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C-SUITE STRATEGIES

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CULTURE

Decent dissent: how to avoid groupthink in the boardroom

Many companies claim to have a culture of openness, yet baulk when employees offer critical feedback. Constructive dissent is healthy, so what should they do to encourage it?

Katie Scott

'Feel free to object" is an invitation that Joanna Swash is fond of issuing. The group CEO of Moneypenny, a firm providing virtual receptionist services, has got into the habit of saying this towards the end of every internal meeting.

She is acutely aware that her position in the hierarchy may make some colleagues reluctant to share their views in an open forum, especially when these don't align with hers. Swash reveals that she will "sometimes find people wondering: 'What does she want me to say?'"

Ironically, that's the very response she really doesn't want to hear. It's symbolic of the excessive deference she has been trying hard to remove from her business.

An enterprise must make space for different perspectives if it's to avoid the well-documented risks of groupthink. Inviting constructive criticism of a proposed course of action can spark a healthy debate, which can in turn generate new and better ideas.

Such adaptability and innovation have become crucial in the C-suite, such is the pace of change that firms are experiencing in many sectors. According to global research published by PwC in January, 39% of CEOs think they'll need to transform their businesses within the next decade to ensure their continued viability. Among the UK-based respondents, 10% believe that they will need to complete their transformations inside three years.

But the prevailing culture concerning dissent may be discouraging innovation. Although well over half (56%) of CEOs polled by PwC believe that leaders in their firms "often and usually encourage constructive dissent and debate", two-thirds of employees say otherwise. There may be some simple explanations for this difference.

If they're ever to engage in a constructive debate, people need to feel psychologically safe – that is, have no fear of repercussions for speaking their minds.

Gervase Bushe is professor of leadership and organisation development at the Beedie School of Business at Simon Fraser University, Vancouver. He points out that psychological safety starts to apply in an organisation only when all members of it acknowledge that not everyone will experience a given situation in the same way.


Hiramanvia GettyImages

"Many managers have been taught to say 'we' when they're talking about the group. For instance, they might say: 'We have this new challenge that we're excited to accept,'" says Bushe, who explains that such language, rather than creating a sense of belonging, risks invalidating the experiences of those being spoken for. Crucially, it also discourages discussion, as it implies that everyone in the team has accepted the same goals and already agreed on how best to achieve them.

Leaders must instead be curious about others' experiences, he says. This entails actively encouraging employees to share any concerns they may have about a plan rather than silently acquiescing to a course of action they consider flawed.

Bushe adds that firms tend to make better choices when they seek input from all levels of the hierarchy.

Swash agrees, noting that "the bigger topic here is trust. Front-line workers are some of the most widely trusted members of the organisation. If they are trusted by our clients, we as leaders need to trust what they're thinking too."

Constructive dissension looks a lot like collaboration. It's something that tech startup Storyblok practises during the product development process. Members of different departments vote on their preferred potential features and then attend a meeting to explain their reasons.

"Quieter people won't elbow their colleagues out of the way to make a point," says Swash, noting that some attendees will always be less willing than others to share their thoughts. She would advise anyone chairing such meetings to work methodically around the table and give everyone the space to speak.

When you are canvassing several opinions, it can be hard to arrive at a consensus, but this is where the collaborative leader needs to become decisive. Bushe recommends setting a deadline on the debate.

He says: "People will appreciate it if you tell them: 'If we can't reach an agreement by 2pm tomorrow, I'm going to make the call then myself.'"

36% is the increased likelihood that an employee will experience an innovative moment when they believe that their employer cares about them as a person, rather than as a resource

Great Place to Work, 2020

While many business leaders claim to receive constructive dissent gladly, their actions sometimes contradict their words. If they observe such a disconnect, employees may become cautious about overstepping boundaries.

At Storyblok, any employee is welcome to request a meeting with members of the senior team at any time, according to its co-founder and chief technology officer, Alexander Feiglstorfer. But he accepts that not everyone would ever feel confident enough to do so, noting: "Some people will always think: 'I wouldn't want to waste their time.'"

To counter such reticence, the firm divides its workforce into randomly assigned pairs of people once a week for "virtual coffee chats", Feiglstorfer says. Where a member of staff might normally interact with their line manager or close colleagues, such an arrangement "gives them the chance to speak with all kinds of people".

For leaders who are struggling to create a safe space for debate, the solution might lie in simply changing the language they use.

"If I have a different way of thinking about something, framing that as 'dissent' would immediately set it up as a sort of conflict," says Bushe, who suggests that it would be more constructive to describe the airing of a divergent opinion as "making a contribution".

He notes that there are occasions where a debate may not be appropriate. In times of crisis, for instance, leaders will need to focus on firefighting rather than holding group discussions. This makes it all the more important to build a culture in which people know that their opinions will be valued and, under normal circumstances, sought by their employer. They are more likely to trust the occasional quick decision if it's made in the context of an organisation that values considered debate wherever that's feasible.

"That's a climate that you can't fake over time," Bushe stresses.

Swash agrees, adding that there are very few situations in which leaders should not encourage an open discussion.

"I don't think you could say that you run an open, trusting company if you also tell employees that they are banned from talking about this or that," she says.

Ultimately, a business must give each employee a voice if it's to reap the benefits of a fully engaged workforce. Dissent, it would seem, is the only non-negotiable.

INTERVIEW

'We all just want to make each other brilliant'

Amy Williams, CEO of ethical media platform Good-Loop, discusses what needs to change – and what needs to stay the same – when a company is dealing with extreme uncertainty

Francesca Cassidy

Like many successful founders, Amy Williams started her business after spotting a significant problem and deciding that she could solve it.

Having pursued a career in advertising, including three years with Ogilvy & Mather, she'd come to the conclusion that online advertising was universally irksome. Given that annoying people is the last thing any marketer wants to do when they're spending millions of pounds on an ad campaign, that was a costly enough problem to warrant solving.

She also noticed that, while brands were increasingly talking the talk about 'purpose', few were actually walking the walk.

Armed with these two insights, Williams established Good-Loop in 2016. The media platform enables internet users to choose to watch an advert for one of the firm's partner brands, which then unlocks a charitable donation funded by that brand. The idea is that viewers get to feel good about the time they are spending online and the brand gets associated with worthy causes, resulting in higher engagement.

This win-win strategy seems to be working. Good-Loop has attracted several big clients, including Coca-Cola, Amazon and Unilever, as well as £5m in series-A funding last year. It's also become a successful exponent of responsible business, gaining B Corp certification and partnering with Yahoo to offer advertisers carbon-neutral media opportunities.

But the combined effects of the Covid pandemic, the war in Ukraine and the cost-of-doing-business crisis have destabilised many firms in recent years, with marketing budgets and ESG goals often among the first things to be scrapped. Despite such challenges, Williams is intent on maintaining a strong, cohesive culture in her own business as it negotiates this especially turbulent period.

On leadership

"My leadership style has been very informed by my experience, which is starting a business at 25. I've never been the oldest or most knowledgeable person in my own company. I love the phrase 'always work with those who are smarter than you'. The way I work is very much about trusting people and leading them from behind.

"One thing I've started reflecting on is the fact that I'm naturally very optimistic. There are two types of good storyteller: the one who tells a story from a position of passion and the one who tells it from a position of vulnerability. I'm the passionate type – the one issuing a rallying cry. That has worked brilliantly over the past few years of turmoil, but it can create a false sense of security. At times I feel I've undermined myself with my team, because I've mistaken optimism for false confidence. I probably still haven't quite got it right.

"I've fostered a culture of being unafraid to admit to having got things wrong. There's nothing worse than a culture that deems being wrong but resolute better than being honest and flexible. From the minute I started Good-Loop, I was clear about how I wanted to receive feedback. I had to ensure that people knew I was listening. Now I can give feedback to my team members and they know it comes from the same place: we all just want to make each other brilliant."

On hybrid working

"We're all hybrid workers at Good-Loop. We learnt a lot about how we operate during the Covid crisis. In March 2020, I was in New York looking at offices with my newly hired head of US sales. By the end of that week, Donald Trump had closed the borders and we were on an emergency repatriation flight.

"The next couple of months were a crash course in how to do business virtually. For two years, whether you were across the Pond or across the street, you were on Zoom. It gave us this amazing opportunity to grow in the US but have UK overheads. The US market now accounts for 42% of our turnover.

"I thought: 'Well, great – we'll just never have to open an office there.' Then I looked back at two years of data and saw one key difference: the US had a bigger deal size – on average 2.5 times bigger – but the repeat rate was significantly lower. Although we could get on a Zoom call and talk to people over there, we couldn't use it to build a relationship that would offer long-term value. So we opened our US office at the start of this year.

"Now we have offices in Edinburgh, London and New York. These are an important symbol of what we're building together. They're not really workplaces; they're spaces to gather in. Our culture is 'do your job from wherever you're going to do it best – I don't care where you sit'. But we've carved out dedicated space for collaboration, feedback and ideation. We do all of those things in person."

On three key business challenges

1 Adapting marketing efforts to the challenging economic situation.

"It's been particularly tough to grow the business this year. For a long time, Good-Loop was an emotional sell. Our sales pitch to potential clients was rooted in the idea that we can make you proud of the work you do. That narrative is lovely when things are rosy, but we've changed how we talk over the past 12 months, focusing much more on how we help to deliver business results.

"Doing good is the mechanism, but the reason to buy is that online advertising is super-annoying – and we're making it a little less annoying and a little more positive. We're going to enable that dopamine hit where a consumer gets to do good with your brand and build trust, meaning that they'll buy more of your product."

2 Keeping everyone motivated in an extended period of uncertainty.

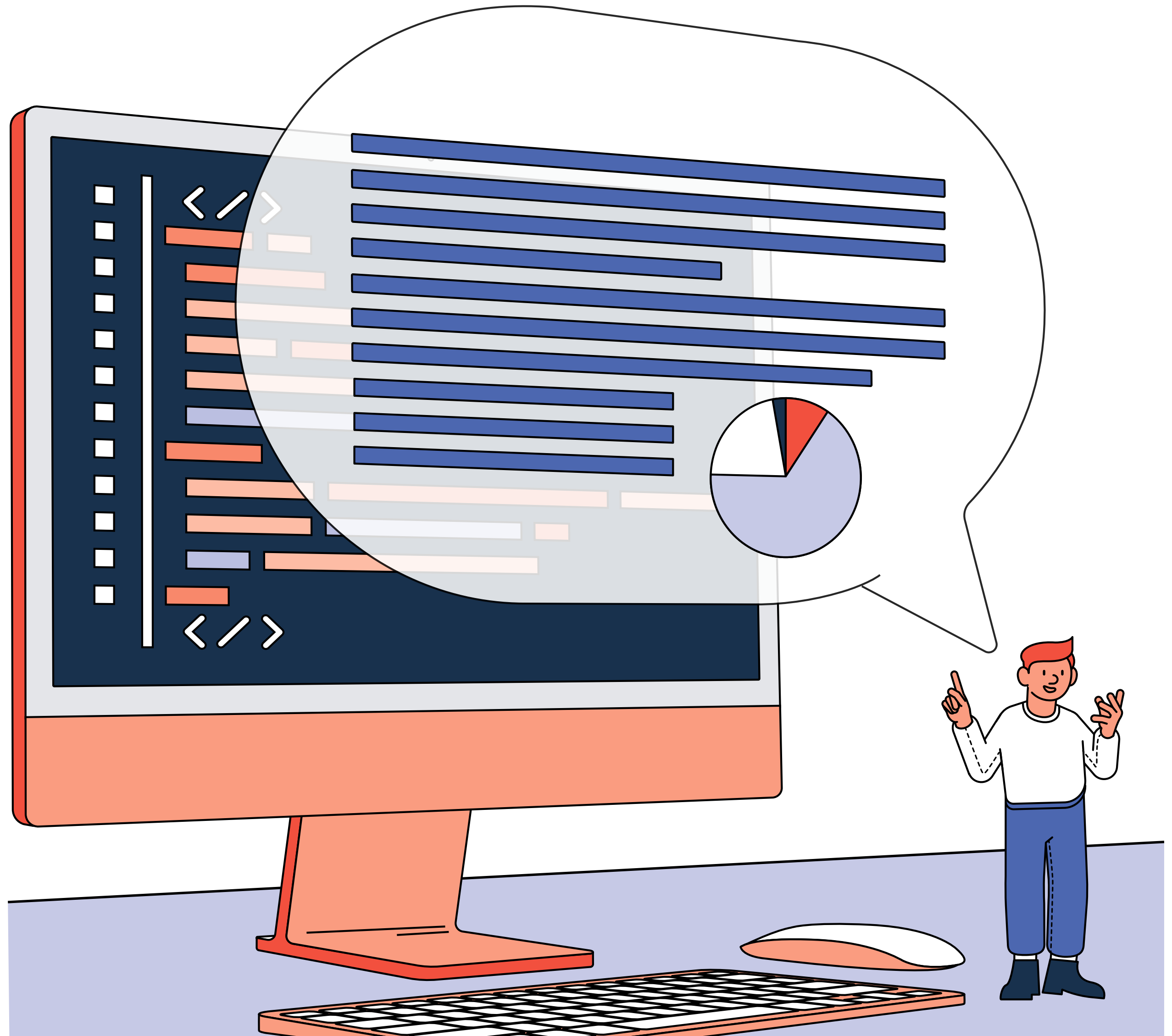
"I think preserving energy levels is going to be a big challenge. It's just been a relentless couple of years for business. People are tired. I can feel it in my company – the energy is low.

"Hitting targets is a big motivator for sales people. We knew enough by September to realise that that won't happen this year, but we need to keep going anyway. Our sales just won't be as exciting as they have been. That's tough – and it's where you need grit, purpose and belief in what you're building."

3 Conveying the sustainability message more effectively.

"Some of the misconceptions that people have about sustainability present a big challenge. So much of the narrative is focused on loss: eat less meat, fly less, drive less – loss, loss, loss. I've also noticed, especially in the past year, the narrative that being good for the planet is more costly. And so it is in many cases. It's a privilege to be able to afford a fancy organic shampoo, for instance.

"But there are lots of ways in which sustainable behaviour can keep more money in your pocket. Reducing food waste and doing the laundry in cold water are two great examples. Our big challenge is shifting to the narrative that you can save the planet and your money at the same time."



C-SUITE ROLES

Forget the tech – the new rule of CTO success

A successful tech chief needs to negotiate, persuade and collaborate. It's therefore time to focus on leadership and leave your team to look after the day-to-day IT operations

Cath Everett

The phrase 'resident tech expert' is no longer an accurate summary of the chief technology officer's role.

Since digital transformations are enterprise-spanning undertakings, the CTO must forge the right relationships to get the right results. This includes strategic conversations with C-suite colleagues to understand how technology can be used to deliver business value.

Jaco Vermeulen is a portfolio CTO for consultancy BML Digital. He argues that, rather than fitting technology into a strategy, tech leaders should instead be working to "translate business strategy into technology and understand how to implement it in the right way, at the right time and at the right cost."

Of course, the tech chief's role does require an understanding of technology and how to implement it. But ultimately it is not the CTO but their team members who are busy from day to day with the technical operational activities.

What's become expected of the modern CTO is the ability to demystify technology, manage expectations and communicate realistic outcomes, Vermeulen argues.

A CTO should be spending 90% of their working time on influencing strategy and driving change across their organisation, according to James Absalom, chief commercial officer at talent advisory firm ZRG.

"While CTOs do need to have a tech and digital background, their most important skills are to do with people, relationships and change management," he says.

As a result, the three most significant relationships a CTO needs to develop within the executive committee are with the CEO, the CFO and the chief HR officer (CHRO). In Absalom's view, the relationship with HR is a valuable jumping-off point – particularly for newly installed CTOs – to understand how the organisation works.

"The modern CHRO is a people-focused change agent and enabler for everyone to be successful," he says, adding that CHROs are also arbiters of company culture. By this he means that they're aware of whether the company is digitally savvy and open to change. That's a vital insight to share in the C-suite.

Vermeulen believes that another key relationship to nurture is with the finance chief. He explains: "Working closely with the CFO helps you translate technical value into financial benefits, which most people understand. You can use that data as a vehicle to create trust, because people see that it isn't about buying new software; it's about investing in the future of the business."

The third and most crucial relationship to build is with the CEO. Vermeulen explains: "The CEO sets the broader strategic direction and the CTO acts as a mirror for that, working out how to deliver the strategy through technology."

How should CTOs build influence with these and other key figures across the business?

Absalom thinks that tech chiefs often fail by trying to push their own agendas too hard. "The focus should be not on what they can do for me, but on what I can do for them," he stresses.

Building lasting influence is a careful balancing act. Leaders must know when to push and when to give. The secret, Absalom says, is to "look, listen and learn". He recommends holding monthly meetings with the CEO to review the state of technology across the organisation and discuss business cases for potential changes and their possible effects. It's crucial to use sound data to support such cases, he adds.

Absalom recommends having less formal sessions with other C-level colleagues, such as breakfast meetings, to discuss their priorities. This is important, because function leaders can easily feel threatened by the potential impact of IT on their teams and their methods. Tech chiefs must therefore make an effort to build trust with all of their colleagues in the leadership team.

"The CTO should be an enabler, not a blocker," Absalom stresses. He adds that they must be interested in how technology can help each function achieve its goals and how it can help serve the wider business.

Vermeulen warns that IT must not become absorbed into the agendas of other business leaders.

"You need to translate everything into technology that works best for the entire organisation, not just individual functions," he says, stressing that CTOs must set realistic expectations and ensure that all functions are aligned in pursuit of fundamental business goals.

The secret to success is recognising that the C-suite is a team and must work as such. If there is siloed thinking, each member has a duty to try to improve the situation.

While tech leaders may be concerned with finding ways to increase IT's influence in the C-suite, Philippe Guenet, digital business performance coach and director of thought leadership at the International Coaching Federation, argues that "everyone is working together for the good of the company to drive the business forward".

The best way to build lasting influence is to lead by example and set a standard of excellence, he stresses. CTOs should therefore seek ways to improve quality inside their immediate sphere of influence. This means encouraging open and frequent communication both within the IT team and with those parts of the business that interact with the team directly.

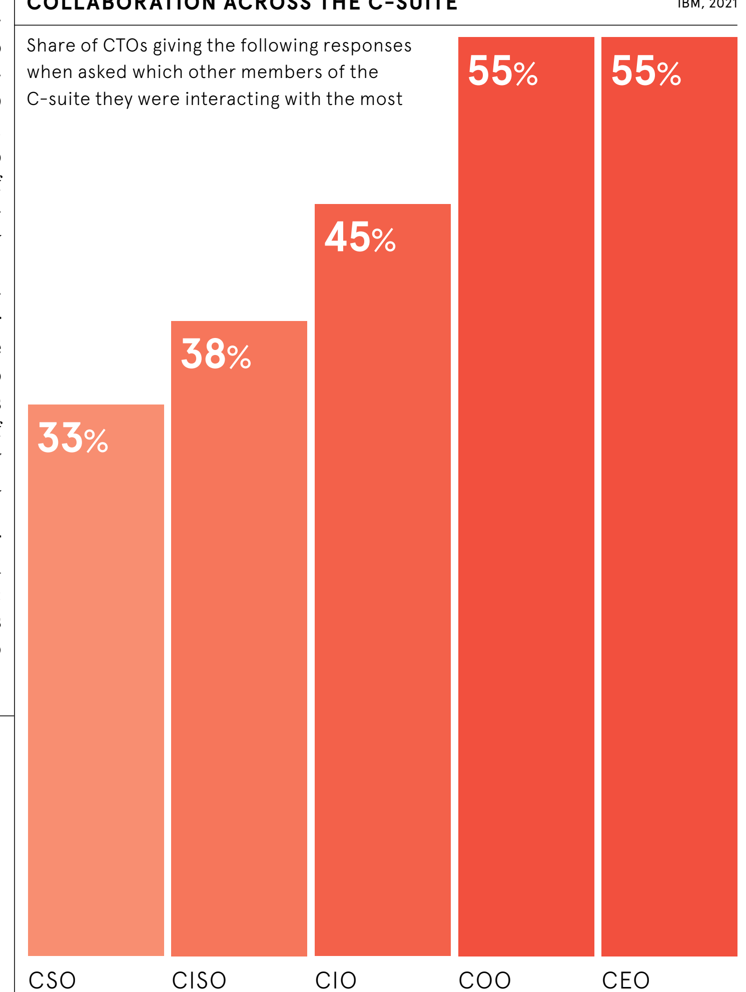
This approach can be described as influencing by way of extreme collaboration, as Guenet explains: "You change things by stealth. It's not a big, top-down change management programme. This is about creating connections on the ground that grow organically."

> You change things by stealth. This is about creating connections on the ground that grow organically

COLLABORATION ACROSS THE C-SUITE

IBM, 2021

Share of CTOs giving the following responses when asked which other members of the C-suite they were interacting with the most



Commercial feature

Why talent and capital optimisation mean better decision-making

Resourcing your vision for growth is key at a time when economic headwinds are tricky – few sectors know this better than insurance

Insurance is an industry uniquely built to respond to change. As Sherif Zakhary, CEO of Aon's Strategy and Technology Group, explains: "It came into existence because of volatility and uncertainty." While each era may bring unprecedented events, Zakhary notes that "volatility and complexity come in different shapes, forms and magnitudes." The key is recognising permanent uncertainty as the new normal.

But to adapt to this new normal, leaders in insurance need to stay ahead of the curve and prepare for the volatility that has become standard – redrawing their organisations through talent and capital optimisation to meet the moment.

The sector is currently facing a "hard market", according to Brad Melvin, president of Aon's Regional Insurer Group. "That means rising reinsurance costs and resultant retention pressures – as well as increased volatility in weather events," Melvin explains. This perfect storm is "creating headwinds" and stress for insurers' financials as they work to raise rates and keep premiums flowing while costs rise. For certain segments, there is a "timing disconnect" between reinsurance price hikes and the ability of insurers to earn premium increases, he says.

Keeping ahead of the curve

Of course, the insurance industry, more so than many others, aims to adapt to change to keep ahead of market movements and protect its customers. It's built into the industry's DNA. Yet to differentiate, companies must ask: "How are you different from the average?" says Zakhary.

Strong decision-making to extract opportunities amid challenging dynamics is key, he adds. "How is your decision-making allowing you to pull out opportunities in periods of what will be constant volatility?" Average performance will not suffice when facing the massive, intractable issues that dominate the world today. And competitors will be moving quickly.

So how can insurers turn volatility into opportunity? Aon focuses on a "holistic, relevant and executable" approach to capital optimisation, says Zakhary. This includes understanding the true cost of capital across various sources like debt or equity, tailoring the risk-reward portfolio to business goals, efficiently transferring risk to free up capital for deployment elsewhere, and leveraging various capital sources to find the right capital stack. The goal is maximising opportunities within the capital constraints that many companies struggle with.

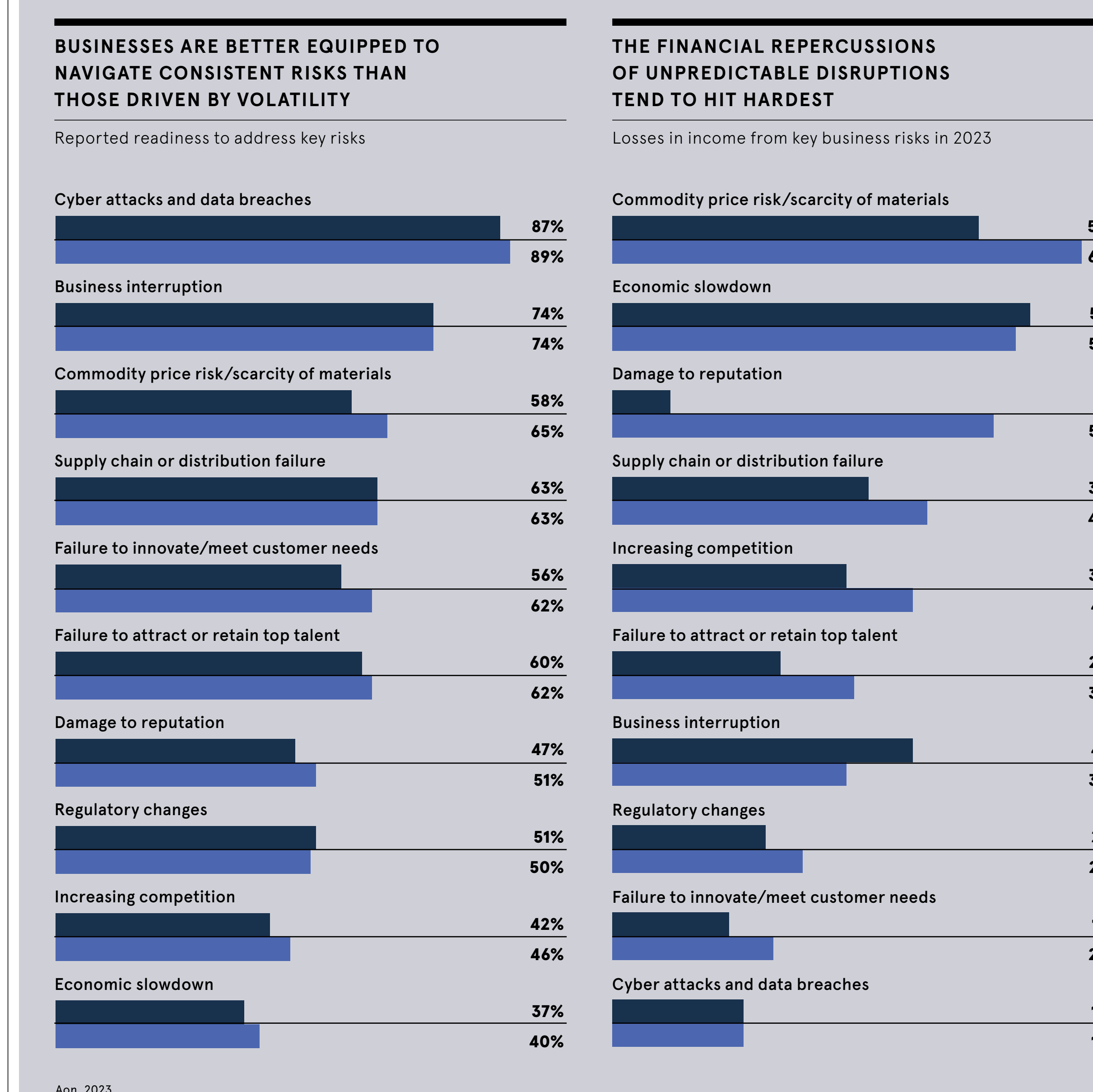
Freeing-up capital

With rising rates, insurers are exploring capital solutions like legacy reserve transactions that can free up capital. Having a clear capital strategy and measuring the cost of different capital sources through tools Aon offers enables that optimisation to insulate companies from reinsurance shifts and leveraging diverse capital sources.

But beyond fine-tuning capital, talent optimisation is also mission-critical. With competition for talent especially fierce, creative solutions like recruiting from other industries can have a big impact. Insurers are also focused on leveraging data and AI and accelerating digital transformation and are evidencing a growing appetite to augment key roles, such as underwriting, through the use of AI.

Zakhary points out that transformative trends like renewable energy, electrification, and biotech require insurers to think about the skills needed, from actuaries to climatologists to data scientists. The "war for talent" and the shortage of individuals who fit the bill to adapt to the changing world require attracting and effectively utilising talent to capitalise on those emerging opportunities.

Managing mercurial risks: how ready are businesses?



Aon, 2023

Troubleshooting and transforming

For business leaders, the scale of the challenge ahead can seem insurmountable when they're asked to evolve their business – and business processes – at a time of heightened competition. But Aon's expertise in the space has been built to help.

When working with clients, Aon focuses on discovering client needs, answering the question: "Why is transformation important?". The company researches the critical pain/gain points that are likely to impact an organisation, then approaches the conversations with an expert regional team to collaboratively uncover what is "critical and top of mind," says Zakhary.

The goal is to develop empathy to create realistic, executable solutions tailored to the client's individual requirements. "We're not immediately landing on a preordained outcome," he says.

Having an inclusive culture and multidisciplinary teams enables Aon to conduct more informed client conversations. They bring the right expertise to bear, using EQ alongside IQ to make client meetings most effective. Such an approach avoids preconceived notions and opens up the opportunity for more strategic discussions and the opportunity to shape better business decisions.

Making a difference

Though Aon's solutions differ by client size and need, the company has helped global insurers transform underwriting for renewable energy, optimised job architecture and talent assessment, and provided capital strategies leveraging its expertise and bench strength.

"We've got numerous case studies where we're helping companies transform their underwriting operating model to start to prepare for some of these transformative trends around renewable energy," says Zakhary.

But the ability to unlock efficiencies and work more effectively is not limited to insurance alone. While the industry has unique challenges, other sectors wrestling with volatility can emulate core tenets of the industry's approach, including treating volatility as an opportunity, not a threat. While insurance sees volatility as intrinsic to its existence, other sectors can reframe uncertainty as bringing options to capitalise on.

Expanding beyond insurance

Similarly, just as insurers leverage diverse capital sources for their business, creative financing creates options. Optimising capital strategy and sources to maximise flexibility should be a primary goal. Understanding risks and aligning resources and talent accordingly is also vital in shaping strategic plans and talent investments.

Accelerating digital transformation and leveraging the great leaps forward in data and AI is happening across all sectors, with insurers prioritising the use of this to better manage their volatility. At the same time, the example insurers set by looking beyond their sector for talent can easily be followed by other industries.

Though uncertainty brings obstacles, by taking the insurance industry's lead in cannily optimising talent and capital, leaders beyond insurance can also unearth hidden opportunities rather than simply reacting to storms. It's a formative lesson to learn from a sector that knows all too well the uncertainty involved in day-to-day operations. Insurance doesn't wait for disruption; it expects it and plans for it. Adopting this mindset transforms volatility from a threat into a growth catalyst.

> Volatility and complexity come in different forms and magnitudes

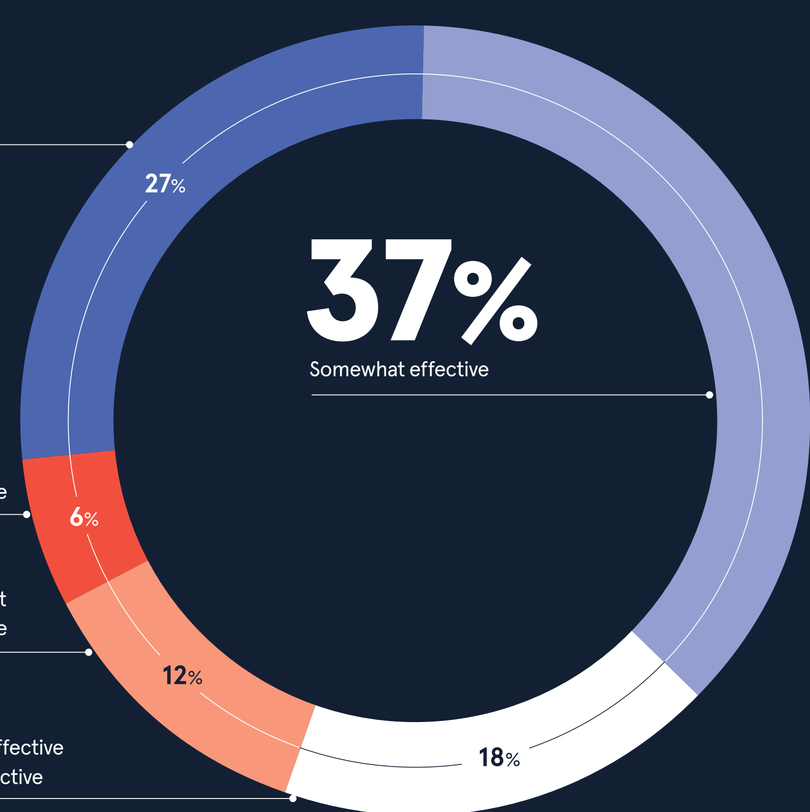
For more information please visit www.aon.com/stg

MISMANAGEMENT AT UK PLC

While the past 24 months have been difficult for businesses worldwide, the situation has been particularly challenging in the UK. British industry is lagging many of its G20 peers on productivity and employee engagement. New data from the Chartered Management Institute points to a possible explanation for this sluggish performance: ineffective management

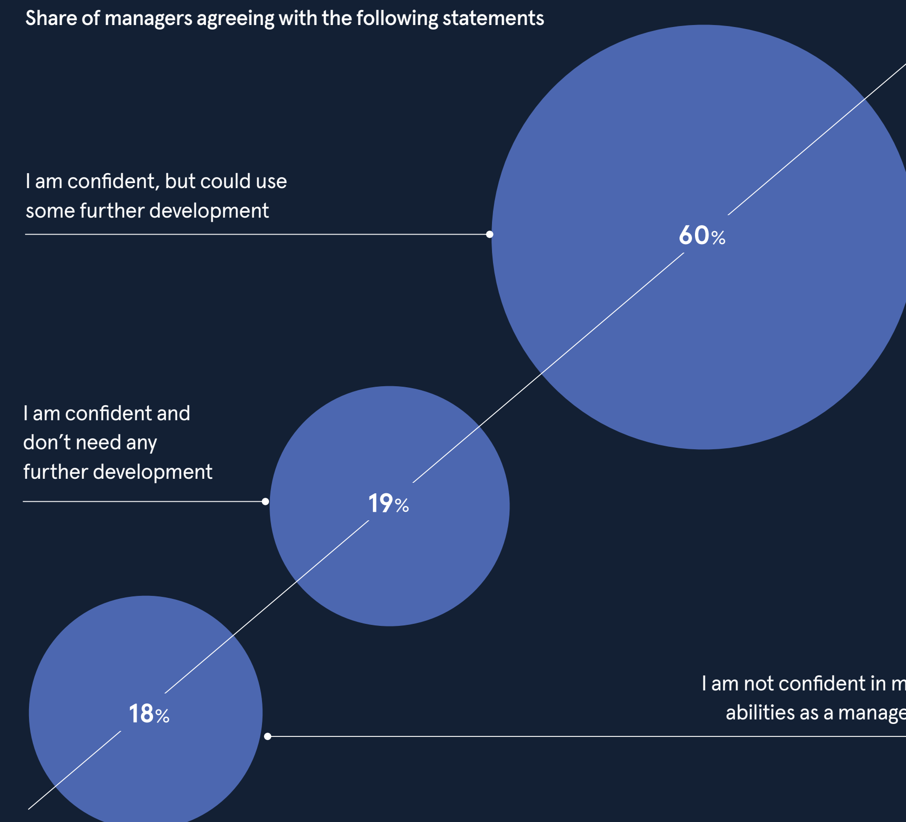
HOW EFFECTIVE ARE MANAGERS IN THE UK?

Share of employees giving the following responses when asked to rate their managers' effectiveness



NEARLY ONE-FIFTH OF MANAGERS IN THE UK DO NOT FEEL CONFIDENT IN THEIR ABILITIES

Share of managers agreeing with the following statements



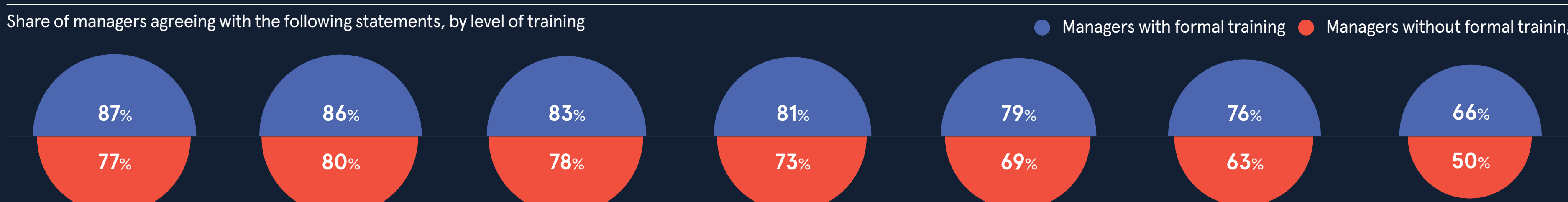
MOST MANAGERS IN THE UK HOLD NO FORMAL MANAGEMENT QUALIFICATION

Share of managers possessing a formal management qualification, by demographic

	Qualification held	No qualification held
Men	52%	48%
Women	45%	55%
Lower socioeconomic background	43%	57%
Intermediate socioeconomic background	41%	59%
Higher socioeconomic background	52%	48%
Total	48%	52%

UNSURPRISINGLY, FORMAL TRAINING PRODUCES MORE EFFECTIVE MANAGERS

Share of managers agreeing with the following statements, by level of training



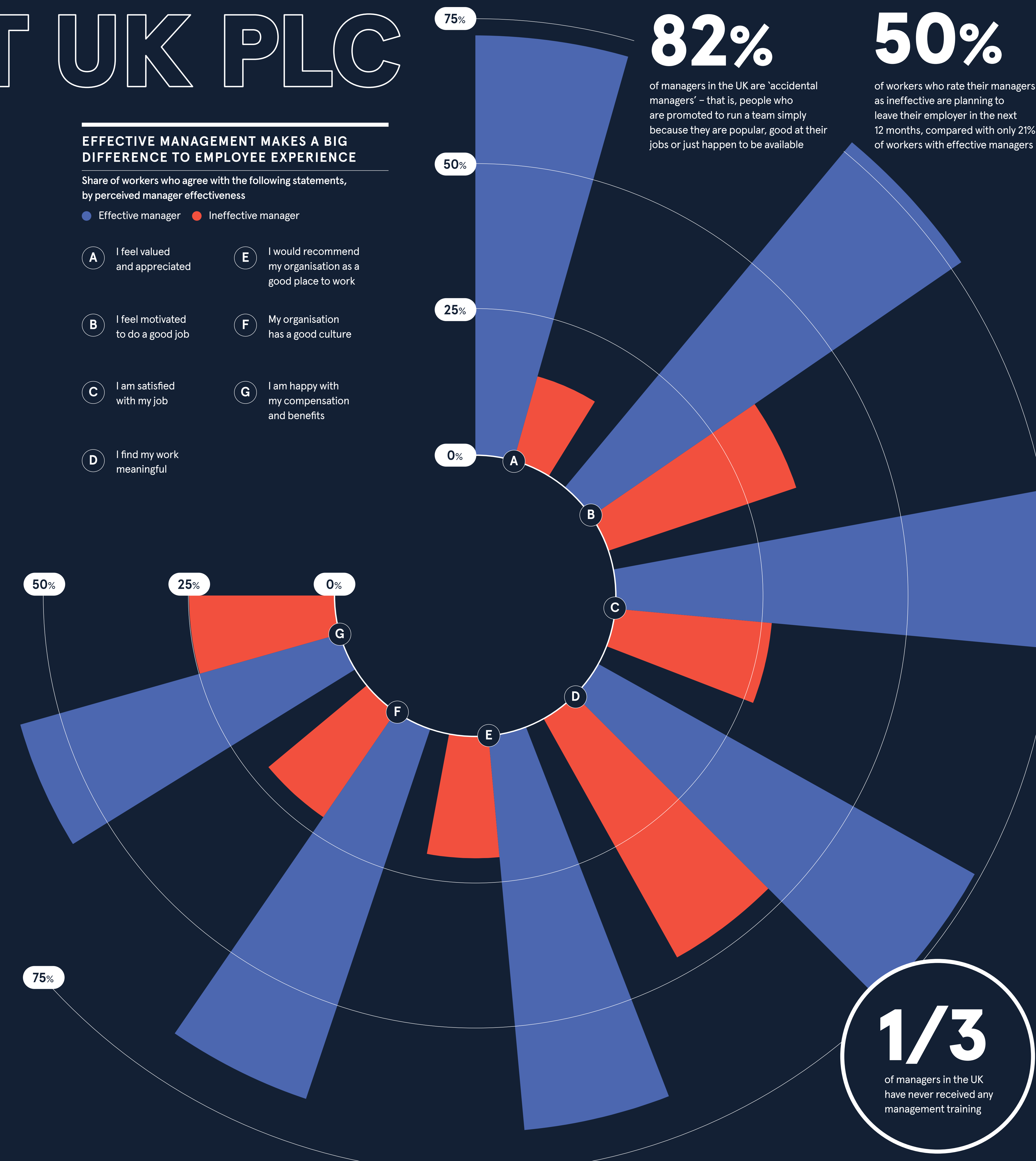
Statement	Managers with formal training	Managers without formal training
I am comfortable with leading change initiatives and managing impact	87%	77%
I seek opportunities for continuous improvement	86%	80%
I trust my team members to get the job done without supervision	83%	78%
I feel comfortable pulling someone up if they have been behaving badly	81%	73%
I ask for feedback and reflect on my performance to inform future action and my own development	79%	69%
I focus on driving sustainable delivery, adapting to changing priorities	76%	63%
I use emerging tech to improve operational efficiency and effectiveness	66%	50%

EFFECTIVE MANAGEMENT MAKES A BIG DIFFERENCE TO EMPLOYEE EXPERIENCE

Share of workers who agree with the following statements, by perceived manager effectiveness

Effective manager · Ineffective manager

- A I feel valued and appreciated
- B I feel motivated to do a good job
- C I am satisfied with my job
- D I find my work meaningful
- E I would recommend my organisation as a good place to work
- F My organisation has a good culture
- G I am happy with my compensation and benefits



82% of managers in the UK are 'accidental managers' – that is, people who are promoted to run a team simply because they are popular, good at their jobs or just happen to be available

50% of workers who rate their managers as ineffective are planning to leave their employer in the next 12 months, compared with only 21% of workers with effective managers

1/3 of managers in the UK have never received any management training

Chartered Management Institute, YouGov, 2023

Commercial feature

How green can a digital transformation be?

The race to adopt tech such as AI and the cloud is a concern for firms with net-zero commitments. Raconteur asked four experts in the field to explain the key issues

Organisations worldwide are grappling with the challenge of ensuring that their digital transformations are sustainable. There are compelling ethical and commercial reasons why their leaders must understand the ESG implications of cloud data storage. With these issues in mind, Raconteur hosted a roundtable discussion on how companies can best approach them, inviting four expert contributors.

Jacqueline Tejeda Carnot
IT director for Roche in western Europe

Chris Taylor
Sustainability lead at Philips UKI

Karin Svensson
Chief sustainability officer at Volvo Group

Julio Guijarro
Field CTO for Red Hat in EMEA

Q What challenges do firms typically face in tracking their data-related carbon emissions?

JG One of our current challenges in our industry is to understand and measure what and how we are consuming energy, because IT is a big energy user. Upcoming regulations mean that we'll need to report on not only our company's consumption but also that of its surrounding ecosystem. With this information there is a lot we can do to improve.

JTC You need to consider whether the intention to measure your company's carbon footprint is part of its strategy or not. People will start caring about the carbon footprint of their company if that's baked into their objectives.

KS In applying AI to all the data our vehicles generate, we are making transportation much more efficient. Yet the emissions from this tech, while small at present, are a growing proportion of our total. Like other companies, the challenge here is that our awareness of our IT carbon emissions remains limited because there's no standardised measurement method.

CT We're seeing from our work with the NHS that the health industry is moving into digital data faster than any other sector. We already have archives storing medical Information in petabytes of data. That adds to the complexity when managing carbon footprints.

Q What are some of the key challenges concerning physical infrastructure and energy requirements?

CT As a leading health technology company, Philips knows that hospitals often look at two years' worth of data on an ongoing basis, so that's where dedicated servers are helpful. However, technological developments – notably, in AI – should help address these issues.

JTC The growing volume of data that's moving into the cloud poses a sustainability challenge. New tech such as federated architecture and AI can help with this, but it uses lots of energy. So, while you get the benefits on the business side, it's a challenge on the environmental side.

JG People forget that there's a limit on physical infrastructure such as cabling and cooling, and this sets the boundaries for how much compute and storage we can deploy in a location. With the advent of AI it's more important than ever to understand the impact of those workloads in terms of extra energy usage.

Q Whose responsibility is it to find a more sustainable solution to the data storage problem?

KS It is the responsibility of all of us. This must be incorporated into every company's sustainability and business strategy. We need cross-company cooperation, but we must also collaborate with other organisations to agree on a standardised approach.

JTC Leaders need to be aware of sustainability to lead towards a sustainability objective. At Roche, people at all levels are creating such objectives in how they work. They're asking how to bring sustainability into the design process. So, if we're creating an application, we're asking questions such as: "How and where will this be stored? How accessible is it? Will it be sustainable?"

CT Philips is advanced when it comes to sustainability. We know it's a team game. Nobody wins unless we all win. I'd encourage people to cooperate and learn from those who are further along the sustainability journey.

Q What part should IT architects and leaders play in advancing the sustainability agenda?

JTC The architects have a key role in the infrastructure choices a firm makes and a part to play in guiding the whole organisation to incorporate sustainability in its technology choices. But they're not the only ones who need to play their part in optimising models and operations – leaders need to be conscious of this, too.

KS Things are already moving in the right direction, but sustainability has historically been widely viewed as an afterthought to any given process, not just in IT. It needs to be more integrated than that. In the IT sector, sustainability must be built into processes and systems from the start.

JG As IT leaders, we know how much data is being consumed but it can still be hard to optimise a data centre when you don't know what's inside. We need to start optimising with the use of automation and AI, and identifying the best way of running our business processes, considering their sustainability impact, the same way we consider security or resilience. We also need to identify the best way of running servers. Leaders spend a lot of time considering the security of data centres, but we need to start considering sustainability. I don't think we have that mentality yet in IT.

> **As IT leaders, we know how much data is being consumed but it can still be hard to optimise a data centre when you don't know what's inside**

Q How do you think AI and related tech can help firms keep track of their data-related emissions?

JTC AI is no panacea. It needs lots of data to make accurate forecasts. In the case of sustainability, the execution must happen on the human side, but I look forward to seeing an AI tool that can assess a given situation, predict what might happen and offer some potential solutions.

CT Our digital technology innovations do just this, such as using AI to process MRI patient images – the quicker you can get through that procedure, the less energy you consume and technology like this can help track emissions.

KS Volvo Group has realised that data can be used to optimise things such as battery performance, ultimately leading to more sustainable transportation. We are using AI in the development of various digital tools to help users understand how to reduce their carbon footprint.

Q It's clear that this is a huge challenge. Can an organisation ever become truly digitally sustainable?

CT Our focus is to deliver digital innovations with sustainable impact. People see this as a massive subject, but you need to start somewhere. Unless you start acting and measuring, nothing will change.

JG To be digitally sustainable is to be aware of everything you could be doing and measuring it from an initial understanding. Saying "we're going to improve sustainability by 50%" means little if you don't know your baseline.

KS To become truly sustainable, we must report on it – both internally, so we can discuss it, and externally, so we can benchmark ourselves against other firms and sectors. That's at least a sign that a company is really trying, but more than that it is increasingly essential to our climate goals.

Francesca Cassidy, Raconteur's deputy editor, chaired the roundtable.

TIME OFF

The CEO's guide to sabbaticals

While many firms offer extended leave, their chief execs rarely take that option. Should more leaders consider going on sabbatical? And how can they ensure that things run smoothly in their absence?

Sam Forsdick

In August, Vice Media's chief people officer, Daisy Auger-Domínguez, ended the internal email announcing her departure from the company by saying that was going on a "radical sabbatical". She has since described her prolonged time out from the business world as "rejuvenating", but not everyone in the C-suite feels so able to take extended leave.

It's particularly rare for a CEO to go on sabbatical, for instance. The leader, usually the public face of their company, is accountable to the board of directors and shareholders, carrying the can for all key business decisions. Given the weighty responsibilities of the role, it would seem hard for the holder to justify taking much more than a couple of weeks off at a time.

"There is still a lot of stigma attached to taking an extended break as a CEO," observes Ben Bryant, professor of leadership and organisation at the International Institute for Management Development in Lausanne. "People will interpret that move in different ways. Some may think it's an admission that the leader can no longer cope with their workload. They may see it as a sign of weakness."

In his experience, CEOs tend to go on sabbatical if they are facing extreme burnout. Sometimes it's a sign that they're about to leave permanently, either of their own accord or with gentle encouragement from the board. This can be particularly problematic for a publicly traded company, harming its share price when investors make assumptions about the fitness of its leader.

Yet there are signs that views are changing. Kristo Käärmann, CEO of fintech firm Wise, is currently taking a three-month sabbatical to spend time with his family, for instance, while Sarah Kate Ellis, CEO of LGBTQ campaign group Glaad, has enthused about how her sabbatical has benefited not only her but also her team.

"I hope this becomes more common, because I think it's an extremely good move for personal development," Bryant says. "If CEOs are taking a sabbatical as a chance to reflect, it can only be a good thing for their corporations."

Amy Williams, the founder and CEO of Good-Loop (see interview, page 3), recently took four weeks off to explore the US's national parks. The company offers all of its employees an extra month of paid leave after five years' service, but Williams was initially reluctant to take the opportunity herself.

"As CEO, you're always so busy. There's always going to be a reason not to do it," she says. But, after seeing how many employees returning from sabbatical seemed to have been reinvigorated by their time away from business, Williams was eventually persuaded to follow suit.

"And someone told me: 'If you don't use your entitlement, you're signalling to others either that they don't have permission to take time off or that they will be judged for doing so,'" she recalls.

It wasn't a complete break from the business: Williams did check in once a week for progress updates. Nonetheless, she claims that her time away helped her to become more patient and manage stress more effectively.

"Something that feels urgent is often in the wash the following week. It was a good lesson in maintaining a sense of perspective," she says.

Simon Bacher, co-founder and CEO of language learning app Ling, is a keen traveller. After dedicating six years to building the Thai-based business, he decided that he needed two months off to "recharge the batteries. This was about taking a break and seeing how well the business could run without me."

Bacher went to Mexico during his time away. He swam in sea caves, dived with sharks and also spent time with the country's burgeoning digital nomad community.

"I brought back new ideas for how we could grow the business – big-picture ideas about where we could be in 10 years," he says. "That would never have happened if I'd just stayed and kept running the day-to-day operations."

Although Ling has no formal policy entitling others in the company to take extended leave, Bacher remains open to the idea.

Williams notes that her absence enabled numerous members of her team to take on additional responsibilities. She believes that it was a valuable developmental experience for those colleagues, enabling them to practise some new skills.

> **Something that feels urgent is often in the wash the following week. It was a good lesson in maintaining a sense of perspective**

"I noticed some real glimmers of incredible leadership among them while I was away," she says. "I would never have seen those if I'd been there, because I'd have dealt with many of the issues myself. It made me aware of where I create ceilings for my team."

Before he went on sabbatical, Bacher had spent time restructuring the organisation, delegating some of his work to colleagues. The changes were designed to give him and his wife, Khwanoi Kanyarat, who co-founded Ling, more time to devote to strategic planning.

"In the two months I was away, we didn't have a problem," he says. "The experience has made me more hands-off and far more trusting in my leadership team. It means that I can focus on other matters of importance to the business."

But, like Williams, he couldn't switch off totally from work while on sabbatical, given that the smooth running of the business was still his ultimate responsibility.

Bryant says: "There can be a mutual force whereby people still feel the need to run decisions past the CEO. Similarly, the CEO may want to keep an eye on things. It can be hard for them to cut themselves off completely."

To help put a clear dividing line between her work and time off, Williams hired a virtual assistant to sift through her email inbox and notify her of any urgent matters.

"Every Monday I'd have a call for a couple of hours with my PA, who helped me to manage all of the communications across the week," she says. "That worked really well."

Bacher admits that it was harder for him to draw that line. He found himself regularly reading Slack messages on his phone. But he adds: "When I saw that I could really rely on the people I had delegated to, I checked in less and less."

He would advise other leaders contemplating a sabbatical to start planning months in advance and "set up a system of how your responsibilities will be delegated".

Bacher also found the so-called OKR system of management, which focuses on objectives and key results, to be a useful system for his colleagues to follow in his absence.

"If you don't have that sort of structure in place, it's hard to take a step back because you must continue setting the direction," he warns.

Although business leaders must put in extensive groundwork to ensure a successful sabbatical, taking an extended break offers clear benefits, both for them and the wider organisation. Whether it's time spent coming up with new ideas or simply recharging the batteries, a sabbatical can be just as good for the CEO as anyone else.


FG Trade via iStock

COMMUNICATION

Should chief execs be on social media?

A carefully curated online presence can help business leaders to develop deeper and more authentic relationships with their firms' customers and employees alike

Jing-Jing Hu

For billions of people, social networks have become an integral part of modern life. The average person spends more than two hours on them every day, according to We Are Social.

Businesses have long acknowledged this, setting up corporate accounts and employing dedicated social media managers. But CEOs' profiles represent an opportunity – one that's not always taken – to make a positive impact.

A study published by *Harvard Business Review* has concluded that nearly half of a firm's reputation and market value can be attributed to its CEO's reputation. After the corporate website, its social media accounts are the next point of reference that consumers and potential employees visit, informing their opinions of the organisation.

Research by corporate advisory firm Brunswick suggests that financial readers trust a CEO who uses social media up to nine times more than one who doesn't. The study also reveals that 80% of employees prefer working for a CEO who uses social networks, while 82% of candidates joining a firm will research its CEO's online profile beforehand.

Dr Sophie Chung, CEO of digital health platform Qunomedical, can attest to this last finding. She reports that successful job applicants have been attracted to the firm "because of something I've said online. People get to know my company through me. A large part of who I am translates into what we do. I find that being authentic online attracts the right candidates automatically."

The CEO of software consultancy Tech Mahindra, Chander Prakash Gurnani, believes that social media is "the most efficient tool to directly engage, connect and share" with his 150,000-plus employees. He says that his recent Twitter conversation with OpenAI's CEO, Sam Altman, "directly influenced" the establishment of an in-house AI lab.

Given the potential reach and positive impact that social networks offer CEOs, they should be wondering not whether, but *how* to engage.

Research by FTI Consulting suggests that the number of business leaders actively engaging on social media has doubled over the past two years. More than half of the FTSE 100's CEOs are posting on LinkedIn.

"We reached that point for the first time this year," reports Andrew Williams, corporate reputation specialist and senior managing director at FTI Consulting. "They aren't very active, but they have at least posted something in the past six months."

As in real life, the effectiveness of leadership extends beyond the CEO. The same study found that having at least four C-suite members active on social media increases the collective impact by 36%. Transparency builds trust – and 92% of professionals are more likely to trust a firm whose senior executives use social media. On LinkedIn, content posted by individual leaders receives double the engagement generated by content posted on corporate accounts.

"Audiences want to hear from an individual. It's hard to be social with a company. It's much easier to be social with a human. That's why leaders achieve higher levels of engagement than company channels do," Williams explains.

While audiences look to leaders for professional insights, a mix of personal and corporate material tends to perform best. Success in this context requires the content to be seen and positively received by the target audience. To achieve this, Williams advises leaders to avoid adopting the mindset of a broadcast channel.

"You have to respond to other people's content and engage with their messages," he says.

Leaders across Europe seem to agree that authenticity is key. Like Chung, Job van der Voort, founder and CEO of HR platform Remote, views his business as an extension of his personality.

"When I'm on the internet, I represent my company. It represents what I care about," he says.

But, depending on the platform, a degree of divisiveness can be helpful, adds van der Voort, who has followerships of 25,000 on Twitter and almost 55,000 on LinkedIn. He has found that the former favours more controversial content, whereas the latter prefers agreeableness.

"The way to be successful on these platforms is to be somewhat authentic and somewhat divisive," he says.

Michelle Kennedy, founder and CEO of Peanut, a social media app for women, emphasises the importance of the personal in business.

"There is such a human connection to business now, in a way that I don't think there used to be," she observes. "People don't just buy a brand. They want to know more about who's behind it and how they live. Do they represent the values that they say they do? I think that's very important."

Kennedy likes to use voice and video for engagement, because the ability to "see and hear someone is very humanising". Being in the business of social media, she has found that providing "authentic value immediately" is the key to building a strong community.

> **"The way to be successful on these platforms is to be somewhat authentic and somewhat divisive"**

But being strategic at first can help in building a strong personal brand, says Chung, who has more than 11,000 followers on LinkedIn.

"I think it's really important to choose your public persona at the very beginning and craft this," she argues. "The clearer that message, the easier it will be to build an audience and a community. Once you've established your brand, you don't have to be as strict about that."

In balancing the personal and the professional, all of the CEOs interviewed for this article have principles that they stick to. Van der Voort's "essential rule is: if my kid sees this when they are my age and come across my profile, would it hurt them?"

Similarly, Chung does not share identifiable information about her child, including images of her face. She also doesn't share photos of her partner, albeit for different reasons.

"I want to stand by myself and my public persona and not be connected to anyone," she says.

The degree of caution exercised does vary, though. Kennedy posts about her children, but not her partner, in accordance with his wishes. Gurnani, meanwhile, shares photos of his children, but not his grandchildren, "to respect their privacy".

When deciding what to post, the nature of the business matters. A key point of Kennedy's company, for example, is giving women a safe space to talk about motherhood. In this context, embracing her role as a mother publicly is relevant. Similarly, Chung uses her medical background to bolster her public persona.

"Wherever I show up, I am Dr Sophie Chung. That's part of my brand. I'm a doctor and I'm in digital health. It's something that I consciously do," she explains.

On privacy and security, Williams adds that it's important to keep the online presence of close relatives and friends in mind. Using exercise-tracking app Strava, for example, could easily reveal someone's location. From this, other details can be inferred. If a child is vacationing with their parents in a location of relevance, such details could have business implications if spotted by savvy journalists or investors.

Employees and financial readers consider crisis communication a key responsibility of CEOs. According to Brunswick, 92% of financial readers and 78% of employees expect CEOs to communicate about their firm online during a crisis. Similar percentages consider "correcting misinformation about the company" on social media to be an important leadership responsibility.

A strong social media presence can therefore be pre-emptive. A solid foundation of ongoing engagement helps leaders to prepare for crisis management. CEOs who resort to using social media only when times are tough tend to generate the least engagement with their posts.

People prefer that individuals take ownership and responsibility rather than receiving apologies from faceless corporate accounts. Recognising this, CEOs such as van der Voort engage with customers with genuine complaints because "it shows that you care".

> **"It's hard to be social with a company. It's much easier to be social with a human"**

Some large companies, including Tech Mahindra, have set up separate social media accounts to deal with customers' complaints.

People want human connection and use social media to find it. But online platforms are becoming more transactional and less real as they become more popular. This is where leadership can step in to offer a human touchpoint for employees and customers alike.

Success on social media entails reaching your target audience. The key to doing so is to be authentic on the platforms they use. Since a mix of personal and professional content is most effective, leaders are best served by reflecting on their own values and interests. This should ensure a well-rounded profile that can strengthen their leadership and maximise the positive long-term effects on their businesses.

Brunswick Group, 2022