Managerial Challenges in the 21st Century; a New Paradigm and What is Required to Manage Effectively

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Introduction
In the 21st century, managers find themselves in an age of uncertainty - a complex business environment characterised by rapid technological changes, a global economy, constantly changing market requirements and intense domestic and international competition (Lussier & Achua, 2007).

Given this complexity, 21st century managers need to possess effective management and leadership skills. Effective leadership and management are imperative in navigating in the midst of a chaotic and continuously shifting environment. Critical to these times are managers that through their organisation are constantly watchful, read, and are able to interpret changes and influences in the environment that have a bearing on their organisations future. A leader who has the ability to understand the environment harness opportunities and combat threats is central in ensuring organisational sustainability and future success (Managers in a Changing World 1.1, 2009).

A New Management Paradigm: The Learning Organisation
Clegg (1998) discusses important management implications for the 21st century manager and emphasises a new paradigm of management called ‘The Learning Organisation’ which departs from the traditional bureaucratic organisation. This bureaucratic organisation is based on command and control, centralised decision-making, highly formalised systems, specialised tasks, competitive strategy, and a rigid closed culture. ‘The Learning Organisation’ in contrast is less structured, decentralised, and informal. The Learning Organisation uses collaborative processes to formulate strategy. Its culture is more open and adaptable. Lussier and Achua (2007, p.267) believe organisations with leadership that embraces the idea that people will learn if encouraged to face challenges, experiment, fail and reflect on their experiences can deliver key organisational advantages and imperatives.

Leaders creating a shared vision to inspire the accomplishment of organisational imperatives are a key responsibility of effective leadership and fundamental to the learning organisation according to Lussier & Achua (2007). Effective leaders play a critical role in enhancing and enabling organisational learning by encouraging and providing incentives for learning and innovation by building confidence in followers’ capacity to learn and adapt, encouraging systems thinking and when creating a culture conducive to individual and team learning (Managers in a Changing World, 2009, p.34).
Lussier & Achua (2007) explain that a ‘learning organisation’ distinguishes its people as the main agents of learning and change. Based on this premise, the leader and followers understands that the organisation must transform into an active learning organism in order to manage its internal and external relationships, otherwise the organisation runs the risk of becoming extinct. To succeed its leader and followers are proactive and anticipatory, in order to harness and drive continuous improvement through the organisation in pursuit of securing and maintaining its competitive advantage (Pedlers, Burgoyne, & Boydell, 1997).

The manager of the learning organisation must possess important skills, knowledge and attributes to: (1) effectively manage and lead the organisation. (2) Encourage members to ‘think outside the box’. (3) Encourage and nurture experimentation. (4) Reward successful ideas. (5) Increase employees’ confidence and pride in solving problems. (6) Reduce boundaries within the organisations as a system. (7) Create a culture that values, develops and support people to develop to their full potential. (8) Develop a common purpose. (9) Challenge outdated assumptions to create new frames of reference. (10) Let people know that sometimes we may fail before we succeed.

Note that if the manager does not have effective management and leadership skills, does not possess relevant knowledge and lacks appropriate attributes - the organisation may fail!

Therefore to reduce failure it will be essential that managers leading a learning organisation into the 21st century possess effective management and leadership skills, understand relevant knowledge areas and have the necessary attributes to sustain their complex roles. Research indicates Manager’s who have a philosophy of life-long learning, keep learning throughout their lives will be able to adjust and transform within changing contexts. This philosophy along with the ability to adapt and change over time to meet the needs of the ever shifting, ever-evolving business environment will help ensure that the 21st century manager is successful.

It is argued that in order to truly achieve a learning organisation, management has to rise to the challenge, but in order to do this a number of important skills; knowledge and attributes are required to lead such an organisation in the 21st century. Some of these are reviewed in the next section.

**Skills, Knowledge & Attributes Required to Manage a Learning Organisation**

**Creativity and Innovation**

The top answer among 500 CEOs surveyed to the question ‘What must we do to survive in the twenty-first century? Was to ‘practice creativity and innovation’ (Gryskiewicz, 2000). Robinson & Stern (1998, p92.) claim that most companies are aware that their creative potential greatly exceeds their creative performance. A fundamental task of leaders today is therefore to harness the creative energy of all
employees to spur innovation and further the interests of the organisation (Daft & Pirola-Merlo, 2009, p163). What is interesting however is that only 6 per cent of CEOs felt that their companies were successful at accomplishing this goal (Gryskiewicz, 2000). The deficit of innovation in many of today’s organisation’s is very real and it appears to be only now that leaders are beginning to take action by adopting structures and systems that promote rather than squash the creation and implementation of new ideas. In learning organisations, leaders want everyone to come up with new ideas for solving problems and meeting customer needs. This is best achieved when the leader creates an environment that facilitates innovation and creativity with continuous change. The consequence of this is improved efficiency and effectiveness of the organisation (Matherly & Goldsmith, 1985). To create this type of environment - in order to harness the sought innovation and creativity - the manager may need to stimulate employees’ creativity. For example, the manager may make it acceptable for employees to surround themselves with stimuli. This may be in the form of music, artwork, books or the like. Shaping their learning environment to increase and harness creativity and innovation is the current challenge for managers who truly want to take advantage of creativity and innovation. In many organisations this will mean making changes for that to happen (Robinson & Stern, 1998).

**Honesty and Integrity**

Daft and Pirola-Merlo (2009, p.125-186) explain that honesty refers to truthfulness and non-deception. It implies an openness that followers welcome. Integrity means that a leader’s character is whole, integrated and grounded in solid moral principles and that they act in adherence with those principles. When leaders model their conviction through their daily actions, they command admiration, respect and loyalty. These virtues are the foundation of trust between leaders and followers and necessary as the basis of a learning organisation. As Kouzes & Posner (1993) comment: “Honesty is absolutely essential to leadership... if we are willing to follow someone, whether it be into battle or into the boardroom, we first want to assure ourselves that the person is worthy of our trust. We want to know that he or she is being truthful, ethical, and principled. We want to be fully confident in the integrity of our leaders” (1993, p.93).

**Trust, Authenticity and Ethical Conduct**

People today are distrustful of authority figures and their deceptive use of power. People hunger for leaders who hold high moral and ethical standards and reinforce them by their everyday actions (Cranston & Ehrich, 2007).

In the wake of widespread corporate scandals, trust is sorely lacking in many organisations. To achieve a state of trust Leaders need fundamental traits of honesty and integrity outlined above to rebuild trusting and productive relations. Once this exists followers can trust their organisational leaders and be more committed to the organisation, as followers believe that their leaders are taking appropriate action or
steering their organisations in a direction that is in the best interests of both the followers and the organisation as a whole (Daft & Pirola-Merlo, The Leadership Experience, 2009).

In a learning organisation, for followers to learn, they must have faith and trust in their manager. Garvin, Edmondson and Gino (2008, p.198-116) explain that followers cannot fear of being belittled or marginalised when they disagree with peers or authority figures when asking naïve questions, own up to mistakes, or presenting a minority viewpoint. Instead, they must be comfortable about expressing their thoughts about the work at hand.

This is validated by Higgs (2008, p273-284) model which reflects the research and thinking on leadership emerging from a ‘sense making’ paradigm. One of the key elements in this model is authenticity. Authenticity is viewed as an important personal characteristic of effective leaders, such as being viewed as a genuine person and not attempting to ‘play a role’ or not acting in a manipulative way. Instead making their followers feel that they will be put first and that there is a genuine concern for them (Daft & Pirola-Merlo, 2009, p.21).

Another theory of authentic leadership proposes that the ‘best leaders’ have high moral integrity, good self awareness. Plus awareness of other’s strengths and weaknesses, needs and values, with an awareness of their context (Avolio, Gardner, Walumbwa, Luthanas, & May, 2004; Cooper, Scandura, & Schriesheim, 2005). Daft & Pirola-Merlo (2009, p178) indicate one of the important aspects of this new paradigm of authentic leadership is the ability to use human skills to build a culture of performance, trust and integrity, which are the basis of a learning organisation and its subsequent success.

Theorists argue that failures in authentic leadership have in fact been the root cause of many major corporate financial scandals and huge jobs losses. Examples of this are, those committed by members of the Australia Wheat Board and Enron. It is felt that that the development of authentic leaders will ensure organisations act more responsibility and ethically, and furthermore that these organisations will probably perform better (Avolio, Gardner, Walumbwa, Luthanas, & May, 2004) (Cooper, Scandura, & Schriesheim, 2005).

Garvin, Edmondson and Gino (2008, p.109-116) believe positive leadership behaviour is essential in creating and sustaining supportive learning environments; environments such as these make it is easier for managers and followers to undertake tangible learning processes and practices effortlessly and efficiently. This results in a continuing virtuous circle of triple loop learning as a concrete process that provides opportunities for leaders to behave in ways that foster learning and cultivate that behaviour in others.
Vision and Listening

Herman & Gioia (1998) argue that people need to establish dignity and meaning in their work. Even people performing routines tasks need to find pride in their work to understand that there is a larger purpose for what they do (Managers in a Changing World 1.1, 2009). This purpose needs to be communicated to people in the organisation through its corporate vision and specific corporate values.

This kind of visionary leadership is about creating a compelling sense of direction for your organization. Vision works in a number of important ways. An effective vision provides a link between today and tomorrow, it serves to energise and motivate followers towards the future and it provides meaning for people’s work and sets a standard of excellence and integrity in the organisation (Nanus, 1992, p.79).

Daft & Pirola-Merlo (2009, p.412-422) reinforce this need for leadership vision. For organisations, a vision is an ideal future that is credible yet not readily attainable. A vision is not just a dream – it is an ambitious view of a better future that everyone in the organisation can believe in, one that is realistically attainable. For example, Euan Murdoch established Herron an Australian pharmaceutical company. His vision for this company was to make it globally competitive. By communicating this vision to Herron employees, they understood the direction the company was heading in. His slogan had a global perspective ‘healthcare for humanity’, this communicated the notion to his employees that they were working toward something noble – good health for people worldwide (Herron Corporate Website).

Research from Kouzes and Posner (1993, p.157-166) attempting to understand the nature of leadership; identify elements of effective leadership, where effectiveness is judged from the followers’ perspective. Followers believe their leader must ‘inspire a shared vision’. By articulating a vision for the future it engages others and inspires them - it gives credence – as to how the future can be and how to progress towards it.

A powerful vision can have a significant impact on an organisation and its followers, but only if it is communicated clearly to everyone throughout the organisation (Daft & Pirola-Merlo, 2009). However, If the vision is not clearly communicated followers will not understand the vision and as a result, not understand the way in which they can contribute (Higgs, 2003, p.273-284).

In learning organisation, this shared vision is imperative for learning. Creating a shared vision enhances learning as organisation members’ develop a common purpose and commitment to make learning an ongoing part of the organisation in meeting its objectives (Lussier & Achua, 2007, p.446).

To develop such a shared vision, leaders of the learning organisation must discuss their personal visions with followers and encourage them to express their dreams for the future. To achieve this requires
openness, good listening skills and the courage to connect with followers on an emotional level. The leader’s ultimate responsibility is to be in touch with the hopes and dreams that drives followers, at all levels of the organisation, and find a universal position to bind personal dreams into a shared vision for the organisation. As one successful top leader put it, ‘My job fundamentally, is listening to what the organisation is trying to say, and then making sure it is vigorously articulated’ (Quoted in Senge).

Vital to the role of a leader in any learning organisation is to listen, to both followers and customers. Many leaders now believe that important information flows from the bottom up - not top down – so a crucial component of leadership will be effective listening (Pearce, 1989, p.29-34; Peters, 1988, p.16-21).

Listening certainly assists with building trust and creating an open communication climate. In this type of climate followers are willing to share their ideas, suggestions and problems with leaders when they think someone is listening and genuinely values what they have to say (Daft & Pirola-Merlo, 2009). This type of climate is needed for the learning organisation to be successful.

Daft & Pirola-Merlo (2009) argue that effective listening is engaged listening. Where good leaders ask many questions and make enquiries. They force themselves to get out of their office so they can mingle with followers. Other ways to hear what is going on in the organisation (with followers) is to set up listening forums where people can say what is on their mind. Making sense of these things is imperative. There must be a process for feedback to let people know that they have been heard and importantly what the outcome of the listening process is (Managers in a Changing World 1.1, 2009). The importance of the listening activity is reinforced by the fact that by listening to the needs of followers and customers vital information can be fed back into the learning organisation to drive continuous improvement.

**Multidimensional Thinking**
A foundational approach to knowledge is one that is dominated by a search for a one best way of doing things or authoritative approaches that tell us ‘this is the way it is’ or ‘this is how you should do it’. Managers, who understand there is no one best way; will recognise and see the situation or problem from a number of different perspectives (Morgan, 1993) (Bolman & Deal, 1994, 1991). Managers who understand this recognise any situation may have multiple dimensions and meanings. Looking at the situation or problem from a number of different ways gives insight to it. This insight may help the manager to reframe problems or issues so that they can be tackled from a number of different perspectives (Morgan, 1993) (Bolman & Deal, 1994, 1991). Being able to reframe problems and see them in novel ways is an important part of developing the practice of reflection (Morgan, 1993). This practice is extremely important for learning organisations and the quest of continuous improvement.

Managers trying to make sense of things going on should ensure they are examining all forms of knowledge in finding solutions to a situation or problem. Morgan (1993), Bolman and Deal (1984, 1981)
indicate that managers who use the six sources of management knowledge to find and seek solutions will be better placed to take appropriate action. These are: (1) Managers who get involved and talk with follower’s learn-by-doing. (2) Listening to follower’s stories about work that has been done is often insightful. (3) Managers who read to keep abreast of management stories or sagas with ‘lessons’ to be learned will be better placed to take the right action in the future. (4) Reading information on management fads, theories and attending workshops will offer new managerial approaches to improving management actions. (5) Studying ‘soft’ academic theory via textbooks that attempt to link theory and practice will provide management guidelines and frameworks. (6) Deciphering ‘hard’ academic theory is advantageous when managers extrapolate what they see as important and apply the knowledge directly on a day-by-day basis (Fulop & Rifkin, 1999).

The leader of the learning organisation who effectively applies a knowledge management methodology will gain valuable insight into a situation or problem. Delving to find a solution with followers and external parties is inherent to a workable solution. By understanding the situation or problem and reframing it, the organisation can tackle it from a number of different directions. A solution based on multidimensional thinking is bound to be more than a workable one as it is derived from a combination of commonsense, theory and/or management practice (Managers in a Changing World 1.1, 2009).

Given all these important skills, knowledge areas and attributes needed to manage a learning focused organisation in the 21st century, changes of emphasis will be required in the way managerial roles are performed, now and in the future. Critical skills and knowledge for more effective management are an ongoing challenge for 21st century manager. Due to the complexity of this topic only three critical abilities for more effective management have been identified and briefly reviewed below.

**Critical Skills and Knowledge Required for More Effective Management.**

**Self-Confidence**
Daft & Lengel (1998) recognise that as an active leader, it is necessary to be self-confident to resolve or confront situations when inequities or problems exist. Managers need to be confident when and where warranted to challenge the status quo.

Self-confidence as indicated by Daft & Pirola- Merlo (2009), allows managers to move forward and embrace setbacks. Where setbacks are viewed as an opportunity which allows the manager to find out new things and/or develop new skills. With self-confidence managers overcome setbacks experienced.
Fundamental to effective management is self-confidence, to take risks, and realise that taking risks are necessary to attain personal and professional goals and advancement. Managers who are self-confident with a positive self-image and who display certainty about their own ability foster confidence among their staff, gain respect and admiration; are more able to meet organisational and personal challenges (Avolio, Gardner, Walumbwa, Luthanas, & May, 2004).

**Self-Belief**

Negative self-belief feeds self-doubt. Once doubt creeps into the psyche, it undermines the manager’s ability to make a realistic evaluation of his or her capabilities to the point where it will erode the belief that the manager can achieve their sought goals. When this occurs, the manager is simply not likely not to achieve their goals. This negative self-belief undermines their ability to take action and stops them from achieving their full potential (Higgs, 2003).

To be an effective manager, it is important to have a positive self-belief, with the belief that they can continue to develop their capabilities and achieve their desired goals. It is very important for managers to believe in themselves, to dream big and strive to reach their full potential (Higgs, 2003).

**Influence**

Higg’s (2003, p.273-284) holds the position that influence is the ability to persuade others to change their viewpoint on a problem, an issue or a decision. The ability to influence a follower’s attitude, values, beliefs, or behaviour is often an essential part of the manager’s role when encouraging and supporting learning; or making difficult decisions that effect change. For learning to take place people must be willing to learn and as we know, people are often resistant to change, unwilling to learn or try new things. Given this, the ability to influence others to change their viewpoint, on a problem or an important issues or a decision is often crucial to organisational success (Hughes, Ginnett, & Curphy, 2009, p.467-468).

Noting power, politics, networking and negotiating are all forms of influencing. It is important to remember that power is neither good nor bad – it is what managers do with it. Personalised power is unethical when used to promote the manager’s self-interest at the expense of others. Socialised power is ethical, when used to reach organisational objectives, followers’ needs and the manager’s goals (Lussier & Achua, 2007).

**Conclusions**

The learning organisation champions effective management and leadership to take advantage of the wealth of experience, skills, knowledge and creative potential that sits within its ranks, as it aligns itself with external changes. The learning organisation that is shaped by a sophisticated manager with the necessary skills, knowledge areas and attributes will be able to transform itself by learning and adapting
to change. It will be successful in creating more than just a competitive advantage. Organisations able to effectively achieve this will be in a strong position to prosper through uncertainty presented by the 21st century!

Finally, for managers to be successful at leading a learning organisation into the 21st century they must possess effective management and leadership skills, understand relevant knowledge areas and have the necessary attributes to handle the complexity of this role. Managers in the 21st century will benefit from a philosophy of life-long learning where they are better placed to adapt and transform within changing contexts and able to alter and change over time to meet the needs of the ever-shifting, ever-evolving business environment in which they operate.

**Bibliography**


**Biographical Information**

Louyse Hamilton completed her Master’s degree in Management at Charles Sturt University. She works in the tertiary education sector managing a professional experience program for approximately 600 undergraduate students. She is considering undertaking doctoral study.