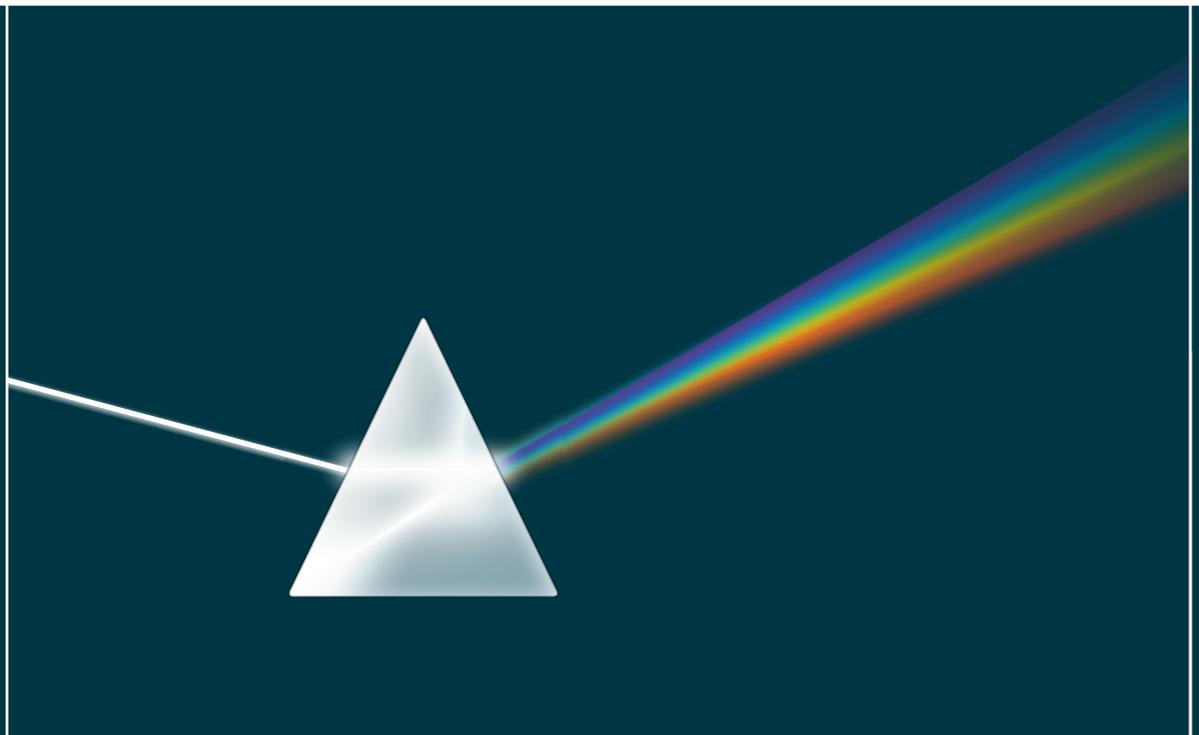


WHITE PAPER

A NEW LIGHT ON LEADERS

*How the world of leadership is changing and
what it means for your organization*



A new light on leaders

It is no secret that major changes in the way we work are transforming the nature of leadership and the roles of individual leaders in fundamental ways. Leaders are in the driver's seat to shape their organizations' reaction to these developments and to take the initiative to drive innovative change themselves.

In this Whitepaper we find that most leadership capabilities that the leadership community has been discussing in recent decade(s), such as authentic and transformational leadership, still hold true. On the other hand, leaders are facing new, additional challenges such as diminished status and the need to curate and lead flexible teams. But there is no need for pessimism. These developments provide an exciting opportunity to challenge established behaviors and try out new things that might be even better suited to individual leaders' strengths and preferences – if accompanied by the right organizational measures.

We have laid out three ways companies can help leaders nurture their leadership cohort: firstly, by creating transparency regarding new demands placed on leadership, secondly, by re-designing the organizational structure of leadership positions or by increasing degrees of leadership specialization and thirdly, by supporting leaders' development through more leader-centric development programs, methods and tools for maximizing business impact.

In this paper we have combined our leadership expertise with the results of an interview series we had the privilege to conduct with business and HR leaders, experts and leadership developers in all sorts of business contexts from more classical big enterprises to self-organized teams.

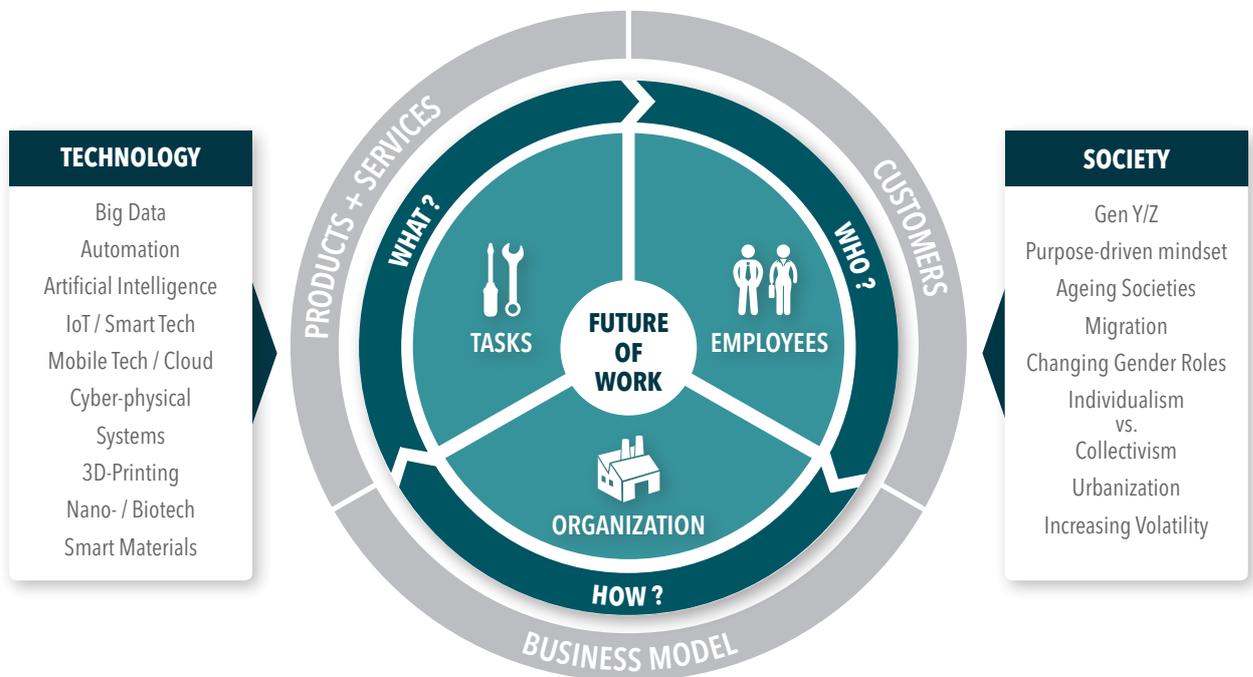


TRANSITIONING FROM BLACK AND WHITE TO COLOR...

THE CHALLENGES THAT LEADERSHIP WILL FACE

It's easiest to think of the future of work in terms of who will do what in the future and how. Any changes will clearly have significant implications for leadership. The accelerating automation of manual and cognitive work will not only transform what tasks employees are doing; it will also directly affect leaders. Predictive analysis will significantly change management and business processes. This will be accompanied by massive shifts in supply and demand of high- and low-skill employees, more diversity in teams, a polarization of the workforce and a further decrease in the 'half-life' of knowledge.

FIGURE 1: PICTURING THE FUTURE OF WORK



Leaders will have to actively grapple with these disruptive forces to keep their teams together. And finally, new organizational patterns are emerging such as fully self-organized teams, hybrid worlds with classical structures alongside agile teams and projects, and a tendency for organizations' boundaries to be increasingly fluid.

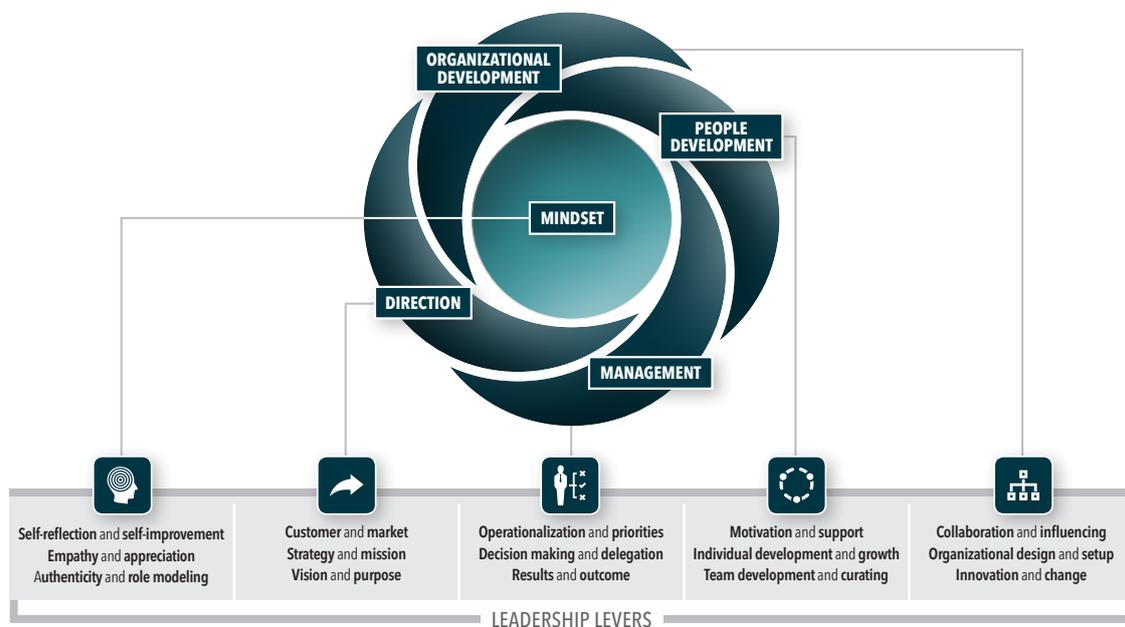
Furthermore: Organizations are struggling to get the right people in leadership positions, to provide them with a vision and help them live out their fullest potential in their respective roles. Not all of the developments outlined above may materialize entirely in the near future. Yet leaders cannot afford to be negligent. As we gradually move towards this future, the old and new worlds will coexist – and this requires additional leadership and management skillsets. With these additional demands placed on leaders, demand for talented leaders will likely increase, meaning that leadership will become even more a scarce resource.

WHILE SOME APPROACHES ARE NEW AND GLOSSY, SOME OLD TRUTHS ABOUT LEADERSHIP STILL HOLD

Leadership is often understood as an intricate mix of “universal truths” and knowledge about very specific conditions that change over time and depend on the individual businesses or professions within an organization. One key element of good leadership that is frequently raised is adaptability to change. It is therefore not surprising that our findings show that many aspects of leadership and the requirements placed on it still hold true. Yet new requirements will be added to these in the future.

In the following discussion about emerging trends in leadership, we have grouped the trends into five building blocks (see below).

FIGURE 2: UNDCONSORTEN LEADERSHIP MODEL AS A DISCUSSION FRAMEWORK



Certainly, different manifestations of these elements can be observed e.g. on various leadership levels and contexts, but - on balance - the same overarching patterns hold true.

MINDSET // TRENDS

✔ Self-reflection and a striving for continuous self-improvement have always been traits of most successful leaders. Leading by example and gaining credibility through both authenticity and professionalism is still important.

★ At the same time, it is likely that leaders in some areas will have to cope with a diffusion of their leadership roles, which may be handed over to third parties. This has the potential to result in a loss of (for many leaders beloved and reaffirming) status. Leadership will more often be understood as a service that supports the team rather than the other way around. In this context, leaders need to learn to exert more “soft power” as initiative ambassadors or as influencers (within the organization but also beyond classical organizational boundaries) in place of “hard” decision making and implementation.



DIRECTION // TRENDS

 Leading still entails making tough and fundamental decisions – and will continue to do so. Strategic road-mapping regarding customers and competition will remain a major building block for leadership. And of course, leaders will still have to provide people, teams or the entire organization with an energizing vision. To this end, they will need excellent communication skills to rally the team around a vision and specific goals and to impart at least an outline of how to get there. And more than ever, adaptive leadership and change leadership are necessary in a more volatile and insecure environment.

 What will change, however, is that the direction that leaders give has to be truly based on customer needs and expectations. (We understand that this has been said for a while now, however, most of our interview partners confirmed that quite often “customer orientation” has been more lip-service than reality and has meant that customers are actually very rarely included in the process). Furthermore, decisions might be more short-lived and might change more often (“fail fast”). Leaders will have to provide a sense of purpose (something that more and more employees yearn for) in addition to getting the team to achieve certain goals.

MANAGEMENT // TRENDS

 It is still true that delegation of responsibility (rather than mere tasks – micro-management!) and trust-based interaction with employees in order to foster collaboration and ownership are hallmarks of a successful leader.

 Increasingly, leaders are responsible for creating an environment that fosters employees’ entrepreneurship and, ideally, creativity and this trend will continue in the future. Furthermore, in more volatile and heterogeneous teams in complex networks, the need for coordination among employees and between employees and external stakeholders or “frenemy companies” rises. The growing number of interfaces, interactions and networks needs to be actively shaped and managed. And leaders will need to be highly versatile in their thinking, adept at providing the right methods, processes and tools in the right place at the right time – from agile to lean and maybe even drumbeat still.

PEOPLE DEVELOPMENT // TRENDS

 It remains important to develop individual employees to help them grow according to their strengths – and to create and maintain good relationships with employees, who might even be distributed across several locations.

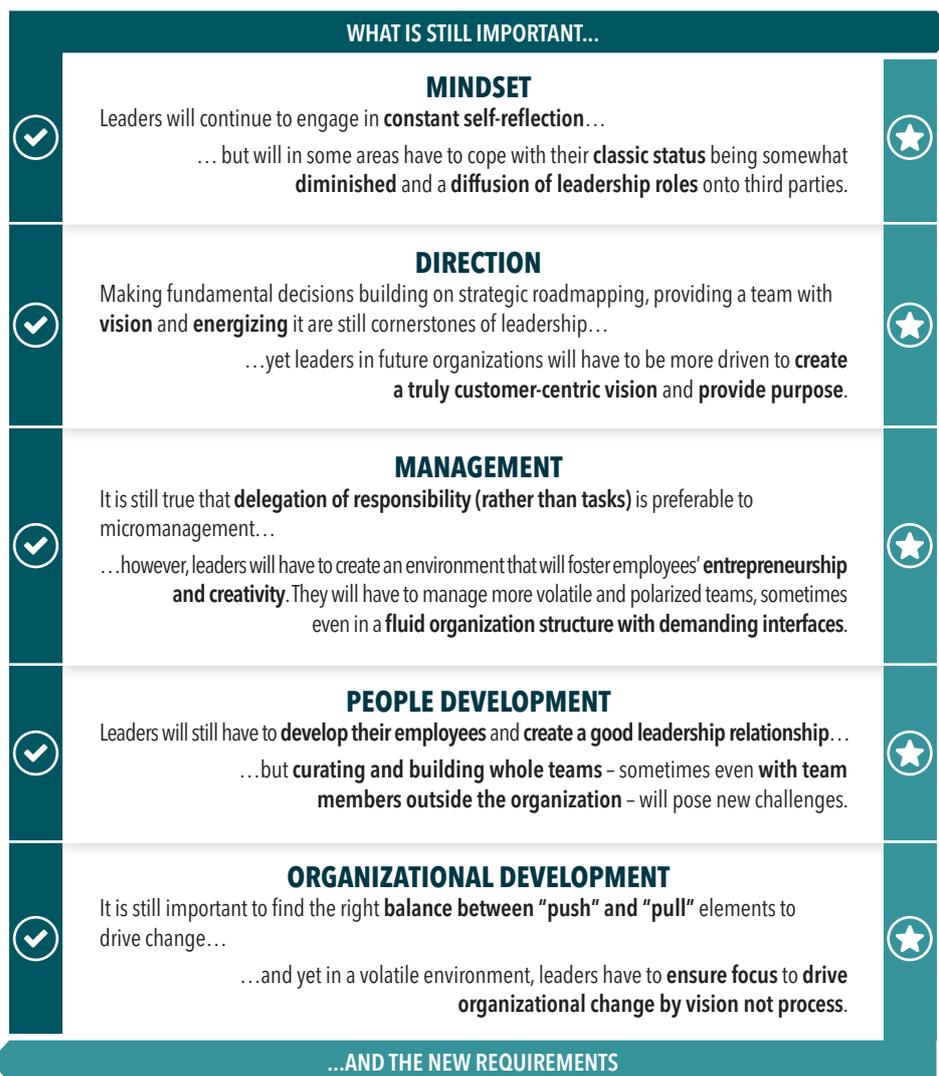
 Already today, we are seeing increasingly heterogeneous, fluid team constellations, a trend that will only continue in the future. With freelancers providing their expertise ad hoc, staff rotating between different jobs and generally more and more interdisciplinary and international teams, the focus will shift towards curating, building and developing whole teams – sometimes even with team members outside the organization. This requires not only a much deeper understanding of individual preferences and skills of team members but also a good understanding of team roles, sociological team and group effects, and the right methodological toolset to adequately address challenges as individuals, as teams and with peers.

ORGANIZATIONAL DEVELOPMENT // TRENDS

 Beyond developing individuals and teams, leaders will still have the important task of shaping the “personality” of their organization and its formal and informal structures. And it will still be important to find the balance between “push” and “pull” elements: strategically advancing change and innovation, monitoring progress, promoting and rewarding initiative on the front-line, and finally enabling the transition of these elements into an overall strategy for organizational development.

 Yet, in more self-organizing structures with fluid boundaries and in light of a more diverse workforce that actively wants to contribute to change, the greatest challenge will be to stay focused. And instead of dotting the i’s and crossing the t’s on a perfected project set-up, it requires leaders to define their change vision as content instead of process objectives. Leaders will have to show ever-greater courage in the light of volatility and high insecurity to narrow down the scope of potential initiatives to those most promising - and sometimes to ignore the latest hype that diverts focus.

FIGURE 3: OVERVIEW OF MAJOR CHANGES IN LEADERSHIP



A challenging and exciting opportunity to re-focus

The underlying tendency in the trends described above is towards increasing complexity and uncertainty in leaders' roles. Absorbing the effects and still giving direction in volatile worlds will be a key task for leaders.

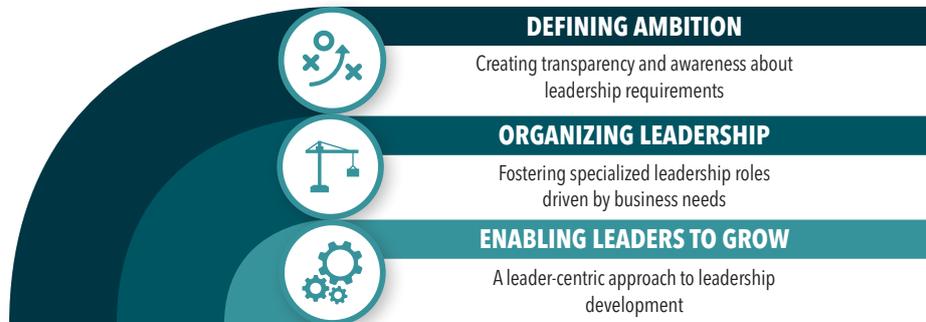
In the coming years, these developments will be situated against the backdrop of hybrid worlds where old and new coexist and move with at different speeds. While having different effects on individual leadership levels and contexts, these hybrid scenarios in themselves provide another source of complexity and uncertainty.

Leaders will have to expand their skillsets. On the one hand, they need to adjust to their changing surroundings just like anybody else. On the other hand, more senior leaders in particular are increasingly confronted with ambiguous, hybrid worlds that are vastly different from their previous socialization and original expertise. Being able to flexibly switch between these worlds requires a conscious behavioral change that requires time, training and personal openness.

*But there is no need to be pessimistic. These shifts provide an exciting opportunity to challenge established behaviors and to try out new things that might even better fit individual leaders' strengths and preferences. We see also that, although expectations are still rising for leaders, at the same time, there is more leeway for experimentation, failure and simply saying "I don't know". Are we observing a trend shifting away from the heroic "general manager" that succeeds in all fields simultaneously towards a more authentic, or maybe humble, leader? **Most definitely!***

LENSES, FILTERS AND PRISMS

FIGURE 4: THREE APPROACHES FOR LEADERSHIP IN THE FUTURE



1 | DEFINING AMBITION – CREATING TRANSPARENCY ABOUT LEADERSHIP REQUIREMENTS

As a first step towards dealing with the challenges ahead, you may want to look at which of the trends discussed in the previous section are most relevant for your leadership function and what implications they have for leadership in your business. In the aforementioned mix of “universal truths” and contextual requirements, it is key that leaders regularly make themselves and their organizations aware of what these requirements are, so they can be discussed, updated and set in action.

A tailored and pragmatic process to develop a business-driven leadership charter provides a good common ground for these discussions, guides leaders to what they need to work on and offers them with vision of where the journey is headed. In our experience, a structured program to look at the specific needs of business units and different levels together with stakeholders is the most promising and effective approach for achieving true alignment. In joint workshops and exploration journeys, ambition levels for leadership are defined, which consequently helps in outlining a roadmap to tackle potential gaps. And having everybody at the table forces the organization to think about leadership in an integrated manner.

After developing or re-designing a leadership charter, organizations must quickly integrate them into their HR instruments and wherever possible, also their business processes to make them credible and tangible.

CASE STUDY

DEVELOPMENT OF A LEADERSHIP CHARTER TO ADDRESS FUTURE REQUIREMENTS FOR AN AUTOMOTIVE SUPPLIER

Considering the need for radical innovation in changing markets, e.g. digitization, e-mobility and new manufacturing concepts, a global automotive supplier had to move from a mindset of continuous improvement to one of innovation. In this endeavor, it identified leadership as a key lever to address these future requirements.

undconsorten supported the client in the development and implementation of a revised leadership charter in an iterative process across all leadership levels (top management to frontline team leader), regions and business units. As key success factors, this charter was closely embedded in all HR processes and change was made visible through role-modeling of the C-suite supported by undconsorten as “critical friends” and “sparring partners”.

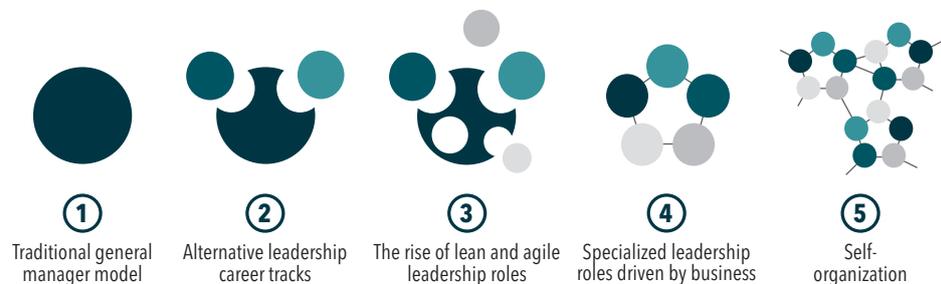


2 | ORGANIZING LEADERSHIP – FOSTERING SPECIALIZED LEADERSHIP ROLES DRIVEN BY BUSINESS NEEDS

Considering the plethora of old and new demands placed on leaders, it seems increasingly unlikely that all leaders will be able to excel in all fields simultaneously. In fact, this is not an entirely new insight: the complexity and the sheer range of topics that leaders need to address have been increasing for many decades now. So, let's take a step back and look at how leadership tasks are distributed between different leaders in an organization.

In the past, what we have observed is a tendency of increasing specialization of leadership roles and in some cases a complete diffusion of these roles.

FIGURE 5: ESTABLISHMENT OF INCREASINGLY DIFFERENTIATED AND SPECIALIZED LEADERSHIP ROLES IN ORGANIZATIONS



1 | TRADITIONAL GENERAL MANAGER MODEL

In simple terms, the base line (historical) model of leadership is the general manager taking responsibility for all decisions and exerting full control. This heroic leader relies on his or her extensive experience in the relevant field, his or her business acumen and people skills.

2 | ALTERNATIVE LEADERSHIP CAREER TRACKS

Over time this model has become increasingly challenged. For one, bigger and more complex business ventures make it harder and harder to stay on top of all topics simultaneously. Furthermore, in this context personal fit for leadership positions diminishes significantly for talents who don't have a generalist profile or simply want to have more responsibility but don't enjoy staff oversight. To address these issues, as a prominent example electronics manufacturer Bosch introduced three career tracks: executive, expert and project careers in the early 1970s (this was discussed in research already as early as the 1950s). Many companies and industries have followed this example since. However, this model comes with a number of potential drawbacks, in particular the tendency for a wedge to form between theoretical expert notions and practical business needs. Recognition and career opportunities in the organization are also often lower for non-executive tracks.

3 THE RISE OF LEAN AND AGILE LEADERSHIP ROLES

Other approaches have taken the diffusion of leadership roles even further. With the rise of six sigma and other lean methods of continuous improvement, the leadership task of challenging the organization became more important – giving way for new change leadership roles like black belts and master black belts that rely on methods rather than on strategic vision, market savvy or hierarchy. Nowadays, in agile collaboration frameworks like Scrum, some leadership tasks are passed entirely onto teams and new leadership roles arise. Examples of this are Product Owners who represent the voice of stakeholders (esp. customers), and Scrum Masters who provide methodological support and process management as so-called „servant leaders“.

4 SPECIALIZED LEADERSHIP ROLES DRIVEN BY BUSINESS

There are other ways beyond agility to establish new specialized leadership roles. First, the gaps in leadership delivery that have the biggest potential to negatively impact success are analyzed. Then specialized leadership roles are defined and anchored, which can be a powerful lever to increase organizational performance. For example, for one of our clients, a professional service firm (*cf. case study*), people are the key competitive asset. Yet many of our client’s general managers lacked the resources, inclination or skills to focus on this sufficiently. Thus, a specialized leadership role was installed to focus on people development.

The principle applies to many more contexts: if the need arises for companies to strengthen innovation capabilities, this could be done by establishing distinguished innovation leadership roles.

The installment of specialized leaders must be driven by the needs of the organization. One key distinctive feature is that they are anchored formally in the organization and thus made visible and provided with an official mandate. Specialized leadership roles mean that the organization must organize and align the leadership teams in scope in a way that all necessary leadership functions are covered and work together smoothly.

CASE STUDY

SEPARATION OF LEADERSHIP ROLES FOR A PROFESSIONAL SERVICES FIRM

Faced with critical deficiencies in the delivery of basic leadership and development tasks and ensuing employee dissatisfaction, a professional services firm had to reconsider the organizational configuration of its leadership responsibilities. undconsorten supported the client in implementing a flexible structure in which employee development was coordinated by select, people-savvy managers through development plans and conferences. They themselves had different performance goals and support functions around them leading to an increased focus on this prioritized issue. This was combined with the delegation of leadership functions from top and middle management to junior staff.

5 SELF-ORGANIZATION

Self-organization is the most extreme form of the described trend of diffusion, where “everyone is a leader”. Some companies have installed self-organized pockets or have even turned into fully self-organized companies such as, for instance, W.L. Gore & Associates, Inc. where the roughly ten thousand employees are co-owners, so-called associates, and organize themselves independently. Associates are not assigned fixed leaders, but rather decide to follow leaders on a project-by-project basis and for a limited time. Employees thus actively shape the company and assume a lot of responsibility from the beginning.

In the end, staying ahead of this curve and revisiting the specialization of leadership roles promises to be a much better lever to deal with increasing complexity than just



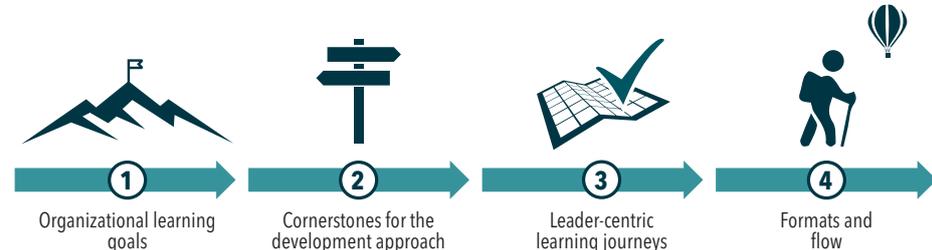
throwing more resources at it. And as an added benefit, it enables the creation of career journeys throughout your organization, which leads to a much better fit between roles and individuals and in turn motivates your employees and improve the efficiency of your organization.

In the end, implementing more specialized leadership roles is highly industry- and organization-specific and a wide array of trade-offs needs to be considered. To be truly successful, leadership silos, potential double staffing and unclear responsibilities at the interfaces need to be avoided and cultural acceptance of these new roles needs to be ensured within the organization.

3 | ENABLING YOUR LEADERS TO GROW – A LEADER-CENTRIC APPROACH TO LEADERSHIP DEVELOPMENT

In light of the changes and developments outlined above, it is evident that leadership competencies and skills will have to adjust and that leadership development needs are more complex than ever before. Uniform or “sheep dipping” leadership programs, delivered in classrooms far away from actual leadership challenges and contexts, are often no longer suitable (later we see why and where they can still be useful). We propose thinking about designing and delivering a leader-centric development program in four steps:

FIGURE 6: FOUR STEPS TO DESIGNING AND DELIVERING A LEADER-CENTRIC DEVELOPMENT PROGRAM



1 ORGANIZATIONAL LEARNING GOALS

The first step in creating this journey is to review the overarching organizational learning goals and to make sure they are up to scratch for the new leadership demands. Best practices and low-impact elements in the current leadership catalogue are also examined here. Next, the overarching organizational learning goals need to be articulated in detail for different leadership levels, roles, business units and regions in a comprehensive learning baseline matrix.

2 CORNERSTONES FOR THE DEVELOPMENT APPROACH

The focus should not be wholly on content however. Cornerstones must also be set regarding the available budget and fundamental decisions must be made on (leadership) learning governance and structures. All this is done in light of the desired role of the leadership development function in the organization (*cf. case study on the last page*).

Typically, at least implicit cornerstones exist but they often fail to inspire commitment or consistency. Good cornerstones clarify target group focus, governance, development approach, delivery, platform/systems, budget but also organizational and other resource

questions. For example, many companies have embarked on standardized learning management systems only to find out that implementation has been very tough and business cases unrealistic. Corporate often focuses on the top target group with the effect that frontline leadership is not only less homogenous but cascading of initiatives is difficult. Governance needs to clarify questions around mandatory versus optional trainings and other development tools such as the use of 360° feedback tools. Another tricky question concerns the use of data: Does the supervisor receive leadership data and information about his direct reports? Is it optional but encouraged for the leader to share his insights with his supervising leader or with HR? Is data used for performance or talent management processes? etc. And of course, cornerstones need to fit the actual and intended governance and organization model of the company, the HR target operating model and the desired leadership culture.

3 LEADER-CENTRIC LEARNING JOURNEYS

Most importantly, high-impact leadership development should focus on the individual leadership journey and be conceived from leaders' perspectives within the frame of the aforementioned baseline. It can be helpful to plan the individual journeys around "moments that matter": career junctures, such as a rotation to a new region or a promotion into a new division. A modular approach allows putting together those building blocks that fit current individual needs best. A typical method for the design and delivery of these elements can be individual development plans created by supervisors, calibrated in meetings and sponsored by designated mentors, one-over-one or from supervisors of other teams.

4 FORMATS AND FLOW

Finally, with regards to delivery, all the benefits of the panoply of new methods and technologies should be reaped for leadership development to make these highly individualized leadership journeys possible. MOOCs (Massive Open Online Courses), nano-degrees, learning nuggets and gamification approaches are already widely used to teach leaders much-needed skills such as methodologies (e.g. scrum) or technological expertise (e.g. AI). Given the more specialized needs of leaders, digitization allows for a more personalized, scalable and better-timed delivery - and MOOCs or learning nuggets can only reach their full potential if they deliver on these promises.

Embedding gamification elements into more formats can make leadership learning more attractive for leaders and encourages them to find time for it in their busy schedules. For example, we helped a telecommunication company with the development of highly tailored board and card games for leaders that made transparent trade-offs and implications of strategic decisions vis-à-vis digital technologies. This game got dialogue going among the leadership team on this topic. Other clients from the technology sector have even developed an online game for their leaders with many individual short challenges and scenarios to try out. Games have also been used to get top management acquainted with digital technologies with (assisted) hands-on challenges like simulating hacking into a computer system.

Even with all these new fancy formats and tools around, some "old-school" leadership and training programs are likely here to stay. Beyond pure content delivery, their actual strength lies in building a cohort, a lasting network and a community. They help to create an actual, physical sense of transitioning at these "moments that matter" e.g. after a promotion or before a rotation. Thus, if used for this purpose, leadership programs should focus more on achieving exactly that. By the way, digital formats do



not necessarily mean that learning has to happen alone: In one of our projects, a global food company decided to stagger admission to their platform to build global cohorts that learn together, share experiences in multiple events and benefit from each other's complementary focus on topics.

Another rather traditional, yet effective, approach to on-the-job support for leaders lies in coaching. Given the existence in the future of more specialized leadership roles, it is likely that leadership coaching will also need to become more specialized and targeted to be most effective. For example, when the goal is to energize an organization with a vision, a communications expert coach might be more effective, while for navigating internal politics and networks, a much deeper knowledge of the organization and actual people will be necessary. New technologies like VR augmentation will in turn enable a near-real experience allowing for coaching of e.g. a Dutch expert in China on a difficult topic where native tongue understanding is essential and when personal contact is just not possible. Finally, coaches will have to make full use of digital tools to become more effective. For example, to follow-up on their coachees and their progress a coach

might ask them to send a short video, providing them with a short learning nugget and simply staying in contact and up to date for the next session.

Another promising, yet very different, lever is to establish a network of embedded leadership experts within your business unit (as opposed to far away in headquarters or corporate learning functions). Embedded leadership experts can choose from a variety of approaches: one viable approach might be a joint training or structured workshop to create awareness of tensions at interfaces, to learn how to deal with them and how to define processes and structures to proactively shape them. Another might be to review processes and structures to identify ways to support certain leadership traits e.g. via nudging. A pool of such embedded leadership experts can then become trusted go-to-partners, especially for younger and less experienced leaders. But they can also be a great resource for more senior leaders to find solutions whenever the need arises.

CASE STUDY

ANALYSIS OF FUTURE TRENDS IN LEADERSHIP DEVELOPMENT AND SUBSEQUENT ALIGNMENT FOR A TELECOMMUNICATIONS COMPANY

Key societal and technological trends and their implications for business models and organization triggered a rethink of leadership development in a telecommunication company. Together with our client, we helped define the relevance and meaning of these trends. Through scenario-building and "bold ideation" for non-linear predictions, we jointly projected the emergence of new specialized leaderships roles next to "traditional" tasks. Moreover, we helped align the team of leadership developers with these perspectives and develop a joint program to address them.



Founded in 2006, undconsorten helps clients develop and drive their organizational performance. Top team alignment regarding vision, mission and strategy, the right organizational design and collaboration, excellent people management, especially learning, performance and talent management, successful leadership development and sustainable frontline change are the key levers we help our clients pull – efficiently and effectively.

Leadership is one of the core levers for organizational performance. It can be thought of as the transmission belt of an organization – without its traction nothing happens. Leadership inspires, it conveys direction, aligns goals, motivates and mobilizes units, teams and individuals. Without leadership, an organization is not more but less than the sum of its individuals.

We have experienced this through many large-scale initiatives, mid-sized programs and individual interventions with our clients, and they with us. And we are proud and honored that they distinguished us again in 2018 as Hidden Champion for Consulting in Leadership.

Working together with top, line and people management, we provide support on most steps of our clients' leadership development journeys – from the individual design of leadership journeys and effective leadership programs to the implementation of leadership academies. In our work we combine our deep expertise in leadership development with business judgment, strategic acumen and organizational experience. We support you as consultants, trainers, facilitators and coaches.

 undconsorten



undconsorten Managementberatung GmbH & Co.KG

Kurfürstendamm 194

10707 Berlin // Germany

T +49 30 88 92 94-0

F +49 30 88 92 94-100

E office@undconsorten.de

www.undconsorten.de