

“Will the 21st century require new models of leadership?”

Abstract:

The nature of work and the structure of organisations at the beginning of the 21st century are a product of centuries of technological and societal development. Organisational leadership has developed partly in reaction to these changes and partly as a driving force of change. Given this overall development, it is reasonable to talk about 21st century organisational leadership as a trend or prerequisite for organisational success. But, do we need new models to understand and develop this 21st century leadership?

The 20th century has seen a vast number of attempts to define leadership and to construct models that provide recipes for effective leadership. The usefulness and validity of these models have increasingly been called into question, as research has refocused on leadership as a holistic organisational phenomenon. Leadership is in this sense viewed as a relational phenomenon that binds people together in an organisation and that happens within a specific context/situation. Models of leadership have more or less failed to catch this complexity in a satisfying way. Where models came close to resembling reality, they were so complex that they were almost useless to practitioners looking for a way to develop leaders and leadership within their organisation.

This paper will argue that it is time to free ourselves from the human desire to impose structure on our context and to accept and try to understand the immense complexity and significance of leadership in organisations in a more hands-on fashion.

The changing nature of organisations and work

If we think about one thing that supposedly every human being is affected by, then this is, in my view, 'change'. It is all around us and more or less every day we encounter it either directly or notice it subconsciously. Sometimes we like it and sometimes we do not; sometimes we know about it in advance and we can anticipate it and sometimes it hits us without a warning. The world around us is changing constantly: road works may make our way to work a challenge every morning; re-organising in supermarkets may confuse us; new computer technology may challenge our knowledge and skills but also make our life easier. In a nutshell, change and development has always been there as humans constantly try to improve things and make life easier or more exciting. Hence, change is paradoxically a constant factor that we can count on.

What we actually do not know and can hardly predict is the rate of change. Nevertheless, historical analyses of technological change will most likely reveal that the rate of change or innovation of technology has accelerated since the Industrial Revolution and that this rapidity of technological change has had some very important implications for organisational structures and the nature of work.

At the beginning of the 20th century, new machinery and ways of transportation allowed organisations to grow in size and expand to other countries. Consequently, organisations encountered a greater need for administration and structure to cope with these new business opportunities (Chandler, 1977). Labour legislation and organisational analysis were still in its infancy and management very often ruled autocratically and at foremen level often arbitrarily (Jacoby, 1994). The ideas of people like Taylor and Weber influenced slowly but gradually the science of organisational administration and management advanced, offering ways to structure the increasing volume of organisational activity (Lane, 1989). Up until the 1960s, organisational growth and expansion were achieved or facilitated by hierarchical bureaucracy and hard labour for the majority of employees in factories.

Whilst change during this period was rather incremental and people were busy exploring and exploiting the opportunities that were given to them through the Industrial Revolution, the latter half of the 20th century saw more radical changes: computer technology, mechanised control systems, the internet etc. Technological

change hence made another big jump and had an immense impact on organisational strategy, structure and work itself. In essence, technology brought the world closer together and shifted the pressures of work from physical labour to emotional and psychological stress (Kehl, 1989). The globalisation of markets has increased the competitive pressure on organisations, the media has empowered customers in terms of choice and demand for innovation and the threat from organisations in low cost, low regulation countries has ultimately changed the outlook of organisations in industrialised economies (Berger, 1996). Competitive advantages are harder to sustain and the waste of time or material is a constant threat to organisational survival. Especially towards the end of the 20th century we have heard catch phrases such as downsizing, outsourcing, lean production, lean hierarchies, globalisation etc. and have witnessed significant organisational reactions embodying the literal meaning of these catch phrases.

The nature of work on the other hand has changed significantly as well. Whilst physical labour dominated working life up until the 1960s, advancements in technology have offered machinery that can do the physical labour and control work quality. For a while people were scared that technology might replace the human being, but instead we have simply seen a shift in activity. Machines now do the hard labour and the average production worker in a chemical plant for example is mainly responsible for controlling the machinery and solving problems as they arise (Kehl, 1989). Office workers face increasingly complex computer programs that positively improve the speed and quality of work but on the other hand require constant personal development and minimise potential for slack. Overall, it can be said that psychological stress has certainly increased with rising skills and responsibility levels.

At the beginning of the 21st century, we are therefore looking at business organisations that are on average characterised by flat hierarchies with distributed responsibilities and extensive computer systems to both improve and control work. Organisations face, to varying degrees, rapid contextual changes that they need to react upon and anticipate. Work is mainly non-physical or at least significantly facilitated by machines, and workers are necessarily doing more complex and demanding tasks than 50 years ago. Now, what are the implications of these changes for organisational leadership?

Leadership: Now and Then

To answer this question and to identify whether indeed the context of the 21st century requires leaders that are significantly different from those of the 20th century, we need to look at the development of leadership over the last century.

In the very early stages of the 20th century, theories such as Weber's Ideal Type of Bureaucracy or Taylor's Scientific Management were highly influential as they provided an answer to the administrative and managerial problems of growing organisations (Lane, 1989). The result was a trend away from entrepreneurial spirit to hierarchically legitimised authority and the profession of management. Business Schools were founded and started to expand and gain in popularity over the course of the 20th century, increasingly influencing the way the world thought about managers and leaders. Whilst research on work design in the latter half of the 20th century offered insights that almost stigmatised autocratic decision-making and authoritarian behaviour, it also aided the resurgence of flat hierarchies, entrepreneurial spirit and most importantly the notion of a 'need for leadership' instead of a 'need for management' (Raelin, 2004). The main consequences of this have been a greater awareness amongst practitioners of the importance of leadership in organisations and its impact on organisational success and subsequently the increased engagement in leadership development and training either in-house or through leadership institutes/courses at business schools.

Focusing for a moment on the theoretical study of leadership, the 20th century has seen a vast amount of leadership definitions and models trying to understand and predict effective leadership. At the start of the 20th century, researchers hypothesised that leaders were born and that personality traits separated out leaders from non-leaders and effective leaders from non-effective leaders (e.g. Stogdill, 1948 and 1974). The ensuing research could not validate this hypothesis and instead started looking at behavioural patterns that suggested it could be taught to individuals to transform them into leaders (e.g. Lewin et al., 1939, Blake and Mouton, 1964, McGregor, 1960). Researchers during the 1970s then brought the context into the game and developed models that tried to match leadership behaviour to contextual factors such as follower skills, tasks etc (e.g. Fiedler, 1967, Vroom and Yetton, 1973, House and Dessler, 1974, Hersey and Blanchard, 1984). Some of these theories have

been more appealing to practitioners than others (i.e. Managerial Grid, Blake and Mouton) and provided a valuable way of categorising behaviour and for teaching employees how to adopt the most favourable behavioural pattern. With further advancement of leadership theories and a greater increase in the rate of contextual change, people have come to realise that everyday life is too complex to try and fix things with the use of unidirectional indoctrination of leadership styles. In fact, with reference to the changes in the structure of organisations and nature of work as discussed above, researchers and leadership development programs are calling for the distribution of leadership throughout the organisation and therefore to step away from hierarchical management and control and move towards empowerment, development and coordination of employees (Day, 2001). Many leadership development programmes and in-house training therefore do not focus on the coaching of individual leadership styles any longer but rather promote the exchange of feedback and information so as to raise the level of self-awareness of one's own leadership behaviour, strengths and skills and the match of that with the environment (Day, 2001). While the essence of success was believed to be control of individual skills and knowledge and the separation of thinking and doing at the beginning of the 20th Century, the 21st Century seems in fact to require the support and advancement of individual skills and the freeing of motivation and creativity.

When talking about 20th century and 21st century leadership it is important to bear in mind that there is and has always been a great variety in behaviour of organisational leaders. Thinking about leadership behaviour as a continuum from autocratic to cooperative and laissez-faire approaches, it is valid to say that all these different approaches have always been and are still prominent to different degrees within organisations all around the world. Not every organisational leader was autocratic in the early 1900s and not every organisational leader today is democratic, cooperative and distributes control. Actual leadership behaviour very often changes across organisations, departments and industries. My own research into leadership behaviour in the Chemical Industry in Germany and the UK has revealed that in fact sometimes leaders are required to be autocratic. As much as we would like every single person in this world to be very knowledgeable and skilled enough to manage and lead himself or herself, there is still a significant proportion of people who are not skilled enough to lead themselves or who would rather just follow orders. My

research has shown that difficult decisions are still made by the official leader if time is short or people cannot agree/find a solution and that indeed followers expect their leader to step in and take on the responsibility of making a tough decision.

Being aware of the danger of over-generalisations it nevertheless seems reasonable to accept that we are living in a context that is different from that at the beginning of the 20th century. We have sometimes slowly and sometimes rapidly progressed and changed as human beings and society. It is therefore valid to say: on average the requirements of organisational leaders are different these days than they were in 1900. The 21st century leader has to accept and utilise the detailed knowledge of his/her subordinates in the face of complexity of processes, rate of contextual change and flat hierarchies (Hill, 2004). The human factor, as a source of competitive advantage, has increased in significance due to advances in information and communication systems as well as technology. Worker legislation, increased worker mobility and high levels of skills have created a labour force that on average is capable of managing themselves. They do not need managers to control their work or administer their resources. What they do need are team leaders who coordinate their activities, manage knowledge and information and act as motivators and coaches for the employees. Acknowledging personal, organisational, occupational, industry and country differences in the context of this overall development in the nature of work and labour force, there is a trend visible and this trend requires more distributed leadership along the lines explained above.

How should we explore and develop leadership in the 21st century?

Based upon the above historical analysis, we can comfortably say that on average today's organisations differ in format and context from the average organisation in the 20th century (up until the mid-1990s). Organisations in the 21st century require organisation-wide development of leadership behaviour that fits the organisational goals and strategy and aims at aiding the advancement and development of all employees.

Yet, do we need new models? The answer I have given before to this question was no and there are two main reasons for this. First of all, the 20th century has already provided us with an array of theoretical models trying to capture the essence of effective leadership. Retrospectively, from a research and a practitioner point of

view, these models have all been insufficient in developing leadership that lasts (Bolman and Deal, 1997). Theoretical models are by definition an abstract generalisation of reality. Having discussed the complexity of job roles and the increasing rate of contextual change, it is almost impossible to develop a theoretical model that captures all these complex, contextual factors and at the same time provides a useful and applicable framework for practitioners to identify and develop leadership in their organisations. Secondly, the ultimate purpose of theoretical models of leadership is to provide a list of attributes or behaviour that will lead within the right context to effective leadership. Now, whilst models differ in terms of framework, i.e. how behaviour is matched to the context, they do not differ in essence in the list of leadership behaviour offered as viable options. The reason for this is that trying to model leadership behaviour will always mean categorising and defining/distinguishing leadership approaches. Given, that these categories have to be linked to a framework of contextual factors, they have to be fairly general to avoid too much complexity in the model. As existing leadership models have shown, such categories (no matter what you call them) will then distinguish between the very basic choices a human being has in handling a subordinate: giving unidirectional orders; giving the order and then supporting the subordinate in fulfilling it; defining the content of an order together with the subordinate; or ultimately leaving the subordinate complete freedom to define and achieve a task. These approaches could also be described as telling, coaching, distributive and laissez-faire. It is very unlikely that anybody will explore a new category or approach to leading subordinates in such a general form. Hence, new models of leadership can and will ultimately only vary in the way they link these basic behavioural patterns to the context, which is increasingly impossible due to the complexity of context as discussed above.

What else can we do to understand and develop leadership in the 21st century? In my opinion it will have to be a far more hands-on collaboration between practitioners and researchers. Most importantly we need to observe and report on success and failure stories of actual organisational leaders. We can then take these reports and use existing theories from all academic fields and our knowledge from previous research on leadership to understand and explain the success and failure stories. Once we have done that, we can then start to design leadership development programmes. These should focus mainly on information and experience sharing to

instil a greater sense of self-awareness and understanding of the requirements of the context for today's leaders. This can be done through feedback sessions and in-group discussions where personal experience is exchanged and success and failure stories are explained via the application of existing leadership, sociological and psychological theories. This may not provide practitioners with the easy fix of teaching a desirable leadership style but it will instead have a longer lasting effect as it teaches organisational leaders how to make sense of themselves and their environment, and enables them to adjust their behaviour or control their behaviour towards subordinates accordingly.

Finally, leadership research in the 1990s has often focused on the impact of national culture on leadership behaviour and has persistently argued that theoretical models need to incorporate these cultural influences, as they partially determine how to define leadership and what effective leadership entails. Henceforth, researchers have advised practitioners to train their managers on cultural awareness and to adjust their evaluation and development programmes accordingly. My own research into leadership behaviour in the Chemical Industry in Germany and the UK has provided data that calls this focus into question. Previous research has claimed that Germany and the UK are significantly culturally different and therefore value and display different types of organisational leadership. Based upon the responses given by 60 German and UK managers, occupational identification seems to play a far more important role these days when it comes to effective leadership than cultural values do. Strategies and Philosophies of global and local organisations all around the world tend to become increasingly similar and it is therefore the context of the department and occupation that defines how a leader needs to behave and adjust to his/ her followers' abilities and needs. Based upon this research it therefore seems crucial to be aware of occupational identities and for practitioners to engage in the quest for occupationally appropriate leadership development programmes.

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