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Who's at the wheel? Changing culture and leadership to support innovation in autonomous vehicles

The new world of transport will demand different skills, capabilities, and culture.



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The driverless car was once heralded as an innovation even too futuristic for *The Jetsons*. Sure, George Jetson drove a flying car, but it still had a steering wheel, and he was clearly at the helm. A different future has arrived, and the days of an actual human getting behind the wheel and piloting a car may soon be as distant a memory as rabbit-ear TV antennae.

Supplanting human-driven vehicles are autonomous vehicles that drive themselves, and they're becoming more prevalent by the day. So the issue isn't if autonomous cars will arrive but rather to what extent they'll change the automotive industry; and, indeed, what effect they'll have on all of transportation.

To remain relevant, all automotive-focused and -related companies, from original equipment manufacturers to technology companies to materials suppliers, must develop a new approach to their business—especially regarding software, cybersecurity, and the integration of the Internet of Things. The difficulty, then, is finding the leadership that can align these areas with rapidly advancing and changing technologies. New leaders must be able to direct a vast degree of change and have the appropriate experience in the traditional automotive sector while also possessing the innovative vision and digital experience to drive this vast transformation. At the same time, this leader must be able to address the cultural issues that come with such a dramatic paradigm shift.

To lead the charge in the autonomous car realm and stay relevant within this changing landscape, automotive-manufacturer leadership will need a breadth of knowledge and capabilities that many don't currently have. Thus, finding these leaders will be key to revenue growth and success in the market going forward.

Challenges leaders must be equipped to tackle

The move to driverless cars has implications for every system within a car—from navigation systems to brakes to steering wheels. Each of these elements will need to be redesigned, with many different considerations taken into account. Vehicle-to-vehicle and vehicle-to-infrastructure communication will be a key factor in how autonomous vehicles will function. And because competition will be fierce and modernization will be happening much more rapidly in this space, companies will have to be nimble enough to adjust their products and innovate on a consumer-electronics timetable.

Then there are the broader societal shifts that autonomous cars will bring. For instance, some believe consumers will largely stop buying their own cars, instead only using them on an hourly or as-needed basis. Urban landscapes, then, could be dramatically altered if the need for parking decreases. If these predictions prove true, companies will have to capture a far different consumer mind-set. And leaders will need vastly different skill sets to do it.

Leadership will need to be far-sighted enough to see the effects of this trend—not only within a company but also on the greater automotive ecosystem and society at large. They will need both tactical and strategic awareness. The knowledge base is continually expanding, so a capable leader must have expertise in a wide array of subjects or be able to build cooperative, cross-discipline teams. Education is crucial: 59 percent of

leaders working on artificial intelligence in the automotive industry hold a PhD, according to Spencer Stuart internal research. And experience with diverse and dispersed teams is highly coveted; companies increasingly seek executives who are used to having their team spread across the globe, so ideal leadership will also be able to lead and motivate across geographical borders.

An ideal leader in the autonomous car space would have a wide range of skills, including:

- The ability to lead across borders and build “something from nothing”
- Tactical and strategic knowledge
- A smooth cultural fit
- A nonlinear mind-set and the willingness to push a certain level of discomfort
- A deep knowledge—and love—of cars

Clearly, finding someone with such a wide degree of expertise is daunting.

An alternative leadership approach

Since it can be difficult to find a leader who encompasses all these qualities, one option is to hire a leader specifically to oversee the transformation to autonomous vehicles or new mobility business models while keeping separate leadership of traditional business lines. This would essentially mean having a right-brain leader to help spur innovation and blue-sky thinking, and a left-brain leader to focus on traditional automotive functions such as foundation brakes or chassis systems.

So rather than fully integrating these groups, this approach would involve keeping them siloed. In this way, each group can maintain its culture, be it safety- and order-driven or learning- and purpose-driven. The more innovative leader is able to lead disruptive initiatives with others who are flexible and adaptive to change, while the more traditional leader can help provide an industry context and use processes and tools that are relevant, critical, and comfortable to the more traditional domains. Pursuing autonomous vehicle development in parallel with the traditional business allows the company to continue to meet the current demand with a supply of cars while also preparing for the future of the industry. This can be an expensive process, but competition will be intense and automotive companies will have to absorb this cost if they’re going to remain viable and agile enough to keep pace in the new market.

Creating the right culture

More than any other single factor, an organization’s culture holds the power to drive sustained business performance—and it is especially important to consider culture during


times of change. At its best, culture unifies people and creates shared attitudes and behaviors that lead to the success of an organization. Left unattended, though, culture can become a limiting force and undermine the goals of the organization. According to a Spencer Stuart client survey, culture misalignment is a key factor in 68 percent of new-hire failures. When looking to hire a leader for autonomous vehicles or, really, in any industry, culture must be a key consideration.

Organizational cultures will likely need to evolve from logical and systematic to innovation- and enjoyment-driven for a transition to autonomous driving to be successful—or they must at least find a way to combine these divergent cultural and stylistic mind-sets. A crucial first step in evolving organizational culture is to understand the current culture. Then it is possible to define a target culture and the mind-sets, behaviors, and capabilities that will be needed for the future.

This evolution doesn't have to be overnight—and it likely doesn't have to happen throughout the entire organization. Ultimately, many automotive companies may conclude that they need to preserve the pockets of stable, process-driven manufacturing culture even as they encourage other parts of the organization to become more flexible and innovative. Organizations will need leaders able to bridge the cultural divide and embody the behaviors and mind-sets the company needs to be successful.

Conclusion

The autonomous car promises to be a game-changing development—one that will lead to dramatic change within organizations and within society. Traditional automotive companies and suppliers will need to radically transform their operations to be successful in the future of transportation.

Companies realize the terrain is shifting and are developing leaders who can see the big picture. While the perfect leader may not currently exist, neither did the autonomous car a few short years ago. As the technology develops, and with intentional efforts, leadership will also evolve to be prepared for this new climate. 

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