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“The world is changing so rapidly I have little time to be astonished” Some reflections on Leadership in High-Tech for addressing the tectonic shifts and fault lines in our Society

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Abstract

This impact paper proposes that the current situation generated due to Covid-19 can qualify as a mimetic representation of the endogenous and exogenous forces governing relationships in our Companies and Society; it contributes to dissolving established structures of binary classifications; it invokes reflecting on the structuring of economic and political power in companies and in Society and it requires the leaders at the helm of High-Tech to get involved in civic matters and in new approaches to contributing to societal discourse. This work addresses some of the fault lines and puts forward propositions.

Keywords: Covid-19, Leadership, Mindset, Decision making processes

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“The world is changing so rapidly I have little time to be astonished”

Some reflections on Leadership in High-Tech for addressing the tectonic shifts and fault lines in our Society

This impact paper proposes that the current situation generated due to Covid-19 can qualify as a mimetic representation of the endogenous and exogenous forces governing relationships in our Societies. Some observers suggest that “it will make [the Global Financial Crisis] 2008-2009 like a flesh wound”¹ and that many businesses will be “shut forever; jobs ... don’t return. ... businesses won’t open again.”² It is certainly an exogenous shock of unwarranted dimensions. It has been affirmed that there is not “any comparison [with past cycles as] ... past cycles have all been financial whether the Great Recession or whether 2008-2009 ... the question was ‘when do we get financial recovery?’ When we go back to 1973-1974, 1981, 1990, which were all financial [crises] ..., but this is a challenge we have no frame of reference for ... and the scale of it is just enormous. ... the problem is universal ... we don’t have any frame of reference ... we can go back to ...”³

At the same time, the outcomes are - and will be - shaped by the decisions taken by our leaders. There is no determinism. It has been noted that it is “very dangerous to believe that technology is deterministic. ... in the twentieth century, [leaders] used the same technologies to build communist dictatorships and fascist regimes as well as liberal democracies. They all used [the same technologies], but in different ways. So, the new technologies [of our 21st century] can do good things like improve our healthcare ... and we can keep it focused on that and prevent its abuse. It can be prevented.”⁴ It has been suggested that “[i]t is undoubtable, however, that the new technological revolutions will gather momentum in the next few decades, and will confront humankind with the hardest trials we have ever encountered.”⁵ The decisions made by our leaders will influence our future and whether our companies, and in turn our Society, will come out of it in a better shape is not given, but is something “every [company; Society] has to earn every day by how it behaves ... [as] pandemics expose all your strengths and weaknesses.”⁶

Our leaders’ response depends on their mind-set, decision-making processes, and operating routines and will define the way in which our companies and Society will come out of this situation. This *impact paper* discusses how mind-set and decision-making processes play a role in contributing to dissolving established structures of binary classifications; structuring of economic and political power in companies and in Society and

¹ Mohamed A. El-Erian on Yahoo! Finance on April 30, 2020: “El-Erian: We will have the worst recession since the Great Depression”, source: <https://www.youtube.com/watch?v=G9HvukE56yM>; Minute 00:32-00:36; accessed on May 10, 2020.

² Lloyd Blankfein, former Goldman Sachs chairman and CEO, on May 7, 2020, on “Squawk Box” of CNBC Television: “Former Goldman CEO Lloyd Blankfein on reopening the economy, PPP loans and more”, source: <https://www.youtube.com/watch?v=D0tJvI3fRZg>; Minute 03:02-04:18; accessed on May 10, 2020.

³ Sam Zell, chairman and founder of Equity Group Investments Inc on Bloomberg interviewed by Erik Schatzker on May 5, 2020: “Billionaire Sam Zell on Market Valuations, Real Estate, Post-Virus Economy”, source: <https://www.youtube.com/watch?v=tR9qd65EBnc>; Minute 02:56-04:12; accessed on May 10, 2020.

⁴ Yuval Noah Harari on May 5, 2020 on BBC HARDtalk: “Coronavirus: Yuval Noah Harari, philosopher and historian, on the legacy of Covid-19 - BBC HARDtalk”, source: <https://www.youtube.com/watch?v=gfVrin7Ybp8>; Minute 16:09-17:00; accessed on May 20, 2020.

⁵ Yuval Noah Harari (2018). 21 Lessons for the 21st Century. Jonathan Cape: London: page 17.

⁶ Thomas Friedman on India Today on April 28, 2020: “India Today eConclave: Thomas Friedman On Battle Against COVID-19, Post-corona World”, source: https://www.youtube.com/watch?v=IxQdO_Hl6pA; Minute 04:24-04:37; accessed on May 10, 2020.

requiring the leaders at the helm of High-Tech to get involved in civic matters and contributing to solving societal difficulties.

Leadership Mindset in response to Covid-19

Endogenous and exogenous forces govern the reactions to Covid-19. In academic discourse, the term “mindset” has multiple conceptualizations, with scholars debating whether there are multiple mindsets, how they operate, and how they differ from goals and attitudes (Freitas et al., 2004; Murphy and Dweck, 2016; Rucker and Galinsky, 2016). Mindset can be characterized as a complex belief/knowledge structure that, when activated and accessible, has consequences for preferences, goals, choices, and behaviors (Freitas et al., 2004).

Exogenous shocks require firms to exhibit the ability to absorb new knowledge (Cohen and Levinthal, 1990; Todorova and Durisin, 2007; Zahara and George, 2002). Piaget, for example, suggested that the development of systems of meaning is just as important as logical thinking in shaping behavior (Piaget, 1928/1969). Cognitive science discusses how development of new cognitive structures follows two alternative processes: assimilation and transformation (Marshall, 1995). When the new knowledge fits existing cognitive schemas well, it is assimilated. When the new knowledge cannot be assimilated, the cognitive structures must be altered and “firms transform their knowledge structures when knowledge cannot be assimilated” (Todorova and Durisin, 2007: 778).

The situation created by Covid-19 is set to require leaders and their organizations to transform their knowledge structures. For example, fitness trackers could be used to fight against Coronavirus; the collection of data on heart rate and respiratory rate, their activity, and sleeping patterns might enable to detect changes taking place days before outbreak.⁷ Companies that have been set up to exploit personal data in order to maximize shareholder value are now collaborating with Public Health Care institutions. Already before Covid-19, digital tools have changed how people engage with healthcare and organization, as the *Nuffield Council on Bioethics* pointed to ethical dilemmas that need to be addressed.⁸ Executives who exhibit a mindset based purely on rent appropriation and lead their organizations by assessing the value of an individual in its customer base, based on the future cash flow streams she/he can generate, will encounter criticism and provoke public backlash even given the presence of benefits of tracking.

The leaders of High-Tech companies are starting to face challenges and public backlash. For example, the Federal Trade Commission sued Facebook back in 2012 over eight privacy violations, stating that Facebook made deceptive claims about users' ability to control their personal data. In a recent settlement in April 2020, the judge, Timothy J. Kelly of the U.S. District Court for the District of Columbia noted the “unscrupulous way in which the United States alleges Facebook violated both the law and the administrative order is stunning” given Facebook “willingness to deceive its users outright, such as allegedly telling the public that it would not share their personal information with third parties when it was continuing to do so.” He stated that “Facebook purportedly acted improperly”. He noted that the complaints about Facebook “call into question the adequacy of laws governing how technology companies that collect and monetize Americans' personal information must

⁷ Zolfagharifard, Ellie (2020). Testing equipment is in short supply. Could our fitness trackers help to fill the gap? *The Daily Telegraph*. April 11. <https://www.telegraph.co.uk/technology/2020/04/11/fitness-tracker-could-help-reveal-have-coronavirus/>

⁸ Nuffiel Council on Bioethics (2010). *Medical profiling and online medicine: The ethics of 'personalised healthcare' in a consumer age*. Nuffield Press, Abingdon, Oxfordshire, U.K.

treat that information. But those concerns are largely for Congress; they are not relevant here,” Judge Kelly wrote, adding that if it happened again, courts “may not apply quite the same deference to the terms of a proposed resolution.”⁹ Even the Editorial Board of the *Financial Times* stated that “[t]he algorithms that control content ... should be open to scrutiny.”¹⁰

The economic power of data is unquestioned and gains significance in the situation triggered by Covid-19. At the same time, it is the case that Covid-19 might contribute to the consolidation and control of data in automation, robotics, artificial intelligence, media, advertising, retail and even autonomous tech in the hands of few (Chinese and U.S.-based) firms. Societies will find it difficult to accept that individuals contribute to advancing social benefits and the social good by sharing their private data in order for those companies to use this data - shared for advancing social benefits - to maximize their private rent seeking. The leaders of companies cannot confine their role in Society to maximizing shareholder value. Leadership is required to understand the relevance of civic contributions in order to obtain and maintain societal acceptance of their conduct. It is rather this kind of mindset which addresses the situation provoked by the Coronavirus, more than the property of technologies and their usefulness, which will define company success.

Decision-making processes in the face of Covid-19

Covid-19 puts the established decision-making process in many firms in disarray. Strategic decision processes create a context for innovation helping firms remain competitive in their businesses (Hart, 1992). The value of a processual approach has been shown for research on organizational ambidexterity, paradoxes, and innovation (e.g., Burgelman and Grove, 2007).

The situation triggered by Covid-19 contributes to uncovering unquestioned routines and tacit concepts which guide human practice in firms. By becoming explicit it makes them accessible for questioning. At the same time, the contingency of the existing and plurality of the alternative interpretations becomes obvious (e.g., Feyerabend 1987, Rorty 1989). There's research studying whether the factors proposed by prior theorizing are implemented by managers in their daily practices in their attempt to do so (Durisin and Todorova, 2012); it suggests that firms are at the risk of becoming exposed to a second-order competence trap. This involves the application of managerial tools like, for example, “cycle of bandura,” or the “pyramid of resistance” that might have been appropriate for a specific managerial task in another context but which are not appropriate for the nature of the specific managerial task in such very different circumstances.

Companies' information flows, decision authorities, and decision-making process have been set up for different contexts. For example, Emmanuel Faber, chief executive of Danone SA, noted in April 2020: “All our systems used to be lean and mean and super-optimised for efficiency. Suddenly all that gets blown up [due to Covid-19] ...” Not surprisingly, he told his executive committee: “Forget the three-year plan. It doesn't exist anymore. Just get

⁹ Nanos, Elura (2020). Federal Judge Stunned by Facebook's 'Unscrupulous' Violation of the Law, Warns of Much Deeper Problems. *Law & Crime*. April, 24; <https://lawandcrime.com/lawsuit/federal-judge-stunned-by-facebooks-unscrupulous-violation-of-the-law-warns-of-much-deeper-problems/>

Swisher, Kara (2020). The Immunity of the Tech Giants: When the pandemic is over, we most certainly should fear the industry more than ever. *The New York Times*. May 1. <https://www.nytimes.com/2020/05/01/opinion/tech-companies-coronavirus.html>

¹⁰ The Editorial Board (2020). Facebook's content proposals are too weak. Stringent regulation needed to ensure removal of harmful content. *Financial Times*, February 19. <https://www.ft.com/content/7812f150-525e-11ea-90ad-25e377c0ee1f>

through the next 10 days, then the next month, and so on.” Further, he changed the company’s information flows, decision authorities, and decision-making process. Ten days into France’s lockdown, Mr Faber set out by car from his Paris apartment; over the next 14 hours and roughly 600km, he checked on how employees and operations were holding up.

¹¹ At Danone as for other companies, for all the reactivity of the last few weeks with its hundreds of changes, there is no end in sight.

If leadership reacts by dedicating more time and effort to the same decision-making processes they run the risk of being very efficient but helplessly ineffective. In the context of Covid-19, the contradictions between argumentation and explanation provided, are often uncovered; this crisis brings to the surface the implicit and tacit or even unconscious dimensions of practice. The Covid-19 situation can present an opportunity for systematic interpretation of these contradictions.

While many companies are doing so, it must be clear that this has to be actively pursued. Awkwardly, it is not sure that High-Tech leaders are widely doing so. For example, recent events at Facebook give a picture of opinions being ignored if they are not in line with the leader in charge – and not only, but also, since the events provoked by Covid-19. Long-time independent director Erskine Bowles, White House Chief of Staff during the Clinton administration and former president of the University of North Carolina system, left the board in April 2020. After his departure, Mr. Bowles privately criticized Facebook leadership for failing to take his advice on politics, according to a person who had direct knowledge of what he said. Mr. Bowles declined to comment. In October 2019, it was announced that Susan Desmond-Hellmann, Facebook’s lead independent director of several years standing, was leaving the board. She conveyed to some people that she left Facebook in part because she didn’t think the board was operating properly, and that Facebook’s management did not consider the board’s feedback, as was stated by an insider. Reached for comment April 2020 after the announcement of her joining the board of Pfizer Inc., she said Facebook’s press release was accurate. Recently Chris Cox, chief product officer, a long-time friend of Mark Zuckerberg¹² and viewed as a potential successor to him, unexpectedly stepped down after 13 years. Mr. Cox worried that recent modifications would impede detection of criminal activity such as terrorism and child trafficking, according to people who had been briefed on the matter. It has been reported that in the wake of the Federal Trade Commission settlement Mark Zuckerberg and Marc Andreessen, one of the longest-serving directors, were “at each other’s throats.” Mr. Andreessen expressed his frustration to some about whether Facebook would be able and willing to comply with the terms and considered leaving the board. A spokeswoman for Andreessen Horowitz declined to comment. In mid-March 2020, days after the coronavirus was declared a pandemic by the World Health Organization, Facebook announced that Kenneth Chenault, the former American Express Co. CEO, would be leaving the board. He and Jeffrey D. Zients, a former economic adviser to President Obama, had spearheaded a group of independent directors who started holding separate meetings several months before, worried that their perspectives were being dismissed as Facebook faced regulatory difficulties, other people familiar with the matter stated. Mr. Chenault joined since the Berkshire Hathaway board replacing Bill Gates. As was noted in an article in the *Wall Street Journal*, Mark Zuckerberg is “navigating this moment without key advisers who might be able to help him spot

¹¹ Abboud, Leila (2020). Culture war: How Danone kept making yoghurt in the pandemic. *Financial Times*, April 27. <https://www.ft.com/content/e8245a0a-773d-4666-9c44-132bd21c88f1>

¹² Kuchler, Hannah (2018). Facebook: the court of King Mark. Mark Zuckerberg is taking control of Instagram and WhatsApp to protect the ‘prized child’. But are his team up to the challenges? *Financial Times*, September 28. <https://www.ft.com/content/3ad4b4a4-c303-11e8-8d55-54197280d3f7>

potential pitfalls”¹³ It is not to be neglected that the new people joining the organization may well be new voices enabling to foresee such potential pitfalls; this will of course only occur if those people are not friend, or indeed friends of friends, or persons who were previously on the payroll of Mark Zuckerberg. If such is the case, these new voices joining will only reinforce the current practices rather than enable the firm to expose unquestioned routines and tacit concepts which guide managerial decision making and practice.

The situation generated by Covid-19 is dissolving established structures. This creates a vacuum to structuring economic and political power; in firms, it may contribute to making unquestioned routines accessible for questioning. If not followed up, the abilities that drove firms to being successful will instead become core rigidities (Leonard-Baron, 1992). Leaders at the helm of High-Tech are encouraged to undertake a structured evaluation of self-evident boundaries and routinized activities, establish new links and relationships, and get involved in new approaches to contributing to societal discourse.

Firms not engaging in such activity are at risk of becoming exposed to a second-order competence trap. It is the strategic decision-making processes the leaders establish more than the depth of technological advancements - within and across domains - that will be a factor of company success.

Concluding comments

Thirty years ago and shortly after the Berlin Wall came down, Václav Havel addressed the U.S. Congress in early 1990. This happened less than four months into his new role of President of Czechoslovakia, before even Czechoslovakia held its first free elections in 44 years. He stated: “The human face of the world is changing so rapidly that ... in the flood of work, we have literally no time even to be astonished.”¹⁴

Many leaders will feel the same in face of the massive number of activities needed to be taken up and performed as a response to Covid-19. Many will feel overwhelmed. We can build, as we hope this article does, an argument why in this new situation leaders in High-Tech will have to become more involved in civic issues and why with Covid-19 hitting their companies, leaders should aim at getting involved in new approaches to contributing to societal discourse, too.

The responsibility to carry this out is up to the leaders and it is their actions that will define whether in the end they are only out for themselves or not. Their actions will count. It is not Covid-19, but their reactions that will demonstrate whether humanistic leadership practices have been set in motion and whether there will be change for the better in the sphere of us as human beings.

¹³ Seetharaman, Deepa and Glazer, Emily (2020). Mark Zuckerberg Asserts Control of Facebook, Pushing Aside Dissenters; The 35-year-old tycoon has recast the company's board of directors and sought a high-profile role for the social-media giant in the Covid-19 pandemic. *The Wall Street Journal*, April, 28. <https://www.wsj.com/articles/mark-zuckerberg-asserts-control-of-facebook-pushing-aside-dissenters-11588106984>

¹⁴ Václav Havel (1990). Vaclav Havel's speech to [U.S.] congress. *The Washington Post*, February 22. <https://www.washingtonpost.com/archive/politics/1990/02/22/text-of-havels-speech-to-congress/df98e177-778e-4c26-bd96-980089c4fcb2/>

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