



The shift: New perspectives on leadership

The following is an excerpt from Seth Mattison’s full presentation at a recent Schwab Advisor Services™ event.

Hierarchy and information hoarding: The old model

If you’ve been in the world of work for 15 years or more, it’s pretty safe to say you came of age in a world based off much more of a militaristic view. Much more top-down command and control. A world where, whether the authority figure was your mother or your father or the boss, if they said, “Jump,” you said, “How high?”

If we had an image or a symbol that could represent this world, I think it would look something like an org chart, some sort of a hierarchical structure. It could also represent a family tree.

That is very often the response I get from my leadership groups. But what’s been so interesting in our research around the meaning and the implications of that image is that it turns out it represents so much more than just an org chart. It is this collection of rules and values and expectations. It is, quite literally, a view of the world.

It shows up almost unconsciously in our language. I was at a conference recently, and one person said to another as they were passing by one of the meeting rooms, “Oh, the higher-ups have a meeting in that room.” And I’m walking behind them, thinking, “The higher-ups?”

Or we’ll say things like, “When we come back from this conference, we’ve got to communicate that information “down to the troops.” Or we’ll give somebody a compliment: “She’s so incredible. She really worked her way up, didn’t she?”

Unwritten rules

We live in this world, but it’s not just our organizations, our companies. Historically, this has been society for us. This has been our government institutions, our religious institutions, our higher education institutions, our nonprofits. And inside this world, we’ve discovered there’s a whole list of unwritten rules we’ve all agreed to play by.

These unwritten rules fall under a couple of categories that people share, and one of the categories is what I call the “recipe for success” in this world.

Usually those stories go a little something like this: You start at the bottom. You keep your head down, you keep your mouth shut, you work your tail off, and eventually—if you are lucky—you will ascend up this world. But you don’t come flying in on the top, and you don’t take any shortcuts. Follow the rules and good things will happen.

There are also rules around the fact that this is a world of scarcity—limited slots to move up, limited resources. You’ve got to compete for them.

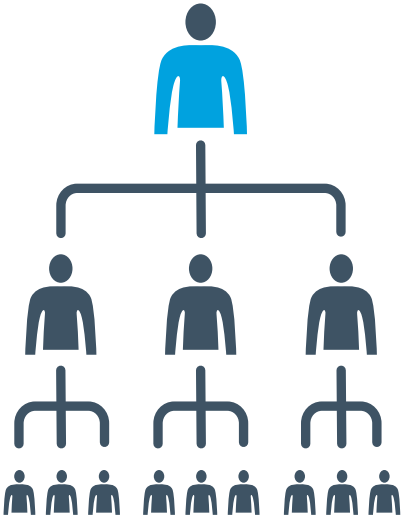
About this piece

Schwab is dedicated to providing advisors with access to recognized thought leaders and their insights on industry trends.

In this excerpt from a recent Schwab Advisor Services event, Seth Mattison, an expert on workforce trends and generational dynamics, provides insight into a new view of leadership and organizational structure.

Understanding how to balance these traditional and modern perspectives can be key to the success of today’s firms.

You may also view his 20-minute [presentation](#).



I had a baby boomer say to me recently, “Listen, there were two rules I learned early on about how to be successful in this world. Rule number one: Don’t tell anyone what you know.” In my mind, I’m thinking, “Don’t tell anyone what you know? Help me understand this, please. How is this a rule?” I’m hearing power and control. Don’t share. And why not?

He said, “Knowledge is power, because if you have it and they don’t, what does that make you? Indispensable. You’re safe. You’re secure. It gives you power. People have to seek you out.”

“Okay, cool,” I said. “So what’s rule number two?” What do you think he said?

“I can’t tell you.” Straight-faced. I write it down.

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There are also unwritten rules that the top and bottom don’t mix—rules around the flow of information. Which direction does information flow? Down. And the most common unwritten rule falls under the category of respecting the chain of command and paying attention to the hierarchy.

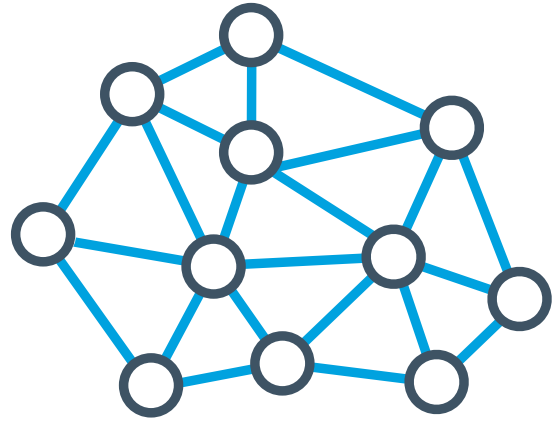
If had a dollar for every time I heard the unwritten rule, “Do not go above your boss’s head...”

Networks and information sharing: The new model

So, I’m speaking at a conference in the distribution space last summer. And the person doing my intro, his name is Marty. We’ve got 500 senior leaders in the room. And Marty gets up there and his interns are in for the summer. It’s hectic, maybe it’s frustrating and annoying, but it also drives some energy into the room. He says to the room, “I’ve got these 20-year-olds flying around my place right now. They come rolling right into my office and ask me to have coffee and hang out.”

So I come up after Marty and I say to the room, “Just out of curiosity, how many of you at that age would have just rolled into the CEO’s office and asked to have coffee?” A man in the back of the room says, “I wouldn’t do that now!”

When we do research, focus groups, and interviews with people under the age of 30, and definitely under the age of 50—the “Re-Generation,” or some people call them “Generation Z”—we have a working laboratory of what’s coming next. So we talk to these groups and say, “Describe to us your world. If you’re working,



your organization—who you report to, who reports to you, or the world at large.” If I could pull this image out of their head that they’re describing and throw it on the screen for you, it would look like a network.

They see an interconnected web of people and talent, ideas and information. They see what is, quite literally, a physical manifestation of the virtual world of the web they’ve come of age in, just projected into the real world. It’s chaotic and disruptive, and most importantly, it’s playing by an entirely different set of unwritten rules. They’re bringing those rules with them.

What we found is that, starting in the 1980s, the family org chart was flattened. Baby boomers and Generation Xers set out to reinvent the parent-child relationship. Most of the boomers and Xers that we interview think differently about parenting.

Almost universally, when they talk about their own parents, they will say, “I loved (or love) my traditional parents, but let me tell you something—it was a my-way-or-the-highway-type world with that man or that woman. There was never a debate. There was never a discussion.” And I knew that when I had children that, at a minimum, I wanted there to be a discussion. We were going to work through things together as a family. At the end of the day, I still have the final say, most of the time, but we’re going to do it together.

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Little did we know there'd be a ripple effect about 20, 30 years later in the world of work. I'm from Generation Y, and I grew up in a democracy. How many of you grew up in a dictatorship? Fast-forward a little bit farther, you've got a whole generation of youth that have been the chief technology officer in their homes since they were 12 years old.

And we laugh about it because it's funny and it's interesting, but step back and look at the implications of this: We've got a whole generation of youth that has been teaching the adults in their lives how to do things from a very early age. That's counterintuitive to the world.

Access, reach, and hyper-immediacy

Most of you came of age where information, wisdom, and knowledge were bestowed down from the person with a few more gray hairs and a few more years of experience. When youth—and you know this with your own children and the talent you see coming into your firms—have such an innate understanding around one of the most disruptive elements in society today, technology, they view authority in a very different light. They're now seeing authority figures as peers. That's a transformational shift. Authority figures are peers, both in the marketplace and the world.

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The flattening of the family org chart, the unleashing of the Internet, and mobile digital technologies unleash the world of the network.

The network has a different set of unwritten rules, compared to the rules of hierarchy. First, it's ushering in a period of unprecedented access. Specifically, access to information. There are no more secrets today. The veil has been lifted, not only on general information in the marketplace, but decisions that are made at the highest levels of the societal hierarchy.

Today, anyone anywhere in the world can put forth an idea that reaches the masses. It doesn't matter your age, it doesn't matter your credential, it doesn't matter your title. And finally, it's brought in a period of hyper-immediacy, instantaneous.

So you've got access, you've got reach, and you've got hyper-immediacy. That's opposite to the world of the hierarchy, where things take time, and most of the time you're on a need-to-know basis of information. And I have plenty of leaders who say, "People didn't even know my name for the first five years I worked there, let alone ask for my opinion or ask me to bring ideas forward." And we see how fast this generation is able to leverage this technology to get into the game. They're launching million-dollar and billion-

dollar ideas in disruptive technology in every single space, and landing on the cover of every single business publication rolling out today.

And it's not that these generations of youth are inherently more intelligent or more savvy. It's that they've got the tools and the access. The challenge is they don't always know how to deliver those ideas.

We're failing to acknowledge that the deeply embedded culture of the hierarchy still exists in our world today. And these two worlds are at battle right now.

They show up and they're looking at your policy or that technology, and they say, "It looks like you've been doing this since, like, 1979. Like, can we bring something to the table and..." If there was a thought bubble over your head in that moment, it would say, "You're damn right that's been in place since 1979, and we have perfected it since then."

This is the world where leaders are totally transparent, it's fluid, it's flexible, we're empowered with new mobile technologies, a career path can go in any direction, and you can work from anywhere at any time.

But what I believe is that we are creating a false narrative about the reality of work in every industry, because we're failing to acknowledge that the deeply embedded culture of the hierarchy still exists in our world today. And these two worlds are at battle right now, and most of us are not consciously aware of it.

Letting go of the rules: Creating functional culture

We're living in a half-changed world right now, and I have not met a single leader, a single organization or a single industry that is not trying to define and determine what this transformation means for them, a leader who is not feeling the tension that exists between these two worlds.

I think for our collective generations, this is going to be one of our defining moments, because we are coming out of 150 years of industrial revolution built on the back of the hierarchy model, while colliding headlong with the world of the network.

And what we have found in our research is that there is one mind-set that prevents you from being able to bridge the abyss between these two worlds. That is the mind-set that says, "I don't believe that they might know a better way."

If you have a leadership ethos in your firm culture that says, "I do not believe that they might know a better way," you won't be able to cross it. And it's not just senior leaders having that mind-set.

It's also new talent that shows up in the world of the network and looks to the image of the org chart and says, "I don't believe that they might know a better way, because they don't have the latest technology, they don't have the latest iPhone 6 Plus."

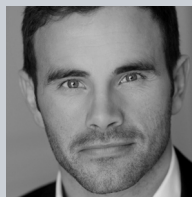
You have to create a culture where people are willing to question everything, to say, "Maybe we don't have it all figured out." To move past the idea of, "Don't tell anyone what you know."

We cannot get there until we let go of some of the unwritten rules that we are carrying with us.

The only way I know how we're going to be able to bridge this gap is to pull forward the best of both of these worlds to create a leadership ethos where leaders no longer see themselves leading from the top of the chart but, instead, from the center of your network. An ethos where leaders no longer see themselves as kings and queens leading a kingdom but, instead, as the center of the network, and can communicate and connect with every single person in your firm. And—more importantly—an ethos where employees have access to communicate and connect with you.

This is where your clients are going to live as well. But we cannot get there until we let go of some of the unwritten rules that we are carrying with us, the world of the hierarchy, determining what we want to keep and pull forward, and what we're willing to embrace in the new world. It can't be "out with the old, in with the new."

This will be the future, and if you can get there—if you can find it—you will dominate your space.



Seth Mattison
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Seth Mattison is an internationally renowned expert on workforce trends and generational dynamics. As founder of FutureSight Labs, Mr. Mattison advises many of the world's leading brands and corporations on key shifts happening around talent management, innovation, leadership, and the future of work.

For more from Seth Mattison, [visit his website](#).

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AHA (1015-8LZY) MKT88770-01 (06/16)

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