

Lattice Leaders

They deliver high performance.



by Cathy Benko and Molly Anderson

THE CORPORATE LADDER MODEL IS BUILT on top-down, one-size-fits-all means of leading people and managing work. But the ladder is collapsing under the weight of the changing world of work, and a new model, the corporate lattice, is emerging. The sooner leaders recognize this, they can tap into the power of the changing formula for high performance.

The Ladder Collapses

Companies today are flatter. Over a 14-year period, CEO spans-of-control tripled, and the layers under them decreased 25 percent. Talent development can no longer focus only on upward moves. Work is changing as well with 40 times more projects than two decades ago, heightening the need for collaboration and for leaders with cross-silo perspectives. And, technology has created a more global, virtual, and dispersed workplace—more alternatives for how work is performed and broader possibilities for learning and growth.

Assumptions and norms on which the corporate ladder was built no longer hold true. For example, leaders could once count on employee loyalty in exchange for lifetime employment. Gen Y job hoppers hadn't yet arrived. Work was 9-to-5, in-the-office. In contrast, now over 40 percent of employers offer some remote work options (83 percent of Best Companies to Work For have virtual work options).

The ladder model also assumes that upward advancement and perks define success for most workers and motivate top-notch performance—yet women, now half of the workforce, typically have non-linear careers that put more emphasis on meaning in work. Three-quarters of married, working men are in dual-career couples, and they report higher work-life stress than women do. Most millennials cite career-life fit as a priority, and two-thirds of workers ages 45 to 70 also want a better career-life fit. What's important to people in their work is as varied as the generations,

family structures, genders, cultures, and experiences that make up the market for talent. There are *multiple views of success* and *multiple motivations* at work.

Increasingly long-term success rests at the intersection of *high performance* and *career-life fit*. We define *career-life fit* as the interplay of people's individual motivations around their work and lives. Leaders striving for high performance face the challenge of how to engage employees when individuals value a career-life fit that's unique to them and to keep them engaged as their careers and lives change. Engagement represents the extent to which employees go the extra mile to deliver extraordinary results for the company internally and to serve as brand ambassadors externally. Companies with high engagement scores deliver better results in earnings per share growth, return on assets, revenue growth, profitability, and productivity.

Creating a Lattice

To achieve engagement that delivers high performance, leaders must move from a one-size-fits-all approach to tailored work practices that expand choices and benefit employer and employees alike:

Enabling lattice careers: define multiple development pathways and options for customizing careers. Lattice companies have paths that move up, down, diagonally, and across, developing more versatile leaders and providing higher engagement through continual challenge and learning at a sustainable career-life fit. For instance, when Cisco adopted councils and boards to increase collaboration, it learned it needed to change how it develops leaders. It created a set of leadership competencies to align with the new way of doing things called C-LEAD (collaborate, learn, execute, accelerate, and disrupt). It also moved leaders laterally and vertically. Ana Corrales, VP of global business operations has held various roles from manufacturing to procurement, to finance, and to customer service. "Now, when Ana talks about our business, she sees how all the pieces work together," says EVP Randy Pond: *This is the model for our future leaders.*

When Thrivent Financial, a Fortune 500 financial services firm, implemented its approach to career customization, it needed to improve the perceived value of lateral moves. The Thrivent Career GPS includes professional and work goals, a profile of life and work, and the sweet spot—the intersection of a person's strengths and passions and the needs

of the business. As it implements the approach, it's seeing a steady uptick in better conversations about career and life, rising satisfaction with development options, and more lateral moves.

Enabling lattice ways to work: expand options for when, where and how work is done. A range of options are now available to structure work from flexible project teams to virtual work to jobs built around know-how rather than task lists. Business benefits include: real estate savings, higher productivity, and less commuting. Far-flung teams are beginning to outperform those located together. Technology is a critical enabler. But mindset, management practices, and culture are also important. At the Thomson Reuters U.K.-based sales and trading division, for example, 40 percent of staff live outside the country in which their manager works.

"Managers can't be the clock-checker," says Anna Patruno, head of financial operations. "They need to set clear goals and time frames and give clear guidance and direction. Then the team can deliver."

Enabling lattice ways to participate: facilitate collaboration, interaction, and communication unconstrained by traditional rules of top-down hierarchy.

Participation helps deliver on the promise of an inclusive and more transparent culture, as well as stimulating innovation and improving coordination and efficiency: 85 percent of highly engaged employees say their company does a good job of seeking the opinions and suggestions of employees (compared with 7 percent of less engaged employees). BT, the British telecom giant, has widened participation through social media including blogging and social networking to spur innovation. "To have an innovative company, all employees must think they can make a difference," says Richard Dennison, principal business partner. "These tools enable people to think they can make a difference."

Many companies are making progress in the lattice ways. By taking a holistic lattice approach, companies create a synergy that multiplies the benefits. The ladder belief that high performance and career-life fit are opposing forces must give way to a new reality: they're inextricably linked and mutually reinforcing. Lattice leaders tap the power of this paradigm shift to drive bottom-line results. LE

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ACTION: Deliver high performance.

