

Power Shift: A Return to the Future

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Abstract

Organizations of the postmodern era are explored while specifically focus is provided to the shift of power from management to the knowledge worker. The most important resource of the postmodern era is the knowledge worker, and when this is combined with the complexity of current and future organizations, a new type of manager will be required. Specifically, a leader that facilitates every worker to become a self-leader that enforces the culture that supports the organization's socially constructed mission.

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The Power Shift

As society moves from the modern era to the postmodern one, a significant power shift is occurring. This power shift is affecting the structure of organizations and the organizational theories or metaphors that will be used to understand and manage the organizations of the future. Although these new organizational theories and structures may seem chaotic or in disarray, they are merely the long-term process of homeostatic readjustment (Bergquist, 1993). Specifically, a new re-configurable and decentralized organizational structure that has power and decision-making at the lowest level in the organization will be required and catalyzed by the new and powerful knowledge worker. For this to be a successful organizational structure, management must trust that self-organization can exist in chaos, and knowledge workers must act responsibly to ensure it does. This will require high-levels of self-esteem for everyone involved in this organization of the future, and this new organization will require construction by the collective and independent will of all involved. In the following paragraphs, several metaphors for understanding the organization of the future are discussed.

Discussion

In pre-modern times, power resided with the artisan and the professional. The blacksmith and the tailor were “all-knowing” in their specific trade, but as society and its organizations moved into a social reality that depended on extensive fiscal and physical capital, knowledge was moved from the worker to the manager. In the early 1900’s, Fredrick Taylor in his “principles of scientific management,” suggested that all thinking pertaining to planning and designing work should be shifted to management (Morgan, 1998). This scientific management focus facilitated the creation of the age of bureaucracy where power resided with the manager: thus, the capitalist.

In postmodern times, this reality is reversing itself as it returns to a former state of functioning. As the Greek adage goes, the more things change, the more they remain the same (Bergquist, 1993). In the postmodern world, power will reside with the knowledge worker, and this residency will catalyze the creation of new organizational structures, which will require new paradigms that assist in understanding and managing these organizations.

The belief of modern times was that there was one best method of structuring an organization; in postmodern times, the belief is that many metaphors or models must be used to understand the social reality. All organizational theories are metaphors or building blocks that should be used to tackle organization problems from new perspectives, and to develop new and more relevant theories (Morgan, 1998).

Re-Configurable/Decentralized Control

“Federalism, an old doctrine, will become fashionable once again, in spite of its inherent contradictions” (Handy, 1996). The shift of power to knowledge workers and their desire for a “good life” will be the catalyst for a new perspective in the decentralization of management. This

new perspective will begin by recognizing the subsidiary of the knowledge worker. As organizations during the modern era became larger and more chaotic, the ability to hold them together from a central location with centralized decision-making became ineffective and inefficient (Bergquist, 1993). In the postmodern era, companies everywhere are restructuring, and in doing so, they are on the path to federalism as the way to manage their complex organizations (Handy, 1996). In the new era, management will take place at the individual level. The individual will be a subsidiary of the organization.

In the postmodern era, organizations must also be re-configurable (Hesselbein, Goldsmith, Beckhard, & Drucker, 1997). In the government defense industry, a matrix organization has been used for several years to facilitate the necessity for a re-configurable organization. Pools of talent are maintained, and when a new contract is received, a new organizational structure is put into place. As long as the resources are needed to accomplish program tasks, these talents report to the matrix program manager. When the talents are no longer needed, they are returned to the talent pool to await the next opportunity.

In contemporary times, this concept has created a new type of employee known as the knowledge worker, and when expanded to a network of organizations, they are referred to as portfolio workers. The portfolio worker will be one of three groups of employees of the postmodern organization: the other two being the working class and the core management team (Handy, 1996). This organizational structure will require talented individuals with excellent “people skills,” and a culture that defends and promotes freedom and responsibility.

New era organizations in all sectors will consist of cultures that promote personal authority and responsibility. The strength of the federalist organization lies in spreading responsibility across many decision points (Handy, 1996), and in the postmodern society, it will begin with the

knowledge worker. “Power belongs to the lowest point in the organization” (Handy, 1996, p. 41), and this power will be used to enforce the culture of personal responsibility. Although management may never admit it, in this new era, management will not empower workers, but will instead be empowered by them. Power will belong to the knowledge worker.

Knowledge Workers

Knowledge is the foundation of the contemporary economy (Bergquist, 1993), and in postmodern organizations, a new class of worker is emerging: A worker that relies on their skills and knowledge for security instead of on the promise of any single organization. In the new economy, this knowledge (capital) will be owned by the worker and will remain his or her property. It is this unique type of capital, which is individually owned, that is driving the shift of power to the individual. These knowledge workers can take their expertise elsewhere, and the corporate lawyers have not found an effective way of preventing it (Bergquist, 1993). This capital is less stable than the capital of the pre-modern and modern eras, and requires the owner to remain current and up-to-date on new technologies and science; thus, these workers must look for organizations that provide a learning environment in order to protect their market worth.

Organizations in the current and the near future eras will need to attract the best talent possible, and by leading the creation of learning organizations, managers in the postmodern era will position their organizations well toward this objective. Learning organizations must allow knowledge workers to make mistakes and encourage them to learn from their errors. This will require the trust of the leader, and a culture that controls itself. Managers of an organization must give employees guidance, but more importantly, managers must allow employees the freedom to find meanings in deeds assigned. George Bernard Shaw said, “This is the true joy in life, the being used for a purpose recognized by yourself as a mighty one” (as cited in Hesselbein et al.,

1997). However, responsibility accompanies freedom. “Freedom is only part of the story and half of the truth. Freedom is but the negative aspect of the whole phenomenon whose positive aspect is responsibility [sic]” (Frankl, 1984, p. 155).

At the same time that knowledge is becoming the capital of the contemporary era, workers are becoming more focused on their desire for a “quality life.” As “Generation Xers” become more prevalent in the workforce and the trend toward power residing at the lowest level continues, quality of life will become a more prevalent covet of the knowledge worker. Current generations are “working to live” instead of “living to work” (Hesselbein et al., 1997). The knowledge workers desire for a “quality life” requires a new type of leader that is more akin to coach and trainer than to director. To lead in this new era, a leader must lead the construction of meaning and purpose for their institution. Managers must ensure that opportunities exist that allow employees to have meaning in the performance of their duties. One of the ways that human beings arrive at meaning in life is by creating works or doing deeds (Frankl, 1984). In the postmodern society, self-esteem will be a very important trait of both the manager and the employee, and it will require a specific focus on developing it. When properly developed, the self-organizing organization will become a socially constructed reality.

Self-Organizing Organizations

Many organizations of today are in a state of confusion and chaos. A huge number of variables and an infinite number of possible outcomes create the inability to see or calculate cause and effect relationships. Chaos, not to be confused with anarchy, is the state of unpredictability and complexity (Bergquist, 1993). In this type of organization, managers do not have the ability to exercise legitimate control because most of the power rests with the worker and the complexity are such that she or he cannot make rational decisions. That is, when a power

shift, and cause and effects too numerous, the manager must have the self-esteem that enables trust, and the ability to develop self-esteem in others.

Chaos and self-organization theory suggests that coherent order always emerges out of randomness and chaos (Morgan, 1998). This order emerges because the micro-rules (basic rules) are implemented, and because the mission (the attractor) is understood and accepted by everyone within the organization. This is a very difficult paradigm for a manager to accept and requires a high level of self-esteem. It requires the four principles for success of a) team-members who understand the basic rules, b) team-members who understand and accept the organizations mission, c) team-members who have the ability and willingness to make decisions based on the basic rules, and d) the trust of management and their willingness to stay out of the way.

In the flight of birds the basic rules could simple be a) do not run into each other, b) keep up with each other, and c) stay close to each other (Morgan, 1998). In the human organizational world, it could be a) understand your profession well, b) live the “golden rule,” and c) work as a team. The mission of the flock could be to move south for the winter, and for NASA it could be to put a woman on Mars and return her safely. Both of these principles require significant coaching and training, and if properly approached and implemented, are accomplished easily enough.

The third and fourth principles are much more difficult because they require high levels of self-esteem in both the coaches and the employees, and a learning environment that does not punish the worker for mistakes created while trying and learning.

When hiring workers in the postmodern era, managers must give a significant preference to workers who are willing to accept responsibility for their actions. This will require hiring workers that fit the organization (Hesselbein et al., 1997). Once hired and trained, the manager

must be willing to earn the respect of the employee by allowing him or her to grow in their position, and the employee must accept this responsibility. Peter Drucker's dictum is that the real job of a manager is to get out of the way (as cited in Hesselbein et al., 1997), and its successful implementation requires sufficient self-esteem on the part of both of the manager and the employee.

Self-Esteem

"Self-esteem is the experience of being competent to cope with the basic challenges of life and of being worthy of happiness" (Hesselbein et al., 1997, p. 222). If employees or managers do not possess this trait, then the decentralized organization, the knowledge worker, and the concept of self-organization will not succeed. This does not mean that the manager and the employee must have perfect self-esteem, but that they must always strive to enhance this very important characteristic. In order to improve one's abilities in this area, it is important to practice a) living consciously, b) self-acceptance, c) self-responsibility, d) self-assertiveness, e) living purposely, and f) personal integrity (Hesselbein et al., 1997).

Of all these elements, personal integrity may be the most important. Effective leaders of the future must be perceived as being credible by their potential followers, which requires conviction, character, care, courage, composure, and competence (Hesselbein et al., 1997). A leader must be perceived to possess integrity, or they cannot be perceived as credible.

The most important postmodern discovery is that reality is shaped by human perceptions, and cannot be understood as an objective view of nature (Lasch, 1992). Perceptions are more real than reality. It is not enough to be ethical, a manager in postmodern times must ensure he or she is perceived as such by leading its construction. Emotionally intelligent leaders know that the future is not something for which they wait, but instead realize, it is something they actively and

passionately help construct (Cooper & Sawaf, 1997). Language is a social creation, and not just the transmission of information (Winograd & Flores, 1986). Thus, leaders cannot just transmit information of what the culture of an organization shall become, but must instead facilitate the creation of a culture that is developed by the collective and independent will of all involved. Leaders of organizations cannot dictate, but instead, they must catalyze the construction of all values, and especially, the values that develop high self-esteem.

Conclusion

In the contemporary era, knowledge workers will possess the capital required to allow organizations to compete in the marketplace, and this will drive the decentralization of organizational control and decision-making. Decentralized organizations will have knowledge workers as their smallest subsidiaries, and these workers will desire to exercise their power to make informed decision like all subsidiaries demand. This will require a self-organizing culture in a chaotic environment. The leaders of tomorrow will be required to lead the construction of a new social reality that is based on trust, freedom, and responsibility. The keystone of this construction will be the self-esteem of managers and employees alike, and will require a special focus in developing the unique characteristic of personal reflection. If this is accomplished, then a learning environment will be developed, and in the words of William Bergquist:

Perhaps in our new postmodern organizations recognition will finally be given to the essential role of reflection and inquiry in all aspects of one's job and to the critical need for this type of learning immediately following any mistake (or success). (Bergquist, 1993, p. 340)

Perhaps the shift of power to the knowledge worker will create a learning organization, not just, where employees are empowered by management, but where every worker is a managing subsidiary that leads and enforces the culture that supports the organization's socially constructed mission.

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