

Rebel Leader With A Heart - Michel Mersch - Nestlé

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SPEAKERS

Murielle Machiels



Murielle Machiels 00:03

Hello, Michelle, nice to see you.



00:06

Hello, Murielle, same for my side. Yeah.



Murielle Machiels 00:10

So yeah, we've been working together for a couple of years now around leadership, but also transforming employees and then a couple of months ago, we also did a very nice keynote together on regenerative leadership, and you were the one to inspire me to use then that words in my new program at solve at Brussels school, but also for my book. And so maybe you can describe a little bit who you are and what inspired you to work on regenerative, on this regenerative path for Nestle.



00:55

Okay, so already, quite an interesting question and a broad one. Who I am. I'm someone who are paying a lot of attention on the people and on specifically, also on the development of the people. So the dimension that I'm pushing mainly is also the caring part. And talking about the caring part this is going, I would say, further than touching directly the people, it's also going outside of the people. Naming what can we do also to integrate the climate change and how do we also restore what in in a way we have destroyed in the past? So this is probably in a nutshell I can describe myself, I try to be an inspiring leader, but not a table dancer. So I'm not someone

which is a table dancer. I'm more, I would say, humble, and I create this inspiration to act, not to only saying things, but how to translate thinking into action. So it's more the story doing than the storytelling, and also by creating the proximity with the people. So being quite close to the people is really key for me to understand what they are living or we can improve, improve ourselves and also help them to further develop together. Yeah,



Murielle Machiels 02:28

and that's what I've seen, because I've now been working for some time with you, and that is, I can really feel that when I'm at the office, when I talk to people, that people dimension and care. Dimension is very present within nestle in Belgium. And the reason also I wanted to have you on this podcast is because I feel that you are transforming a company from within and a company that has faced quite some criticism, because Nestle is a big company, and so you you've had to face quite some criticism. And what I wonder is, what drives you to stay and to be part of the change, because it could be also easier to walk away from such controversies That sometimes happen. Taking



03:26

this point, I think that we need to give a little bit more context. So why am I working within Nestle first? Because I strongly believe that food has a key role to play in the life of the citizen. It's not only and obviously for some people in the world, it's different. But it's not only to feed people. Food is much more than that. It's bringing also joy, pleasure, convenience, binding the people together so and obviously food as an important role on the health of the people, but not in the cure part, but more on the care part, so the preventive part versus the curative one. So then, based on this, what kind of organization could create an impact through food. And then it was becoming more obvious that Nestle with the broad portfolio, with the size. We always say size doesn't matter. In this case, it matters. We can impact. We can contribute to a different I would say, work to a different behavior, and this is why I choose to start, first in the food business and then at Nestle. It's true we are making sometimes mistake. We are not perfect. We strive to do that. There is still a long. Way to further go. But I'm still believe that by being in this kind of organization and transforming we have the possibility to really contribute and impact positively. So this is why I have chosen, first, this sector of activity, and secondly, also, honestly, no even if our size is big, just to bring that into perspective and to remain quite humble, we represent around 3% of market share worldwide in the food business. So these demonstrate that the food sector is a quite fragmented one, but nevertheless, we have there a role to play, and I think also from, I would say, the outside world we see Nestle through some more, I would say iconic brand or product. But our portfolio is really broad and is really covering a lot of different areas, including also the medical nutrition. For example, we have a range of product. It's not making a huge part of our turnover, but nevertheless, with those kind of product, people can cannot, for example, leave. So this is also demonstrating the mission of our organization. But it's true that we need to further accelerate or transform or some aspect, and this is also what I try to do. I'm cannot say that I'm successful on all the topics that I would like to see differently, but at least the transformation, also from the inside, is very important. Yeah, and



Murielle Machiels 06:38

then, because you say, sometimes a mistake is made, because when you're taking such huge risks with a very high pressure to still deliver profit, because we are still living in a world where that is a very important metric, so sometimes you can make a mistake and face criticism then, and probably more than a small company. How do you handle this personally? First,



07:06

it depends on the size of the mistake that we are doing, obviously, and there are mistakes that we cannot accept, and if it happened, then we need to take all the different measures in order not to repeat those kind of of mistake. But on the other hand, I would say, and you were highlighting the wording, risk is still key. We are living today in such a context that if you are not taking any more any risk, you won't be able to contribute to anything, because we need to rethink the full ecosystem, and this will only be possible if you are taking some risk. So yes, indeed, we will probably do do further or other mistake, but we need to avoid that those mistakes as consequence for the people, for the planet, so direct and direct consequence to them. If it's a consequence on more of the financial topics, we can cope with that. As far as the mistake that you are not doing is not too big, neither, huh, and I think this is why we used to say that we need to deliver while transforming. So delivering while transforming is really something which is important to my eyes, to our eyes, so we need to still fulfill the the commitment on the short term while still thinking about transforming for the mid and long term. Yeah, and this is what you try to do,



Murielle Machiels 08:49

yeah, yeah, great. And how are you then integrating this regenerative way of working into the culture of Nestle,



09:01

I would say sometimes it's not visible, but it's embedded in our DNA. So why do we exist? Because at the beginning or in Nestle was really they were confronted to huge number of child dying because not having access to proper, I would say, nutrition when they were babies. So the mission has been already since, unless they exist, it's still the case. So from our point of view is, how do we still amplify this kind of mission? And as I was saying at the beginning, how do we made from the food sector something which is bigger, which is really part and not I would say, you. Is only sometimes seen through the consumer, the citizen, as a budget constraint in their wallet, but much more on how do we make from the food sector really a lever and amplifying the benefit that it could bring. So I don't know if this is answering exactly your question about regenerate, but this is something which probably in the past were much more important in the life of the citizens. We have a little bit lost that. So how do we bring that back? Because the benefit of having food activities, which is done properly with regenerative agricultures and things like that, is really rebinding and rebuilding a kind of positive circle, virtuous and not a vicious one.



Murielle Machiels 10:56

Yeah. And because as purpose is then a very important element in this cultural change. But

yeah. And because so purpose is then a very important element in this cultural change. But also, how are you working with the leaders in a way that the way they lead and they help their teams is not also in a degenerative way where people get exhausted and deplete their own resources, but is in a way, that also helps them regenerate themselves,



11:27

yes. So this is exactly, and you know it because we have built a specific training program together, yeah, to help our people to cope with this very, I would say, demanding context, the volatile context. So the well being is, is part also of, or I would say, human resource policy, but it's going further than that. It's not only well being is, how do we equip our people also to make from this very specific, changing, volatile context, an opportunity and not a threat versus their own perception. So this is where we are working quite hard, and I would say that we succeed in some area. And just to be very transparent, we are far to be at the level we would love to be today. The speed of spreading this in the organization is not equally spread. So it means that we can go sometimes faster and further in some area where in some other we still are not at the expectation, but we still put a lot of focus on that. This is also putting, I would say, the people, at the heart of what we are doing. And just to illustrate that, when I took over the role, it's no more than six years ago, the group asked me to present what we call a market business strategy. So it's more the long term vision for the country and the most important topics that we brought in this strategy was the human resource approach and strategy. So the people at the heart of what we are doing, we try to bring lead people in the broad sense. So it's obviously the employee, but it's going broader than that, then it's also the consumer, the customer, but also the citizen. In a way, this is what we try to do, and we at least on from my point of view, I think that despite the good job that we are doing, we are still not at the expected level that we would like to



Murielle Machiels 13:39

be, yeah, but I often say we have been conditioned, some of us, for decades, from a very young age, to work a certain way for a world that doesn't exist anymore. So we have been conditioned mainly to follow instructions, or as leaders to give instructions in a world where doing everything that was in your on your to do list was feasible, and now that's not feasible anymore. The workload has exploded. There are so many opportunities and threats and alignment to do that we need to recondition the people at the core. So that takes time to be able to change every individual, especially since some of us have been conditioned for decades to work and think and feel a certain way,



14:40

indeed, and on top, I would add an additional dimension that I was not totally, I would say conscious when we start also this transformation, specifically talking about the cultures, the empowerment of the people and so on. I realized that by accelerating on that. Because, in a way, it has created additional frustration. And why? Because we haven't put the same, I would say, emphasize to adapt, to adjust our tools and our process. So when indeed it spread into the organization, the people are more, I would say, free to operate in the way they believe they should operate. It's quite great, but if they are restricted by the tools or by the process, then it's getting even more frustration. So I learned that, and we need to pay attention also on the

speed that you are putting in the transformation in terms of cultures and people. You need to align that also in terms of speed, where you can transform the tools and the process. And this is in a way, when you are working in a, I would say, global environment. We are working in a multinational we need also to deal with internal tools, internal process, which is also to avoid that we are making things which could damage the reputation of the organization. But in a way, we need also to understand that the speed is not the same across the geographies. The speed is not the same even in Belgium. So you can easily imagine that this is quite different. So this is where we are still a little bit struggling in alignment the speed of transformation on the people side, the cultures and on the same side, on the tools and the process,



Murielle Machiels 16:32

yeah, and that's a balance that a lot of organizations are finding, and especially the bigger you are, the more difficult it is to change systems, because they are interconnected with so many things, and there are so many risks also, of Yeah, it's not just that you can try and yeah, you can make mistakes where suddenly you can't deliver anymore, or invoice or whatever. So yeah, but for me, it's also accepting that this can happen. So you also, as a leader, need to accept and find ways to deal with that and not that it shouldn't prevent you from showing behaviors that are not regenerative for your teams or for yourself? No.



17:24

And again, I think that, as already said, it's a law to make mistake, no, that I have learned that in a way, it was a kind of mistake, but not said again, not having any, I would say consequence or important consequence on the on the people side, except that potentially, we have created some additional frustration, but those are not real consequence, yeah, but I think that it's also the transparency and authenticity. So I have shared that very honestly with the with the organization, that I was a little bit an optimist, a naive optimistic, which I what I call I was so optimistic to bring this transformation that probably I was naive to forget a little bit more the other part, yes, and I recognize that To the organization by telling them, Look, I made this mistake, and this will be more, I would say, difficult to correct or to accelerate on the same path, than the than the one we did already on the cultural side. So yeah, and by being more, I would say, transparent, humble, also on the mistake that leaders are mistake in a way that we are making, it is easily accepted, also by the, I wouldn't even say, by the employee, by the communities. Yeah,



Murielle Machiels 18:55

and do you also see this shift that is necessary from in the past, it was sufficient as a leader to be very intelligent and rational, but today, we need also this emotional intelligence and so being aware of your behaviors when you are under pressure, being aware that sometimes you give A message to your team, and maybe it wasn't received as you intended it. You have to be able to see that so that you can do something about it and have this regenerative work environment. So Did you do something also to increase the emotional intelligence of your leaders? It's



19:40

part of what we have called the cultural I would say, transformation, which is more, in a way, an evolution than a real revolution. Let's be clear, yes, but nevertheless, yes, it's an important dimension we already years ago in. Insist on that we try different things, also clear that we failed on some approach. So we then question ourselves to see, oh, we could do it differently in order to bring in to the organization differently. But again, as said, I'm fully aware that today this emotional dimension is not spread equally into the organization so still, still, further work to be done. It's not an easy one, neither. But again, I think that the context is absolutely pushing us to increase that and on top, the emergence of the artificial intelligence is also pushing us to accelerate even more on those kind of topics. Otherwise, honestly speaking, today, the machine in a way, more intelligent than you can be. Yes, where you still for the moment and how long will this last? That I don't know, but for the moment where we still can make a difference is when, when giving more place to the emotion and the organization. But having said that, need also to accept that often in organization, you said that emotion are really important, but you need to control them. This is a little bit the limitation of how do we also amplify those emotions? From my point of view, the most important is that the people has the freedom to express their emotion, even if they are not done in the most, I would say, best way it's more important that they could express it than to keep it for them. So there is a high balance to still further find, and it's not easy. And when talking about diversity and inclusion, also in the way to live and to express the emotion, I think that there is still a huge work to be done, not within necessary, specifically, but globally, huge. Yeah,



Murielle Machiels 22:04

in my experience, when we talk about emotions, what I see is that the people that claim that they are the most rational are often the ones that show emotional behaviors when they are under pressure? Well, the people that are aware of their emotions and able to simply notice them, accept them, they can show behaviors that are way more rational than and lead to the results that they want. And yeah, you you face a lot of pressure from all around you and sometimes that can put you out of balance. Are you aware of the sensations and the emotions that sometimes can color your thoughts and then your actions?



22:56

I think that when things are more easy, it's more easy to behave in a in a more positive way. It's when things are more tough. This is where you really see discover the interesting behavior and yes, attitude of the people. So honestly speaking, since no four years times we have lived in a very difficult context. We have crossed different crisis and where I'm I can say that we as an organization, it's not me, it's the organization. We can really be proud, because in those very difficult period of time, we have shown, in fact, what we are and how we behave, so we haven't fall into the in French, we say chasse, not your Gallo So, and this is where you really see the deep beliefs of an organization. And I can say that I'm really proud of what and all what we have done and all we behave during those very difficult period of



Murielle Machiels 24:08

time. Yeah, and what do you do personally, to really work on this self awareness and to be able to self-regulate so that you can continue to show the behaviors you really want to show even

to self regulate so that you can continue to show the behaviors you really want to show, even when you are under pressure.



24:25

I think it's probably also related to what we call the seniority or the experience it took me time. So I think that at a certain period of your life, you have caused difficulties, also personal difficulties, and you are putting so all the difficulties that you are crossing, you are putting that in perspective, in a bigger perspective, and then you realize that in a way, you should tackle that on a totally different approach. Yes, so. Think that, just at least from my side, remain open, continue to further learn. I'm learning by changing with you. I'm learning by changing with other people. I'm listening to their feelings and so on. So based on that, this is also something which is allowing me to stay more I would say calm surah. And even if, from a personal point of view, I like the stress, I fully understand that this is not something that everybody like to have. So it's not because I have potentially good resistance to stress, and even I would say it's a kind of facilitator for me. So stress is also needed in a way that everybody is living this way. And my role is also to play a kind of filter, yes, not to Yes. There is a pressure. But will this really be the answer to our problem, to our issues, to our challenge. I think that globally, the organization needs to have a certain serenity to operate and to take the right decision. And this is what I try to do, keep the organization in in a kind of serenity, yes,



Murielle Machiels 26:22

but so that that's really wonderful, because that's what a lot of leaders are missing today, is that because they miss the serenity themselves, and you are constantly bombarded with challenges, high demands, mistakes, things that don't go as you planned. But if you don't manage to maintain that serenity yourself, especially as a CEO, of course, it's difficult to be able to transfer that and to radiate that within the organization and and I know from others that you manage to do that,



27:07

yes, but I think that there is a key element explaining that also, my philosophy is also to embed the co creation so I'm not alone to try To solve all those kind of challenge, issue you were highlighting, mentioning, so I really try to build an organization where as a team, we can rely on each others, not as an individual, but as a group of people. And there is a huge, I would say, capabilities to cope, to be creative, to find the right solution, alone or with a limited number of people, this would be much more, I would say, complex, difficult, and probably putting more pressure and stress on the whole organization. So there are great people working in the team, and they are contributing. So they are really engaged in all do we cope with those kind of challenges and things like that? So when we had the first big crisis to cause to live, it was the COVID one. What we did is really, in a way, to say, with a limited number of people, we will manage the operationality of the crisis, and we give them the full energy on the other one to find the right solution for the other challenge generated by the COVID crisis. So we were managing with a limited number of people the crisis, per se, the direct, I would say, topic of the crisis, where, when were then we were freeing the time, the space and the energy of the other one to fully concentrate on, how do we then transform, achieve support, help and so on. So I think that the team, the co creation is really key if you want to keep this kind of serenity, yes,

we say in French, yeah, please don't present it in cell. But this is totally true. So do you also trust the rest of the organization to tackle some important challenge and issue and turn them into opportunities? Yeah,



Murielle Machiels 29:21

and the nuance you bring there is very important, because at the same time, the filter you bring is a filter of serenity, but it's not a filter, and that's a mistake younger or some leaders make, is that they filter and they protect, then the people from their team or their organization, and they take everything on their own shoulders, and unconsciously they're making it worse then. So filtering is not protecting from bad news, it is bringing this. This serenity, like you say



30:01

exactly and pay attention. So when talking about caring and things like that, it's not like on the fun. So yes, it's I have quite important expectation. So yes, we are raising the bar. So it's not because you are in more in a caring approach, that you cannot raise the bar, and we are clearly raising the bar. And my philosophy is that by raising the bar, you are really stretching in a positive way and developing the people and preparing themselves for the third I would say, challenge that we will further discover and find. So it's, it's absolutely not, in a way, just to protect them. This kind of protection, protection is counterproductive, Contra product. Yeah, so, and this is absolutely not what we try to do. So the there is in in sport, and I really like what I've learned from from very interesting coach also, which were saying there are no development without any pain. Yes, exactly. They were talking about muscles development, yes. But, oh, do you provide some painkillers, yeah, not to fall into the sickness. The pain cannot became a sickness. But if the pain is an enabler to become bigger, stronger, bolder, then it's fine. So, and this is more in this direction that we need to operate, and this is what we try to Yeah. And



Murielle Machiels 31:41

it's yeah, it's what you say you if you need to build muscle, you need to feel a little bit of pain. If you feel too much pain, then you can get hurt, and you don't have growth exactly so. And that's also the theory of of flow, having a little bit more challenges that you can handle so that, yeah, it's challenging, it hurts a little bit, but at the same time, once you have solved it, it brings you also a meaning, because if it's too easy, people get bored, You don't grow, and you find it meaningless and



32:22

also in terms of recognition, in a way, when you are coping by yourself and yourself, it's not the person, it's the team, but when you are coping and finding solution to challenge by yourself, the recognition is also More coming, more, I would say obviously and naturally and giving them really. I would say energy, motivation, fuel, yeah, for for the people. So yeah,



Murielle Machiels 32:51



Murielle Machiels 31:52

and saying I believe in you and let me know what you need to make it happen. And yeah, indeed. All right. Thank you very much. Maybe one last question before we end, yeah, what advice would you give to other leaders who want to make a difference, who wants to build this regenerative culture in, maybe systems that have been traditionally more resistant to change.



33:21

It's not an advice is just sharing experience. I prefer that in this way than giving advice is not a ball enough, from my point of view. So what I would just like to share is two things. First is doing what we did, or what we are still doing slightly better, won't be enough. This is one big things, so we need to dare to do things differently. So this is the first thing. And then the other probable angle that I would just share is, do not think only on what if I do that? What if I don't do so just the opposite angle. Yes, what are the risk of doing it? But what are the risk if you don't do it? Yes, sometimes we fall. We forget this part. We still believe that transforming doing things differently is more risky then not changing. But in many case, not changing is more risky. Yes, exactly. So this, this is probably the experience that I would share with, not only with leaders, with with everybody think on the two way changing is always a little bit more stressful. It's a risk. But what are the risk of doing it versus the risk of non doing and I can tell you today, if we are not embracing the climate change, the risk will be much higher than to do it, and



Murielle Machiels 34:58

not just. Climate change, the change in the way we work, because currently it's not working as it should be working. There is too much stress, too much young people who get burned out are not motivated to work, and when we look at the demographics, more people will get out of the work markets, then new people will come in. So it will mean that we will have to work longer, which makes then regenerative work even more important. Yes, so you're completely right. So thank you very much for your time. I know you're a very busy person, so thank you for that, Michelle, and I'll see you around probably,



35:46

but thanks for the interesting and fruitful exchange. Murielle, so wish pleasure and hope to see you soon again. Yes,



Murielle Machiels 35:55

thank you.



35:56

Thank you. Bye, bye, bye.