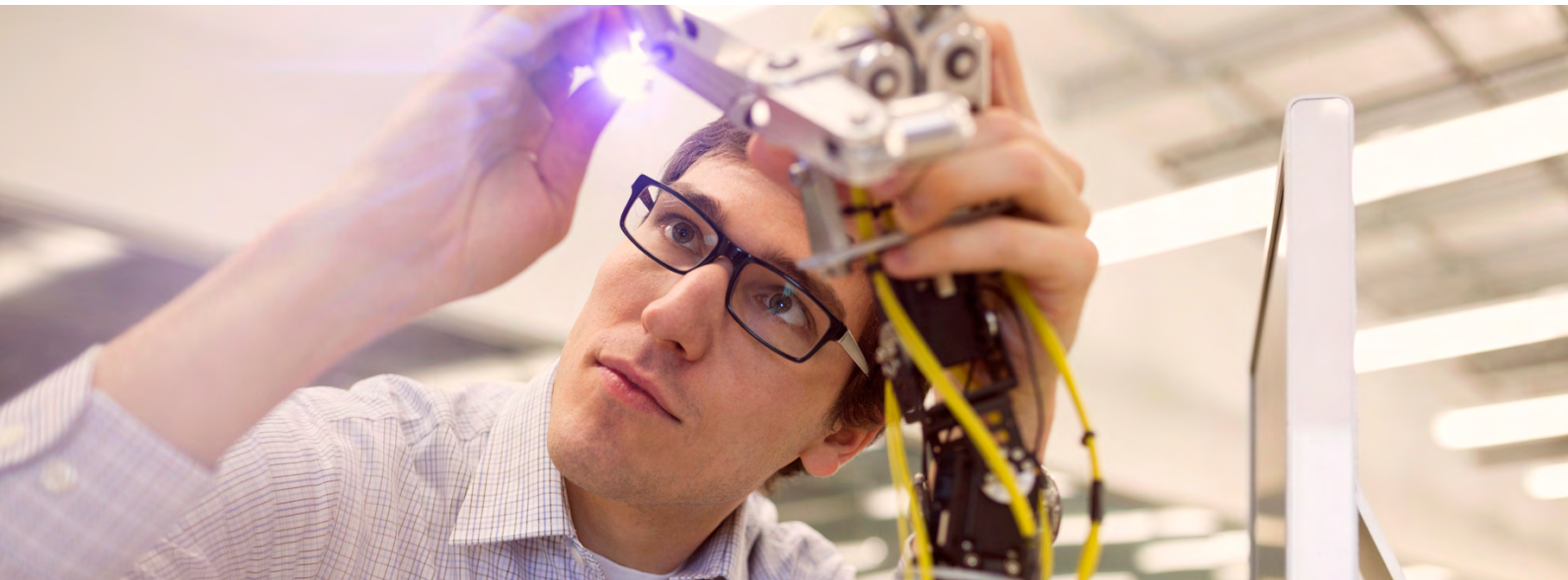


The future of leadership: anticipating 2030

Global business is facing a wave of disruptive influences that look set to spark the Fourth Industrial Revolution. We explore how the way professionals work is evolving, the leadership skills that will be needed within the dynamic mid-market to thrive, and how organisations can stay competitive in the war for talent and customers in 2030.



The business world is arguably on the cusp of the greatest period of transformation since the First Industrial Revolution in the late 1700s and early 1800s. For the business world, Industry 4.0 is presenting both challenges in how to respond – and also opportunities, which could see organisations with the right leadership

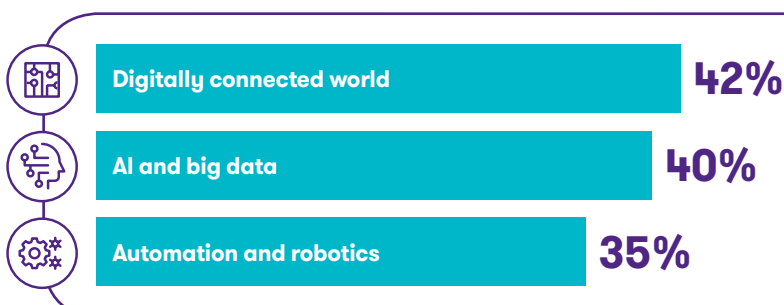
skills take advantage of new trends and emerge as leading players in their sectors.

Technology takeover: AI, the cloud and machine learning

Inmaculada Martinez is a tech pioneer and venture partner at Deep Science

Ventures. She believes new trends in technology will change the way organisations work entirely over the next 10 to 15 years, with the Internet of Things, cloud-based infrastructure, AI and machine learning becoming commonplace, forcing organisations to rebuild their business models.

Top three disruptive forces hitting businesses between now and 2030



The biggest disruptors will come from technology, with Grant Thornton's 2019 International Business Report (IBR)¹ – which surveyed senior leaders in mid-market businesses around the world – suggesting the rise of the digitally connected world will be the greatest change, cited by 42% of respondents. This is closely followed by other technological advances, including artificial intelligence (AI) and big data at 40%; and increasing use of automation and robotics (35%).

“In the healthcare sector, for example, where photographic evidence has to be analysed, that will be done by machine,” she says.

“You do not want a human to decide if you have cancer. You want a machine to analyse tens of thousands of photographs, your blood samples, CT scans or MRIs. Machines are spectacularly efficient at delivering results.”

This transformation of processes will have implications for the types of activity that are undertaken by humans, Martinez adds, with roles repositioned around elements which require creative thinking, tacit knowledge or social skills. Almost every industry will be affected, she predicts, from automotive to financial services.

People are power: Globalisation, talent and intellectual property

There are forces beyond technology which are also set to impact the world of work. Some 32% of IBR respondents highlighted the globalisation of resources such as finance, intellectual property and people, while 30% pointed to demographic changes.

Buhle Dlamini, a global speaker, author, and future and organisational culture expert at Tomorrow Today Global, also points to institutional change, environment and ethics, and social values as significant forces, along with demographics.

“The changing demographics in today’s globalised world are forcing organisations to re-examine who their market is and the changes required in the make-up of such organisations to meet the new demands,”

he says.

“As the world continues to face the everincreasing environmental threats of global warming, pollution and climate change, the higher the expectations are for ethical practices to be demonstrated by the business world. All of these forces are pushing a shift in social values as a whole.”

Justin Rix, a partner at Grant Thornton UK, highlights the impact of another generation entering the workforce over the next decade, and the challenges this will present for businesses looking to manage multiple generations.

“Generation Alpha will be joining the workforce, and they will expect purpose beyond salary,”

he says.

“They will need to be engaged differently and they won’t understand the hierarchical approach to leadership as they will be used to their voices being heard in a different way through social media. “This will be coupled with the prevalence of the ageing workforce, people being

in work for longer and having multiple careers,” he adds. “The extremes of youth and age will have an impact on how flexible organisational culture will need to be, and this will drive the need for organisations to personalise their employer brand.”

A new skillset: Innovative, adaptive and collaborative

The changing landscape means business leaders need to adapt their own skills and those of their teams if they are to both remain competitive and take advantage of new opportunities in the marketplace.

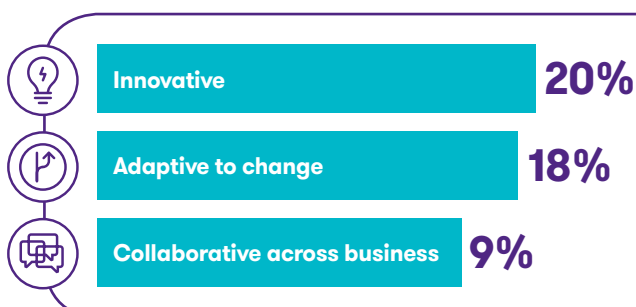
Rohit Talwar, CEO of Fast Future and a specialist advisor on business transformation, disruptive strategies and radical innovation, says

“the ability to adapt requires a number of leadership skills which may previously have been less important.”

“Digital literacy; the personal capabilities to manage themselves and manage their own emotions; and then the workplace competencies that help them do the job, so problem-solving, collaboration, big picture thinking, scenario thinking, making decisions. There’s a whole set of those skills that are all critical to helping us prepare for the future,” he says.

Future leaders will need to be both more open to new ideas and aware of their own limitations, believes Dlamini. “Creating the best culture to cope with disruption requires that leaders be the students of change and invite their teams to be curious with them,” he says.

The three most important attributes for business leaders of 2030



According to the IBR data, current global mid-market executives believe that the most important attribute for a business leader in 2030 will be to be innovative – cited by 20% of respondents; compared to the 16% who believe this is required today. Meanwhile, 18% say being adaptive to change will be essential, compared to just 14% who see this as a key requirement in 2019. Being collaborative is also viewed as important, with 9% of respondents highlighting this, while 8% point to the need for the courage to take risks.

“This means that leaders need to create a safe space and be willing to be vulnerable. Celebrate curiosity and experimentation and encourage teams to think beyond what is currently out there. This means leaving room for the new and even celebrating those who make exceptional mistakes in pursuit of something new and unique.

“This is not easy to achieve as organisations are living organisms that are creatures of habit, so to achieve it will require an ongoing shake-up.”

Sharing a vision: Strategy, direction and engagement

Alongside this, there will still be a need for leaders of dynamic organisations to have a clear vision and be able to articulate that to the business,

believes Kirsten Taylor-Martin, partner, private advisory, at Grant Thornton Australia.

“That being said, leaders need to understand that they don’t have to have all the answers – but do need to ask the right questions and have a team surrounding them who are just as passionate about the vision as they are,” she says.

They must also be willing and agile enough to break down obstacles and processes which have traditionally slowed down transformation, she adds. “Structure can cause additional red tape and slow the ability to change direction. Having less structure allows ideas to be easily adapted to the changing environment. Organisations need to be willing to trial ideas with low cost and take these options to market.”

Softer skills will also be essential in such an environment, particularly in the ability to engage staff and persuade them to follow a new vision. Gaurav Chaubey, a director in the advisory practice at Grant Thornton India, points to the need for more authentic, honest and direct conversations – which will be essential for designing a unique customer and talent experience.

“Authenticity means building one’s legitimacy through honest relationships that promote openness, build trust and elicit enthusiastic support,”

he says.

“It also helps ensure one is able to have frequent conversations, and give and accept feedback graciously.” Resilience is another important attribute, he adds, with leaders required to demonstrate emotional strength, courage and responsiveness at the most trying times.

Building tomorrow’s talent: Training, development and recruitment

Alongside the skills that future leaders will themselves require, they will also have to build up the surrounding talent in the organisation to help them meet the challenges of tomorrow.

“People will be even more critical,” says Rix. “The ability to develop new skills quickly in order to keep up with the pace of change in the market is increasingly important. Recruit people who are comfortable working in ambiguous environments and who thrive on change.”

In order to obtain and retain this talent, businesses, especially in the hyper-competitive worlds of scale-ups and mid-market players, will need to refocus and perhaps restructure their recruitment processes. Successfully targeting change makers, and appealing to their more fluid approach to their careers, will require the use of specific advertising language, intelligent candidate identification, and flexible working opportunities .

A workforce that embraces change is going to be particularly important when it comes to grappling with the disruption that will come from more AI, automation and robotics entering the workplace, says Dlamini.

“Those who will thrive in this era are the ones that understand that these technologies alone cannot replace an entire workforce, but that they will greatly increase the efficiency of the tasks that the organisations perform going forward,” he points out.

“The key to success is going to be equipping existing and future talent to understand new technology and leverage it by doing what only humans can do. This requires an increase in the ‘high touch’ human skills that are needed to connect with the human customers in the highly digitised world.”

Organisations will need to train people to help prepare them for when parts of their roles are taken over by machines or AI, both in using the technology itself and in being equipped for the higher-value activities that may come their way as a result – and also the potential emotional challenge of being ‘replaced’ by a machine.

“Departments such as marketing have already gone through this; for the last eight years growth hacking, which is how to create one-to-one campaigns using ads and real-time bidding, have been using AI,” says Martinez. “Companies have already started to put AI tools in the hands of individuals, and what has happened is that new jobs have emerged.”

Learning to think: Adapting, engaging and evolving

Talwar, though, points out that many people actually enjoy the less demanding elements of their roles, and will take time to adapt to the new reality of tackling more creative or higher-value activities. “You only have to look at how tired people are after a one-day workshop of using their brains and having to think,” he says.

“Most people aren’t trained or ready to do that. But there will be more of that kind of work, and that will be fine for a while, but then organisations will start to look to differentiate themselves so they will go back to injecting people into roles.

“We will go through some very messy cycles in the coming years. From an organisational perspective we need to train people to work with this technology, but we also need to be teaching them how to use their time well and how to pace their time when it’s on free tasks,” he says.

Strength through diversity: Inclusion, innovation and culture

Diverse teams and inclusive cultures are vital for future business success. A study by Forbes found that inclusive teams make better business decisions 87% of the

time, with diverse teams delivering 60% better results.² Those results come, in part, from increased innovation, which is a proven result of a more diverse workforce. A study by Boston Consulting Group of 171 German, Swiss and Austrian businesses, for example, showed a clear relationship between diverse management teams and revenues from innovative products and services – and also that innovation performance only increased significantly when more than 20% of management positions were held by women.³

Having tracked gender diversity data over 15 years of women in business reporting, Grant Thornton research confirms these findings. CJ Bedford, associate director, people advisory, at Grant Thornton UK, believes it will be increasingly important for firms to build inclusive cultures and a diverse workforce to mirror their consumer base and enable them to innovate. “Diversity is essential, but inclusive cultures are the enabler to bring diversity to bear,” she points out.

“You can have a diverse workforce, but if they don’t feel included and that they can speak up and be themselves at work, then you won’t see the benefit.”

³ ‘The Mix That Matters: Innovation Through Diversity’, Boston Consulting Group, 2017.

Leadership teams should also mirror the consumer base of the business, so they can walk in their customers’ shoes. They also need to balance this understanding with enabling challenge in their decision making, she adds.

There are signs that organisations are becoming more inclusive; according to Grant Thornton’s 2019 [‘Women in business: building a blueprint for action’ report](#), some 34% of businesses now ensure there is equal access to developmental work opportunities, and 31% claim to have created an inclusive culture. Through its [‘Blueprint for action’](#), Grant Thornton has identified targeted, deliberate actions that businesses can take to improve gender diversity.

Leaders of 2030: Identify, nurture and empower

Part of any move towards a truly inclusive culture is for organisations to realise that talent may no longer reside solely within the business itself, believes Chaubey. “Today, talent and competition aren’t coming from where companies thought they would,” he says.

“Not only is the average company lifespan decreasing and economic power shifting to newer cultures, but with the advent of the gig economy even the greatest talent could be anywhere around the world.

Organisations will benefit from nurturing a culture and building systems that decentralise control, encourage people to constantly learn, and empower people to take charge and be responsive to changing circumstances.”

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The challenges organisations and leaders face over the coming years are considerable, and will likely require fundamental changes to both leadership behaviours and business operating models. But Talwar is confident there are also upsides for organisations that can navigate the maze that lies ahead. “The global economy today is worth about \$80 trillion,” he says.

“You can either take a Star Wars mentality that says the way to win is by taking out the competition and you just have to have the biggest possible share, or you can say it could grow to \$120-130 trillion in the next 10 years, and over half of that will be from businesses and industries that don’t really exist or have just been born. To me that smells like opportunity.”

[To find out how your business can build the leadership, vision and culture to harness the disruptive forces of 2030, contact your local Grant Thornton advisor.](#)

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