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SYDNEY FINKELSTEIN, INTERVIEWED BY FRIEDA KLOTZ

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Despite the prevalence of digital tools at our workplaces, effective leadership still relies on analog skills. In fact, argues Sydney Finkelstein, the old-school ability to motivate and inspire others is more important than it has ever been. Finkelstein, the Steven Roth Professor of Management at the Tuck School of Business at Dartmouth College, has spent more than a decade studying how great bosses lead.

Adaptability, unconventional thinking, and outstanding mentorship are traits that he says propel individuals into powerful positions of leadership — and help to keep them there. In his book Superbosses: How Exceptional Leaders Master the Flow of Talent (Portfolio, 2016), Finkelstein suggests that while technological change may eliminate the need for some forms of management, the interpersonal skills that make great leaders are rarer and more highly prized than ever.

MIT Sloan Management Review spoke with Finkelstein about the evolving nature of leadership in a digital age. Freelance journalist Frieda Klotz conducted the interview, and what follows is an edited and condensed version of their conversation.
**MIT Sloan Management Review: How is technology changing the way the best leaders operate?**

**Finkelstein:** Every company is a tech company now, whether they’re developing the technology in Silicon Valley or simply using it. The workforce that’s coming in today has technological capabilities that are unmatched in any cohort entering the workforce before it. People can work anywhere now and are usually no longer in the same office at the same time.

So outstanding leaders — those who bring out the most in other people, create opportunities for the employees they manage, and unleash their creativity — will enable flexible work practices to attract new talent. They’re going to strengthen their teams using a range of technologies. There are many different communication tools that connect employees across organizations, such as Slack and Facebook’s Workplace, and those who manage teams need to know what the best ones are and how to harness their capabilities. “Superbosses,” many of whom already come from Silicon Valley, will have to embrace technology and use it effectively in everything they do.

But the other and more counterintuitive thing is that the more important technology is, the more it becomes an equalizer. More value will accrue to leaders who have complementary skills. And these skills may become less common because of the way in which technology can simplify certain things: People are going to be trained a little bit differently.

The irony is that the more important technology is, the more important these almost analog approaches will become — because they will be less common. And things that are scarce become very valuable.

**Where can leaders make a difference in a way technology cannot?**

**Finkelstein:** Is it possible for artificial intelligence and robotics to replace leadership? I don’t believe it’s possible. Not everybody’s going to agree with that because predictive analytics is such a big thing in so many fields. The world of human resources, for instance, is being disrupted by the use of predictive analytics. But the best leaders do things that I don’t believe any machine is going to be able to do for a very, very long time: motivating people, exciting and energizing them about what they’re doing. Even at the hiring stage, where online talent programs are common now — algorithms go through thousands of résumés and pick out certain terms that narrow things down — the judgment call about who’s the right person and how to onboard that person is essentially a human one.

People are still people. A leader or manager doesn’t go to the office and look at a team of machines sitting in front of them. And humans are funny: They have emotions, they don’t always react the way that you’d expect them to react; they like to be highly valued. Until we get rid of all the people — and I don’t see how that could ever happen — the ability to motivate and to energize and manage effectively is going to be critical.

Another vital leadership function is to think strategically and to craft a strategy, and I don’t think those skills are going to go away, either. You cannot outsource them. At the end of the day the best leaders are the truly strategic leaders. They do all those higher level, intrinsically human tasks that I’ve just talked about.
How do you see technology influencing the way C-suite executives do their jobs?

Finkelstein: Technology means speed. Things that used to take a long time don’t take quite so long anymore. The clock is ticking faster for new executives and managers to demonstrate results, whatever their business happens to be. The average tenure of CEOs has dropped over the past 15 years, and there’s an almost immediate pressure to move a company in a positive direction. This is also true for almost anyone with high aspirations. They are not going to get two or three years to figure out how to show results. They’re going to need to be much quicker in how they master their jobs and go about their work.

There’s a level of intensity and pressure to what executives do that’s not going away. This affects both their jobs and their lives. People talk about work-life balance, but that’s going to be a tough nut to crack in many instances. In the past, a clear demarcation existed between work and home life — it was as simple as going home at 6 p.m. Now, executives are always on, but they control the parameters of what that involves. It’s a shift that requires a more sophisticated or multifaceted view of what a work-life balance is.

For executives who may not have truly exceptional leadership skills, the prospect is bleak. You’ve written that middle management jobs will disappear. Have you seen that happening?

Finkelstein: Yes, it’s happening, and it’s common. I’m seeing it in professional services firms which have always — or mostly always — been well run. At the moment, we’re in an economic boom with a lot of growth, so hiring is taking place, but the trend over the last five or so years is to see people either being pushed out of organizations or pushed toward re-skilling, with former managers honing new, more applicable skills.

This is the result of more direct interaction between one professional and another, and fewer managers who are there just to make sure the trains are running on time. I don’t think this trend is always a great thing, because you do need some people to make sure the right systems and processes are in place, especially in this era of ethical and harassment concerns and gender inequality. But the trend is real.

Middle managers are going to be an endangered species in many companies. Those who are doers, participating in work and not just telling other people what to do, will survive, but think of how many middle managers spend their time supervising the work of other people. That’s going to become much less common.

You mentioned artificial intelligence. What sort of effect do you see it having on the companies you study?

Finkelstein: We’re already seeing artificial intelligence shake up manufacturing, with robots taking over many functions on the factory floor. Human workers are still there, but machines are doing so much more than in the past. AI is moving up the food chain in terms of the jobs being affected, removing the need for managers whose responsibility it was to figure out patterns and act upon them, for example.

AI will continue to have an impact on increasingly skilled labor, the types of jobs you never thought would get disrupted by technology. Consider doctors: The practice of diagnosis may soon fall to machines to carry out. IBM’s Watson technology is helping with medical oncology
decisions, and plenty of other medical applications are well under development.

Accountancy is another area on the cusp of change. Accountants perform a lot of data-driven, detail-oriented auditing, and a variety of AI startups are looking for ways to simplify that process. Some of the people pushed out by AI will be those doing the day-to-day work, but if you have fewer people doing the work, then you need fewer managers to supervise them. It becomes a cascade.

So “management” can be outsourced, but “leadership” will never be, because it involves that human element. Finkenstein: Exactly. If you want to survive as a manager, becoming someone who checks the boxes and makes sure people are doing the work is not the best direction to go in. The difference between leaders and managers in organizations will only widen in the future.
About the Author

Frieda Klotz is a freelance journalist. She tweets @friedaklotz.
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