



New Leadership for a New Age

Leaders and managers are still struggling to adapt to knowledge workers

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PETER DRUCKER ACCOMPLISHED one of the rarest of things: He anticipated the future.

Since the late 1700s the economy of the Industrial Age reigned, with its accompanying theories and practices. By the 1950s Drucker saw that a new economy was coming, bringing along its own theories and practices. It would be characterized by the **knowledge worker**.

That future is now firmly in place. The problem for many leaders and managers is that *they don't know it*. They continue to think and manage people according to the old industrial-age paradigm, and it is not going to work well.

I believe servant leadership is exactly what is needed in this new world predicted by Drucker.

Many others have addressed this subject in recent decades, but it seems to have fallen off the business radar. In speaking to groups and coaching individuals, I consistently find people who are unaware of it. A general overview therefore may be helpful.

Industrial-age thinking

In the old industrial economy:

- **Workers were interchangeable**

They could be paid small wages, because if someone quit or was fired you could just stick somebody else in the assembly line. Like checkers on a board, this one is as good as that one. They're all the same.

- **Knowledge increased as you went up the corporate ladder**

The foreman knew more than the front-line worker; the supervisor knew more than the foreman; the manager more than the supervisor; the director more than the manager; and so on up the scale.



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- **Workers were considered *expenses***

Paying them as little as possible while getting the most out of them was common sense to managers. It increased profits.

- **Workers were valued for the sheer physical output they could produce**

There was no curiosity about what other assets an employee might bring to the process. At best, a good performer might be promoted to foreman, overseeing others on the line.

- ***Efficiency was everything***

Management's total concern was on *efficiency* — how the factory could produce more, faster, and cheaper widgets.

- **Managing industrial workers was therefore by “command and control”**

The attitude of management was well-put by Henry Ford, who said, **“Why is it that when I ask for a pair of hands, a brain comes attached?”** They were paid to do what they were told, not to think!

By the mid-20th century, that world was coming to an end and a new era had begun. Drucker said,

We are entering the first century in human history in which, in the developed world, the great majority of people will work with what is between their ears, not their hands.

If you are a manager at any level, it might be enlightening to consider how much *your own* thinking is characterized by those views.

Knowledge-based thinking

- **Knowledge workers are *unique***

Their value is their expertise, experience, and personality. Marcus Buckingham insightfully observed, **“Average managers play checkers, while great managers play**

chess.” Unlike checkers, chess pieces have individual strengths and powers to be strategically utilized. Knowledge workers need managers who view people the same way. Drucker had this in mind when he said the purpose of management is **“to make strengths effective and weaknesses irrelevant.”** In sports terminology, it is “putting a person in a position to be successful” — and most valuable.

- **Knowledge workers are *subject experts***

Clients sometimes express surprise to me that their managers are not as knowledgeable as they are about parts of their jobs. I reply, “That’s normal in this age.” Knowledge workers often know more about their subjects than their immediate managers or executives.

- **Knowledge workers are valuable *assets***

When a knowledge worker walks out the door, all their knowledge, expertise, and experience go with them, making turnover immensely more costly and damaging today. Retaining valuable employees thus becomes a prime concern.

- **Knowledge workers are valued for the specific *results* they can bring**

The worker’s output is a product of their unique package of personal qualities. There’s less concern with *how* they get there.

- ***Effectiveness is everything***

Rather than efficiency (“doing things right”), *effectiveness* (“doing the right things”) must be the dominant concern of the knowledge worker and of that worker’s superiors.

- **Knowledge workers must be largely *self-managing***

For these subject matter experts, command-and-control managing is limiting, frustrating, and demotivating. This is what Drucker was thinking of when he famously said, **“So much of what we call management consists in making it difficult for people to work.”**

Knowledge workers manage *themselves* toward results. Superiors must assume the role of guiding, helping, and removing obstacles.

The impact of misguided managing

Leaders who attempt to manage knowledge workers by industrial age command-and-control methods are responsible for a large amount of turnover in organizations. Knowledge workers cannot thrive under it, and many won't stand for it.

In a study of effective managers, Marcus Buckingham found (emphases mine):

Talented employees need great managers. . . . how long that employee stays and how productive he is while he is there is determined by his relationship with his immediate supervisor.

This has never been more true than in today's knowledge-based economy.

There are surely *applications* where command-and-control managing still applies, such as in systems and processes. The managing of *people*, however, must catch up with the present world.

Implications for managers

It's not going to be easy for many managers to turn their heads around and look at their people through new eyes, but they had better! Some implications:

- ***Knowledge workers want to be treated with respect***

Knowledge workers know they are professionals with valuable expertise and experience. They want to be respected and treated like grownups.

- ***Knowledge workers desire freedom to do their jobs***

They resent being closely managed, feeling it insulting. They want the freedom to be self-managing and be held responsible for results.

- ***Servant leadership is exactly what is called for today***

Drucker said, "**The knowledge worker cannot be supervised closely or in detail. He can only be helped**" (emphasis mine). Helping people by guiding, coordinating, and removing obstacles is what servant leaders do. Servant leaders are thus the key to great performing teams and individuals.

The manager's role

This does not mean the manager doesn't manage — far from it! It just changes *how* the manager manages. They still must:

- Set expectations, policies, and values
- Build and protect the culture or subculture
- Identify top objectives and priorities
- Motivate and inspire
- Hold people accountable for results
- Provide coaching, resources, and help
- Work at coordinating people across departments and improving systems

What are these things when you sum them up? I suggest they spell *servant leader*. I'll explore more on this next week. 