

Management and Leadership in the Modern World

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Introduction

Leadership demands living by the enduring principles that produce success, and augmenting them with new qualities that enable speed, flexibility, risk-taking, an obsession with goals, and new levels of communication within an organization. When leaders succeed in doing these things the traditional measures of success inevitably flow.

Although all managers perform the traditional management functions of planning, organizing, staffing, controlling and directing, it seems that the higher the management level within an organization the more important it is for the manager to exhibit great leadership qualities. At upper management levels the manager's duties are concerned less with the minutia of running the organization and more on setting strategic goals and maintaining a collective focus on corporate direction.

Industrial era management issues involve competitive strategy, leadership, creativity, teamwork and technology. However, the paradigm is shifting and managers must adapt new issues created by a global economy and changing demographics. This results in new opportunities for management and leadership

Key Management and Leadership Points

KEY POINT 1: EFFECTIVE LEADERSHIP DRIVES SUCCESS

Leadership is often defined relative to our perspectives of particular people we admire, believe and are willing to support. These leaders appeal to our specific ethnic, religious, cultural, political or national characteristics. This relatively one dimensional approach, however, allows the leadership process to be less demanding because the homogeneity of the followers

generates energy that will naturally move them toward their common goal. Consequently, a calm, tenacious individual can organize the followers and easily lead them to achieve their goal. This same individual, however, may fail as a leader if they have to organize a more diverse group.

Consider the example of Newt Gingrich's stunning success in leading the Republicans to regain control of the U.S. Congress in 1994. By focusing his followers on a common political goal, they easily overcame their opposition, enthusiastically followed him and achieved success. However, things changed after Gingrich assumed his role as Speaker of the House. Instead of being able to rally the House of Representatives into a cohesive group, this diverse group of politicians actually became more divisive and adversarial. Ultimately Gingrich resigned. The skills that enabled him to successfully lead a homogeneous group were insufficient to lead a more diverse group.

Citrin and Neff (2000, p.1) presented a particularly compelling hypothesis when they asked, "If Wolfgang Amadeus Mozart and Elton John traded places in history, would Mozart have become the biggest rock star of our day? Would Elton John have been the greatest composer of all time?" They also asked what if Jack Welch, Jr., the legendary chairman of General Electric, switched places with Jeff Bezos, CEO of Amazon.com? "Would they be as successful if they found themselves in each other's shoes?" The answer in both cases is "yes."

The inherent qualities that make musicians great today are the same as those of Mozart's time. So too, are the qualities of great leaders. Leadership demands living by the enduring principles that produce success, and augmenting them with the post-industrial (Also referred to as postmodern.) qualities that enable speed, flexibility, risk-taking, an obsession with goals, and new levels of communication within an organization (Citrin, 2000). Furthermore, great leaders continuously seek potential leaders within their organizations and are quick to in develop leadership qualities in them. These gender-neutral qualities, shown in Table 1, enable leaders to appeal to followers that have a wide variety of demographic and psychological characteristics.

Table 1: Personal Qualities of Great Leaders

1. Core Qualities: Integrity, Honesty, Compassion, Courage
2. Have Judgement and Character. Cannot be taught like technical competence.
3. Persistent, Motivated, Dedicated
4. Speak to people on their own level.
5. Are truly focused on their people. Are sincere and focused on them.
6. Are direct.
7. Capable of kindling vision and energy.
8. Respects and empowers their subordinates.
9. Are self-sacrificing
10. Radiate Confidence.
11. Stays focused on the "big picture".
12. Are accessible. (Lesser leaders are isolated.)

Source: Compiled from: Axelrod, A. (1999). Patton on Leadership: Strategic Lessons for Corporate Warfare, and Baron, D. (1999). Moses on Management.

The common approach of great leaders that they refused to adhere solely to the traditional command-and-control structure favored by traditional organizations but favor a more open approach. They reason that if their followers are given reasonable decision-making power, even at the lowest ranks, natural leaders will rise to the top. Central to this concept is the conviction that leaders must recognize and nurture the creativity inherent in their followers (Griffith, 1998).

Citrin and Neff (2000, p. 4) declare that successful leadership can be distilled into the phrase "doing the right things right." "When leaders succeed in doing the right things – both personally and within their organizations – the traditional measures of success inevitably flow." The fundamental and mutually reinforcing principles great leaders follow are melded into what Citrin and Neff (2000, p. 6) call the "business leadership wheel" shown in Figure 1.



Figure 1: Business Leadership Wheel

Comparison of manager and leader roles.

For all practical purposes, it can be said that managers lead and leaders manage. The difference is a matter of degree. Although all managers perform the traditional management functions of planning, organizing, staffing, controlling and directing, it seems that the higher the management level within an organization the more important it is for the manager to exhibit great leadership qualities.

By virtue of the fact that they are closer to the operational level of an organization, lower-level managers are more concerned with getting their subordinates to efficiently perform the daily tasks and processes that support the organization’s core activities. Although leadership skills are

important at these levels, the closer to the line level a manager works the more they can use duress to influence an individual's behavior (Shafritz & Ott, 2001).

Some individuals are quite proficient with organizing, controlling and directing management activities. They are masters of logistics and processes and can keep their subordinates focused on their respective tasks to produce efficient, effective results. Some of these managers, however, fail to become adequate leaders when they are promoted because they are inserted into an environment that is more focused on people than processes. For instance, General George S. Patton III, promoted promising colonels to brigadier general only later to have them request demotion back to colonel. These men realized they did not have the leadership qualities demanded by their new rank and were honest enough to tell Patton. He admired their candor and replaced them in their former commands (Axelrod, 1999). This did not mean that these men were in some way substandard or flawed, it just means that some individuals are not destined to assume high-level leadership roles. Situations like this reinforce Griffith's (1998) warning to managers that they need to make sure the people they hire have the leadership skills necessary to move the organization forward.

In addition, a choice must be made regarding the degree of directive and non-directive leadership verses the degree of participative and non-participative leadership roles (Nadler, 1996). Many managers tend to gravitate to a non-participative/directive process in order to reinforce their concept of proper leadership. This approach, however, does not produce optimum team performance.

A more efficient approach is for managers to use a participative/directive process. This will enable a manager to push their team toward high performance by managing the process rather than taking a position on all of the elements of the content of the team's work. In this

instance, managers will perform the following tasks according to (Nadler, 1996):

1. Define agenda topics
2. Clarify meeting objectives
3. Perform questioning and testing for understanding
4. Manage the time allocated to each topic
5. “Call the question” – clarifying when it is time for a decision
6. Identify next steps and accountabilities.

Management and leadership issues.

Peter Drucker (1999) indicates that the major management issues at the end of the 20th century will not present the major challenges for managers in the postmodern world of the 21st century. Present management issues involve competitive strategy, leadership, creativity, teamwork and technology. Although most management literature tends to focus on these issues but there are three additional major post-industrial issues that are receiving an increasing share of attention.

The first of these major management issues is for companies to recognize that they are facing a new set of paradigms. The traditional assumption that there is one right corporate structure, one right way to manage people, etc., is no longer valid. Drucker (1999) points out that management can no longer be thought of as business management but rather it needs to be “the distinguishing organ of any and all organizations” (p. 9) which means management needs to develop an organization that fits specific tasks. Here the ultimate task is not to manage people but to lead them with the goal of making each person’s individual strengths and knowledge productive. Management must know what the intended results are and then organize resources to attain them.

In independent research, based on a survey of 542 American and Canadian firms, Shaw (1999) supports this argument. His respondents, mainly CEO’s, indicated that one of the most important management issues facing them was implementing an organization structure that would achieve their corporation’s goal. As opportunities occur it is important to have an organization

that addresses their specific requirements and to have team members focus only on that particular opportunity.

The second major management issue is strategy and Drucker (1999) identifies five certainties that will affect strategy in the 21st century. They are:

1. The collapsing birthrate in the developed world.
2. The shifting distribution of disposable income.
3. The way performance is defined.
4. Global competitiveness.
5. The growing incongruence between economic reality and political reality.

Appropriate strategies need to be developed for businesses depending on where their products are in their maturity cycle relative to national income and population. In addition, with the advent of knowledge workers replacing manual workers, organizations will have to develop new strategies of performance measurement.

The third major management issue concerns leadership. Drucker (1999) points out that organizations cannot control change but they certainly can stay ahead of it and they will accomplish this through good leadership. Organizations that succeed in staying ahead of change will be “change leaders” (Drucker, 1999, p.73). They will constantly review operations and quickly release resources from being committed to operations that cease to contribute to improved performance and results. A change leader, however, will be designed for change but it will also require continuity in its core business.

Drucker (1999) maintains that the most important contribution of the twentieth century was the increased productivity of the manual worker but he feels that the most important challenge of the 21st century will be to increase the productivity of knowledge workers. He stresses that manual workers are viewed as a cost to be controlled and reduced, but knowledge workers should be viewed as a capital asset. In addition, knowledge workers will need to concentrate less on

improving areas of low competence and more on moving from high competence to excellence. Herein lay new opportunities for leadership techniques that will inspire employees to achieve greatness.

KEY POINT 2: ACCURATE KNOWLEDGE IS CRITICAL FOR SURVIVAL

Creating knowledge.

The fact that information is not interpreted the same by all people due to their physical and mental diversity, appears to have been an age old problem for managers but it has become an incredibly important key point for post-industrial managers and leaders. This is because even though individuals may acquire information similarly, they interpret it relative to their unique culture, gender, environment, and mental state. Based on this interpretation they form their ideas of what constitutes knowledge, meaning and reality. Unfortunately, incorrect interpretation can create ambiguity, uncertainty, and anxiety. Consequently, contemporary managers must be fully cognizant of this phenomenon in order to adjust their management style and leadership approach in ways that will appeal to their subordinates with the result of achieving organizational success.

Knowledge is a mental state of having familiarity with or belief in something through sensory or non-sensory experience. Empirical, sensory experiences generate a posteriori knowledge that forms the basis of explicit beliefs through conscious reaction to the sensory information as well as implicit beliefs through rational reaction to sensory information. Non-sensory, non-empirical experience produces a priori knowledge which is formed through pure reason or understanding (Moser & Vander Nat, 1995).

The main concern with both types of knowledge is whether they are justified true beliefs. In our mind, we may consider our reaction to either sensory or non-sensory inputs as true belief but without obtaining justification or evidence that supports the validity of the belief, it is questionable if we really have knowledge or only an opinion (Moser & Vander Nat, 1995). Consequently, the process of obtaining evidence or proof has been a central philosophical issue. It appears that if

there is any chance that information can be false then we should not accept it as grounds for justification but in many instances, we do not have the time or technology to achieve absolute proof of truth.

Bertrand Russell claims that we have “knowledge of the mind” and that “...evidence of the senses – for example visual, auditory, tactile, or gustatory experience – is a critical sort of evidence appropriate to genuine knowledge” (Moser & Vander Nat, 1995), but he also points out that we need to be cognizant that things may not always appear as they actually exist. In addition, it is important to consider what Stephen Stich calls “cognitive diversity” (Moser & Vander Nat, 1995, p. 230) that describes the phenomenon where empirical evidence is defined or affected by culture and environment.

Knowledge is produced from non-empirical information or innate understanding as well as from empirical information. The information, after being subjected to justification tests, can become true belief and these beliefs can generate knowledge that produces competence to perform a particular action or skill as well as helping us recognize other information as being correct or not. It is important to realize, however, that assumptions regarding reasonably justified information may be nullified because of subsequent, more detailed investigation.

Means of knowledge acquisition.

We acquire knowledge through sensory and non-sensory experiences. The sensory experiences include information received from formal study, empirical experiments, random sensory observations (sight, hearing, touch, taste) as well as non-sensory experiences such as rational thought. Even though individuals may acquire information similarly, they interpret it relative to their unique condition in order to regard it as knowledge or opinion.

It has already been pointed out that Stephen Stich posited the idea of cognitive diversity to explain how information acquisition is subjected to a person’s cultural and environmental differences. Compounding the diversity problem is the fact that our cognitive condition is in a state

of flux (Moser & Vander Nat, 1995). Leonard and Straus (Leonard, 1997) add that individuals have varying approaches as to how they assimilate data, make decisions, solve problems, and relate to others. These differences seriously affect how we process information and acquire knowledge and consequently, have important implications for postmodern managers.

KEY POINT 3: CLEAR CONCEPTS OF MEANING AND REALITY CREATE CONFIDENCE

Our concept of meaning and reality is based on a mental state that results from melding a wide array of implicit and empirical experiences. These include our personal sense of right and wrong, interpretation of physical sensory information, and psychological projections. In addition, Borgmann (1992) clearly points out that our sense of relationship to other people, religious interpretations of responsibility, and our cultural morality standard affect our concept of meaning and value. Furthermore, their effect becomes more pronounced as society moves through major periods such as the pre-modern, modern and postmodern eras.

Our view of meaning and reality appear to be tightly coupled to our methods of acquiring of knowledge. It is as if one is the shadow of the other; inseparable and moving in unity, analogous to Heidegger (Krell, 1993, p. 74) statement that “appearing is not showing itself. Like symptoms reveal the unseen presence of something else at hand.” This statement seems to suggest that what we actually see by our presence in the world may not convey true meaning; it may not be justifiable true belief. Furthermore, Heidegger (Krell, 1993, p. 75) says, “Appearing is a making itself known through something that shows itself.” Consequently, if we misinterpret something that shows itself through sensory information, we may derive an inaccurate concept of meaning and reality.

Winograd (Winograd & Flores, 1987) state that knowledge is always a result of interpretation based on our previous experiences and traditions. Martin Heidegger (Krell, 1993) in particular, posits that the conditions that enable us to identify and interpret the world are composed of language, culture, as well as the everyday values, attitudes and feelings that make up our existence and therefore, reality.

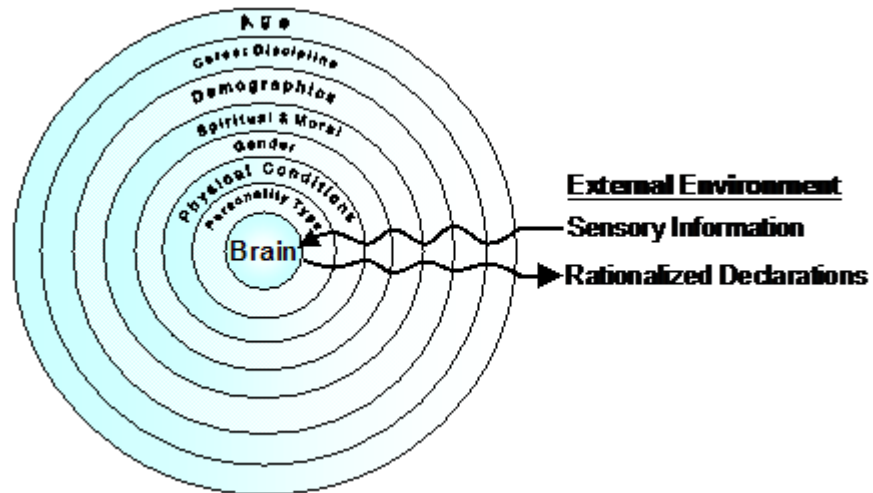
Another aspect of justification concerns rational knowledge. Just possessing correct empirical information does not necessarily mean we can form an accurate sense of meaning unless it is congruent with other information we possess (recognizing that the other information can also be false). Ernest Sosa describes this relationship as “reliabilism” (Moser & Vander Nat, 1995, p. 355), which allows for establishing a concept of meaning derived from congruence or coherence of information if justification is based on intellectual virtues.

KEY POINT 4: MANAGE THE TRANSFORMATION OF INFORMATION INTO KNOWLEDGE AND MEANING

It seems helpful to envision the cultural, environmental and personality differences that affect our perception of information as layers or shells around our brain as shown in figure 2. The layers represent some of the major areas that affect our perception of external information as it enters our mind. This writer envisions that sensory information is refracted as it passes through each layer and is reinterpreted relative to that particular layer.

The process of sensory information refraction is analogous to an eagle or osprey in the act of aerial fishing. If we were at their position we could see the same fish (same sensory information) but because of the limitations of our physical sight, our belief of where the fish is located would be false because we cannot easily compensate for water refraction. The bird, on the other hand, is equipped with eyes that compensate for the refraction, which means its belief of where the fish is located, is true.

Figure 2: Sensory Information Filters and Refraction



People seem to interpret sensory information at each layer relative to their experience at each level, which means that different individuals may form different conclusions regarding the same piece of information. This becomes clear when we consider the particular aspects of each layer as presented in the following sections.

Career Discipline

Career discipline appears to have an important effect relative to the way we interpret sensory information. Disciplines such as medical, legal, accounting, and engineering require their practitioners to seek truthful evidence as a matter of routine in order to support their work. It becomes a habit to follow well-defined procedures and to be critical of the truth of information whether it is career related or not. In some instances, however, career disciplines can cause an individual to judge information inaccurately. Quinn, Anderson, and Finkelstein (Quinn, 1996) pointed out that because professionals have specialized knowledge, they regard themselves as an elite and often sometime view their judgment as indisputable even in non-career matters.

Demographics.

In the demographic layer, for the purpose of this paper, will encompass the characteristics of racial differences, geographic location, education, and income. Sensory information can be subjected to considerable reinterpretation at this level. In fact, Nonaka and Takeuchi (Nonaka & Takeuchi, 1995) pointed out several situations in The Knowledge Creating Company where demographic variation affected worker's interpretation of information. The case involving Nissan Motor's United Kingdom manufacturing operation showed how personnel in each country interpreted the same production procedures differently due to racial variations. In the case of the Shin Caterpillar Mitsubishi REGA project, engineers from Japan and America analyzed the same data. When American engineers incessantly questioned their Japanese colleagues about the data, they were seeking additional information to enhance their knowledge. The Japanese engineers, not being accustomed to being questioned, became offended and withdrawn. In this same example, Nonaka and Takeuchi (1995) cited the instance of a Japanese production manager working at the American plant and the fact that he was bewildered by the personnel diversity. He discovered that his messages were interpreted differently by the various ethnic groups.

Spiritual and moral

An individual's spiritual and moral background should also have a noticeable effect on how they interpret information (Borgmann, 1992). For instance, in some countries an individual could be required to respond to bribes as a normal condition for doing business. If their moral disposition is that bribes are acceptable in that country they would have knowledge that responding bribes is the way to get business. On the other hand, if an individual's moral disposition is that bribes are unacceptable they may be offended and refuse to proceed (Beauchamp, 1997).

Gender.

Gender differences represent special difficulties in interpreting the same sensory information. Tannen (1990) points out that men and women interpret verbal and visual communication differently, that a particular bit of information can have completely opposite meanings with each gender. She also cites that when men and women in a work environment present the same information to a group, the group's members frequently placed lower credibility on the woman's presentation. This will affect both the quality and quantity of knowledge acquired.

Physical Condition.

In instances where an individual has physical limitations, their interpretation of sensory information could be significantly different from a person without the same limitation. For instance, nerve damage affecting the sense of touch can provide false interpretation of sharpness or dullness as well as the sense of temperature. Consider color blindness where two individuals view the same red car. The colorblind person would probably see a black car while the other person would see it as red. Each person would be justified in their belief even though one of them is clearly incorrect.

Personality Types.

Depending on an individual's personality type, they may accept or reject certain sensory information. Voges and Braund (1990) used the DiSC instrument, also known as the Personality Profile System, to measure normal behavior and personality characteristics. They divided the personalities into the four categories of Dominant, Influencer, Steadiness, and Compliant. The salient characteristics of the Dominant personality are that these individuals shape their environment by overcoming opposition. Influencers seek to bring others into alliance with them in order to accomplish tasks. Individuals of the Steadiness type gravitate toward teamwork and like repetitive functions and the Compliant type prefers structure, order, detailed data and focuses on high quality results. The effect of interpreting sensory information and its conversion into

knowledge is different with each personality type. Voges and Braund (1990) indicate that Dominant personalities do not care for great amounts of detail and reject a lot of information as irrelevant. Individuals of this type would say, "Who cares if a cat is black or white, just as long as it catches mice."

People with an Influencing personality style also do not care for many facts while the Steadiness type wants all the facts that only pertain to their tasks. Individuals with the Compliant personality type, however, want to know all the facts because they want to achieve the best results possible. People of the Compliant type would ask, "All cats catch mice, but do black cats catch more than white ones?"

Physical Brain.

Obviously, the physical brain is the repository of the data and processes that compose the other information refraction layers. It is the source of reason and innate knowledge and it "comes loaded from the factory" according to Gazzaniga (1998, p. 170). The brain's physical condition or wiring, however, is not the same for everyone. Leonard and Straus (Leonard, 1997) relate the importance of the effect of a person's cognitive preference to have either left-brain or right-brain characteristics in relating to their environment. They indicate that left-brain people take an analytical, logical, sequential approach to problem solving while right-brain people are more intuitive and non-linear. This phenomenon has a definite affect on how sensory information is accepted as knowledge as well as affecting an individual's rationalized declarations.

In addition, Gazzaniga (1998) points out that the brain's left hemisphere interpreter constructs theories based on sensory information. He mentions that sometime the interpreter can falsely reconstruct the past. The interpreter can take truthful information and add it to other facts that seem coherent but which are actually false. The result is what Gazzaniga (1998) calls false recollection and can be interpreted by the brain as true belief and consequently presented as knowledge.

In addition, we should be cognizant of the brain's physical condition and its corresponding ability to accurately interpret sensory information. Conditions such as stroke, Alzheimer's Disease, Multiple Sclerosis, and AIDS are just a few of the afflictions that can negatively impact the brain's ability to accurately process sensory information or produce coherent declaration

Results of Personal Information Transformation.

Even though individuals may acquire information similarly, it has been shown that they interpret it relative to their unique conditions and regarded it as knowledge or opinion based on those conditions. Based on Victor Frankl's (1997, p. 131) theory of Logotherapy we can infer that unique conditions such as these affect "the specific meaning of a person's life at a given moment."

Leonard and Straus (1998) state that individuals have varying approaches as to how they assimilate data, make decisions, solve problems, and relate to others. These differences seriously affect how we process information and develop our concept of meaning and reality. This phenomenon is described in the work of Dr. Morris Massey and presented in his film "What You Are is Where You Were Then" (Massey, 1986). He explains the role of society's past and its impact on how people develop their view of reality and meaning of life. Massey's declarations seem to be congruent with Heidegger's statement, "Relative to time as a horizon of understanding, Dasein [a being's sense of Being] can discover, preserve, and explicitly pursue tradition" (Krell, 1993, p. 165). As a result, leaders should be cognizant that individuals regard the same information differently relative to a wide variety of factors such as age, gender, demographics, culture, traditions, etc. The main thing to remember, in this context, is that the messages we send are not necessarily the messages another person may receive. As Bertrand Russell pointed out, "there is an important distinction between how things appear to be and how they really are" (Moser & Vander Nat, 1995, p. 198).

Anderson (Anderson, 1990, p. 61) quotes Marvin Minsky, "Still, each of us must also learn not only that different people have their own identities, but that the same person can entertain

different beliefs, plans, and dispositions at the same time.” The source of these differences is the cultural, environmental and personality conditions that affect our perception of information.

Age, as Massey (1986) explains, has a profound effect on our concept of reality. As an example, he compares individuals of the baby-boom generation with individuals of the Great Depression era. Massey (1986) explains that people growing up during the depression experienced a reality characterized by low consumer goods availability, low personal income, high unemployment, a sense of national desperation, and personal hardship. Many of these people later contributed to our nation’s success in winning the Second World War and its eventual ascension to world economic and political success. Consequently, their post-war view of reality and value was centered on the fact that they overcame adversity and emerged as victors.

The problem emerges when individuals from subsequent generations interact with members of the older generation. The younger, post-war people were raised in an environment diametrically opposite to that of the older individuals. It has been an environment characterized by an abundance of consumer products, good income, relatively high employment, and a sense of national pride and world power. Clearly, the younger people have a different concept of reality than the older generations.

Massey (1986) used this example to explain the cultural differences and the importance of understanding how people interpret reality relative to their personal experiences. Therefore, it is incumbent on post-industrial managers and leaders, to communicate with other individuals relative to their view of reality and value as well as to remain cognizant that their concept of reality is changing over time.

Congruent with Massey’s example, Frankl (1997) clearly shows that a person’s concept of reality and value changes over time and relative to their environment. He describes how he went from a reality characterized by a respectable professional career to a reality formed by abject denigration as a concentration camp inmate, then to a reality based on the life of a world famous

doctor. Massey (1986) would suggest that in each instance, Dr. Frankl was a unique individual relative to the separate periods and environment and therefore, in each period a person would be required to communicate with him relative to that particular period.

KEY POINT 5: POSTMODERN ORGANIZATION THEORY PRODUCES A NEW PARADIGM

Organization theorists base their ideas on a basic set of assumptions or paradigms, which they regard as the reality of their discipline. According to Drucker, (1999, p. 5) two sets of assumptions have defined industrial era organization and management theory since the 1930's.

The first set is concerned with the discipline of management:

1. "Management is Business Management.
2. There is – or there must be – one right organization structure.
3. There is – or there must be – one right way to manage people."

The second set of assumptions underlines the practice of management:

1. "Technologies, markets and end-users are given.
2. Management's scope is legally defined.
3. Management is internally focused.
4. The economy as defined by national boundaries is the 'ecology' of enterprise and management."

Based on these assumptions industrial era organization theories were concerned with social, demographic, and economic issues that related to a relatively stable command-and-control, production-oriented environment. Furthermore, they required established procedures for managing personnel and equipment as well as creation of formal organization structures to insure production stability. As Hatch (1997) points out, the organization has often been regarded as a machine designed to achieve production and economic goals. But as harsh as it may seem, this viewpoint appears to be fair for the industrial era because this was a period where large numbers

of workers were consolidated into close proximity within manufacturing centers and consequently required detailed activity coordination and close supervision.

This industrial era environment was characterized by large organizations that were regionally located and predominantly employed local male workers. These workers composed a homogeneous group that typically had little or no formal education, conducted their life activities within a few miles of their work site, and had personal familiarity with most of their colleagues (Shafritz & Ott, 2001). This closed environment appears to have promoted a sense of stability and certainty.

As organizations developed interests outside of their regional areas, especially interests in foreign countries, demographic homogeneity gave way to diversity of personnel that included different ethnic, racial, and gender groups. In addition, increased globalization and diversity begat an increase in information generation and dissemination. The result has been an increasingly open environment, heterogeneous demographics and greater knowledge of non-local affairs, all of which has increased the feeling of uncertainty (Handy, 1996). These changes have heralded the arrival of the post-industrial or postmodern period.

Where the industrial era of organization theory is characterized by its focus on stability, authoritarian management, and formal structure, the spirit of the postmodern era is democratic and eclectic. If we regard organization theory as an agricultural activity, industrial era theories would be like a farming operation that built on carefully selected soil, well tilled, with precise furrows and sown with premium seed with the goal of producing a consistent, high quality crop. Postmodernism, however, is like a farm where miscellaneous seed is sown with the hope of producing a more interesting and varied crop by giving the seed a chance to germinate where it will.

Post-industrial organization theory.

Mary Jo Hatch (1997) and John Hassard (1999) have provided a particularly compelling analysis of organization theory development from the industrial era to the postmodern period and point out several differences. Each of them shows that there is evidence to support their observations that the traditional absolute approach to organization analysis is being replaced with an approach that supports multiple understandings. Some of Hatch’s (1997, p. 49) and Hassard’s (1999) observations are summarized in Table 2.

Table 2: Characteristics of Industrial and Post-Industrial Organization Theory

<u>Industrial Period</u> Classical and Modern Perspectives	<u>Post-Industrial Period</u> Postmodern Perspective
<ul style="list-style-type: none"> • Share wisdom as a practitioner • Authority figures speak for and influence others • Authority concentrated in management • Create & sustain management power and control • Absolute approach • Workers regarded as an expense • Reality located in external objects • Production is the cornerstone of society • Low information generation & dissemination • Descriptive metaphors: machine, organism, culture 	<ul style="list-style-type: none"> • Reflect upon and reveal yourself • Authority figures reveal their understandings & motives but don't impose them on others • Authority diffused among stakeholders • Concerned with the morality of action • Multiple understandings - ambiguous • Workers developed into knowledge asset • Reality located in language of the "other" • Simulations will structure & control society • High information generation & dissemination • Descriptive metaphor: a collage

Careful consideration of the postmodern perspective may seem to suggest that this is an approach where “anything goes” but Hatch discounts this by declaring, “This is inaccurate because, although postmodernism is relativistic in the sense that it abandons notions of universal criteria for truth and excellence, it does not sacrifice standards altogether (which is a naïve view of relativism). Instead, postmodernists tend to view questions of right and wrong, good and bad, as social constructions that would be usefully redefined as a matter for personal reflection and practice” (Hatch, 1997, p. 43).

Even Hassard (1999) points out that there is a methodological approach to postmodernism in that it does not advocate destruction of the organization. He argues that unlike the “highly differentiated and modernist bureaucracy, the postmodern organization is based on a ‘de-differentiated’ form” (Hassard, 1999, p. 14). Hesselbein (Hesselbein, Goldsmith, & Beckhard, 1997) too, states that due to postmodernism’s ambiguity and flexibility, organizations will be needed more than ever before because “...more clarity will be needed in respect to missions, values, and strategy; in balancing long-range and short-range goals; in defining results” (Hesselbein et al., 1997, p. 4).

Post-industrial perspectives of people and culture.

One of the tenets of classical organization theory is that people and organizations act in accordance with rational economic principles and that people are subordinate to the organization (Shafritz & Ott, 2001). However, as the sophistication of workers and organizations increased, this theory evolved into the human resource theory that declared workers are more than autonomous industrial resources. A primary tenet of this theory provides that organizations exist to serve human needs and those organizations and people need each other (Shafritz & Ott, 2001). These tenets eventually developed into the postmodern organization’s characteristics of employing fewer but more capable people. This is a result of a shift from a predominately manual work oriented society to that of a knowledge work oriented society.

Rosabeth Kanter (Hesselbein et al., 1997, p. 140-141) draws attention to the fact that postmodern organizations must address several significant human implications. First, there is the fact that organizations are using smaller staffs and supplementing them with contract labor and consultants on an as needed basis. She observes that this “strains people’s endurance and undermines their security.” Secondly, is the tendency of workers to be less vertically oriented

toward their boss but to be more horizontally oriented in order to obtain influence and collaboration across the organization in other departments and divisions.

Another important implication, and one of the prime characteristics of the post-industrial organization, is work force diversity. As organizations increasingly globalize, a greater number of minorities and women have joined the work force. This means that the employer as well as individual employees must be cognizant of conducting their interpersonal actions with a sense of civility and political correctness.

Kanter also points out that the source of employee power has shifted from “status and command rights to expertise and relationships” (Hesselbein et al., 1997, p. 141). This means that rather than deriving power from their position in the organizational hierarchy, employees will rely more on their personal expertise and network of professional contacts to create a broader value-added aspect to their job position. Furthermore, Charles Handy (1996) reinforces this phenomenon by pointing out that postmodern employees will need to rely less on a resume’ and more on a portfolio of their professional experience.

Another important human implication in postmodern organizations is the change of an employee’s sense of job loyalty from the company to the project. For instance, industrial era organizations could expect a worker to be faithful to the company since the company provided long-term employment and job security. However, that is no longer a valid expectation since employers have ceased to provide long-term job security. Consequently, employee’s “take their sense of worth from their field, not from their bond with a particular company” (Hesselbein et al., 1997, p. 141).

The net result of these postmodern human resource implications is that people can no longer depend on large organizations to provide job security and support. While this has introduced a higher level of uncertainty into society, it does not necessarily mean panic. People

must learn to adjust to this new paradigm just as their ancestors did at the dawn of the industrial era when they adjusted to the shift from agrarian and cottage industries to factory work.

An important aspect of the post-industrial period is the redefinition of organizational culture. Hatch quotes E.B. Taylor's definition of culture as, "that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society" (Hatch, 1997, p. 203). The meanings of these cultural components change relative to time and the members of a particular culture. For instance, industrial era organizations focused on production and profits while managing their human resource with a hierarchical structure. A homogeneous work force, division of labor, scientific methods, and authoritative management helped make the employee's environment predictable and relatively secure and their culture reflected these proletarian characteristics.

As a method for analyzing organization culture, Hatch (1997) introduces the symbolic-interpretative theory that is based on the belief that people subjectively create reality. She states that symbols are anything that we consciously or unconsciously associate to a wider meaning (p. 217). Although these symbols are manifested in several ways, "all of them fall into three broad categories: physical objects, behavioral events, and verbal expressions" and that these "symbols are inherently ambiguous" and subject to multiple interpretations (Hatch, 1997, p. 217). As shown in Table 2, there are definite differences between the symbols of the industrial and postmodern periods. Industrial era symbols were interpreted with an absolute perspective where reality was located in external objects. Postmodern symbols, on the other hand, are subject to multiple understanding and reality is defined relative to the situation. The result is ambiguity and uncertainty.

Effects of technology and information availability.

At the beginning of the industrial age, factories used machines to substantially create products and human workers were used for partial production and machine maintenance. Under

this factory system, the goal of organizations was to keep machines busy and control costs. This was an easy accomplishment since workers were concentrated into regional manufacturing centers thereby providing a readily available pool of human talent. These people lived in a predominantly closed environment and had little knowledge of the world outside of their region (Shafritz & Ott, 2001).

As division of labor, scientific management, and mechanization became more prevalent, human workers were systematically displaced by more automated processes. As a result, workers had to learn different skills and become proficient in them in order to provide the benefit that organizations required of a smaller work force. Furthermore, as the industrial age became more mature, people became more mobile and were willing to relocate to different geographic regions or even different countries and in so doing; they gained greater awareness of the world while spreading their own unique cultural characteristics.

Occurring simultaneously with the growing complexity of factories was an increase in management and engineering sophistication based on the innovative ideas of people like Adam Smith, Frederick Taylor, and Henri Fayol (Shafritz & Ott, 2001). Their ideas, however, had to be publicly disseminated in order to be implemented on a large scale and this was made possible due to the increase in information technology the basis of which was mass production of printed books (Drucker, 1999). Adding to this phenomenon was an increasing literacy rate that allowed people to be more aware of current events and new ideas like those espoused by Adam Smith in his revolutionary book, *The Wealth of Nations*.

In the mid-20th century a new information revolution was born with the introduction of electronic computers and as the century approached its close and entered the postmodern age, it enabled information to become globally disbursed and instantly available. The result is that people are able to experience a plethora of new ideas and cultural differences and organizations were able to efficiently globalize their operations (Drucker, 1999).

Hatch (1997) shows that information availability may reduce uncertainty in some instances but an information overload may actually increase it. She states, “managers and workers feel uncertain when they perceive the environment to be unpredictable, and this occurs when they lack the information that they feel they need to make sound decisions” (Hatch, 1997, p.90-91). Hatch (1997) also points out that technical complexity introduces uncertainty and consequently, requires greater amounts of information and communication to manage it.

Technical complexity and a global information infrastructure have ushered in the concept of the knowledge worker who is not necessarily bound to a company for life as were his industrial era, manual work oriented ancestors. As Kanter was quoted earlier, this type of employee “take their sense of worth from their field, not from their bond with a particular company” (Hesselbein et al., 1997, p. 141). Consequently, managers must learn how to effectively manage this post-industrial human talent in order to protect their organization’s knowledge base and ensure corporate integrity.

Post-industrial organization and management assumptions.

Drucker (1999) pointed out that industrial era organization theory is based on a rigid set of assumptions that are indicative of that period’s closed systems. The characteristics of the post-industrial period that have been previously presented obviously demand a change of the industrial era organization theory assumptions. Concerning the discipline of management, Drucker (1999) posits the following perspective:

1. “Management is the specific and distinguishing organ of any and all organizations [not just business]” (p. 9).
2. “Management needs to learn to look for, to develop, to test the organization that fits the task” (p.17).
3. “One does not manage people. The task is to lead people. And the goal is to make productive the specific strengths and knowledge of each individual” (p. 21-22).

Relative to the practice of management, Drucker (1999) finds that the post-industrial assumptions are:

1. “Neither Technology nor end-use is a foundation for management policy. They are limitations.
2. “The scope of management is not legal. It has to be operational. It has to embrace the entire process. It has to be focused on results and performance across the entire economic chain” (p. 34).
3. “The practice of management, and by no means for businesses only, will increasingly have to be defined operationally rather than politically” (p. 37).

Application of Findings

Peter Drucker (1999) makes an incredibly important point when he states that we need to accept the fact that other people are as uniquely individual as we are. That we must recognize their unique differences, their way of thinking, personality differences, their unique strengths, ways of solving problems, and their values. As managers, we must exercise diligence that our messages are being properly interpreted by our subordinates relative to the refracting layers of figure 1. Furthermore, we should assist them to understand this phenomenon also because in a cognitively diverse environment, we must tailor our messages to the receiver (Leonard et al. 1997).

We should also avoid what Leonard and Straus (1997, p.110) call the clone syndrome where we hire people just like ourselves rather than the type of people necessary to achieve our organization’s goals. Instead, we need to create organizations staffed by personnel that have the skills required for solving a wide range of problems.

Managers should be cognizant that correct acquisition of knowledge and its eventual affect on a person’s concept of reality is important for both their personnel and their organization. Managers and leaders must stress the importance of knowledge justification and realize that the

public will use its unique cognitive differences to interpret the organization's public statements and corporate activities.

The industrial era was generally characterized by stable, well-structured, predictable, production-oriented organizations that regarded people as an industrial asset that required organized work environments and close supervision. On the other hand, the post-industrial, or postmodern, perspective focuses on the fact that organizations no longer offer long-term job security, are increasingly globalized, that workers have less company loyalty and are more diverse in demographics and culture.

As a result, the postmodern organization presents new management and leadership implications. C. K. Prahalad points out that postmodern managers must be thinkers as well as doers (Hesselbein et al., 1997, p. 168). He also stated that managers must be able to “conceive and execute complex strategies, manage a public-private interface, develop a global capability, and provide intellectual and administrative leadership” (Hesselbein et al., 1997, p. 165-168). In addition, Prahalad posits that postmodern managers must be systems thinkers with the capacity to develop a global view of the organization, they must be culturally articulate, participate in continuous professional education, and maintain high standards of morality and personal behavior (Hesselbein et al., 1997, p.167).

Peter Drucker (1999) states that there is a new management paradigm for the postmodern period: “Management's concern and management's responsibility are everything that affects the performance of the institution and its results – whether inside or outside, whether under the institution's control or totally beyond it” (p. 40).

Unanswered Questions

It has been shown that the assumptions underlying postmodern organization theories are diametrically different from those used for the industrial era. We know that managers and leaders must be more attentive to their diverse human resources and must develop greater professional

skills but there are still important unanswered questions that can have an incredible impact on postmodern organizations. Therefore, in this writer's opinion, it is necessary to closely observe the activities that form the basis for these questions that are presented below.

1. Charles Handy (1992), Albert Borgmann (1996), and Walter Anderson (1990) each comment on the lack of contentment or sullenness experienced by people in North America and Britain. How can postmodern leaders use their organizations to help overcome this condition?
2. Should we create organizations that fill in the gaps in employees lives left by the postmodern phenomenon? Should we even try?
3. As North American businesses move from manual work to knowledge work, how do we solve the problem of former manual workers who cannot be, or refuse to be, retrained?
4. How far should managers and leaders go in redefining Milton Friedman's profit motive axiom for corporations so that they place greater emphasis on altruistic corporate activities? Should more emphasis be placed on the needs of stakeholders rather than stockholders as posited by Handy (1992)?
5. What will be the impact on organizations from the intrusion of global political establishments like the United Nations?

Conclusion

The management and leadership issues at the threshold of the 21st Century period stem from new social, demographic, and economic realities that no government can successfully address. They are issues that only insightful, articulate individual managers can resolve (Drucker, 1999).

21st Century organizations will be larger, more complex and more dynamic than in the past. At the same time, they exert an even greater influence on our lives and on the world. Consequently, organizational leadership is one of the most challenging and important responsibilities a person can assume. To be highly effective, however, leaders must be learners and must develop the skills,

insights and wisdom to improve organizations in ways that insure economic viability and achieve organization goals while respecting the need for human satisfaction and fulfillment .

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