

INSEAD

Executive
Education

Schneider
Electric

Schneider Electric and INSEAD: Purposeful Leadership in a Digital World



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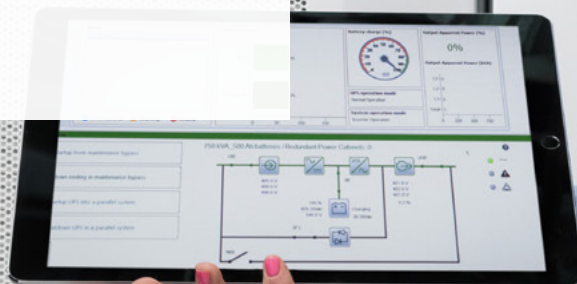
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Schneider Electric had a new strategy that called for energising its workforce of 150,000 people to lead the industry shift toward digital solutions and services. Having led the transformation from French multinational to truly global company from the top, Schneider's senior executives realised that this new shift required a change in leadership mindset, focus and behaviour at all levels.

INSEAD's Executive Education experts suggested a combination of face-to-face and digital modules, which *applied* the principles of digital disruption to "Transforming Schneider Leadership," as the initiative came to be called. The school had successfully used digital learning in the past for customised programmes on innovation, corporate entrepreneurship, finance and strategy. But could leadership, a capacity grounded in personal commitment and social bonds, be learned in this way? And since the pressures of tradition and performance seemed to stifle Schneider managers' ability to lead, could the digital transformation become a vehicle to free leaders up throughout the company?

As the two partners worked closely together on learning design over several months and on delivery over the past two years, they found that the answer was yes. The product of their ongoing collaboration was a multi-level system of leadership development programmes, tailored to the challenges of each managerial level and customised to Schneider's new strategy.

Built upon the idea of "acting on several levels of the system at once" to accelerate change and foster a shared sense of responsibility and opportunity, Transforming Schneider Leadership has touched more than 1,500 participants so far – starting with the next generation of senior management and expanding to include early-career high-potentials and top-tier executives.

The initiative has exceeded both partners' expectations in terms of impact on strategy implementation and cultural change. It has also challenged traditional models of blended learning. Schneider managers report that they are behaving differently, experimenting with new ways to lead and to do business digitally. The company continues to post excellent results. And the initiative is about to be expanded to the Executive Committee and enhanced for the company's women leaders.



The Partners

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Schneider Electric is a global leader in energy management and automation for homes, buildings, data centres, infrastructure installations and industrial plants across the world. With a presence in over 100 countries and nearly 150,000 employees, the company is spearheading its industry's digital transformation – and has become distinctive in providing fully integrated efficiency solutions that combine energy, automation and software. Schneider is committed to the idea of energy as a basic human right and to the fundamental principle that great people make a great company.



Executive
Education

INSEAD, “The Business School for the World” offers participants a global educational experience. Like Schneider, it began in France and expanded to become one of the foremost institutions of its kind. With campuses in Europe (France), Asia (Singapore) and the Middle East (Abu Dhabi), the school's teaching and research spans the globe just like Schneider's business. The school's 154 renowned faculty members inspire more than 1,400 degree-programme students. In addition, 11,000 executives participate in Executive Education each year – among them, since 2017, Schneider leaders.



The Challenge



The Challenge: Leadership in a “VUCA+D World”

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Jean-Pascal Tricoire
Chairman & CEO
Schneider Electric



Olivier Blum
Chief HR Officer
Schneider Electric

In 2015, Schneider Electric’s CEO Jean-Pascal Tricoire unveiled “Schneider is On”, a new strategy focused on becoming **not only a global but also a digital company**. Over the previous decade, Schneider had grown rapidly through acquisitions. Now it sought to become a valued partner to customers in a volatile, uncertain, complex, ambiguous – and quickly digitising (VUCA+D) – world.

5 Pillars of the “Schneider is On” Strategy

 DO MORE

 DIGITISE

 INNOVATE

 STEP UP

 SIMPLIFY

The new strategy was not just a radical change in business model – from making and selling products through personal relationships, to developing and delivering solutions through digital infrastructure. It called for a **change in leadership mindset and behaviour**. “The world is changing very fast,” says Olivier Blum, Schneider’s Chief Human Resources Officer. “We have to adapt the leadership and culture of Schneider Electric to face this environment.” Peter Hope, Vice President of the Schneider

Leadership Academy, grasped that a new way of leading required a new way of learning:

We had what, on the surface, looked like an effective programme for future corporate leaders. But when I reviewed it, I realised that it was disengaged from the strategy – let alone the new strategy. We were almost sleepwalking through a tired old formula: recommending participants and sending them on a traditional face-to-face development experience. It culminated in a ritual presentation to the Executive Committee... that went precisely nowhere.

That learning system, Hope understood, mirrored the past. It focused on earning approval from the upper echelons and prioritised corporate messaging over deep learning. The goal of giving participants “face time” with top executives, with the excuse of a group project that yielded few benefits, reflected the very top-down model that the new strategy sought to disrupt. Schneider’s approach to learning, he envisioned, should reflect its future instead. But how?

Although the two organisations had originated in France, Schneider and INSEAD’s histories had not intersected greatly until Hope happened to attend a conference where INSEAD leadership expert, Professor Gianpiero Petriglieri, delivered a critique of executive



Peter Hope
Vice President of the
Schneider Leadership Academy
Schneider Electric

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Professor Gianpiero Petriglieri
Associate Professor
of Organisational Behaviour
INSEAD



Dr Chengyi Lin
Affiliate Professor of Strategy
INSEAD

education. When “leadership development” only focuses on helping people conform to a mandated model, Petriglieri argued, it only develops dutiful followers. To develop leaders, learning initiatives should not just align people’s efforts to meet corporate demands; they should also free them up to lead.

The talk resonated with Hope, who had been hearing from Schneider’s managers that they were too busy with day-to-day activities, too stifled by performance pressures to fulfil their potential as leaders and to experiment with new ways of doing business. Hope, however, was left with the question of how to put the principle of freeing up leaders into practice. He used the question to frame an invitation to tender sent to executive education providers.

With the school topping the *FT* global MBA rankings for the first time, its expertise on leadership and its global footprint, INSEAD was an obvious recipient for the invitation. On a cold March morning in Paris, representatives of the two organisations met for an initial conversation.

Over the coming months, they stayed in touch and key faculty contacts were identified. Professor Petriglieri took the lead, enlisting Chengyi Lin, INSEAD’s resident expert in online learning and, at the most senior level, Peter Zemsky, INSEAD Deputy Dean

and Dean of Innovation. Véronique Singer, Director of Partner Development, was charged with facilitating the client relationship. Accustomed to delivering proposals within very tight timescales, she found this a different challenge. Over many months, Singer repeatedly managed to get everyone together for 5am conference calls, breakfasts in Paris and workshops on campus. “It was starting to be a good alignment of stars,” she recalls. But there was still no contract or programme outline.

Yet some principles were emerging. Although Hope and his team were interested in the school’s successful track record in “cascaded” online programmes – face-to-face learning for senior leaders, subsequently adapted for online delivery to lower ranks – they were not convinced that it was the right solution for Schneider, which was trying to move away from a top-down approach.

The brief slowly evolved beyond a programme for a relatively small group to something more ambitious – a **system of leadership development** for Schneider as a whole. Meanwhile, both partners faced scepticism about the conjunction of digital learning and leadership. Sure, digital disruption was part of the story, but only as *content and context* rather than as a *design and delivery* principle.



Peter Zemsky
Deputy Dean/Dean of Innovation
INSEAD



Véronique Singer
Director of Partner Development
INSEAD

The Commitment



The Commitment Takes Shape... and the Continuing Challenge

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Tina Mylon
SVP Talent and Diversity
Schneider Electric

It took over one year from the first meeting between Hope and Petriglieri to the signing of the first agreement between Schneider and INSEAD. “During this time, we learned many lessons,” says Véronique Singer. “We tried to be innovative and to build a good relationship. But more importantly, we tried to challenge Schneider’s thinking, and they kept challenging us.”

“We were intellectual sparring partners as well as like minds, trying to develop new practices, rather than tweaking things we had already done,” confirms Professor Petriglieri. The INSEAD approach impressed Tina Mylon, SVP Talent and Diversity, Peter Hope’s boss: “I was a little sceptical about engaging with such an academic institution, but what I loved was their human approach. They roll up their sleeves and get stuck in.”

Petriglieri and Zemsky conducted dozens of interviews at Schneider: with the Executive Committee, the Chief Strategy Officer, SVP of Digital, HR executives and potential participants. “We wanted to understand the macro imperative and the micro imperative,” Petriglieri explains. “What was the Ex-Co trying to achieve? What did their people think? Where was the motivation and the resistance?”



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Everyone involved realised that what they were being invited to disrupt was a business with a track record of success. As Olivier Blum put it, “It’s a paradox. People at the top of the company are there because of their success over the past 20 years.” And yet they were now being asked to change their ways, or the transformation would fail. INSEAD, too, was being asked to question its previous success with the “cascaded” model.

Through multiple rounds of interactions, some answers began to take shape. Schneider and INSEAD converged on an on-line plus in-person initiative reaching multiple levels and addressing individual development as well as organisational transformation. “Personal. Practical. Digital.” became the design principles for a suite of learning journeys that would involve the top four levels of the company.

Peter Hope reflects on how the brief broadened through the years of engagement with INSEAD:

It became much bigger: a tool for driving culture change throughout the whole company. Most of the high-potentials’ bosses had gone through the old leadership training. We wanted to reach them as well. Before we started contracting, we had an implicit vision of stepping up to something bigger, but it was very high-level. Now we were beginning to see a roadmap.



And that roadmap was anything but “cascaded,” as Professor Petriglieri explains:

The principle is the same. But the focus is different across the four programmes that we have delivered so far, because leadership challenges are different at different levels. When you’re junior, the issue is showing up as a leader: finding your voice and making it heard. When you’re senior, the issue is freeing up as a leader: giving voice to others and amplifying it.

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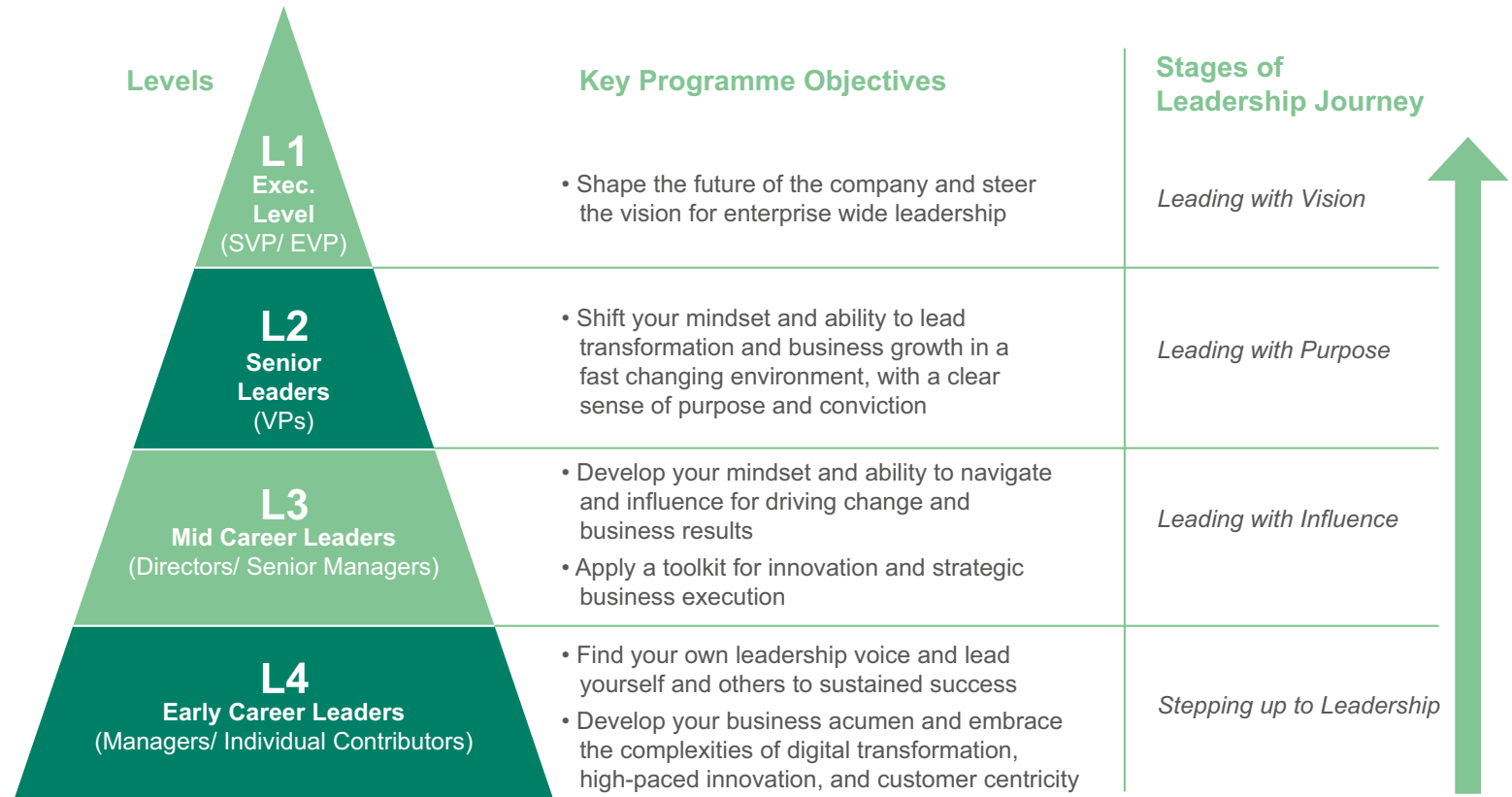
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The upper-middle tier was the layer of the Schneider leadership pyramid where INSEAD proposed to begin – *not*, for once, the top. This experiment would honour Schneider’s intent to be less top-down. The decision was to start at “Level 2” (L2 – VPs) and “Level 3” (L3 – directors and senior middle managers), and add “Level 1” (L1 – SVPs and EVPs) and “Level 4” (middle managers and individual

contributors) if the experiment was successful (see diagram). At each layer, there would be personal development and digital delivery – with the time spent on campus decreasing and time online increasing with each step down. The goal was to reach 2,000 or so people, creating a common culture but with content and delivery tailored to the needs of each level – and of each participant.

Transforming Schneider Leadership

Programme Structure & Objectives



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INSEAD had never undertaken a project of this scale and complexity. Nor, controversially, had it delivered a leadership programme entirely online, which was the plan for L4. It was not lost on Olivier Blum, at a fateful meeting before the first contract signing, that courage and conviction were needed from both partners. This was a bold experiment for which there was no precedent in either organisation. Convinced that bold experiments were precisely what was needed to accelerate transformation, he signed the initiative off.



The Initiative



The Initiative... and the Growing Commitment

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Nearly two years after the first L2 class, it is helpful to sum up what has been delivered in a table. Due to high demand, the numbers below will double by the time the 2019 cohorts graduate.

Level	Theme	On-campus delivery	Digital/remote delivery	Cohorts to date	Participants to date
L1 <i>Executive leaders (SVP/EVP)</i>	Leading with vision	5.5 days: Mainly leadership , with workshops, experiential learning and coaching. Additional content digital strategy and cultural change .	Ongoing leadership coaching	4	123
L2 <i>Senior leaders (VP)</i>	Leading with purpose	5.5 days: Mainly leadership , with workshops, experiential learning and coaching. Additional content conducting business across cultures .	5 weeks: Strategy in the age of digital disruption plus ongoing leadership coaching	3	131
L3 <i>Mid-career leaders (Directors, Senior managers)</i>	Leading with influence	3.5 days: Mainly leadership , based on a personalised leadership profile and coaching. Additional content preparing for online module.	4 weeks: The innovators' method plus ongoing leadership coaching	10	483
L4 <i>Early-career leaders (Managers, individual contributors)</i>	Stepping up to leadership	None	4 weeks: Leading yourself and others 4 weeks: Strategy for turbulent times	2	770

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Each level has its programme director, with Professor Petriglieri taking the overall portfolio and Professor Lin overseeing the digital modules. INSEAD Deputy Dean, Peter Zemsky, remains involved and teaches the online strategy courses for L2 and L4.

At all levels, leadership is never learned alone. It is learned *alongside others*, supported by inputs about innovation, digitalisation and culture. Participants build relationships face to face that enhance their online interactions in digital modules. They also use the tools learned online to enhance the impact of their individual projects. Social and digital learning, therefore, do not *blend* so much as *augment* each other. This combination honours Schneider's traditional focus on developing relationships as well as its new intent to master the ways of the digital world. At every level, participants devise a "strategic experiment" to put their learning to work. As the new Schneider strategy requires, they have to *make change happen*, rather than *make proposals to superiors*.

For participants at L2, L3 and L4 levels, a report on the nature and impact of individual experiments, evaluated through a peer-review

system, is required to complete the programme and receive a certificate. For L1, L2 and L3, participants also receive professional coaching throughout the face-to-face and digital modules, to help sustain the learning impact and support individual experiments.

Of course, the summary matrix above cannot capture the subtle differences *between* levels. The L1 and L2 programmes, for example, both involve heavy doses of experiential learning supported by coaching. But where L1 focuses on leaders as role models and trust engines for large systems, L2 focuses on leading in and across teams, and overcoming resistance to change. L3 puts emphasis on crafting a leadership identity and building informal networks – vital aspects of leading innovation.

Similarly, the digital modules are tailored to the different levels. L2 has the big-picture sweep of strategy in the age of digital disruption, while L3 takes a more hands-on approach to the "innovators method", co-developed by INSEAD professor Nathan Furr. His research on bringing entrepreneurial practices into large organisations is a perfect fit for Schneider's circumstances and transformation.



Professor Nathan Furr
Assistant Professor of Strategy
INSEAD

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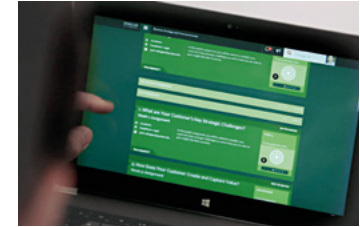
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There is emphasis on strategy at L4 as well, with the idea to mobilise the vast, talented middle of the organisation to think strategically and execute with the vision in mind. Perhaps the biggest innovation came at this level, even if Professor Lin downplays the achievement of teaching leadership online:

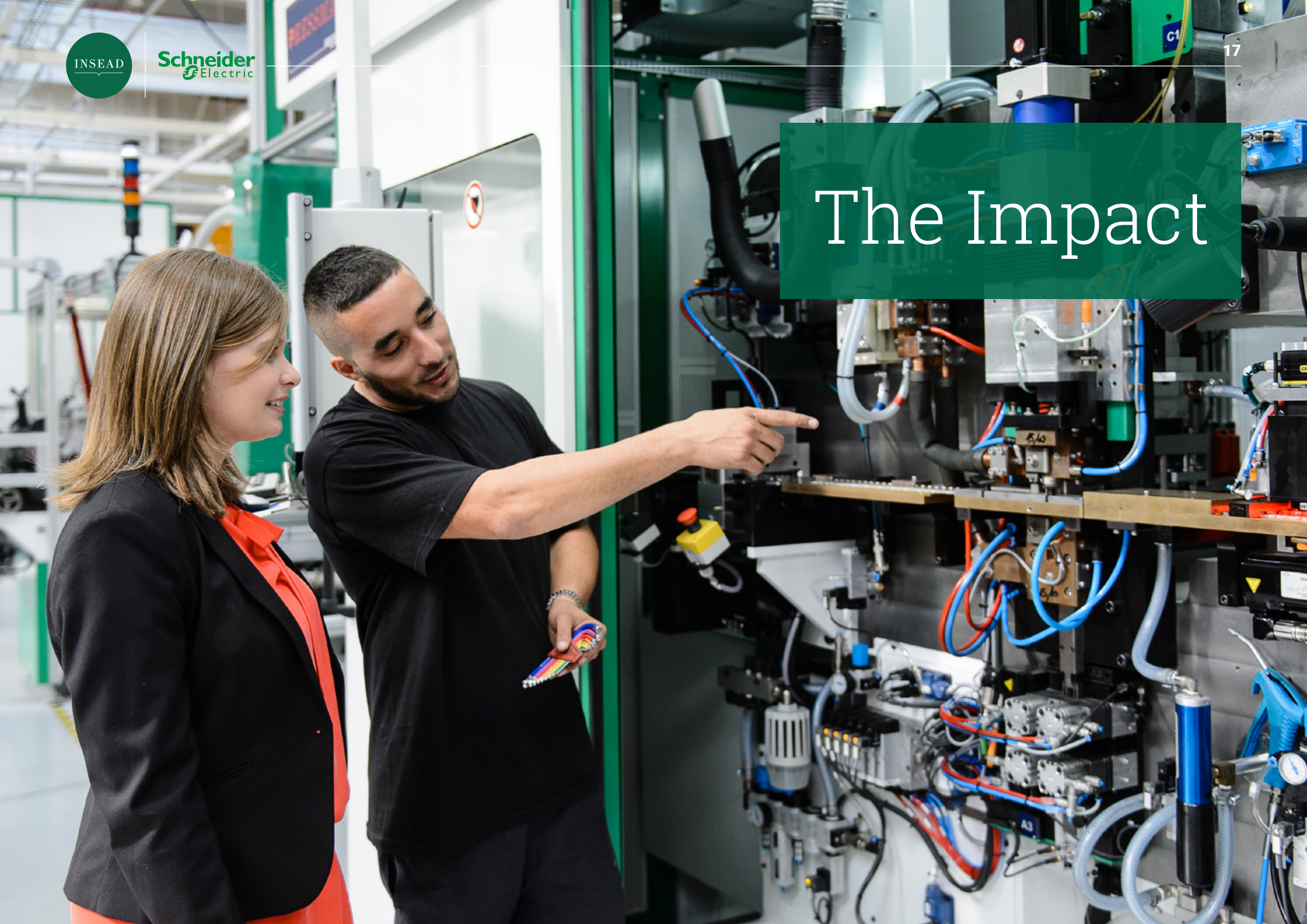
As a subject, leadership is like any other: there are elements of learning that work online, others that don't. Take finance. It is easy to teach the equations and spreadsheets online. But it is challenging to create the mindset to do finance "right" through a digital programme. Mindfulness, which is part of the Schneider curriculum, is similar. You can present research on mindfulness online. You can demonstrate how to practise mindfulness. But you can't conduct a session in the room with the instructor. Nonetheless, many Schneider participants see the value of mindfulness for their leadership and now practise it. And we taught them how to do it.

Reflecting on the early scepticism about the effectiveness of digital modules, Peter Hope noted that it has proven unfounded. Younger participants do not see technology as a barrier to learning anything, and their senior colleagues see it as an intriguing way to learn

at work. L4 participants are comfortable with assessing their strengths and weaknesses online, documenting their reflections in a virtual group that goes on to provide peer coaching. Trust and commitment, it seems, can be developed remotely through good design and sincere interactions.



The Impact



The Impact... and the Expanding Initiative

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The scale and novelty of the project, together with its slow, deliberate evolution, has forged a bond between Schneider and INSEAD that goes beyond the traditional client-supplier relationship. Both sides are open to new ideas, challenges and suggestions for new experiments.

The spirit of iterative experimentation is reflected in the evolution of the programmes. For example, the content of L1 changed recently to focus on cultural change beyond digital and L2 now incorporates a session on work-family challenges, salient at this level. Following Schneider's redoubling of its focus on inclusion, INSEAD expanded the faculty team to achieve gender balance. Professors Jennifer Petriglieri, Svenja Weber, Mette Stuhr, and Erin Meyer came on board alongside Derek Deasy, Noah Askin, Spencer Harrison and Gianpiero Petriglieri to direct and deliver modules.

The partners also work together to assess the impact of their experiments – as well as the participants' satisfaction. To the usual course evaluations, they added surveys of participants six months after the programme that focus on their *application of learning* as well as on their assessment of the programme's value. Schneider executives also conduct interviews with almost every participant.

So far, the numerical scores have been exceptional. At the crucial L2 level, the average rating of both "overall value" and "relevance to your development" across three cohorts is 4.83. Interestingly, L2 participants rate the programme's value more highly (4.88) six months later, suggesting enduring impact.

Net Promoter Scores (NPS) are a broadly established indicator of value. Six months after "graduation", the score for L4 participants is 38, for L3s 66, and for L1s and L2s a stunning 80 (NPS scores above 50 are considered excellent and above 70 truly exceptional).

One of the main metrics for online learning is completion rates. These are in the top quartile for large-scale online programmes. In 2017 an extraordinary 100% completed the course at levels L2 and L3, while at L4, 92% and 88% respectively completed all the content for the two modules *and* submitted a final assignment.

Numerical scores

80 

Net Promoter Score
L1s and L2s

100% 

L2s and L3s
completed online
course in 2017

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Certification Rates

L2. 87% 

L3. 97% 

L4. 85% 

More important in terms of impact, 80% of L2s, 90% of L3s and 75% of L4s reported implementing their strategic experiments in the company six months after the programme.

At the same time, it should be noted that INSEAD is careful to maintain high standards. The school does not automatically hand out certificates for online learning. Completed – and positively peer-reviewed – reports of learning application are required. Certification rates are 87%, 97% and 85% at L2, L3 and L4 respectively, with only 10% gaining a distinction.

Furthermore, at L2 11% of 2017 and 8% of 2018 participants have been promoted to SVP – a promising indicator of alignment between programme and progression.

Alongside numerical survey results and career data, INSEAD and Schneider collect stories of impact from across the world, through the qualitative portion of the longitudinal impact survey and the work of Hope's leadership academy. Below are a few exemplary tales. It is worth noting that the projected impact of the first experiment alone far exceeds the cost of the whole TSL initiative over three years.

Projected €15 million increase in business

"I did my case study on a real 'entrepreneur project'. A few months after the programme ended, we closed the project successfully. Whatever the roadblocks internally, we DID it! The estimated impact is incremental business of €15 million over five years."

Walid Gherbi

(L2, 2017)

Cost saving of 30% for the customer

"We have a project with [French transmission utility] on virtualisation to protect and control substations with centralised intelligence. Our team is working on a proof of concept to demonstrate the appropriate level of performance and availability. This will allow our customer to have 'digital twins' to do tests on. The next step is to deploy the project in actual substations to provide easy monitoring and control and remote maintenance. This solution will save customers money by limiting on-site interventions. We estimate a 30% cost saving compared to the current situation."

Carine Glas

(L2, 2017)

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Business growth of 26.8% and customer satisfaction up by 20 points

"We had several one-day sessions at different customer sites and other end-user actions to gather insights and reduce touch points (some touch points could be avoided if we were proactive). The outcome in brief: a 20-point improvement in customer NPS, a 26.8 % growth in business and improvement in market share."

Latish Babu

(L3, 2018)

An extra one to two hours per buyer per day across Latin America

"We had an idea and the programme helped us to structure it, gave us the tools to run experiments and opened our eyes to things we were not seeing before. As a result, we came up with a project that we have successfully implemented in Argentina and Chile. We are making very good progress in Colombia and Peru. Through a redesign of our existing operations, we freed up one to two hours per buyer per day."

Marcos Antonio De Souza

(L3, 2018)

A pipeline of \$400K – and up to \$2 million more to come

"Using the knowledge from the programme on digital strategy I was able to identify a new business opportunity that leverages our strengths in industrial operational technology. We created a cloud-based business model that let us reach a new, adjacent high-growth market segment: smart agribusiness. The learning helped us not only to define the value proposition but also to flex and adapt our internal processes and resources ... To date we have identified a pipeline of about \$400k for 2019 and closed the first order in Q1. We have also a further \$1–2 million in opportunities, where we are bringing this disruptive solution to existing industrial customers."

Neil Elliott Smith

(L2, 2018)

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In December 2018 Schneider completed a full “business review” of the TSL initiative. The process identified a few areas for improvement, such as coaching consistency and cost optimisation. Overall, however, it returned an enthusiastic verdict on “service level”, “productivity”, “responsiveness” and “innovation.” The cost per participant has dropped year on year at all levels and there is excitement about the evolution of the programme portfolio in 2019 and beyond.

Within three years, the expectation is that nearly 2,000 managers and the whole population of 200 top executives will have been touched. In April 2019 an ‘L0’ version will be delivered – in response to demand from the Executive Committee, who have been so struck by the impact on their teams that they too want to have the opportunity to explore how they can step up their leadership. Later in the year, a new programme for Schneider’s women leaders will be launched. Once more, it combines digital learning with a face-to-face summit at INSEAD. This programme will support Schneider’s determination to re-balance its leadership roles and be a global leader for its inclusive practices.



Conclusion



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Customisation requires partnership and commitment. Schneider and INSEAD have succeeded in devising a multi-level, innovative programme that meets the company's strategic needs. By taking the time to learn about and challenge each other, the two organisations have created a model that augments the value of both personal and digital learning, reverberating outwards from the VP level rather than cascading from the top, and has achieved a scale and impact that neither party envisaged during a chance meeting at a management conference. Olivier Blum, Schneider's CHRO, makes a point of speaking personally to as many participants as he can. "Wherever I travel in the world," he concludes, "I meet people who say they've changed the way they lead as a result of the programme."



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