Beyond Leadership: Further Thoughts

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Introduction

In our last article we introduced Beyond Leadership: the thought that conventional leadership is failing in today's environment. We posed a number of open questions that bear repeating to start this article.

- *Are inspirational and political leaders mutually exclusive – both business and governmental?*
- *As a society can we achieve consensus under conventional/ traditional leadership models?*
- *Is there the potential to rally intelligent critical thinking in a constructive and effective way such to drive change?*
- *Is Beyond Leadership more about 'creating an environment for people thrive and self-govern' rather than leading in conventional terms?*
- *Are today's exceptional divisions irreparable, or might a new leadership paradigm change that? And if so, how can we help move a new paradigm forward?*
- *Is an historic component necessary to understand the origins of social discontent? Or is history already over politicized?*
- *Is it possible for any individual or a consortium of like-minded influencers to bridge divisions?*
- *How do we heal when some are unwilling to accept the need to heal or to accept that someone else might have valid ideas?*
- *Why do some have "I'm right and you're wrong" thinking? Why are there some who refuse to even consider other ideas or approaches? Is there a bridge?*

Reading through these questions again illustrates why this is so perplexing. Over recent years we have moved into an environment where historical (conventional) leadership tools and styles are challenged in their ability to deal with the issues, attitudes and prejudices that exist today. We are talking about today's workforce, today's political environment, today's society, today's attitudes, etc.

It should be no surprise that conventional leadership is struggling against this tide of change. As we posed in the last article – if a new paradigm is needed for leadership, how do we find the leaders, the leadership training, and the focus to create this new paradigm?

We cannot focus on everything and solve this dilemma in one article. In fact, we know we don't have all or even many of the answers. But we can identify one or two topics to start to chip away at this dichotomy between today and yesterday.

Leadership Analysis

Development Dimensions International (DDI), a highly respected consulting firm, publishes a periodic report on the state of leadership. DDI gathers data from over 13,000 leaders at all levels of management in over 1500 companies. Their data from prior reports has shown decreases in leadership quality and effectiveness. In the newly published Global Leadership Forecast 2023, the downward trend continues. There are a number of issues they address, but two caught our attention: (1) there is a 'crisis in trust in leadership' and (2) 'confidence in leadership takes a nosedive.'[1]

Our purpose here is not to analyze the DDI study but to draw from it issues that corroborate our concept of Beyond Leadership. The periodic reports from DDI and others have continued to show that leadership is struggling much more that it should. Leadership has basically followed the old ways – what worked in the past will work in the future. However, we feel that the new workforce is not responding to the old ways. Command and control works in the military and for years worked in most industries. The current generation of employee does not respond to that. In general, they want to understand why and want a say in the direction and the solution. Now we also know there are some who have an entitled

mentality and want to do the minimum. However, we think more prevalent is the employee who is looking for self-satisfaction and independence.

Let's take a look at the new generation of employee and referencing some of the DDI findings, determine if we can understand how to move to Beyond Leadership.

Trust – Leaders struggle to develop and maintain trust. In the survey only 46% said they trust their managers to do what is right and shockingly only 32% trust the leaders of the organization to do what is right. Trust must be built and maintained regardless of the environment. Even in a command and control environment trust can exist but it still needs to be built and maintained. An openness and willingness to listen and care about employees goes a long way toward trust. Even worse in the DDI study was the drop in confidence in the quality of leaders. Only 40% rated their organizations leaders as very good or excellent. This is an 8% drop from the prior study in 2020. Part of this is the impact of the "new normal" working environment on leaders – increased regulations, the emphasis on DEI (diversity, equity and inclusion), etc. Another factor is increased expectations by the current workforce. Leaders are juggling many balls and many of them are not related directly to the output of the organization.

Working Arrangements – We have gone through several years of a pandemic, forcing companies into new working arrangements such as total remote work or a hybrid arrangement of remote work with only rare days in the office. In general, those arrangements worked acceptably, particularly under the circumstances of a global pandemic. For many, it worked so well, that when companies started calling their remote employees back into the office, there was pushback. Is this to gain more control over the employees or a return to "this is how we do it here?" In some other cases leaders were legitimately concerned about the human interaction component in the workplace. Then there is another perspective, one of trust. It is easy to see how an employee can see the recall as a lack of trust and a desire to get back to command and control. As indicated, the drive for command and control may not be the case in all, but the employee who has been working successfully from home may see this call back as a lack of trust.

Finally, there is a term referred to as the "Great Resignation."[4] The notion is along with degraded trust in leadership there is less tolerance for poor leadership, so addressing the issue of working arrangement can have significant impact on an organization and an HR Department responsible for employee acquisition. More on the Great Resignation in future articles.

Organizational Culture – Every organization has a culture developed over years. It may be formalized, as in more structured organizations, but most often it grows and develops within the organization as the organization evolves for a variety of reasons. When one of your authors started working at a large public utility it became very clear that there was a culture of a safe place to work in terms of job security – show up, do a good job, get a reasonable paycheck, repeat until you retire. It was also a place where sons joined the company because their fathers worked there. It was also ensconced with an attitude of the next power plant we build will be a replica of what we have built before with some minor technical improvements. Your authors having worked and consulted in many different companies/industries have seen cultures that are clear and cultures that exist in the background but still impact how things get done. Historically new people joining an organization get indoctrinated into the culture as their time in the organization grows. Soon they too become part of the same culture, or if not, they struggle and typically depart. The new workforce doesn't necessarily stay at one place for a career so culture is not as important to them. They also tend to challenge the culture. The culture tends to define how products are produced and how people interact. Every culture also has a history. This is not the history published in the annual report, but a history of key people over the years and key milestones. If that culture and history are not being accepted by the new workforce there is a major problem for leadership. The informal norms are no longer being followed and disruption to the normal occurs.

Job Stability – With this topic we look at not just the new workforce but also what is happening within leadership. To shed some perspective on the issue here we examined demographic information on senior leadership and boards of directors, as well as, length of time in service (hence C Suite job security concerns). We believe this is important because of the seeming disconnect between employees and management/owners of businesses, as

indicated above. So who are these leaders and managers? First, let's look at age, the average age of C-Suite executives is 56 while the average CEO age is 59. Furthermore, the average age of an employed board of director members is 51 years old.[2]

Let's look at composition of these positions; the most common ethnicity of board of director member is White (76.1%), followed by Hispanic or Latino (7.9%), Asian (7.7%) and Black and Unknown (3.9%). In 2021, women earned 84% of what men earned. 12% of all board of director members are LGBT.[3]

Let's look at it from a job security perspective. CEO tenure is one metric. Research indicates CEO tenure is decreasing, with the average recent time as CEO reduced to just under 5 years.[5] 'CEO turnover hit a record high of 17 percent…'[4] Reasons are not completely understood, but we tend to believe the added requirements of dealing with a new workforce coupled with demographic data above, as well as, leadership style necessary to implement organizational change in a non-disruptive and hopefully constructive manner are potential reasons.

Another factor is the mobility of the new workforce. Lifetime commitments to organizations is a thing of the past. Money, challenging assignments, remote work, work/life balance and other factors lead to a much more mobile and less stable workforce.

Beyond Leadership Conclusions

The factors we discuss above, and probably many more, have created an environment where the old ways and old traditional leadership styles are not getting the desired results. With the DDI findings we can't help but believe conventional leadership development programs and/or strategies are not meeting the expectations intended. Society has changed and the workforce and working arrangements are changing forcing leadership and programs to improve leadership to face changing. But changing leadership methods and styles can be like turning and aircraft carrier. It doesn't happen quickly.

We believe Beyond Leadership is a way of characterizing the fact that conventional leadership needs a significant rethinking and

maybe overhauling. Toward this end, we further believe the 'Elixir of Leadership' which we define as, 'do as I say and you too shall be a great leader, or checklists that guide a leader through the maze of leadership challenges,' philosophy is no longer viable or valid; as desirable as it may be to have such a prescriptive menu to follow.

We believe leadership is contextual and context represents a different way of thinking on leadership. Contextual Leaders are people who are able to:

- Recognize and understand the culture of the organization and its people,
- Use their attributes, as individuals, to apply their experience and competencies in an enlightened and effective manner to achieve positive results for the organization, its people and its stakeholders.
- They do not blindly do what may have worked for them before in some other context!
- The challenge is to define and understand the dimensions of leadership as a whole, and then make sure the leader is right for the context that the position or situation requires.
- Historically, we make some bad assumptions, as example:
  - A successful sports coach could lead a financial institution?
  - A successful research scientist could lead an operational or manufacturing unit.

But our society makes this fallacious assumption all the time.

Beyond Leadership requires more from leaders:

- A high degree of self-discipline
- Deeper introspection
- Less arrogance and more humility
- Faith in people and open mindedness
- Clear critical thinking and analysis

For these things to happen a leader must first conduct self-assessment, commit to self-improvement and continually self-check oneself as well as institute organizational metrics to objectively assess outcomes. Beyond Leadership is a challenge in and of itself and requires hard work, but we wholeheartedly believe the benefits from a personal, professional and organizational will be noticeable, tangible and exciting.

1. DDI Global Leadership Forecast 2023
2. M&A Executive Search, Average C-Suite Tenure and Other Important Executive Facts – Updated for 2022
3. Board of Directors Member Demographics and Statistics in the US. Zippia, the Career Expert, September 9, 2022.
4. The Great Resignation: Everything you need to know: Many people are leaving their jobs for greener pastures in what is known as the Great Resignation. Amanda Hetler, Feature Writer; Sean Michael Kerner. Published: 01 Mar 2023
5. CEO turnover at record high; successors following long serving CEOs struggling according to PwC's Strategy & Global Study