

## Leadership that works in Knowledge Organisations

Knowledge Organisations (Kos) are enterprises that derive their revenue largely from the direct or indirect sale of knowledge (not of, say, mass-produced products). These range from professional services firms (lawyers, accountants, etc) to real estate companies and even some high-tech environments. It's a place where a different kind of leadership is needed to succeed.

Much of the commercial research on leadership draws exemplars from companies such as GE, Microsoft, Wal-Mart and other Fortune 500 environments. These are often entities with many tens of thousands of employees, most of whom interact with the leaders on a largely symbolic level and whose day-to-day activities look very different to those of the leaders.

KO's are very different. In KO's, up to 95% of staff may have essentially the same role (e.g. they are merchant bankers, market researchers, real estate agents, salespeople, auditors, lecturers, or consultants). Managers often perform much the same role as their subordinates, with 'management' and 'leadership' added on. Functional expertise is critical for credibility – unlike typical corporates, where 'leadership' alone may command respect.

Why does a conventional leadership model not apply perfectly in KO's? Some of the reasons include:

- Leaders in KO's have less time devoted for 'leading' (they are often active 'in the field')
- As a corollary, the leader has had less 'leadership development' (either formally or experientially) than a 'corporate' leader
- The leader's subordinates are, on average, more intelligent and educated than in other organisations – moreover, there is a good chance that the followers are as talented and ambitious as the leader, more educated and more up-to-date, and with better employment prospects outside the firm!
- The leaders and followers are often 'operationally contiguous' – they may be working together on projects where their roles are only slightly differentiated and where the leader's technical expertise is easily accessible
- Related to this, the followers are much more likely (whether they mean to or not) to consider technical expertise when assessing their superior's leadership capability
- The followers tend to be highly intelligent and analytical, with a natural tendency to critique – even if they themselves do not have a strong grasp of leadership!

Thus, we have a situation where there is: less time for leadership; less preparation and training for it; more demanding and discerning followers than elsewhere; more exposure of one's under-performance or lapses as a leader; and more chance of being (unfairly) criticised for one's leadership performance. And all of this is in an environment where leadership performance is absolutely critical to organisational performance because there are



no tangible products to sell, only the performance of the people – the ‘product’ of the leaders’ ability to produce peak performance from the talent.

### *What does constitute leadership in KO’s*

Leadership does not mean being Churchill or Gandhi. Indeed, the concept of leadership should not be confused with the titular role of leader. The best performing KO’s have better leadership – whether or not they have better leaders is a moot point. Simply, the leaders in such firms, individually and collectively, *demonstrate leadership behaviours* very well. They craft a vision, they look outwards, they take on-board what others are saying, they act consistently with espoused values, they look after good staff, they are always taking the initiative to improve the status quo. As a result, everyone around them strives harder to help them reach their goals. Enhanced earnings and better competitive advantage are the desired, and achieved, outcomes.

I have seen firms improve their performance, not by changing who their leaders are, but by changing how effectively the extant ‘leaders’ lead. These leaders of these firms have seen that they need to lead better – and they lift their game accordingly.

### *How KO Leaders may improve their leadership*

The above point has an important corollary: anyone, whether they are currently a good leader or an average one, may develop better leadership. While ‘leaders’ may be born, ‘leadership’ is absolutely something that is made. As far as an aspiring leader need be concerned, leadership is simply a composite of behaviours. A lack of early-career training in leadership does not put performance as a leader beyond one’s grasp.

This means understanding what those behaviours are, practicing them and making them part of your everyday repertoire. It is important to understand that the leadership behaviours that are most important in a *KO context*, while similar to those found elsewhere, have some unique characteristics.

Learning the behaviours is not enough. What is needed is demonstration. Leadership performance does not improve by reading about the key components in a book (or in this article, for that matter). Having learned what behaviours are needed, the manifestation of them is developed through what is known as *action learning* – put simply, applying the principles in a way that has practical relevance to your role and your goals. This involves developing a regime of learning activities – such as goal setting, 360 degree feedback, mentoring, linkage to the strategic agenda, stealth learning and mental rehearsal. The right combination of activities depends on numerous factors, including your starting point, your aspirations, your time requirements and, in particular, your personal learning style.

Finally, note that ‘leadership’ is not solely the domain of those who bear a formal ‘leader’ title. Firms which achieve the greatest results from leadership have exemplary leaders throughout the organization, not solely in the ‘top team’. Leadership behaviour should be encouraged and developed in all staff, especially those just below ‘top team’ level, to create a distributive leadership culture and effective leadership succession.

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