## **CHAPTER 1**

# The future and the future of leadership

A water taxi ride from Marco Polo airport across the 'agoon into Venice is one of life's great experiences. A few minutes after landing on a flight from London I was sitting in the stern of a motorboat skimming across the sparkling water. While my watch advanced an hour, time unravelled in this historic crossroads of people and culture. As we approached the legendary Hotel Danieli, housed in a regal fourteenth-century palazzo, gondolas bobbed in the water, the gondoliers resplendent in their simple striped shirts. Tourists filled Piazza San Marco, ignoring the glare of the midday sun in order to spend a few moments being blinded by beauty.

As I strolled the quiet empty streets that night my thoughts turned again to the relentlessness of change. Venice helps us maintain perspective when we consider the transitions, trends and shifts confronting our world. Venice may be sinking, but slowly. The sea may be rising, but slowly. The passenger ships deliver new loads of tourists by their thousands each day, leaving the city to silence and local life each night.

Venice reminds us that people adapt in the midst of change. We generally get on with living, muddle through and find a way forward through all that shifts, often with considerably more resilience than we tend to recognise.

While Venetians face a remorselessly rising sea level, what do you face? What are the sea changes in your world that will change the way you go about your life? What forces are changing business, government and society, and how will they change us? How can we understand this change?

# Navigating this chapter

This chapter introduces two models for understanding change, the sigmoid curve and the game-changer curve, that will help you make sense of some of the shifts and transitions, and understand what happens during change, particularly at inflexion points.

- A future of unbounded possibility' considers the impact you can make by your choices, points out that we live in a leaderless world and raises questions about who can lead us into the future through these shifts.
- 'Five big shifts revealed through a human lens' introduces my perspective on the shifts before you as you take up the challenge of Human-Centred Leadership.

# Two models for understanding change

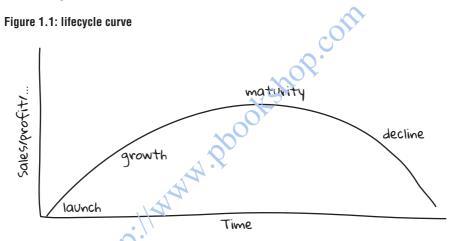
Much of this book is about change and responses to change. These two models offer a way of understanding change and seeing where we may be on the change curve.

## The sigmoid curve

"The only constant is change' has become a rather tired aphorism, trotted out as if change is something unique to this moment. Change, however, is a function of time—and vice versa. It has been with us since the spark of the Big Bang and will be with us until the universe fizzles out. It's unrelenting, unstoppable and often uncomfortable.

Twenty years ago Charles Handy, in his book *The Empty Raincoat*, explained the concept of the *sigmoid curve* as a way of understanding change.<sup>1</sup>

The sigmoid curve starts with a standard lifecycle curve (see figure 1.1), which shows a simple timeline: products are launched, grow to maturity, and then begin to decline and eventually disappear. Manufacturers, for instance, pay attention to this curve as they invest in R&D to bring new products to market, steadily build market share and then enjoy a period of healthy sales and margins. Over time sales begin to decline as the market becomes saturated, competitors enter the market or technology becomes outdated. Eventually the product fades from view. Take a short moment to reflect on products you have used over the years—to play music or contact friends perhaps—and you will recognise this cycle.



In order to avoid the inevitable decline, you need to rethink what you are doing — that is, innovate — as you approach the top of the curve, when everything appears to be going fabulously well. Doing this can sometimes lead to a temporary dip, for instance as profits decline due to increased R&D investment, although success will launch a new curve. This new upswing motion forms an inflexion point and creates the sigmoid curve (see figure 1.2, overleaf).

Figure 1.2: the sigmoid curve

Changing direction when things are going well is not easy. In business sales are booming, profits are up, people enjoy working for a market leader, customers love you... In government the economy is strong, debt is being paid down, unemployment is low... In your personal life relationships are flourishing, communication is honest and frequent, the world seems radiant ... This is often the calm before the storm, the comfort before the seven-year itch, the illusory satisfaction of supportive polls or market research.

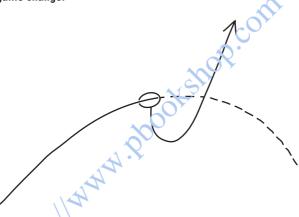
Wise leaders take steps to prepare for the future, just as navigators know the sun does not shine forever and always keep a close eye on weather and water. They know a storm will roll in at some point and always maintain a state of readiness.

Looking away from what is successful at the moment to what could be successful in the future requires strong leadership. It requires courage to confront the chaos and confusion that marks inflexion points and to navigate the fog of uncertainty.

## The game-changer curve

Many people sense that the change we are going through in the world at this time is in some way different from previous changes. When they talk about energy or the environment, the economy or society, governments or business, they talk about a 'gap' that separates today from tomorrow. This kind of change is not a transition along a continuum, such as on a sigmoid curve, but a transition from one continuum to another. In other words, a game-changing event causes a break or disruption in the curve (see figure 1.3, with thanks to Chris Bangle, former Chief of Design for BMW, who first alerted me to this concept).

#### Figure 1.3: the game changer



This concept of a disruptive, game-changing shift can help you understand why what is happening today feels more uncomfortable than previous changes. While some changes mark a journey from one place to another, as if following a winding road, contemporary changes are more like leaping across an abyss.

Digital disruption is one example of a game changer. Artificial intelligence is about to be unleashed on knowledge work, which will have a far greater impact than the computerisation of manufacturing jobs. Having been relatively passive observers as machines took over manufacturing, most people will be unwilling participants as machines take over intellectual jobs.

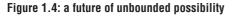
Governments and society are not equipped for the disruption that will occur as vast numbers of white-collar workers become unemployable, not because they are unskilled or lack digital savvy, but simply because their jobs will be performed by artificial intelligence. Tax and welfare systems, even the way we think about work and leisure, will change radically. And a raft of new industries and jobs that we cannot yet imagine will emerge. In this world your job will disappear with little warning, and no amount of training will bring it back. It will be gone forever.

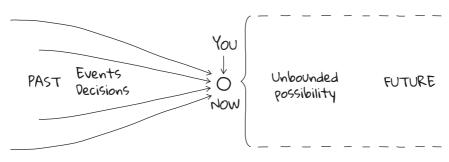
Shifts, changes, transitions, uncertainty and the unknown...and tremendous possibility.

# A future of unbounded possibility

Every moment is a meeting place of time and events flowing from choices made in the past. All history converges on you at this instant. The future, however, diverges. It's not a straight line forward. It opens rather than narrows, expanding into a range of possibilities (see figure 1.4). The future has both inevitability (elections are held on a predictable cycle) and possibility (who will be elected is unknown).

It's worth taking the time to think about that. This moment, right now, is the point at which your past meets the present, and your future opens out into unbounded, unlimited possibility...





The future holds tremendous potential, limited only by your imagination and the choices you make. The choices made by people in positions of influence will have a profound effect on tomorrow's world. Hence, the character of leaders and the quality of their leadership is crucial.

## A lack of leaders

The ultimate determinant of the shape of tomorrow's world will be the quality of leadership. Not social, technological, economic, environmental and political forces, but the force of leadership. While the five former forces will influence the world of tomorrow, it is leadership that will give it shape and definition.

What kind of leadership do you think may be required in the world of tomorrow? A world where ancient religious cultures clash with modern society, and advances in artificial intelligence clash with humanity. A world of national borders yet digital nations, in a constant state of flux, uncertainty and compounding complexity. Is it reasonable to suggest we will need a different kind of leadership from what we have today? Do we have the quality of local, national and global leadership we will need to effectively navigate this fast-moving world?

Ian Bremmer, the pre-eminent geopolitical strategist, writes in *Every Nation for Itself: Winners and Losers in a G-Zero World* that we are 'in a world without global leadership'.<sup>2</sup> He believes that the world is undergoing a 'tumultuous transition, one that is especially vulnerable to crises that appear suddenly and from unexpected directions ... Over the next decade and perhaps longer, a world without leaders will undermine our ability to keep the peace, to expand opportunity, to reverse the impact of climate change, and to feed growing populations. The effects will be felt in every region of the world—and even in cyberspace'.<sup>3</sup>

## Who will lead us?

Ian then asks the question that is reiterated over and over, by observers of history and trends, by every leader I talk to, and in forums, conferences and conversations around the world: *'Who will lead us through?'* And to this question we will repeatedly return, because—and there's no getting away from it—the answer is *you*.

Take a moment to reflect on that ... You are the one the world is waiting for.

You may feel a sense of destiny and purpose and agree wholeheartedly with that statement. On the other hand, you may be doubtful that you could ever be called to greatness, and feel only fear and anxiety. If you are in this group you are not alone. Whether you feel a sense of destiny or doubt, this book is for you. Through its pages I will offer you both a roadmap and a toolkit for the journey, enabling you to start from scratch or to supplement and reinforce what you already possess.

### Where will you lead us to?

'Who will lead us?' invites the further question: 'Lead us where?' Where is it we are going? What is it we are going through? Undoubtedly it involves upheaval, turmoil and tumult.

And that's why leadership, and Human-Centred Leadership in particular, is crucial, because you need to help your family and friends, your colleagues and staff, your neighbours and nation, through the disruptive changes ahead.

What are those changes? Many people look at change through a business, strategic or geopolitical lens. What might you see, though, if you look through a human lens? What might you see if you consider the impact of change and disruption on people and our relationships with one another?

As you look, I would like to draw your gaze toward five big shifts in particular.

# Five big shifts revealed through a human lens

Curiosity has led me to seek out leaders and commentators and ask them for their perspective on trends, transitions and shifts. It's a fascinating area that helps us to build a map of the journey I think we are on. In global forums and private conversations over many years a small number of topics have appeared frequently.

Climate change is commonly first up, being front of mind for most people today, closely followed by globalisation in one form or another. Technology, with both its blessings and curses, is usually next, followed by the fragility of the economy and finally asymmetric warfare and the threat of religious wars. Woven within these themes are perennial questions about the distribution of wealth and power, food and water, oil and energy. There are many intelligent commentators writing in depth and detail about any and all of these subjects, as you can discover with a quick internet search. All are worthy of attention and discussion.

Looking at change through a human lens, however, reminds you that change involves people and impacts people. The changes I have noted influence where and how you live. They affect your work and leisure activities. They influence your personal, communal and national relationships. When you look through a human lens you encounter people who may be displaced because of climate change, people who are depersonalised by technology, people whose dreams were shattered by a financial crisis. And not just generic people, but people who have names. They are Mary and Bob, Alan, Anjila, Sanjay, Ola and Hanna. They are your parents, brothers, sisters, friends and colleagues.

Through all the changes, the person who thinks, acts and loves remains constant. This does not mean people don't change, or that they are always good and loving; it simply highlights that *change involves people*. It is always people who are driving change or being driven to change.

So looking through a human lens can provide a different perspective and lead to different insights and conclusions. In particular it reveals five shifts that touch the foundations of business, government and society, and that require a human-centred response. They are interwoven between people and machines, across the moral and technological domains, with considerable crossover and cross-fertilisation. Some are well developed while others are emerging and evolving, but each has the potential to change your world entirely.

The first three shifts inhabit the technological domain, the fourth is in the moral domain, and the last-and most pressing-involves a convergence of morality and technology. They are:

- technology: fragmented and connected •
- technology: overwhelmed and underprepared •
- technology: always on and never off •
- moral drift •
- convergence and crossover of 'man' and machine. •

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