

CUES 116: The Evolution to Modern Leadership—an Interview With Laurie Maddalena, MBA, CPCC, PHR

Lisa Hochgraf: You're listening to the CUES Podcast, Episode 116.

Thanks for tuning in to our latest show. Whether you're listening from your car, your home or your office, we are grateful to you for joining us!

As you know, this show is where you can hear credit union industry leaders and cross-industry experts provide a wide range of perspectives on trends and topics relevant to you. My name is Lisa Hochgraf, senior editor for CUES and our Credit Union Management magazine.

Before I introduce you to today's guest, I'd like to take a moment to acknowledge the important contributions to the CUES Podcast of James Lenz, who has moved on to a new position from his previous roles as professional development manager for CUES and chief podcaster for the CUES Podcast. James founded the CUES Podcast back in 2016 and grew and nurtured the show, celebrating its 100th episode last fall. James's love of high-quality audio, lively and timely conversations, and sharing the show with you, our listeners, will inspire our work going forward. Thank you, James. You will be missed.

In this episode, we'll talk a lot about big trends impacting credit unions today—and, in particular, how those big trends are impacting the way leaders can lead most effectively.

Our guest today is Laurie Maddalena. Laurie is a leadership speaker and consultant and the founder of CUES Supplier member [Envision Excellence LLC](#) in the Washington, D.C., area.

Laurie's vision is to create a world of exceptional cultures where people love to come to work. She teaches managers and executives how to influence and ignite ownership in others. Her firm provides coaching to the CUES Emerge program participants. You can find out more about that program at CUES Emerge DOT com.

Today we're going to talk about what Laurie calls "modern" leadership ... which, as you'll hear, is the kind of leadership that employees of all generations—but especially young people—want today.

Different from what Laurie calls "traditional" leadership, modern leadership is not all about results. Modern leadership is all about *people*—and supporting them in delivering results.

I'm sure you're ready to hear more, so let's get started.

Lisa Hochgraf: Hello, Laurie. Thank you so much for coming on the show.

Laurie Maddalena: So great to be here with you, Lisa.

Lisa Hochgraf: It's so great to have you again, actually. You've been a wonderful guest in the past. Today, I want to especially thank you for the coaching that Envision Excellence did for CUES Emerge.

To get us started in talking about leadership today, I was wondering what you would say if I asked you what makes you most excited about the emerging leaders in the credit union industry today and what advice you might have for them.

Laurie Maddalena: Well, first, I so enjoyed working with the cohort last year and looking forward to working with them again this year.

And what I'm most excited about is I think there's such a great opportunity that the emerging leaders have to have an impact on the cultures in our credit union.

They bring in these expectations and these values that I think are more modern than maybe perhaps some of the more traditional leaders. And I really think we, we need more of this modern type of leader and so as our organizations and our cultures are shifting from this traditional towards a more modern leadership approach, I think that this, these emerging leaders have a great, great opportunity to impact our cultures in a positive way.

And advice, I would give them. One is, I would say, never stop developing ways of working to become your best and investing in yourself as well as your employees.

And also to make sure that they prioritize building connections with employees. I think this is a priority in modern leadership is to make sure that we're really understanding the needs of our employees and connecting building connections with them, and so I think that's something that emerging leaders should really focus on is making sure they're building those connections with their staff.

Lisa Hochgraf: Great advice, Laurie. So I'd like to continue by talking about what's been going on we've had a year with a pandemic unrest with social justice and a crazy uncertain economy. Credit unions have had to go into crisis mode and many of them did well in serving their members in these unusual times.

But now credit unions need to realign with their strategic plans, so they can get refocused on operations and growth. Surely this unprecedented time has had an impact on leadership. What are your thoughts on the evolution of leadership here?

Laurie Maddalena: Well, I definitely see this need for us to evolve as cultures and as organizations and you know just like we've seen in this evolution of technology. So I think back 25 years ago to what has changed so much has transitioned and changed in technology and in such a short period of time.

Just a quick story, I was driving with my daughter a couple of years ago. I think she was about eight years old, and she said to me, "Mommy, I wish I was born in your era." Of course, you always know that you're older when when your child calls when you were growing up your "era."

But I said to her, "I really don't think you would have enjoyed growing up when I grew up. We didn't have phones that we carried around like we do. And we didn't have this these choices of channels and shows and movies that you have."

And I said, "When I was a kid, if you wanted to change the channel you actually had to get up off the couch to change the channel."

And she said, "You mean when you stood up off the couch, the channel changed?"

And, of course I laughed, and, you know, it was very indicative of her generation. They've never witnessed something like this before, and so I said, "No, I had to walk over and change the dial to change the channel."

And so there's really been this evolution and it's incredible to look at what's different now from when I was a kid but we had floppy disks and the early Macs.

And I've seen the difference in our cultures and our family dynamics, too. So, you've probably seen this as well. When I was a kid, it was very common that your mom would stay home and take care of the house and the kids, and dad still went to work.

My dad went to work at 5:30 every morning and came home at six at night, and most of my friends, that was the case, they were.

We're seeing this big shift in the family dynamics, though with women in the workplace now. So there's more women in leadership roles and professional roles and I think our expectations, even in families and spouses has changed, where it's much more of a partnership type of arrangement where both parents are working and share more of those household and childcare responsibilities where that wasn't really the case 25-30 years ago.

So as all of these things are shifting, the reason why I bring those up is because those impact our workplaces. It impacts our cultures and what people expect now compared to 25-30 years ago, when I know when I entered the workplace, it was very much a more traditional type of environment.

And that type of leader doesn't work anymore, the traditional command and control, more results-focused, very little empathy, check your personal life at the door. It doesn't resonate with today's generations and what people's expectations aren't work today.

Lisa Hochgraf: That's a great viewpoint, Laurie, because there are so many changes in leadership. You would think leadership would have to follow suit and change with society, technology, family things people's expectations.

Laurie Maddalena: Yeah, there's five generations in the workplace now. That's the first time in history this has ever happened and, as leaders, we really need to understand that there is a big impact of having five different generations. And you know, having these categories of generations can be helpful in some ways.

We also have to be careful not to generalize everyone. I'm a Gen Xer and I know my generation was called the "slacker generation," and I know I'm not a slacker.

So, we tend to label these generations, and we have to be careful, because I do hear a lot of people say that millennials are entitled and they just want everything right now, and certainly there are some millennials like that. And there's also Gen Xers and baby boomers like that.

Again, the generations can give us clues into what's important for a group of people who grew up at a certain time. And as leaders, we really need to be in tune with that and understand that perhaps the workplace, we entered that we were conditioned a certain way

So, I know for me in the workplace, I was conditioned that you kind of put your head down, do your work, and if you work hard, you put in your hours over time, maybe in 10 years you'll be promoted. You'll be rewarded for that.

And the expectations now are different. I remember someone telling me that if you don't hear from your boss, that's usually a good sign.

And people want to know now where they stand and how they're doing. And so, (having) the five generations in the workplace certainly has impacted our cultures and we've started to see the shift of 25-30 years ago. The traditional manager was very prevalent. That style was okay. It worked. It was just, again, more of what was the norm then.

We were conditioned that that's how you lead, and managers were taught to fix issues and fix problems. And it was not as people-focused.

And, unfortunately, as we've seen just like technologies evolve, we've seen family dynamics evolve and, in my opinion, we've not seen leadership evolve how it should. And workplaces have not evolved to the extent that we need to be able to attract and retain great talent today. And so, it's really a place where in every industry, I believe we really need to do a lot more work.

Lisa Hochgraf: That's a really great point. Let's expand more on that. Certainly, we don't want to stereotype, but understanding generational tendencies is important. So,

what are the risks involved, if you don't understand as a leader the generational tendencies among the people that you're leading?

Laurie Maddalena: So as leaders, we have to understand, just like with credit unions right now that are looking at, "How do we attract Gen Z members and how they're different than some of the other generations and what's important to them?" we need to do the same thing with our cultures in understanding these tendencies. And what's important to those specific employees, so you know when we talk about millennials ... we talk about them, many times like they're still this young generation and, in fact, the oldest millennials are turning 42 this year. So, they've been in in the workplace for a while and they're in leadership roles.

They're getting towards mid-life now, many of them, many of them have families and they make up almost 50% of the workplace, and so this is no longer we can't.

And so we can't have this narrative be, "Well it's these young people coming in, you know that they're making up most of the workplace now and now we're having Gen Z come in, and so the risk here is if we don't talk start to shift how we lead, and I call this more of a modern leadership style, which is more about supporting and developing, understanding each employee, what their specific needs are, their professional development goals and coaching them, letting them know where they stand and giving them feedback.

If we don't start to shift and make sure that our leaders are trained and prepared to lead in that more modern leadership way, will have high turnover. We won't be able to attract the right people and, in my opinion, we won't be able to serve our members as best we can because we won't have the workplace that's prepared to be able to serve them in that way.

Lisa Hochgraf: So interesting, Laurie. So the workplace has changed, and leaders today are working with members of lots of different generations in a new technology schema. But at the foundation, it sounds like trust is just as important as ever. How do leaders develop trust with their team?

Laurie Maddalena: Well, I think, trust is built over time, and it's the small actions we take or sometimes don't make that build trust and cohesion or break trust and cohesion down in our teams and so I think the first way you develop trust is to get to know each individual on your team and understand that they have their own goals, their own preferences and needs beyond the workplace, and get to know them as people and what's important to them and then learn to adjust your management style to be able to ignite ownership in them and bring out their best.

Another is to model great leadership. If we're expecting our employees to follow through and be on time and serve our members exceptionally, we also need to be modeling that behavior for employees.

And I think this is a huge way to build trust to make sure that we're developing them, coaching them, taking an interest in our employees, investing our time and energy in them.

These are things that, when we look at the research for millennials, they want more meaning in their work. They want to feel like they have a purpose, that they're not just coming to work and collecting a paycheck, whereas again, in my generation, we were just conditioned differently. Those things are important to me, too, but the time that I grew up in my generation, and when we came into the workplace, it just wasn't a focus for many people in leadership roles.

And so, I believe you know this is important to a lot of Gen Xers and baby boomers as well. It's just that we weren't accustomed to that kind of work environment.

Millennials grew up with more choices. They grew up being able to go on Amazon and get something at their doorstep the next day. You know they had more opportunities and more choices, and they don't want to just come in and collect a paycheck. They want to enjoy what they're doing. They want a great culture. They want to feel like they're developing and growing and, so, having experienced having so many choices as they've grown up, they have different expectations when they're coming into the work environment. And we, as leaders, need to have the tools and the mindset of being able to support these generations and all generations to help them get to where they want to be.

Lisa Hochgraf: Yeah, leadership is action isn't it.

Laurie Maddalena: Leadership is absolutely action. It's not a position or a title that we hold. I believe it's a privilege and it's a huge responsibility.

And unfortunately, I think that the traditional leaders see leadership as I earned this. I've worked hard all these years. Now I've earned this leadership role, and I deserve to be a leader.

And if we think of it as that hat you wear or a position you hold in the office, that's again more that traditional leadership, I think that's a mistake because really leadership is service. It's about serving other people, and I believe it's never been harder to be a leader than it is in today's environment. And I'm not just talking because of COVID but because of the changes of our, you know, what we're expecting at work. That traditional leadership style doesn't work, so we have to do a lot more work as leaders to understand how to be more effective, so that we can be more influential in a positive way, to be able to bring out the best in others and ignite that ownership in our employees, so that they want to bring their best to work every day.

Lisa Hochgraf: Are you seeing that many organizations are making the shift to modern leadership and, if so, how are successful organizations going about doing that?

Laurie Maddalena: Well, unfortunately I don't believe we're seeing the shift as quickly as we need to to truly be exceptional workplaces. My belief is that not everyone is meant to be a leader, and I know that may not be very popular but in the context of self-leadership and leading our lives and, yes, we can be leaders, but when we're talking about leading other people, not everyone's meant to be a leader, and so we really need to look at who were putting into these roles and make sure that they have the skills and the competencies necessary to shift from this more traditional "just results"-focused approach about getting things done to this more modern leadership approach, which is much more people-focused. It's about influencing people to bring out their best performance, sometimes having conversations that are hard, having to give people feedback, making sure they know where they stand, understanding what's important to them and building those relationships and connections with people.

So that's really an important piece. I think that, as leaders, we've been taught the traditional leaders been taught to fix, and the modern leader is more about facilitating, facilitating results.

I think back to my first experience as a supervisor. I was just out of college, I think about a year, and my boss said one day we're going to hire someone to help you because there's just so much work to do.

And so, we went through this hiring process and we hired this woman and she came on board and they said, "Okay, well you're going to be her supervisor."

No one sat me down and told me what that meant, what the expectations were, "This is how you should lead," none of that. It was just the next day, I was a supervisor and I thought my job was to answer her questions and to give her direction.

I wasn't a terrible leader but I certainly wasn't the best. I just didn't have those skills around coaching and, back then, I don't even think those were really popular methodologies like they are today.

But I just focused on what I knew, and so we have this practice in our organizations that's still prevalent today that I think is detrimental to creating and fostering these great cultures, and that is promoting people for technical ability.

We tend to promote people based on being a superstar technically instead of looking at the leadership competencies and how this position of being a leader is so different.

And so, just like not everyone's meant to be a pilot or chef or a barista not everyone's meant to be a leader. And I think it's one of the only professions or roles that we don't prepare people before we promote them. Maybe parenting is is one other that people are just kind of thrown into. But we kind of throw people into the deep end with leadership to so we don't always take the time to prepare them.

And I've seen some credit unions and some organizations work towards that and make that shift to make sure they're being more deliberate and purposeful about preparing their next generation of leaders, but there's a lot of work out there to still be done around this.

Lisa Hochgraf: You're so right about parents being thrown in the deep end. Throwing leaders in the deep end is something we can do something about it, sounds like. Training and education, support for leaders and for future leaders is really critical. It sounds like we're just at the beginning stages of understanding modern leadership and doing what it takes to have it.

Laurie Maddalena: Absolutely. That's been my experience. You know the Gallup organization does their research every few years on the state of the American workplace and they find that only about 37% of people are engaged at work.

And that just tells us that most people are just coming in. They're not really putting in their full effort. They're putting enough to get by and whether that's their own propensity to not put in that effort, but many times I think it's a lack of leadership. They don't feel inspired. They don't feel like they have meaning or connection to their workplace.

And it's something we're seeing from these other generations, namely millennials and Gen Z. They want to feel more connected to their workplace. They want to feel like they're being supported, they're developed and that there's a path in the future for them, and that they're making a difference. They want to have meaning in their work and purpose beyond just coming in and punching a clock.

Lisa Hochgraf: Yeah, for sure. I'm seeing that in my son. He's 17 and coming into the ... coming into his own, and I think that having meaningful work is really, really important to him.

So, how does the very unique credit union philosophy cater to this time in the evolution of leadership?

Laurie Maddalena: Well, I believe that credit unions have such an opportunity right now in this evolution to be able to attract really great candidates. Our whole philosophy in our industry is people helping people, and that's such a great philosophy for leadership as well is we're here to serve; we're here to help people and help them reach their goals, while reaching the credit union goals.

And so, if we can start to shift our leadership philosophies and our culture towards this more modern leadership style, which again is about building connections with people, getting to know them, supporting them, helping them to grow, so they bring their best effort to work and serve our members. That's really what we're looking for: to serve our members the best way possible and to stand out as an industry.

And I believe that if we have the right people in these positions and we have these great modern leaders to help shepherd our employees, they will provide that exceptional member service that can help us to stand out in industry. So I think there's such an opportunity for this right now.

Lisa Hochgraf: Credit unions and their philosophy are indeed unique. Let's make another connection to modern leadership. Is there a silver lining of the pandemic when it comes to the evolution of leadership?

Laurie Maddalena: I do think there's a silver lining. I will say I think there's a downside, obviously, to COVID as well. You know, people who have experienced being sick during this time, or had health or parents who were sick. Obviously, that's a challenge and I think for women, a lot of women have been impacted by COVID in a negative way, so I don't want to gloss over that because I think women have had to take the brunt of the childcare, while managing their schedules and sometimes managing their children's virtual schools.

I know I have clients are doing this right now. So it's been really challenging you know the mental health impact for many people, having put us in this kind of tailspin of how to manage all of this and our family at the same time has been has been certainly hard for people, but I do believe there is a silver lining, and that is that CUs and executives are starting to see that people can be productive in a different type of work environment, whether that's telecommuting, or just flexibility, so this is something that's been slow to shift in many organizations.

And you know we, we know that Gen Z in particular is looking for flexibility, also millennials. And I think even some of the other generations are starting to see that, "Hey you know, having this flexibility has really helped me to be able to balance and and do things differently and I enjoy that."

You know, we we can still get things done in this type of environment, so I've seen credit unions adapt really well to this very quickly in this environment, so I think that's a positive.

So one of my colleagues actually does employee engagement surveys for credit unions, and she was telling me this past year that during COVID, employee satisfaction actually increased in credit unions, and some people were surprised by that.

And she was saying that didn't surprise her because people have been asking for this for years. They've been asking to be able to work from home or have some flexibility and they've been denied and so now they have that and they're seeing this that, wow, this type of flexibility has been beneficial to them so.

How we look at work, overall, as an organization, it may not work for all positions to be able to work from home or have that flexibility, but maybe for some positions, we can

start to incorporate more flexibility and be able to attract those generations, where they're saying that's something they value, that's important to them.

Lisa Hochgraf: Great points there Laurie. It definitely can work, right? It takes a little creativity but it definitely can work.

So, what would you recommend for organizations and leaders that are trying to build a more modern culture? What are three specific action steps and considerations for people to implement?

Laurie Maddalena: Well, as I mentioned that most organizations still have this practice of promoting people for technical competencies and not leadership abilities. So I think one of the best things that a CEO or executive can do is to publicly state with their leadership team that they will not promote for technical ability to just completely stop that practice, and you know, think through where they're going to promote, understand what they're looking for what leadership competencies are important, and really evaluate people based on those competencies.

So, another is, I believe we need to ensure that people know what being a leader means before we promote them. So again, in many organizations leadership is seen as this next step. And it's not always, the next step for everyone, as I mentioned. Not everyone's meant to be a leader, and so we need to share with people what it looks like to be a leader before they get there. I call this giving them a peek behind the curtain of what their daily life would look like.

So I've asked people in my leadership programs and most people say that they didn't know how hard it would be to be a leader. They just thought this was the next step, you know, being getting in that promotion, being able to make decisions and having a bigger impact. They weren't thinking about the headaches and the challenges that come with leadership roles and of course leadership can be very fulfilling, yet there's a lot of things that we need to be on top of and be able to do effectively in that role that people often don't know until they get into it.

So I believe helping people see what it looks like so they can opt out before, because once you're in that role, it's much harder to go back to being a solo contributor. So give people the opportunity to see what it's like before they get into that position.

And then, finally, I feel really strongly about this one, which is to train people before we put them in leadership positions. I often think that the the local barista at starbucks gets more training than leaders do.

And you know I get my example of my first leadership experience is a perfect one for that, that we just tend to put people in these leadership positions, and we don't share with them what it means to be a leader, what those expectations are and even what modern leadership is. And so we really need to shift that and make sure that we're preparing people, giving them the skills and the tools, coaching them, helping them understand what's important and what priorities to focus on, so that they can be a

successful and effective not only personally but for their team as they're leading and managing their team as well.

Lisa Hochgraf: So, tell me, Laurie, from that first management experience leadership experience that you had, where you didn't feel prepared, to where you are now where you know leadership well and you understand the evolution from the traditional leader to a modern leader. How did you identify that transition? How did you come into this new knowledge? What was your pathway to moving from a traditional understanding leadership to a modern understanding of leadership?

Laurie Maddalena: Yeah, that's a great question, I think, from that first experience I didn't know any better, and then a couple years later, fast forward, my first leadership role in a credit union was the assistant manager in a call center.

And I started to just naturally build more connections with those people and see that building those connections had a positive impact on how much effort they put into their work.

And in fact, this is how I got really interested in human resources, and so I enrolled in a course outside of work and started taking classes on management and leadership and where I was started to be exposed to these different styles.

And so, you know a lot of it was kind of walking blindly. I didn't know these skills until I started to go outside and research and develop myself and see that there was a better way. And you know, that's really where I started to see the impact of my own leadership, of being able to invest in people, in a way, where they felt like they wanted to bring their best to work, they wanted to contribute to that team. And that's not only rewarding personally, but those employees got to develop to where they wanted to go as well.

Lisa Hochgraf: They probably became more engaged employees because they were learning things and growing and taking on new challenges.

Laurie Maddalena: Absolutely, I mean it's it's really about the people connections and of course there's so many facets of leadership that are important. Yet the one that I see that is often put on the back burner and not focused on as much, particularly by that traditional leader, is the people. They tend to focus on results and getting things done, and great leaders, great modern, influential leaders understand that their job is to help facilitate results. They do that through developing people through coaching people, through helping them bring out their best and helping them feel that connection and the meaning, feeling like they have some input at work. And so that's what really makes the difference between that traditional and that more modern leadership style.

Lisa Hochgraf: Well, said Laurie. Thank you so much for being on the show today. If our listeners want to get a hold of you, what is the best way for them to find you?

Laurie Maddalena: They can go to Laurie.madalena.com or connect with me on LinkedIn. I'd love to connect with anyone in the credit union industry.

Lisa Hochgraf: That's great Laurie. Thank you so much for being with us on the show today.

Laurie Maddalena: Thank you Lisa it was great to be here.

Lisa Hochgraf: Thank you so much for taking time out of your day to listen to the CUES Podcast. I hope you had a lot of aha moments as you listened to Laurie Maddalena speak about modern leadership.

You can find Laurie on the web at envisionexcellence.DOT.com or reach out to her on LinkedIn. Both the links for this are in the shownotes.

Laurie also is the author of the monthly Next-Gen Know How column on CUmanagement.DOT.com, where you can also get additional credit union-specific content. To view the leadership content collection, click "Leadership" from the top navigation.

If you aspire to grow in your leadership, you might want to participate in the remote learning program, CUES Advanced Management Program from Cornell University, which launches in July. Find out more at [CUES dot org slash ecornell hyphen cumanager](http://CUES.dot.org/slash/ecornell-hyphen-cumanager).

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