What companies need to compete and win are leaders at all levels, which means employees who are informed (data), enabled (tools) and empowered (authority) to move the company toward its goals.

The business world is accelerating forward and changing more quickly every day. Companies and their employees are running as fast as they can just to keep up. Yet, in many ways, they are sprinting down an old, outdated track while the real race is underway elsewhere.

In order to remain competitive, companies need to understand how the fast-changing business environment is affecting their workforce, and then focus on becoming more agile and innovative than ever before. The top-down information sharing, decision-making and development models are simply not working anymore.

What companies need to compete and win are leaders at all levels, which means employees who are informed (data), enabled (tools) and empowered (authority) to move the company toward its goals.

To make this happen, HR and talent management professionals need to rethink everything — starting with what defines a leader in an organization.

The Forces at Work

Two powerful forces — one external, the other internal — are largely driving the push toward a leaders-at-all-levels mindset that empowers employees throughout an organization.

The external driver has emerged in the form of increasingly competitive market dynamics and economic realities that require companies to be more nimble, efficient and creative in order to out-think and out-maneuver the competition. In a world in which a game-changing technology can emerge at any time, or a new innovative process can create dramatic efficiency gains overnight, companies still organized in a traditional top-down manner are simply becoming too sluggish and bureaucratic to respond quickly — and ultimately, to compete effectively.

How fast and far-reaching are these changes? Well, consider the rate at which machines are now doing the work previously conducted primarily or solely by humans. Amazon had 15,000 robots working with 15,000 employees packing and moving packages last holiday season. The University of Toronto developed a sophisticated app capable of searching legal documents and databases to achieve in a few minutes what it would take a legal assistant or lawyer hours to do. Multiply the examples such as these across the global business landscape and it’s little surprise that a University of Oxford analysis projects that half of the jobs in the U.S. are at risk of being lost to computer automation within 20 years. A significant part of the fallout from this change will be that task-driven employees will become increasingly dispensable, while those empowered to think, create, strategize and lead will add value that is difficult to duplicate through automation. Further, some researchers such as Andrew McAfee, co-author of “The Second Machine Age,” emphasize the vast potential of humans working in harmony with machines for the optimum outcomes. As an example, McAfee points to elite “freestyle” chess competitions in which teams of humans and computers outperform computers or humans playing alone.

If the market pressures weren’t enough, the internal driver of workforce change adds a potent double-whammy to the old ways of doing business. A revolution is under way in which employees are rejecting the hierarchal top-down model. Rather, people are showing up on the job with expectations of a more democratized workplace in which everyone has the opportunity to develop and deploy his or her talents and strengths. Employees want the opportunity to exhibit leadership, whether that is in the form of guiding a project team, or using social media tools to develop an internal network for learning new skills or technology.

A Change for the Ages

The transformation is being accelerated by unprecedented diversity and changing demographics in the global workforce. Consider that by 2020, for the first time ever there will be five different generations working together — each bringing their own unique expectations, experiences and perspectives on work and their careers. The most powerful force within this demographic shift is the growing presence and influence of the Millennial Generation, which by 2015 will represent more than 75% of the workforce. As digital natives who adeptly navigated keyboards in elementary school, millennials bring
to the office a deeply ingrained relationship with technology and social media. That millennial mindset influences their expectations about the best ways to interact while working, while also driving innovation and change. Through their experiences and attitudes, millennials also bring with them to work non-traditional views on leadership.

According to the Millennial Compass Report, which surveyed 1,293 employees in the U.S., India, China, the U.K., France and Brazil, millennials have an expectation that they will be viewed in a leadership capacity early in their careers, with more than 40% anticipating being in a management position within two years. However, the report further states that millennials are not concerned with titles or traditional leadership. Rather, they strongly admire those with experience or knowledge over position or power. In fact, a Harris Poll conducted on behalf of Saba found that 68% of employed U.S. adults think they are leaders for their participation in their company, regardless of their job title.

In the face of these changing dynamics, most employers seem ill-equipped to effectively navigate the new environment. Consider that the need for “leaders at all levels” is one of the 10 critical issues identified in the Global Human Capital Trends 2015 survey published by Deloitte. The survey of 3,300 HR and business leaders from 106 countries found that leadership is the second most pressing talent issue facing organizations around the world, coming in just behind employee engagement. Nine out of 10 respondents said this talent challenge was “important” or “very important.” In the 2014 report, leadership was the No. 1 global talent issue. Despite it being eclipsed by culture and engagement a year later, data suggests that few organizations have made a dent in the problem. “The capability gap for building great leaders has widened in every region of the world,” the report

Hyperspecialists Need to Lead in the Near Future

Expertise, unique knowledge and highly specialized skills will rule in the fast-evolving workplace of the near future.

We are entering an era of “hyperspecialization,” according to Thomas Malone and Robert Laubacher, researchers at MIT Sloan School of Management who are on the leading edge of tracking the trend, which projects that as workplace and market complexity increases, many workers will be required to develop and hone highly specialized skills rather than be generalists.

In addition, there is the growing need for those with specialized skills and insights to exert “on-the-fly” leadership to teach, effectively inform others, or make decisions based on their unique perspective.

So leadership skills — and the freedom and ability to utilize them when needed — will be even more critical as hyperspecialization takes hold. Hyperspecialists will need to take the initiative to share their insights and integrate their work with others to effectively handle complex issues or projects.

These hyperspecialists will need a baseline understanding of other areas and specialties in the increasingly networked and connected world of work. And companies will need to understand the importance of providing these key players with the platform to show leadership through their expertise and ability to connect their work with that of others.

Working toward developing a leaders-at-all-levels culture now will lay the groundwork for a more effective and competitive organization as hyperspecialization grows.
states. And only 7% of organizations have programs focused on developing millennials to lead.

Further, many organizations concede that they are lagging behind when it comes to engaging and empowering workers. According to Workforce 2020, a majority of executives say workforce development is a key differentiator for their firm, yet they lack the tools and capabilities to back it up. Just 39% say they use quantifiable metrics and benchmarking as part of their workforce development strategy. And only 42% say they know how to extract meaningful insights from the data available to them.

The disconnect calls for new thinking and approaches aimed at developing a workplace culture that encourages and facilitates a leaders-at-all-levels environment. To make that happen requires redefining leadership and a plan aimed at empowering and engaging leaders across your entire organization.

Leadership Needs to Be Redefined
In the new world of work, good leadership will still be critically important. But it will be markedly different.

Certainly, there will still be a need for big picture leadership — yet even that role is evolving dramatically. The most effective leaders are those who can inspire and engage employees to assume leadership roles — in the form of influence and action throughout the organization, as opposed to waiting for top-down command and control. There are several key pillars to this new way of thinking about leadership:

**Leadership = the ability to have impact**
Since people are spending less and less time in each job or company, it’s critical that they have the opportunity to make an impact quickly, or they may be on to the next job before they’ve had any positive influence on the business. Traditionally, businesses had time to identify, train and groom the next generation of leaders — or leaders were simply anointed based on time spent with the company or through effectively navigating office politics. Today, that expectation of a pool of leaders-in-waiting is vanishing as more employees move from job to job and companies more aggressively manage their workforces. The new approach focuses on impact rather than length of tenure or politics. For instance, LinkedIn founder Reid Hoffman advocates that employer and employee agree to a four-year “tour of duty” that “acknowledges the probable impermanence of the relationship yet seeks to build trust and investment anyway.” Under what Hoffman describes as an “alliance,” both sides focus on adding value to one another. Such an arrangement opens the opportunity for a new brand of leadership in which employees can lead and have the potential to make an immediate or short-term impact based on the fact that they are informed, enabled and empowered.

**Leaders are more productive**
In the past, the high performance of some leaders was in many ways a self-fulfilling prophecy. Empowered by a title, many leaders had the confidence and motivation to perform at a high level. A leaders-at-every-level approach leverages that motivation and distributes it throughout the organization. It opens the door for recognition of employees taking ownership or advancing ideas, regardless of title or position. As more organizations flatten traditional hierarchies, establishing this deeper engagement and a leaders-at-every-level culture will be a strategic imperative in attracting and retaining top talent — a point affirmed by the Deloitte Global Human Capital Trends report that ranks employee engagement and leadership as the top two concerns of HR and business leaders.

The Gallup State of the American Workplace survey found work units in the top quartile in employee engagement outperformed bottom-quartile units by 10% on customer ratings, 22% in profitability and 21% in productivity. Organizations that successfully engaged their employees and customers saw a 240% increase in performance-related business outcomes.

Companies still organized in a traditional top-down manner are simply becoming too sluggish and bureaucratic to respond quickly — and ultimately, to compete effectively.
Conversely, when employees perceive that their managers are unaware of what they are working on, they are 15 times more likely to be disengaged than engaged.

**How to Make It Happen: Enabling Leaders Across Your Organization**

Establishing a culture of leaders at all levels takes proactive steps to achieve change. Among the ways to make it happen:

- **Create shared ownership/autonomy:** Kevin Sheridan, author of “Building a Magnetic Culture,” advocates engaging employees in a “shared ownership” approach in which both parties are vested in the success of the organization.\(^{12}\) And, as such, employees are provided considerable autonomy and allowed to assume leadership regardless of job title. Sheridan highlights in his book a compelling example: trash collectors in Minneapolis who show strong engagement largely because they are connected to the larger purpose of their work, and are encouraged to innovate and come up with creative solutions.

Mark Bonchek, founder of thinkORBIT, a firm that helps companies deepen engagement with employees and other stakeholders, advocates that leaders develop a “shared purpose” that employees
can believe in and act on. “People no longer want to be a passive audience,” Bonchek says. “They expect to be an active participant and co-creators of what your organization is trying to achieve.”

• **Train managers to coach:** Certainly, senior management needs to buy in to a leaders-at-all-levels culture, but the lynchpin to making it happen is the mid-level manager. Yet leadership experts such as Herminia Ibarra, author of the book “Think Like a Leader, Act Like a Leader,” point out that businesses are forcing managers to take on new responsibilities such as leadership development, but not providing the tools and training to get the job done effectively. Ibarra advocates for HR providing continual training for managers to help them understand and embrace the new thinking and then provide the ongoing coaching and mentorship to their direct reports by encouraging more autonomy and the opportunity to strategically exert leadership when needed. Gallup research has found that managers are primarily responsible for their employees’ engagement levels. To that end, Gallup recommends companies coach managers to take an active role in building engagement plans with their employees, hold managers accountable, track their progress and ensure that they continuously focus on emotionally engaging their employees.

• **Create clarity:** Leadership expert Esther Derby talked about leaders at all levels at the Lean Kanban Central Europe 2014 Conference. She emphasized the creation of a more flexible, responsive organization with improved communication and decision-making by improving opportunities for leaders at all levels. To achieve that requires: clarity for people to know what to work on and how their work fits into the big picture; conditions enabling people to do the work, supported by organization structures and policies; and constraints too, so employees always have a clear understanding of what work needs to be done and what is off-limits or lower priority.

• **Build personalized development programs:** To exercise effective leadership first requires the requisite skills. Re-skilling is essential and ongoing as technologies, demands and expectations rapidly evolve. Many companies are utilizing new intelligent technologies and social collaboration tools that can help effectively identify competencies, as well as skills gaps, and then offer more intuitive, self-directed and collaborative training and learning opportunities to allow for continual and dynamic re-skilling. With intelligent technology, employees can take ownership and a leadership role in charting their own careers — a powerful step toward building a culture of leaders at all levels.

Developing an organization that values and promotes leaders at all levels won’t happen overnight. No doubt, determining the pace and magnitude of change that can be effectively executed will vary from company to company. The change can start with you — recognizing the leader within, and your potential to serve as a positive example by developing and exerting your leadership skills. From there, the key is to recognize and promote the need for a new view on leadership, and then start taking action toward building an environment that engages and empowers employees based on performance and results, rather than title or history. Organizations that ignore or dismiss the changing workforce dynamics do so at their own risk. Those that don’t adapt will ultimately lose their best people — and their competitive edge along with them.
References


Saba delivers a cloud-based Intelligent Talent Management™ solution used by leading organizations worldwide to hire, develop, engage, and inspire their people. Intelligent Talent Management uses machine learning to offer proactive, personalized recommendations on candidates, connections, and content to help your employees and organization lead and succeed.

© 2015 Saba Software, Inc. All rights reserved. Saba, the Saba logo, and the marks relating to Saba products and services referenced herein are either trademarks or registered trademarks of Saba Software, Inc. or its affiliates. All other trademarks are the property of their respective owners.