

# The CEO as Chief Exhilaration Officer

**By Krishnan Ramanujam**

President, Business & Technology Services, Tata Consultancy Services

As the decade nears its close, it's no exaggeration to say it's been an enthralling one for executives everywhere. The 2010s will go down as a time of digital experimentation spawning multibillion-dollar businesses. Of ingenious online methods for reeling in and supporting customers. Of digital products that customers can't live without. Moreover, the next decade promises to be even more exciting given that technology, and the ingenuity to use it productively, never stand still.

Yet many workers in these same companies are not likely to say they're enthralled at all about the future impact of digital technology. The specter of robots, hardware, and software, makes them question their near- and long-term futures. Even surveys of workers in the U.S., a country that's been an incredible job-creation machine since the 1950s, confirm this. A Northeastern University Gallup 2017 survey of nearly 3,300 Americans found about three-quarters believed artificial intelligence would end more jobs than it created. Some 23% worried their own jobs might go.<sup>59</sup> A more recent survey by Pew Research Center found 82% of U.S. adults believe automation will likely do the work that people do today.<sup>60</sup>

<sup>59</sup> Gallup web page, accessed May 3, 2019. <https://news.gallup.com/poll/226841/workers-unafraid-losing-jobs-robots.aspx>

<sup>60</sup> Pew Research Center survey was conducted in December 2018, accessed May 3, 2019. <https://www.pewsocialtrends.org/2019/03/21/the-future-of-work-in-the-automated-workplace/>



So while leaders have much to get excited about in digitally transforming their businesses in the decade ahead, most of their workforce isn't nearly as enthusiastic.

***Therein lies one of the greatest leadership challenges today: how to keep employees energized, not demoralized, about going to work when the workplace of the future is so uncertain.***

The best leaders will succeed at this challenge. They will master a role that I refer to as *chief exhilaration officer*. A person who is exhilarating is someone “causing strong feelings of happy excitement and elation,” according to the Merriam-Webster dictionary. Admittedly, that’s a tall order today.

But I believe that CEOs and division heads who want to master the role—who view automation as empowering workers, leading to better jobs, and ultimately expanding the workforce—must excel in four areas: communicating in uplifting ways; pushing managers hard to identify the company’s ‘new, new’ jobs; earmarking significant training investments to reskill employees for those jobs; and rewarding those who acquire new skills relevant for the future and continuing to provide value.

Let’s look at each area, and CEOs who have been leading their workforces in these ways.

## 1. Lifting People Up



Employees with acute job fears will look hard for signals from the top of the company that suggest they may be about to lose their jobs. They’ll read every CEO memo carefully, trying to determine what’s unsaid about an upcoming initiative to ‘transform’

or ‘streamline’ work. They’ll wonder whether terminated colleagues were let go because their jobs were eliminated. Some may even try to read the tea leaves in transcripts of management’s quarterly earnings discussions with stock analysts.

“Some of America’s workers are literally getting sick from their fear of robots taking over their jobs,” says Frederico

Vione, CEO of a \$3 billion unit of Adecco Group, the Switzerland-based global temporary services firm.<sup>61</sup>

With such fears in mind, some workers are apt to misread statements from the C-suite. This happened to the CEO of Kaiser Permanente, the \$79 billion (revenue) California health care services and insurance company. Bernard J. Tyson had to change the way he talked about the impact of AI and other automation technologies in the company. "I was trying to tell employees that technology is going to augment what they do because they are the human touch. What they were hearing was: 'I'm replacing all of you with technology,'" he said. Tyson decided he had to put the emphasis on people. "I consciously now speak directly about the importance of humans touching humans in health care."<sup>62</sup>

CEOs who discuss the impact of automation gain adherents by stressing the importance of people in the workplace. But they must also exude optimism about the future workplace opportunities in their companies. "Every optimist moves along with progress and hastens it, while every pessimist would keep the world at a standstill," Helen Keller, the deaf and blind American social activist and author, once wrote. "Optimism is the faith that leads to achievement. Nothing can be done without hope and confidence."<sup>63</sup>

Or, more succinctly, "Tremendous things happen to the believer," as Norman Vincent Peale, author of *The Power of Positive Thinking*, put it.<sup>64</sup>

You can include Bob Iger in that camp. The CEO of the Walt Disney Company since 2005 views positivity as a key leadership trait.

<sup>61</sup> Adecco company blog post, March 6, 2019. Accessed May 2, 2019. <http://blog.adeccousa.com/how-to-help-adapt-to-automation/>

<sup>62</sup> Work Design, Feb. 22, 2018. Accessed May 2, 2019. <https://workdesign.com/2018/02/ceos-weigh-in-from-davos-transforming-the-workplace-is-key-to-survival/>

<sup>63</sup> From Wikiquote. Accessed May 7, 2019. [https://en.wikiquote.org/wiki/Helen\\_Keller](https://en.wikiquote.org/wiki/Helen_Keller)

<sup>64</sup> Wikipedia. Peale published his bestselling book in 1952. With his book having sold 5 million print copies since then, Peale's thinking continues to find a big audience. Accessed May 4, 2019. [https://en.wikipedia.org/wiki/Norman\\_Vincent\\_Peale](https://en.wikipedia.org/wiki/Norman_Vincent_Peale)

“If you’re leading a lot of people in a big company in times that are really challenging, the ability to project optimism is one of the most powerful tools a leader can have,” he said.<sup>65</sup> Iger should know. His job-expansion and wealth-creation credentials are

impeccable. Since becoming Disney’s CEO, the company’s payroll has risen by 70,000 jobs (to about 200,000) and its share price has more than quintupled.<sup>66</sup>

Amid so much job uncertainty, uplifting leadership becomes essential.

## 2. Uncovering the New, New Jobs



Yet uplifting leadership won’t be enough. Leaders’ positive messages will go a lot farther if they explain the employment opportunities in a workplace that is becoming more automated. Pointing the workforce to such facts as automated teller machines actually creating more bank jobs can only go so far.<sup>67</sup> Employees naturally want to know about the jobs in their company.

As Intuit’s new CEO, Sasan Goodarzi, says, “While much of what we do today will become automated, AI will simultaneously generate many new jobs in new areas that we cannot even think about today.”<sup>68</sup> In the early 2000s, who knew that companies would soon need social media specialists? Or machine learning experts?

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<sup>65</sup> Vanity Fair 2018 conference, “The New Establishment,” accessed May 4, 2019, at the 8:00 minute mark. <https://video.vanityfair.com/watch/the-new-establishment-summit-bob-iger-discusses-sneaking-in-to-watch-black-panther-and-moving-beyond-partisan-politics?>

<sup>66</sup> Forbes article about Iger, published May 2, 2019. Accessed May 7, 2019. <https://www.forbes.com/sites/maddieberg/2019/05/02/bob-iger-rebuilt-the-magic-kingdom-and-its-likely-made-him-richer-than-a-disney-heir/#6349170f78c9>

<sup>67</sup> “Automation Is Expected to Create Jobs but Only You can Make Sure You Get One,” Entrepreneur magazine, March 2, 2018, accessed May 3, 2019. <https://www.entrepreneur.com/article/309193>

<sup>68</sup> “Intuit’s New CEO: Culture and Customer Focus Remain Top Priorities,” Forbes.com, November 26, 2018, accessed May 2, 2019. <https://www.forbes.com/sites/peterhigh/2018/11/26/intuits-new-ceo-culture-and-customer-focus-remain-top-priorities/#733ce3f563bd>

A number of CEOs have gone quite far to explain the future jobs in their organizations, and why employees need to prepare for them. One of those leaders is AT&T CEO Randall Stephenson. “Over the next five to six years, one of our biggest logistical challenges will be how to reskill our workforce,” he said in 2016. “You can’t just replace them” because the skills are hard to find anywhere.<sup>69</sup>

Since early this decade Stephenson and other executives at the \$184 billion telecommunications and media giant have been upfront with employees about technology’s impact on their jobs. An internal study in 2012 (when annual revenue was \$126 billion and the employee count was 241,000<sup>70</sup>) predicted 100,000 AT&T jobs would be obsolete by 2020 because of automated switching, artificial intelligence, and other technologies. AT&T’s leaders also told employees that many of them would need scientific, math, technology, and engineering skills.<sup>71</sup>

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AT&T placed bets about where the new jobs would be, and then earmarked \$1 billion for a multiyear effort to train employees for those roles.<sup>72</sup> That is the next leadership quality all CEOs will need: giving the green light to reskill the work force.

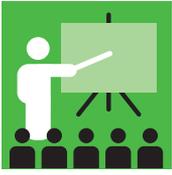
<sup>69</sup> “How Randall Stephenson Took AT&T into the Future of Digital,” Q&A interview in Chief Executive magazine, July 12, 2016. Accessed May 2, 2019. <https://chiefexecutive.net/randall-stephenson-took-att-future-digital/>

<sup>70</sup> AT&T 2012 annual report, p. 2 for revenue, p. 32 for number of employees. Accessed May 5, 2019. [https://www.att.com/Investor/ATT\\_Annual/2012/downloads/ar2012\\_annual\\_report.pdf](https://www.att.com/Investor/ATT_Annual/2012/downloads/ar2012_annual_report.pdf)

<sup>71</sup> “Shaping the Future Workforce: AT&T’s chief learning officer helps instill a culture of lifelong learning,” Working Nation, Jan. 29, 2018, accessed May 2, 2019. <https://workingnation.com/shaping-future-workforce-john-palmer/>

<sup>72</sup> CNBC, March 13, 2018. Accessed May 2, 2019 at <https://www.cnbc.com/2018/03/13/atts-1-billion-gambit-retraining-nearly-half-its-workforce.html>

### 3. Unleashing Training Investments



Training workers for the new, new jobs could be viewed as a costly proposition, a luxury perhaps. But companies like AT&T don't view it that way. They realize that while they must automate every task that can be automated, they also need to train managers and workers for the multitude of new jobs that technology can't automate.

On this front, AT&T again serves as a good example. The company spent a quarter billion dollars in one year (2017) on reskilling its work force.<sup>73</sup> But the price tag would have been much higher had the company trained employees the old-fashioned way: sending them to classrooms. Instead, the company has been offering online classes. By the end of last year, AT&T employees had taken more than 2.6 million online courses.

The cost to AT&T: one-sixth of what it would have been to get a master's degree at a university like Georgia Tech.<sup>74</sup> Through online courses, companies can do massive work force retraining at a fraction of the cost of the old classroom model.

However simply offering online courses won't necessarily spur all employees to be retrained. AT&T found it helped to tell employees what jobs might be hot or not. "You can't just put these tools out there and say, 'Go train yourself,'" said Stephenson. "By integrating it with your HR system, people see what jobs are trending up and which ones are declining. They can tell what online training they need to qualify for specific internal jobs."

AT&T's massive training initiative is doing its job. It is shifting employees whose positions will be automated—and who are willing to master new skills—for the new jobs. The company is also retraining workers and managers for new, more complex management positions. In 2018, AT&T filled nearly 70% of the management jobs in its technology and operations groups with existing employees.<sup>75</sup>

<sup>73</sup> "Shaping the Future Workforce: AT&T's chief learning officer helps instill a culture of lifelong learning," Working Nation, Jan. 29, 2018, accessed May 2, 2019. <https://workingnation.com/shaping-future-workforce-john-palmer/>

<sup>74</sup> "How Randall Stephenson Took AT&T into the Future of Digital," Q&A interview in Chief Executive magazine, July 12, 2016. Accessed May 2, 2019. <https://chiefexecutive.net/randall-stephenson-took-att-future-digital/>

<sup>75</sup> "Business Leaders Set the A.I. Agenda," The New York Times, March 3, 2019. Accessed May 2, 2019. <https://www.nytimes.com/2019/03/03/business/new-work-summit-questions.html>

## 4. Valuing People



The fourth trait of CEOs who also want to be known as chief exhilaration officers is the ability to

express gratitude towards employees. That has always been a key trait. At a time in which many employees view themselves as being replaceable, such gratitude can go a long way.

Intuit's former CEO Brad Smith was known for his penchant of ending leadership sessions with employees saying, "I love you like brothers and sisters." He believed that in every interaction they had, leaders had to leave employees with three 'E's': energized, educated, and empowered.<sup>76</sup>



This is especially the case in companies under severe market pressure, where a downturn in the business has every employee worried about the firm's

survival. As Paul Grangaard, who turned around high-end shoe retailer Allen Edmonds, said: "Many a turnaround artist treats employees like they're part of the problem. That leads the best people to leave and the downward spiral continues."<sup>77</sup>

The time leaders spend appreciating their people, for their past performance and their embrace of new workplace demands, is time very well spent. It will be crucial to making a digital transformation succeed.

Leaders who become known for their positivity, who direct the HR function and others to determine the new jobs, who approve the training investments necessary to shift willing and able employees into those new jobs, and who recognize those who make that shift are what companies need to thrive in a world of digital transformation. These exhilarating leaders will be the true drivers of a Machine First™ world, the force that gets their people to follow to in earnest.

<sup>76</sup> "Leadership and Legacy Lessons from Former Intuit CEO Brad Smith," Entrepreneur magazine, March 1, 2019, accessed April 28, 2019. <https://www.entrepreneur.com/article/328301>

<sup>77</sup> "How Hubert Joly aims to turn Best Buy into a 'happiness' company," Minneapolis Star-Tribune, January 12, 2019. Accessed May 4, 2019. <http://www.startribune.com/how-hubert-joly-aims-to-turn-best-buy-into-a-happiness-company/504230112/>