

# BOSTON COLLEGE

## CENTER FOR WORK & FAMILY

### EXECUTIVE BRIEFING SERIES

#### In this Issue:

- Information about the changing workplace and the changing workforce and the implications these new developments have for leaders
- A brief examination of four relevant leadership models and a summary of the important elements from each of these models
- Leadership skills needed to be successful in this rapidly changing world
- Actions leaders can take today to be more successful in the future

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## Leadership Skills for a Rapidly Changing World

Rapid technology advances and globalization are having a dramatic impact on the ways that we work, and this impact will accelerate over the coming years. The global business world is more connected and interdependent than ever. Many of us are faced with the need to communicate with others at all hours of the day and night as we work with global partners and teammates, or as we experience 24/7 work environments. More and more work is being done from home, both for cost reduction reasons as well as to promote some semblance of sanity between work and home life.

Important social changes are also occurring. Women are gaining power in organizations throughout the world while men are looking to be more present and active with their children. Our workplaces are trying to keep up with these

changes through approaches such as flexible work arrangements, virtual teams and the use of more contract workers.

Yet, in spite of these far-reaching technological, social and workplace changes, our approaches to leading and managing our workforces are adjusting slowly to this new environment. As our busi-

*"...it is becoming increasingly clear that a reliance on leadership competencies that are rooted in the past will no longer be successful."*

(O'Brien and Robertson, 2009)

nesses adapt to these significant changes in order to survive, we need to ask ourselves if our leadership styles and approaches are effective for the new ways that business is being conducted.

Organizations that are agile and adaptable in the face of rapid workplace transformation will be the ones that succeed in the future. Relying on leadership practices from the past will no longer be successful. Today's environments demand a new set of leadership skills and traditional leadership competencies need to be realigned towards the future (O'Brien and Robertson, 2009).

This briefing highlights compelling changes that are occurring in our workplaces and workforces and the impact these have on the roles of leaders. It concludes with an examination of leadership models and skills that are most effective in this new business environment.

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## The Changing Workplace

Many organizations are faced with meeting the challenges of globalization – global workforces, global partners and global competition. Even companies that do not view themselves as global organizations are faced with important changes in how they do business. For example, nearly all companies now have websites, from huge corporations to independent small businesses. Products from specialized vendors can now easily be

*“Given the enormity and novelty of the unprecedented demands and looming challenges facing organizations, there is no doubt that success will come to those who can adapt and align to the emerging environment.”*

(O’Brien and Robertson, 2009)

ordered on-line by customers anywhere in the world. Holding virtual meetings with people in various parts of the world has become a part of the normal work day for many.

Globalization creates new competition, demands higher levels of efficiency and requires true expertise in supply chain optimization. For the first time, new competitors from regions around the world with flexible supply chains are effectively competing against established market leaders. As global commerce equalizes the business landscape, speed becomes even more critical and supply chains become the new competitive weapon. “The impact of globalization has yet to be fully realized, but one thing is clear: the business rules for engagement will never be the same. Companies can no longer go it alone and expect success. It requires collaboration. Teaming with

the right partners is essential to increase speed, promote innovation and gain market share.” (Britt, 2007).

New technologies also increase the complexities of our work and we see these every day. Information overload is becoming a way of life. We are bombarded with information from all sides. Research reports, company news, social media, voice messages, calendar updates and meetings all threaten to overwhelm us. The “cycle of responsiveness,” where every email is expected to have an immediate response, (Perlow, 2012) can consume both our working hours and our time outside of work.

Our workplaces are changing as well. Contract workers are often brought on to help complete projects and then released back to find their next assignment. Increasingly, work will be done this way, with a combination of employed core workers, partners, and contingency workers. Physical workspaces are beginning to adapt to these new ways of working by providing versatile spaces that encourage collaboration for workers who come and go or work on virtual teams.

In order to survive, and hopefully thrive, companies need to adjust in many ways. Being able to quickly sense and react to major market shifts are critical skills. New products are coming to market faster than ever, and competitive advantage is achieved through creative, responsive and innovative practices. Collaboration with many different people at different times is essential in order to understand and sift through what is important and what isn’t. Much of our work will be accomplished by virtual teams that come together quickly and then disband. Organization structures will look much more like rapidly changing networks than stable hierarchies, and important decisions will be made by individuals and groups who are closest to the issues at hand, not by managers three levels removed.

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## The Changing Workforce

At the same time as we are faced with these dramatic changes in our business environments, important social changes are also evident. In the U.S. significantly more women are attending and graduating from college than men. Young women and young men do not differ in terms of their desire for jobs with greater responsibility. Families with a stay-at-home parent are much less common than they were 20 years ago, and men are taking on more responsibilities at home. In addition, workforces are becoming more and more diverse, not just to meet quotas but to enhance innovation and reach a broader and

rapidly changing marketplace. People crave meaning in their lives and seek work that contributes to society.

Both men and women are trying to find ways to balance their work lives and home lives in the face of escalating workload and increased family responsibilities. In 2013, fully 83% of American workers reported feeling stressed out by at least one thing at work, up from 73% in 2012 (Harris Interactive, 2013). These stressors include unreasonable workloads, commuting, fear of being laid off and poor work-life balance. To meet the growing needs of globalization and increased

business demands, workers don't just desire greater control over when and where they work, they require it. A major worldwide survey by Cisco in 2011 (Transitioning to Workplace 2020) found that 3 out of 5 employees do not believe they need to work in an office to be productive, and 66% want flexibility in how they work and would accept a lower-paying job if it meant more flexibility.

The motivational importance of salary has often been overstated. Research across 92 different studies has shown that the association between salary and job satisfaction is very weak, and other studies have shown that focusing on external rewards can reduce intrinsic motivation (Chamorrow-Premuzic, 2013).

Workforces today are more diverse than ever, and this trend will certainly continue. Today's workers come from different geographic and ethnic backgrounds and bring varied sets of skills, motivations and priorities. In 2011, there were 24.4 million foreign-born persons in the U.S. labor force, comprising 15.9 percent of the total (U.S. Bureau of Labor Statistics, 2012). Leaders need to create environments where all workers can fulfill their individual potential, and teams are made stronger by their diverse backgrounds, experiences and perspectives. These environments can have benefits beyond the success of these specific teams and individuals. A recent study by Deloitte found that "employees who perceive their organization is committed to, and supportive of, diversity and who feel included, are 80% more likely to feel they work in a

*"The job of today's leader is to create space for other people to generate new and different ideas; to encourage meaningful conversation between people, and to assist people in becoming more effective, agile, and prepared to respond to complex challenges."*

(Martin, 2007)

high performing organization", compared to workplaces that are perceived as less committed and supportive.

Finally, as we look to the future, it is important to understand the needs of our youngest workers (born after 1980) who are known as the Millennial Generation or Gen Y. Millennials have come of age in an era of more fluid marriages, less stable work careers, and profound shifts for women in the workplace. Gender flexibility in breadwinning and caretaking has become critical for family stability (Gerson, 2010). Millennials and their managers often have a very different view of what constitutes career success as illustrated in the chart below.

Meaningful work was identified by 30% of Millennials as the most important factor defining career success while only 11% of their managers selected this. High pay was selected by 48% of managers as most important compared to 27% of Millennials.

**What is the most important factor that indicates career success for Millennials?**



Source: Levit & Licina, 2011

# The Changing Roles of Leaders

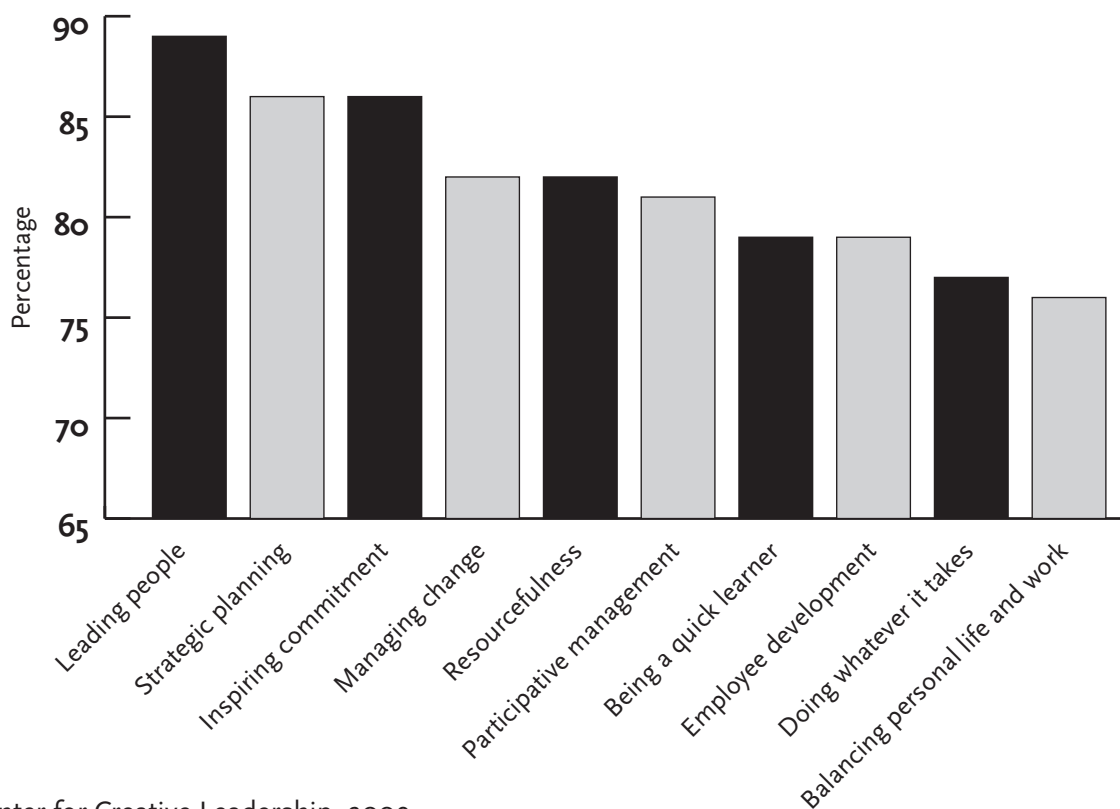
Hierarchical structures are not well-suited to fast-changing environments. Decisions must be made and strategies developed quickly by the people who are closest to the action. This is true for department and project teams as well. Employees at all levels need to be trusted, empowered and prepared to make good decisions. Against a backdrop of increasing uncertainty and complexity, leadership is less about directed structured approaches seeking predictable outcomes, and more about empowering others to make timely decisions (Hutchins, 2012).

A 2007 study by the Center for Creative Leadership of 389 mid- to upper level managers found that 84% of surveyed participants believe that the definition of ef-

fective leadership has changed, and more than 60% agreed that leaders face challenges beyond their individual capabilities. Leadership skills that have gained in importance included collaboration, innovation, building and mending relationships, working across boundaries, change management and participation management. These are all consistent with the skills needed to adapt to the changes occurring in workplaces and workforces described above.

A different study by the Center for Creative Leadership of over 2200 leaders from 15 organizations in the U.S., India and Singapore identified the following ten skills as most important for the future.

## Most Important Leadership Skills for the Future (5 years from now)



Source: Center for Creative Leadership, 2009

The study measured the level of skills managers are currently demonstrating in their jobs and found that the four most important future skills – leading people, strategic planning, inspiring commitment, and managing change – were among the weakest competencies for today’s leaders. Employee development and balancing personal life and work also showed significant gaps between needed

and existing skill levels.

An article on future leadership competencies in the Journal of European Industrial Training analyzed the impact of globalization and technology trends to understand the business implications and the leadership implications. The table below highlights some of the key findings.

<i>Key Trends / Business Implications</i>	<i>Implications for Leaders</i>
Digital technology trends lead businesses to create virtual and self-managing teams and to decentralize decision making.	Be more empowering and less controlling, and connect with people using new technologies.
The 24/7 society creates frequent interruptions; demands continuous access to information and constant connection; increases stress and burnout; and puts pressure on processes, structures and systems.	Maintain focus and concentration on the task at hand; make accurate, fast-paced decisions; balance priorities; create fluid structures and flexible processes and systems.
Globalization requires the need for perpetual innovation and increases the number of relationships with other companies and cultures.	Nurture and leverage diversity, imagination and creativity. Effectively manage cultural diversity and have more of a cross-cultural, trans-national mindset. Trust becomes critical, and transparency, authenticity and accountability are essential.
Globalization leads to rapid disruptive change; increasing complexity and uncertainty.	Learn to handle environmental complexity; remain focused under considerable pressure; make decisions without knowing all the facts; make work more fun and playful.

(O'Brien and Robertson, 2009)

Out of necessity, leadership in the future will be very dynamic. Network structures will be much more relevant than hierarchies. Decisions will not so much be delegated downward, as integrated across several dimensions among the people who have the direct expertise, authority and information to carry them out. Managers will need to be highly relational, helping to organize virtual teams to accomplish work. Even mentoring will be virtual, using technology to create knowledge-sharing connections among colleagues at all levels and at all locations. Leaders will need to be guides and coaches, encouraging bottom-up ideas to flourish, and partnering with employees to create successful outcomes.

And through all of this transformation, perhaps most critical will be the organization's culture. Workplace cultures are often slow to change, and they will be scrambling to keep up with these trends. In order to help cultures adapt more quickly, leaders need to embed the notion of constant change in the cultures themselves. Leaders at all levels will need to concentrate more of their energy on developing and nurturing organizational cultures that maximize and support human potential. Leaders themselves will need to embrace these new ways of working, and do it very quickly. They will need to be clear in their messaging, model new behaviors and reward those who adapt successfully to these changes (Cisco, 2011).

## Effective Leadership Models

A 2009 research study by Avolio, Walumbwa and Weber titled *Leadership: Current Theories, Research, and Future Directions* highlights several leadership models that appear to be effective in this very dynamic environment that we face.

**Charismatic/transformational leadership** theory has been heavily researched over the past 20 years. Transformational leaders typically convey a clear vision of the group's goals, have a marked passion for the work and an ability to make the rest of the group feel recharged and energized. This theory suggests that charismatic/transfor-

mational leaders raise followers' aspirations and activate their higher-order values. Research has found that charismatic/ transformational leadership was positively associated with leadership effectiveness and a number of important organizational outcomes across many types of organizations, situations and cultures.

**Authentic leadership** focuses on whether leadership is genuine, that the leader is behaving in accordance with his or her true self. Four factors appear to cover the components of authentic leadership:

1. *Balanced processing* – objectively analyzing data before making a decision
2. *Internalized moral perspective* – being guided by internal moral standards which are used to self-regulate one's behavior
3. *Relational transparency* – presenting one's authentic self through openly sharing information and feelings as appropriate for situations
4. *Self-awareness* – the demonstrated understanding of one's strengths, weaknesses, and the way one makes sense of the world

**Shared leadership** is “a dynamic, interactive influence process among individuals in groups for which the objective is to lead one another to the achievement of group or organizational goals or both.” It is often characterized by ‘serial emergence’ of official as well as unofficial leaders. Under a model of shared leadership, effectiveness becomes more a function of the relationships among the individuals than the result of a single leader. In order to create an environment of shared leadership several factors seem to be needed: shared purpose, supportive team members who trust and respect each other, and the ability of team members to influence each other successfully.

**E-Leadership** involves leading people from different departments, organizations, countries and sometimes even competitors in virtual teams, often working across time

zones and cultures. These types of virtual teams often face many challenges such as different organizational priorities, lack of face-to-face contact to build relationships, and a lack of cohesion and trust. In these situations, leaders need to be particularly good at working with team members to agree on overall goals, objectives and assignments, clarify roles and expectations, build trust among team members and effectively monitor team progress as a group. Open and transparent communications are essential. A 2007 study by Malhotra and others identified the following practices of effective virtual team leaders:

- a) establish and maintain trust through the use of communication technology
- b) ensure that diversity in the team is understood, appreciated and leveraged
- c) plan and orchestrate effective virtual team meetings and time between meetings (the virtual work-cycle)
- d) monitor team progress using technology
- e) enhance external visibility of the team and its members
- f) ensure individuals benefit from team participation.

To summarize this section, effective leadership requires a combination of the skills from each of these leadership models as well as other skills. Here are key characteristics to consider from these four models.

<b>Charismatic</b> <ul style="list-style-type: none"> <li>• Convey a clear vision of the group's goals</li> <li>• Convey a strong sense of enthusiasm for the work of the group</li> </ul>	<b>Shared</b> <ul style="list-style-type: none"> <li>• Share leadership with others in the group</li> <li>• Create a supportive environment of shared purpose and trust</li> </ul>
<b>Authentic</b> <ul style="list-style-type: none"> <li>• Demonstrate a clear understanding of your own strengths &amp; weaknesses</li> <li>• Openly share information and feelings as appropriate for situations</li> </ul>	<b>E-Leadership</b> <ul style="list-style-type: none"> <li>• Clarify roles, objectives and expectations</li> <li>• Communicate honestly and openly</li> <li>• Effectively monitor progress as a group</li> <li>• Leverage team member diversity</li> </ul>



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## Summary and Conclusion

Being an effective leader in a rapidly changing world requires strong people skills as well as strong analytical skills. It requires mastering new technologies. It requires viewing individuals and organizations holistically and dynamically. It requires empowering and caring about others. It requires personal involvement and commitment. It requires trust – and methods to verify performance. Leaders need to value employees as whole people with robust lives outside of the workplace. They need to inspire others and help them be courageous, especially in volatile times (Hutchins, 2012). They need to communicate openly and honestly and be transparent in their decisions. They need to organize, collaborate with, and support the teams that create the products, services, supply chains and distribution channels that ensure organizational success. They need to find new ways of measuring the performance of teams and the individuals on the teams and rewarding them appropriately. And more so than ever, leading the contemporary workforce requires the skills to change an organization's culture. Leaders and managers at all levels need to actively participate in enabling and facilitating cultural change. They need to be role models.

Developing into a successful leader in this rapidly changing environment is certainly challenging, but it is an achievable and worthwhile goal. Many managers and leaders already possess most if not all of the necessary skills. Here is a short summary of actions leaders can take to move forward on this goal.

1. Work with your organizations to establish effective purpose, vision and values statements that are inspiring and life-enhancing. Return to these often as guidance when key decisions are being made.
2. Develop flexible structures, systems and processes that enable people to collaborate more effectively and can adapt quickly to new ways of doing things.
3. Show that you care about the people that you work with and empower them to take action.
4. Facilitate, encourage and nurture rather than command, control and direct.
5. Foster cross-cultural understanding and relationships.
6. Build trust by being as transparent, authentic and as honest as you can be consistent with the situation.
7. Help create organizational cultures that embrace the stated organizational values and are adaptive to new situations and demands – make rapid adaptation a cultural value.

Hopefully this briefing has provided some food for thought as well as motivation and direction for enhancing your leadership skills. May you be successful.

*“Leadership of the future is less about the theory of an idealised leadership model and more about the practical ability to navigate a journey of authenticity and inspiration; energising and equipping oneself and others to make the right choices for the situation at hand.”*

(Hutchins, 2012)

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### About this Series

Written for an executive level audience, the Boston College Center for Work & Family Executive Briefing Series addresses topical and strategic issues of particular relevance to the current business climate. The series highlights research findings, data trends and best practices in a concise format, aiming to foster action-oriented dialogue within organizations. Each issue features an accompanying PowerPoint presentation that captures key points and includes a section for practitioners to customize and add organization-specific data.

### About this Series

Since its founding in 1990, the Boston College Center for Work & Family (BCCWF) has been a leader in helping organizations create successful workplaces that support and develop healthy and productive employees. We provide a bridge linking the academic community to leaders in employment settings who are committed to promoting workforce effectiveness. With 100 employers as our corporate partners, the Center for Work & Family positively impacts the lives of nearly 4 million employees through research, education and contributing a leading voice to conversations on contemporary issues around work and life.



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