

21st Century Leadership: Seeing Value in People

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As technological advancement, social transformation and deepening globalization continue changing the world at a breakneck pace, they're also changing the style of leadership in business. The top-down approach, which may work well for a military commander, is giving way to a new model focusing on collaboration, empathy, openness and adaptability.

When we think about the typical 20th century boss, the image that comes to mind is usually an authoritarian male figure, who seems to know everything, pays little attention to what others think, and focuses fully on achieving the goals set by his own boss (or his shareholders, or by the boss himself if he's the founder of the enterprise). It was once generally accepted that the leader's

job was to decide what was good for the business, give orders to his employees and demand obedience.

Old style of leadership no longer works

But the world has changed, things have become less predictable, and we're operating in a world of experiences that no previous human society has dealt with. That means the old style of leadership no longer works. As renowned psychologist Daniel Goleman points out in his best-selling book *Focus: The Hidden Driver of Excellence*, modern-era leaders are now required to take a broader view, bringing into focus all kinds of relationships while running a company. "If we see a company as little more than a machine for making money, we ignore its web of connections to the people who work there, the communities it operates in, its customers and clients, and society at large," Goleman argues.

Recognizing and taking advantage of this web of connections is crucial to effective leadership in the 21st century. And the reason is simple. The challenges companies face today – advancing technologies, a fast-changing business environment, accelerating globalization – are too complex to be solved by individuals or even entire organisations on their own. Collaboration within the organisation, and with customers, suppliers, and other stakeholders, is necessary to accomplish lasting solutions. Leaders need to realize that they are no longer *the* information source for its organisation, as they are unable to know everything. Today the greatest thing they can do is to enable others with different experiences and different backgrounds to come together. In addition to their old task of leading by showing the direction for their company, their job now is also to provide inspiration so as to build community, and bring people together to co-create solutions. Leading by aligning people around shared purposes and values, and empowering managers at all levels, while concentrating on serving customers and collaborating throughout the organisation, is the recipe for success in the 21st century.

Styles of leadership are changing

As the concept of company management is changing, so new [styles of leadership](#) are emerging in various organisations. The new models take various names and include the so-called democratic or [collaborative](#) leadership style, where input from team members is valued and used in decision-making; transformational leadership, in which leaders inspire team members to find the internal motivation to reach specific goals; and the transactional model, as leadership provides rewards for certain accomplishments. The choice of the style will depend largely on the individual team's unique qualities, and it is up to the leader to understand how differences in employees' personalities and learning styles affect how they respond to leadership. The expectation is that good leaders are emotionally intelligent people and can pick up on cues from others to inform their approach to working with individuals. In other words, inspiring leadership requires that bosses be attuned both to their inner emotional reality and to those of the people they seek to inspire.

Other principles of good management that make contemporary leaders so different from their counterparts just a few decades ago are flexibility and adaptability to a rapidly changing environment. There's no doubt that the rapid rise of technology has affected the way leaders manage their teams. Many employees work from home, and [managing remote teams](#) requires even greater adaptability, and constant communication. Good leaders need to be open to innovation, as technology [not only affects their external business environment but also internal operations, which includes everything](#) from the way employees communicate with one another to the evaluation tools available to their supervisors. Openness has also become a new buzzword in leadership at the start of this century, as more and more leaders, in every industry, are learning that it pays to be transparent with employees about how the company, the team, and the individual is doing. This is another factor that helps align the team around the company's main mission and inspire a more engaged and productive workforce. Leaders also get out from their offices, moving among their team members and providing them the information they need to succeed.

The reward is "Engagement"

Many leaders who started their careers in the previous century may feel lost in the new realities. But for those who are able to find a way to thrive in the 21st-century environment, the rewards aren't just monetary; they include greater engagement with their fellow workers, and a resulting sense of purpose and fulfillment.

At IMSA we recognise the changing trends in leadership styles. We help our customers find leaders that are able to adapt to the new conditions of running a business in 21-st century and make their companies grow.