



Owning Their Moment The UK's Business Elite Speak Out Post-Brexit

by Jerry Straus, CEO, JMW, and Deborah Seymour, Head of Communications, JMW



UK Prime Minister Theresa May has delivered her “hard-Brexit” plan, and the pundits and politicians are buzzing. The public conversation has only heightened since the referendum vote in Italy – and of course, the election of Donald Trump to the US presidency, which brings with it heightened levels of uncertainty on many fronts. There are hundreds if not thousands of economic analyses and predictions about the impact of the UK leaving the EU. And there’s no shortage of speculation about the impact on currencies globally, especially in light of a new, high-profile White House administration.

Many observers understandably focus on the long-term political, social, and economic impact of Brexit. But what about here and now, in the UK-based businesses that play a critical role in national and international marketplaces? The realities of Brexit are now landing heavily on the shoulders of business leaders throughout Great Britain, with little precedent to guide them.

Late last year we conducted survey of our UK based clients to understand their views on Brexit and its impact on their leadership roles as well as their teams, organizations, industries, and lives outside of work. Some of the answers may surprise you, as they did us. And all told, they point to action leaders can take during this time of great uncertainty.

SNAPSHOT OF WHAT WE ASKED ABOUT

- Brexit’s discernible impact in senior leaders’ eyes
- Steps their companies have taken/are taking to deal with Brexit impact
- What they think leaders should be focusing on post-Brexit
- Strategies developed for dealing with Brexit-related uncertainty
- Level of confidence that the UK will implement an effective Brexit plan
- How they anticipate leading in this time of uncertainty

What’s keeping leaders up at night

We asked about the extent to which Brexit has had a discernible impact on leaders’ jobs, teams, organizations, companies, industries, and personal and family lives. At the top of the list: More than 67% said there had been a distinct impact on their personal and family lives (including personal wealth), compared to companies (52%) industries (46%), and organizations (26%).

In addition, executives commented on their fears about potential project cancellations, an exodus of talent and business from the UK, and a decline in career opportunities. As one respondent put it:

“In the C Suite, there is a sense of a loss of opportunity given that in my industry – engineering and technology – many of the important C suite roles are with European companies and after Brexit, British executives are less likely to be considered for those roles. I have also heard non-UK employees voice their concerns about their future.”

Moreover, employee motivation and morale emerged as a key concern in the survey answers, ranking higher than senior executives’ worries over matters such as share price and lost business. In comments submitted voluntarily by respondents, words such as “chaos,” “uncertainty,” “confused,” and “unprepared” were not uncommon.

We note such aspects of the survey results because these are the people leading the way, and whose perspectives on Brexit are framing how they manage their people and teams during this time. While some of our survey respondents were decidedly focused on the numbers of Brexit – currency devaluation, how their capital investments might decline, etc. – there’s so much to consider beyond the currency. Of much greater importance is the impact of Brexit on human capital. In our view, the biggest potential dangers come in the form of lower productivity, underperformance, and failure of leadership at senior levels that could lead business into jeopardy.

What have leaders done so far?

There was a wide range of responses from leaders about their levels of preparedness and what they’ve done already to address post-Brexit concerns. Comments ranged from no action because of disbelief (“None... believed that it wouldn’t happen”) to very prepared, with some organizations engaging in scenario planning, risk analysis, recruitment planning, strategic reviews, consulting with immigration experts, and developing full-blown Brexit action plans.

When it comes to actions they’ve taken since Brexit, leaders’ comments reflected the extent to which they feel accountable for putting Brexit into constructive context for their teams and organizations. Executives spoke of things like “keeping a focus on the things I can control and influence,” and “not getting distracted on Brexit issues that have yet to materialize.” Others talked about continuing to prioritize customer focus, with an emphasis on delivery for customers and quality of services and value for money, as well as identifying needs that customers have as a result of Brexit.

This response was emblematic of many thoughtful and practical outlooks:

“We’re focused on keeping our business operating at the highest possible level of customer satisfaction, and in an elite position, in order to protect us from being commoditised and subject to price comparisons in a tightening market.”

Stepping back from a number of respondents' initial negative reactions, it became clear that there is great depth to their thinking about post-Brexit for their organizations. If there are any potential big "winners" in the wake of the Brexit vote, it could be the companies whose leaders are willing to step up and transform their leadership game in the midst of uncertainty and tremendous change.

Governments, Business, and Leadership: A Nexus

When asked about their confidence in the UK government, the executives participating in our survey aired diverse opinions. The majority, however, voiced lowered confidence – and frustration about planning at the national level that lacked sufficient forethought. One senior manager cited "political posturing but no real clarity on the future;" another cast aspersions on "unsubstantiated sound bites" and "a pandering to the populist." Overall, executives were in agreement about there being a lack of vision at the highest levels of government.

One survey respondent offered this critique:

"Neither the media nor government appear to have business or employee interests at heart. The media are widely speculating on issues just to get a story and the politicians are trying to score political points by outdoing each other. Neither seem interested in serving the best interests of trade or employees."

In addition, the executives surveyed engaged in candid self-reflection, with one acknowledging the following:

"Business and the government are deferring big decisions. Everything else is speculation. The challenge for most businesses is to figure out what are the 'boundary conditions' for action within this situation – what can we do that counters a propensity to do nothing while acknowledging that many things are uncertain?"

One of the most striking themes was that of government not listening to businesses. As one senior leader asserted: "Sources tell me that (MPs) are ignoring all advice from industry." Another opined that "Government is not listening on what is the most important decision in my lifetime."

As they keyed in on the importance of government leaders listening, these executives were highlighting an issue that's also of critical importance to business leaders. In this sense, there is a nexus regarding action that both business and government leaders could benefit from taking at this time.

The way forward: What leaders can do

So, what can business leaders do? How can they successfully address issues of human capital despite the swirl of unease regarding devaluation and overall disruption?

Listen

Some of the leaders surveyed specifically focused on doing the kind of listening they say they don't experience with the government. One spoke of "engaging deeply and listening to people's concerns, plus working with them to invent future possibilities." Others talked about encouraging open conversation and exploring different scenarios, and communicating effectively with employees.

To these points, it has not been uncommon for our colleagues to encounter leaders who are skeptical of the need to focus intently on what people are saying – and truly listening. But at the end of the day, that's one of the most powerful things we as leaders can do: listen and understand what's of most importance to our stakeholders, which includes the people we lead. When leaders engage in what we call "radical listening," they are on a path that will help inform their effective leadership.

In their survey responses, UK leaders talked about specific strategies such as diversifying their businesses and accumulating cash to have on hand during uncertain periods. If such strategies are carried out by people throughout organizations who've had a say in what's being done and how – that could make all the difference.

Discover opportunity

To quote one of our many insightful survey respondents: "We should take full advantage of the new opportunities Brexit offers. Business will always trump politics." This sort of balanced yet optimistic perspective was shared by a number of executives, who offered commentary about "suffer versus flourish" and warned that "collective despondency would be a disaster." As one senior executive put it: "We can shape the next few decades positively...or we can waste an opportunity."

Leaders talked about working to ensure that views are supported by facts and not speculation and ignorance, and made inspiring comments about "maintaining the historic position of Britain as an open trading nation that welcomes talented, hard-working people to its shores and welcomes their contributions." There was a sense of vision and even optimism amongst some of those surveyed, a confidence that in the longer-term opportunities will be explored and benefits found. And there was this assertion from one seasoned leader:

"Nothing changes until it changes and when it does, we will decide how and what happens by preparing carefully. No panic and no short-termism will be allowed."

Of course, there were negative sentiments as well, with comments about Brexit being "a step back for mankind," about government being "a mess" and the UK being "in a terrible situation." Yet overall, such remarks did not ring as loudly as a focus on delivering "a different, but equally robust future post Brexit."

So, what next?

Take the right actions

Amid uncertainty and in the face of pessimistic as well as optimistic outlooks, leadership will win the day. As one executive described it: “Both the challenge and the opportunity are unparalleled.” This leader went on to suggest that “solutions may require a bi-polar mentality: huge ambition combined with vast uncertainty and skepticism,” concluding that:

“We can each choose to be a victim of decisions by others, or the author of our own destiny. Therefore I’m neither confident nor scared. I’m positively...wary!”

More than ever, it is a time to dig down to the core and rediscover what is most important to us as leaders. Also, what is of utmost importance to your team and to the relevant parties of the business? Nothing will do a better job at having you choose the right actions to take while confronting the circumstances of this disruptive time.

The strongest theme emerging from the survey responses was one of recognition of the impact business leaders can make at this moment in time. And they will – if they are willing to really listen to the people in their organizations as well as their other stakeholders, if they can use these newly gained insights to identify unique and timely opportunities, and if they’re willing to lead themselves to take action and elicit effective action from those who they lead, they will end up being more powerful than the current circumstances. In our experience of working with leaders around the world there’s nothing more powerful than discovering what’s of utmost importance to all stakeholders and from there continuously create the sets of results that must be produced along with the sets of actions that will have you deliver.

We didn’t know what we would discover with this survey. And what we found were remarkable degrees of candor, realism, commitment, and determination – leaders determined to own this moment in their organizations’ history and powerfully move beyond it. From our perspective, that’s real leadership.

WHAT YOU CAN DO NOW

Listen

Radically listen and engage with people to:

- Address contingencies.
- Develop specific Brexit-focused strategies.
- Invent future possibilities.

Discover opportunity

Take full advantage of the opportunities Brexit offers:

- Remember that business can trump politics.
- Maintain a sense of vision and optimism.
- Focus on facts and realities versus speculation and skepticism.

Take the right actions

Dig down to the core as you determine the next right steps:

- Rediscover what is most important to you, your teams, and key stakeholders.
- Remember you can have huge ambition in the face of vast uncertainty.
- Determine the results required and the actions it will take to deliver.

JMW CONSULTANTS INC

262 Harbor Drive
Stamford, Connecticut 06902
United States
+1 203 352 5000

JMW CANADA

1200 Waterfront Centre
200 Burrard Street
Vancouver BC V6C 3L6
(203) 352-5000

JMW (UK) LTD

25 Farringdon Street
London EC4A 4AB
United Kingdom
+44 (0)20 7382 4100

JMW CONSULTANTS AUSTRALIA PTY LTD

Level 6, 437 St. Kilda Road
Melbourne, Victoria 3004
Australia
+61 3 9258 1400

info@jmw.com | jmw.com