

## Future World News

# ‘When will we finally understand we need both techies and fuzzies as leaders of our companies?’

**Research: People skills still undervalued by many CEOs**

*FUTURE WORLD – Many of today’s CEOs lack the skills to rhyme their daily practices with the influence these have on the people that work for them and on the world as a whole. That’s what emerges from a recent research among employees of companies featured on the Fortune 500 listing. Mostly Silicon Valley employees complain about a lack of people skills and a missing sense of ethics.*

Last week’s trial on the big data breach within Libra seems to be just the tip of the iceberg. A recent survey among Fortune 500 listed companies shows that a lot of their employees are unhappy with the way their managers rhyme the tech side of the business with its more human side. No less than 63 percent of the over 20.000 interviewed employees found their direct managers and boards lacked a ‘sense of ethical behaviour’ in their daily work. Amongst companies in the San Francisco Bay Area, this percentage was even higher, namely 78 percent. Another 57 percent thought that the top management prioritized value capturing over creation, thereby forgetting about the customer and focusing too much on their own beliefs. Thus, compromising both personal privacy and customer centricity.

As one Facebook employee stated: „We should have seen it coming back in 2018 with the first trial on privacy. Already at that point, we didn’t have the board to take care of both the money-making side and the human side of

doing business. And apparently, we still haven’t learned from it. We have to rethink the way we deal with people as a company. Both the people in the company and those that buy our products. When will we finally understand we need both techies and fuzzies as leaders of our companies?”

That exact same point was already made by Scott Hartley in 2017. Hartley, a venture capitalist living in New York, wrote a book on this matter, named *The Fuzzy And The Techie*<sup>1</sup>. Hartley: „This is exactly what I describe in my book. As technology becomes more accessible and democratic, the liberal arts and what they teach us about human needs and desires have become essential in the development of technology. That’s why the business world, and especially a place like Silicon Valley needs leaders who are both techie and fuzzy, well-rounded like the Renaissance man or at least capable of understanding and listening to the other side. If not, the human aspect will be greatly overlooked.”

He proceeds: „No matter what you’ve studied, no matter what your background is, there is a very real and a very relevant role for you to play in tomorrow’s tech economy. As ‘software eats the world’, technology requires input and expertise from every corner of society. The modern leader in that sense is more like Leonardo Da Vinci than like Tim Cook,

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<sup>1</sup> Scott Hartley, *The Fuzzy and The Techie*, Mariner Books, New York: 2017

incorporating both a business savviness and a human centricity.”

### **New Alpha**

Danielle Harlan, founder and CEO of the Center for Advancing Leadership and Human Potential, focuses even more on the people side of business. In her 2017 bestseller *The New Alpha*<sup>2</sup> she advocates for a new type of leader who aspires to be a force for good. Harlan: „Many of us have an aversion towards the so-called Alphas, the influential and powerful people within companies. All too often we read messages telling us that if we want to be powerful, then we must influence, lie, cheat and take other people down along the way. But we also all remember at least one leader who didn't fit that image, someone who was high achieving and powerful while also being an exemplary and balanced human being. That's what I call the New Alpha and that's exactly what Silicon Valley needs more of nowadays. More self-reflection, more creativity and even a sense of humor.”

Mike Walsh, CEO of Tomorrow and writer of the 2019 bestseller *The Algorithmic Leader*<sup>3</sup> has been signaling the people skills issue for years now, suggesting that modern day leaders go beyond their algorithms. Walsh: „Algorithms shape our products and services, influencing not only how we work, but also how we solve problems and manage people. Poor management of customer information and algorithmic security at for example Libra led to a massive data breach. Mark Zuckerberg faced days of heated interrogation on Capitol Hill for that lack of customer centricity.”

Walsh challenges the concept of the modern-day leader. He says: „If the analogue leader had to climb to the top of a hierarchical organization, the algorithmic leader needs to be the connector in an organic ecosystem.

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<sup>2</sup> Danielle Harlan, *The New Alpha*, McGraw-Hill, New York: 2017

<sup>3</sup> Mike Walsh, *The Algorithmic Leader*, Page Two Books, Vancouver: 2019

Your real power as a leader doesn't depend on the number of people you have reporting to you, but on how successful you are in connecting people.”

Gareth Chick, founder and managing partner of the Collaborative Equity, introduced the term CEQ back in 2018<sup>4</sup> to underline the importance of people skills for CEOs in today's world. Chick: „IQ and EQ are no longer sufficient. We now need CEQ - the ability to read, understand and manage the psychological states and behaviors that are unique to corporate cultures. Only then can we be balanced leaders within our own companies.”

Chick continues: „CEQ will help today's leaders to implement a sense of purpose in their organizational design, their operating model and their culture, achieving a genuine state of shared ownership, shared responsibility and shared rewards.”

### **Ethical**

Zooming in on Silicon Valley, not all is as bad as it seems though. Some of the current CEOs actually are fuzzies who thrive in their daily work. For example, Airbnb founders Joe Gebbia and Brian Chesky hold bachelor's degrees in fine arts. Chesky: „Not having a technical background has helped me over the years to also see the more ethical aspects of what we're doing. Not everything's clicks and algorithms, there's also a way more human side to it.” Gebbia: „Peter Drucker<sup>5</sup> already said that the best management practitioners have always drawn on the wisdom, self-knowledge, and enlightened understanding that comes with a liberal education and continually refined their “art” through practice and application.”

YouTube CEO Susan Wojcicki studied history and literature at Harvard. Wojcicki: „In a way

<sup>4</sup> Gareth Chick, *Corporate Emotional Intelligence*, Critical Publishing, St Albans: 2018

<sup>5</sup> Peter Drucker, *Management*, 2008

you could say that my studies were the best basis one could have for this job. Not only because it's still about telling stories, but also because it gave me a broader perspective and helps me think outside of the box. And don't forget that in order to understand the future, you need to start with our past.”

That past was also profoundly studied by Jack Ma, founder of Alibaba, who was an English major. Ma: „What I learnt from studying English literature is what helped me see the potential of China. I once told my son: you don't need to be in the top three in your class, being in the middle is fine, as long as your grades aren't too bad. Only this kind of person has enough free time to learn other skills. If China's economy wants to continue growing, it needs a lot of smaller to medium sized and individually-run companies, and that requires a lot of entrepreneurs with values and drive.”<sup>6</sup>

This attitude is exactly what helped Alibaba become one of the major world players, overshadowing Facebook's Libra by rolling out the more data friendly Alipay recently. Ma: „After the Facebook data breach I realized the potential power we had. As we were already used to not sharing data with other companies, the only thing holding us back from world dominance was the Chinese government keeping track of our data. That's why we relocated to Hong Kong, became completely open source and blockchain based.”

### **Downfall**

Alibaba's way of doing business has been thoroughly studied by Facebook CEO Mark Zuckerberg, but he never dared to follow his path as he believed „becoming completely blockchain based would be too much of a danger for Facebook as it would mean giving

up control over user data.” The company was already removed from the S&P list back in 2019 because of earlier data infringements, whereas Alibaba was recently added to it. Facebook also made a huge downfall in the Fortune 500, where it now holds a mere 413<sup>th</sup> place, coming from place 57 just a couple of years ago.

As Hartley, Harlan and Chick all agree on, the only way to recover from that downfall would be to drastically change the board. Just like Tesla did back in 2019 by replacing Elon Musk, Facebook would profit from putting a more human CEO at the top. Chick: „It's actually strange that Zuckerberg was never able to combine his background in psychology with that in computer science. It could have worked out, but it didn't. As hard as it may be to replace such an icon, it's the only way up. As long as a CEO doesn't have a CEQ, it's just not going to work anymore.”

Musk himself, looking back, couldn't agree more: „It was hard back then, because it felt like losing one of my kids. I worked so hard to build that company and I felt like I was the only one who could make it work. But looking back now, I think me stepping back is what saved Tesla in the end. After all, we're all humans and only capable of doing as much as we can. No one can continue to work 70-hour workweeks, not even in China. It was driving me crazy and it was tearing the company down with it as well. It's the human factor that's the real business driver nowadays and the only way we can outsmart the robots. In a world where algorithms are the norm, we have to make sure that we're still listening to the world around us. That goes for both those on earth as for those who decided to leave for Mars.”

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<sup>6</sup> <https://www.techinasia.com/jack-ma-what-told-son-education>