

Crowdsourced leadership

IES Perspectives on HR 2014

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We have stumbled across a few references recently to crowdsourced leadership and were intrigued. Is this something new, a repackaging of old approaches or a quickly forgotten fad? We thought it worth exploring what is being said about the concept and what the implications might be for employers.

Sense making

To understand it means first understanding what we mean by crowdsourcing. Wikipedia gives the example of an integrating definition derived from a range of sources:

Crowdsourcing is a type of participative online activity in which an individual, an institution, a non-profit organization, or company proposes to a group of individuals of varying knowledge, heterogeneity, and number, via a flexible open call, the voluntary undertaking of a task.

Another definition sees crowdsourcing as the act of outsourcing, ie subcontracting, to the crowd.

With these definitions we might wonder what is being 'crowdsourced' when it comes to leadership: leadership itself; expectations of what is wanted from good leaders; or tapping into those in the organisation to generate, develop or comment on ideas. In reality, the literature appears to cover all these aspects.

Crowdsourcing what?

The first approach sees crowdsourcing as an alternative way of delivering what might be considered some of the most central and traditional roles of leaders. Chief amongst these is the leadership mainstay of setting the vision for the organisation or determining strategy. Getting the crowd to address vision or strategy means legitimising that activity and Peck (2013) is clear this means putting people into a different frame of reference and encouraging them to offer their opinions more freely by asking them:

'What would the owner of this business or organization do right here, right now? Why? What's needed? What can I do to make that happen?'

The second approach suggests that Leaders should more often go to their employees to ask *'What is it that you want from me?'* One example is work by Sneyd (2013) who found three primary clusters each of three sub elements.

1. Employees want to be inspired:
 - i. they want to work with leaders who are highly skilled

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- ii. who have articulated a clear vision
- iii. and who are transparent and clear in communication.

2. Employees want to be respected:

- i. they want leaders to show respect and dignity towards the individual
- ii. they require fair and equal treatment
- iii. as well as consideration and understanding.

3. Employees want to be rewarded:

- iv. they want appropriate and fair compensation
- v. career growth and opportunity
- vi. job security.

Thirdly, crowdsourcing is about tapping into the wisdom of crowds by asking the right questions:

'How can a leader be less the oracle, and more the miner of gold that sits untapped across the organization?'

Papay, 2013

In this interpretation of crowdsourcing, it enables leaders to access views quickly and for those views to influence each other. It is about re-releasing control, focusing on a few key questions:

'Crowdsourcing mines insights that shape each other - the crowd can surface a trend that the crowd helps to explore and evolve - all the while yielding a leader incredible insights and ideas. There's a place for robust data collection. But there's also a need for a process that's faster, nimbler, and gives you more insight for decisions. In fact, with crowdsourcing, one great question will lead you to figure out what the next great question should be.'

Papay, 2013

There is also literature which suggests what leaders need to consider whilst seeking the views of others in the organisation:

- interfere as little as possible
- let everyone have a say

- don't make the decision yourself; manage the process
- make final decisions by secret ballot.

'The last...may be the most important piece, because public decision-making, and even brainstorming, suffer hideously from the human need to conform.'

Heffernan, 2010

It is interesting to note that this last point of advice is the opposite of the view of Papay (2013) which suggests creating a public discussion forum and enabling participants to see how support or views are evolving.

Others have advised that crowdsourcing is not an abdication of leadership and that it is best used not by those who are struggling to make a decision but by confident 'bold' leaders. Villasenor (2011) suggests that leaders need to understand that to work well crowdsourcing requires:

- Ensuring you give something back in return for employees' ideas. You cannot just mine a community, you have to create one.
- Cultivating creativity internally as well as externally by searching for ideas within the organisation.
- Making sure ideas support organisational purpose: the process tends to generate so many ideas; you need to have a filter which a purpose can provide.
- Be prepared to fail: Crowdsourcing means you know very quickly if an idea isn't going to work, in which case leaders can either reverse their actions or 'grow a thick skin'.

So crowdsourcing leadership appears to be a way of engaging others in the direction of the organisation or of finding out what kind of leader the people in the organisation want. It has much in common therefore with more empowering, engaging forms of leadership – transformational leadership, dispersed leadership or servant leadership with a modern twist.

Issues to consider

Although crowdsourced leadership holds much promise, there seems to be four core issues that leaders should consider:

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Releasing control

- **The comfort of power:** Whilst empowerment has considerable academic support in terms of its ability to raise engagement and organisational performance undoubtedly it has its doubters too. Many leaders struggle with empowerment, perhaps because they are comfortable with the power and status they have or because they do not feel they can trust the workforce sufficiently to let go. Some research has found that those in socially dominant positions hold onto their position at the top of the social hierarchy by ensuring the status quo is maintained (Sidanius and Pratto, 2001).
- **Favoured colleagues:** The status quo does not only favour leaders but may also those close to them through the social networks that leaders hold (Cross et al, 2009). Crowdsourcing activities may inadvertently produce, as well as favour, more ideas and feedback from those closer, hierarchically or socially, to the leader (ie the 'inner circle') than those further away.
- **Ego-centric leaders:** A further issue that exacerbates this issue is the personality of the leader. It has been said that many successful leaders exhibit dominating and manipulative personality traits (such as extraversion, Machiavellianism and narcissism), which reduces the likelihood that genuine releasing of control will occur (Furnham, 2007).

This suggests that some leaders will need to be willing to push themselves outside of the boundaries they naturally feel comfortable within, and be bold enough to make changes that may alter the dynamics of power within the organisation.

Universal perspectives on the employment relationship

- **Differing agendas:** An underlying assumption that advocates of crowdsourced leadership hold is that leaders and employees have the same, or at least compatible, interests and agendas. However, this may not be the case, particularly as people are not only self-interested but also favour their own social groups (Turner, 1985 as cited by Hogg and Terry, 2000).
- **Differing rewards:** Although not necessarily incompatible, the agendas and interests of leaders versus employees are more likely to be at odds when perceived outcomes and benefits are unbalanced. For example, during the current global economic decline many employees have faced freezes or decreases in pay whereas many CEOs and senior managers have received increases in bonuses and remuneration (The High Pay Commission, 2010). This highlights how crowdsourced leadership activities need to be a) managed sensitively, b) viewed as a genuine means for employees to participate and be involved in decision making,

and c) be seen to be fair to both employees and leaders. This 'quid pro quo' aspect is important.

The wisdom versus the mindlessness of crowds

Crowdsourcing promises the opportunity for leaders to tap into the views of many and to mine the wisdom and intelligence of everyone in the organisation and thus arrive at much better decisions. However, this is not necessarily the case, and group-based decisions are subject to a range of biases that can affect their reliability.

- **Group biases:** Decision making which is primarily group based is susceptible to group biases. These biases include social conformity (Asch, 1955), compliance (Milgram, 1963) and loafing (Karau and Williams, 1993). Social conformity and compliance relate to the problems associated with (real or perceived) pressures placed upon individuals to hold attitudes, enact behaviours and make decisions that are perceived to be correct or desired by the rest of the group. Therefore, ideas and feedback from crowdsourced leadership activities may not be true reflections of employees' actual thoughts and feelings.
- **Groupthink** (Janis, 1982) refers to suboptimal or dysfunctional decisions being made as groups may favour some information/solutions and ignore others due to extreme group cohesion. More specifically it is when private views are in conflict with the public (group) view that groupthink results in particularly dysfunctional decisions being made.
- **Social loafing** exposes the danger of diffused responsibility. Individuals may not participate or get involved in crowdsourced leadership activities because they can 'hide' behind others in a group and simply assume the rest of the group will participate regardless.

Leaders need to consider how to reduce group biases when designing crowdsourcing practices, such as using individual and private ballots/voting systems, emphasising that each individual has an important role and responsibility, and building in ways that teams become accountable for certain decisions/actions.

Sustainability

One key question that is particularly important, yet seems to be neglected is how leaders and organisations can sustain crowdsourced leadership activities? It is a common problem for annual employee survey initiatives, and indeed many HRM activities, to suffer from attrition rates and reduced take-up from the workforce over time. Response fatigue when people are just too busy to spare the time is compounded by resentment or cynicism that can build when it appears that nothing has changed or been acted upon or ideas were not valued (Zuckerman, 2013).

Ensuring sustainability is built into crowdsourced leadership practice is paramount. In the short term this can include rewards and recognition of employee participation (eg thank-you notes, monetary vouchers, competitions/prize draws). The longer-term view needs to consider how action plans can be devised, implemented and fed back to employees based on the decisions and feedback gained from crowdsourced leadership activities.

New kid on the block or golden oldie?

Crowdsourcing is an appealing new take on some much older approaches. The opportunities offered by new technology means that tapping into the views of employers can be undertaken more quickly and more widely than before. But it is not without dangers. Balancing that ability to engage others on a host of leadership issues comes consideration of the how and the why and the responsibility owed to those who are consulted to ensure that they feel part of a mutual endeavour not exploited in an ill-considered application of social networking. With care, this current trend may help leaders practice an empowering application of leadership which would be of great value, practiced badly it may simply fuel fatigue and cynicism.

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This summary is from the IES report: *IES Perspectives on HR*. (IES Report 504, 2014). ISBN: 978 1 85184 452 4. It is available online at www.employment-studies.co.uk

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