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Introduction

Over the past 20 years, corporate leaders have come to a thorough understanding and implementation of the dynamics of effective team activities. Drawing upon countless books, workshops, seminars and academic studies, they have made teams and their dynamics are an important part of organizational management practice. Unfortunately however, during my last several years of interaction with the corporate world in India, I see very little evidence that an equivalent corporate effort has been devoted to the development and selection of leaders themselves. It may be noted here that I distinguish between leaders and aggressive managers. Aggressive managers seriously engage with the day-to-day routine tasks of cost containment and improvement of operational efficiencies, while leaders do all of these but consistently get involved in creating a developing environment that encourages value-added growth for employees and organization. This, in turn, requires indoctrination as well as cultivation of a diverse thinking environment. Despite widely publicized succession planning programs at companies like GE and IBM in USA, I believe the overall corporate knowledge base for understanding and

implementing leadership skills has remained relatively underdeveloped particularly in India. The application of the leadership development process is always more difficult and time consuming than the organization can sustain. Hence, the emphasis is on aggressive management.

It is my contention here that although most managers recognize that they operate in a stochastic business environment, subconsciously they hold onto an exploitative model of a static environment, one that requires no more than aggressive management. This dichotomy lies at the core of what I see as the changing landscape for leadership and demands on future organizations.

Future Organizations

Mohanty (2001) has mentioned that organizations of the future will make a quantum paradigm shift:

1. from manual work to knowledge work
2. from closed system to more permeable and flexible boundaries
3. from fat to lean: the new staffing principle
4. from vertical command to

horizontal processes: the new organization from homogeneity to diversity: the new work force

5. from status and command rights to competencies and relationships: the new power source
6. from authoritarianism to empowerment: the new pattern of decision making
7. from ritualistic performance assessment to relativistic benchmarking
8. from organizational capital to reputation capital: the career asset
9. from single career path to multiple career path
10. from single loop reactive learning to double loop proactive and interactive learning
11. from experience based mundane actions to knowledge based innovations and contributions
12. from compliance to commitment, vulnerability and accountability
13. from stand-alone competing to simultaneous strategic collaborating and competing
14. from relatively stable hegemony of financial factor-ruled to the dominance of knowledge as the driving force

These shifts are permeating in a new competitive landscape configured by technological, economic, managerial, political, social and ecological sectors, etc. The act of changing any corporate mental model is threatening. Corporate paradigm shifts are inevitably stressful and promote the perception of a threat to one's career, especially in upper-level management. Changing isolated teams and team

members is easier and less painful for the manager than changing the entire corporate environment, values and norms. Yet, the managers in these corporations are the only individuals with the authority and resources to make the changes required to address the current and forecasted stochastic climate. They must also persevere throughout the long, painful journey to arrive at the tipping point of the corporate culture - that point at which there is a critical mass of support to produce change. The organizations of the future will require renewed investment in human resources and formulating new policies, new modalities of learning and innovative motivational tools.

The increasingly dynamic nature of competition during the last two decades has made the improvements of organizational learning and the developments of more effective methods for managing knowledge workers a crucial but predominant issue of contemporary organizations. Mascitelli (1999), mentions that traditional competitiveness factors cannot provide a sustainable advantage in a highly dynamic, knowledge-driven global marketplace. Barney (1997) is of the opinion that the most fundamental criterion for sustainable competitive advantage is the building of economically valuable knowledge base of a company: both tacit and explicit. Knowledge is the only resource, which can only guarantee long-term sustainable advantage. Knowledge is at the heart of an organization for creating value. Knowledge originates in human minds. It is insight, judgment and innovation, based on experiences, heuristics, passions and neural connections. It provides the intellectual frameworks, conceptual models, governing ideals and ideas that allow human resources to identify opportunities, to make strategic and tactical decisions and generate values for the stakeholders. It has become the most important factor of

production in contemporary social and economic life. Today, knowledge per se is not the power but the ability to deploy and use knowledge for the welfare of the human system is recognized as power (c.f. Mohanty and Deshmukh, 1999). Knowledge has its greatest value when it is transparent and transferable: powerful assets to amplify our very latent capacity to learn, create and innovate.

New Leadership

A prerequisite for success in future competition is that top management is to be engaged and motivated. The fundamentals lie in embracing all working processes, behaviour, culture and values. It encompasses all employees, at all levels and in all parts of the organisation. It means that the weaknesses and breaches in the organisation inexorably are uncovered and exposed. And it means that they need to be solved - at once. It means that actions or attitudes against change might arise. It means that the flexible and change-willing employee becomes the rewarded employee. It means that the ability to use employee potential becomes more evident. It means taking responsibility for the further development of the business. It means that decisions need to be taken when it happens, at the level where it happens. It means that formal positions as we know them today will lose power - and status. And it means that the incentive and reward systems that need to be adjusted, becomes crucially important. It is of course not necessarily so, but obviously apparent, that these facts might cause the need for a fundamentally different management philosophy of the business in case, and also may be a new kind of leadership style.

Leaders As Navigators

The word "leadership" implies that a single individual becomes the dominant navigating force that guides the rest of the people, institution, corporation, and

community to a goal or goals. The algorithm to understanding leadership is complex and resists reduction down to the individual level. Too many managers today are focusing on duplicating and enhancing the old control structures that eliminate diverse thinking from their organizations. These managers show little interest in searching and grooming individuals for the future asymmetrical leadership requirements. In recent years, people have come to believe that organizational complexity resides primarily in the selection and interactions with the followers (teams). Some companies have spent considerable time and money on personality "type" evaluation instruments. This information is never utilized to understand the manner in which the future leaders would exchange tacit and explicit knowledge between themselves and their followers.

Making Leaders

I believe that the preparation of the leader is probably the part of the corporate growth equation that has slipped out of focus and defaulted down to the study and implementation of change management and other measurable command and control skills and systems. From personal observation and experience, I have identified four distinct steps that a manager must undertake in order to mature to a leadership mindset:

- Apprenticeship
- Mentorship
- Sponsorship
- Colleagueship

Apprenticeship is the basic building block necessary to acquire the fundamental skills and sensitivities, technically and politically, to prepare for the subsequent mentoring process. Apprenticeship can consist of formal education combined with practical application. It can germinate in a

community, in a laboratory, corporate office, university setting or a political party. These organized apprenticeship activities are usually observed and evaluated over time by individuals who are interested in using these cultivated advanced skills and capabilities. An apprenticeship produces a feeling of accomplishment and of complete subject matter understanding. Apprenticeships provide a viewing platform for observation by prospective mentors. The elusive and vital tacit knowledge possessed by the expert is encouraged to be exchanged within this type of environment and interaction. This proven maturing process is no longer used. Over time, the actual function has been discarded because it is an old practice. Apprenticeship is being practiced to some degree in lower level technical jobs. A natural corporate mindset that seeks to reduce costs and the actual time invested for this leadership process dilutes the perception of importance attached to the entire leadership maturation process.

Mentorship is the one-on-one process of selecting and grooming promising candidates from the apprenticeship pool. Because it is ongoing and personal, it is important that both the individual's temperament and his or her value system match. The mentoring process has periods of phase shifts as the mentored individual closes the gap of understanding the subject matter received from the mentor. Mentoring is an important role for organizations for professional development in many countries. Its underlying principle is that a more knowledgeable colleague can facilitate the professional development of a new employee. Bush and Coleman (1995) describe mentorship as a relationship building mechanism that has the potential to enhance the knowledge base of both individuals. Mentoring has always been present in the business environment, usually to help all employees to learn new

skills (6). This is especially true in the new millennium, because one can expect the skills one has, to be obsolete in three to five years (c.f. Gunn 1995). These programs are even more necessary when our contemporary work systems are undergoing organic transformation. Many research studies (c.f. Smith 1994, Whiteley *et al*/ 1992, Loeb 1995) in the recent years have revealed the following benefits of mentorship development programs:

1. Helping newly hired employees or promoted employees become fully productive and understands the organization's future in a compressed time frame
2. Creation of future entrepreneurial leaders
3. Low cost transfer of skills
4. Increased ability to manage participative relationship
5. Increased learning potentials
6. Positive affirmative action results
7. Strengthened link between business strategy and developmental needs

I have designed and intervened in some mentorship development programs for a number of Indian companies. Of particular significance here to mention about ACC, that is the largest cement producer and the market leader in India. The company believes that human resource development is a key to building knowledge base. Mentoring is the creation of a formal relationship between two people of different business processes and status in the company's cement manufacturing units. Some of the advantages that the program claims are as follows:

1. Better adoption of the organizational values (this company is most respected in the

society for its high corporate ethics and values)

2. Effective transfer and absorption of circumstantial and experiential knowledge
3. Low cost but highly relevant learning and better cross-functional knowledge
4. Cooperative development of knowledge
5. Increased job satisfaction
6. Low turnover of employees
7. Meaningful career guidance

The above findings are not subjective. I have monitored the performance objectively for the last six years. It is worth mentioning here that the company's approach is in line with both the scientific evidence and with recent proponents of achieving competitive advantage through people. The most important element to understand about this relationship is that mentors have a finite life span compared to the knowledge gaps that exist. For this reason, the mentor's principal role is to prepare the knowledge workers for sponsorship and provide a reality touchstone in future career situations.

Sponsorship is the most committed and delicate stage for the sponsor as well as the sponsored. The pre-mentored person usually progresses without formal acknowledgment from a sponsor. In large corporations, the decision to assign the sponsor is usually not made by the person who will do the actual sponsoring. Rather, most managers arrive at their sponsor's doorstep via a fast-track career advancement system. This is different from mentoring, which is initiated by the selection of the mentor. It can lead to difficulties for the sponsor who has a preconceived notion of the sponsored person's anticipated career trajectory when the person either

fails to live up to the preconception or overshadows the sponsor in some way.

There is usually no way to renegotiate to an alternate path. Michael Guillen describes the difficulty very well in *The five equations that changed the world* (1995). His chapter on Michael Faraday relates how Faraday's sponsor put the only black ball in the box of white balls for the "1829" membership in the Royal Society of London. Faraday's sponsor, Sir Humphrey Davy, actually campaigned against him in the days before the membership vote. The trauma of being publicly ridiculed by Sir Humphrey prompted Faraday, some years later, to refuse both the Queen's knighthood and her offer of burial in Westminster Abbey, as was done for his sponsor. This demonstrates the complex relationship between a sponsor's ego and goals and their effect on the prospective new leader.

Colleagueship is the final state in a leader's maturation. Enough confidence has been gained at this stage to publicly display daring, which is the prime ingredient of true leadership. Von Clausewitz's *On War* speaks of the evaporation of daring among young officers as they rise in rank (1984). Over the last few hundred years, the military has had a lot of time and experience to look at and analyze the components of leadership. The true generals are the ones who are less risk-averse than their counterparts who do not want to lose what they have worked so hard to achieve. This progression to colleague is the most difficult because it is the point in a career when the evaluation of abilities is both external and internal.

What To Do

1. It should be obvious that if any of these four stages are bypassed or shortened for expediency, it will have a significant long-term negative multiplying effect on the capability of the new leader.

2. I would also like to suggest senior management searching for and recruiting change agents with diverse thinking, non-linear backgrounds and uncommon education life paths (including self-taught). More of these change agents should be included in the decision-making process of those upper managements that may desire change in the organization but do not wish to change themselves.
3. Top management should work hard to create a working environment that will permit multiple environments-stochastic and static-to co-exist simultaneously. Success will be largely dependent on the willingness of the corporate world to undertake such a transformation.
4. Many progressive organizations have emphasized on the need to give managers and employees more opportunities to practice the skills that are needed to perform well in the emerging business environment. It has been argued by many that classroom teaching and role-playing are necessary but not sufficient. Therefore, many researchers and practicing managers suggest that organizations create "practice fields"; that let managers and employees hone their skills and gain experience under realistic but risk-free conditions. The Productivity Enhancement Program at Bell Labs is a useful example. According to Cannon, the company asked a number of its star engineers to develop an expert model. The result was a set of nine prioritized work strategies the engineers believed other employees could master. Training sessions to pass on these strategies occur in the normal workday. Productivity increases in both star and average performers have been striking, from a 10 percent increase immediately after the sessions to 25 percent after a full year. A number of companies across the globe have adopted this approach. However, the most important 'product' of this approach is managers who understand how to create a learning environment for those around them.
5. My experiences in action research and exploratory projects in some Indian companies are very encouraging in terms of knowledge acquisition, deployment and utilization for different companies. These projects have helped the attainment of mastery of some knowledge and building a better and better fit between relationships and skills transferring by reconfiguring roles and structures. An organization's processes for articulating, codifying, and transferring knowledge within are important determinants of its ability to leverage its existing knowledge effectively - and thus of its ability to leverage its competence to greatest strategic effect. The ability of some companies to survive and thrive in the future hinges more on an optimal management of skills through participation than on the implementation of new technologies and manufacturing processes. Moreover, these companies saw that the new technological breakthroughs could not be integrated unless their staffs were able to adapt to ever-quicker cycles of change and their organizations able to cut the cost brought about by this unceasing need for human resource adaptation. Action learning has been a very successful approach in U.K. British Petroleum calls it as Learning Engine -an elegant system that meant: people and systems demonstrate learning before, during and after tasks and communities of practice access, apply, validate and

renew existing knowledge through performance histories and real time observation, both within and without their own organization.

6. Companies that have enjoyed enduring success during the last several years have created a new landscape around people who have transformed business strategies and practices endlessly adapting to a changing leadership pattern. If the core purpose of an organization is to remain in business in a competitive world, the organizational members collectively accomplish certain tasks, which ultimately should result in making a product, or service, which is of value to the human system.
7. The basic dynamics of successful companies in the recent years has been in terms of decisions to build the strength of the organization and its people. Without growth attitude of knowledge workers, a corporation will be at a competitive disadvantage. Growth attitude is a combination of skill, experience, and judgment, with a dash of courage and a dose of arrogance. This attitude establishes a context within which we have to lead by setting direction, creating an environment, securing resources, defining organization architecture and ensuring that learning occurs. The growth attitude is essential in order to overcome the stagnation of operations and the complacency that naturally occurs as firm's age.
8. Great leaders recognize that what they know is very little in comparison to what they still need to learn. To be more proficient in pursuing and achieving objectives, one should be open to new ideas, insights and revelations that can lead to better ways to accomplishing goals. This continuous learning process can be exercised, in particular, through

a constant dialogue with peers, advisers, consultants, team members, suppliers, customers and competitors.

9. Leading others is not simply a matter of style, or following some 'how-to' guides or recipes. Ineffectiveness of leaders seldom results from a lack of know-how or how-to, nor is it typically due to inadequate managerial skills. Leadership is even not about creating a great vision. It is about creating conditions under which all can perform independently and effectively toward a common objective i.e. welfare of the human system (largest good to the largest number).
10. Finally, I would like to mention that corporate leaders make the investment and long-term commitment necessary to build and maintain a true leadership mindset among their most promising managers. Leaders help each of their followers to develop into an effective self-leader by providing them with the behavioral and cognitive skills (managing self) necessary to exercise self-leadership.

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