

The Successful CEO:

Navigating the Future of Work

Article 6

In an exclusive roundtable discussion **Christian Schmeichel, Chief Future of Work Officer at SAP** and **Richard Moore, CEO at MU** delve into the future of work. Sharing their diverse experiences and perspectives, they explore the challenges and opportunities presented in the future of work. How might job roles evolve, what will be the impact of technology, how does the future of hybrid work look like, and what does this all mean for tomorrow's CEO?

Rapid technological advancements, changing societal norms, and mega events like a global pandemic influence the way we perceive work. But what is set to change, and what is just noise? As the Chief Future of Work Officer at SAP, Christian provides a strategic outlook on the future of work, while Richard, focuses on the impact on leaders and CEOs in particular.

New roles as architects of change

The conversation kicks off with Christian bringing forward the emergence of new roles like Chief Future of Work Officer – a title that would have seemed perplexing a decade ago. However, **Christian** points out that this role is becoming increasingly common in large companies, highlighting the growing recognition of the changes employees and organisations are preparing for:

"Just look at my role – why did SAP decide to have the role and build the global function I lead? If somebody had introduced him or herself ten years ago to me as Chief Future of Work Officer, I would have been scratching my head but now it's a known and important role. Today the role and function are becoming common in leading global corporations. I personally know my counterpart with this role for example at Microsoft, Caggemini or PWC. Much of the focus we have is on future-proofing the company from an HR standpoint leveraging technology and its impact on work."

Technology and its impact on work

Reflecting on the past two decades, **Christian** emphasises the transformative role of technology and how it has affected the tools many employees use to perform their tasks up to this date. From the internet to cloud computing to smart data and video meetings, the tools many employees use have fundamentally changed their day-to-day lives. Whilst core job functions remain the same in most organisations, the tools used by role-holders have shifted significantly:

"Over the past few years, we've seen the topic of generative AI coming up on the horizon. While in the short term, from my perspective, it's still overhyped, over the midterm, it's still underestimated. I think there's something significant happening there. When we talk about this, we need to understand that in the short term, it will particularly affect mid-level skilled workers and not so much the lower-skilled jobs, which is fascinating because I think we all anticipated something different just a few years ago. This automation of repetitive tasks and augmentation of human work will, I think, accelerate significantly – what we are seeing today is just scratching the surface of what's to come tomorrow. Over the mid and longer term the speed of change is accelerating, so we will probably see a 'hockey stick' effect. This means that the things we are currently discussing, such as hybrid work and the ability for many jobs to be performed to a certain extent from anywhere, are just the entry point into a completely different way of performing tasks in a role – from my perspective, people and technology will combine in very different ways in new and yet unseen workflows."

Leadership changes over 20 years

Richard reflects similarly on the other big theme relevant to all our futures at work, how leadership has evolved in recent years:

"Looking back, I can see what Christian talks about in terms of how technology has affected the workplace. Today like many people reading this, I can spend nearly the entire day in front of a screen. That wasn't true 25 years ago. Technology has really changed the day-to-day workplace for most of us – and as he comments, we expect even more development in the future."

"However, when it comes to leadership, leadership, the core of effective leadership has changed less. When you discuss this topic with scientists such as my colleagues in the MU Research Institute there is a lot of focus on leadership performance that is more stable over time. In comparing research on the future of leadership from 25 years ago to recent studies published this year or last, the main themes remain consistent. Interpersonal influence, persuasion, communication, empowerment, collaboration, teamwork, active learning, adaptive skills, experimenting, risk-taking, and working with new trends were all key focus areas. For leaders, there are new tools to use and new skills to master, new opportunities and new risks – but the most important core capabilities for leaders remain. That's probably why if you look at the curriculum of business schools, educating tomorrow's leaders today, there is a large focus on soft skills – empathy, sensitivity, influence." says **Richard**.

Christian adds:

"While the fundamentals of leadership stay the same, such as ensuring you have a clear strategy, engaging and igniting people, aligning everyone around common goals, and establishing the right organisational setup – all these aspects are clear. But with the world around us changing at breakneck speed and experiencing huge technological advancements, leaders need to learn and adapt fast. Aligning a global team over video is different from doing a three-day in-person event. Leading people will remain a contact sport, but if you don't meet people face-to-face every day, how do best you engage with your team? You need to find ways to inspire, engage and motivate teams in a hybrid world of work where expectations and needs are constantly evolving, I think that's an interesting challenge."

Hybrid work and leadership challenges

The duo explores the concept of hybrid work – a model that has gained prominence in the wake of the pandemic.

Richard:

"KPMG has just conducted a study involving 1300 global CEOs. 64% of them expect that everyone in their company will be back to normal office work by 2026. Only seven per cent of them believe they'll move to a fully hybrid or remote working model. Even Zoom, a company iconic for remote communication, is reported to have asked its employees who live within 50 miles of their worksite (and are able to come in) to be in the office two days a week. However, on the other hand, there's a talent shortage, and in a large number of other surveys, talents are indicating they want the flexibility hybrid working affords. A clash is coming?"

"The entire situation is in flux, and it's uncertain where it will lead. Christian, I recall this being discussed in SAP's 2023 trend report. You covered a lot about hybrid working?"

Christian:

"Yes, that's true, hybrid work and how it will evolve is a major topic on the future of work agenda. It is part of the New Normal for many organisations and it must be tailored to the specific needs of the business of an organisation, its employees, and its customers. Nobody has a crystal ball, but what we're observing is that the industry type plays a significant role in hybrid work. For instance, if you have a lot of blue-collar workers, especially on production sites, being physically present is essential. If you're working on the shop floor, it is the same, you need to be on-site; there's no way around it. Then there are industries where the business model allows for a significant share of remote work for knowledge workers. In this scenario, there has been a considerable push toward remote work."

"However, we must differentiate. When the pandemic began, asking employees to work fully remotely was not a glimpse into the future of work; it was crisis management. The priority was to keep people safe. Subsequently, at SAP, for example, we introduced what we called 'Pledge to Flex', which is a state-of-the-art hybrid working model which offers flexibility along business requirements and considering local legislation. The goal is to provide the best of both worlds with the right balance of in-office onsite work and working remotely. At the same time, we are aware that there is great value in working in the office regularly to connect with colleagues, build relationships, and exchange ideas. In daily practice, we see that working two to three days a week in the office proves to be good practice for the vast majority of employees."

Richard:

"We expect that the future of hybrid working will revolve around hybrid workflows rather than hybrid jobs in most cases. Meaning that it's the tasks within each job that will dictate where and how work is done – not the job type overall. Some tasks will remain digital for efficiency and productivity reasons, while others will return to physical locations – or already have. On top of this, new technology will take on some old tasks and new. As Christian mentioned, the initial shift to remote work was a crisis response, even so many things were learned, and new hybrid work methods will remain. In the end, leaders and all of us are motivated by our preferences, which vary widely. As individuals, our likes and dislikes fluctuate throughout the week. What feels right on a Monday morning (be in the office) might not be the same on a Friday afternoon (work from home if the task allows). Ultimately, it's all about people and their productivity being in balance."

The overstretched leader and future leadership

The discussion continued around the evolving dimensions of leadership, from customer service to social issues, and the increasing complexity of the leadership role. The importance of continuous learning, adaptability, and a focus on emotional intelligence emerge as key themes.

Richard introduces the idea of the overstretched leader, emphasising the multidimensional nature of modern leadership:

"Earlier I mentioned that business schools are now strongly focusing on soft skills. The other topic you will find on the curriculum is working on many different challenges that quickly come and go. The Economist researched business school curriculums and concluded with the insightful headline to guide tomorrow's leaders "work harder at more tasks and deploy softer skills."

"As a leader, the ability to seamlessly switch from discussing sustainability policies to pricing models, then to cost control and brand feedback – for example – before coming back to social wellbeing and employee engagement matters. Leaders always had much work to do if they were to succeed – but the array of issues and the speed of their emergence and disappearance on the leader's agenda has intensified. This makes your effort and focus – as well as the strength of your support network – paramount to success."

"The concept of all this risks – being 'overstretched' – raises an intriguing dimension. If this trend continues, how will tomorrow's CEOs be attracted?"

CEOs need to prepare for the future of work

The topic of the future of work isn't new, but it is now in high focus. As a CEO, you need to devise a long-term strategy for it. It might even require establishing an expert or function within your organisation focused on this area. Whether it's your strategy department or another unit, someone needs to plan for the future of work – to ensure both people and productively develop well. After all, it's part of a CEO's responsibility to prepare the organisation for the future, and the future of work is crucial.

Christian:

"How can CEOs prepare for all of this? I feel that organisations should institutionalise thinking about the future of work in a much more holistic way. It's not a project that will be ended after a few months. It's rather a strategic lever that needs to be managed with a long-term view and in a cross-functional topic if taken seriously. It is about people, performance and productivity and it touches on all roles and levels in your organisation."

"Currently, at SAP we're looking at the topic holistically, considering three dimensions. The first one is the future of the workforce. Thinking five or ten years down the road, what will the workforce look like? How many permanent employees, gig workers, robots and AI will we have on our teams? How will tasks and roles be shared between different kinds of employees and technologies? What skills and locations will be integrated into this future workforce?"

"This helps us with the second dimension, which is the future of our people and workplace practices. How do we shape the essential business and support functions? How do we evolve recruitment, training, rewards, and address new and emerging topics like mental health, wellbeing, and flexible work arrangements? As one simple example – we've created a mindfulness practice in our organisation, offering employees and customers training on resilience and mindfulness-based emotional intelligence. Ten years ago, this was still largely perceived as kind of an esoteric topic, but now, we are seeing huge interest internally and externally. This shift in focus is fascinating, especially in a tech environment where historically these softer aspects haven't been so much in focus in many organisations."

"The third dimension for us is evolving the future of the HR function itself and people to be ready to successfully manage all these changes. As an HR practitioner for almost 20 years, I am truly excited about this presumably once-in-a-generation opportunity to co-shape the future of work. The next-generation HR function will require an even stronger digital backbone and equally important a focused skill evolution of HR teams. Data-driven HR or agile HR are just examples of what will be needed. At the same time, organisations, CEOs, and top management teams in general need to view this as an opportunity to embrace technology and make it a key item on the management agenda. Having this conversation as part of your strategy reviews seems to be imperative for success."

Richard concludes:

"The workplace is changing rapidly as new technology provides new opportunities and risks. This means that to be successful in the future of work, people need to be able to manage change and integrate new technologies into their work practices. Even though these changes are manifold, at the leadership level, what makes good and effective leadership is relatively stable. To succeed in the future, CEOs need to ensure that their organisations are effectively led and prepare employees for the future of work with all the new opportunities there are."

"The Successful CEO" series

Nearly half of new CEO appointments fail.

For practical advice to succeed as a CEO – Sofia Hjort Longgård, MU's Head of Communications, interviews **Christian Schmeichel, Chief Future of Work Officer at SAP**, and **MU's CEO, Richard Moore**.

Christian and Richard have spent decades working with CEOs from high growth start-ups to global leaders in the private and public sector. They have found that by applying what science tells us about performance at work, more CEOs succeed.