The Modern Leadership Ingredients for the Post-COVID

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Abstract

The leadership topic is in continuous improvement especially after the pandemic of COVID-19 when many related topics are raised like the employees' burn-out, work-life balance, and the importance of digital skills. For that reason, the topic of leadership is so important and requires attention to help organizations sustain their business and lead people in a modern human way that improves their performance.

This article explains the effect of leadership style and personality on organizational performance and how Satya Nadella, the CEO of Microsoft, supported HR and empowered them to deploy modern strategies to retain employees and to do successful onboarding and performance improvements.

Companies should take into consideration both, the employees' needs and the client's satisfaction, by building a productive culture based on the work-life balance using five leadership skills: collaboration, coaching, cultural formation, learning, and empowerment, that boost employees' engagement to perform better.

Keywords: leadership, leadership roles and behavior, future skills, Post-COVID-19, Microsoft, modern organizations, digital transformation, team performance

1. Introduction: The Leadership Topic in the 21st Century

Although there is no single definition for leadership, it can be defined as the process of interactive effect that occurs when some individuals in a particular environment accept someone as a leader to achieve a common goal (Silva, 2016).

This definition fits the present understanding of leadership, however, the COVID-19 pandemic changed many of the concepts and generated many topics like employees' burn-out, work-life balance, and the importance of digital skills. As a result, the topic of leadership is so important since it is constantly evolving and necessitates attention to assist organizations in achieving better outcomes and leading their people in a modern human manner that increases their performance and sustains the business.

The objective of this article is to study the importance of leadership traits that should be practiced in the modern era of management after COVID-19 to understand the new organizational behavior and the secret recipe of success not only at the client's servicing level but also at the internal management level that is the major driver of success where happy and skilled employees can sustain business and compete in the market.

2. Methodology

This article is a literature review that follows three steps that are: literature search and screening, data extraction and analysis; and writing the literature review. The screening is done on multiple business journals and practitioner articles from different sources including articles, podcasts, and recorded interviews, where evaluation is made to identify and extract the useful information and details that are outlined and explained here in this article.

3. The Situational Leadership Behavior and Employees Empowerment

Situational leaders can adapt their leadership style to different circumstances (Hersey & Blanchard, 1982) and focus on the role of followers (Wyld, 2010). As a result, task and relational behaviors are fundamental to situational leadership. Schwabel (2014) mentioned that empathy and powerful communication, collaboration, and teamwork all make for better business results. Moreover, in response to the emergence of a new corporate standard following COVID-19, Professor Linda Hill (2022) divided the required talents into two categories, which are hard skills that are related to digital, and soft skills that are related to personality and behavior.

The pandemic changed the business module and increased the use of remote work (see figure 1) (Baig et al., 2020). The COVID-19 recovery will be done digitally: a 90-day plan (Baig et al., 2020). Organizations are becoming increasingly reliant on technology, and the pandemic has accelerated the digital transformation in all industries. According to Satya Nadella, digital technology is becoming at the core of our thinking about resilience and business continuity, as well as the next level of productivity change and efficiency across the industry (BBC, 2021).
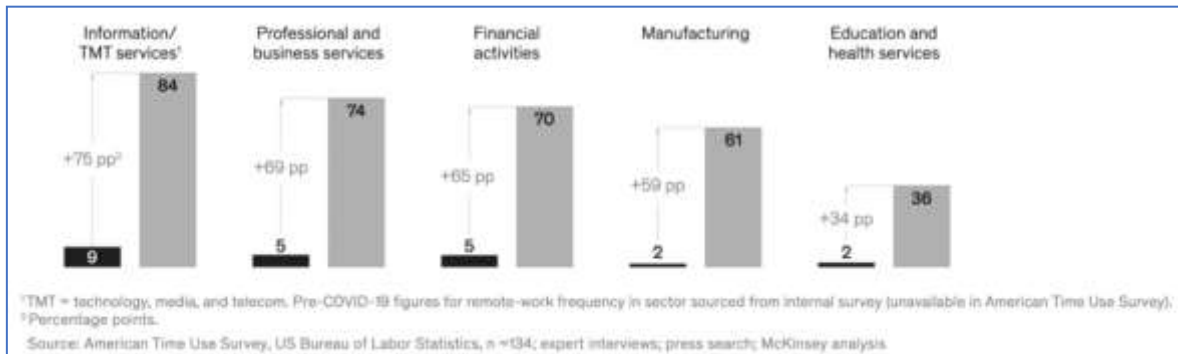

Figure 1. The increased share of employees working remotely full-time during lockdowns (in %)

Microsoft developed many products to facilitate communication and workflow. During the pandemic, Nadella concentrated on key products that evolved during the last two years, like Microsoft Teams, because he believes in linking emotional intelligence with leadership and soft skills (Jones et al., 2000).

Before being CEO, Nadella was in charge of building products and cloud technology, so he is product-focused but also understands the multinational aspects of teamwork. He was elected as the CEO of Microsoft at a time when the company was developing new products, and he supported some products while cutting-off others. For example, Nadella opposed the Nokia acquisition deal from the beginning and got rid of Windows Mobiles. He also opposed Surface, Microsoft's new laptops, and he was not interested in marketing and supporting the new hardware products of the company (TechCrunch, 2014). However, Nadella has become an iconic leader after his election with Microsoft's stock rising, particularly during the pandemic (see figure 2) (Yahoo Finance, 2022) when rapid digital transformation became mandatory for business sustainability.

Figure 2. Microsoft Stock in the last ten years (in USD)

So, during the pandemic, Nadella was able to understand his team's motives and lead with empathy, drawing on his experience and unique personality to improve organizational performance. as Hogan and Kaiser (2005) concluded, leadership personality and style have an impact on organizational performance, with team proper functioning and employee attitudes and behaviors all playing a role as well (see figure 3).
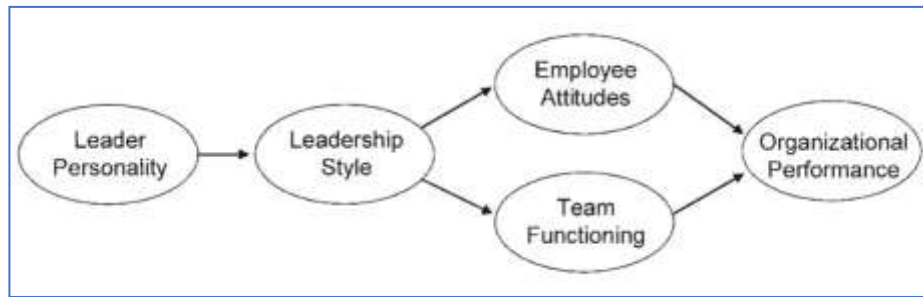
Figure 3. How leader personality affects organizational performance

Leaders are humans, and humans make mistakes. By leading with example and using his humble personality, Nadella apologized for his comments in an interview in which he recommended women not to ask for a wage raise but to have "confidence in the system," and he also issued an email to his staff stating that he "was wrong" and that he supports programs that bridge the gap between genders (BBC, 2014).

Nadella believes that Microsoft should focus, move faster, and continue to evolve because it is in an industry that values innovation over traditions (Nadella, 2018). Since people became more involved in the digital workplace during the pandemic, he introduced the "Model, Coach, Care" strategy and empowered the HR department to train the team about the company's mission and to unlock people's potential through the growth attitude.

The "Model, Coach, Care" technique is similar enough to Reunanen and Kaitonen (2016)'s social interaction leadership approach, which determined that the most appropriate leadership style comprises directing (telling), coaching (selling), supporting (participation), and delegating (observing). Kathleen Hogan, Chief People Officer and EVP of Human Resources at Microsoft, says that Microsoft focused on the 5Ps as a strategy to success, which stands for good Pay, Perks and benefits, Pride in the company, People interactions through focus groups to generate innovative ideas, and Purpose not only towards the company but also towards personal matters and each other. This strategy was successful because Microsoft hired 25,000 new people during the COVID-19 pandemic due to the great onboarding mindset of the managers (Dale Carnegie Training, 2022) including the transcendence and the self-actualization that should be fulfilled as growth needs for employees as per Maslow's Motivation Model (see figure 4) (McLeod, 2007).
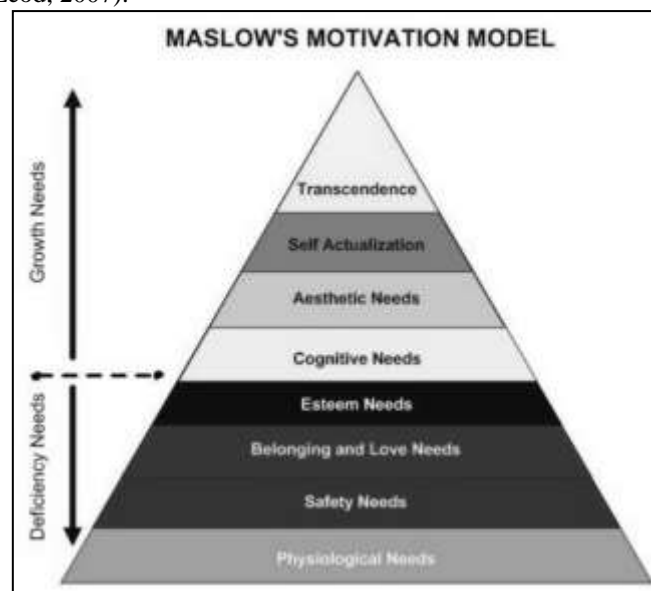

Figure 4. Maslow's Motivation Model

Microsoft is also assisting the United Nations' SDG Goals by implementing a climate change strategy. It acknowledged that software is a contributing factor in the IT sector's carbon emissions, and therefore established a foundation to help them achieve their own ambitious climate goals, including achieving net-zero carbon emissions by 2030. The Foundation, with the participation of other companies, like GitHub, Accenture, BCG Gamma, Avanade, NTT Data, and Globant, aims to develop standards and guidelines that teams can follow to reduce the amount of energy used by their software. It will also seek out chances for cross-company collaboration to accomplish a target of reducing carbon emissions by 45 percent by 2030.

According to Asim Hussain, Microsoft's green cloud advocacy lead and the Chairperson of the Green Software Foundation, decreasing emissions will need a culture shift in the software business, all the way down to individual engineers (Freedman, 2021).

4. Microsoft's Leadership Culture and Work-Life Balance Strategy

Satya Nadella earned an engineering degree from India's Manipal Institute of Technology before moving to the United States to further his education and career. In 2014, Nadella was named the first non-American CEO of Microsoft, proving that a leader can succeed in a different cultural context. For example, the culture in India differs from that of the United States, with each perceiving the power distance differently (see figure 5) (Hofstede Insights, 2022), and they are also related to different country clusters according to GLOBE, with India included in the Southern Asia cluster, which has distinct characteristics than the USA that is included in the cluster of Anglo (Northouse, 2016).
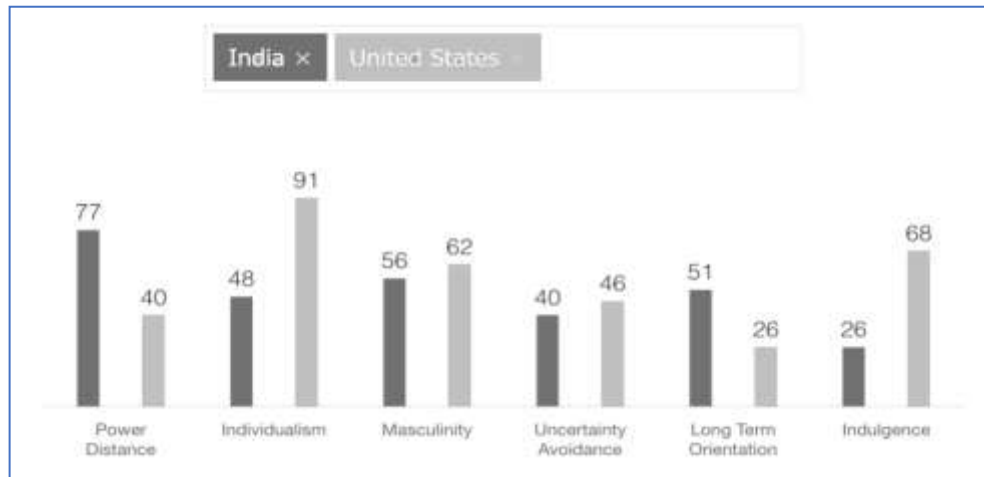

Figure 5. Hofstede's Dimensions of culture in India versus the USA

Before Nadella became CEO, employees were more focused on competing for more than collaboration, and the company was focusing on mobile more than cloud technology, whereas Nadella was attempting to shift the company's focus into modern management and empower the culture of collaboration, as well as focus more on the booming technologies of the day by shifting the culture into the coaching style and supporting continuous learning (Ibarra et al., 2018). He embraced the growth mindset and steered the company in a new strategic direction that prioritized customer obsession, diversity, inclusion, as well as the concept of "One Microsoft," which states that everyone has the same goal but may pursue it in different ways (Ryon, 2015). Also, Microsoft changed its aim from "a computer on every desk and in every home" to "our mission is to empower every person and every organization on the planet to achieve more" as Nadella stated in an email to staff (Refäuter, 2018).

Since joining Microsoft in 2014, Nadella shifted the company's leadership and culture by emphasizing employee empowerment, positivity, empathy, and progress (Fox, 2019). Microsoft employees develop new ideas by bridging the gap between Nadella's initiative as CEO and the qualities of genuine diversity-focused leadership, creating new and innovative ideas, and encouraging brainstorming sessions. His influence and high level of self-awareness have earned him the title of Best CEO for Diversity 2020 (Liu, 2020). In an interview, Nadella that Microsoft established three leadership principles, which are generating energy by inspiring creativity and growth, and building a stronger organization than yesterday; creating clarity by achieving a clear vision, providing a sense of direction and facing ambiguity, and ensuring shared understanding; and delivering success by driving innovation, being boundary-less in seeking solutions, not confusing activity with the results and that there is no complete result and things keeps improving (Croiter, 2018).

Leaders should focus on motivating followers to improve performance. Bad performance rating destroys the company's collaboration, and to solve this, Nadella used the coaching model and distributed leadership by delegating power to a large number of people, and he gave local managers more control over compensation. He also implemented certain modifications to decision-making, performance assessment, and required leadership behavior, by connecting directly with employees or even sending them emails. It was not easy to change Microsoft's culture, but the effort was ongoing. However, the company's performance since 2014 has been extraordinary, and senior management believes that changing culture is the key to changing the company's goal

(Ancona et al., 2019).

"A good idea and a good strategy aren't enough, you need good culture to foster that all" Nadella said, adding that organizations can't innovate without empathy and that they need to learn how to listen and empower the culture of learning to see things from different perspectives to help Microsoft build tools that people need (CBS, 2017).

Microsoft devised an approach for achieving work-life balance in hybrid work by employing five techniques: proper virtual work practices, job prioritization, reevaluating meetings, setting boundaries and scheduling time for focusing, and taking breaks (Klinghoffer, 2021). Also, Microsoft encourages employees to disconnect after work hours, as a Microsoft study found that employees' well-being is very important for productivity, and maintaining a happy, healthy, and creative environment is an important part of it (Microsoft, 2022).

Microsoft focused also on the virtual workplace and reevaluating meetings to maintain work-life balance. Proper virtual work practice can be achieved by increasing the focus, collaborating smartly, and taking adequate vacations to help in mind refreshing. Reevaluating meetings can be achieved by breaking up the meetings, avoiding bookending the week (for example, arranging a meeting on Monday morning that requires preparation over the weekend), and avoiding unnecessary meetings. Setting boundaries can be achieved by scheduling focus time and going into "do not disturb" mode. Finally, taking a vacation is critical, as employees should not be attached to work without taking break-time, but vacations should be well-invested, such as being physically and mentally disconnected from work, and the team should cover the responsibility with a suitable replacement so that work does not pile up.

5. Microsoft's Critiques and the Modern Leadership Trends

Nadella is a great model of organizational leadership because he has positive attributes and adopts a humanistic leadership style; nevertheless, in his approach, he is focusing too much on the staff and not enough on the client's needs and motives. In October 2017, Nadella confessed that Microsoft made a mistake by frequently abandoning customers, claiming that the company got away from Mobile Windows too early and failed to understand customers' needs to improve (Ward, 2017). Nadella believes that focusing on "inclusivity, trust, and sustainability" will result in happier customers, employees, and partners. However, clients criticize Microsoft products as being difficult to use and not as stable and light as competing apps and operating systems (Prakash et al., 2021). Microsoft was concentrating on the product concept, current capabilities, and culture, but the creation of new capabilities is critical to remaining in business and competing in the market. Nadella mentioned that Microsoft was behind Amazon in cloud technology because people thought Microsoft was already growing a high-margin business. However, the aim is to build an organization that is stronger tomorrow than it is today by ensuring that actions are aligned with the goals of the broader Microsoft's direction, and he admits that living in a changing corporate in terms of the business module, technology, and product is a challenging business (Croiter, 2018).

Empathy is the key to success for leading teams in the future by building friendly remote teams, adopting a change mindset, investing in employee mental health, fostering work-life balance, and increasing one's own and others' abilities through a continuous learning lifestyle. Organizations should focus on personnel while also innovating and thinking about how to consistently give value to clients to stay in business, compete in the market, and take advantage of any growth opportunities. Also, leaders should be careful in exposing their ideas and beliefs to the public, since they represent their organizations and should be role models to their employees by balancing the process with the humanistic approach.

Microsoft should also focus on ethical leadership by following regulations and facing monopoly courts (The US Department of Justice, 2018), as Microsoft has legally acquired many brands such as Skype, LinkedIn, GitHub, Navision, Visio, Yammer, Nokia, and many others. However, some of the acquisitions have been criticized as anticompetitive monopolization, which is illegal in the United States.

As a reflection, we in the middle east, operate in the technology industry and think systemically, and we are concerned about laws and ethical leadership. However, we should be more humanized and see things through the eyes of our employees. To maintain a healthy and productive work environment, we should strike a balance between work and life, limit working on holidays, and monitor staff. We should also be bold and abandon any project that does not appear to have a promising future based on reliable data and experience.

We encourage our employees to take vacations and rest during the workday, but we need to focus more on emotional intelligence training for middle managers and collaborate with online course providers like Udemy and Coursera or other platforms to help our employees gain the necessary technical and soft skills and stay current in the fast-paced digital era that relies on technology and innovations.

Our middle managers should be enabled to promote employees and have more remuneration authority in coordination with HR, and they should be trained on hiring technical and managerial resources by understanding the required skills in the new business norms of hybrid and remote working. Employees should be also trained on how to prioritize and evaluate meetings to reduce time-wasting discussions and focus on tasks, as well as how to properly take breaks between tasks and meetings. In the post-pandemic era, the hybrid and remote working styles in the technology sector are booming, and due to the increased competition among employers, it is more challenging to hire talented employees than ever before. As a result, we should hold on to our talented employees and train them on the trending and digital required skills to maintain business and collaborate properly to sustain growth and achieve long-term employment.

6. Conclusion

In conclusion, leadership evolves in response to challenges and changing business behavior. Leadership is about more than just personality attributes; it's about skills, behaviors, accountability, vision, empowerment, and setting an example. To maintain the business and growth, leaders should communicate effectively with their followers in a flexible, collaborative, and agile manner without micromanaging. They should observe and act while considering the satisfaction of all parties internally and externally, including the clients. Massive changes in society, markets, customers, competition, and technology around the world require organizations to adapt new ways of functioning. The most challenging task for leaders is to resist the urge to supply answers and instead motivate employees across the firm to face adaptive difficulties jointly. In summary, leaders should supplement their industry and functional expertise with five leadership skills: collaboration, coaching, cultural formation, learning, and empowerment, all of which boost their own and others' learning abilities and boost employees' engagement. Leadership is about humans and their needs. Managers should balance freedom with control and use agile workflow, and this can be used as an opportunity to renew the commitment to the United Nations' Sustainable Development Goals and lead with empathy.

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