

NEXUS

LEADERSHIP 



**THE GAME
CHANGERS**

The AI Playbook

**Global Intelligence Association
May 2024**

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Founder & CEO, Gooder AI
Author, *The AI Playbook*

data

machine
learning

business
prediction

THE GAME
CHANGERS
LEADERSHIP+Leaders and Leadership
for Stakeholder Value

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Who we are?

Norm Smallwood

Norm is a partner and co-founder of The RBL Group. His research and consulting focuses on helping organizations increase business value by building organization, leadership, and people capabilities that measurably impact market value. He has written extensively about leadership and organization effectiveness in eight books and over a hundred articles.



Dave Ulrich

Dave has published over 30 books on leadership, organization, and human resources. These ideas have shaped how people and organizations deliver value to customers, investors, and communities. He has consulted and done research with over half of the Fortune 200 and worked in over 80 countries. He has received numerous public recognitions and lifetime awards for his work.



Dave Ulrich and Norm Smallwood books on leadership



Question for this session

How can I be a better leader and build better leadership in my organization ?

Overall Goals and Agenda

IDEAS

Being a leader; building leadership

IMPACT

Now is the time for human capability and leadership

Element 1: Build business case

Element 2: Agree on what leaders know and do

Element 3: Assess leaders and leadership

Element 4: Invest in leaders and leadership

Element 5: Measure leaders and leadership

Element 6: Ensure reputation

Now is the time for human capability and leadership

1. **Studies of CEO, senior business leader priorities:** Economic uncertainty, technology, people
2. **Conference topics:** Agility, culture, mental health, hybrid, leadership
3. **Government reporting** as materiality: Requirements to disclose report "human capital"
4. **Board agenda:** technology, driving value through values, creating unity, innovation in change
5. **Intangible value:** average is 80% of market value or cost of capital (debt)
6. **ESG attention:** social citizenship, planet
7. **Employees:** burnout, engagement, mental health, productivity

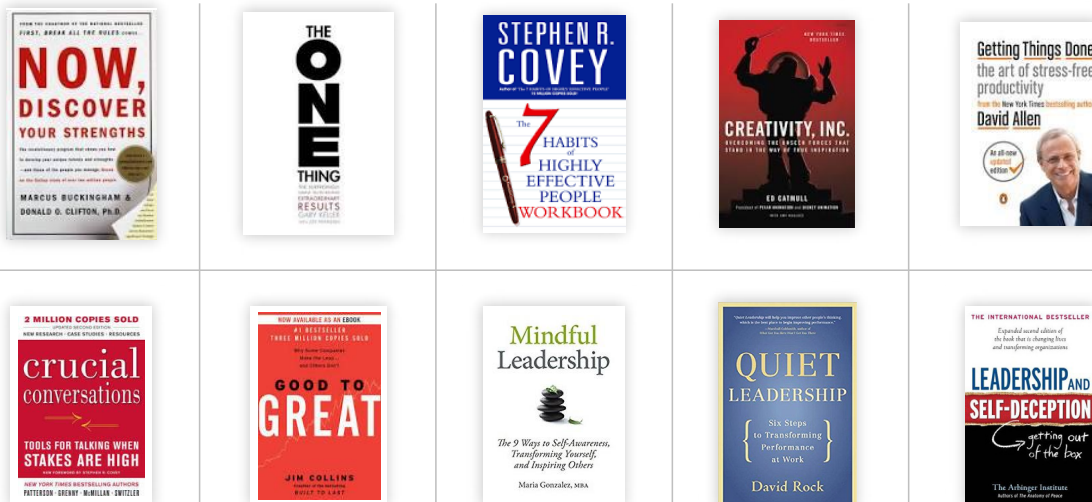
Overview of Human Capability Taxonomy

- **Today:** Most people and organization initiatives and assessments are piecemeal and haphazard
- **Tomorrow:** A shared definition of human capability that enables measurable improvements and comparisons across companies



Traditional Approaches to Leadership

With a few exceptions, leadership gurus ignore these business issues and are enamored with developing attributes/competencies not explicitly linked to results. Results of googling top selling leadership books show this bias:



Leadership Fundamentals

In your experience, what are 5-7 things leaders need to know and do?

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Leadership Brand results from two trends

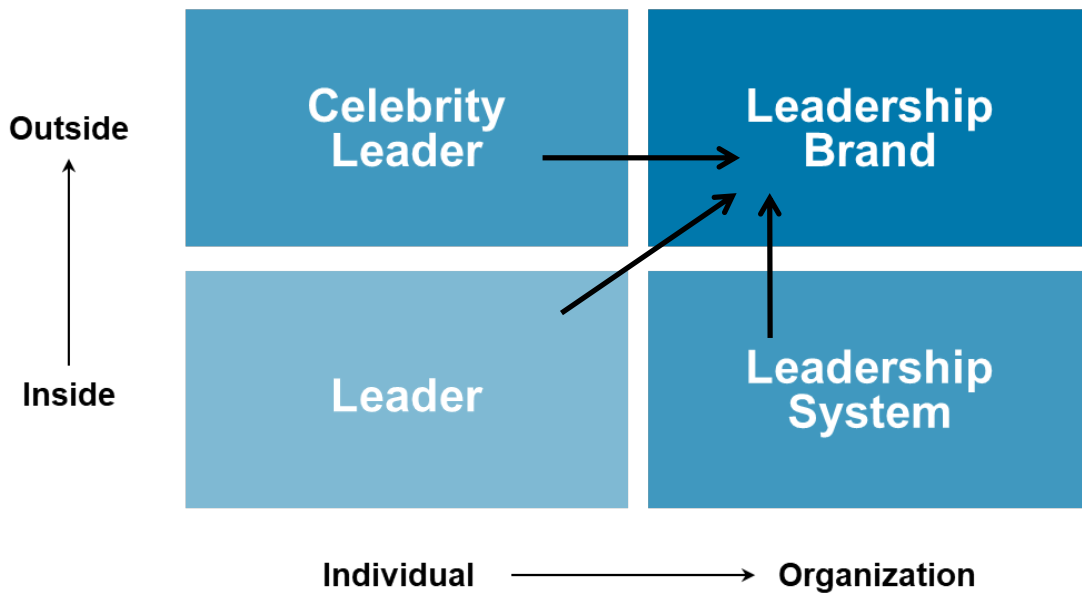
TREND 1:

Leader and Leadership

TREND 2:

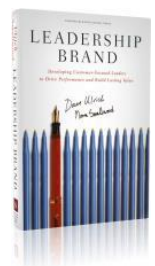
Inside and Outside

Leadership brand combines inside/outside and leader to leadership



Steps to Leadership Brand

To address these broader business issues, the best companies for building results-based leadership capability integrate these six elements



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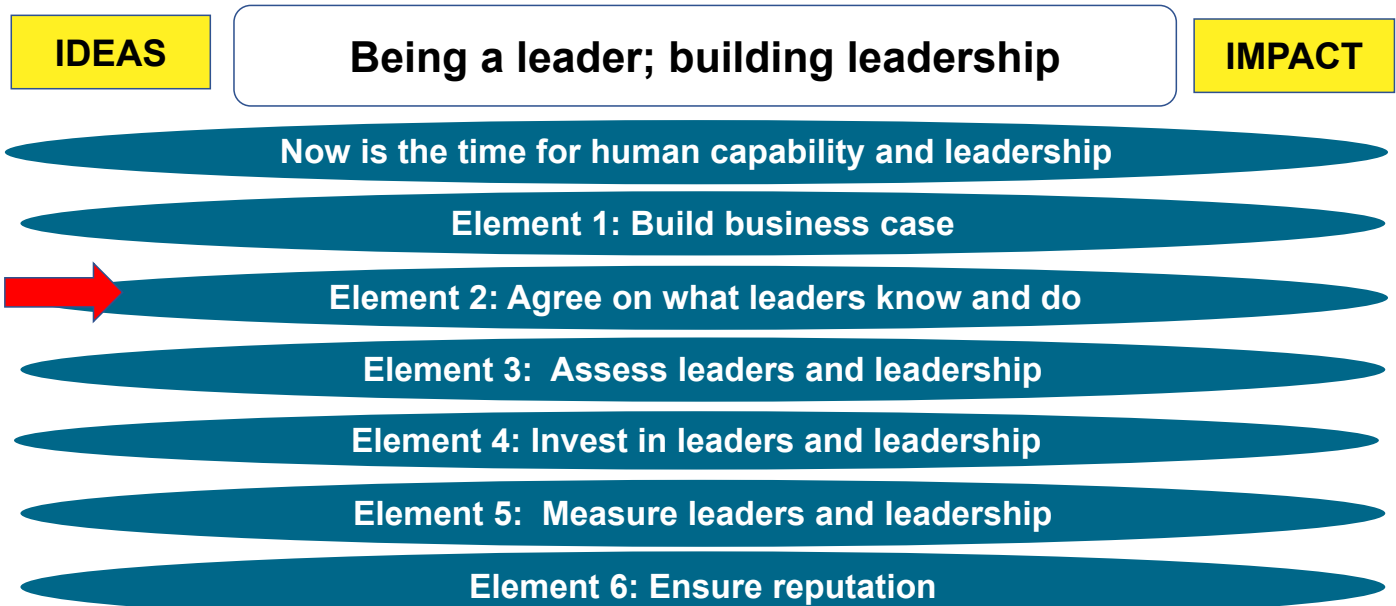
Why leadership matters

**If we have better leadership
at my organization, what will happen?**

Leadership and stakeholder value



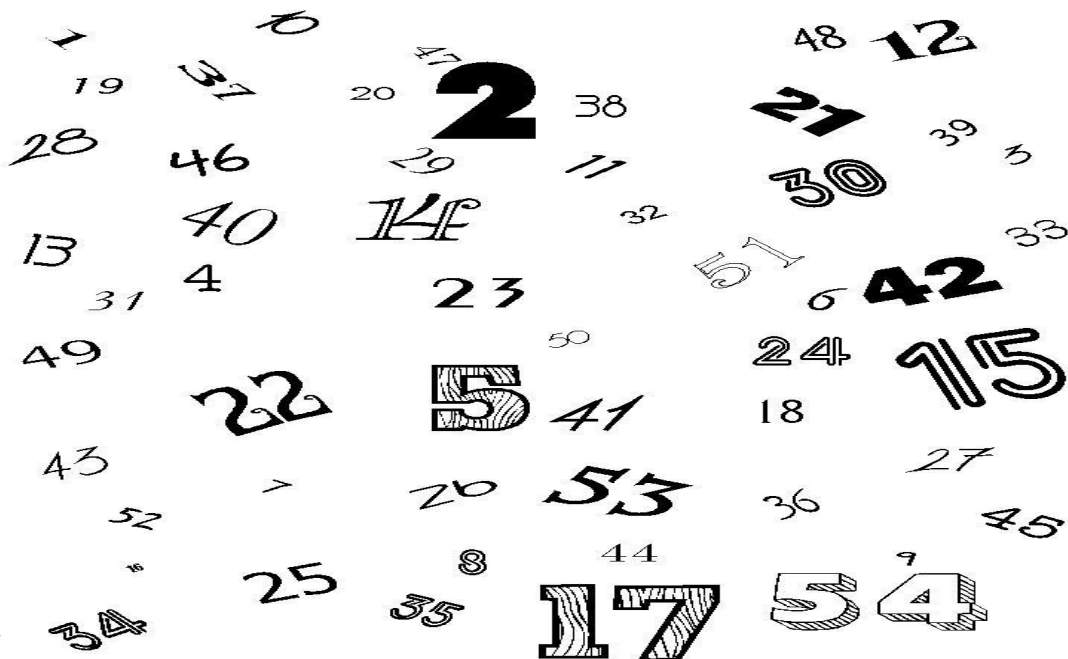
Overall Goals and Agenda



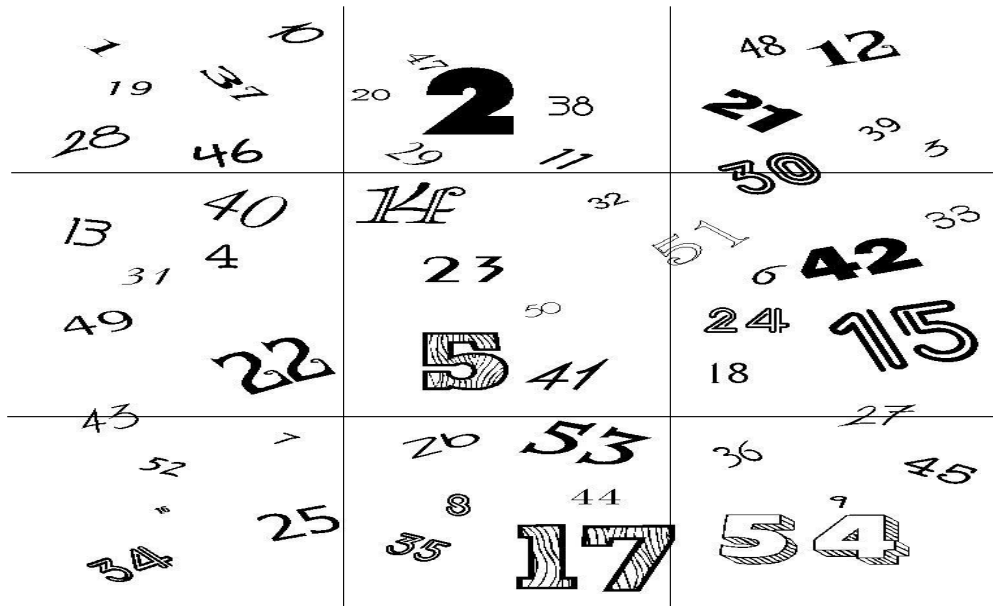
Leadership Code: DNA of Effective Leaders



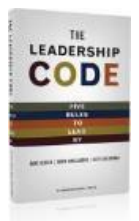
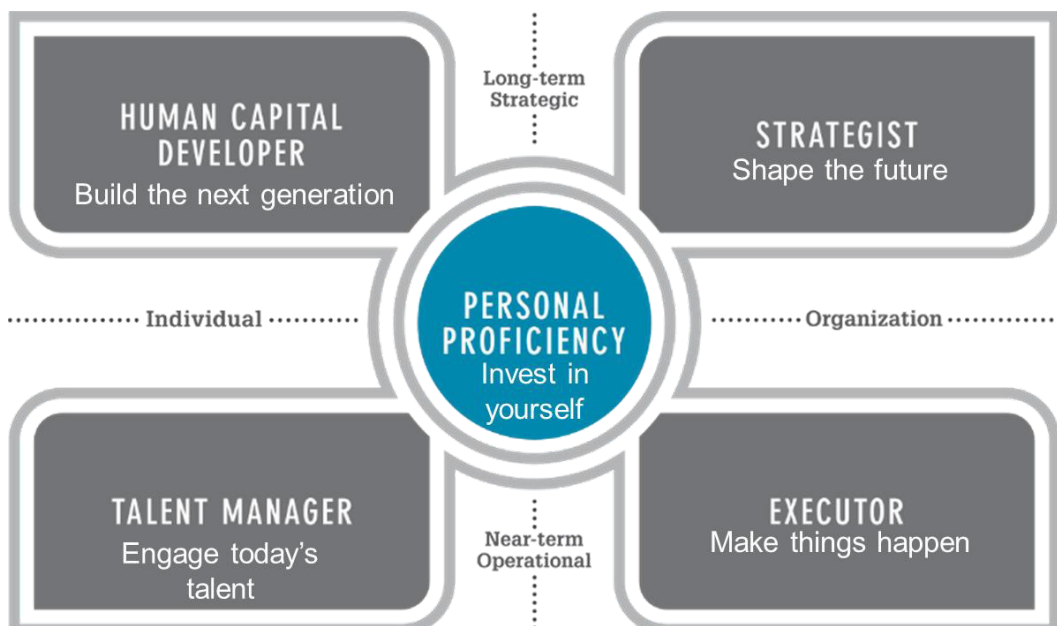
Count as high as you can in 45 seconds, starting from 1



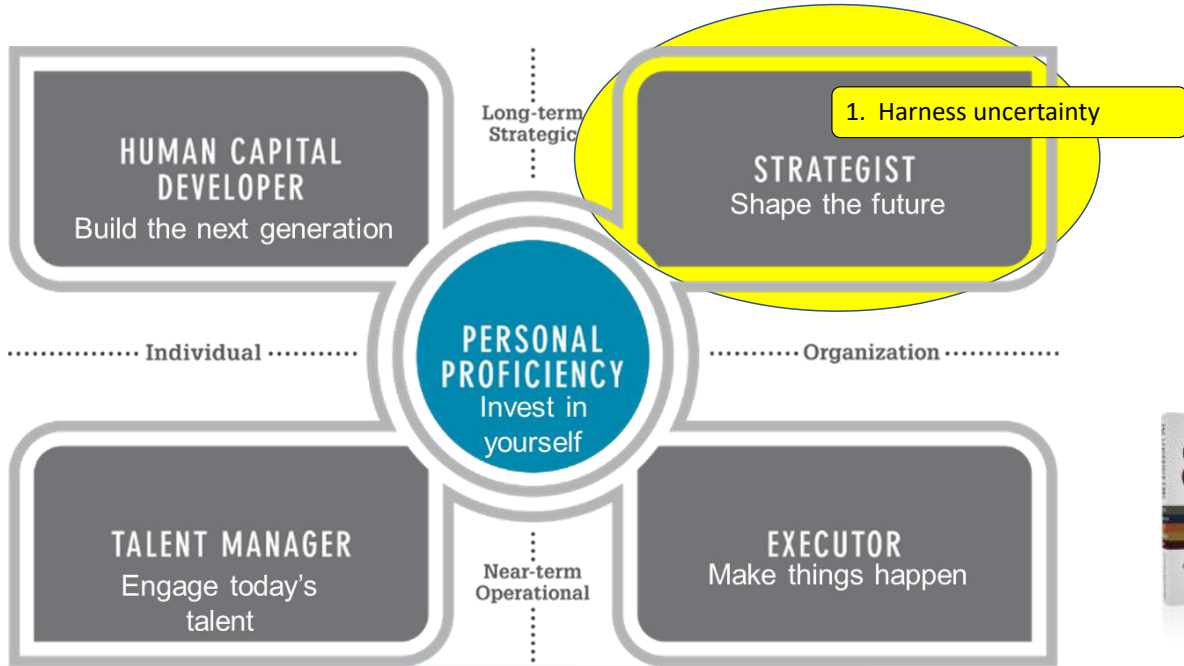
Count again: Creates a framework for leadership



Leadership Code: The DNA of Effective Leaders



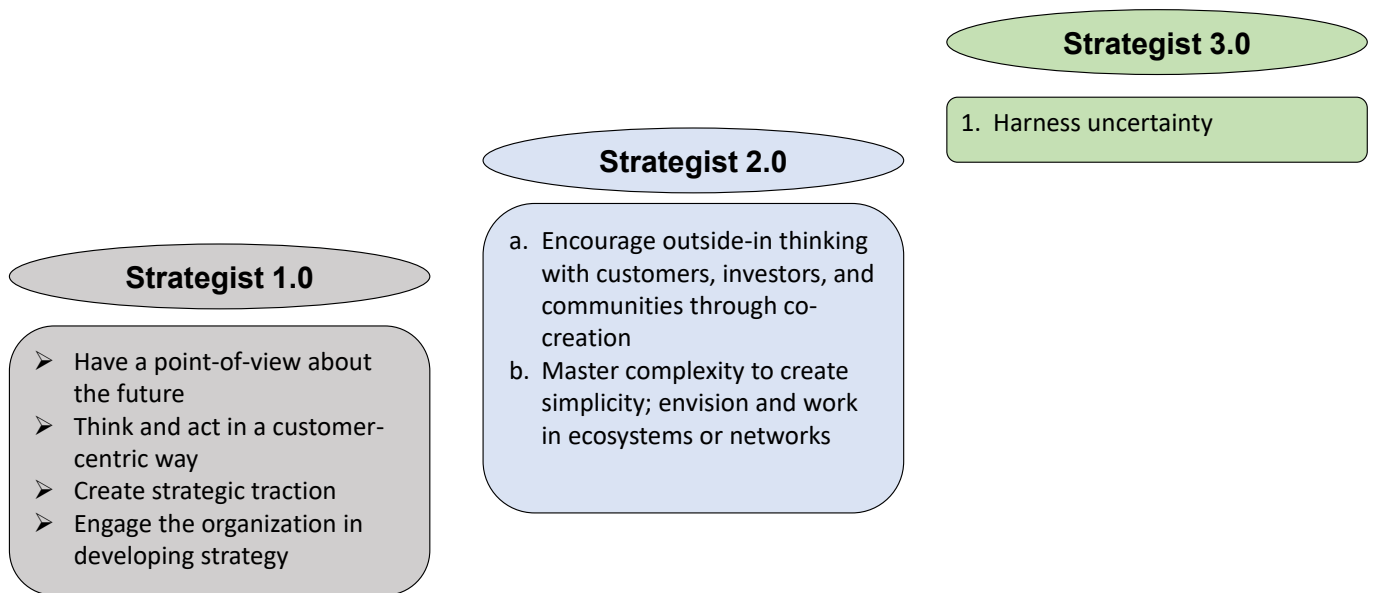
Leadership Code: The DNA of Effective Leaders



Leadership Code: Strategist



Leadership Code: Strategist Emerging Skills

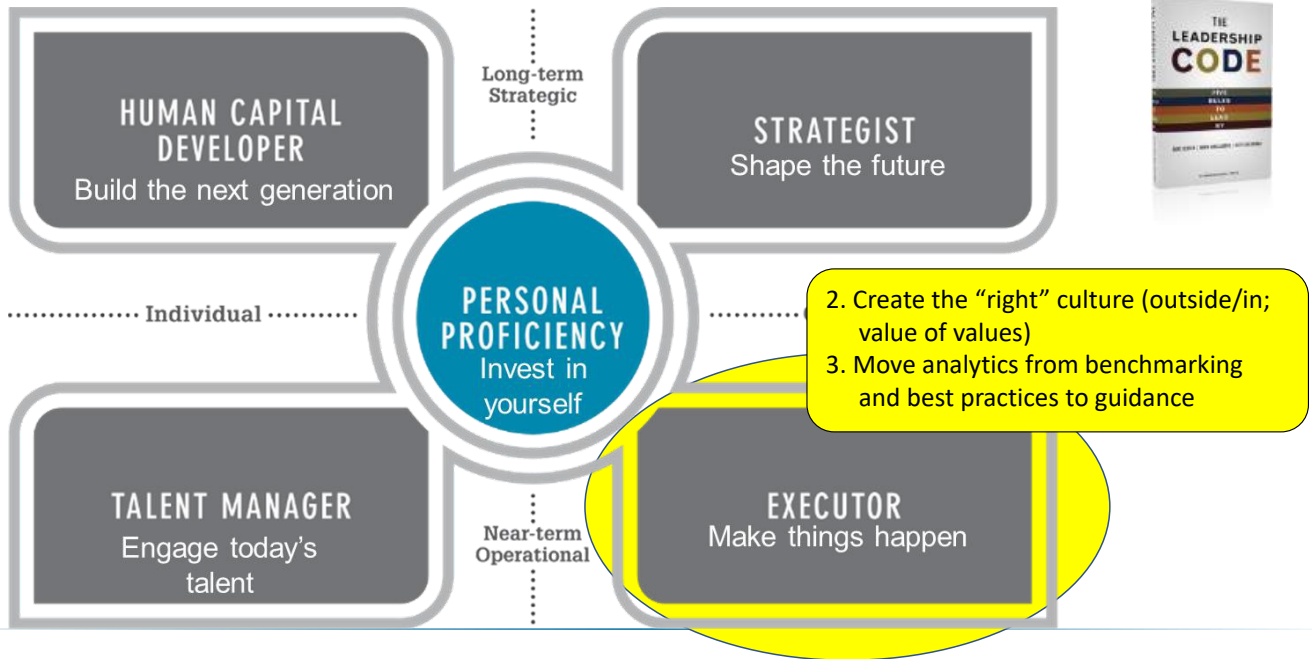


1. Finding certainty in uncertainty

What is something you are uncertain about that is causing you stress or anxiety?

1. Regardless of what happens, what **values** are you certain you want to live?
2. Regardless of what happens, who can you **rely on**? Who can rely on you?
3. Regardless of what happens, what are you **confident** you can/will do?
4. Regardless of what happens, what are you **grateful** for that you have experienced already?

Leadership Code: The DNA of Effective Leaders



Leadership Code: Executor



Leadership Code: Executor Emerging Skills

Executor 1.0

- Ensure technical proficiency
- Build teams
- Follow a decision protocol
- Ensure accountability
- Make change/agility happen

Executor 2.0

- a. Manage risk with action (avoid recklessness)
- b. Prioritize/satisfice to focus attention

Executor 3.0

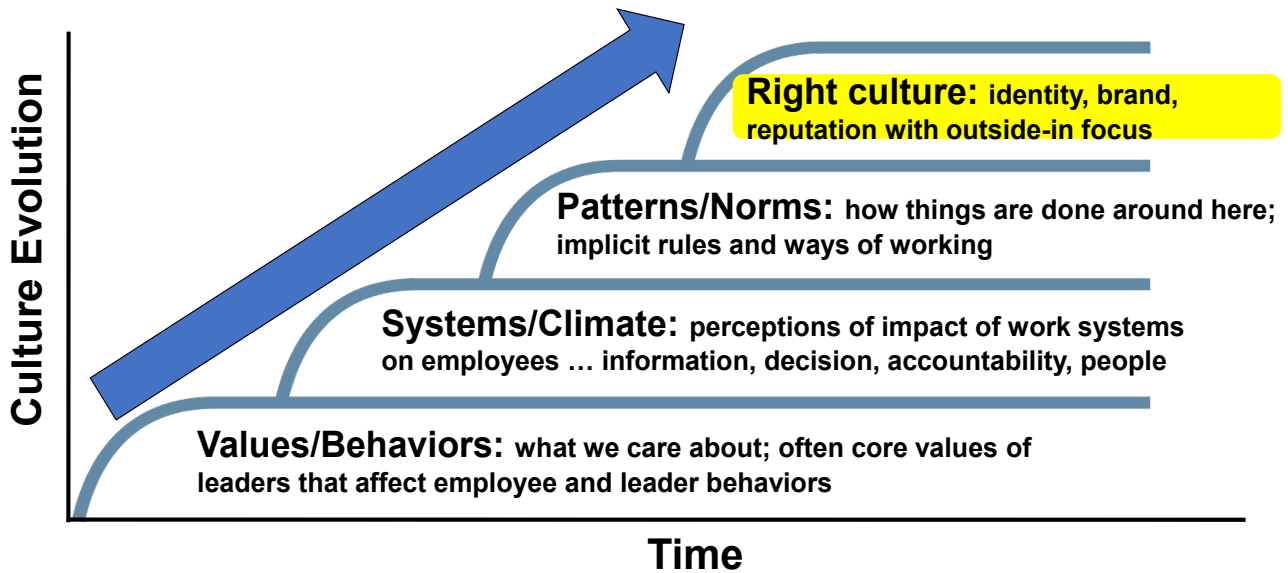
2. Create the “right” culture (outside/in; value of values)
3. Provide guidance to impact decision making

2: What is culture?

When you think of a company “culture” what comes to mind?



2: Evolution of Cultural Thinking



2: The value of values: culture outside in

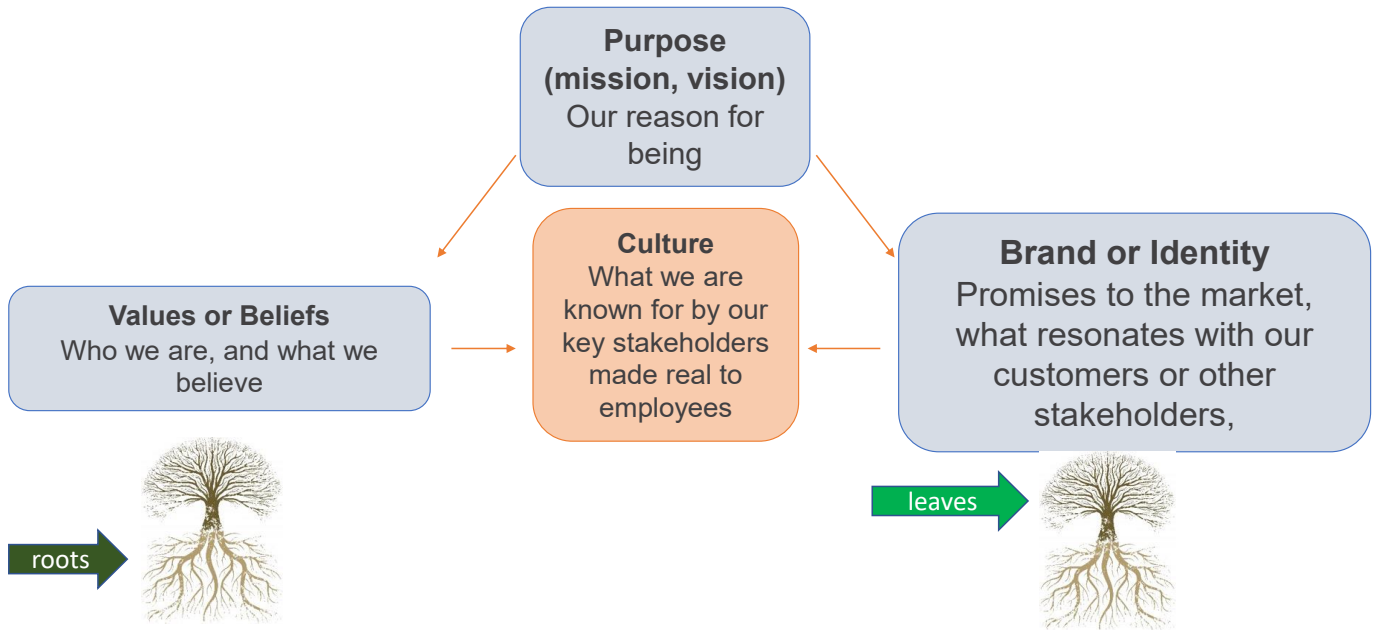
Our values



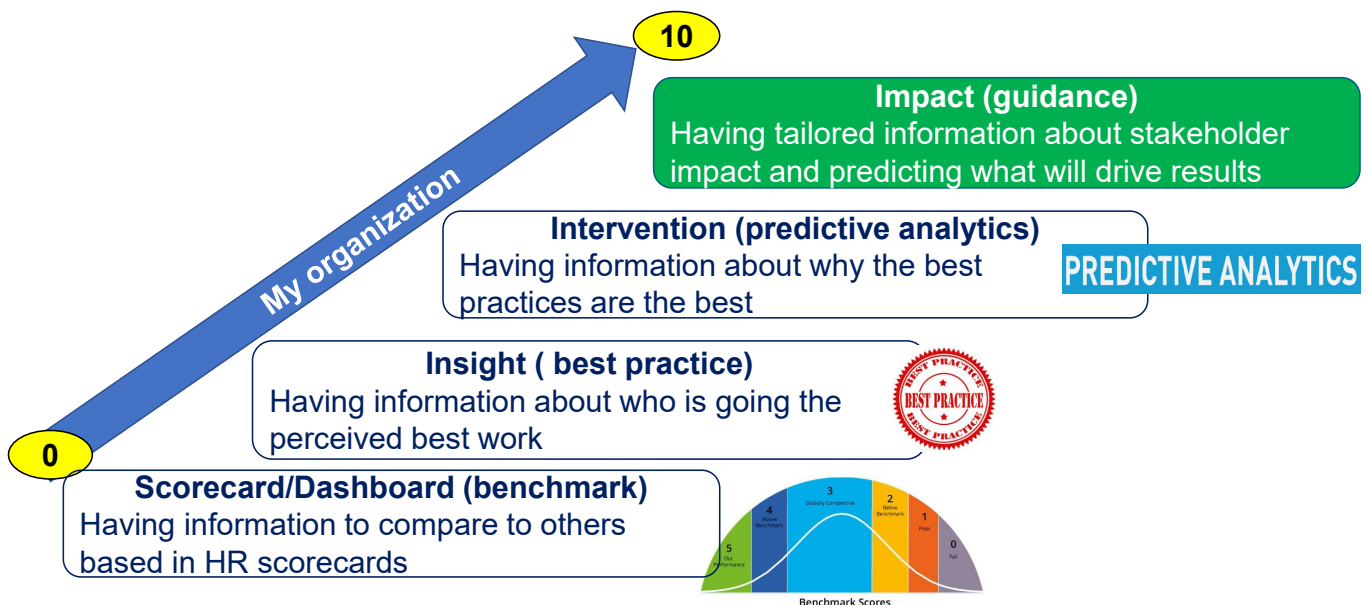
The value of values:

1. Are these the things (values) you would like us to be known for?
2. What do we have to do to show that we live them better than competitors?
3. When we do these things you want, will you buy more from us?

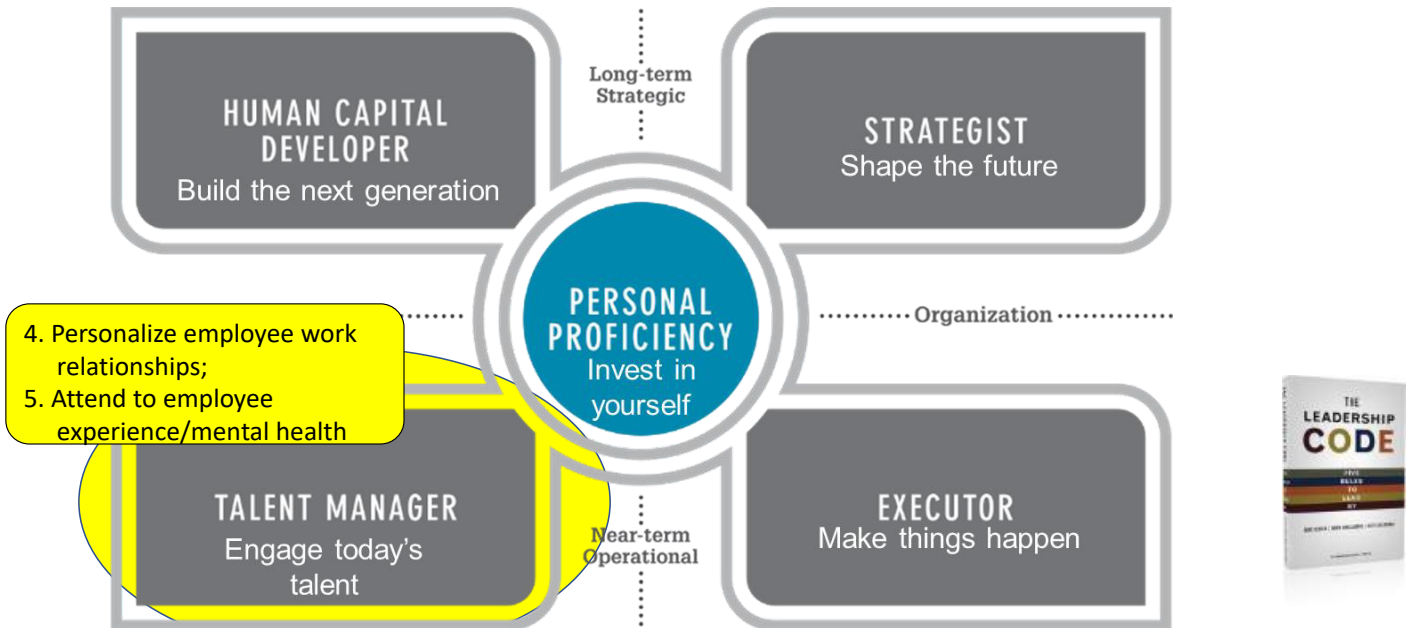
2: Create the right culture



3: Guidance: Human capability and stakeholder results



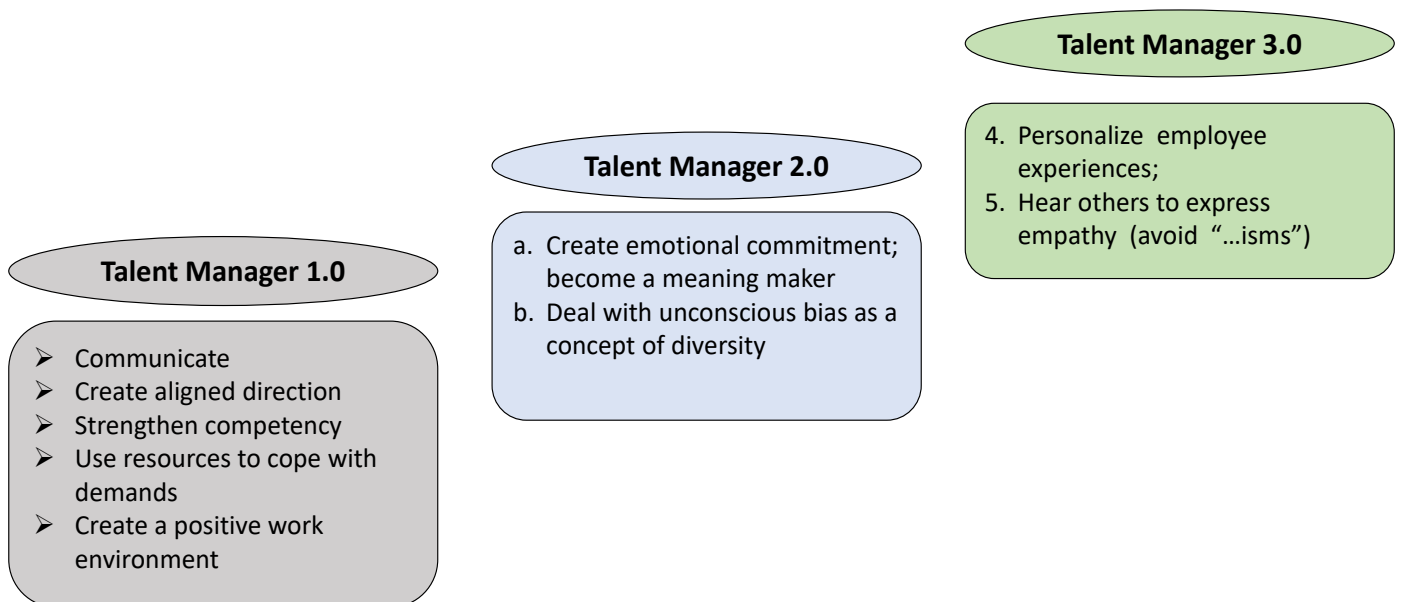
Leadership Code: The DNA of Effective Leaders



© The RBL Group



Leadership Code: Talent Manager Emerging Skills



4: Personalization: Become a caregiver

Personalize:

Care for each person respecting their individual wants and needs

Personalize:

Tailor work requirements to the unique needs of each individual

How to attend to each person and offer positive employee experience:

- Start with **emotion**: How are you feeling?
- Show **empathy**: What have you experienced?
- Improve employee **experience**: How can I improve your experience (believe, become, belong)?
- Encourage **energy**: How can I unlock your passion?

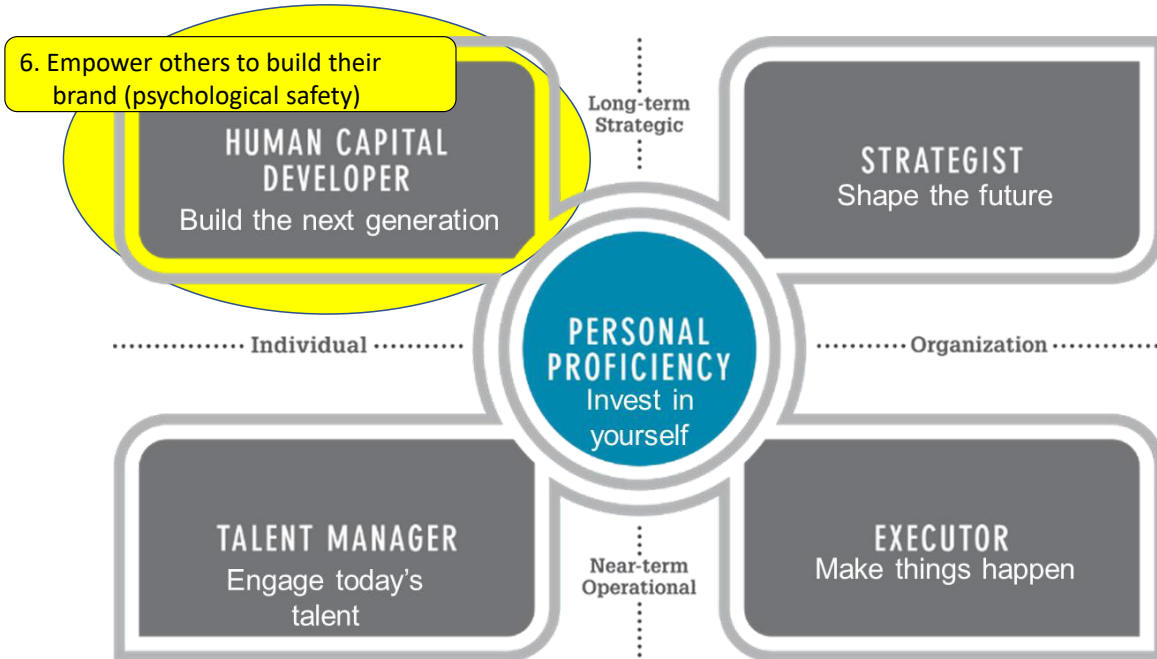


5: Mental health: Positive employee experience

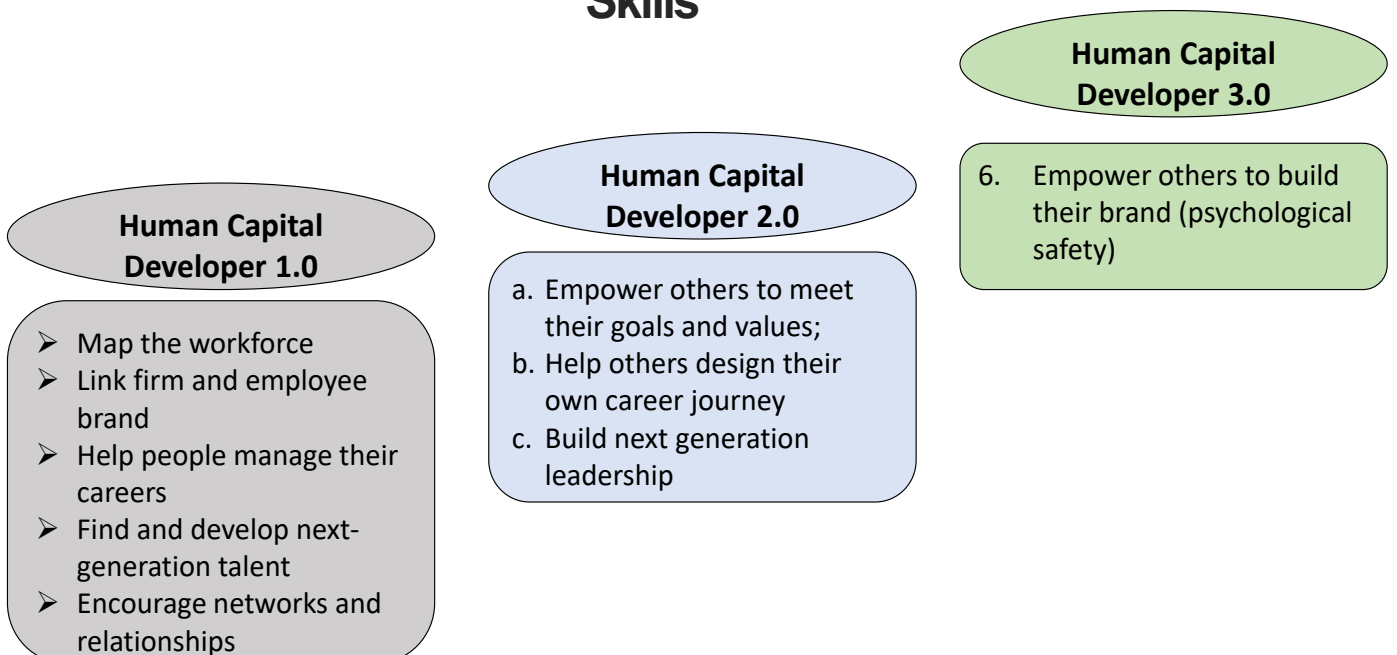
Be Safe	Believe	Become	Belong
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<ol style="list-style-type: none"> 1. I have a job because my organization will succeed 2. Strengthen safety and healthy living 3. Promote a healthy work environment 	<ol style="list-style-type: none"> 1. Clarify beliefs, values, desires 2. Connect work to my values, causes, people 3. Connect work to organizational outcomes I believe in 	<ol style="list-style-type: none"> 1. Develop and promote a growth mindset 2. Remember "I'm not failing. I'm learning." 3. Take risks to grow 	<ol style="list-style-type: none"> 1. Connect with others by engaging 2. Connect by being authentic 3. Connect by supporting
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Leadership Code: The DNA of Effective Leaders



Leadership Code: Human Capital Developer Emerging Skills



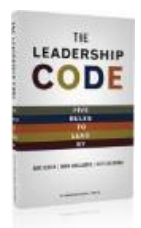
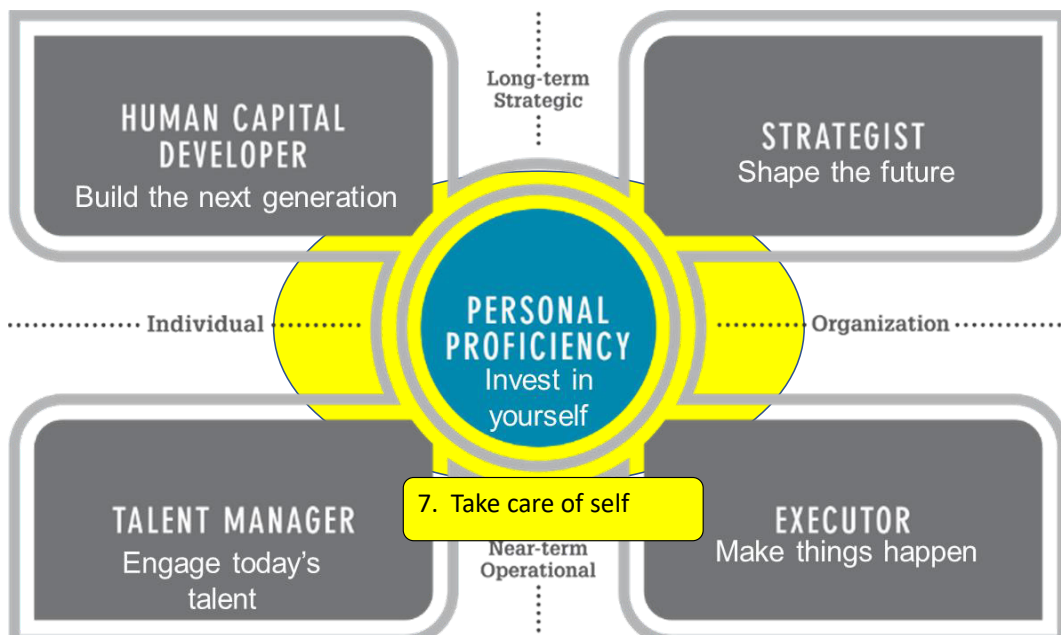
6: Empower others (psychological safety)

Leave every interaction with other person feeling better about themselves

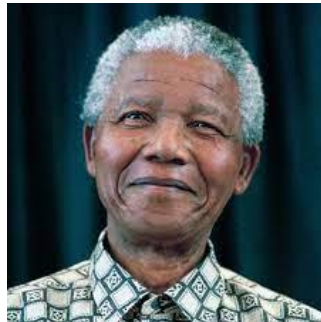
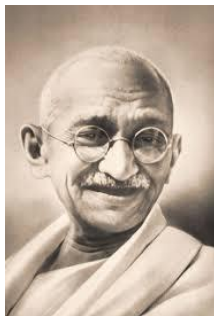
- Use power to empower others
- Use strengths to strengthen others
- Leave on a good note focused on the future
- Help others build their brand



Leadership Code: The DNA of Effective Leaders



Personal Proficiency



Leadership Code: Personal Proficiency Emerging Skills

Personal Proficiency 1.0

- Practice clear thinking
- Know yourself
- Tolerate stress
- Demonstrate learning agility
- Be vulnerable and authentic
- Have character and integrity
- Have personal energy and passion

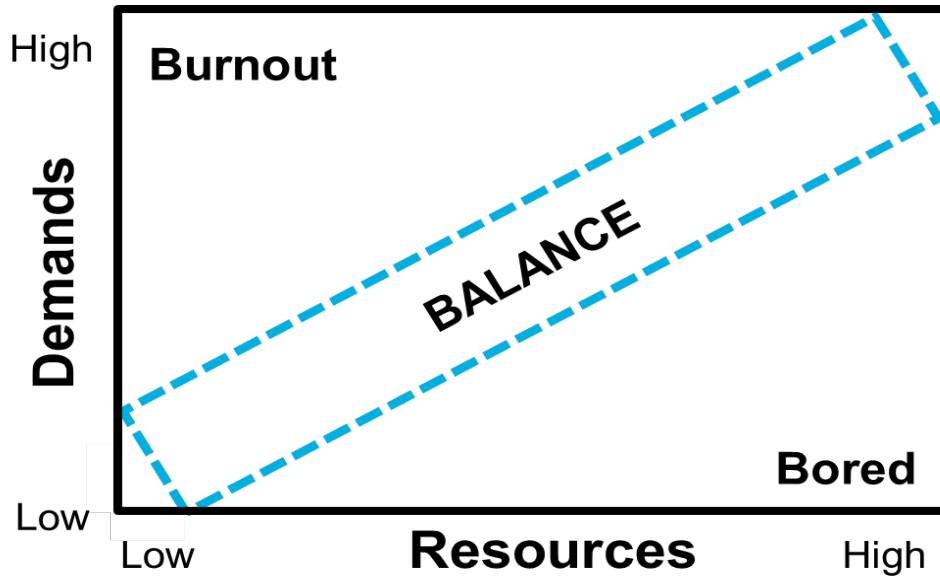
Personal Proficiency 2.0

- Pivot from
- a. Authenticity/character to
 - b. Emotional intelligence to
 - c. Learning/grit/resilience to
 - d. Navigating paradox

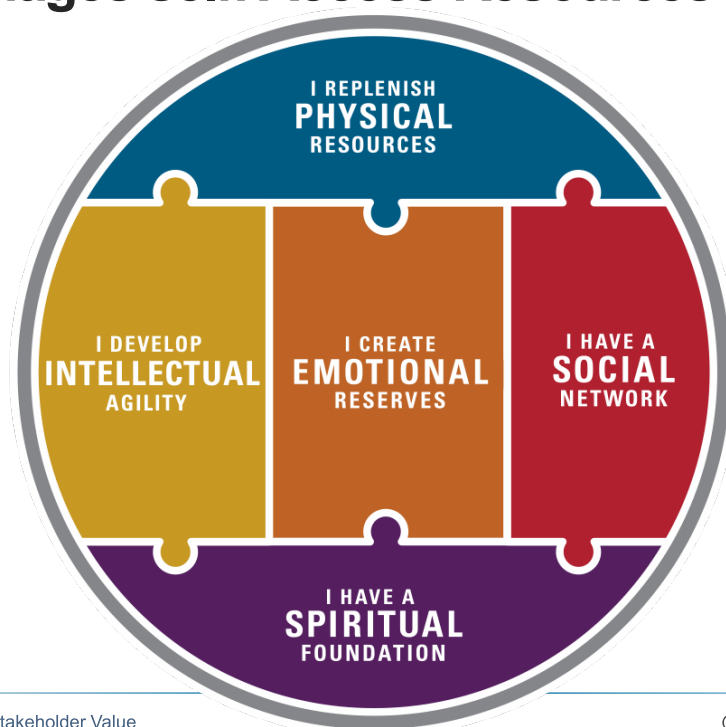
Personal Proficiency 3.0

7. Take care of yourself so you can care for others

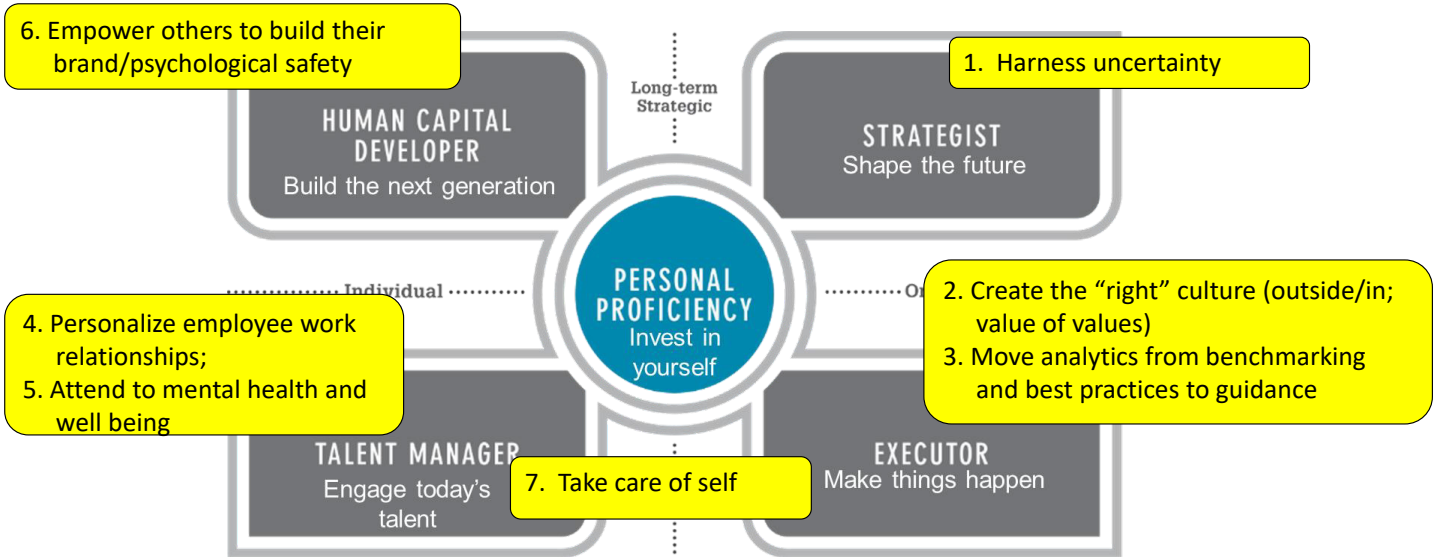
7: Manages self



Manages self: Access Resources



Leadership Code 3.0: The DNA of Effective Leaders



Leadership Code 3.0 Summary

5 code domains	Key skills	Poll Pick 2 of the 7 most relevant for you and Aramco
Strategist	1. Harness uncertainty	
Executor	2. Create the “right” culture (outside/in; value of values)	
	3. Provide guidance to impact decision making that leads to results	
Talent manager	4. Personalize employee work relationships;	
	5. Manage mental health / employee experience	
Human capital developer	6. Empower others with psychological safety	
Personal proficiency	7. Take care of self	

Leadership Code: Application

Application of Leadership Code:

- 1. Self:** What are my personal leadership strengths, predispositions, and weaknesses?
- 2. Coaching:** What are the strengths, weaknesses of those I coach or other business leaders?
- 3. Organization:** How well does the Code reflect our competency model?

Leadership Code and Company Competencies

		Leadership Code				
		Strategist	Executor	Talent manager	Human capital developer	Personal proficiency
Company Leader competencies	1: Acts with integrity and builds trust					XXX
	2: Drive for results		XXX			
	3: Develop talent and effective teams			XX	X	
	4: Lead business with vision and strategy	XXX				
	5: Embody humility and respect					XXX
	6: Take risk and be resilient					XXX
	7: Think paradoxically and agility		X			X
	8: Influence informally and build networks			X	X	X
	9: Listen deeply with enquiry			XX		X

Leadership Code and Your Company Leadership Competencies

Your Company Leadership Competencies		Leadership Code				
		Strategist	Executor	Talent manager	Human capital developer	Personal proficiency
Results orientation	Deliver excellent results		XXX			
	Prioritize responsibilities	X	XX			
	Accept and manage uncertainty	XX				X
Accountability	Ensure safety and environment		X		XX	
	Take on challenges, make decisions		XXX			
	Defend my point of view		X			XX
Collaboration	Involve others and share information			XX	X	
	Highlight company shared goals	XX	X			
	Encourage diversity			XX	X	
Intrapreneurship	Drive innovation	XX	X			
	Long term vision	XXX				
	Create positive work environment			X	XX	
Inspiring leadership	Guide and develop my team		XX	X		
	Delegate and respect accountability		XX		X	
	Differentiate and give recognition		X		XX	

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Provide comprehensive assessment menus

Individual Leaders Leadership Capability

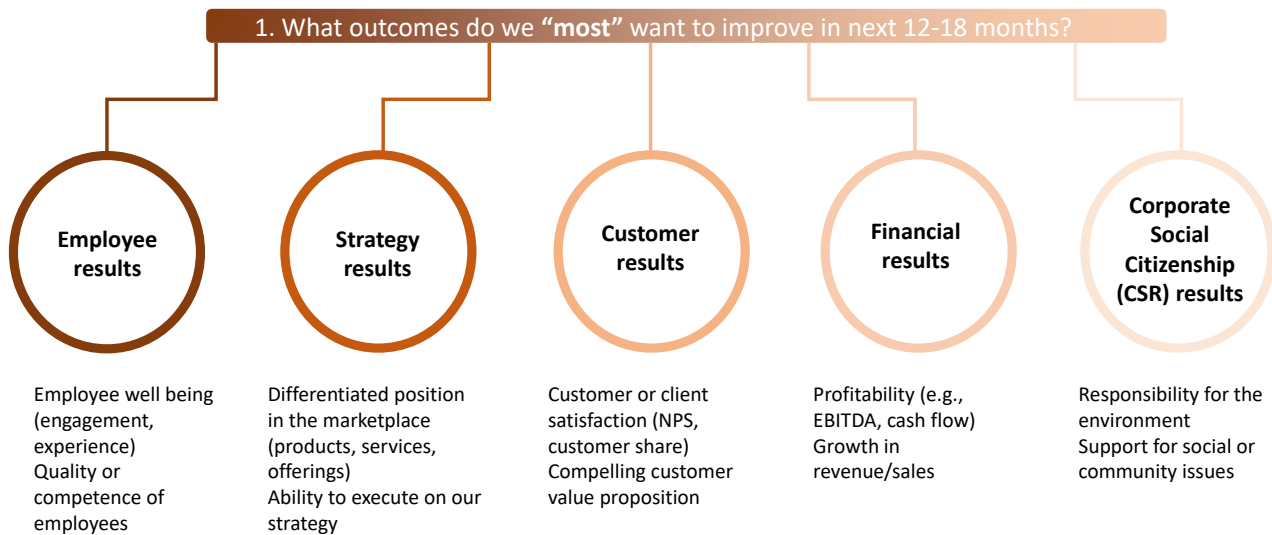
Individual Leader Assessment Menu		
Question to be answered	Description	Example
Behaviors <i>How do my perceptions compare to how others see me?</i>	Feedback from boss, peers, direct reports, self and potentially customers about perceptions of leader behavior	RBL Leadership Code 360/720 stratified for front line, middle and senior leaders
Experiences <i>What experiences am I missing to achieve my aspirations?</i>	Identification of types of career experiences- P&L, turnaround, cross cultural and so on	RBL Career Experience Interview
Personality <i>How do my attributes compare to others who have been successful?</i>	Inherent attributes of the leader that measure Big 5 Personality characteristics: cognitive complexity, extroversion/introversion... This allows position/fit analysis as well as develop opportunities	MENTOR psychometric battery
Simulations <i>How well do I perform in simulated situations?</i>	Assessment centers, role plays that simulate real world situations to see how leader responds to challenges	RBL has simulations for business acumen and leadership competencies

Leadership Capability Assessment Menu		
Question to be answered	Description	Example
<p>Leadership Bench Strength</p> <p><i>Do leaders have knowledge, skills, perspectives consistent with expectations for their role?</i></p>	<p>Audit Bench strength of any group of leaders: Executive team, top 100, high potentials, HRBPs.... Results may include too many individual contributors in leadership positions impacting business ability to grow</p>	<p>RBL Pipeline audit-interview process</p>
<p>Evidence Based Assessment</p> <p><i>What leadership attributes/behaviors drive business results: revenue, customer/employee experience?</i></p>	<p>Statistical modelling and correlation analyses of external metrics, internal metrics, leadership assessments, Provides roadmap to be able to recruit, develop, evaluate, and reward leaders against specific characteristics that can be proven to drive significant business outcomes e.g., revenue, profit, customer satisfaction</p>	<p>RBL consulting methodology</p>
<p>Investment Priorities</p> <p><i>Where should we invest in leadership to have the most impact on targeted business results?</i></p>	<p>Survey tool to gauge and qualify where internal stakeholders find the clearest causal connections between Human Capabilities and business results</p>	<p>Organization Guidance System (OGS)</p>
<p>Benchmark to other companies</p> <p><i>How does our leadership capability compare to others?</i></p>	<p>AI-powered search engine scrapes publicly available (or provided from companies) data about your organization to identify the main differences in Human Capability strengths between your organization and those of your main competitors and best in class (Company of choice to stack up against, or group of best performing companies on certain parameters)</p>	<p>G3HC</p>

Example: Organization Guidance System



Guidance Starts with Desired Results What results do I most want to improve?



Leadership Brand Pathway: Assessment

Leadership Brand Domains	Assessment (To what extent do ...)
1. Clarify business case for leadership:	We have a strong business rationale for why leadership matters for business success
2. Define what effective leaders know and do:	We have a leadership competency model that defines the knowledge, skills, and behaviors of leaders that will deliver strategy (leadership profile, standards, expectations)
3. Assess leaders:	We conduct a rigorous assessment of the quality of individual leaders and we identify gaps in our leadership pipeline
4. Invest in leaders:	We appropriately invest in ways to develop leaders throughout the organization through training, development experiences, non work experiences, coaching, and so forth. (individual development plan, leadership academy, career development)
5. Measure impact of leaders:	We measure the impact of our business case for leadership as well as leaders' personal competencies to monitor impact
6. Ensure reputation:	We make sure that our leadership reputation is managed with internal and external stakeholders (annual report, investor and analyst communication etc.)

Guidance: Leadership Brand Impact

LEADERSHIP BRAND	A	B	What guidance can we offer? (relative impact on ... divide 100 points)			
	Global Mean (n=166)	Company X Mean (n=25)	C Employee	D Strategy/Business	E Customer	F Finance
1. Clarify business case for leadership: We have a clear business rational for why leadership matters for business success	3.46	3.47	Green	Green	Green	Green
2. Define what effective leaders know and do: We have a definitive leadership competency model that defines the knowledge, skills, and behaviors of leaders that will deliver strategy (leadership profile, standards, expectations)	3.57	3.61	Green	Yellow	Light Green	Orange
3. Assess leaders: We have a rigorous assessment of the quality of individual leaders and of our overall leadership group (leadership pipeline)	3.22	3.3	Green	Orange	Orange	Red
4. Invest in leaders: We appropriately invest in ways to develop leaders throughout the organization through training, development experiences, non work experiences, coaching, and so forth. (individual development plan, leadership academy, career development)	3.26	3.36	Red	Red	Red	Red
5. Measure impact of leaders: We make sure we measure the impact of leaders' personal competencies and leadership organizational investments on key outcomes that matter to monitor leadership impact (Moneyball)	2.59	2.27	Red	Yellow	Orange	Light Green
6. Ensure reputation: We make sure that leadership reputation shows up with internal (employee) and external (customer, investor, community) stakeholders	3.32	3.28	Red	Green	Light Green	Light Green
	R2		27	25.8	29.5	21.2

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Provide comprehensive development menus: 50/30/20

	All	High pots	SR leaders	C-Suite
Assessments: behavioral, personality, cognitive, ...	(✓)	✓	✓	✓
Self-service: online courses, lists of readings or access to externally created materials (intranet, membership organizations, industry-specific repositories, ...)	✓	(✓)		
In-house programs: technical and soft skill-building, leadership, business literacy, ...	(✓)	✓	✓	✓
External programs: university-based, tuition reimbursement, ...	✓	✓	✓	✓
Job assignments & rotations: cross-business, cross-function, employee visits/swaps, ...	(✓)	✓	✓	
Coaching: internal, external, technical, mentors, etc.		(✓)	(✓)	✓
On-the-job experiences: action learning projects, special assignments, job shadowing, ...		✓	(✓)	
Industry and community leadership		(✓)	✓	✓
Expert forums, readings, etc.	(✓)	✓	✓	

50- job assignment; 30- formal education; 20- life experience

Emerging best practices for leadership development

1. Clear link between **development experiences** and the **strategy of the business**
2. Invest in pool of **high potentials**- those who could be promoted to C suite in next 3-5 years
3. **Build loyalty** to company **through experiences** that help others e.g., Habitat for Humanity
4. Get **senior executives** involved in education
5. Attend conferences and **participate** through giving speeches or returning and formally capturing what was learned: writing/teaching others
6. Broad use of how **leaders receive development**- in house/face to face; public programs, virtual; blended; university exec ed and so on.

Overall Goals and Agenda



Criteria for a good measurement strategy

Completeness	Measures all of the phenomenon, not a part, and ties to the business case (e.g. improved quality, better store performance, etc.)
Timeliness	Measures in a timely (current) way (e.g., business unit performance changes)
Visibility	Measure is openly tracked by those who care
Controllability	Measure influenced by those measured
Cost	Measure is inexpensive to track or easily obtained
Interpretability	Measure is easy to understand and produces data that is easy to compare (e.g., ROI)

Reference: Steve Kerr

Link Measurement to Business Case

Business Case:

Measurement:

Develop leaders so that company can improve customer experience and double revenue in three years (Retail)

- **Measure: % of store managers that ensure the desired customer experience?**
- ✓ Increase by x%

Develop leaders so that company can align capabilities with our firm brand of “best value” (Telecom)

- **Measure: How efficient are we compared to key competitors?**
- ✓ \$3B cost savings

Develop leaders so that company is able to turnaround performance quickly (Biotech)

- **Measure Investor Confidence:**
- ✓ P:E multiple at least 20 percent above industry

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Leadership Brand = Quality x Awareness

Leadership Brand = Strength of Investor and customer confidence about whether your leaders will deliver the right results the right way today and in the future. Impacts Tobin's Q, Price to Earnings multiple and IPO valuation

Quality of leadership = Capability to build the next generation of leadership; Strength of your leadership pipeline; competencies of your leaders; customer and employee experience, culture that resonates with stakeholders; positive work experiences; meaning/purpose of work

Awareness of Stakeholders= Quality of your communication and disclosures about what and how you are investing in leadership so that stakeholders know that you are purposely developing leaders who improve the business

Impact:

High Quality x **High** Awareness = Strong reputation for leadership resulting in high investor confidence in future

High Quality X **Low** Awareness = High quality of leadership that is not recognized nor rewarded by the market- internal

Low Quality X **High** Awareness = Short term perception that you have better leaders than you do

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[McKinsey Alumni Center website](#)

Alumni news



Sundar Pichai takes the helm of a newly restructured Google

Sundar's new role as CEO is the latest in his eleven years at Google—years that a colleague says are characterized by "being this guy that always launched things that people wanted." This profile describes why his engineering and business acumen are just part of what has made him so successful.

[Read more on the Alumni Center website](#)



Spotlight On: Sue Whalley, COO of Royal Mail

Sue brings 21st-century efficiency to the 500-year-old institution, which she says is about more than just delivering the mail—it aims to make communities better. She discusses her COO role, and why she finds it a "once in a lifetime" opportunity.

[Read more on the Alumni Center website](#)



Spotlight On: Simon Arora, CEO of B&M Stores

In 2005, B&M was a small, loss-making chain of stores. In the last 10 years, Simon has turned it into a variety retail giant with 480 locations across the UK and Germany—creating 19,000 jobs and a London Stock Exchange listing along the way. In this feature, Simon shares his thoughts on the keys to his company's astonishing success, how his time at McKinsey influenced him, and why, at B&M, one plus one equals eleven.

[Read more on the Alumni Center website](#)



Spotlight On: Alison Watkins, CEO of Coca-Cola Amatil

Recently named one of the five most powerful women in Australia, Alison talks with us about how asking for a senior role helped propel her into leadership, who inspires her, and the life-changing piece of advice—"Don't hide your light"—she received from one of her McKinsey women mentors.

[Read more on the Alumni Center website](#)



Chaim Motzen brings sustainable energy to sub-Saharan Africa

Chaim, co-founder and managing director of Gigawatt Global, has led the successful development of a major solar field in Rwanda.

[Read more on the Alumni Center website](#)

Ensure Reputation with All Stakeholders

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Reputation Forum	Assess	Improve	Actions
Annual Report	Review last 3 years of annual reports about what we say about our leaders	Gap analysis between what we do and what best companies do	Bridge gap. Do this better than competitors
Investor Calls	Review CHRO/CLO role on investor calls today	CHRO/CLO report out on how building leaders to resolve business case	Build intangibles so that they have confidence in the future
Analysts	How well we know them and what they are saying?	Partner with investor relations. Get to know analysts and influence them	Influence analyst perception about quality of talent/leadership
Social Media	Review of mainstream and social media perspective on our quality of leadership	Active involvement in media to manage process and perceptions e.g. Glassdoor scores and comments	Ensure accountability
Employees	How well do we communicate what we are doing with leadership? Where we stack up?	Communicate the right information so that employees know	Increase employee engagement
Conference	Audit what currently doing	How have greater impact? How communicate what we do better?	Create awareness that our leaders are highest quality

How can I be a better leader and build better leadership in my organization ?

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BE

How do I BE a better leader?

- Be **role model** of the desired culture
- **Manage** my calendar to reflect my priorities
- **Create and share** my personal leadership point of view (go public with emotion)
- **Demonstrate** learning, grit, and resilience

BUILD

How do I BUILD better leadership?

- **Recognize leadership** impact to create value
- **Define** effective leadership behaviors and outcomes
- **Assess leaders** regularly
- **Invest** in developing leaders on the job, through training, coaching, and experiences
- **Track** quality of leadership

Takeaways from this session Questions?

How can I be a better leader and build better leadership in my organization ?

Let's Stay Connected!

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