

## Leadership in the future: What will we need?

By Urs Bernhard

Management is doing things right; leadership is doing the right things. - Peter F. Drucker

### ***Leadership – A notion of the past?***

Exciting challenges are lying ahead of us in terms of business organizations but also for each of us as an individual. On the organizational side notions such as networked organizations, virtual teams, information highway, learning organization, hyper competition, global market and cyberspace are becoming reality. Organizations today and in the future have to be flexible and adapt to the rapidly changing competitive environment. Organizations have to be dynamic and creative, but they also have to abandon the old and create the new continuously. At the same time they will have to build an enduring, but flexible, core competence, key knowledge and performance capability into the heart of the organization.

On the individual and employee side, it seems that notions such as company loyalty and lifelong careers have already disappeared. Those notions have been replaced through outsourcing, flexible working time, project-oriented jobs and tele-working. The whole notion of job seems to be disappearing and managers and employees will be working in a more project-oriented world versus a job-oriented world (short-term versus long-term). The job – a creation of the Industrial Revolution - will finally disappear totally and most of us will be working as internal (part-time) and external (consultant) project managers or project team members. The work itself will be distributed following a global law of demand and supply and, the individual will have to adapt to these ever-changing conditions. This leads to a total change of the “psychological contract” for the employee, and the ongoing development of individual skills and competencies will become the key element for survival. The only constant in this ever-changing world for the individual will be self-directed learning. Change requires learning and, these new organizations will deeply depend on their knowledge assets (employees who are willing and motivated to learn and adapt to new situations).

What does this mean for leadership? Leadership has probably existed since the first human group got together and tried to achieve a common goal: looking for food or escaping a wild animal. Aristotle, an excellent observer of his time, pointed out that the average individual wants to be led. “Mythical” leaders

have been celebrated since humans started to tell stories. Western civilization has created the “myths” of leaders such as Achilles, Theseus, Siegfried and many more. Similar mythical figures existed in the Eastern civilization. Examples in history also show us that certain characteristics of leadership may change over time, but others can stay the same over thousands of years. For example, it has been reported that when Alexander the Great traversed the desert with his army, he poured into the sand the only bowl of water a soldier found and brought to him. Why? There was enough water for one person but not enough to share with the rest of the soldiers. The emotional message that this leadership behavior sent to his army would still be the same today. Other elements, like style, may change continuously, depending on the situation. But before we go into these details, let’s look at the development of leadership theories over the last centuries.

One word before we go into details. There are many complex theories about what leadership is, and we could spend much time discussing all these definitions. At the risk of being a bit too simplified, let’s agree that leadership is the process by which one individual influences others to accomplish desired goals.

## ***Is a leader born, not made?***

The phrase “a leader is born, not made” summarizes probably the most ancient explanation of leadership, sometimes called the genetic theory of leadership. From the earliest human history, kings and most of their subjects believed that leadership ability was transmitted genetically from parent to child. This belief survived well into the twentieth century. Even symbolic terms such as the ancient Roman word for ruler, *Caesar*, could be found thousands of years later in the German language *Kaiser* and the Russian language *Czar*, both representing a political and military leader position. We also know from eighteenth century United States history that there were those who still believed in the divine rights of king and urged the supreme colonial military leader, General George Washington, to become king. He refused. Meanwhile, the world in Europe had changed dramatically and the genetic theory ultimately failed. The primary reason for this failure was not the decline in leadership abilities of the European royal houses (which was the case) or the refusal of individuals to become king; it was because of the rise of the Industrial Revolution. The world had fundamentally changed and needed industrial leadership, individuals not of royal lines but those with personal abilities and creativity who could rise to positions of power and influence in this newly created social and economic structure.

In the early twentieth century, theories of leadership were still based on the assumption that those great leaders of the past were successful because they had similar personal characteristics, for example, intelligence. Most research in the United States from the 1920s to the early 1950s followed this direction of leadership theory. Although the trait theory which followed was based more on systematic studies of leadership, this theory seemed similar to earlier theories. Successful leaders shared a combination of traits, mostly personality traits such as intelligence, good verbal expression and energy. As Stogdill (1974) summarizes, the average leader tends to be superior to the average follower in intelligence, achievement, knowledge, dependability and socioeconomic status. The key to understanding leadership is then to look at the interaction of the leader's personal characteristics, the needs and goals of the followers, and the situational demands (Burke, 1965).

## ***Or is a leader made, not born?***

After World War II, researchers took a different direction. We could summarize this with the famous expression "a leader is made, not born". Leadership behaviors were observed and recorded, and from the findings researchers would attempt to draw conclusions as to what leadership behavior is about. As a result of this approach, theories which provided two categories of leadership behavior emerged: *task-oriented* behavior and *socioemotional* behavior (Bales, 1950) or *initiation of structure* and *consideration* (Hemphill, 1950). These two primary factors seemed to differentiate leader behavior from other behavior. In the early 1960s, Blake and Mouton built up on the two-dimensional model and came up with the managerial grid, a two-dimensional model that describes managerial style on a 9-point scale (Blake and Mouton, 1964). They argue that managers have two simultaneous concerns – a concern for production (results) and a concern for people. These two concerns combined determine the management style of the leader. At about the same time, the contingency theory of leadership (Fiedler, 1967) was developed, in which leadership situations were categorized along three dimensions: (1) leader-member relations; (2) task structure; and (3) the leader's position power. Fiedler did not believe that people were changeable or adaptable and suggested that successful leaders would shape the situations to match their personalities. Later, a purely situational model emerged: the situational leadership model (Hersey and Blanchard, 1969). In this model the researchers concluded that the most successful leader is one who can adapt his or her style to different situations. Finally, a large study conducted in a variety of organizations in the US found a difference in terms of promotion (Hall, 1976). Those who rose rapidly to top management positions (a) were more participative in their managerial style, (b)

gave open feedback, (c) involved their subordinates in decision making, and (d) were interested in results and achieving goals.

## ***What about current theories?***

The good news is that most current theories are based on the belief that leadership *can* be learned. Leaders are made, not born and they are made more by themselves than by external means (Bennis, 1989). Self-awareness and self-development are key elements for successful leadership in the twenty-first century. The challenges for today's leaders are three critical elements: (1) Alignment with a common vision; (2) empowerment of all involved; and (3) a learning, inquiry-based culture (Bennis, 1994). There is also a strong belief that leadership will be more and more important in the future. Kotter has argued that leadership is now, and will continue to be in the future, a very important success factor. Strategies, products and services will be similar for most companies in the future, but leadership will differentiate the successful company from the average company. Kotter concludes that the "leadership factor" will be the major competitive advantage in the future (Kotter, 1988). Some may argue that leadership did not much matter during the boom years after World War II, since almost everything turned out as a success. However, since then competition has increased and markets have become global battlefields. These fundamental changes in the economy and business require effective leadership, and companies with successful leaders will make a difference in the future. In summary, six basic characteristics (Galbraith, J.R., Lawler, E.E., III and ass., 1993) of effective leadership have emerged across a number of recent studies, and they provide us with some important leadership requirements for the future:

- An ability to translate direction and mission into reality
- An ability to align people with the chosen direction
- Integrity and the ability to develop trust
- Comfort with uncertainty
- Strong self-awareness
- Constant learning and adaptation

It is only recently that studies in leadership specifically talk about the emotional side of leadership and build the links to neurology (Goleman, Boyatzis, McKee, 2002). Those studies claim that leaders set the emotional standards in a group. Intelligence is important. However, intelligence alone will not make a leader. One needs emotional intelligence to be a successful and enduring leader. These leaders create resonance and *tune into* people's feelings.

## ***Where are we today?***

What is the difference if we compare today's leadership theories with the theories in the last centuries? We have really come a long way: from the genetic leader to the resonant leader, from genetic traits to self-awareness and self-development, and from genetics to neural plasticity. But the interesting part is that though the leadership theories have changed enormously over the last centuries, it seems that much of the successful leadership behaviors have not changed that much. As many examples in history tell us, resonant leaders seem to have existed since earliest times. It is the context – external and internal environment, organizational culture and technology - in which leaders act that constantly changes and challenges them. As Heraclitus, 500 B.C., already observed, “there is nothing permanent except change.” Successful leaders know how to adapt to this permanent change. They provide a compelling vision, tune people in and help them along the way.

## ***What about the followers?***

One of the core competencies in most future organizations will be employee knowledge. Most future workers will be knowledge workers. This will be a challenge for many of today's leaders. How can we make sure that these employees work effectively? How can we lead them and measure the output? In these highly empowered organizations, much of the work will be mental and intellectual, and employees will be the ones who understand the work best. These employees can no longer be controlled in a traditional way. The preferred management style will be a style where employees are involved in all key decisions. As a consequence, most of the power, information, knowledge, and rewards will move to the lowest level of the organization. Leaders will have to adapt to this changing situation and respond with a highly democratic leadership style. They will have to understand the feelings and motivation of their employees and respond in an open and “resonant” way. Since the overall organizational conditions in most future organizations will be rapid decision making, flexible approaches, knowledge work, and capital-intensive processes, leaders will have no choice, and only those leaders who can adapt quickly to this highly participative organization culture will be successful. These successful leaders will provide vision and manage symbols in ways that lead employees to understand the overall goals of the organization (Bennis and Nanus, 1985).

Another important element that will have an impact on leadership is the intensive use of teams. The global market development and the competitive

pressure will require a high responsiveness which will demand highly effective teams. Most of these teams will be self-directed. These self-directed teams will help to speed up the organizational decision making process. Many of these teams will be self-contained and organized around products or services. Leaders in these organizations will only survive if they are able to provide a compelling vision to these self-contained teams and align them with the overall direction of the company.

## ***And technology?***

Another important aspect that already has an impact on successful leadership today is information technology. Information technology has fundamentally changed the nature of work. In many cases work has become less physical and information technology allows employees to work across functional silos and vertical departments. As a consequence, organizations have become more flexible and to a certain point more team-based. Teams can communicate and work across the globe using modern information and communication technology. As mentioned earlier, self-directed teams will be the key to high performance companies, and providing information quickly and efficiently will be the key for effective teamwork. Successful leaders will have to adapt to this change in the nature of work and adjust the internal processes and policies to the new realities.

## ***Will leaders still use power?***

No paper about leadership would be complete without mentioning power. Power is the underlying element of most leadership actions. But discussing power in detail would be an analysis in itself. For the purposes of this paper we will only look at some key elements of this immense subject.

Most organizations have formal and informal leaders. They are not the same but both may exercise leadership behavior and influence others. A formal leader is someone who has official organizational authority and power and is generally given a title (president, vice- president, director, etc.). An informal leader will not have the official leadership title but will exercise a leadership function and influence others by virtue of a personal characteristic or superior performance. Successful leaders have a need for power but they exhibit this need in socially desirable ways (McClelland, 1975). Successful leaders use this socialized power to build networks, alliances or teams and see themselves as members of these teams (Boyatzis, 1982).

Self-directed teams and information technology will dramatically change the distribution of power and authority. In networked-organizations employees

will be empowered to make most key decisions on their own. Leaders will have to adapt to this situation as well and use influence and socialized power to be successful in this environment. They will have to align the goals of the organizations with the output of the self-directed teams and make sure that overall results match the plan. Therefore, leaders in networked organizations will need a high level of emotional intelligence competencies to be successful in these informal organization structures.

### ***Is there a single profile of a leader?***

Finally we may ask the question is: is there a single profile of a leader or are there predictable patterns? Successful leaders seem to do three things well: (1) They set an agenda and provide a clear direction for people, using a compelling vision; (2) they “take” people with them by leading and guiding them and providing them with the necessary support; (3) they demonstrate high self-awareness and know their limits. There is no single profile (e.g. Gandhi vs. Patton), but there seem to be predictable patterns.

How would these leadership patterns look in the future? How will they work in the new organizations? We know today that the vertically integrated bureaucratic organizational form is slowly disappearing, and the flexible, dynamic, customized organizational form is being used more and more. Leaders in these new organizations will have to be able to tap the energy and knowledge of the employees to support high performance and continual learning. Their position of authority will disappear and behaviors such as command and control will have to be replaced by influence and social power. Successful leaders in this environment will have to be able to influence without formal power, resolve complex conflicts, and effectively interact with people from different cultures and backgrounds. However, successful leaders will be able to adapt their behavior and style to new situations, help their people to perform in this dynamic business environment, and support the self-directed learning of their employees whenever they can.

Leaders in the future will constantly scan the internal and external environment, drive whatever cultural change is required and, empower people at every level of the organization. What will we need in a leader in the future? We need leaders whose focus is visionary, leaders who will arouse us and provide us with a path towards future challenges. Is this new? The answer is no. These leadership behaviors have been observed in successful leaders in the past, they are demonstrated today, and they will be seen in the future.

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Or, as Lao Tze already observed thousands of years ago:

The best of all rulers is but a shadowy presence to his subjects.  
Next comes the ruler they love and praise;  
Next comes one they fear;  
Next comes one with whom they take the liberties...  
Hesitant, the best does not utter words lightly.  
When his task is accomplished and his work done  
The people all say, "It happened to us naturally."

Lao Tze, Tao Te Ching



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