

Some provisional notes on the possibilities for leadership in the digital age.
By Rana Sarkar.

What is leadership?

Are we talking about the generic notion of political and corporate 'leadership' or just 'leadership' in 'technology industry' organisations? What do we mean by 'leadership' - often given our ontological biases, our cultural wiring encourages us to elide leadership with leaders - leaders as symbols, as crisp narratives and personifications that allow us to skip past the complexity of amorphous systems. The question of whether leadership can be distributed - does a 'swarm' need a leader? Can leadership be shared, embedded in a system or a set of organisational learnings and processes that enable organisations to move forward? Leaderless leadership?

Examples of self-organizing systems abound in the natural world, but do human organisations abide by similar principals. An example in the press recently has been the 'Critical Mass' <http://criticalmassrides.info/> <<http://criticalmassrides.info/>> a global, self-organizing, multi-centred movement of bike riders who on Fridays, take back the streets from cars, driving like a swarm down un-predetermined routes. Police and urban planners have to react but often don't quite know what to react to.

Can we learn something about self-organizing systems 'leadership' through the 'rules' thrown up by bio-sciences and eco-theory, systems theory, fractal geometry and chaos and flow theory, let alone applied social psychology - ie. The Rule of 150 (the ideal size of an organization throughout the ages, where personal accountability guarantees certain outcomes), 'Broken Windows' theory (crime reduction in NYC) and the principles of 'network' relationships (hubs, spokes, connectors, mavens, and sales people in Malcolm Gladwell' Tipping Point parlance), and of course, Stanley Milgram's six- degrees hypothesis.

I find the literature on distributed leadership interesting in that it challenges the notion that organisations might not ever have as been as Taylorian or even Weberian as the dominant business historiography contends - they were always amorphous beings (ala Drucker) with much more going on than readily understood by the mechanical metaphor. The trouble may have been with our metaphors for describing business in the past - always mechanistic, positivist, inherited from the military and, some of my friends would argue, irreparably male. A feature of technology organisations (the ones that get the most attention in this debate) is that they increasingly have distributed intelligence embedded into them by their unique sectoral histories and cultures, and by the nature of what they produce. In many of these organisations, the smartest guys (and occasionally the best paid) are 'at the coal-face' - the programmers, engineers etc. They are flatter than most organisations and at the best of them, the leaders often have techie or geek credentials and at least abide by unique and almost universal culture of 'geek-land'. These geeks are the ones with the power to create the next disruptive product or really understand the new challenges on competitive landscape, because they are playing with the technology on a day-to-day basis. No one manager knows better than them, or so the story goes.

What is the Digital Age?

What do we mean by the Digital Age (Era or Economy)? While forests have been felled on this topic and it comes down to whether one believes the 'digital age' is indeed discontinuous with what went before it. As communications scholars from Marshall MacLuhan to Neil Postman showed, every significant change in media has disrupted the way we think, from print, telegraph, radio and TV. It's easy to fall for the seductive argument, a variant of historical narcissism, that we are living at the fulcrum of history', ours is the most interesting of times - or in campaign speak 'the next election is the most important in history' - I'm not so sure. The counter argument is a species of historical fuddy-duddiness where 'there is nothing new under the sun'.

The early evidence indicates the digital age, if one calls it that, is indeed a profound, disruptive change from previous eras, but its effects are only now beginning to surface within organisations, and society in general, but will, in the space of a generation, start to emerge and cause traditional organisations and established way of doing things considerable tension. The period from 1995- to present is merely a prelude - a point that 'non-discontinuity' theorists fail to fully appreciate in their schadenfreude inspired race to consign all traces of the technology revolution of the late 90s into the post-911 dustbin.

A big disruptive moment (or moments) is coming and perhaps we're in the midst of it currently. But how much of this disruption can be attributed to the emergence of digital technology? Is it just an enabler for the coming biotech and alternative energy changes, enablers for more focused patterns of 'globalization' and its effects and 'blow-back' – profound demographic changes, population explosions, mass migratory effects and the phenomenon of global pandemics.
<http://www.aleph.se/Trans/Global/Singularity/> <<http://www.aleph.se/Trans/Global/Singularity/>>

Is digital technology another enabler for the rise in 'complexity' in our world that will require more 'ingenuity' that might not be so easily derived? So what changed? Is it just that vast explosion of processing power, globally distributed intelligence and problem starting (and creating) power and the emergence of non-hierarchical, instant, forms of communication have killed distance and with it traditional forms of community, civic engagement and association?

It's hard to tell from where we stand, but there are a few aspects of the digital age:

Speed

Technology has increased the ability to communicate far faster than it has our ability to process information. However, by and large, the speed of transaction has increased ferociously over the last years and will increase further - perhaps not for the better. Organisations need to better understand the nature of how speed affects their businesses and people. In some creative businesses that require deeper thought and creativity, slowness is what needs to be sought after. This means 'unplugging' actively and creating processes and systems and importantly, the type of management culture (anti-macho and non-face-time cultures) that support this. Equally, speed can also be an enabler for businesses, particularly those on the periphery.

Info-glut

Directly associated with speed, the info-glut affects organisations by creating demands for information management. Leadership increasingly calls for assiduous management of

information, namely what to pay attention to and what to delete. If we all live in the 500 email a day inbox, 100 voice-mail a day worlds, then how do we prioritise. Collaborative management, in its first iteration, has also meant the explosion of meeting culture, which also presents demands to leaders to manage their time and output and places strains on their 'deliberative' capacities. Information also flows across the organisation, and from the outside, far more than it once did. Leadership at speed is about knowing how to manage the information flow.

Simultaneity

Most teens are comfortable with playing a video game, monitoring TV, sending a text, chatting on IM, all while listening to music. They have become poly-synchronous in their ability to manage time, much like managers in the third world, and combined with speed represents a profound change in the way people interact in society and, of course, in the work-force. Workers are now more prone having multiple applications open at once, and simultaneously work on documents, emails and surf news sites at the same time. Issue arise as these 'multi-tasking' workers interact with mono-chronic systems and processes embedded in our corporate and bureaucratic cultures. We've only begun to see the impact of 'simultaneity' in schools and in some creative work environments. Attempts to limit, and even monitor, IM, web and mobile use in workplace gets to the heart of corporate discomfort with this style of working and the question of whether 'real productivity' is enhanced or destroyed by this style is still outstanding, though camps are forming, with real policy implications.

The Rise of Self Reinforcing Networks

The death of distance and the relative decline in importance of traditional organisations, symbolic orders (like the old East Coast Establishment) has created a vacuum filled by new structures of association - as the notion of 'career' wanes into just a string of 'gigs' for generation X and Y, mobility increases amongst members of the ever expanding cadres of the 'creative class' the way people manage their 'working' lives will change profoundly. Robert Reich in his underrated book *The Future of Success* notes (perhaps prematurely) that the 'old boy' network has been replaced by the 'vouch-for' network. In the new networks, knowing members socially and through previous work, schooling or other associations will count for much in addition to mere credentialism.

The value of elite brands will increase accordingly. Elite university brands, proxies for future value and having passed through a culturally recognized elite vetting process, will gain in importance. As will elite work brands (McKinsey, Goldman Sachs, Microsoft etc) and people within those clubs will further associate with others in those clubs, often marry within them, create companies within them and access capital within them. The Ivy league, investment banks, strat consulting firms, elite companies and venture capital, plus the Administration, the New York Times and selected think tanks could be seen as a big virtual Keiretsu whose power will only increase its now global branding and its successful marketing of itself as internally meritocratic. I would argue that a feature of the digital age, far from being a flat, anonymously meritocratic playing field, where someone from Bangalore will complete and collaborate frictionlessly with someone from McKinsey in New York, is tech hubris. While, transparency will increase exponentially and talent will become global, elite institutions and self-reinforcing networks of talent clustered around them, will for the foreseeable future, have a larger and more interesting share of the action.

Elite aspiration has also changed. It has become increasingly global and focused around certain gate-keeping institutions and professions. Today, a high-school student in rural Bengal sitting the elite Indian Institute of Technology entrance exam, along with 178,000 other students country-wide, has his sites set on working in derivatives trading for Goldman in NYC and the world of possibilities that kind of wealth and privilege that will mean to him and his family. Only a few years ago this student's older siblings would not have known what Goldman Sach or derivatives trading were.

<http://www.cbsnews.com/stories/2003/06/19/60minutes/main559476.shtml>
<<http://www.cbsnews.com/stories/2003/06/19/60minutes/main559476.shtml>>

The Rise of the Diaphanous Organisation

The 'joint-stock corporation' as an organisational entity (supported by double entry accounting and the evolution of modern finance and all of that) is a relatively new and contextually specific entity that, according to economic theory, works when the transactions cost of performing tasks within in are lower than performing asks outside of it...when both these costs start to converge given the emergence of information technology and new organisational patterns, then its time we re-thought the corporation I suppose. This is already underway though we're barely aware of it.

Corporations are becoming more porous by necessity from the osmotic pressure applied by jobbing employees, suppliers and partners. As the example of Silicon Valley firms demonstrates, firms are forever dividing and subdividing and contain within them a DNA coding that supports spin-offs and often in economic downturns, can bring talent back within the fold. In this model, firms are more like networks where leaders need internal constituents (formerly known as employees) as members of an ecologically sophisticated network.

Herding Cats

We are seeing profound generational change in aspirations. Young people, when asked, what they want to be when they grow up, increasingly say 'famous'. While some maintain this is a feature of a shallow culture where traditional notions of 'character' 'contribution' and 'commitment' are failing in the face of consumption and self-gratification etc. and the focus on celebrity is way in which kids are looking to have their cake and not work for it. Other studies show that generation X and Y are often sophisticated readers of the coda of celebrity and what they aspire to is what celebrity offers - access.

Access to money and goods, access to others (immediate recognition) and all of the social goods that come along with not-having-to-be-introduced, like getting into a club, a restaurant seat or an upgrade to first-class, control over you life (at least that what celebrity seems like from the outside) and most importantly, not having to work for the Man because, well, you are the Man. Moreover, this desire for access can be read as impatience with the status quo, with traditional hierarchy and established ways of doing things. In a credit-card culture, we don't want to wait for our turn. The digital age offers instant gratification, through the ever present channel changer,

the always on broadband connection, the syntax of the video game and always reachable, sms enabled mobile phone.

Peer -to-Peer ethics and how 'digital anarchy' (as represented by the emerging syntactical rules of the web-space) is starting to erode acceptance of hierarchies, centralised authority and working for the 'Man', what should and should not be 'commoditized' and paid for and how information should be shared.

An employee raised in this culture is likely to be more libertarian, more short-termist and less willing to commit to roles and task unless they bought in to the work on a number of levels. The importance of gestural leadership (even beyond free beverage machines on 'campuses', recreation facilities and aesthetically interesting and open spaces) will become increasingly important in attracting and retaining people. Firms with counter-intuitive bite, aligned ethics and purpose who strike the tonal balance between being banally 'new, new' for the sake of it, and being overbearing and over-the-top will be well poised.

A positive product of the decline in traditional career aspirations, the diaphanous organisation and the break up of the economic activity into smaller units will undoubtedly mean the rise of entrepreneurship. The 'dotcom era' was if anything instructive in not the companies it created, but in how it affected or infected a generation of young people with entrepreneurial ambitions and role models. Many of those who lived through the dot-com will go on to become entrepreneurs in some fashion and the support institutions of the boom, VCs, universities, investment banks, consulting firms, now have the kernel (though nascent) of 'start-up support' embedded into their practice.

Leadership in the Age of Irony

The Simpsons generation has grown up. This is a profound and ill-understood a cultural shift with very deep implications for leadership and traditional organisation and politics. In a culture drenched in irony where a detached, critical gaze is the norm, leading anything with a straight-face is going to be increasingly fraught. Within a generation, almost across the west, humour has changed (away from physical comedy situational send-ups and joke telling), and notions of the 'cool' and acceptable have become statements of detachment. Organisations are coping.

Marketing is becoming inverted as traditional marketing fails given the sophistication through which people are now reading media. Within organisations leaders will need to lead more indirectly, and with tongue firmly planted in cheek, and with an ever-critical eye to how their gestures will play in an ironic environment. This said, there is also an emerging market for honesty, integrity, transparency and humility as post-ironic leadership qualities - almost anti-hero heroism. Jim Collins (HBR - January, 2001) calls humility a key differentiator of his level 5 leadership.

<http://query.nytimes.com/gst/abstract.html?res=F30D1EF93E5C0C718EDDAF0894DB404482>

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The European Experience

I moved to Europe in 1996 and worked for the largest strategic consulting firm of European origin - the equivalent of McKinsey and Monitor except it was head-quartered in Munich. Our London office of some 80 consultants didn't have voice-mail and had one lonely dial-up internet connection located in the basement research centre. All presentations were printed onto black and white acetate slides, produced by a bevy of 'graphics operators' from our hand-written sketches. Most of our clients were traditional, formal organisations and while there was a generational call for more flexible work practices emerging like in North America, it was not as pronounced and the rigidities and risk adversity of corporate life were entrenched. On the margins much tech sector activity was always happening. In Cambridge UK, Southern France and Scandinavia largely government and university sponsored research communities were spawning interesting technology but the path to commercialisation was less than evident. Needless to say we were far from Menlo Park. However, something happened in 18 months.

By 1999, London, and to a lesser degree Paris, Stockholm, Munich were buzzing with the start-up fever - though small percentages of the workforce were ever involved in the technology boom elite consciousness was suffused with it and hence the phenomenon, like in the US was over-represented. Buoyant American markets lifted the City of London, consultancies and investment banks were losing people to new dotcoms or more likely, investment funds, emerging VCs and the new phenomenon of 'incubators', or technology hothouses brought together by venture funders and service providers. 'Networking organisations' abounded, including First Tuesday, which founded in London, (based on a successful informal networking groups in Silicon Valley) spread world-wide by 2000. But within the next 18 months it all collapsed into a heap of fallen expectations. Despite the initial investment and buzz, European technology boom never fully materialised for a variety of reasons including:

- * Very few really good ideas - most ideas were transcontinental knock-offs or expansions
- * Few ideas backed by leaders who were inspired by purpose with a capital P.
- * Few high, quality serial entrepreneurs
- * Few 'silicon valley' quality tech workers available - particularly with product management experience
- * Few real public market events for technology companies
- * No real culture of risk and entrepreneurship existed to support the phenomenon beyond its initial hype
- * Weak venture capital community who remain risk adverse in relations to early stage investing and importantly, most investment professionals themselves do not come from venture backgrounds and made poor and often cynical investments

How to Improve the Lot of Leadership in the Digital Age?

Understanding the complex grammar of generational and cultural dynamics that are at play within organisations is the first step. Funding research to better understand the effects of speed,

info-glut, poly-synchronicity and importantly, into the evolving patterns of cultural behaviour, the role of irony, post-career values and changes in the pattern of elite aspiration is also important. The role of space, proximity and the impact of 'intelligent regions' on leadership (particularly entrepreneurial leadership) is also germane.

Developing leaders as well as the institutional support mechanism to create the processes of leadership should be a core objective. The role of 'keiretsu' players like Universities, research centres, venture capitalists and service companies needs to be better explored. A particular part of the emerging leadership puzzle that I'm interested in is how the grammar of ideas firms interaction work - how do firms play together, generate 'critical mass', impose commercial discipline, align individual aspirations, desires and needs for impact and purpose with organisational requirements? How can these ecologies be fostered and what are the emerging rules that govern their success?

Reading List:

1. Leadbeater, Charles, Living on Thin Air (2001)
2. Ledbetter, Jim, Starving to Death on \$200 Million
3. Tapscott, Don, Digital Capital
4. Thomas Homer-Dixon, The Ingenuity Gap
5. Richard Florida, The Creative Class
6. Malcolm Gladwell, The Tipping Point
7. Mitchel Resnick - Turtles, Termites and Traffic Jams
8. Levine, Lock - The Cluetrain Manifesto
9. Hagel, Armstrong, Net Gain
10. The Singularity - <http://www.aleph.se/Trans/Global/Singularity/>
<<http://www.aleph.se/Trans/Global/Singularity/>>
11. Hagel, Singer, Net Worth
12. Margaret Wheatley - Leadership as a New Science –
<http://www.aurosoorya.com/r&d/Margaret> Wheatley's Leadership and the New Science AND BEYOND....htm
<<http://www.aurosoorya.com/r&d/Margaret%20Wheatley's%20Leadership%20and%20the%20New%20Science%20AND%20BEYOND....htm>>
13. Kevin Kelly - New Rules for the New Economy
14. Manuel Castells - Network Society
15. Michael Lewis - The New, New Thing
16. Michael Lewis - The Future Just Happened
17. Robert Reich - The Future of Success
18. Bruce Tulgan - Managing Generation X
19. Ben Zander - <http://www.fastcompany.com/online/20/zander.html>
<<http://www.fastcompany.com/online/20/zander.html>>

And On Ontological Change

1. Todd Gitlin - Media Unlimited
2. Siva Vaidhyanathan <<http://www.opendemocracy.net/themes/>> - (upcoming Anarchist in

the Library) on how Peer-to-Peer networks will change our lives

<http://www.opendemocracy.net/themes/article-8-1319.jsp>

<<http://www.opendemocracy.net/themes/article-8-1319.jsp>>

Rana Sarkar Lectures: LSE and the CASS Business School (2003)

1. "The Rise and Fall (and Rise Again) of Silicon Valley" (with Sanford Dickert)
2. "'Hub Spaces' and why they matter"
3. "Living Interstitially - Migration, hyper-mobility and the New Politics of the Cosmocracy"
4. "What Ever Happened to My So-Called Career?"