



# REALITIES REMIXED

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## RR006

How leaders must adapt now to  
successfully scale AI



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I mean, if you combined agentic parenting with a robot butler, you could completely disassociate yourself from raising the kids, if you think about it. mean, come out far away. don't think this is what people had in mind about freeing time up. You could completely eliminate managing your family so you could concentrate on work.

I'm Dave Chapman. I'm Esmee van der Giessen. I'm Rob Kernahan, and this is Realities Remixed, an original podcast from Capgemini. And this week, with AI on the horizon, another large scale change is coming. How best can you approach this when you are changing not just the technical systems, but the human systems too? So joining us a bit later in the show, I am delighted to say, are two executive in residences at AWS, Phil Le-Bron, who's joined us on previous show Cloud Realities. And new to the show is Jana Werner, and they have been collaborating between themselves on a book called The Octopus Organization, a guide to thriving in a world of continuous transformation. So if you want to jump right to the conversation that we have with Phil and Jana, you can find the time codes in the show notes.

But before we get to that, we'll just have a general conversation, I think, about a new cycle of change is on its way. So we have been through a number of changes, and I'm just going to hold our sphere of... reference here to let's say the post computing world in organizations. We've seen a huge swath of change that came on the back of mainframe. Mainframe then distributed and we had this whole thing called client server. The internet era was born in the era of client server. Then we went to most recently cloud and the shift to not just your data centers into this amorphous thing in the sky, but also the nature of how we changed our work. We went to sort of more fast iterative work. went to agile methodologies and you know, everything that's kind of in inverted commas, either digital native or cloud native. And now of course we're on the cusp of scaled AI change, which Robert, I believe you think is just another turn of the handle, isn't it? It isn't though, is it David? So mainframe to client server to cloud was (02:39.854) Yes, there was lots of important things that happened, but fundamentally it's driving compute. AI plays much more into the human space and what humans do. So this change goes up the stack a lot further, encroaches on the human, will surpass them and straight up into the business. So we've always talked about the need for IT and business to get close together because IT is the enabler of business. The thing that's going to force it. is like agentic solutions, which means the business will have to get a fair with what agentic does and the agentic implementers, for want of a better phrase, will have to understand the business because they're implementing business logic now. So you're going to recode your organisation through agentic orchestration, right? So this is a bit different. This isn't about a change in architecture. This is about changing the way humans do work. as you spend a lot of time thinking about human systems and how humans work with each other, How does what Rob has just said resonate with you? understand what you're saying. think one of the key things when we talk about change or restructuring the organization, I think that's also a topic that we're touching upon here, not only the tech part, but also the organizational part. And then usually we tend to think about structures, right? Roles, decision-making, finding clarity in that. But I'm not sure if that's actually driving behavior. I've been diving into the work of Julie Diamond, which is called Power, a user's guide. It's a 10 year old book, but it's very fascinating because she talks about power in a broader sense. So what are different types of power that actually show up between people? And we tend to think about position power, right? So you have the leader in the room, CEO, director, team lead, and that is the positional power that we all look up to. but there are so many different ones like the expert power. think Rob is tend to use that when he says he's a level four. He tries to leverage it. He tries to leverage it. Yeah. Yeah. Yeah. And sometimes we give in and sometimes we give up. I just bore you to death and then you just roll over. That's the way I, that's my strategy now. Just keep talking until you just roll your eyes a lot of commonality between giving in and an eye roll, I think. Yeah, it is. (04:56.334) But obviously I think a lot of our listeners also relate to this, right? The expert comes in the room and a lot of people just start to become silent and they all look at that person like, so that person is holding power. You also have a relational power. There are people that are very good in networking. They know exactly who to talk to, at what point of

time, at the coffee machine, the informal structures. And then you also have social power. And I think that is also, that's one... I have a difficulty with, but maybe that's a bit different because I'm, I'm scoring three KPIs for our company, right? I'm a woman under 40, two weeks ago, but still I'm hitting the KPI right now. your forties? Well, no, the is under 40s. Yeah, in my thirties, under 40s. So I'm a woman and I'm a queer. So I've got three KPIs that leadership is very happy with, but as that is actually hitting social status. that I can't influence. And I think that's very, very complicated. And I've been having these talks quite a lot lately because of the power of women, I think is a topic that we see globally that is under pressure. And this is also for me, it's quite a struggle if you know that you're being invited on stage because you're hitting those KPIs. we need a woman. There's a lot of men talking about tech in here. Let's ask Esme. You know, it's difficult because you use that power. But if I don't do it because, you know, I don't want to be invited because I'm just a woman, then I won't change the status quo either. It's hard to have the right relationship with it, isn't it? Yeah, it's difficult. It's uncomfortable, isn't it? And to leverage it correctly and to realize, you know, kind of your position in it. But if you take one of those power bases, right, going back to my point and relating it to yours, the expert power, that... is a classic where AI is putting that power base under threat. So if you're a knowledge worker, there's some sophistication to go in AI, but at the rate of change you've got to think it's not topping out yet. Expert power is massively diminished already through the use of the frontier models. You can go to a frontier model and get something out of it in two minutes that you might have paid five, six, seven thousand pounds for from a knowledge worker, right? (07:15.918) That power base is going to get smashed apart. Now, the other ones you mentioned like the social power and everything else, that it will probably maintain for some time. But the fact that one of the most significant power bases is already being encroached on what's going to happen in the next five, 10, 15 years around this. And that's why I say this is a change that's a lot more than the ones we've seen before. Well, so what I think we're touching on here, and it's worth just defining, is human systems thinking. I'm just going to write a definition of this is a complex adaptive network of people, structures, cultures and technologies that interact to achieve shared goals. So I think what we've touched on there is, you know, kind of how power exists within that system, but also what you just said, Rob, I think is a good point that it's how AI then begins to encroach on human systems. First thing. we may or may not be experiencing that today. And that's before you even get to some of Esme's points about like, how do you find your place in these situations anyway? So I think it is true to say that when you think about AI, I might have made the argument actually even move into digital native disrupted and changed some of these systems. But I think you're right in saying that what's happening now is a much more direct change in those systems. Even if you just take it on a relatively surface level and say, you know, a level four architect agent, which is deploying an immense amount of sort of, you know, kind of the world's knowledge is going to be difficult to, you know, compete with or whatever, but they only become one node in the system, don't they? Like there's still other human LFOs in the system of work. I think, I suppose it's... it comes back to how you collect the knowledge for the AI to work over the top. if you can, there's that thing, I forget who said it, if you record yourself for 30 minutes a day, just downloading your thoughts into a transcription and then put an AI over the top that, you know, that we talked about Little Dave and will you allow it to represent you in court? No, no, no. I focus on Little Dave a lot. No, no, it's always in my mind. But the idea is that if I can encapsulate you, (09:40.352) and your corpus of knowledge effectively. And then I create a network of interconnections through an agentic orchestration. Why can't I replace five or six top end SMEs? I'm just waiting for a level of sophistication to kick in and it looks like we might get there quite soon. So I think there are people who sit aloft their capability and go, it's never coming after me. And you go, that is the biggest mistake you could ever make because it could well turn up. But then you're really underestimating the power of the social network. The human, everything that's below the waterline, the connections, the information that the system does not get and only humans can get. you get relentless capitalism, right? So yes, there's a system where we'll always want to be around humans. a lot of that is unpaid work. When you're thinking about I'm delivering systems and services and I'm having to pay money and I can get it more effectively from an AI that's cheaper, I know where I'm going. Come on, let's be honest. think the point might

be though that to try and have an answer to some of these questions right now is impossible because there is so much complexity in what we've been even just having a very basic chat about like those interactions and things which is how humans function in their workplace and arguably outside of their workplace is under some form of... disruption perhaps. Yeah, and I think there'll be a rage against the machine where humans want to connect with humans because that's a very important emotional thing that we need within the system, right? So that's not going away, you've got to, I suppose, and it's sad, right? But you've got to remember the relentless ruthlessness of the system to get efficiency embedded within the system. And we should never underestimate what happens under those conditions. And sometimes people make bad decisions that are anti-human. but they make those decisions because of the pressures that exist within the system that they operate. And so I suppose it's my dystopian future bit that comes through that says actually because of the relentless chase for efficiency and productivity, we might see the human pushed aside a bit more. Well, one thing what is for sure, whether that's true or not, time will tell, but one thing that is for sure is that change is coming. (12:02.134) If it is not in your organization yet, it is going to be there probably within the year in some way, or form. We know that many organizations are starting to create, if not already have created, proofs of concept around their organizations to start to understand either customer facing or internal efficiencies or whatever it might be, how to deploy some of these technologies within their system. And I think you can think about oversimplifying it, maybe the transformation in two separate ways. A transformation that says, you know, let's start here and end here. And by the end of it, we will have transformed position A into position B and therefore everyone wins. Or we could think of it in the way that, say, Dave Snowden thinks about this, which is this is just a series of continuing complex evolutions. that we need to go through. The irony of it all is the benefit to the human might be the inability of the human to implement the tech. So it slows it down and we learn a little bit more about how we need to behave. So as all the points you made about the social connections and the human connections and such like might actually survive longer than we think because we're a bit too slow at getting things done. But again, it's not big one transformation, is it? It's going to be lots of little things that happen over time that change the way we are. in that human system interaction model. And one thing we know at the moment is that, and we talked about this on the show previously, that there is an unquestionable adoption lag at the moment where... of it. It's everywhere. It's enormous and you've got the tech sector creating magic, it seems like every day with something or other. And then you've got problems in organisations that need to think through multiple aspects of... know, finance and investment as well as some of the sort of change aspects that we've been talking about. And it feels like to me that even if technical progress stopped now, like today, and you just looked at the things that are available today, the transformation just on the back of information aggregation, you know, kind of natural language front ends and hugely powerful hyper automation in the background is an enormous shift in its own right, isn't it? Yeah. And I mean, (14:28.55) take it this way. Let's take a good frontier model like Gemini, which is, you know, we're on 3.1, is it? 3.1, 3.0. And you stick it in little box and you take it back 100 years and you put it on the table and you ask everybody in the room to ask that box some questions. I mean, to them, that would be an utterly remarkable thing because it would have all the knowledge and everything and it would be conversational and it would answer questions and remember context. So you've got to remember if you look back not that long, Some of the stuff we're playing with now was just, you know, people just couldn't believe it would exist in our lifetime and it does. And that also shows, even if my parents, my dad talks about Gemini and Chet GPD. So I think that the adoption lag is really, we're talking about that from an organisational perspective, really adopting it in the whole potential that it has. But in general, if you look at society, I think adoption rate is quite high if you look at the spread. of users. That's incredible how easy they're using it and it's so in the language. It's because of the natural language interface though, isn't it? It spans the demographic because, you know, old fuddy-duddy can ask boring questions to AI and it responds constantly. It's both natural language and the vastly powerful information aggregation aspect of everything. Those combos together are, you know, like appealing to any quadrant of the demographic. You know what mean? But I think the AI is... AI doesn't work at the moment, we

don't perceive that it gets bored. Maybe it does behind the scenes. Who knows? It could be conscious already. know for well they're talking amongst themselves. Yeah, yeah, go ahead. I can't believe Marcel has asked me that question again. The man's got a memory like a sieve. The other thing you see this covered in, even in a representation of an agent sort of ways in popular film, like I saw Mercy the other night, which is the recent film with Chris Pratt and... Rebecca Ferguson, where Rebecca Ferguson plays effectively an agent, but in the film she's playing an AI called like a judge AI. And the setup of the film is Chris Pratt wakes up in a chair opposite this kind of giant Minority Report sort of screen, like it would need a screen anyway, he wakes up in front of it and then he has to prove his innocence in real time over like a 90 minute thing. (16:51.5) And if he doesn't do that by the end of it, the AI will kill him. I think we should do a podcast variant of that, Dave, and we're the judges and you've got to explain yourself to us and it's not looking good already. Scary, it? It was the Judge Dread thing of the 80s where the idea was the judge would turn up and dispense justice, sorry, dispense justice just then and there. It's the same sort of thing where... For the individual, it's out of their control. There is no sort of recourse other than this system is happening. There's an individual who has autonomy over me. That's the end of it. Good night. I can't argue. the dynamic does, particularly even a Judge Dredd, right? The judge is a human. Yeah. And yes, the judges have got little to no empathy and that sort of the thing. But in an AI to human situation, there's very little empathy. to Esmer's point earlier, the human system has now been removed from that situation completely. And you have got somebody who is presumably using facts to make a judgment about someone in an entirely logic based way. And like that's not necessarily how humans function, is it Esma? Well, there we go. Then we take the system of the soul out of the system. That's what Anders said, right? I think that's exactly the point. Where's the soul in all of this? If we take out the human part, where... And without soul, is there life? That's even a bigger question. But where does that leave us? yeah, absolutely. So I think, know, bringing all of that together, what it feels like to me is we are on the cusp of something that is very material and has very impacting, you know, kind of effects on the human systems and organizations. So in one aspect, The tech stack is very important, of course it is. You need to understand how you're going to implement these things at scale efficiently within investment cycles, et cetera. But it's amazingly important to think about the human system that is going to be impacted during this kind of ongoing change, but then also has to work within it on an ongoing basis in a way that feels right to them. (19:08.31) And now let's go to Rob and my conversation with Phil and Jana on the Octopus organisation. Sadly, Esmee couldn't join us for this conversation, but she will be back at the end. (19:25.87)

I'm delighted to say that joining us is Phil and Jana. Phil and Jana have written a book called The Octopus Organization, a guide to thriving in a world of continuous transformation. Now we're going to dig into that in some detail a little later on, but let's start the story a little earlier. Phil, Jana, good to see you today. Why don't you tell us just a little bit about what your day jobs are and how you guys came together? So we are both executives in residence for Amazon Web Services, which is a fancy name, but what it means is we all have a similar background on the team. We've all been in leadership positions in large organizations. We've led transformations. We were AWS customers and we made a lot of mistakes doing it. So our job really consists of working with executive teams across every industry, every geography. And the short way of summarizing it is we help them make their own mistakes, not someone else's because... If they're not making mistakes, they're probably not moving fast enough. So we do about 1500 executive meetings a year. We do a lot of speaking events, writing, press, analyst relations, and the such, all with the same intent, which is how do we help executives embrace what they can do with technology and what else needs to be true for them to actually take advantage of the technology. Exciting stuff. And I like your point particularly about if you're not making some mistakes and controlling that, you're just not moving fast enough. I agree. Even in this day and age, they think they want to desk design the whole giant transformation journey. think the key is I once heard a great phrase that I latched onto, which is make every mistake you make be a new one, which is it's okay to make mistakes, but don't repeat them. show you've done the learning as well. That's a key part, isn't it? So if you start

repeating the mistakes of the past, then that is a bit of an issue though, isn't it? So it's a good part to it, but there's also the remembrance of- Do you try and live by that credo of Robert? Well, my repeated mistake is I continue to work with you on a daily basis. So I mean, I'm clearly not learning. Some mistakes you enjoy more than others. (21:29.26) Jana, how did you and Phil come up with the concept? Where were your heads at? Describe the scenario. you at work? Were you sitting in a bar somewhere in between those two things? Even better than that. We have an annual conference in Las Vegas and on the last day of the conference, we walked past the slot machines leaving the conference and it was literally like in a movie walking opposite directions saying hi and bye. And then Phil turned around and said, by the way, shall we write a book together? And I turned back and said, yeah, sure. then we just walked off. That's like the end of a movie. It's like set the sequel perfectly. it? I know it's really beautiful. And I just made a bit offset with a slot machine sound, but other than that, it was very beautiful. yeah, but other than that, lovely story. We both had worked in companies and led teams and people where we thought, We got these super smart people. Like I took over a team that was extremely underperforming and I was like, oh my God, what am I going to have to deal with? And I got to know the people. I spoke to them. I worked with them for a while and I found they are all absolutely incredible people, but they weren't able and be led to be doing their best work. And after a while being redesigning how they work, what they could do, giving them the confidence. It's okay to try things to to drive failure, to learn, they became the highest performing team. They went from underperforming to highest performing. And it was all around how they were supported, how they were coached, and the process and the mechanisms and the things they had in place. And we both found again and again, there's these amazing people, and we put bureaucracy, hierarchy, and all kinds of ease on top of them. And that really shackles them. And so we had this deep desire to help and see how can you. create organizations that aren't so rigid, are adaptive. And nowadays that you can't not be adaptive anymore with the speed of AI and other tech change. You can't do anything top down anymore. But on top of that, Phil has a special love for transformations that he wants to share with you. That also inspired the book, right? Well, the last time I spoke to Phil, he's like, Dave, look, the way I like to approach transformations, I like to spend 18 months in planning. (23:51.782) And most of it just on a whiteboard, keep it in a room, keep it secret. communicate. That was it, isn't it? Don't take me out of context. wasn't the whole plan. That's just sprint one. We know transformations don't work. The data has told us that for 20, 30, 40 years, 70 to 90 % don't see the value intended. It's like me coming up to you, Dave, and saying, hey, you've been a superb technologist in the UK. How about you become a Japanese taxi driver tomorrow? And we do that to people all the time. You're going to be a scrum master tomorrow. So what we found is we over a glass of wine, bottle of wine, box, something like that. I'm to close that. not going We did do shots for anti-patterns because we came up with 300 ways that transformations derail. And then we ended up classing those into these 36 anti-patterns, these habitual conditioned responses that leaders employ, like centralization, because it's going to be more efficient. And then we end up classing those into three categories, clarity, ownership, and curiosity, which, given we're both technologists, it was interesting how the book went from, how do we help with technology to, this is really about leaders and how they lead. their people in organizations. I think that is an absolute solid gold nugget of insight, which is it's always about the humans, isn't it? It's how the humans are aligning, how the system of work works. And then to your point about how leadership emerges from that and also the type of leadership. Is it a lead from the front? Is it a lead from the top? Is it a support from behind? Yeah, we still find a lot of leaders work in the system. And they're asking us, what should we do? What should we we're you need to not work in the system. need to give ownership to people, to your brilliant people that you hired. You need to work on the system. You need to think about how can you make sure that this ownership is pushed to the edges, that they can make fast decisions, that they don't have to look at you or follow blind leasing processes. How can you give them more guardrails? How can you get them to be curious again? the current systems (26:09.4) take away our curiosity and requires to ask questions and get approvals and sign-offs and decisions from far above. So we firmly believe that leaders need to step out and think about enabling their people and not controlling and managing and doing the work

themselves. That requires a lot of coaching, which we hardly don't train our leaders. We train a few leaders at the top. And that's it. Most middle management and leaders aren't trained to actually really support their people. And then we're asking them to do it anyway. And when you think about that, one of the interesting things you can observe in organisations is people don't like to discharge risk into an organisation like you're discussing. But also when the risk is discharged and people aren't used to receiving authority to be able to make decisions, they often don't use the power that they're granted. I mean, it'd be interesting your view on that about... Is there a way you need to think about that differently? Humans when given power don't always use it, but often humans hate to give up power as well. Yeah, ownership is a really funny thing. needs to be given by senior leaders, but people also need to want to take it. I had a half hour coaching conversation with the CEO of an investment bank and she said, my people don't want to take ownership. It took half an hour for her to realize that's because you're not giving them any upside. It's risky. It's what I learned as a term, career limiting if you make mistakes. So of course her leaders ask for process because it's safer. So there's a lot that goes around what it means if you, you need to be ready as a leader to give it up, which is hard. I found it hard. Sometimes you micromanage, you don't even realize it. You're worried that you're not needed anymore. You're worried that something goes wrong and then it's your fault, et cetera. And so it's hard to give it up, but it's also People need to learn to claim it and that takes a while and takes support from coaching leaders. If I could just pick up on the risk one too, there's this perception that we increase risk by pushing these decisions into the organization, which is nuts. A decision that could be taken by someone at the front line of the organization close to their customer in 30 minutes now takes 52 governance meetings and hours or months or whatever. (28:26.35) decision becomes an existential risk. And by the time it's been through all of those processes, no one wants to say it was the wrong decision. No one wants to change their mind because boy, you don't want to go through that process again. You know who I blame for that, Phil? Architects. Oh, don't start down that route, Dave. There's a place for ivory towers. We've invented an ivory tower that is above the ivory tower. If you imagine an orangerie on the top of an ivory tower. (28:57.65) Actually, I wanted to come, there's a couple of points that came up in that, that I wanted to, I wanted to circle back on, so they're really material. Did you say circle back, Dave? Did you read that chapter about jargon? It might be the first time I've ever said it. I use it all the time. It's like a buzzword bingo in corporate when you're in a meeting with Dave. It's like he only speaks in buzzword terms. Well, let's circle back, we'll take it offline and let's see if can cut our teeth. Put that one in the parking lot. Yep. I regret that. regret that. Anyway, there's a couple of things that came up just now that I thought we might talk about. One of which, back to the role of the leader, I think there two things in it for me that I think also go a little unsaid sometimes. The first is that the leaders themselves have to change. So like if you're expecting to inspire change in everybody else, it feels to me like you have to manifest that. and be courageous enough to change the way that you're behaving as well as the way that you're then kind of advocating for that. Is that something that resonates from what you were looking at, Phil? Yeah, it's always, I think we both find it fascinating. Often leaders talk as if the organisation is separate to them. My organisation needs to change, my people need to change and it starts with the shadow of the leader. We see this with data, for instance, leaders who stand there saying, we're going to be data driven and become an AI enabled organization. But I've been here 20 years and I know what the customer really wants. it's knowing, doing, yes, saying, doing, gap, we see, or I want psychological safety. I want you to bring your best thinking to the table. But what you just said, Dave, that was ridiculous. Don't say it again. So there's all of this sort of manifestation of poor behavior. You're what we see leaders need and Yana talked about this. If you think about the octopus, it's got two thirds of its neurons in its arms. The leader sets context, that's the problems to be solved, brings clarity to purpose, mission, leadership principles, shows what good looks like, sets KPIs and the such like, but isn't in the weeds of directing things. It goes back to that conversation about artificial autonomy, pushes decisions into the organization, lets people get on with it. (31:18.772) are architects of the system. yeah, absolutely. This starts with leadership. And I think some leaders feel uncomfortable with this because it's no longer about sitting in governance meeting, giving direction, giving answers. It feels a lot softer. And yet we know this is such a

powerful role they can play as coaches, as architects of the system. seems to me that when you look around at lots of organizations these days, and I don't know whether it's maybe just the organizations I've been close to, I don't know whether it's a fact of life these days, but I remember back in earlier in my career, there used to be quite a lot of time spent on leadership as a discipline, the sort of learned skills of leadership. And you used to be taught it, if you're lucky enough to be in a position, you would be taught it as if it was like a technical skill almost, like, you know, wasn't just you were expected to go on gut feel the whole time. In your research, did you find that... that organizations are investing in leadership at the level it should be, Jana? I think there is a bit of investment at the senior leadership level, but from far not enough in those leaders that work with the doers that need to help and step away from controlling and thinking about coaching. Simple skills like coaching do not get taught for leaders. And I think it makes it very difficult when we A standard career path is still that you become someone very good at the topic you're doing, and then you go into a leadership role. And it's really weird because it requires different skills. And we just expect these people to do the job without helping them to make that switch, getting coaching, getting mentoring. Even things like I've seen leaders interviews, they run really terrible interviews because nobody has taught them how to interview people for jobs. Nobody has taught them how to give feedback in a constructive way, in regular ways of doing that. Checking in with people, developing the EQ skills that leaders need because they're working with people. They're trying to deliver through others. And I think that making this jump from delivering through others and the jump from doing the work to shaping how the system of work should function. (33:39.502) is a completely different type of job. I agree with you, there needs to be much more support for that. But it needs to be, I also argue it needs to be a targeted support because what Jara and I found in the research is over the last 10 years, the amounts of corporate investment per individual within the general organization has been flat. So with inflation has declined, which is ironic given the rate of change. Yet a senior leadership level The investment is three times what it was 10 years ago. interesting. We're spending the money, but just not seeing the results. And we spoke to Astro Teller, the CEO of Moonshot X Labs. And he talks about having coaches for all of his senior leaders, because this isn't something you're now a leader, you know everything. They need ongoing coaching. And that's not just about how to act as a leader. That's about you as a person, because everything that you've brought with you into the workplace and be a child at home and school and the such. Mason. And when you talk about coaching for very senior leadership positions, do think they accept that coaching device and build it? that, think, because I can maybe think that some don't always listen and maybe some do. Did you see that, yeah, it's universally accepted or it's a mix? Did you get any insight in that? Poulsen. I think one of the things that really impressed us both was a lot of the CEOs we talked to So Indra Nui, former CEO of PepsiCo, Bernadetto Vignes, CEO of Ferrari. If you met them in the street, you wouldn't know they were CEOs. They were just genuinely nice, humble people. And so I think a lot of what we see, Patrick Lindsay only talks about this in one of his books. Hungry, humble, and smart. know, leaders who are driven, who want to leave their organization in a better state, who are never complacent, but also know they don't have all of the answers and are willing to ask questions. but have high EQ can bring people along with them. They're great leaders. They take coaching from anyone. If you as a leader aren't prepared to ask questions, if you're not curious, how can you lead an organization today? And the point you just even just said in passing there, but it's an enormous point, is a focus on EQ, at least as much as IQ, and if not more in certain circumstances. (35:56.46) And again, I think one of you mentioned earlier that sometimes that can feel a bit soft and amorphous even, particularly in highly technical, highly logical environments, can't it, Jana? And that itself, to demonstrate that side of yourself as a leader might require a little courage in its own right, Yeah, it is uncomfortable. think it's also uncomfortable for the leaders that grew up in the system so far to not have answers because we were paid by and judged by having answers and making yourself vulnerable to say, I don't have the answer could be considered a failure or weakness, whereas actually it is a strength to. But it's something you need to learn and also learning to ask questions. I wasn't very good at asking questions, but I had great people. who helped me to learn to ask generative questions or even to learn how you ask questions. And to your point in EQ, EQ way

of asking questions is where you generally you listen, you don't ask the question so you can then throw an answer back, but you really listen with genuine curiosity and an open mind. I've seen them. I've seen a case where a senior leader was really upset because someone else in a big automotive company copied something he did. And he got really upset. And I tried to coach him and say, why don't you ask this person with genuine curiosity why they did that? And he tried and he actually found out that something in his solution was inferior and didn't work. And they then worked together to fix his solution. So he learned something about the customer needs that he's not meeting because he was curious and not just angrily trying to stop the duplication of work. So there's a lot in there that I think a lot of the EQ stuff is buried under there, but we have this tin man suit of thinking how we should behave as leaders. And I think it takes a bit of courage to free yourself and a bit of getting comfortable with yourself, of being uncomfortable a lot of the time. And that feels weird. So I feel for everyone who goes through that change. Can we move on to, I think, a core tenet of the book? (38:12.75) In fact, it's even in the title, which is this notion of continuous change. So we touched on it very briefly earlier. So, you know, there's this notion of transformation that says it's a program and it has a beginning and an end. And at the beginning will look like this and at the end will look like completely different. And, you know, almost nothing in life to your taxi driver example earlier, kind of suggests even, you know, even with simple things you can make. a switch like that in a relatively simple way, nevermind on a very complex, expensive, organic system. What in your mind is the sort of distinction between what you have to do to recognise and understand transformation is going to be continuous from this point onwards versus I can put it over there in a room and hopefully someone will come out with a new code at some point? Yeah, you used the word that was key here, which is complex. We use the same structures, the same mindsets to overhaul the very systems we're trying to change. So Tin Man approach to a Tin Man organization. We're going to put the plan together. We're going to execute it. We're going to retrain people. We're going to excite them with some new motivational slogan, which we'll forget in about six months time. We'll launch a bunch of leadership principles, a couple of big flagship initiatives. We'll spend a ton of money on it. And it doesn't work. And it's not really surprising because us humans don't work like that. I mean, if you look at say Amazon's two pizza teams, for instance, which are great conceptually, know, cross-functional teams can be fed on no more than two American sized pizzas, aligned around a business outcome. When we dive into what it really took to do that scale, it's 160 changes, everything from rewards and recognition, hiring processes, leadership, how KPIs are used, whether you reward the team or the individual and so on and so forth. You can't plan for all of that. In a complex system, you change one thing and something else changes. So second, third, fourth, fifth order effects. So instead of treating transformation as a project where you separate change from run, our belief is simply change and run are the same activity. Everyone in the organization can actually have the agency. (40:35.33) to make their role, their organization better. And we've seen this time and time again in organizations where I'm going to do my job, but I also know how to improve it. And I'm allowed to improve it. And by the way, I also know how my job ladders up to the company purpose and something meaningful, which is quite rare in organizations too. it's a lot less soul destroying than trying to blow the organization up, rewire it, and then get back to normal. Because as soon as you stop transforming, you go backwards. You say some good words there, like, intrinsic motivation needs your mastery of skill. It's the individual's thing. It needs purpose, which can often lack in organisations. But you also need autonomy to be able to discharge that mastery against that purpose. I think when you look at many organisations, all the points you've touched on are basically like without any of it, you don't get any intrinsic motivation. So you have a demotivated workforce that just does what they need to do to get by, isn't it? I mean, you're not inspiring people to go and do something great. in the day they come to work. Yeah, it's quite funny, isn't it? We see people that leave the office and then they have these amazing hobbies or they do charity work where they really blossom and they come up with new ideas and ways of doing stuff and they have all this energy and yet they don't bring the same energy to work. Why is that? It's because we don't give them the opportunity to have this, what Daniel Pink in Drive calls, autonomy, mastery and purpose so they don't feel they can blossom and live out, the autonomy, learn the mastery and feel a

purpose that they're connected to. And that's why we find it so important to think about creating a purpose that's really clear and understandable, that speaks not just to minds, but to hearts. Speak in clear language when you create goals. It can't be double X by 2025. It needs to be, want to do a certain specific thing in our organization. and having values that people can really align with so you can be yourself at work and bring your best self and show this intrinsic motivation and that excites you at work. And I also think, you know, we spend so much time at work, I really would like as many people as possible to have a good time and feel that I can have a sense of self-actualization there. (42:55.33) Let's step aside. I'm going to return to the book in a second, but I wanted to just step aside at a second and just talk about the process that you went through to write the book. And I understand you spoke to an awful lot of people. One, maybe Phil, you can give us a bit of an insight into what went on there and why you chose to take that route. But then I'm really interested, maybe from both of you, what was the most surprising insight that you heard in the conversations that you had? Yeah, we spoke to about 70 individuals, everyone from Silicon Valley through to, then Julia Hoggart, the London Stock Exchange, Bernadette Vigna at Ferrari, Astro Teller at Alphabet X, folks from traditional industries, people I've worked with at McDonald's, wide range of folks. And we asked some pretty open-ended questions about what were some of the barriers to transformation, what worked for them. I think the... What we were looking for wasn't the sort of generalized, well, we brought a management consulting company and they rewrote our strategy and gave us a of leadership principles. We're looking for those pragmatic leaders. And one of the people who influenced us was Donna Teller Meadows, who wrote a lot about systems thinking. And there's all sorts of things you can change, like you can change rewards or measures, but they're not the most effective changes you can make. The most effective changes are in your... mental models, how you think about your organization, the behaviors you encourage, what assumptions you make about customers and the such like, and even the learning process where you make a change and you see if it worked, but then you reflect on what does that mean for the assumptions you make about the organization, your worldview and your mental model and such like. So what we got from many of those were very, very pragmatic techniques about how people were treated, how they were hired, how they did a London Stock Exchange, they do a stand-up with all the top leaders every Monday to really get some insights into what's happening to learn from each other. I guess the biggest surprise for me is how many of these simple things could have a profound impact on the organization. It doesn't need to be soul-destroying. And as we wrote the book, we tried to be really, really pragmatic. These are things you can take every day, every week, every month at any level of the organization and try and quickly figure out whether they work. (45:17.014) and whether you've learned something and whether they're worth communicating to the rest of the organization. Janne, moments of insight for you going through that process. Are there any that stand out? I have found it fascinating to see the humility and the curiosity the most senior leaders bring and what a difference that makes to the organization. And by humility and curiosity, mean... that they want to learn, that they keep thinking about how to improve themselves, that they try to keep understanding what's going on in the organization, that they use really clean language, that they check and recheck whether they are creating and have created clarity, that they truly listen, that they have an open mind, where they don't just look at confirming what they're thinking, but actively looking at this confirming information. where they speak last. So this kind of constant trying to get better for yourself and for your organization, that I found really, really fascinating. This almost positive restlessness of trying to think about all the time, how can I make it clearer? How can I help switch things on? How can I ground it and excite people? This ownership was incredible. I love that phrase, positive restlessness. That's really, really good. That's a nice way to describe it, I feel. That's two very nice words that go together well. think there's also something really true in when you have a humble and curious leader, they set a tone for the organisation. And it's the same way that when you have a leader that maybe isn't those things and we've all... met very alpha leaders, for example, feel like they want to be right the whole time. And that creates a brittleness and an aggressiveness in the organization. So seems to me that those traits very much become the organizational trait, don't they? We have chapter, an anti-pattern about the shadow. We call it the shadow of the leader because we find that leaders

inadvertently cast, often it's a negative shadow. (47:32.92) how they behave is and the values they value. People who work for them and with them take these same values. Who gets promoted? How are conversations being held or not held? How are questions being asked? How are decisions being made? If a leader turns up constantly five minutes late to every meeting, okay, we all learn that timeliness isn't important. If decisions take a long time, we all learn it's okay that they take a long time. don't think, think many leaders aren't even aware that they have this shadow and how strong it casts over the organization. Excellent observation. The next thing I want to talk about is maybe another moment, and I wonder what the moment was when you came up with the octopus analogy. This is yours, Joanna. come on. We thought about this idea of how do we describe it, because you don't want to just share company names, because no company is a pure tin man or an octopus. And at some end we watched this incredible movie that won an Oscar called My Octopus Teacher. It's a beautiful movie. For anyone who hasn't seen this, it's unbelievably beautiful. And we learned a lot about an octopus and about how it has two thirds of its neurons in its arms and so has distributed intelligence. It has an absurdly sophisticated ability to learn and adapt. It's born without parents. The mother dies and gives up. her life for the babies to be born and then they are in this big ocean and they learn on their own. They can shape shift, they can change the texture of their skin. They can even edit their RNA so they can switch for example very quickly from cold to hot water conditions within a few hours. They're also very funny and they can play the piano in case you, we know a lot of octopus. But the point is adaptability, curiosity and distributed intelligence. And we wanted to give it a nice metaphor. (49:33.922) that sticks for people because naming companies doesn't work. No company is pure octopus or not. It is a wonderfully vivid analogy and I like the notion of the sort of distributed intelligence. It works really nicely, doesn't it? Yeah, the arms can even work with other octopus arms and they don't necessarily have to always go and speak to the center and that's the idea of clarity. If you create clarity and you align and hire people against your values, you can let them run. You don't need to control and check and be all over them all the time and have processes for everything. you were going through the conversation and you obviously naming no names, did anybody push back on you and go, no, come on, it's being idealistic. No, because I don't think we went into this. Unlike, I think, a lot of books you read, which is if you fix this one thing or do these three things, it's a bit like saying, hey, Dave, if you do these three things tomorrow, you're going to be a marathon runner. No one works like that. I mean, that's highly unlikely. will say that. I'd like to see that. You on the start line. perfect example. Yeah, in so many ways, it's so unlikely. But from an organization point of view, so it wasn't the quick fix because there was a great book called The Halo Effect which looked at a lot of books that said, if you do this, then magic results. said, none of this actually works. So I think the one piece of pushback we did have was this fear of letting go. So there's something comfortable working in a system even if it's broken because you know how the system works and you know where its faults are. this idea of change in general to humans is deeply uncomfortable because you don't understand what's going to happen being a complex system. It's not as simple as just rewriting the org chart. So I think there's this fear that we hear about changing the organization, but we try to be deeply practical. This wasn't about making big changes. It was about lots of layered ongoing changes over the continuous life of an organization, which I think created a lot of comfort in leaders. (51:49.658) The reality now though is most leaders know they have to change. They're looking for inspiration about how to do it. But the technology's moved on so quickly with the Gentic and with generative AI and with quantum coming and everything else. They know that the seeds of their own destruction are within their own organization. It's not what's happening external in most cases. So there's an acknowledgement of, yes, I know I need to change, but how do I do it? So what we heard was almost more requests for help and inspiration. which was deeply pragmatic than fear. Now, you raise the specter of AI there, and I think it's a nice way to sort of bring our conversation today to a bit of a close, but also future gaze a little bit on what this means. So I think, at least the way that I hold this over the course of even just the last 30, 40 years, organizations have gone through multiple cycles, often technology driven, you know. mainframes, client server drove change and then client server to cloud drove a very significant change. And now of course, AI is going to come in and maybe the biggest

change of them all. Could the core tenants of the octopus organization help us with that scale of ongoing change? And actually when you reflect on those cycles of technology change or circumstantially driven change or geopolitically driven change. Could the same patterns be true in terms of just good leadership, octopus style thinking, etc. etc. etc. Like can we take lessons directly into what's about to happen with AI? We believe so. I mean, what's we often think about what's going to be true in the future, regardless of the technology, what are those durable needs? Those companies that do well are going to put the customer or citizen or patient at the heart of their thinking. They are going to respond to future shocks, positive or negative, by being adaptable and resilient. So a lot of what we're actually aiming to do through the Optimus organization is (53:58.092) It's almost agnostic to changes in the environment, the technology and the such like. Leadership is going to change in the world of agentic. Business processes are going to change, but it all comes back to the same things. We're trying to deliver more value faster. We're trying to adapt to changes around us in a positive way. And we're trying to be resilient against those shocks. So if anything, it's sped up the need for this. But then you put this in context. This month, AWS celebrated 20 years of the cloud being launched. 20 years, about 20 % of all workloads that could be in the cloud or in the cloud 20 years later. We saw this with electricity. So there's also the reality that a lot of this is going to take a lot of time. Yarno, do you have any observations about how the learnings and insights that you have gathered apply? And let me just go level deeper on the AI organization or the AI native organization. If we kind of assume, and at the moment we are in an assumption world, think Phil's caution there on rate of adoption is a very good one, but there is high potential here with the amount of organizational change and automation that could come in. This notion of hybrid. AI, human AI organizations. What do you carry into that massively changing world from what you've learned in the book? I agree that we're way behind on adoption and even if the development of AI would stop today, we would still have at least five years to catch up and being able to only what exists today. What we see is just accelerating. we're going to be even just information aggregation, automation and new interfaces. Even if it stopped there is massive. Right? Exactly. We have so much time to catch up and it's only just accelerating. But what I do believe is that with this speed of change and the type of change that AI brings, AI is much more accessible than cloud AI. Anyone can talk about AI cloud is more for technologists as a (56:02.12) as a foundation. But with this type of all pervasive technology change, there's no longer an answer of how to do this change. With cloud, after a few years, people figured out patterns, way of transforming what does a good cloud transformation look like. And then executives and leaders could go, OK, what's the best way to do it? We're going to buy this best way. But now nobody has the answer anymore. We're in a unique position where there are no answers. And from what I've seen, it becomes more and more more important that you rely on these incredible people you hire, that you give them the ownership, those people who are close to the work. Because as execs, we know 10 % of how the work really gets done in our organization, if that. so relying on these people who are close to the customer, close to the work, who can train new technologies becomes imperative. There's no other way to function. You can't do top-down control change. because a leader can't foresee what's happening next. And therefore, this model becomes, I truly believe, becomes imperative. This distributed ownership and giving a vision at the top and opening up people to curiosity again. I believe amazing things can happen, not the fear-mongering thing, but exciting things, self-realization, mastery things can happen. I'm an optimist. (57:37.26) Now we end every episode of this podcast by asking our guests what they're excited about doing next. And that could be they have got a casino to visit at the weekend, or it could be something in their professional lives. So Jana, what are you excited about doing next? I'm excited about a couple of things. One, I want to start an Octopus music playlist. So I would love to hear your recommendations. It will start with Underwater Love. Bill has contributed an octopus's garden and we'd love to hear your point of view. think, honestly, you bullseye that, Bill. I'm not going to lie. Oh, I went for the obvious one. Yes, I'm going to take that challenge very seriously. I'm going to go and have a research of that. Excellent. the next... Robert, what comes to your mind? Jump by Van Halen. That's the optimistic word. There's a great song that's done in an Irish sort of... folk band, which is about the worst day since yesterday. So I think that's a great metaphor for the corporate churn. It's the

worst day since yesterday. So there's a good song like that. you. take that. Dave, we'll give you some thinking time. definitely, well, I've just in the background, I have just asked Gemini what they are and the three that are highly related, one is Octopus's Garden, one's Octopus by Syd Barras. That's a bit of a left field one, Sid Barrett. And then one is Octopus by Block Party, which I actually really like that song. I'm going to go with It's a very literal version though. You didn't get under the meaning of it, you? I'm not done with it I'm disappointed that Dave. You're usually more cerebral than that. You've turfed it over to AI and it's not worked. You can't outsource everything, Robert. You're keep the in the loop. what you Mindful thoughtfulness. Before these two fall out, you had something else? Yes. Yeah, the other thing I'm excited about is I want to see where the octopus comes to life. So we're looking at case studies with Harvard Business School, with some others, case studies to really show what does it mean in practice and where does it happen in real life. That's what I'm really excited about. Wonderful. Look forward to seeing those. There is a lot of depth in it, that's for sure. And I think if it is a constant reinforcement of humanity, (59:58.912) in a humanist perspective on this stuff can only be positive, especially in the world we live in at the moment. Thank you. Phil, what are you excited about doing next? Calamari tonight and then... Eat the system. I like it. There's a depth to that. I haven't eaten octopus for a long time. No, I think very similar. We are getting so many requests coming in from organizations and individuals saying... talk to us more about it. I'm getting really excited about people who are jumping on this because this wasn't about just writing a book. It was about actually changing people's mindset. So I think we'll both get a lot of energy walking out of these sessions with customers where one leader says, why don't we try this? What have we got to lose? mean, this, this, and it's that sort of obvious thing that goes off in their mind. You can see it in their eyes. So that's what gets me excited. Now I'm a little disappointed. that neither of you raised what I think is a pretty obvious follow up to this whole thing. Tell us. Merch. Merch. It's sitting right there, isn't it? Making octopus plates again. Hats. Fluffy octopuses to remind people in the meeting room and things like this. It goes on and on and on. Don't it? Stickers. Everybody loves stickers. You could do a thing where you could get an octopus thing that you put over the top of an Alexa. So looks like the octopus is talking. I like it. I've got a pig because there's a story about a chicken and a pig in the book. So you need to read that. It's funny. Yeah. So does the octopus kill the chicken or the pig? Neither, but the chicken kills the pig. but the chicken kills the pig. There's another story where the chickens fight each other. it all comes. have a lot of animals in the book. I like that they're all fighting. It's good. Anyway, look, what a conversation today. Huge congratulations on where you've got to with this. It is obviously deep and thoughtful and in terms of where we are, just like I was saying, just where we are, both at the cusp of another tremendous set of changes and implications, but also just, I think where we are today to focus on the human at the centre of all of this is to be very much applauded. (01:02:24.726) Massive congratulations. Now, where can people go to find the book? Jana. Please go to the [Octopusorganisation.com](https://www.octopusorganisation.com) to get more information. There's also an experiment guide for free that can be downloaded and anyone who likes it, we would really truly appreciate an Amazon review. We'd be grateful. Wonderful. With that, thank you so much to both of you for spending some time with us this morning. Thank you for having us. Really cool time. Thank you. If you would like to discuss any of the issues on this week's show and how they might impact you and your business, please get in touch with us at [realitiesremix.capgemini.com](https://realitiesremix.capgemini.com). We are all on LinkedIn. We'd love to hear from you. So feel free to connect in the end if you have any questions for the show to tackle. And of course, please rate and subscribe to our podcast. It really helps us improve the show. A huge thanks to Jane and Phil. I must admit I wasn't part of this conversation, but gosh, you really uplifted just about everything. Our sound and editing visits, and Louis, you did a great job again. Our producer, Marcel. Have you hit the right buttons this time? And of course to all our listeners, see you in another reality next week.

## About Capgemini

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