



In Conversation with... Edouard Neviaski  
CEO, Global Energy Management, ENGIE

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**Edouard Neviaski has been CEO of the Global Energy Management business unit at ENGIE since 2015, and in that time has been pushing through a major programme of change. Now grappling with the impact of Covid-19 on the operating model, here he tells Damian Stewart, Managing Partner EMEA and Asia at Human Capital, about how the company has transformed.**



Edouard Neviaski started his career as a commodities trader at Société Générale and

was appointed to his first leadership position in 2001 when he became CEO of Gaselys, the energy trading joint venture of Gaz de France and SocGen. He was then Global Head of Commodities Markets at SocGen from 2006 until 2012, before leaving banking to become CEO of GDF SUEZ Trading in 2012.

Five years ago, he took the lead at the Global Energy Management (GEM) business unit of ENGIE, and in 2016 he embarked on a series of changes to the business that have since formed the basis of a case study at the London Business School. A passionate believer in autonomy, that case study references how Neviaski introduced 'holacracy' to some parts of GEM – a self-organising system where teams take responsibility for defining their own work.

It is a story of broader cultural change at the French energy giant, a business of 170,000 employees where 1500 fall under Neviaski's leadership. "I was always interested in teams and in people," he says. "Now, the older I get, the more interested I am in working on that. I was raised in investment banking, where you have to be extremely sharp and tough, but I love people, and that has been the case since I started my career. When you love people, it's easier to take care of people."

In 2015, Neviaski recalls a survey of ENGIE's GEM staff that was conducted soon after he took on his role and ended up transforming the way he was to lead the business. "The feedback we got, from about 1,500 people in very different parts of the world, was that they loved their jobs. They really thought their work was challenging in a good way, and very intellectually interesting," he says.

"But they were unhappy, or even worse, they were suffering," says Neviaski. "They were working long hours, travelling, and maybe it was spoiling their private lives, and their time with family and friends. I didn't want that, first of all because no one wants unhappy employees, but also because unhappy people are less engaged and less efficient."

He embarked on a programme of research looking into other organisations across Europe, to see how they were developing their leadership models and tackling similar challenges. He wanted to create a purpose-driven organisation that showed trust in its people. "Basically, everyone has to find their own recipe and follow their own journey," he says. For GEM, the answer lay in a combination of decentralisation and cultural change, both centred on pushing responsibility, transparency and trust down the ranks.

"Companies have a tendency to centralise their activities, both in terms of control and in terms of costs, which I can understand," says Neviaski. "We chose another route, which is autonomy and decentralisation."

In the time of Covid-19, it has borne fruit. "What is really striking is what is happening

now," he says, "because people always felt that by having all your traders in the same room, you had a good degree of control. But what happens when you have all your traders at home? How do you control them?"

Neviaski says: "We felt that, first, you can still control people even if they are not all together in the same place, not least because the technology now exists to do that and to ensure the connection is seamless. Secondly, which I'm very big on, is that it is the culture that is critical to avoiding problems. Of course, you need to work on the control of the system, but you also need to work on the culture."

ENGIE is almost unrecognisable from the business that he joined five years ago, when 85% of its business was done in Europe and for its internal customer base. Now, it is a global player with the majority of its revenues generated outside its home country, looking much more externally, and energy transition is top of the agenda. If utilities companies have three buzzwords right now, they are decarbonisation, digitalisation and decentralisation – ENGIE has them all covered.

The raison d'être is to act to accelerate the transition towards carbon-neutrality for corporates and local authorities, says Neviaski. "You will not be surprised to hear that most of our development is going around energy transition," he tells me. "That means wind power, biomass, and it means working quite hard on green gases, both biogases and hydrogen, where it is very important for us to be at the forefront of developments. We also have to stand back from other types of activities, such as coal, which we don't do anymore."

When it comes to decentralisation, Neviaski believes that the ENGIE approach is different. "I don't think you will find another organisation like us that has decentralised all its activities – not just back office, but also trading, origination, IT and others – so that we have those in France, Belgium, Netherlands, UK, Romania, Italy and so on."

He adds: "Most of our competitors will have preferred to centralise in Switzerland, or in the UK, or in Germany, and then to have really light local teams in those countries. We chose to have fully-fledged activities." That allows greater penetration in those local markets and helps the business support smaller and smaller assets.

Surely there is a negative impact on costs? Neviaski tells me that in fact GEM has improved its cost-income ratio by double digits. He puts that down to all the middle-office and back-office teams being closer to the business, and therefore maintaining a better understanding of the strategy and purpose of the organisation.

"Our belief is that by putting people together, they share the same purpose and the same idea of what we are developing, and they are more efficient," he says. "Maybe we could reduce some cost by recentralisation of some functions, but I believe we

would lose revenue. Therefore, if you look at it from a cost-income perspective, it is better to do it this way.”

Building on the spirit of holacracy, Neviaski went on to do two things to build that culture of autonomy, responsibility, and transparency. First was to ask all the employees in the business unit to work on the vision and write the story together of where they wanted to get to in five years’ time. “There was maybe more than 600 people that got really completely involved in writing the vision,” he says. “Of course, rather than taking us weeks or months, it took us a year to do that. When you co-construct, it takes time.”

It is not always a feasible option – so many people could not be involved in the rapid decision-making required to deal with a crisis when it hits, as the pandemic has demonstrated. “For other things, you can take some time,” says Neviaski.

The next project focused on how the unit could do things differently, and that is coming to a head in 2020. “You know what, we took some time, and while we were doing all this, we had our two best years ever. So, it didn’t prevent us from being efficient, while we were working on it.”

Not everyone around the table agreed during the discussions, and lots of people were concerned about their own interests, Neviaski admits. But diversity of thought, and the ability for everyone to provide their input, is critical. “The key is to learn how to listen to each other,” he says. “If you have diversity of thought, you need to be able to hear what people have to say and you need to learn how to grow your ability to listen to others.”

You get the feeling that Neviaski has that covered. “We have a motto, which is to energise a sustainable world,” he tells me. “That means caring about the three Ps – people, planet and profit. For me, that’s very important, and it is really about all of them. By working on the culture through the people, and by working on the planet, you get a bigger profit. The three really go together.”

He says there was no big day when he woke up and felt he had to change, but clearly that employee survey five years ago that showed his people were unhappy was a turning point. This is a trader who really does care for his people.



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