

LEADERSHIP IN THE KNOWLEDGE ECONOMY

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Manufacturers are closing their doors. Assembly lines are disassembling. Dilapidated farmhouses sit in empty fields. Mills and mines dot the countryside as historical relics. Why? Technology, technology, technology.

Human minds continue to replace human hands as more sophisticated machinery, equipment, hardware, and software are applied to the workplace. In 1949, about 40% of workers in the USA were employed in the service sector of the economy. By 1967, that percentage had grown to 55%. In 1986, 66% worked in the service industry, and presently, 75% of the nation's employees are in services.

With the share of manufacturing jobs steadily shrinking, and the knowledge economy in full bloom, the landscape of leadership has changed shape. What implications does this shift have on today's leaders?

Spinning Plates

Remember typewriters? It's hard to believe they dominated office documentation for most of the 1900s and were standard into the 1980s. As we reach the 21st century, a regional office in Beijing can have a videoconference with associates in New York. Via the internet, schoolchildren in Houston can see and speak with "pen pals" in Amsterdam free of charge. Information that sailed across seas in bulky packages less than 100 years ago can be digitally transferred in nanoseconds today. Decisions traditionally made in consideration of customers in a local county now affect clientele on several continents.

What do these changes mean for leaders? Not only must they juggle more plates, but the plates are spinning faster than ever. Today's leader is surrounded by incessantly buzzing or beeping devices relaying mass quantities of data. With the influx of information and more rapid pace of change, leaders are successful when they keep the mission clear. A leader focused on purpose and values acts as a compass in the maze of complexity.

The leader who spins the plates successfully:

- Sees with Clarity
- Repositions at Light Speed
- Navigates a Flexible, But Focused Path

What Happens in Vegas...

What happens in Vegas, stays in Vegas...unless someone recorded it on their camera phone...and uploaded it to their computer...and posted it on a blog for the world to see.

The proliferation of information in the knowledge economy has made leaders more visible than ever before. Leaders should not be surprised when a speech given in a closed door meeting filters through the grapevine of the company's interoffice email system. Nor should they expect to dam up the flow of information internally or externally. In today's world, news travels at light speed and will find its way around artificial impediments.

The downfall of companies that cooked the books (i.e. Arthur Andersen) generated a movement toward greater corporate transparency and accountability. When communicating to media, shareholders, and boards of directors, leaders are demanded to be accessible and open. In an era in which leaders are held accountable for their promises, every executive misstep will be dissected and scrutinized.

Successful leaders in the knowledge economy:

- Keep No Skeletons in the Closet
- Communicate Forthrightly
- Underpromise and Overdeliver

Collaborator-in-Chief

In the words of Marshall Goldsmith, “The role of leadership has changed from the top-down – ‘I’m going to tell you what to do approach’ – to a more asking, listening, and participating [approach].” The antiquated model of a supervisor commanding underlings has been supplanted by a relational model in which managers collaborate with teammates.

In the knowledge economy, organizational charts have flattened. Today’s employees have a knee-jerk distaste for hierarchy. They won’t respond to authority leveraged solely by position, but they will respect a leader who cares about them, is honest, and expresses gratitude for their contributions.

Leaders excel as participatory managers when they:

- Listen
- Show Appreciation
- Match Words with Actions