

# Navigating Chaos: Leadership for a BANI World

With Raj Gupta

Former Chairman and CEO:  
Rohm and Haas

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The decade from 2010 to 2019 appeared stable on the surface, marked by strong growth, low inflation, and steady markets. Yet pressure was building beneath the headlines: cyber threats, climate change, demographic shifts, political division, and the growing influence of activist investors.

Since 2020, the cracks have widened. Wars, pandemics, natural disasters, geopolitical tensions, inflation, rising interest rates, and disruptive technologies such as AI have created an environment of continuous volatility.

Leaders now face a **BANI** world: **Brittle, Anxious, Non-linear, and Incomprehensible**. This is likely not a temporary disruption. Success depends on building resilience and developing tolerance for anxiety as a core leadership skill.

## **01 NEW LEADERSHIP**

### ***The Role of the Board***

Boards must expand their role beyond oversight and compliance to focus on talent strategy and risk. Directors need an outside-in view of the world and must look to refresh skills frequently. Incremental thinking is no longer enough; boards must be willing to act boldly.

## TOP LEADERSHIP

### The leaders you like to work for:

- Intellectually curious
- Build alignment rather than consensus
- Empathetic
- Demonstrate learning agility
- Visionary
- Humble

## ***Adaptive CEOs***

Turnover among Fortune 500 firms is accelerating, and average CEO tenure has fallen from ten years to five. Past success is no guarantee of future performance, and traditional selection criteria such as track record, industry knowledge, and technical skills are no longer sufficient.

Today's CEOs must lead adaptively. The emphasis has shifted toward softer skills. The capacity to learn quickly, pivot, and stay relevant depends on maintaining transparency by acknowledging mistakes and adjusting course, and building trust that decisions are sound.

*“No leader is successful unless the people working on the team really feel like they have their trust and they can ask questions.”*

- Raj Gupta

## ***Executive Connectors***

For senior executives, adaptability must be paired with collaboration. Confidence in what has worked in the past must be balanced with openness to learning, being challenged, and adapting.

Strong leaders listen to their people, value their talent, and create an environment where questions can flow freely in both directions. They connect the dots across teams. They encourage their teams to take risks, then stand behind those choices rather than retreating when plans fall short.

## CASE STUDY

### Focus Priorities

When Rohm and Haas doubled in size through \$6 billion of acquisitions, the company was soon hit by the dot-com bust and the Asian crisis.

The board and management team identified three priorities they could not compromise on: consolidating 64 ERP systems into a single SAP platform, sustaining investment in Asia and electronic materials R&D, and maintaining positive cash flow.

Each priority was led by an executive who worked across functions to make real-time decisions.

With clear focus and collective ownership, the company aligned around what mattered most for survival and future growth.

Leadership at every level is being reshaped. Times of uncertainty bring challenge, but they also create space for those who think differently to step forward. The leaders who adapt, collaborate, and learn will find themselves positioned to withstand disruption and to shape what comes next.

*“This is opening doors for new people to come in and take advantage.”*

- Raj Gupta

## 02 EXECUTIVE COLLABORATION

### *Lead as One Team*

The era of siloed executives is over. Decisions must be made quickly and often without full information, which is why enterprise-wide thinking is more effective than narrow functional expertise. Work as a team, share responsibility, and approach challenges collectively rather than through rigid divisions of roles.

Focus the company on no more than three or four top priorities. Set clear timelines and milestones and ensure they are communicated at every level. The executive team must commit to delivering these priorities together, not as a collection of individual tasks.

With shared focus, cross-functional communication becomes natural, and leaders can hold themselves accountable to the success of the enterprise as a whole.

*“As a C-suite team, we had a commitment to one another and to the enterprise.”*

- Raj Gupta

## ***Align Compensation***

Drive teamwork and a common mission by linking the bulk of executive incentives to company performance, not individual business units or geographies. When most rewards depend on how the enterprise performs, leaders make decisions with the organization's long-term interests in mind.

Balance short- and long-term incentives. Annual bonuses should reflect personal and business unit results. However, 60–70% of compensation, weighted toward equity, should be tied to the company's overall performance. This structure reinforces collaboration: leaders still own their immediate results, but their long-term success depends on the collective outcome.

By weighting compensation this way, executives understand why resources are shifted to higher-growth, higher-potential areas, even if those bets are less certain.

## **03 STRATEGY IN CHAOS**

### ***Pursue Multiple Options***

Set a clear ambition for where you want to be, but accept that the path may diverge or even contradict itself. No one can predict with certainty how forces such as new competitors and AI will unfold.

Invest in opposite ideas simultaneously. When faced with uncertainty, place stronger bets on the more likely direction, while investing enough in the alternative to learn and build capabilities in case it becomes the primary option.

## CASE STUDY

### Cloud Disruption

During his decade on the Hewlett Packard board, Raj Gupta recalled that nearly every meeting touched on the cloud.

The consensus among experts was that corporates would resist adoption due to security concerns, and that traditional players such as IBM, Dell, and HP would have time to lead the shift when it came.

Instead, Amazon moved first, followed by Microsoft, reshaping the market before incumbents could act. The missed opportunity underscored the risk of relying on a single view of the future.

Expect some efficiency loss. Pursuing multiple avenues is more expensive in the short term, but remind your leaders, your team, and yourself that the core business challenge is growth and longevity.

Leaders who fixate on one product, market, or geography may find themselves locked into a dead end, while those who preserve options stay informed and better able to pivot.

*“What you cannot do is stand still. Don’t be passive.”*

- Raj Gupta

### Look Forward

Balance near-term execution with long-term priorities. Delegate daily operations with strong oversight to carve out time to scan the external environment. What are competitors doing? Where are markets moving? Which forces could shape the business beyond the next quarter or year?

Prioritize this time deliberately. Agendas will always be full, and the immediate will always feel urgent. Leaders who do not protect time for long-term thinking risk being consumed by short-term disruptions.

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