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CEO Defies AI Advice – Board Fires CEO

The Trends and the Skills Leaders Need in the Next Decade That Will Help you Reevaluate Your Leadership Programs.

Executive Summary

As we are poised on the cusp of a new decade, we have the opportunity to look ahead at what forces are underway and positioned to accelerate and influence the world. We can look back at the previous ten years to reflect on the drastic shifts that have occurred across nearly all industries and serve as indications of what is ahead. These profound changes illustrate the potential for change in the next decade.

Companies and their leaders have substantial opportunities to evolve in the coming decade by adopting new strategies and technologies, as well as leveraging the evolving global political sentiments. Coinciding with the wave of changes underway, it is crucial for both company leaders and those in charge of overseeing the development of leaders to understand the future needs of leaders. More specifically, they need to understand the skills that will be required for leaders and companies to thrive in the future.

In this paper, we explore the potential for change at a high level and the implications that come with such change in a future dominated by accelerated technological advancement and massive societal shifts (politically, socially, and economically). We then review leadership skills and behaviors that transcend these changes, and what new leadership skills must be brought to the forefront.

Trends

While the future is impossible to predict, certain changes seem to be quite likely based upon current data. This includes several significant trends that are already underway and will be accelerating in the foreseeable future. These trends will have a potentially significant impact on leadership and organizations.

Environmental

Environmental change is real, and it is evolving rapidly. Changes in our physical environment as well as in the perspectives and habits of individuals, groups, and companies characterize this evolution. The primary physical environmental concern regards the amount of carbon dioxide emissions that are put into the atmosphere, although pollution remains a high priority as well.

Many countries across the world are engaged in addressing the problems through measures, treaties, and pledges (with various levels of commitment). It appears, though, that without significant action and commitment by the vast majority of individual citizens and companies, meaningful change cannot occur. However, people across the world are becoming increasingly aware of environmental concerns and are showing a strong desire to adopt greener habits and support organizations that are more sustainable.

Companies have a choice to either to be in front of these changes and perceived as being a part of the solution or seen as contributing to the problem. What consumers actually do is yet to be determined. The one thing we can be sure of is that addressing environmental concerns will be of high importance.

For companies who plan to make environmental concerns a central tenet of operations, the implications for leadership are clear. Leaders must implement policies, procedures, and values that demonstrate and reinforce the commitment to positive environmental change. This will require that leaders position these actions successfully: internally as part of company culture and values as well as externally to customers.

Economic

Technological advancement has spurred the development of the global market that is characterized by consumers from nearly any geographical location being able to buy from almost any business from practically any location in the world. In addition to this, countries around the world have vastly different rates of population growth. The culmination of these trends has shown a likelihood that both China and India will surpass the economic power of the United States by 2030.

Rank	Country	Proj. GDP (2030, PPP)	GDP (2017, PPP)	% change
#1	China	\$64.2 trillion	\$23.2 trillion	+177%
#2	India	\$46.3 trillion	\$9.5 trillion	+387%
#3	United States	\$31.0 trillion	\$19.4 trillion	+60%
#4	Indonesia	\$10.1 trillion	\$3.2 trillion	+216%
#5	Turkey	\$9.1 trillion	\$2.2 trillion	+314%
#6	Brazil	\$8.6 trillion	\$3.2 trillion	+169%
#7	Egypt	\$8.2 trillion	\$1.2 trillion	+583%
#8	Russia	\$7.9 trillion	\$4.0 trillion	+98%
#9	Japan	\$7.2 trillion	\$5.4 trillion	+33%
#10	Germany	\$6.9 trillion	\$4.2 trillion	+64%

Source: IMF

This data shows the need for leaders to understand a range of cultural, political, and social perspectives held by their customers, partners, and competitors. In addition, as companies expand into new geographies, leaders will need to pay increased attention to the norms and values of the employees they are seeking to hire and retain. This will require balancing the core culture and values of a company with openness and acceptance of geographic-specific employee expectations.

Centralization

In addition to globalization, businesses will continue to centralize. Centralization describes the trend for established firms to focus their operations and dominate their industries. These firms must concentrate resources to be agile and then adapt through organic growth and acquisition. This premise is particularly true for companies that achieve growth by acquiring innovations that are bubbling up from entrepreneurs and start-up companies.

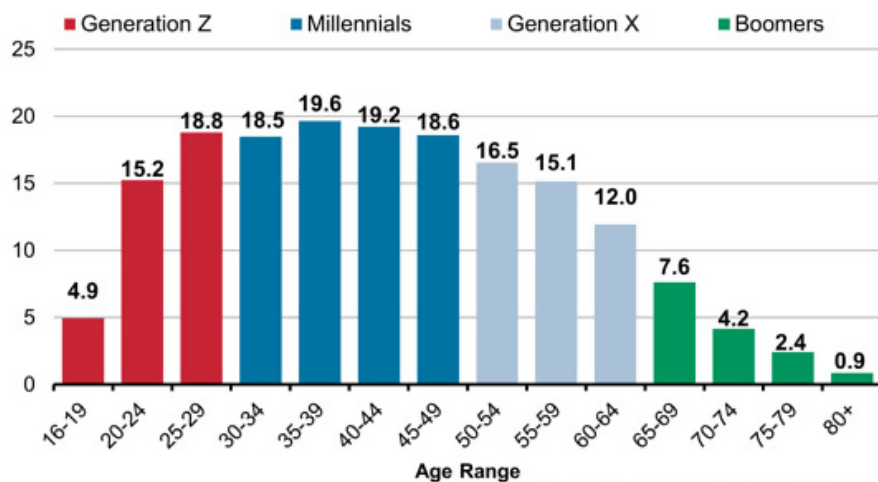
For business leaders to succeed in this centralized environment, they must adopt elastic business strategies and be highly attuned to changes in the operational environment as well as changes in consumer preferences. In many instances, the operational environment may describe the entire world in a globalized economy, which means that leaders must be able to quickly discern opportunities that can enhance company performance and make organizational changes rapidly.

Generational

As has been speculated for years, the baby boomers are finally exiting the workplace, making way for millennials and Generation Z. Millennials currently dominate the workforce with over 56 million workers, and by 2030, they will make up 75% of the US labor force. Millennials exhibit many different professional traits than their predecessors. They are more willing to change jobs than previous generations have been, are more values driven and altruistic, and desire connection, transparency, and authenticity.

The Workforce in 2030

Projected size of U.S. labor force (in millions) by age, for the year 2030



Source: Department of Labor | WSJ.com

To maximize the potential and successfully engage millennial and Generation Z workers, leaders need to respond to their unique needs. In many instances, this will likely mean exhibiting traits such as inclusivity, transparency, and integrity. The most effective leaders will need to master balancing the ability to lead and inspire on a macro level while being able to connect and inspire and connect at the individual level. Leaders will probably also have to embrace the changing work preferences of these generations to allow for more life-style flexibility and remote working options.

Technology — AI and Processing Power

The workplace of tomorrow will likely experience many different technological advances that will profoundly redefine how modern work takes place. There are several key areas in which this is likely to occur, two of which are artificial intelligence (AI) and processing power. Breakthroughs in AI and the compounded growth in processing power are both expected to continue evolving rapidly.

These changes allow greater amounts of data to be analyzed and used in powerful and insightful ways. They also allow for the technology to be applied to a higher number of organizational tasks, leading to dramatic changes in job creation. Individuals in some segments of the job market will be unable to evolve accordingly, making them permanently unemployable. On the flip side, AI will also create millions of new kinds of jobs, prompting the need for a different skill set for employees.

Leaders in the coming decade must understand how AI can inform and direct how they lead. This change goes beyond simply making data-based decisions. It can go as far as even limiting the decisions that a CEO can make based upon the data available and its related outcome predictions. Imagine that something as simple as defying a decision made by AI could be grounds for termination of the CEO by the board.

Technology — VR, Simulation, and Implantable

The lines between humans and machines are becoming blurred through virtual and augmented reality applications. As these applications become integrated with implantable devices and other devices on the Internet of Things, the next logical step becomes how to leverage these technologies to impact employee performance and productivity. Virtual reality and augmented reality technologies can also enable and ease the geographical expansion of companies by allowing remote workers to connect and collaborate more effectively, and for companies to create shared experiences.

Leaders who will be using these technologies must understand first how these technologies work, which technologies are worth the investment, and then how to use them to increase productivity and retention and to strengthen company culture. These are powerful applications that can significantly enhance the workplace of tomorrow. However, in the absence of a comprehensive understanding of the best ways to use them, they simply won't perform as expected.

Technology — Human/Technology Experience & Expectations

Taken together, nearly all modern technologies serve to blur the line between human and machine experiences. This is a vast difference from historical communication patterns in business that involved human-based interactions only. Boundaries and barriers with machine-based interactions are being smoothed over, while our own expectations for predictable, responsive, and pleasurable interactions are growing. The chatbot market alone is expected to grow by 10x by the end of the coming decade.

This fundamental change presents many business opportunities. Successful companies will focus on making their product experience seamless for their customers. Customers will provide payment in addition to money in exchange for this smooth and seamless experience: their data. In most instances, people will be inclined to accept the request for personal data due to the ease that it brings to their lives.

Leaders must understand not only the technology but also, more importantly, the evolving psychology of their consumers. This includes balancing how to leverage data for enhancing customer experience, profits, and formal laws and regulations, and the boundary between ease and invasiveness.

Future Competencies: What Skills Will Leaders Need?

The implications that can be discerned from the overview of the trends discussed strongly indicate what core leadership competencies will be necessary for the near future. Many of these leadership competencies, both currently important and those that are emerging as vital, can be categorized based upon the future challenges they address. These challenges can be grouped across four categories: new technologies, pace of change, changing demographics and employee expectations, and changing customer expectations (*Deloitte Global Human Capital Trends Survey, 2019*). Across all these challenges, we see the need for skills such as the ability to influence, to think strategically, to have a vision and inspire others, and to communicate and collaborate effectively. The importance of these existing critical competencies has not lessened, and it likely won't do so in the coming decade. If anything, these skills will grow in importance.

Currently, less emphasized leadership skills, such as empathy, inclusivity, and collaboration, will move to the forefront and join influencing and communication. Organizational leadership skills—including strategic thinking, inspirational vision, creativity and innovation, and the ability to lead in a complex environment—will increase even more in importance. Leadership success will depend on greater self reflection and the ability to be more inclusive and when to be more directive when it comes to many competencies.

With the likely changes we will see in the next decade will come the need for leaders to expand and evolve their skills. Successful companies and their leaders will take these changes to heart to ensure continued prosperity.

The Role of Leadership Development Programs

As this paper highlights, the role of leaders in our evolving workplace will certainly not be easy – being a great leader has never been easy. And in order to continue to be a great leader, leaders must stay focused on continual growth by refining and honing their skills. This includes learning new technologies and understanding existing ones better, and soft skills, such as determining how to best communicate and inspire across a diverse set of individuals—all of whom have different priorities.

As companies look to the future and how they are going to stay competitive, they will need to have leaders that are prepared. This means ensuring that current leaders are constantly developing and honing their skills and future leaders are being developed. Every company that hopes to stay competitive must have plans and programs in place to ensure their leaders are ready for tomorrow's opportunities.

With the promise of the next decade comes certain change. Leadership coaching has continually proven to be effective in navigating change. The benefits of leadership coaching in the future—with its implications on technological changes, societal changes, and generational shifts—can be fundamentally woven into how leaders and team members apply these skills in their work as they are being coached.

The changes that are coming make leadership coaching a critical tool in an organization's ability to navigate the shifting business tides to achieve and maintain lasting success in a new era. This requires designing and implementing a coaching plan, strategy, experienced and talented coaches, and methods of measuring coaching impact to leader development and company impact.

About Skyline Group

Skyline Group is the leading provider of scalable leadership solutions with a foundation built upon decades of executive coaching with some of the most recognized companies in the world. We are passionate about what we do: helping companies and leaders achieve great results.

What we do:

We specialize in one thing - leadership development that delivers results. Using high-touch leadership coaching combined with our smart technology platform, C4X, every engagement is tailored to your leaders goals and delivers measurable results.

Why Skyline G?

- Customized - Every engagement is tailored to your organization's and leader's specific development need.
- Technology - The best technology allows you to track, manage, and measure the return on your leadership investment.
- Impact - We deliver measurable skill development and business impact faster.

Contact us at info@skylineg.com to set up a conversation.