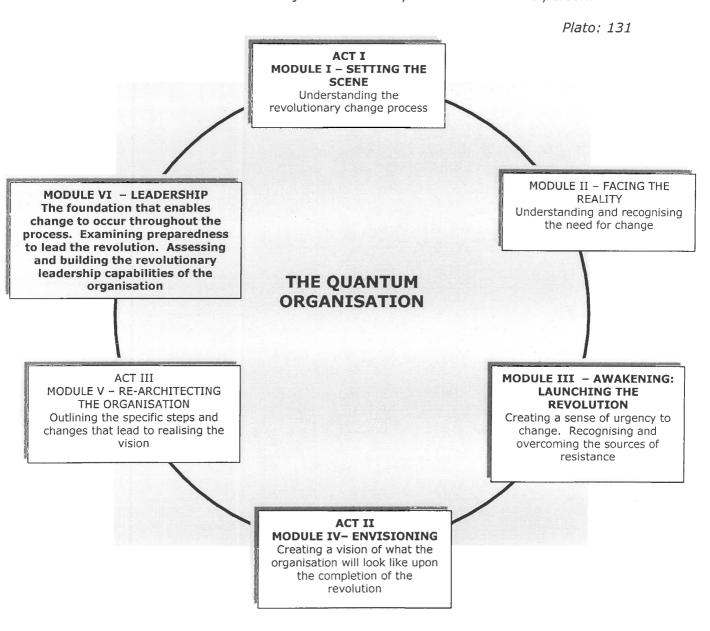
MODULE VI – LEADERSHIP: TWENTY-FIRST CENTURY LEADERSHIP

'Temperance is, I imagine, a kind of order and a mastery, as men say, over certain pleasures and desires. Thus we plainly hear people talking of a man's being master of himself, in some sense or other; and other similar expressions are used, in which we may trace a print of the thing. Is it not so?

Most certainly it is.

But is not the expression 'master of himself' a ridiculous one? For the man who is master of himself will also, I presume, be the slave of himself, and the slave will be the master. For the subject of all these phrases is the same person.'



MODULE OBJECTIVES

Information, obtaining information, sharing information, making fast and appropriate decisions – all requiring different forms of leadership. This module touches on the important issue of organisational learning. Learning organisations represent a potentially significant evolution of organisational culture. However, they will only evolve after the leadership abilities they demand, have been developed. This new development in management will focus on the roles, skills and tools needed for leadership in the Quantum Age and subsequent Information Wave.

A dualistic, different kind of leadership (chaordic leadership) should prevail. The components of this new kind of leadership are studied.

1. INTRODUCTION

Leaders should be conscious of corporate conventions and the fact that at some stage these could become lethal. They should be cautious of the fact that training could lead to indoctrination and even brainwashing, and help their organisations to learn to forget the lessons that mired them in the past. Organisations should develop the mental space for the birth of new ideas and totally redesign their definition of strategy. In doing so, they will be able to use existing data in order to force their way into the conventional markets and industries. Hamel and Prahalad [1994] argue that this means more than merely challenging the existing industrial orthodoxies, it means challenging their own orthodoxies, in other words it suggests the creation of a homogeneous mindset.

According to Hamel and Prahalad [1994], such a mindset is orchestrated by getting hold of the *pro-change constituency* - generally not in the echelons of upper management, but rather at the *periphery* of the organisational structures. (Top management as creators of the existing model are generally happy with their creation.) These people have a much bigger interest in the company's *future* than in its past.

Leadership should:

- □ Study the company's *core competencies* (as too often these skills are held captive by some product or market).
- Re-engineer core competencies if need be as these are some of the company's downies that can be put to good use in its new strategy.
- Communicate the impermanency of success (leaders can instil a sense of urgency among the employees).

- □ Democratise the process of strategic planning by involving employees rather than seeing this as an elitist activity with top management at the centre of its gravity. (Theirs is the knowledge and this could be used to great effect.)
- □ Lastly, employees should be equipped with every possible tool available for the decision-making process, that is teamwork, problem-solving techniques, statistical and financial analysis.

'I am my position.'

Peter Senge, 1990a: 134

People are born with intrinsic motivation, self-esteem, dignity, curiosity and a joy in *learning*. They are creatures *designed* for learning [Senge, 1990b]. However, the systems in which they move (societal, economic, political) are oriented towards controlling rather than learning and individuals are rewarded on the basis of performance instead [Tichy, 1990]. By focusing on performance for someone else's approval, companies effectively get rid of the incentive to learn. At the other end of the scale, the need for learning in organisations is greater today than it has ever been. In the increasingly chaotic conditions of the modern era, it is not possible for the leader to stand alone. Today's increasingly dynamic and unpredictable world calls for *integrated thinking* and action at all levels. The old model in which: 'the top thinks and the local acts' must give way to something new and the leader who can harness the collective genius of all the stakeholders in his organisation will be able to lead his organisation in the race ahead.

In the end it is leadership that matters the most. Its essence lies in performance. Through the lives of leaders like Winston Churchill, Elizabeth I and Mahatma Ghandi, history suggests that leadership is a means to an end. More than that, Tichy and Devanna [1990] point out that effective leadership means thinking through the organisation's mission as well as setting goals and priorities. Drucker [1994] reiterates that an effective leader knows that his ultimate task is the creation of human energies and human vision. Klempa [1995] adds that he should possess an internal locus of control, be self-directed as well as pro-active.

According to Senge [1990b], leadership in the new order should consist of the following characteristics – all principles of the learning organisation in Module V, Section 2.1:

- □ The principle of generative versus adaptive learning,
- □ the ability to create shared vision,
- leadership and the principle of creative tension and
- □ the leader as designer of culture.

These are discussed below.

- (i) The principle of generative versus adaptive learning: The first characteristic of the learning organisation is that of increased adaptability. More than that, the leader must possess a generative impulse to expand his knowledge. Senge calls this 'generative learning' (or creating) and 'adaptive learning' (or coping). The TQM movement in Japan [Pascale and Athos, 1983] constitutes an example of the evolution of adaptive into generative learning, thereby building the first learning organisation. The concept of generative thinking explores a leap into the imagination. It requires new ways of looking at the world and of understanding and managing business. It requires the design of systems that control events. If generative learning is not possible, the next best would be adaptive learning.
- (ii) The ability to create shared vision: Leadership lies at the heart of the learning organisation because of the kind of commitment it requires to build this organisation. The myth that leaders are great men and women at the top who set direction, make key decisions and energise the workers, merely reinforces a short-term view. Leadership is much more subtle and could in fact differ substantially from that provided by the charismatic decision-maker. The new leaders are designers, teachers and builders. They possess new skills: the ability to build shared vision, the ability to challenge existing mental models and to instil systemic patterns

of thinking. These leaders are continually expanding their own capabilities to shape their future. In short, they take the responsibility for learning.

(iii) Leadership and the principle of creative tension: The leader in the learning organisation is able to see clearly where the company has to go (vision) and where it is now (current reality). He identifies the 'creative tension' caused by the gap between these two. There are two possible ways of resolving the tension: raise the current reality towards the vision or lower the vision towards the current reality. It is this tension in the mind that moves individuals beyond their own physiological boundaries.

The leader knows how to use the energy this tension generates to move reality more substantially towards the vision. There is no creative tension without a *vision*. Understanding the current reality is no inducement to change. People in fact resist changes (personal or organisational) aimed at altering reality. The real urge to change comes from the image of that vision as well as an understanding of the current reality.

(iv) The leader as a designer of culture: Building the organisation's culture and shaping its development is an essential function of leadership. The leader is inherently a designer, teacher and steward. As a designer he is responsible for the single most important act of leadership in the organisation, that is designing the core values, vision and purpose by which the organisation operates. Furthermore, he is responsible for helping people achieve more empowering views than those within their current reality. In this regard, he assumes the role of coach, guide and facilitator. In his last role as steward, the leader operates from a sense of commitment and to shared ownership of the organisation's larger mission.

'Our prevailing system of management has destroyed our people'.

W. Edwards Deming, 1991

Leaders in the learning organisation intuitively help others see the *big picture* [Senge, 1990b]. They focus not so much on the day-to-day activities as on the underlying trends and forces of change. In systems thinking we see that the causes of organisational problems are not incompetent or unmotivated individuals, but poorly designed systems. It shows that there is no external view, but that the organisation functions as an entity. The leverage in most managerial situations lies not in detail, but in the prevailing dynamic complexities. Systems thinking shows that small well-focused actions can result in significant improvements. (This is known as *the principle of leverage* [Klempa, 1995]). Systems thinkers avoid linear thinking in which interventions focus on symptomatic fixes instead of facing the underlying causes [Senge, 1990a].

The consequences of the actions of leaders who lack systems thinking skills are devastating. Leaders who manage entirely on the level of events, dealing in visions and crises and deploying inward thinking, hurtle their organisation from crisis to crisis. People reacting to situations in this way have no control over their destiny. The leader best prepared to handle change is the one with the *generative response* to emerging trends.

Learning organisations represent a potentially significant evolution of organisational culture. However, they will only evolve after the leadership abilities they demand have been developed. This new development in management will focus on the roles, skills and tools needed for leadership in the Information Wave. Organisations simply cannot stay mired in the old territory. They need the right tools to move them out of the swamp [Covey, 1993] and into the new order.

2. CHAORDIC LEADERSHIP

The new science is also a systems discipline [Fitzgerald and Van Eijenatten, 1998]. However, the focus is not on homeostatic, equilibrium-seeking structures, but on the complex, dynamic, non-linear systems ranging from the visible universe to the lowly amoebae colony. One can distinguish between the terms chaos and chaord. The first refers to the grossly unpleasant, disruptive turmoil

which followers recognise as the issue of excess and not the dearth of equilibrium, whilst the latter is simply shorthand for the clearest, most powerful and encompassing view of reality known to date (refer to Module II, Section 3.5).

The central tenet of the new science is the encapsulating fact that chaos and order are not (as the classical scientists proclaim) opposites from which to choose. On the contrary, they are two perennially intertwined aspects of the very same reality. This special kind of leadership will be referred to as *chaordic management*.

2.1 MANAGEMENT AND THE END OF CERTAINTY

Leadership's enacting role and responsibilities are determined to a large extent by their own mental model of how they see the world. This model acts like a lens or filter, translating their perceived views on reality into actions. The now humanised but still mechanistic practice of management was ameliorated by the open system's model [Figure 26]. This awakening to the organic nature of the system as discussed in Module II represents a giant step forward in managerial thought and actions. On the other hand, even this model is still founded on the paradigmatic backbone of classical physics that in turn underpins the more familiar and contemporary notion of 'Scientific Management'. This ubiquitous way of perceiving, thinking and acting in and on the organisation is so deeply entrenched in 17th century science that modern-day practitioners are reluctant to take heed of its significant deficiency, namely its unmitigated inability to ultimately explain the dynamically complex workings of the universe – let alone that entity within this universe that is known as the organisation.

It is unfortunate that leaders in industry, business and politics alike remain wedded to and mesmerised by the axioms of certainty, constancy, predictability and control. As an example, proponents cling securely to the assumption that the inherent tendency of their bio-mechanical systems is towards homeostasis (or perpetual equilibrium (E) or near-to-equilibrium (NTE) [Fitzgerald and Van Eijenatten, 1998]). These leaders regard E or NTE as the natural state and hold as their ultimate goal and objective, the retention and attainment of this

unwavering stability. They generally acknowledge the system's openness to a continuous and increasing influx of energy, information and knowledge as well as its subsequent output in the form of products, services and associated waste. They have to remain alert to the ever-present danger of turbulence within or outside the organisation, since these disturbances can drive the system to the edge of chaos. Scientific leadership, by its very notion of perpetuating systemic variability, brings about the far-from-equilibrium (FE) conditions they strove to avoid.

The equilibrial mindset postulated in Module I took shape nearly four hundred years ago and remained interwoven in the paradigmatic tapestry of mainstream management. Considering the rapid pace at which pioneering explorers of the universe are unveiling the arrant partiality into its once incontrovertible laws, it remains no wonder that the cache of insights of the new science, is now embraced throughout the scientific establishment. Management has remained arguably the last bastion of resistance to the emergent new paradigm. The most remarkable characteristic of this new breed of manager is their success in transcending the current archaic model of reality and entering a new space of knowledge. This can be likened to climbing up a steep ladder - the higher one climbs, the better and more expansive the view. The symbolism behind this metaphor is significant from two points of view. Firstly, climbing higher and higher produces a systems perspective in thinking and knowledge gained, and, secondly, every rung of the ladder is deemed a metaphor in its own right signifying mental models such as the axioms and precepts of the manager. Moreover, moving up the ladder, one is forced to negate unsuitable views from the previous ladder, while retaining new ones on the higher ladder. This corresponds to the concept of organisational learning in Module V.

Another interesting deduction from the ladder metaphor, is that the level of knowledge corresponds to the level reached on the ladder, and therefore the view (or knowledge attained) from the level above is 'invisible' to anyone who has not yet attained this. If the leadership wants their organisations to survive and to thrive, in a context of spiralling complexity, escalating flux and punctuating discontinuity, the old ways of seeing the world should be relinquished. At the

same time, the infrastructure of known truths is retained and integrated into the new view. The truth is, no matter how advanced the technology, how comprehensive the IS, the size of the market share, the brilliance of the leadership, in the end it is the refusal to surrender the prevailing world view that will orchestrate the demise of the business (compare this to the Replacement Design Model in Module V).

2.2 THE RISE OF THE CHAORDIC LEADER

The shift from an Industrial to the Sytems Age has altered the nature of the workplace, the worker and the work [Tetenbaum, 1998]. During the Industrial Era workers were located primarily in urban factories where they engaged in routine work, often on an assembly line. They worked specific shifts, punched a time clock and performed tasks under supervision. A 'good' worker was reliable, passive and capable of modest manual dexterity.

Leadership will be called upon to engage in the emergent change; they will seek neither stability nor predictability. They will have to realise that messiness and ambiguity are part of the process of self-organisation and self-emergence, more than the command-and-control styles of the past. They will realise that it is futile to attempt to map the future.

Precisely how chaos and complexity theories will shape the world of work is not clear, nor are there many examples of emergent change to guide those responsible for managing on the edge of chaos. Nevertheless, Tetenbaum [1998] identifies five essential ingredients apparent to the leadership role in the new chaordic order.

These are:

- Manage the transition,
- build resilience,
- destabilise the system,

- manage order and disorder, the present and the future and
- □ create and maintain a learning organisation.
- (i) Manage the transition: The most important role of leaders is to lead people through the transition from the Industrial Era to the Information Era (from the world of Newton to the world of chaos). This process entails letting go of the past and coming to terms with what is lost. Workers have to trade their safe, predictable world of work for an unstable, unpredictable and highly ambiguous one. In the new order, workers are expected to identify and solve problems, make decisions, experiment, generate perpetual novelty and, continually, learn new skills and behaviours.

Leadership will have to help workers understand the extent and reality of the dramatic changes and generate a sense of urgency about the need to move forward differently from the past. This necessitates specifics with regard to attitudinal and behavioural changes, and appropriate rewards and incentives.

(ii) Build resilience: The accelerated volume and complexity of change (for instance, multiple downsizing, restructuring, mergers and acquisitions) wear down the worker's mental and physical stamina for work. This renders them incapable of weathering yet another onslaught on their capabilities. They need a capacity to adapt and absorb even more change that lies ahead. Thus, leaders are expected to help workers increase their resilience so that they can bounce back no matter how rapid the speed and intense the complexity of the changes facing them. Leaders need to explain the nature of the chaos and emergent instability along with the principle of order in disorder.

One way of resolving this and preparing the workers is to establish corporate universities or learning centres (for instance the Motorola University) where workers are trained and prepared to continually redefine themselves and the way in which they perform their work.

(iii) Destabilise the system: In the Industrial Era, an organisation was viewed as successful depending on how close to equilibrium they operated. However, a

model that places stability at its core, restricts strategies to repetition and imitation. Thus it is dysfunctional in an increasingly complex and competitive environment where organisations depend on their innovative ability to survive.

In this context, leaders need to take to heart the role of creating an environment that elicits, supports and nurtures creativity by *deliberately upsetting the status quo*, even escalating some change while damping down others and seeking a chaordic state (or a state bounded by instability). One way to achieve this, is by keeping the system in a state of creative tension, the latter being a necessary ingredient of creativity. Another way would be for leaders to *deliberately seek disconfirmation of current beliefs*, that is to continually challenge the accepted mental models and test possible alternatives. This is difficult for both the leader and his followers, and success stories should be duly recognised and rewarded.

(iv) Manage order and disorder - the present and the future: The self-organising principle inherent in chaos theory might lead one to conclude that leadership is superfluous. However, the paradox is that leaders have to ensure that the organisation engages in enough innovation to remain competitive, whilst at the same time providing enough stability to prevent total disarray. constellation of paradoxes consisting alternately of regularity and irregularity, simplicity and complexity, stability and instability, calls for tremendous agility on the part of leadership. In the Systems Age of 'both/and' thinking in lieu of the old 'either/or' thinking, they have to learn to balance both ends. One solution is to apply regularity, stability and predictability to the day-to-day business and disorder, irregularity and unpredictability to the future change this effectively means having two groups (or teams) in the organisation: A present team (focusing on today) and a future team (focusing on the future). The first team could focus on internal issues whilst the second could have a more external point of convergence. Moreover, Hersey and Blanchard [1988] point out that people are naturally suited to either implementing (internal focus) or innovating (external focus). This model could alleviate most employees' anxiety and stress with regard to the new paradox.

(v) Create and maintain a learning organisation: Since learning is the sine quo non of the Systems Age and central to self-organising activities from which new systems emerge, it is the leader's responsibility to create a culture of continuous learning. It should not be an accidental by-product of everyday business, but rather, everyday problems should be deemed opportunities for learning. A culture of learning is tolerant of experimentation, failure and risk-taking. An organisation which wants to capitalise on its collective human capital, should be tolerant of conflict and healthy debate.

From the above principles it is clear that 21st century leadership calls for leaders who themselves understand and accept the assumptions of chaos and complexity. They understand - no they appreciate - a new mental model based on shifting paradigms.

2.3 LEADERSHIP STYLES EMBEDDED IN THE ORGANISATIONAL CULTURE

According to Quinn and McGrath [1985], leaders, have to fulfil their role by performing their tasks effectively, in that they must be able to work effectively within each of the four quadrants in the Competing Values Framework [Figure 26). The Competing Values Framework identifies some of the values and criteria of effectiveness needed in organisations today (These values are summarised in Table 32.) In the Competing Values Framework, the vertical axis in the matrix ranges from high flexibility at the top to high certainty or predictability at the lower end. The horizontal axis ranges from an internal perspective (on the left) to an external perspective (on the right). Over this matrix, eight spokes denoting eight leadership styles are imposed. Any particular leadership style is complementary to its neighbours, although in contrast to those with which it is juxtaposed [Quinn and McGrath, 1985: 323]. Figure 42 indicates the competencies and associated leadership roles within the Competing Values Framework. Each of the eight leadership roles contains three competencies. They complement those next to them, and are in contrast to those opposite them. These eight roles can be described according to the twenty four key competencies or value dimensions [McDonald and Gandz, 1992] listed in Table 32.

Table 32: Shared values relevant in the context of the chaordic enterprise

SHARED VALUE CONCEPT	DEFINITION
Adaptability	flexible and changing in response to new circumstances
Aggressiveness	aggressive and pursues goals
Autonomy	vigorously independent and free to act
Broad-mindedness	accepting differing opinions and viewpoints
Cautiousness	cautious and minimises exposure to risk
Consideration	caring, kind and considerate
Co-operation	co-operative and working well with others
Courtesy	polite and respectful to individual dignity
Creativity	develop new ideas and apply innovative approaches
Development	achieve personal growth, learning and development
Diligence	work long and hard to achieve results
Economy	thrifty and careful in spending
Experimentation	trial and error problem-solving approach
Fairness	fair and provide just recognition based on merit
Forgiveness	forgiving and understanding when errors occur
Formality	uphold proper ceremony and maintain tradition
Humour	fun and light-hearted
Initiative	opportunity seizing and responsibility taking with no hesitation
Logic	rational and thinking in terms of facts and figures
Moral integrity	honourable and following ethical principles
Obedience	comply with directions and conform to rules
Openness	straightforward, sincere and candid
Orderliness	neat, tidy and well-organised
Social equity	equal to others and avoid status differences.

Source: McDonald and Gandz, 1992: 68

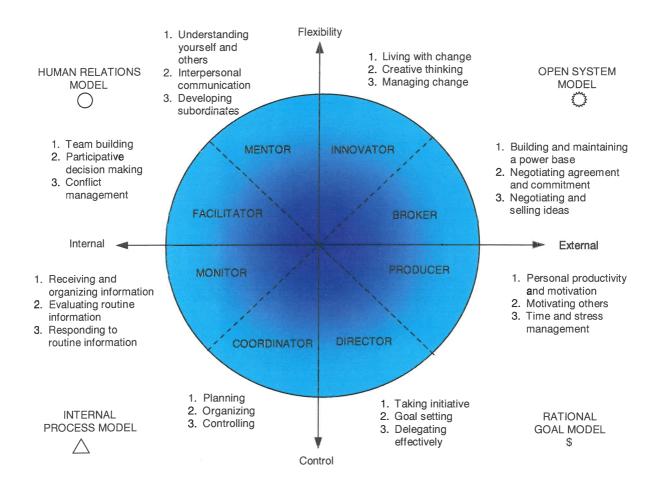


Figure 42: Leadership roles within the Competing Values Framework

Source: Quinn, 1988: 86

These eight roles enable the organisation to identify competencies compatible with their organisational culture. According to the Competing Values Framework described in Module V, all eight styles should be prevalent within an organisation – albeit at different times.

Using the above models, leaders should endeavour to derive strategies and tactics to achieve value congruence, that is, a high level of value sharing, within their organisations. These include actions designed to:

- □ Identify the company's set of shared values.
- □ Recruit and socialise employees toward the organisation's required value set.
- □ Radically redesign the company's value set if so needed.

According to McDonald and Gandz [1992: 71], an organisation's value set is

` .. simply those shared values out of the general set, which that particular organisation has decided to emphasise and reward'.

In other words, the set of shared values reflects that organisation's culture. Consequently, the organisation's culture should be re-architected to that effect.

It is up to the leadership to institute the change and turn this into a corporate reality. The problem is in articulating the new set and consequently making it real. A radical shift in corporate values is unlikely without a strong external impetus or change in leadership (or both). Sometimes the leader is specifically selected because of the particular set of values that he stands for.

3. LEADERSHIP IN SELF-ORGANISATIONS

Wheatley and Kellner-Rogers [1996] pose the question whether there is any role for leadership in self-organising organisations – the more so since organisations tend to move towards a mode of operation that excludes most traditional activities of planning and control. They believe that leaders are an essential requirement for the move toward self-organisation and should focus on committing their organisations to this new path.

Since the path of self-organisation is not known ahead of time, there are no prescribed stages or models. The point of departure becomes that of intention and not some set of action plans.

Employees have to be encouraged to take the initiative and explore new areas of competence. In this context, leadership has to let go so that employees can figure out their own solutions.

Self-organisation calls for very different ideas and forms of organising. It creates an environment open to the development of resilience, intelligence and flexibility. This is difficult, but necessary in the future that pulls towards new understandings with an insistent and compelling goal.

4. ORGANISATIONAL LEARNING AND SYSTEMS THINKING IN A CHAORDIC SYSTEM

The new style of leadership brings with it a dualistic way of thinking, moving away from the Newtonian style. In the 'old science' thinking exhibit an 'either/or' viewpoint, whereas chaordic thinkers have greater control over a system that can at the same time be unpredictable (or chaotic) and predictable (or orderly). According to Fitzgerald and Van Eijenatten [1998], this includes the ability to detect patterns amid the flux.

It is perhaps the greatest challenge to leadership involved in the new science to perceive the dualistic `..both .. and ..' [Fitzgerald and Van Eijenatten, 1998] nature of all systems. This provides a complete mindshift from the Newtonian science thinking in terms of `cause OR effect', `separation OR union', `stay the same OR lose the edge'. Chaordic thinkers, on the other hand, have control within (not over) the system, whilst the system is at the same time BOTH unpredictable (chaotic) AND patterned (orderly). This empowers chaordic leadership to detect patterns amid the flux, allowing them to lash together the tatters from the reality of the old science.

Examples of pairings that scientific managers find paradoxical include: chaos/order, mind/matter, autonomous/interdependence, stability/dynamism, quality/efficiency, freedom/control, workplace democracy/financial performance and control/letting go.

5. CONCLUSION

Literature on the subject of leadership has much to say about transformational leadership [Tichy and Devanna, 1990; Hersey and Blanchard, 1988]. The premise of this thesis has been that the issue of leadership becomes far more complex in the Quantum Age to be deemed transformational. Of course, the transformational aspects of leadership are pertinent, but the demands placed upon leadership will require far more than what the gurus have been able to propose.

In terms of knowledge creating (business intelligence) activities (which will lie at the heart of knowledge creating organisations) leadership will be expected to change roles according to the changing and evolving needs of the organisation the customer and the environment (this being the notion of business intelligence proposed in Module IV).

Some of these activities are proposed below:

- □ Problem-solving (decisions regarding the organisation's present situation),
- implementation and integration of business intelligence (decisions regarding the organisation's internal environment),
- experimenting with business intelligence (decisions regarding the organisation's future) and
- importing business intelligence (decisions regarding the organisation's external environment).

It is evident that existing leadership structures simply will not handle the diverse nature of such leadership. They have to become Tichy's protagonists and antagonists (Module I) and *far more*. The challenges that they face in terms of the proposed chaordic leadership are daunting. The reward comes from the pockets of excellence they spread, the creation of a society (or organisation) that will deal with the aspirations of all people and the sense of doing the right things rather than being rewarded for the things that they do.

History contains powerful lessons about the fate of societies that lose their will to excel and succeed (for example, the Mayan example in Module V). Chaordic leadership is about the challenge to meet the new realities without losing the values and norms that make society (or the organisation) great.

'The wicked leader is he who the people despise.

The good leader is he who the people revere.

The great leader is he who the people say: We did it ourselves.'

Lao Tsu