

6 Trends Shaping The Future Of Leadership And What You Can Do To Prepare Now



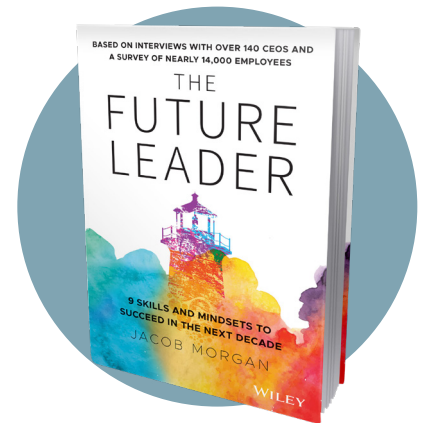
JACOB MORGAN

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What does it take to be a successful leader?

The answer to that question was likely different 10 years ago and even just one year ago. The world of work is continually changing, which impacts the environment in which leaders lead. The COVID pandemic has shown just how volatile and uncertain the world is and caused many leaders to reevaluate their skills and mindsets. In many ways, the pandemic acted as a catalyst for many trends and greatly increased their impact. To succeed in the future, leaders have to be aware of what is happening in the world around them and how things are changing.

When researching for my book, *The Future Leader*, I interviewed more than 140 top CEOs around the world from organizations like Oracle, Unilever, Mastercard, Best Buy, Verizon, Audi, KPMG, and dozens of others.



From their input and my additional research, I distilled six trends that are setting the foundation for the future of work and the future of leadership. If the past year has shown us anything, it's the value of being adaptable and paying attention to how the world is changing.

Even if you aren't currently in a leadership role, you can prepare now to be a future leader. Taking action now not only gives you the skills to lead but also creates opportunities and makes you a sought-after professional. That action starts by knowing how leadership and the world is changing.

Here are six trends shaping the future of leadership and what you can do to prepare now.

6 Trends Shaping the Future of Leadership

- 1 Artificial intelligence and technology** 
- 2 Pace of change** 
- 3 New talent landscape** 
- 4 Purpose and meaning** 
- 5 Morality, ethics, and transparency** 
- 6 Globalization** 

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AI and Technology



When I spoke with global CEOs, AI and technology was overwhelmingly the biggest trend impacting leadership. Technology is changing everything about how we live, work, and lead. Even just 10 years ago, leadership was completely different—AI was in its infancy, technology was less developed, and there were far fewer social media channels. Now, technology is evolving at a breakneck speed and has the power to completely transform how businesses operate and people work. AI and technology are largely what made it possible for most companies to switch to remote work in 2020, something that will likely become a long-term practice.

The 2021 PwC CEO survey found that 88% of CEOs anticipate an improvement in the global economy over the next 12 months, which is leading them to invest in new and different technology. Leaders have to leverage new technology by understanding what's happening around them and how it can impact and improve their businesses. But they also have to mitigate their employees' fears about getting replaced by technology or having to learn how to use new programs. Leaders need to calm fears and remain positive about new technology. They don't necessarily need to be technology experts, but they need to have a basic understanding of what is changing in the technology space so they can embrace AI and technology instead of fearing it.

What you can do now:

- Pay attention to how technology is developing. You don't need to be a leader to learn about AI and technology. Develop a basic understanding of how the technology works and where it is going.
- Stay abreast with new developments across all industries, not just yours.
- Continually experiment with new technologies and get familiar with what they are, what they do, and how they work on a high level.
- Develop the human side of leadership. Future leaders need to balance AI and technology with human skills. Build relationships, practice empathy, and learn to listen and communicate.



"What all of us have to do is to make sure we are using AI in a way that is for the benefit of humanity, not to the detriment of humanity."

Tim Cook, CEO of Apple



"I see artificial intelligence and technology as extremely positive for future leaders. It will allow them to have a partner in the decision-making process while allowing them to focus on the most important aspect of leadership, people."

Adam Warby, CEO of Avanade



Pace of Change



Going hand in hand with AI and technology is the overall pace of change. While things used to evolve more slowly, we're seeing how we live and work changing at a breakneck pace. That means trends cycle through much more quickly and products and ideas don't stay relevant for long. Organizations have to constantly be looking forward and evolving or they run the risk of getting left behind.

And for as fast as it is now, the pace of change is only going to increase. Leaders must lean in and set the tone for their employees to embrace change instead of fearing it. Future leaders need to be agile, easily adaptable, and comfortable challenging the status quo. It's the leaders who are willing to take risks and be the change that will lead their companies to the greatest success.

What you can do now:

- Experiment and test ideas frequently, both for yourself and your team. Constantly look for new and better ways of doing things so you can get in the habit of continual evolution instead of staying stuck in your ways.
- Don't let fear guide your decision-making. Embrace uncertainty.
- Pay attention to trends impacting your industry, your company, and your career.



"The pace of change today is slower than it will ever be again. If you look at it from that perspective, you realize that there is very little time to learn about, acclimate to, and promulgate amongst your people, friends, and new processes and new ways of doing things. That puts a lot more pressure on leadership than we've ever seen before. The role of leadership is much more focused on what is coming and getting people throughout the organization to change the paradigm and change it constantly."

Richard Fain, chairman and CEO of Royal Caribbean Cruises



"When the rate of change on the outside exceeds the rate of change on the inside, the end is near."

Jack Welch, former chairman and CEO of General Electric



Purpose and Meaning

Employees are the cornerstone of every organization, and their power is increasing. Companies used to be able to entice new talent with a high paycheck, but today's employees care about more than just money. They want to work for an organization that can provide purpose and meaning and say it is more important than their salary. This trend has only grown during the pandemic. Research from McKinsey found that COVID has caused nearly two-thirds of U.S.-based employees to reflect on their purpose in life. Nearly half of employees say they are reconsidering the kind of work they do because of the pandemic.

Purpose is the intention of the job. Your purpose creates an impact or outcome, which then drives meaning, or why you do what you do. Purpose and meaning are two different, but very important, parts of the equation. Meaning is the personal impact of each employee's work. Employees want to work for an organization that is doing good in the world, but they also want to see the direct impact of how their work contributes to the overall goals. 70% of employees say their sense of purpose is defined by their work. Leaders set the tone for the purpose and meaning in the company by creating a culture that prioritizes more than just money. Leaders need to realize their own meaning before they can help employees do the same. Finding each employee's meaning involves getting to know them, finding their motivation, and working to build relationships and achieve that motivation.



What you can do now:

- Understand your job, purpose, impact, and meaning. Even if you aren't yet in a leadership role, you can work to find the meaning of your work. How is what you do contributing to the larger goals of the company?
- Get to know your colleagues and leaders as individuals. Learn about their unique motivations that drive their purpose and meaning.

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“Companies of the future can no longer think that they can just exist ... significant companies of the future cannot just exist in this little bread box, in this isolated place. We are a part of greater society and a greater society is a part of us. I think the trend of when and how we engage in the bigger societal issues will continue to be a part of the future of leadership.”

Bernard Tyson, former chairman and CEO of Kaiser



New Talent Landscape

The talent landscape has evolved in recent years, and those changes will continue and increase as we move towards the future. How companies attract and retain talent is changing, especially as older employees retire and a new generation enters the workforce, creating organizations that have employees from four or five generations working together. By 2030, there will be an estimated global talent shortage of 85 million people, causing organizations around the world to pay an additional \$2.5 trillion to secure talent.

At the same time, diversity and inclusion have become hot-button issues that matter to employees and employers. Future leaders need to focus on both diversity and inclusion—it's not enough to just put people from different backgrounds and demographics together in a team. Employees all need to feel welcomed and like they belong and can bring their whole selves to work. Research found that 75% of employees think more diversity is needed. Two-thirds of job seekers say a diverse workforce is an important factor when considering job offers.



The new talent landscape applies to every employee, not just those new to the organization. Changing skills and technology are placing a higher emphasis on training and upskilling employees to be prepared for the future of work. Employees need to take control of their personal and professional development, but leaders and organizations also need to provide mentoring and guidance to give employees the tools to evolve and grow in their careers.

What you can do now:

- Use whatever influence you have to create diverse teams. Employees at every level can demand diverse teams, and those in managerial positions can hire diverse people. Once you've created a diverse team, work diligently to ensure each person feels like they belong and are valued.
- Participate in a mentorship program. Younger employees can learn from more experienced employees or even mentor older employees on things like technology and social media.
- Continually evaluate your skills and upskill as necessary. Don't assume that what you learned in school or when you first started working is all you need to know now.



"Ultimately the goal of every leader should be to allow everybody to contribute to the best of their possible potential, and to the extent that you're not inclusive, that becomes impossible to do."

Jeff Dailey, CEO of Farmers Insurance



Morality, Ethics, and Transparency

It used to be that leaders who were the loudest, brashest, and most ego-driven were the ones who got noticed and seemed to be the most successful. Those days are gone, and a new wave of humble servant leaders has taken their place. A push for morality, ethics, and transparency has led to more authentic and humble leaders. Companies with ethical foundations perform better financially and have higher customer and employee satisfaction. In one study, the bottom-scoring companies on business ethics were four times more likely than top-scoring ethical companies to experience a severe stock-price loss.



The need for transparency has never been greater. Through social media, leaders are under a bright spotlight and can have their every move criticized. At the same time, employees, customers, and shareholders demand authentic leaders who don't hide behind their titles but who are actively engaged with their companies and showing their personalities and values. Leaders of the future must determine their moral compasses and have a strong sense of their personal beliefs. They need to be trustworthy

and act according to their personal moral code. Simply standing still is no longer good enough; leaders need to take a stand and be as authentic and transparent as possible.

What you can do now:

- Create your own definition of leadership. Think about what matters to you as a leader and what characteristics and skills you prioritize in leaders and then work to build those in yourself. With a strong definition, you can put filters in place to promote and train the best future leaders.
- Create your personal code of ethics. Decide what you stand for and the personal guidelines you will follow to make good decisions. Establishing your ethical and moral compass now makes it easier to make the right decisions in the moment, even if they are difficult.
- Practice transparency with your leaders and colleagues. You don't have to be a leader to give transparent updates on projects and authentically share your work and personality.
- Demand transparency in your organization. Ask questions and make it clear that employees want leaders who are ethical, authentic, and transparent. Do your part to build a culture of transparency that you can build on as a future leader.

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“Future leaders must practice constant reflection and transparency, not just by themselves but with their teams. When I hold meetings, anyone is allowed to question a practice, a policy, or a behavior in our company and they are also allowed to question me as a leader. There should be no place for leaders to hide in their organizations.”

Wolf-Henning Scheider, CEO of ZF Friedrichshafen

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“Leadership will be a much more public endeavor than it has been in the past. It will require increased awareness of social issues and a recognition that clients want to do business with companies that contribute to a greater social good.”

Bill Rogers, chairman and COO of Truist Financial Corporation



Globalization

With increased connectivity and technology, the world becomes smaller and smaller. Whereas companies used to be able to operate independently from the rest of the world, in the future there is no such thing as a local or regional company—all organizations are global organizations because they have the potential to reach international audiences and hire employees from around the world.



Globalization brings great opportunities to reach new audiences and tap into new talent, but it also comes with challenges. Future leaders need to embrace globalization while also understanding the complex geopolitical issues at play. Leaders need to be global citizens who appreciate different cultures and know how to communicate across cultural and language barriers. Leaders need to understand cultures and pay attention to what is happening around the world. They can no longer lead on an island but must understand and likely get involved with global issues and cultures.

What you can do now:

- Pay attention to the world around you. Read the news and know what is happening in other industries and countries. Talk to people from other parts of the world to learn about their cultures and beliefs.
- Prepare your employees to potentially work with customers and colleagues from around the world.
- Become a global citizen. That doesn't mean you have to live somewhere else in the world, but it does mean you need to be able to lead in different situations by learning and listening to people from different cultures and backgrounds.



"The world is simultaneously becoming more global due to digital technologies and infrastructures, and more local, with a strong comeback of regional specificities where a good knowledge of local culture is a crucial condition for success. Consequently, the leaders of companies have to deal with these two opposing trends."

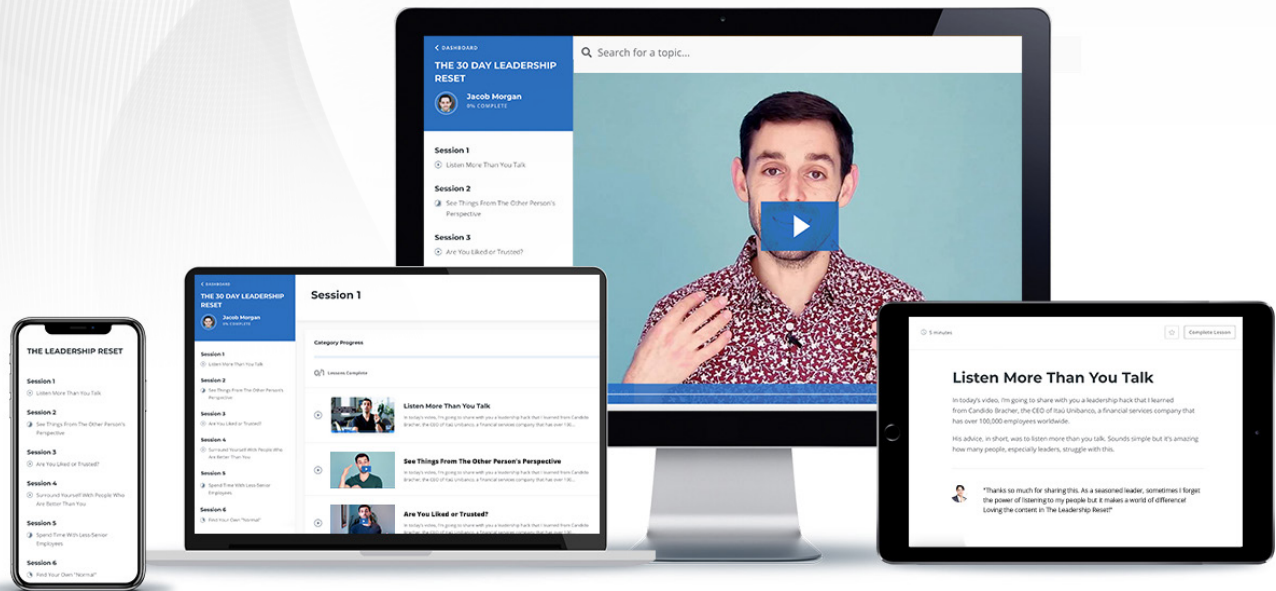
Pierre-André de Chalendar, CEO of Saint Gobain

Understanding these six trends is crucial to becoming a future-ready leader. The world of work is constantly changing, but if you can identify the changing parts, you can prepare to lead in a rapidly evolving world.



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