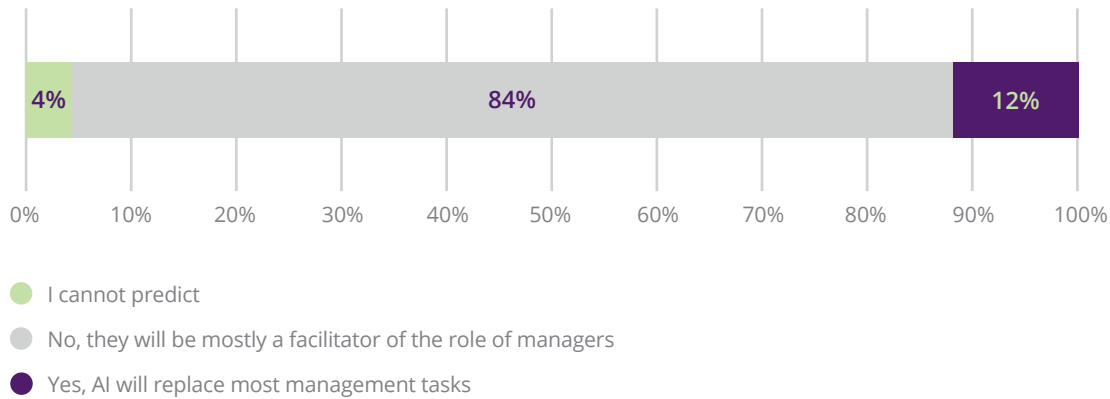
When asked to reflect on the potential of artificial intelligence (AI) and Automation, and their potential threat toward leadership positions, only a small minority of leaders considered that their functions could eventually be replaced by such technology. Most of the leaders imagined, however, many of their more technical and repetitive tasks disappearing in the near future.

However, they also highlighted many other functions in which they could not imagine being replaced, even in a distant future. Some of these irreplaceable tasks, as mentioned by our leaders, included: the definition of external partnerships and final decisions over M&A, strategic stakeholder negotiation or upper management hiring decisions.

Indeed, as further assessed in our interviews, almost half of the leaders already had in place many tailor-made algorithms and data-analysis systems that informed their decision-making and, thus, functioned as facilitators. Notwithstanding the importance of digital however, the final ruling always rested in the hands of the Human decision-makers.



### Will Artificial Intelligence and automation replace the role of managers?



**Figure 17** – Can artificial intelligence replace leaders?

In fact, the majority of our interviewees agreed that the role of Human leaders would become even more important with the rise of AI and Automation, and highlighted that aspects such as people management and mentoring skills, as well as the inspirational dimension of leadership positions, would be extremely difficult to replicate by any machine.



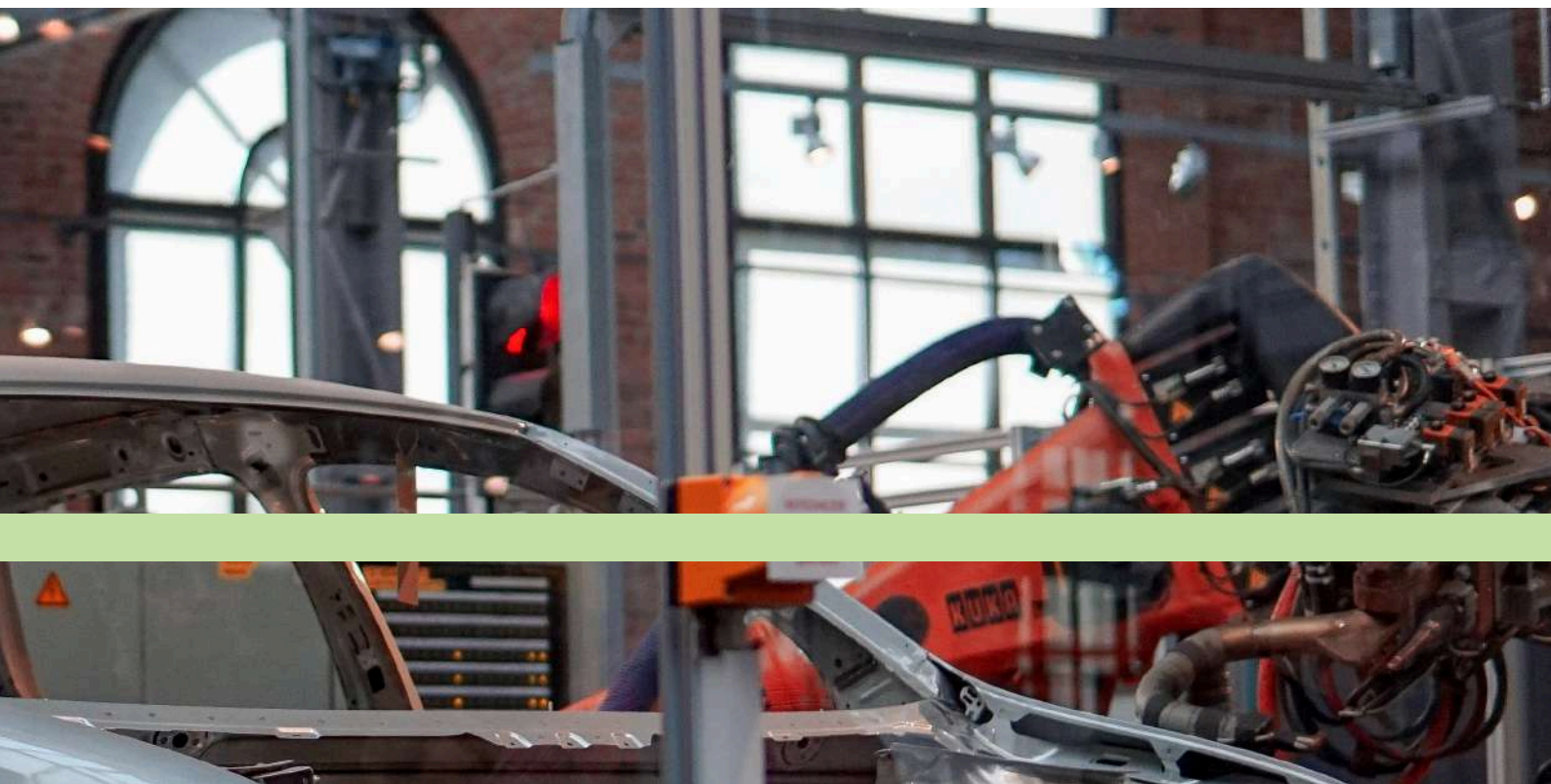
## **“COLD” TECHNOLOGY BEGETS “WARM” HUMANITY?**

“Another challenge we face is how can we bring more technology into the business, without making every single person working here disappear? How can I make sure that all these people are being used in other functions? How can I move from someone that is now doing something mundane to, all of a sudden, this person can host clients in a differentiated way? With more time and quality?”<sup>BB</sup>

Under this topic of incorporating technology in all the activities of organizations, we kept finding leaders who were very enthusiastic with the different ways this was allowing them to change their firm, and to make them more human.

In one instance, a leader working in the health sector perceived Automation as a great opportunity to convert some of the workforce assigned to administrative roles into hospitality/caring roles. The end-user/client experience could be enhanced, as Automation would free up resources that could be used in nurturing functions, rather than bureaucratic ones.

It is again curious how some of the interviewees framed the use of technology in their organizations – often seen as something heartless and cold – as a possibility of adding some humanity to their businesses.



### OPPORTUNITY AT A COST

**“The main challenge is that what today is considered frontrunner technology, tomorrow is already outdated. At the same time we have to be able to invest today in something that may only in two years’ time be at the top.”\*\*CC**

When it comes to being digitally up to date, we noticed an interesting struggle expressed by one of our leaders. On one hand, they need to make investments and commit substantial resources today to keep up or move ahead of competition. At the same time, there is an underlying risk (sometimes fear!) that such commitment might be in vain, simply because of the speed at which technology is moving today.

One leader recalled during our interview the “supposedly simple” decision over what accounting system to invest in. Admittedly, this leader says, the decision came down to a punt, a sort of shot in the dark. A decision obviously done to the best of the leader’s knowledge, but nonetheless a risk. An additional comment was made concerning the significant effort one needed to make just to keep up with all the developments in software. At the same time, not making any decision constituted an even bigger risk than the one of becoming outdated or being outmaneuvered by competition. Thus, it came down to a risk s/he had to take.

### HOSTAGE OF TECHNOLOGICAL PARTNERS?

**“One of our challenges is and will keep being, the reliance we have to have on external suppliers that control technologies that may affect our core business. This puts us in a very uncomfortable situation of possibly having to deal with blackmail or even theft... we might be creating a situation in which we become hostages of third-parties.”\*\*DD**

The considerable reliance on data and in digital information systems requires leaders to make important decisions relating to the acquisition and internalization of such technologies, or the need to hire and rely on third parties to provide such services for them.

In most of the firms we visited, because their core activity was not in the technology field, per se, the reliance on third parties to provide such specialized services was at times cause of significant concern. In one of our conversations the leader expressed fear of becoming increasingly dependent on these suppliers, to the point that their disappearance from market or even deliberate malpractice could represent tremendous costs to the firm.

This leader acknowledged a heavy dependency on a backdrop of technologically savvy partner-firms but complained that s/he did so reluctantly and with major reservations. In his/her view, the entire organization was at the mercy of the whims of the “owners of knowledge”, leaving the firm in a risky position from which it could not escape. On one hand, they needed these third parties if they wanted to grow and be at the cutting-edge, but at the same time this meant risking their data safety and potentially having to negotiate over access to their own (and their clients’) information.





### BEING SLOW TO BECOME FAST

“R – What challenges do you face when it comes to emerging digital technologies?”

L – In our case we are in a process where all technologies are helping. All scaling processes are being digitalized. But because we are growing so fast, we have many manual tasks that are still slow.”<sup>EE</sup>

Another notable tension felt by leaders is related to the speed at which they are required to transform their business. It is interesting to see that in order to become faster, many of the organizations we visit are going through arduous times when it comes to changing processes and tools.

In one instance the leader of a major tech company in Portugal remarked that even they, who theoretically would be in a favorable position to take on these transformations, were struggling to keep up. For them, becoming more digital required a strong investment of resources and especially time, which meant that some parts of the business were actually slower than ever, as a significant part of their time was spent in implementation and digitalization of processes. Regardless of this momentaneous slow-moving pace, these moments were framed by the leader as crucial to the firm’s ongoing transformation, opening the way for significant time-savings in the long run.



# A few final takeaways

- Interviewed leaders see digitalization primarily as an opportunity rather than a threat. Some believe that people will work less, and machines will work more, and that this should be used to improve the quality of life of workers.
- Artificial Intelligence and automation are believed to work mainly as facilitators of the job and will replace mostly technical dimensions of the managerial role. Some argue that the “cold technology” might give businesses the time and opportunity to invest more in nurturing “warm” functions.
- Most leaders agree that digital disruptions are unlikely to replace the leader’s position, namely in dimensions that relate to the management of people and deal-making and deal-breaking. If anything, technology is seen as a tool that will allow organizations to value human connections even more.
- Nowadays, a major part of any leader’s job is managing the sheer amount of information they receive. Leadership is becoming more about discerning what is important and what is not, and to that end some leaders mention the growing importance of innate and intangible skills like intuition.
- With technological conversion comes a dependency that is seen by some leaders as a serious risk. Depending on technology puts organizations on the edge of the knife when it comes to staying updated and competitive, while depending on expert third parties to do the technological heavy lifting. Some leaders fear becoming “hostage” to these technological third parties.
- Businesses in transition are going through an interesting period of slow transformation, as many resources and time go into the conversion of analog-to-digital. Because of this some organizations are growing slower at the moment, in hopes that when the transition is complete, they will be more prepared and become faster.







# Work-life balance challenges

## Work-life balance challenges

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The main criterion for choosing our group of leaders to interview was their ability to perform in the more conventional sense of the business world, while at the same time prioritizing the advancement of society and its progress. In choosing such a group, one question surfaced regarding their ability to also manage a balance between their personal life and their work life.

What we found with our interviews is that the struggles these leaders face are perhaps not very different from the struggles of any other leader. All of them expressed, at least at some point in their career, finding it difficult to manage this work-life balance. At the same time, most of the more tenured interviewees explained that this balance had become much easier to achieve as they gained more experience.

Those that expressed having achieved such a balance spoke of the importance of delegating or giving up some of their need for control and finding a balance, *“a perfect marriage between personal life and business”*, one said. Still others found ways to rationalize their time spent at work, framing it as a hobby itself or as something they took pleasure in doing, so much so, that they felt no need for any complementary activity.

In sum, in this chapter we look at the ways these leaders manage the (sometimes uncomfortable) balance between their private/family life and work. We look at how taking a step back might help them find serendipity and even how being surrounded by too many people can make some feel lonelier than ever.





# Managing balance (or the lack of it)

## COMFORT IN BEING UNCOMFORTABLE

**"I think work-life balance is not an objective balance and is certainly not the same to all people. Therefore, I don't measure it in hours... and it's not a matter of "quality-time", it's not that... It's more a logic of being in balance with myself and with my family."<sup>86</sup>**

Many of the leaders we interviewed candidly spoke of how they are self-diagnosed "workaholics". And for all of them success came only at the expense of countless hours of dedication and living and breathing their business ventures.

It is then conceivable that most of them made business decisions that affected irredeemably their own personal lives. This being said, when talking about their own work-life balance, a large majority (84%) of interviewees spoke of being able to achieve a personal sense of balance. In fact, what others might consider an imbalanced life was rationalized by these leaders as their "own personal balance".

<sup>86</sup> (Waldman and Bowen, 2016)

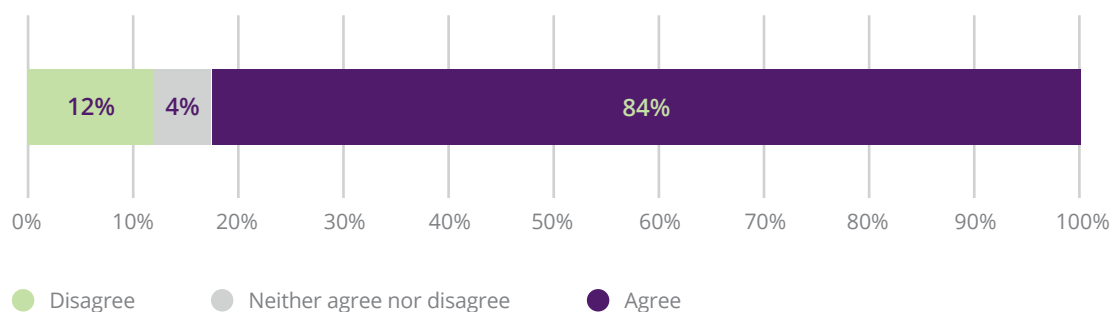
<sup>87</sup> (Smith, 2018)

On one occasion, as expressed in the adjoining quote, the leader had stopped valuing the number of hours of personal time, or even the quality of such time. Instead, the rationale was that if both s/he and the family were in balance with each other, there was no need to have a specific time-allocation for personal/family matters. In other words, if there was a fundamental and mutual understanding between the leader and the family, this itself would suffice for all parties involved.

However, such a strategy is not without risks. Certainly, the willingness to be comfortable in dealing with contradictory demands is one of the underlying characteristics of a paradox-savvy leader<sup>86,87</sup>. It allows the leader to hold on to contradictory answers to unsolvable problems and can be an extremely useful rationalization mechanism.

Nevertheless, there is a risk that this state of comfort will blind the leader. The risk resides in creating an illusion of balance and letting the pendulum swing too far in favor of one side. As in any paradoxical tension, this one requires of the leader's constant adjustments and is never a finished task.

**I have found a good balance between my professional and personal life.**



**Figure 18** – I have found a good balance between my professional and personal lives



## THE JOB AS A HOBBY?

**"I like to work. I have fun working and feel no need for any big hobbies. What I really like is working. I feel no need to ride a bike, go to gym, play paddle. So, what I really like is working."**<sup>88</sup>

In a way connected with this, we found that several of our interviewed leaders had a very distinct view of work. While most were able to point out at least one significant hobby (a sport, for example) there were some instances in which the leader considered his/her work to be enough. For these leaders, blurring the line between work and personal time was something they enjoyed. In one instance, the interviewed leader said s/he felt a need to permanently work, even during free time. The difference was that s/he preferred doing so in different capacities and in different forums, like the community center, the Church, or the municipality.

This being said, a word of caution to the reader, as this blurring of lines can sometimes be the reflection of an inability to "disconnect". This in turn can signal an imbalance of priorities, whereby deep personal and family time is relegated to the background.

Framing every activity as "work" seems like an effective way to trick oneself into a sense of control, but this permanent need for control may not always be conducive to serendipity – the making of happy and unexpected discoveries by accident.

Indeed, in an interesting 2008 article Professor Abigail McBirnie<sup>88</sup> arrives at the conclusion that, in seeking serendipity, one must be *"willing to relinquish its love of control, embracing instead the opportunity to act in the unpredictable dynamic environment"*.

In other words, allowing oneself to let go of some control from time to time may prompt unexpected, unintended, but also happy discoveries along the way.

## (DIS)COMFORT IN TAKING A STEP BACK?

**"Before I was almost ashamed of talking about this... For 10 years I lived in my office. My companies had a suite for me to spend the night. Now I have changed. I have reached a comfort level that has allowed me to manage the personal and business sides with lots of satisfaction. That is why now I am more in the background, in strategy."** <sup>89</sup>

Herb Kelleher, founder and CEO of Southwest Airlines, when asked about his management style, famously said: *"I never had control, and I never wanted it."*<sup>89</sup>

<sup>88</sup> (McBirnie, 2008)

<sup>89</sup> (Waldman and Bowen, 2016)



The interesting point behind this quote is that Kelleher was in fact viewed as a very successful leader and very much in control of the destiny of his company, while strongly emphasizing the importance of delegation and empowerment. In a paradoxical way he realized that to attain control, one had to be very good at giving up control to others<sup>90</sup>.

On the topic of control, we found that almost half of our leaders (48%) agreed to some degree that their days never went as they planned, while almost a third (32%) disagreed to some degree with this statement. Indeed, more tenured leaders spoke about being more comfortable with not always needing to be in control, and how time and experience had allowed them to take more of a backseat in the management of their organizations.

<sup>90</sup> (Fredberg, 2014)

<sup>91</sup> (Semler, 1989)

It was this maturity or a comfort level in their job that allowed them to take a step back from everyday operations and embrace a more long-term oriented, strategic role.

To this purpose, while some leaders recognize the importance of having their presence felt across the entire organization, they also recognize the importance of staying away<sup>90</sup>. To some, this might mean having in place a solid second line of empowered managers and leaders that can manage the more operational side of business. To others, this might mean having in place a few solid control systems instead<sup>91</sup> (over financial outputs, for example), that allows them to be laxer regarding the more day-to-day side of the organization's management.

### My day never goes as planned.

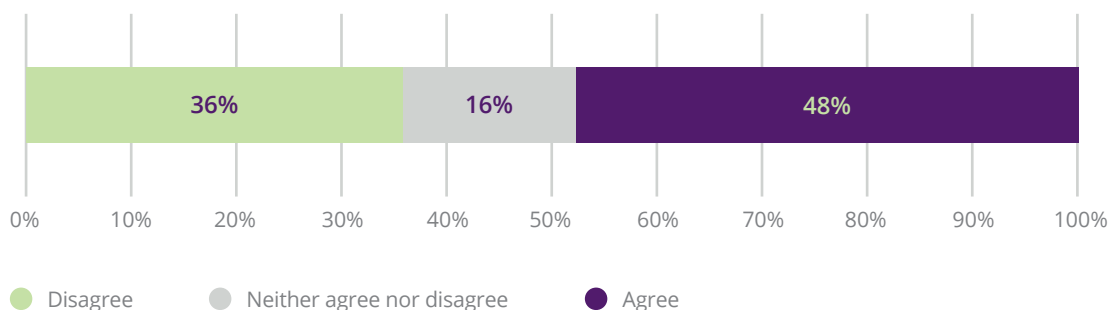


Figure 19 – My day never goes as planned



### SOMETHING'S GOT TO GIVE!?

**"I learned that, if at the end of my life I want to have family or friends by my side, it is not possible to do everything at the same time. It is not possible to dedicate myself to my interests, to all the contents I would like to watch or read and at the same time have my family by my side. So, I learned to compromise... having balance in personal and professional life has a lot to do with being willing to compromise."\***<sup>92</sup>

A common thread throughout most of our interviews was the push-and-pull of competing demands between a personal/family time and work. When it came to their personal time, we saw many instances in which leaders admitted having, at some point in their careers, acceded to the demands of the job in detriment to important relationships (e.g. parent-child relationships)

Some leaders expressed feeling the need to attend to too many demands, and in this effort, they risked overreaching in all directions.

What we saw from those who affirmed having reached a solid work-life balance, was that they tended to speak of their ability to compromise - the ability to, throughout their life, say "no" to some things and to define and redefine priorities, as needed. Some of them reflected pragmatically during our interviews that, given the chance to go back in time, they would have done things differently. One of our leaders declared: *"What I learned from all these years was that I shouldn't have done it this way."*

*Today I don't ask any of my young employees, hoping to grow within the company, to separate from their family. And I did that twice! No... I tell them: You have to be able to find solutions and do these two things at the same time!"*

This need to compromise and accept the paradoxical tension is the first step to successfully navigate it. A paradoxical resolution proposes that one can purposefully move between alternatives in order to ensure simultaneous attention to both of them over time<sup>92</sup>. Leaders can consider shifting from intense work commitments to focusing on family demands and at times even find ways to link work and family in synergistic ways that further both purposes<sup>ibid</sup>.

### THE SOLITUDE OF THE CROWD

**"It's commonplace to hear that this is a very lonely job, being a leader. But I haven't figured out in what way. I spend my day from 9.00am, whatever time I spend here, constantly in meetings with people. Or in coffee breaks, lunches, conferences, prizes or dinners with clients. I have no time for myself."\***<sup>93</sup>

The position of a leader has long been associated with solitude, as it is the nature of the leader to create a separate and distinctive identity that separates him/her from the environment<sup>93</sup>. The concept of "Loneliness of Command" has also been explored in literature, since being at the top of an organization can elicit feelings of loneliness and disconnectedness, which in turn have been associated with a higher degree of morbidity and mortality<sup>94</sup>.

<sup>92</sup> (Smith and Lewis, 2011)

<sup>93</sup> (Zaleznik, 2004)

<sup>94</sup> (Quick, Cooper and Quick, 2000)







## Work-life balance challenges

Given this common diagnosis, we were surprised to hear during our interviews a leader expressing frustration over constantly being accompanied by people. The leader felt as if, from the moment s/he had been assigned that role, s/he had been in a non-stop roller-coaster of meetings and events, with very little time to be alone. This was, as explained by the interviewee, interfering with productivity and with the capacity to be “in the moment”. In other words, by being in this spiral of constant human contact, the leader felt as if s/he was losing touch with reality.

As we reflected on this experience, we concluded that in many ways the leader was experiencing symptoms very similar to those experienced by leaders who report feeling lonely. Paradoxically, being in this constant bustle of human interaction was not giving the leader the necessary time to foster a work environment conducive to bonds of friendship and social intimacy<sup>95</sup>. This can be framed, not as loneliness, but rather as a kind of social isolation that affects those at the very top of organizations, as the crowd can, at times, be a very lonely place.

<sup>95</sup> (Rokach, 2014)





# A few final takeaways

- Most of the interviewed leaders claim to have found a good balance between their professional and personal lives. However, throughout the conversations this seems to have more to do with their own perception of balance than anything else.
- Even though many of the interviewees claim to take pleasure in working, perceiving their job as a hobby or fun, this might however signal a continued imbalance that leaders should be aware of. Giving themselves the time and space to step back from time to time can be incredibly profitable and help leaders regain perspective and control over their work and private lives.
- The more tenured leaders we interviewed spoke candidly about the importance of taking a step back and learning how to delegate, even though this could imply a certain sense of lost control. Sometimes, it is by giving up seeking this control, that you can actually attain it.
- There is something very paradoxical about the way leaders view their social lives. Some leaders claim that because they are constantly meeting and engaging with different people, they lack the time to actually foster bonds of friendship and social intimacy. The permanent bombardment of social stimulation can, paradoxically, make the leadership role feel like a very lonely place.





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Géographie de Vialatte - De l'Auvergne à la Rhénanie  
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# Translated Quotes Index

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**Quote A** - “[O ambiente?] ...Damos baby steps, mas tudo o que podemos fazer, fazemos.”

**Quote B** - “Nos dias de hoje é tudo uma velocidade... E o que hoje no nosso Grupo é o contrário. É tudo feito com muita velocidade, mas muita calma.”

**Quote C** - “Eu pego na mudança para transformar num lucro. De uma coisa má... Gosto de espremer a coisa má e transformar em positiva. Eu até gosto destas coisas (as mudanças), mas como um desafio!”

**Quote D** - “Estar bem financeiramente ajuda a tomar decisões. E isso pode ter como consequência ter de abrandar um bocadinho crescimento para não pôr em causa a parte financeira.”

**Quote E** - “Quando eu cheguei a Portugal eu deparei-me com uma situação que francamente me deixou surpreendido. Vejo estruturas muito pesadas, muito burocráticas, muito lentas, muito tradicionalistas ou tradicionais, muito hierarquizadas, que sufocam a criatividade, e consequentemente sufocam a competitividade das empresas e a possibilidade criação de valor real.”

**Quote F** - “E aqui na (organização X) nós queremos muito uma filosofia scale-up, start-up. Para voltar a faturar aquilo que faturámos antes da crise. Temos este desafio. E depois temos este lado startup... queremos estar sempre ahead of the game. Ter espírito de startup dentro do gigante mundial e em Portugal.”

**Quote G** - “O nosso negócio é vender natureza, e por isso todas as opções que podem ser tomadas em função do respeito à natureza, cada opção pequena que nós tomamos, tentamos orientar para isso. Sendo que há muitas limitações para a empresa.

**Quote H** - “(O desafio é) como é que mantemos aqui um ecossistema de humanidade, de proximidade, de justiça, num contexto de uma enorme pressão pela performance, de uma enorme pressão competitiva.”

**Quote I** - “A empresa tem um papel fundamental no desenvolvimento de uma agenda de construção da comunidade e isso é uma responsabilidade de cada um.”

**Quote J** - “As empresas familiares (...) são empresas que têm estabilidade acionista e, têm tendência a ter essa noção de responsabilidade mais longa. Agora se eu tenho modelos (governativos) muito imediatistas, de curto-prazo, quem cá ficar, depois no outro mandato que resolva o assunto, não é? A partir do momento em que se separou o poder do capital do poder executivo, o poder executivo levou longe demais aquilo que é o seu poder para auto-remunerar.”

**Quote K** - “Num país como Portugal, eu tenho um desafio: Tenho muitas pessoas que não querem ir para fora. E eu por mais que seja uma empresa grande ou média, não consigo oferecer uma carreira muito interessante se a pessoa nunca sair daqui. Às vezes nem que seja sair da (organização X) e depois voltar. Para ter experiências mais enriquecedoras. Conseguimos agora pela primeira vez que uma pessoa fosse para fora.”



**Quote L** – “R – Que desafios identifica no que diz respeito à gestão do Talento?

L – Os principais desafios... é conseguir que uma pessoa quando entra numa área nova... tem um processo de treino e de enablement. O mais rápido possível. Isto é difícil de fazer numa empresa que está sempre a mudar.”

**Quote M** – “Eu percebo as vantagens económicas da especialização. Eu não vejo é que a especialização seja boa para aquilo que é o carácter individual, inerente ou característico da pessoa humana. Ou seja, quanto mais especializado alguém é, menos livre é. Porque fica apenas com a competência, ou lhe é reconhecida a competência, de manejo ou utilização de uma ferramenta muito específica. E assim é afastado de outra.”

**Quote N** – “Na minha geração ainda há muito aquilo que víamos na geração dos nossos pais que é um emprego para a vida e depois, esteja bem ou esteja mal, continua ali... Eu também sou um bocadinho crítico/a em relação ao contrário, que é a pessoa à mínima coisa ‘ah já não estou motivado’.”

**Quote O** – “Eu costumo sempre dizer que o impacto que eu tenho hoje na comunidade só o tenho porque fiz a carreira que fiz. Ou seja, eu tenho muito mais impacto porque fiz uma carreira do que teria se eu tivesse aos 22 anos entrado logo num caminho de contribuir.”

**Quote P** – “Muitos dos licenciados, com 23, 24, 25 anos chegam aqui e passaram a vida deles a ouvirem que “tens de seguir o teu sonho”. Eu acho isso tudo fantástico, mas eles depois chegam aqui e ao fim de 6 meses dizem “ah, mas eu agora queria mudar. Eu tinha a expectativa de estar já a fazer coisas que fazem a diferença!”. Fantástico, mas ouça...”. “Então vou para outro sítio”. A melhor hipótese é que noutra sítio vai ter uma frustração outra vez.”

**Quote Q** – “Há pessoas aqui que em dois ou três anos querem mudar de empresa e conseguir ir para o outro lugar... ou seja é preciso dar-lhes muita responsabilidade aqui dentro. Ou a pessoa vai sair. É preciso saber acompanhar as pessoas. Estar muito perto e ter feedback constante. Aquilo que elas querem tem de ser bom para elas. Se não for bom para elas, não será bom para a empresa.”

**Quote R** – “R – Que características procuram no recrutamento de um líder?  
L – Difícil... muito difícil... eu diria que até deve ser quase impossível não serem formados aqui dentro. Primeiro porque são perfis empreendedores... E porque perfis empreendedores, depois de terem uma primeira experiência por vezes até criam os seus próprios negócios.”

**Quote S** – “Uma das coisas mais difíceis (para mim), principalmente porque eu sou muito perfeccionista... foi quando comecei a gerir pessoas a grande tentação que eu tinha era de fazer por eles... Porque não está ainda perfeito, mas eu já não tenho coragem de pedir mais, por isso vou fazer eu. Hoje sei que tem de ser diferente. Ter paciência, exigência suficiente para dar espaço, espaço o erro, pôr pessoa confortável.”

**Quote T** – “R – Quais as características mais importantes num líder?

L – Então, eu acho que a parte da solidez do conteúdo técnico é muito importante. Pegar num tema, num problema, analisá-lo, dividi-lo, discutir com as outras pessoas, ou seja, pessoas que consigam de facto concretizar. Portanto, não têm de saber tudo, mas têm de saber agarrar nas questões, seja lá quais forem, e depois têm de saber pedir ajuda quando precisam.”

**Quote U** – “R – Como é que prepara (os líderes)?

L – Com desafios. Ou seja, no início trabalham um bocado comigo. Com algumas decisões em stress. Decisões do momento. E depois também ter pessoas que têm intuição.”

**Quote V** – “Mas este é um desafio. Os líderes têm de ter a capacidade, a inteligência emocional, para saber lidar com todos. É uma dor de cabeça na hora de gerir, mas é uma mais valia muito grande (...) Portanto acho que os líderes atuais, muitos estão a sofrer porque não têm a capacidade de trabalhar com toda a gente. O desafio é encaixar estas mentalidades na mesma equipa e garantir que eles se respeitam mutuamente.”

**Quote X** – “Inevitavelmente estamos a viver a mudança do paradigma. Muitas pessoas vão trabalhar menos e as máquinas vão trabalhar mais. Não vai haver trabalho para as pessoas. Mas isso não é uma coisa necessariamente má. Isto é, as pessoas podem ter mais qualidade de vida. Podem ter tempo para ver museus, para arte, para respirar, para estar com os filhos e família. Não vão trabalhar 5 dias por semana. Vão trabalhar três ou quatro. Há uma grande oportunidade de perceber que as máquinas podem ser tributadas para o sistema social funcionar.”

**Quote Z** – “Um dos grandes desafios que o digital vai trazer é, por um lado, como é que eu vou sobreviver em tanta informação e tanto conhecimento e vou encontrar o que eu quero. Portanto, eu vou ter de ter critérios por onde eu vou decidir. É um processo de discernimento, e o discernimento tem uma dimensão de valores e de referências pessoais muito maior do que um processo de decisão.”

**Quote AA** – “As máquinas podem fazer tudo na vida. Mas elas não têm intuição. Podem ter tomada de decisão. Mas é uma decisão esquisita. (...) Bem, em 10 segundos quando me explicam um negócio ou uma operação... Eu vejo logo, sim ou não. Não acredito que alguma vez haja um computador no mundo que fosse capaz disso.”

**Quote BB** – “Outro desafio é que eu trago a tecnologia sem desaparecerem as pessoas todas que aqui trabalham? Como é que eu consigo que essas pessoas possam ser utilizadas noutras coisas, noutras funções? Como é que eu passo de alguém que tem a tal função rotineira para alguém que, de repente, pode estar a acolher de outra forma diferenciada, com mais tempo e qualidade?”

**Quote CC** - "O principal desafio é que o que é hoje tecnologia de ponta, amanhã pode estar desatualizado. Outra coisa importante é ter a capacidade de investir em algo que achamos que só daqui a dois anos é que vai estar no topo."

**Quote DD** - "Um dos desafios que nós temos e que continuaremos a ter será a nossa dependência de fornecedores externos que dominem áreas que possam afetar o core do nosso negócio e que possam criar situações muito desagradáveis ou de chantagem ou de roubo... criar situações em que sejamos reféns de terceiros."

**Quote EE** - "R – Quais são os desafios que atravessa no que diz respeito às tecnologias digitais emergentes?  
L – No nosso caso, estamos num processo em que todas as tecnologias estão a ajudar. Os processos de escalas estão a ser todos digitalizados. Mas como estamos a crescer muito rápido, temos muitas coisas lentas que ainda são manuais."

**Quote FF** - "Eu acho que o equilíbrio entre a vida familiar e profissional não é um equilíbrio objetivo e igual para todas as pessoas, portanto, eu não meço numa lógica de horas... e não vou falar no tema de tempo/qualidade, não é isso. É mais uma lógica de se eu estou em equilíbrio comigo e com a minha família."

**Quote GG** - "Eu gosto muito de trabalhar. Divirto-me a trabalhar, não sinto necessidade de grandes hobbies. O que eu gosto de fazer é de trabalhar. Não sinto a necessidade de andar de bicicleta, ou ir para o ginásio, ou jogar paddle. Portanto, eu gosto imenso de trabalhar."

**Quote HH** - "Eu antes tinha vergonha de falar nisto. Eu vivi 10 anos nos meus escritórios. As minhas empresas tinham uma suíte. E agora mudei. Atingi um conforto que já me permite estar neste campo pessoal e empresarial com muita satisfação. Por isso é que eu recuei, estou na estratégia."

**Quote II** - Aprendi que, se no final da vida quero ter a família e amigos ao lado, não é possível fazer tudo ao mesmo tempo, não é possível dedicar-me a todos os meus interesses, dedicar-me a todas as coisas, ver todo o conteúdo que gostaria de ver, ler todo o conteúdo que gostaria de ler e depois também querer ter a família ao lado. Portanto, eu acho que aprendi a ceder ... a vida, o equilíbrio na vida pessoal e profissional ou na vida pessoal tem muito a ver com cedências que a pessoa tem que fazer.

**Quote JJ** - "Costuma-se dizer que é um lugar muito solitário, e eu não sei em quê. Eu passo o dia desde as 9:00, o tempo que eu cá esteja, constantemente em reuniões com gente. Ou em cafés, ou em almoços, ou conferências, ou prémios, ou em jantares com clientes. Não tenho tempo para mim."





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# Method

# Method

The “Paradoxical management challenges” report is based on interviews conducted with 25 leaders representing companies from a variety of sectors, in Portugal.

During these interviews the leaders openly expressed their opinions and stances on a multitude of matters that are inherently connected to the leadership positions they currently hold.

Following a semi-structured interviewing style, the questions were delivered rigorously and in the same manner, each time. The first part of the interview consisted of a more conversational approach to specific topics regarding challenges and experiences these leaders face, primarily focusing on their role in organizations.

Nevertheless, as the focal point was not just on the professional domain, the conversations naturally included the personal sphere of these leaders’ lives. While focusing on the topics specifically chosen for the purpose of this report, this semi-structure allowed the interviewees to elaborate freely on their answers. Occasionally, if during their interview leaders did not mention certain topics (like “People & Diversity” or the “Environment”), they were primed to do so by the researchers conducting the interviews.

The second part of the interviews was more quantitative, consisting of a rapid-fire style “Agree or Disagree” questionnaire, in which interviewees were asked to give their most honest, first-instinct answers.

Overall, the combination of open and closed-ended questions allowed the interviewers to gather interesting and more detailed insights from today’s prominent leaders in Portugal. Each interview lasted an average of 1 hour and, with 2 exceptions, were conducted face-to-face. All interviews were then analyzed by researchers from the Leadership Observatory at Nova School of Business and Economics.



# About our Sample

During the course of this research, 25 leaders from different companies in Portugal were interviewed. The group is composed of 9 women and 16 men, whose ages range from 30 to 62 years old, considering different levels of tenure, experience, and background.

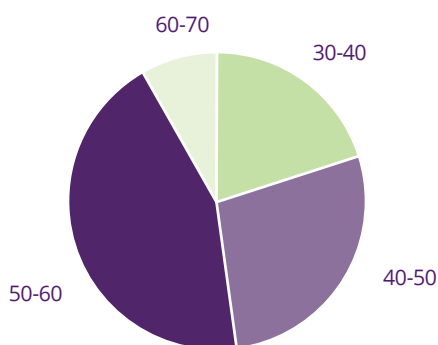
The sample under study seeks to be representative in terms of company size, from micro to large. The total number of employees, as far as could be ascertained from publicly available information, was 152.500 workers in 2019.

We also collected information about the organizations' revenues when these were public. Several leaders preferred not to share the revenues of their firms. For those we could account for revenue was between €1 million and €3.3 billion, amounting to around €22 billion in revenues in 2018.

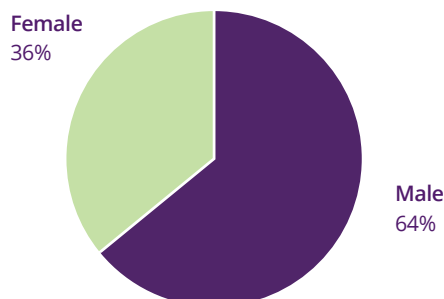
The type of company was also taken into consideration, with a selection of publicly traded and private companies, with emphasis on the private ones (72%). Family-run and local Portuguese companies were an important part of our sample.

Finally, concerning the activity sectors, the report covers a fair number of different industries. In larger number in the sample are Consumer Goods (20%) and Services (20%), followed by Finance (16%), Information Technology (16%), Industrial (12%), Communications (12%), and the Energy sector (4%).

## Age distribution



## Gender distribution



INDUSTRY	SECTOR	FREQUENCY	PERCENTAGE
<b>Consumer Goods</b>	Apparel & Fashion	1	20%
	Retail	2	
	Beverages	1	
	Cosmetics	1	
<b>Finance</b>	Investment Management	1	16%
	Banking	1	
	VC & PE	1	
	Financial Services	1	
<b>Information Technology</b>	Computer Software	1	16%
	Information tech & services	3	
<b>Energy</b>	Energy	1	4%
<b>Industrial</b>	Civil Engineering	1	12%
	Infrastructures	1	
	Automation/ Logistics	1	
<b>Communications</b>	Media	2	12%
	Telecommunication Services	1	
<b>Services</b>	Health	1	20%
	Tourism	2	
	Law	1	
	Education	1	
<b>TOTAL</b>		25	100%

## Sectors







