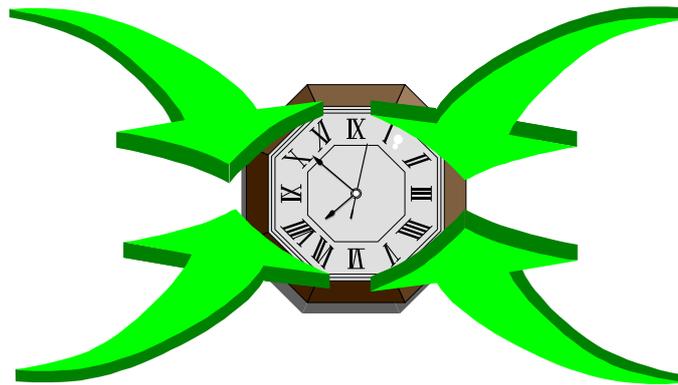# REDEFINING LEADERSHIP
FOR THE
21ST CENTURY

by

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INTEGRAL LEADERSHIP CENTRE

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Redefining Leadership for the 21st Century

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There are a number of environmental forces and workplace trends that are shaping the emergence of a new type of leader. This article describes several recent studies that provide an interesting picture of what will be occurring in the workplace over the next few years. The first study provides evidence from over 1 million workers over 25 years of the 12 things that are needed to provide a happy and productive workplace. A second study points out seven major trends that are occurring in the workplace. Forces that are reshaping and reinventing capitalism and modern organisations so that work is socially meaningful and environmentally harmonious are also discussed. As a result the type of leadership required in the next century will be quite different than those required today.

This new type of leadership will be required to have up-to-date business and management skills but will also have to examine the deeper and wider examine purpose of work and the value of the products we produce. This new type of leader will need to be able to reconnect individuals with their organisation and the world and to help workers provide meaningful service. This type of 'spiritual' leader may not be highly evident in today's competitive world but the community and environmental pressures and needs of tomorrow will require this type of leadership for any organisation to succeed in the future..

The 12 Secrets of a Happy and Productive Workplace

The Gallup organisation has recently compiled results from questionnaires and interviews of more than one million employees over 25 years (Onsman, 1999). Using factor analysis, regression analysis and concurrent validity methods the researchers identified which factors would indicate whether employees were likely to be satisfied and stay with their employers. These 12 'core elements' attract and retain productive employees and can be summarised by these questions:

1. Do I know what is expected of me?
2. Do I have the materials and equipment I need to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. In the past seven days, have I received recognition or praise for good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?
7. At work, do my opinions seem to count?
8. Does the mission of my company make me feel like my work is important?
9. Are my co-workers committed to doing quality work?
10. Do I have a best friend at work?
11. In the past six months, have I talked to with someone about my progress?
12. At work, have I had the opportunity to learn and grow?

According to the Gallop researchers, these questions are particularly important to productive, talented workers and less so for under-performing staff. As the results show, pay does not even get mentioned and most of the 12 involve the quality of workplace relationships – with colleagues, bosses and workplace friends. Yet many managers today do no have the 'soft' skills or willingness to tackle interpersonal issues. Many managers are uncomfortable with the people side of management, preferring to focus on objectives and tangible tasks rather than the subtle areas of human emotions and motivation.

These twelve factors give leaders a clearer idea of what their employees need to experience job satisfaction and to be productive. To start, employees want to be told what is expected of them in clear and straight-forward terms (although 70% currently indicate they are not clear what their managers expect). According to these results those leaders who help people have constructive and supportive relations at work will help that workplace become a great place to work.

Seven Changes that Will Challenge Leaders – and Workers

A recent study by Robert Barner (1996) looked at the major changes that leaders will have to deal with over the next 10 years. Barner conducted a detailed literature review of recent workplace trends, he conducted five focus groups and then conducted 200 face-to-face interviews with a wide variety of managers and professionals from private and government organisations. He describes seven changes that are occurring within the workplace that will profoundly effect the nature and skills of leadership in the near future.

1. **The Virtual Organisation**
    Communication technology and computers are radically altering the way leaders and organisational members work together. The new technology has led to flexibility and speed in providing information to each other and to the customer.

    On one hand, leaders are more accessible, especially to lower level staff and as a result they get emails from all over the organisation and the world. For example, when Bob Falconer was the Commissioner of the West Australian Police, he received an email from a female constable telling him why she disagreed with his decision to remove the numbers on uniforms that represented how long a person had been in the police force. As a result of this email, Falconer rescinded his decision to remove the numbers from police uniforms as a result. This new technology can also result in information overload. One senior manager who was away from work two days recently returned and found over 150 emails waiting for him from his staff. colleagues and customers.

    Leaders need to develop electronic communication and networking skills. They must keep up-to-date with what is the most effective technology for his/herself as well as the team. The Internet is rapidly becoming a place for recruitment of staff which means leaders will have to work with HR professionals to ensure that their staffing recruitment needs are adequately handled in this new medium.

    The faster communication of decisions means that decisions are being implemented faster. Because more people can and expect to have input into

decisions, managers need to become familiar with and use decision support software as well as develop their facilitation skills.

2. Just In Time Work Force
Over the last 10 years there has been a 240% increase in temporary and contract staff in organisations. The motivation, incentives and rewards for these staff require a new approach by leaders. There are many issues regarding how permanent vs contract/part-time staff are treated, what benefits people are given and even such daily matters such as who comes to staff meetings, training programs and company retreats and who doesn't.

3. The Growth of Knowledge Workers
Modern organisations are finding a major shift from manufacturing and service to managing information. Computer software and hardware, law, health, education and finance are just a few of the occupations that are experiencing high growth rates as a result of the need for more information.

As a result of this trend managers are working hard to avoid obsolescence by keeping up to date with the latest technological changes and information in their field. Internet information and data base searches are becoming regular tools for managers to gain information. Downsizing of organisations has meant that managers can no longer just manage but are required to contribute some area of expertise into the team in addition to their management role.

4. Electronic Performance Monitoring and Coaching
Improved management practices combined with the wide use of technology has meant that the performance of managers and their departments is able to be continually and closely monitored. Spread sheets, financial packages, project management software and electronic communication means that a manager's performance is monitored more closely and over shorter periods of time.

A recent addition has been the coaching of managers through face-to-face and Internet facilities. A large U.S. management coaching company organises training, set ups managers with coaches in their geographical and technical area and monitors the coaching for managers around the world.

5. Multicultural Diversity & Global Trade
85% of new employees in the year 2000 are predicted to be women and minorities which mean managers will be working with different types of employees than they have in the past. Greater recognition will be given to indigenous cultures and how modern organisations can operate yet still give dignity and respect to native and national cultures. The growth of international business also means that managers will be selling and/or buying products, services and knowledge in international markets much more frequently in the future. Companies such as the Body Shop have made significant efforts to integrate and value the culture and heritage in the countries they operate and even tries to use the wisdom of native culture in producing their products.

6. The Aging Workforce

According to the most recent figures the average age of workers will be 45 by 2005. Older employees will be involved with part-time work and special projects. Many younger managers will have to lead and manage older people who have greater experience and perhaps more wisdom than they have. They will need to overcome the biases that older people are less productive when research has shown this is not true.

7. A Dynamic Workplace Undergoing Continual Change

The factors listed above mean that the leader's behaviours are being evaluated over shorter time spans and with more detailed quantitative information. Leaders are being asked to start up and manage new ventures, new projects and new teams and are required to get results in shorter time spans.

Social Responsibility and the Natural Environment

There are also other key shifts that are slowly gaining interest and support in society. One of the major shifts has been the recognition of social responsibility including care for the natural environment. Butcher and Penny (1999) suggest that there are a number of signs that clearly indicate business leaders are aware of their social responsibility. Their study of 1000 managers and directors from a range of organisations found, as one might expect, that the majority still consider the primary goal of business to be long-term profit generation for shareholders. Significantly, most also believe that wealth creation alone does not define corporate responsibility. Leaders feel that they have to have a social purpose more than just creating jobs. Here are a few of the questions and resulting responses from this survey:

	Agree %	Undecided %	Disagree %
The primary goal of any business should be to remain profitable over the long term in order to produce returns for the shareholders.	78	10	13
The only social responsibility is wealth creation.	19	19	63
Part of doing good business is taking responsibility for the impact of your activities on the natural environment.	92	7	0
Business decision-makers have a responsibility to take into account the impact of decisions on the communities in which they operate.	87	7	6

As these responses show managers have a strong commitment to generate profit and yet at the same time feel it is important to go beyond profit making to provide some social good to society. Leaders of the future will have to find a way to both provide profit and to meet the needs of the social and natural environment. This will mean they will have to re-examine, question and reinvent the very basis of our business organisations.

Reinventing Capitalism and Modern Organisations

'Modern capitalism is absolutely irreligious, without internal union, without much public spirit, often, though not always, mere congeries of possessors and pursuers. Such a system has to be immensely successful if it is to succeed. Today [1923], it is only moderately successful.'

- John Milton Keynes

'I would suggest the 'moderately successful' could be an accurate description of capitalism today, and I say this in spite of the huge increases in material well-being that it has delivered in the seventy years since Keynes made that statement.'

- Charles Handy (1997:31).

There are a number of common assumptions that drive modern organisations and therefore affect a great number of leadership actions. A major drivers of private enterprise and government policy is the generation of profit which means the maximising of economic wealth and the accumulation of money. In the free enterprise, capitalistic system owners of companies expect their managers to maximise the return on the money they invest in the company. The pursuit of 'self interest' is the driving mechanism of the capitalist market and Adam Smith stated that it would lead to greater happiness for society. Greater economic output, profit and consumption, according to this thinking, reduces poverty, results in greater material wealth for workers which then buys a happier, more fulfilling life. This thinking so pervades western society that we tend to rate people and things in terms of their economic use and monetary value. The recent trend worldwide to privatise government services is pushing this free market philosophy as far as possible. The free market has worked well in some sectors of society and has provided increased living standards for many people. However, providing on a user pays basis buses, trains, or television to remote communities and hospice services to people dying of cancer or AIDS must be unacceptable to any society which calls itself 'developed'.

The quality of life for many people in free market system has not increased for a number of people as shown by the following data (Handy, 1997):

- 42% of all workers feel 'used up' by the end of the day
- 69% would like to live a more relaxed life.
- Parents spend 40% less time with their children than they did thirty years ago.
- The rise in per capita consumption in the last twenty years is 45% *but* the decrease in the quality of life as measured by the Index of Social Health is 51%.
- Only 21% of the young now think that they have a good chance of achieving The Good Life, compared with 41% twenty years ago.

In Britain an astonishing 36% of professionals and managers work more than 48 hours every week. An Institute of Management survey showed that over three quarters of managers considered their hours as stressful, worried about the effect on their family and about their relationship with their partner. As Charles Handy says (1997:29) *"Competition reaches down into the institution and demands a sort of corporate Darwinism, the survival of the fittest and the death of the rest, in the organisation as well as in society as a whole."*

Scientific and objective thinking are closely linked to the rise of capitalism and govern its mode of operating. Division of labour, scientific management and the use of computer automation are only a few of the major innovations science and technology have provided. Science and rational thought divide everything into separate parts and as a result we see people and things as separate objects/things in the world. A human being is defined as a mental ego housed in a body of skin. His/her identity is based on what they do or have in terms of possessions, fame, skill, wealth, or status. The minority of people with the wealth own the buildings and equipment needed for production and hire people to do the work that machines can't accomplish. What is not owned is not priced and therefore not valued. Air and the oceans are free, so we use and pollute them without penalty for a large portion of the time.

Banks, hospitals, white goods manufacturers, schools and insurance companies in Mondragon, northern Spain, are all owned by the workers and have had an outstanding record of business success while not having to go through the downsizing that is common in Australia, the United Kingdom and the U.S. On a smaller scale companies like St. Luke's advertising agency, owned by 'Quest' – an employee share trust, dispenses shares each year to employees so that the longer you stay the more shares you own. Camellia plc is a long-term tree agriculture company with tea estates in India and East Africa which has existed for over 100 years. The majority of shares are owned by a Foundation. Its Chairman, Gordon Fox, challenges the view that the 'shareholders 'own' the assets of the company and states that a company is a creative process with something spiritual that generates high level of allegiance and respect. Camellia therefore, puts a substantial portion of its profits into schools, hospitals and ventures to improve the people in the communities where it operates.

Bertelsmann, a $20 billion media German conglomerate with over 60,000 employees is now more than 160 years old and is majority owned by a Foundation which issues Profit Participation shares to employees. The aim of the Bertelsmann company includes (Handy, 1997:174);

1. Making the maximum possible contribution to society. All group interests are subordinate to this goal.
2. Self-fulfilment of all persons working in the company must be made possible on the job.

These and other clauses require everyone to be given the opportunity for personal development and as owners of large assets to fulfil a social responsibility. They are a formal part of the constitution and therefore legally binding on all members of the company. Bertelsmann, St. Lukes and the Mondragon cooperatives are examples of companies that have found a way to be profitable enterprises yet true corporate citizens. More of these organisations will be needed in the future.

Current Definitions and New Directions for Leadership

'Leadership is the ability to influence people to achieve goals'

This definition or similar ones, can be found in a many books on leadership. While there are over 100 different definitions of leadership and considerable debate about what leadership really is, this definition has been accepted by most writers to be as

good an any – up till now.   Research on leadership as well as the human and social changes described in this article suggest that it is time to redefine leadership.

Over the last 50 years several thousands of studies have tried to understand and define the phenomenon of leadership.   Recent reviews of leadership research as well as chapters in most current organisational behaviour textbooks provide an up-to-date picture of where the field stands.   It was first considered that leadership was dependent on the personality characteristics such as intelligence, decisiveness, self-confidence and a set of other common factors.   *Personality* was found to only play a small part in determining effective leadership so the quest to find what makes a successful leader moved to *observable behaviours* that defined good leaders.   A focus on relationships and tasks was found to be important although more recent studies of leadership show that a leader's behaviour needs to vary depending on the motivation and competency of the follower along with other factors in the situation.   The most recent major area of interest in leadership studies has to do with transformational leadership, the ability of a leader to inspire and raise a follower to greater effort and moral behaviour in pursuit of a worthwhile cause.   A transformational leader according to research has charisma and an ability to stimulate intellectual understanding of the new endeavour.   The transformational leader also allows the follower to adapt the vision in a way that suits the follower's situation.   Currently research on leadership has also examined the follower-leader dynamics and situations where no leader is necessary.

While all these studies shed some light on different aspects of what makes an effective leader, the general theme emerging from leadership studies is that it is a highly complex skill.   It involves a mixture of personality characteristics, situational variables, and the ability to develop and communicate a vision that inspires and motivates people. A new definition of leadership will not only need to capture these dimensions but should be able to include the trends and factors that our shaping the workplace in the near future.

There is a great deal written about the type skills that leaders will need in the coming years (Mant, 1997, Barner, 1996, The Industry Task Force) . The demands placed on leaders by the changes and trends of the workplace will require leaders of the future to have increased business, people and team skills. A sharp business focus, rapid responses to customer and business demands, skills in teambuilding and empowerment, as well as an ability to juggle fewer staff to ensure their skills are being used to the upmost will be necessary for any leader. Increased financial expertise and effective use of technology will also be required of anyone who holds a leadership position in business or government organisations.

These skills will be prerequisites for the leader of the future but they will not be sufficient to provide answers to the deeper issues facing the purpose of human work. Organisations will need to examine their motives and the value of their products in terms of their social and environmental effects. This means producing and selling products that have a worthwhile use rather than for the mere sake of consumerism and profit.   Leaders will need to find different forms of ownership that encourage cooperation instead of individual wealth accumulation.   Organisations will need to transcend the survival of the fittest mentality that dominates much modern corporate thinking.   The new type of leaders will have to balance corporate profits and

performance with the personal and family wellbeing for both themselves and their employees.

Leadership Wisdom

What appears needed for leadership in the future is a deeper more fundamental wisdom. Wisdom is seldom spoken of in leadership research studies and texts yet it has been the foundation upon which most great cultures, philosophies and societies have developed. Athens, the Florentine Renaissance, the golden era of the Indian culture, and the great chinese nd japanes empires all had great philosophies such as Vedanta, Taoism, Zen Buddhism and the Bible as great sources of wisdom. Great indirect and direct leader/philosophers such as Socrates, Sankara, Buddha, Marcus Aurelius, Marcilio Ficino and many others have contributed great wisdom and insight which has uplifted and steered these cultures for centuries. While it would take a considerable number of pages to adequately distil the key properties of this wisdom, the following three points are put forward as key essentials that relevant for the leaders of the future.

1. Ability to be in the present, to see clearly what is happening in the moment

Most people spend a great deal of time involved with inner self-talk: images, feelings, thoughts and judgements of other people and external events. Much of the time they are automatically caught in this 'self talk' commenting, judging, liking or disliking the people or situation around them *"Why couldn't he have done it better?" "I am the one that will have to fix this up now?"* Much of this dialogue is centred around the ego – the image they have of themselves and what the ego wants to hold onto – my job, my idea, my status, being right or liked, etc.. This 'voice in the head' divides, evaluates and compares things to internal ego expectations even when this process is not needed at the time. When someone begins to talk to them their internal self-talk often automatically responds so they stop listening, even though they are pretending to hear what is being said, *"Yes, uh, huh! I see.".* Eyes are wide open but no one is home!

A wise leader therefore, must be in the present because if she/he isn't they will be operating from their past ideas or some imagined future in their mind. This means that the leader goes back into their store of experience, judgements and ideas and tries to solve a current problem based on these. While information and experience from the past may be useful at times, it is important for a leader look at the situation freshly and free from bias so that he or she can see the best course of action, especially in a world that is rapidly changing and different from the past. A key skill of a wise leader is to let go of ego attachments and to see what is actually occurring in the moment.

2. Serving the Need of the Present

Robert Greenleaf has described servant based leadership as the ability of a true leader to serve workers so that they are free to do the best job possible for their customers. This can be described more specifically as the ability to find the need of the moment and direct the attention and efforts of the team to serve that need. Meeting the need of the moment occurs by bringing the attention and energy to the situation free from internal self-talk and emotional biases and acting in a way that reconnects all the

associated elements and people to provide what is needed at that time. This has been called 'moments of truth' by leaders such as Jan Carlzon, ex-CEO of Scandinavian Airlines.

In many cases we see or hear of a leader that imposes their view on the people in the situation rather than actually listening to or seeing what is really needed at the time. While serving the need of the moment may sound rather simplistic, it has extraordinary implications for customer service, interpersonal and team dynamics as well as strategic management in an organisation. If leaders based their strategic plans on fulfilling the genuine needs of society and their customers for example (Argenti calls these 'strategic elephants'), they would find the success of the organisation and commitment of their employees would be much easier to attain. In team meetings were focused on fulfilling genuine customer and staff needs the value and efficiency of meetings would increase substantially.

3. Connects the Part with the Whole, the Self with the Other

Very closely linked to meeting the need of the moment is the ability to connect the parts with the whole. This can be needed on an individual, team and/or organisational level. The leaders must balance and integrate the needs of the individual with that of the team, organisation and society. This linking fulfils the need that was referred to above. The effective leader is able to see the individual, the team and organisational needs and align them with customer needs. A truly great leader also aligns these needs up with the economic, social and spiritual needs of the nation and international community.

A definition of '*wise leadership*' based on this perspective is:

The ability to influence and develop individuals, teams and organisations to achieve a worthwhile vision that meets the present needs of everyone and everything affected by their work.

This involves a very high level of self-development and awareness of business, social and environmental issues. At the foundation of every leader is their sense of self, how they feel about themselves and who they think they are. The future will require an increased level of awareness and self-development. Goleman in his book, Emotional Intelligence (1994), provides research that shows that individuals who have greater awareness of their own emotions and are able to understand and work with the emotion of others. These people, according to Goleman are more likely to become effective leaders.

In the turbulent, high pressure organisations of the future, leaders will have to first be able to recognise and manage their own stress. Based on this self-knowledge they will need to see the warning signs of employee stress and burnout and help workers have access to a wide variety of techniques to deal with high stress. Every leader will be misunderstood, disliked, and have to deal with conflict among the people they manage. Communication and conflict resolution skills are vital in dealing with various team members.

A model of the skills and competencies of wise leaders would involve self, leadership and management as well as strategic skills needed by a leader to fulfill the organisation's change directions at that time. This is represented in the following diagram:

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┌─────────────────────────┐
│ Strategic Change Skills │
└─────────────────────────┘
            ▲
┌─────────────────────────┐
│       8 Roles of        │
│ Leadership & Management  │
└─────────────────────────┘
            ▲
   ┌─────────────────┐
   │  Self Qualities  │
   └─────────────────┘
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Diagram 1: Key Domains of Leadership & Management

A model and 360 profile has been developed by Cacioppe and Albrecht that has 52 questions that covers these domains and the eight key roles of leadership and management. The eight roles are shown below.
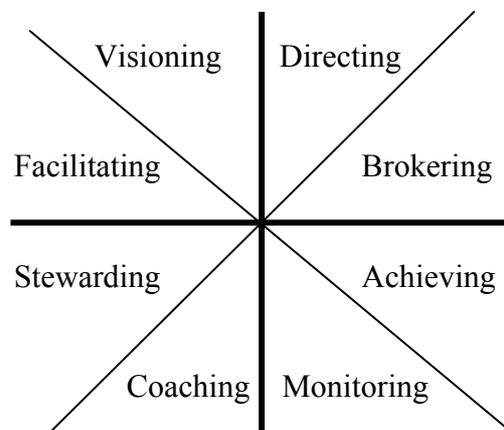
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      Visioning │ Directing

Facilitating          Brokering
──────────────────────────────
Stewarding            Achieving

       Coaching │ Monitoring
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Diagram 2: Major Competencies of Leadership and Management

These competencies have been well researched as good indicators of effective leadership behaviour (Albrecht and Cacioppe, 1999). They have been based on the work of Quin et al (1996) and Wilber (1996) have been developed into a 'Holon Model of Leadership and Management' which links established leadership research into an integrated perspective including the other aspects of leadership discussed in this article.

Creating Spirit at Work

A growing number of leaders are trying to re-establish meaning into the workplace. They see the alienation that has permeated the workplace and have begun to suggest ways that work can become more fulfilling endeavour. Organisations like the Body Shop, Motorola, Ben & Jerry's, Cashbuild, Wall-Mart and Proctor and Gamble have brought a different approach to the way their organisation works by making their workplace and products more attuned to the community, the natural environment and providing a balanced lifestyle for their workers.

The development of 'wise' leaders is vital and is an important area for further study and discussion. This could involve meditation, the study of eastern and western philosophy, and the use of wise leaders to develop wise leaders. The personal development of managers using 360 degree profiles, journals, community projects, health appraisals. Although these processes are found in some MBA and in-house leadership programs, they are often only as 'soft' supplements to the real stuff of business education such as finance, business strategy, information systems and economic analysis. There a number of organisations and universities that are conducting leadership development programs that are helping develop wise leaders – the real question is whether we will develop enough of them for the challenges of the century ahead of us.

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