A series of Think Pieces

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The ‘War for Talent’ has changed from considering how organisations attract and retain the brightest school leavers and university students, to ‘how are we going to get enough people to do the work?’ Organisations are facing significant skills shortages in the future, with many industries already starting to feel the pinch. This is being driven by our aging population and declining workforce, factors being significantly influenced by our intergenerational workforce. Generation X (born 1965 – 1979) and Generation Y (born from 1980 onwards) are having less children, changing careers more often and have different expectations of organisations and their leadership.

Organisations planning for the workforce of the future need to understand what the key motivators are of each generation. With Boomers moving closer to retirement, it is increasingly important to understand what Generations X and Y are motivated by. Amongst the top five motivators of both generations are access to learning and development, effective and inspiring leadership and a work life balance, which involves flexibility. If ever there was a time when development of employees was important that time is now, and this will not change in the future.

In a recent survey of Generation Y done in 2005 by AH Revelations, 97% of respondents were interested in on-the-job learning, 81% were interested in online learning and over 75% intend studying further in the next 2-5 years. Generation X are not that different to Gen Y in their...
attitude to training and development, and are willing to invest in it themselves at their own expense should the organisation they work for not be willing to do so. The 2004 Hays Australian Workplace research series showed that 84% of employees surveyed said they felt more committed to an employer who invests in their training and development. Some 86% said that training and development was seen by them as an investment in their professional future with their employer, and 70% said a lack of training would convince them to look for a new job elsewhere. Disturbingly the same survey showed that 41% of employees receive neither training nor development and a further 34% received very few relevant training opportunities. Generations X and Y would not accept this, and would simply leave such organisations.

Generations X and Y are not loyal to organisations or brands the way Baby Boomers and Veterans have been, as they watched their parents lose their jobs through downsizing and redundancies after many years of loyal service. They believe that the only job security is to be employable. They believe this is achieved through being well educated and multi-skilled, hence the significant increase in the number of people completing high school and then pursuing tertiary studies since the early 1990s. This has also significantly influenced their thinking about training and development at work. They believe that training is an entitlement, and hence will demand on-the-job training and access to ‘soft skills’ training.

Soft skills training is of particular importance to Generation X, who intend being better managers, especially of people, than their Baby Boomer and Veteran managers were. Soft skills is often seen by the older generations as something that is ‘nice to do’ and if there is ‘any training budget left over’. From my own experience prior to working in Human Resources, I know that we often cut the training budget first when under cost reduction pressure. This was not unique to the organisations or industries in which I worked, in fact, one would find that it was (and in some cases still is) common to most Australian organisations. This is because it is easy to cut the training budget as, in the past, no one really noticed and most people only received technical or technology training, and then only enough to do their current job. There was no thought or planning for future needs and investing in developing skills for the future market and workplace.

The fact that Gen X and Gen Y are no longer loyal to organisations and see their careers as being a series of different jobs, in different industries, often unrelated, will impact the way we work, learn and manage people. An insight into the career and education aspirations of Baby Boomers, Gen X and Gen Y can be summarised as follows:

**Baby Boomers**
- They have generally had only one career, working for one or two employers
- However, following the redundancies and downsizing of the 1990’s many Boomers have been forced into another career, employer or self employment
- It is questionable whether Boomers would have made any change to their employment had it not been ‘forced’ upon them
- Boomers talk about management and leadership training, but many are not convinced of the need for it
- They love classroom style learning and off-site meetings, with team building exercises and socialising

**Generation X**
- Gen X will have at least three distinct careers, more than 12 employers, and
will be self employed by choice at least once
• They have a strong interest in soft skills, management and leadership training
• Many will have more than one tertiary qualification by their early 30’s, often in unrelated areas of study
• Many Generation Xs will complete an MBA or Masters degree by their early to mid 30s
• They enjoy brainstorming and interactive learning where they can openly express themselves
• They want access to coaching by either a senior executive with credibility and experience, or an external coach

Generation Y
• Gen Y will have more than 5 distinct careers, more than 20 employers, and self employed by choice more than twice
• Gen Y will work overseas several times, often for short periods of a year or less
• The four keys to training for Gen Y is that it needs to be Relevant, Interactive, Personalised and Entertaining
• Variety is important when training a room full of Gen Ys
• Gen Y value education and training and see it as being a significant tool in helping them to be more successful
• Gen Y want to mentored by older, more experienced people at work who are good listeners

The way the two younger generations view work, their careers and training and development are not the only important factors which will continue to influence and shape the workplace of the future. The other important factors are their expectations and views on leadership, management, workplace culture and the whole work/life debate.

Both these generations do not like being ‘told’ what to do at work, or being ‘talked at’. They want to have interactive conversations about work, projects and deadlines. The more they are engaged by the manager, the more connected they feel which leads to greater commitment. They want to be respected and valued for their technical skills, technological astuteness and the contribution they make. They want to be involved and heard, which does not mean that they necessarily expect managers to agree with them, but they at least want the opportunity to express their opinion and contribute to the solution. Gen X in particular, are a very solutions oriented generation, and want to feel ownership of the solution – this makes them feel valued and gives them an opportunity to demonstrate their skills and knowledge, which is important to them.

Flexibility is also an important factor for these two generations at work. However, their definition of flexibility is quite different to Boomers and Veterans, who think flexibility is part-time work for women with school-aged children!! To these two generations it means the opportunity to work to pre-determined standards and deadlines, but with the options of working flexible hours and in virtual locations, if appropriate, to enable their work fits in with their ‘lives’. These two generations are intent on having a work/life balance, both men and women, and Gen Y in particular, are very lifestyle-centred in their thinking and attitudes. This has significant implications for when, where and how we work. It’s interesting to note that there are still many Baby Boomer managers who think that telecommuting means people are ‘at their home desk’ between the traditional office hours of 9 to 5! They are yet to fully understand the true nature of flexibility and using technology to work virtually. This is not something that Gen X and Y struggle with – the only thing they struggle with is management’s attitude to flexibility and their resistance to change and embracing flexibility. Organisations
will need to address the issues of family friendly policies and workplace flexibility as a matter of urgency, as having a work/life balance is another of the top five motivators for both Gen X and Y.

What are the implications then for Australian organisations who seek to plan their workforces for the future? This will dependant on the strategies they adopt to recruit, manage, retain and motivate the current changing workforce. I believe Australian organisations need to:

**Develop Learning Organisations**

This would require the organisation to develop a culture where learning and development is seen as important throughout the organisation, with leadership from the CEO and senior executive team. This means that at the senior executive level, they too invest in their own learning and development in a way that is visible to the employees.

In a learning organisation the employees should be actively involved in developing their own learning and development plans, which should also be personalised rather than ’off the shelf’ courses for everyone. There should be flexibility for people to subscribe to web based learning, if that suits their individual learning style better. Subscriptions to professional organisations, networks and magazines should be seen as part of the training and development budget. Attendance at professional and networking events should be encouraged as often knowledge is exchanged at such events, which contributes to the ongoing development of both the individual and the organisation.

**Cater to a Mobile Population**

Many Baby Boomers have been motivated by job and financial security in their early 20s, often at the expense of opportunities to work overseas. Gen X and Gen Y are motivated by doing challenging work, interesting projects and working with teams and managers they respect and admire. In the pursuit of challenging work and developing their skills, they are open to opportunities interstate and overseas. Often the only obstacle is their manager, who has made assumptions about their mobility. The workforce of the future will become increasingly mobile and virtual. Due to technology, jobs can be done in different locations and time zones. Both these generations are risk-takers and are therefore open to trying jobs they have never done before, in different disciplines and industries. They do not have the same fear of failure as Boomers and Veterans have had. Organisations will need to think more creatively and innovatively about how, where and when work gets done.

**Redesign Jobs**

The focus in the future will need to change from rigid, inelastic job descriptions to more fluid job families which outline the work that needs to be done and the skills and competencies required. At present much time is invested in developing detailed job descriptions with reporting lines, tasks, KPIs, budgets, etc, yet most jobs for knowledge workers and professional people evolve constantly, and hence the job descriptions are out-of-date well before the annual performance review process. Too many job descriptions focus only on the What (tasks) and not the How (behavioural competencies), which is not necessarily the best indicator of overall performance.

**Coach and Mentor less experienced Employees**

Generation X prosper with regular coaching and guidance. It is ironical that we accept that the best sports
people in the world need coaches for continuous improvement, yet in business today we still think business coaching is a fad. Fortunately Gen X recognise the need for coaching, especially in relation to people management skills, and are often willing to fund a coach out of the own pocket to improve their management and leadership skills. Gen Y strongly identify with many of the values of the Veterans, namely a strong sense of community, patriotism and loyalty to family and friends. They seek out older, more experienced managers who demonstrate respect for others, especially those who actively support younger employees, as mentors. Organisations need to invest in the development of coaching and mentoring skills through formal training programs, and not assume that simply because a manager or person likes people, this will make them a good coach or mentor. Coaching and mentoring are both learned skills, not natural abilities.

Invest in Leadership and Management Training

Organisations need to invest in the development of people management and leadership skills for all supervisors and managers responsible for managing people in the workplace. Australia has not had a good track record for investing in such training, despite the Karpin Report in 1995 identifying the development of management capability as one of the most important factors for the nation’s economic sustainability and global competitiveness in this century. We need to develop important soft skills such as conflict resolution, communication skills, influence and persuasion skills, change management skills, giving feedback and managing poor performance in the workplace, to improve the quality of management and leadership in Australia. For too long these skills have been seen as unimportant, but that has now changed with Gen X and Y expecting their managers to demonstrate these skills every day.

Enable Greater Flexibility

Organisations need to change the way they think about flexibility as flexibility is not part time work only. Part time work is simply one of the many possible flexible workplace arrangements. For Gen X and Y flexibility is about trust, ie, that their manager or supervisor trusts them enough to get the work done without micro-managing them. For many of them flexibility is about being able to work hard when the pressure is on, but having the freedom to take time out to pursue their many outside interests when work is not as busy. They may want to work 10 months of the year, happy to work long hours, but then have 4 weeks paid leave combined with 4 or 5 weeks unpaid leave to go trekking in Nepal or surfing in the Bahamas, or working as a volunteer in an orphanage in Africa or Cambodia. If they do not have this flexibility, they will simply leave the organisation.

Create More Inclusive, Collaborative Work Environments

The current leadership models of ‘command and control’ need to change to models of ‘inclusion and collaboration’. This will be achieved when managers and leaders listen a lot more, speak less, direct less, become more adaptable, are open to change and new, innovative ideas. The workplace of the future will value creativity, innovation and honesty. This is what Australian employees are looking for now, and increasingly will demand from the workplace and their managers and business leaders.

However, clearly the change is not
happening fast enough, as is demonstrated by the fact that at the end of 2004, there were over 50,000 small businesses being run by young people under the age of 25 – Generation Y!! The key lesson contained in this statistic is that these Generation Y people are not even looking for jobs, and therefore are not available as potential employees. The messages they are sending to both the public and private sector is: ‘If you don’t provide us with a positive work environment, strong leadership, mentoring, a work life balance and access to learning and development, then culturally your organisation is not a good fit for me, so I’m not coming to work for you!’ The two younger generations will create a just-in-time workforce based on flexibility, technology and knowledge. Increasingly in the future people will choose to be contractors, consultants and self employed in a desire to create the desired workplace. It is already happening across Australia. Eric Hoffer said: ‘In times of change the learner will inherit the earth, while the learned will find themselves equipped to deal with a world that no longer exists’.

Acknowledgements

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For the Boomers in their 40s and 50s, the ‘R’ word most often heard is **retirement**. What is retirement? Retiring from what...? Life?!

We are very fortunate to be living in a time when we have the potential to live longer lives than our parents and grandparents. We are now living healthier lifestyles, eating better, exercising, experiencing great breakthroughs in medical technology, have more savings, learning continuously, and have many options for activities in our spare time. As a result, our life expectancy is now into the 80s and continuing to increase.

**Reality of the Changing Workforce**

**Demographics**

Consider the impact of the following Australian statistics:

- By the early 2020s, the number of people retiring will exceed those entering the labour force. During the decade of the 2020s, the working population is projected to increase by just 125 000, compared with an annual increase of 170 000 at present.
- 80 per cent of future workforce growth in the next decade will come from people older than 45 years of age.
- Australians now have one of the longest life expectancies in the world. A girl born between 1997 and 1999 can expect to live to 82 years of age, and a boy born in the same period can expect to live to 76 years of age.

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- Fertility rates are also dropping. In 2003, the Australian fertility rate was 1.75 babies per woman—down from 3.7 babies per woman in 1961, and much less than the replacement rate of 2.1 babies that is required to maintain a stationary population.\(^4\)

- By 2025, there will be only three people in work for every person over 65, compared with the current ratio of 6:1.\(^5\)

- The annual employment growth rate in Australia will fall by 0.4 per cent per annum. This will cause a shortfall of 195,000 workers over the next five years.\(^6\)

- In Australia, for every new young person entering the labour market today there are seven workers over the age of 45 available.\(^7\)

Put simply, this is the first generation in the history of the world to reach their 50s largely unscathed from war, disease, or famine! Even more amazing is that two-thirds of all people who have ever lived beyond 65 are alive today.

Yet, we are ‘retiring’ earlier. Our parents worked until they were perhaps 65, and retired worn out, unhealthy, with very few if any savings and very limited options on how to spend the possible 5 or 10 years until they died. In 1965 average effective retirement age for women was 67 and is now 61 (for men it was 68, now 63). Now, we are seeing people ‘retiring’ at 50 or 55, healthy and with savings, and potentially having a 25 plus year retirement period.

How are these trends impacting our workforce needs? It means that at current levels more people will leave the workforce over the next 5 years than will join, unless we increase participation levels of 45 plus workers in the labour market. Australia has one of the lowest levels in the world and to date we have not typically encouraged workers 45 plus to stay in the workforce longer. With this impending shortfall of workers, we need to consider ways to encourage [our] older workers to continue working longer, ensure they continuously learn, remain motivated to perform, and keep abreast of current developments in their field. The previously constant supply of young people to fill their shoes is drying up.

We need to also recognise that older workers are key people in ensuring the knowledge transfer to organisations and younger people is achieved effectively. Over the last decade, there have been many examples of knowledge, wisdom, and [even] the history of an organisation being let go in the flight to youth by many employers – hell bent on ensuring the older workers are let go first in any downsizing or restructuring. Many of those let go have given up and left the permanent workforce prematurely and permanently.

Think of the following numbers. If a person leaves University and joins the workforce at 21 years of age, works until 55 and retires, then departs this earth at age 89, that means they spent 34 years in the workforce, and 34 years enjoying a so-called retirement. The dilemma is not only what you do with that retirement, the other issue is that because we are all living longer, we will need to work longer to fund the quality of retirement we want to have for a potentially longer period.

From the above it can be seen there is a big challenge ahead for all of us, as organisations and as individuals, to re-think the way we live and work.

**Overcoming Ingrained Prejudices**

There are many ingrained prejudices associated with employing older workers. These barriers need to be overcome—whether they are real or perhaps perceived. Diversity of skills and experience in a workforce can provide competitive advantages. Organisations need to free themselves of such biases in order to obtain...
and retain the best talent from the available pool of potential workers.

Stereotypes abound. Such assertions are frequently baseless, but older workers are sometimes assumed to be:

- More rigid, less open-minded and set in their ways
- Risk averse, suspicious of change and at times taking the most conservative view without assessing the risk/reward equation
- Focused on the past, rather than the future, for inspiration and proof of past success
- Fearful of new technology and not interested in continuous learning
- Seeking rewards for loyalty, not performance.

**Older Workers Bring Value**

In reality, the stereotypes are in the minority as older workers have a lot to offer. Employers have much to gain by recognising and understanding the attributes of older workers, such as:

- **A wider skills base** from working in a variety of different jobs or roles and under different economic scenarios
- **Broader experience** as a result of having worked in different industries, employers, roles within an organisation, geographic locations and economic cycles
- **Wisdom** is acquired partly from living longer and perhaps having made mistakes over time (and learning from them). More importantly, it is due to a sense of *Déjà vu* that occurs where there may be a recollection of having undertaken a similar experience in the past and the person is able to draw on the messages learned and apply them to solving a challenge when the situation reoccurs. It is a very valuable skill that is often dismissed and underrated.
- **A solid work ethic** developed from the habit of committing to working in a consistent and methodical manner
- **Flexibility** because of their wider experience; they are not as easily upset as others if their job role does not follow the script perfectly
- **Financial confidence** from savings accumulated throughout their career, allowing them the ability to speak their mind and take action more confidently
- **Reliability and dependability**—the evidence of which being fewer sick days, which reduce costs and the subsequent impact on productivity
- **Loyalty to employer**, which can be demonstrated by a stable career that spans many years and which means savings in recruitment and training costs.

All of these skills can be combined to ensure older workers can provide support to younger workers in areas such as coaching, mentoring, facilitating, trouble-shooting, and as consultants. If the full potential of the older workers is to be maximised, then employers must develop an open and positive attitude, as well as implementing appropriate human resource policies and practices that encourage, appreciate and support diversity and continuous learning and development.

**For employers, the message is clear:**

- Recognise that most jobs are not manual today and older workers are capable of filling most roles into their 60s and beyond.
- Older workers have many great attributes including reliability, experience, wisdom, less sick days.
- Older workers are capable of learning new concepts and technology.
• Create a flexible workforce so people can work ideal hours to suit their career/life balance goals and still make a very valuable contribution.

• Recognise there are many other potential employees capable of making great contributions, including people who have been out of the workforce for a long time, disabled people, disadvantaged people and people with language difficulties.

The fastest growing portion of the workforce over the next 10 years will be the 45 plus worker, and within that females are the main segment, some having been out of the workforce for a long time and needing employers to be prepared to re-train them. Unfortunately not all have the patience. The payback will be huge with a likely great work ethic, commitment, and loyalty. After all, many of these women have been maintaining the business of raising a family, running a household etc without constant reinforcement of their self esteem. They just had to do it!

Within this environment, we need to also recognise the significant skills shortages occurring in some industries, and ensure we do not stifle the careers of young people who may become frustrated. This is why within this changing environment, the ‘oldies’ can’t all stick around in the top jobs and need to make way for the young. To phase into a part time role at 60 or 65 may ensure a career is extended, fulfilment is greater, and life expectancy enhanced enabling the older worker to act as a mentor to younger people and speed up their development. They will also be clearing the way for young people to continue developing.

**Tips for the Different Generations Working Together**

Older and younger workers need to get along and have mutual respect to ensure a productive and engaged working environment. Consider the following tips to help you:

**Managing Older Workers**

When team leaders are faced with the responsibility of managing older members within their workforce, it will be useful for them to understand the numerous challenges that may be encountered.

**Communicate Performance Measurements**

Older workers have worked in an era where hard work and long service were rewarded with subsequent promotions up the career ladder. In comparison, younger leaders are more focused on performance rather than hours worked or tenure. Younger leaders and older workers will need to find common ground, with the former helping the latter to make the transition to the performance-based reward and recognition culture of today’s workplaces.

**Nothing Beats Experience**

No matter what the qualifications of a leader in their mid-to-late 20s/early 30s, they cannot claim to have the hands-on experience of older employees. Young leaders should recognise that an older worker’s wisdom comes from the school of hard knocks. and from having made mistakes and learning from them over the years.

**Speak The Lingo**

The differences between the younger and older generations are particularly pronounced concerning communication styles. Older generations place importance on the formality of written communication, whereas younger generations are much more comfortable with an informal email. It may be necessary to compromise and perhaps develop a ‘business casual’ communication style as an effective middle ground.

**Who’s The Boss?**

While older generations are accustomed to hierarchy and bureaucracy, younger leaders tend to shun power structures and may
hesitate in enforcing authority. Past mentalities have very much been ‘what the boss says goes’, with a ‘top-down’ management style, whereas younger leaders tend to be very flexible with their authority and expect that assignments will be completed without any pushing.

A Casual Attitude
A lack of formality and casual dressing can have a varied impact on different generations. For older generations, a casual look can be seen as an abolition of workplace professionalism and a temptation for productivity decline. For younger workers, formal business attire may be too stuffy and confining. Again, flexibility and compromise is usually the key for younger leaders, such as keeping casual work attire for one day, ie ‘casual Friday’.

For young leaders in the position of managing older workers, their recognising and addressing the differences between generations will bring about an understanding that if there is compromise, then issues can be resolved and their impact on workplace productivity can be minimised. Diversity is critical for organisations competing in today’s global marketplace to be successful.

Managing Younger Workers
Some older workers wrongly view their younger work associates as being lazy with a poor work ethic when, in fact, they just have a different attitude towards work.

Communicate Experience Effectively
Many older workers who possess a strong knowledge base squander it by the way in which they communicate to younger people. Having an attitude of ‘knowing it all’ is the quickest way to turn off a younger worker. Older workers should share positive work values without sounding like a ‘know-it-all’.

Don’t Micromanage
Most younger workers are looking for challenging and interesting roles and enjoy being given short-term assignments where they can demonstrate their creativity. Leaders usually get the best results from younger staff when they set parameters for the task and then allow creative freedom rather than micromanaging them.

Career Development
Increasingly, younger workers are focusing on their own individual career goals rather than leaning on job security and their employers to provide opportunities. Consequently, organisations should address their workers’ on-going career development to entice them into continued employment.

Offer Flexibility
Younger workers are often more productive if they are given the opportunity to work in a flexible way outside the traditional rules and regulations. In their pursuit of a work/life balance, many younger workers enjoy the opportunity to work from home as well as taking leave to pursue personal goals. To effectively manage younger workers, it is advantageous to appreciate what inspires them.

Let Them Make Mistakes
By allowing more flexibility in the workplace, there are fewer limitations on younger workers, which, in turn, provide them with more freedom to come up with creative solutions. Leaders need to ensure they communicate goals and parameters clearly and then allow their younger workers to come up with a solution. This may mean they make a few mistakes along the way. However, if leaders monitor and give feedback, then they provide their staff with great opportunities to learn and grow.

To Wear Out or Rust Out?
For the people in their 40s and 50s, you need to decide whether you want to ‘wear out’ or ‘rust out.’ Rewire yourself to enjoy both work and life. Some messages to you are:
- Develop a Life Plan, regardless of your age but importantly if you are thinking of retiring within the next five years.
Involve your partner if you have one to ensure both [of you] have the opportunity to provide input and maximise the chances of having an enjoyable life.

• Determine if you have enough savings for a 25 years plus retirement and don’t worry about the kids’ inheritance, they can look after themselves.

• Recognise your skills are transferable even if you have worked in one industry for a long time. Think about your sustainable employability.

• Take control of your life and recognise the only person who controls your career is you. Your employer can’t as they cannot guarantee their own existence.

• Consider flexible career options depending on your circumstances.

• Perhaps take a downshift in your career and work less hours, have less stress, less pay and remain in the workforce longer. Men have to let go of their egos and think about quality of life. Women generally are much more together in this area!

Think of your career as shaped like a bell curve, where you may move up the corporate ladder (left side) until your 40s or 50s and then move down the right side of the bell to a reduced role or part time, seasonal, job sharing role perhaps working 50-60% of the time until you are well into your 60s or beyond, and having a great work/life balance.

The bi-product is you will probably be a nicer person to live with, you will have more fun, you will be passionate and make a greater contribution to your employer and you will probably live a lot longer.

![Bell Curve Career Management Diagram]

**Work/Life Balance: Bell Curve Career Management**

**Early in Career**
- Move up corporate ladder

**Mid Career**
- Peak at Top

**Later in Career**
- Phase down other side of the curve

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6. *Workforce Tomorrow: Adapting to a more diverse Australian labour market*, Department of Employment and Workplace Relations, 2005
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Emerging Paradigms in the Knowledge Era

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Introduction
Diversity is a central feature of the knowledge era and it provides educators with a variety of challenges. Instead of there being a single 'rule book' and 'map of culture' available upon which to base educational thinking and practice there is instead a pluralistic variety of visions, views, perspectives and paradigms all seeking support and contending for attention. Educators therefore have to be particularly diligent in selecting which sources they give credence to and incorporate in their work.

This brief overview considers the five following examples:

- environmental
- neo-humanist/multicultural/de-colonising
- spiritual
- futures, and
- integral.

Several other candidates were also considered and could be selected for further enquiry. They include:

- post-modern/post-structural
- person-centered
- feminist, and
- neo-Marxist.

Finally it should be noted that the present dominant 'techno-economic' paradigm that currently holds sway over much educational thinking and practice is not objective but, rather, includes a number of specific principles and beliefs. These include:

- a strong belief in the power of science and technology
- a continuation linear progress established by the Western enlightenment,
- the ideology of economic growth, and divergence of views about the roles of women, traditional cultures and nature.

It is therefore unlikely that the currently dominant paradigm will remain unchanged.

1 The environmental paradigm
The essence of this approach is (a) a critique of Western models of development and progress and (b) a set of values, ideas, principles and practices that seek to re-dress the growing imbalance between humanity and its environment. Reliable scientific knowledge documents the accelerating
impacts of humanity's emergence from hunting and gathering, through agriculture and industrialism to the current era. The essence of this processes was summarised some years ago by Ehrlich and Holdren in the I-PAT formula: impact = population x affluence x technology.

According to a number of recent perspectives (eg, Meadows 2005; Diamond 2005), what may be emerging are the consequences of a 'great forgetting', i.e., repression of the knowledge of the complete dependence of humanity on natural processes for its existence and wellbeing. Subsequent technological developments, however, have screened us from the wellsprings of life and allowed affluent populations in particular to overlook and obscure the underlying realities. The environmental project, therefore, attempts to redress what is seen as an increasingly risky imbalance between humanity and its sustaining environment.

The relevance of this paradigm for the present project is that it draws attention to background factors that tend to be overlooked in educational and bureaucratic contexts, but which clearly require careful attention. One straightforward way of factoring in these issues is to (a) reference representative sources such as those noted above and (b) include a notion of 'the civilisational challenge' as a contextual factor in knowledge era professional development. (The 'civilisational challenge' is a constructive way of summarising key challenges and opportunities facing humankind globally.)

2 Neo-humanist/multicultural/de-colonising

Neo-humanism is both a critique and an extension of the earlier ideology of humanism. In particular it questions the human-centered stance of the latter and also adds a spiritual component that had previously been under-stated or missing. Multiculturalism recognises the legitimacy and vitality of different cultures and seeks to resolve conflicts between them. Efforts to de-colonise are obviously centered in previously colonised countries, or those where colonisation had pervasive effects. They involve attempts to come to terms with social, cultural and historical inequities and to free individuals and societies from the consequences.

Critiques of colonialism derive from such classic works as Fanon's *The Wretched of the Earth*, depicting the struggle for autonomy and freedom in the Algerian context in the early-to-mid 20th century. Such primary sources have been updated and greatly extended by later writers such as Sardar and Nandy, both from SE Asia. Both support the notion of what they term 'the politics of dissent' that, in turn, give rise to 'dissenting futures'. The purpose of dissent in this context is seen as positive. It is to open up alternative spaces in which not only issues of conflict and legitimation can be discussed (and perhaps resolved) but also projects and proposals for alternative futures.

The concept of de-colonising has been applied to the current techno-economic regime that now dominates education. Milojevic views this as a type of colonialism with widespread consequences. Her recent book *Educational Futures: Dominant and Contesting Visions* provides a literate and in-depth overview of this perspective.

Overall these three paradigms overlap and interweave in various ways. The intent behind neo-humanism, multiculturalism and de-colonisation is to open out new arenas of freedom, of human and society possibility, beyond what are seen as oppressive values and structures inherited from earlier times. The relevance for the project is that these perspective provide an extended vocabulary of possibility that can inform and enrich the process of conceptualising options for professional development.
For example, there is a common tendency to view emerging information technologies simply as 'neutral tools' (whereas, in fact, they embody quite specific ideological commitments). The neo-humanist, multicultural and de-colonising approaches, therefore help penetrate this 'veil of neutrality' showing more clearly how technical arrangements are always grounded in underlying social and cultural processes. Overall, therefore, they provide those planning professional development programs with a variety of tools and concepts that help to reveal otherwise hidden, or overlooked, factors.

3 Spiritual
What might be called the spiritual paradigm clearly has ancient roots in different societies. In the West the relevant background 'story' is that the Western enlightenment, later followed by the industrial and information revolutions, progressively overturned the multi-faceted worlds of tradition and, in so doing, 'threw the baby out with the bathwater', ie, discarded and appeared to discredit the capacity for spiritual meaning and experience for several centuries. The result was a loss of cultural coherence, of deep-seated sources of value and ethical standards and, finally, of purpose and meaning in human life and culture.

Responding to this, Rudolf Steiner wrote *Knowledge of the Higher Worlds* in 1923. He was the prime mover of what later became called Steiner Schools, drawing on this work, that of the Theosophists and also the Gnostic traditions that had been suppressed early on by the church. Huxley followed in 1946 with *The Perennial Philosophy* which further set the scene for a re-valuation of the human capacity for spiritual experience and expression. He brought together examples of specific practices – and their results – from various different cultures and, in effect, rehabilitated many of them for contemporary use. Much later Berman's *The Re-enchantment of the World* extended this theme by critiquing 'scientific consciousness' and arguing for what he saw as the re-establishment of a more holistic, spiritually aware, world view.

By the early 21st century, therefore, we are part-way though a process of recovery and renewal in this vital area. The two basic insights offered by contemporary spirituality are that:

- there are both inner and outer worlds, each equally vital, and
- spiritual practice enhances human capability and awareness across the board.

The most well-known and influential figure in this realm is undoubtedly the Delai Lama, and the most articulate current expression of the spiritual paradigm is probably Eckhart Tolle whose book *The Power of Now* is widely read and used. Overall, therefore, the contemporary recovery of the possibilities of spiritual experience provides a thread of continuity that runs through many other paradigms, perspectives and fields. There are many implications for professional development in the knowledge era.

First, the re-assertion of the primacy of an inner world provides a foil to the current preoccupation with materialism and the construction of citizens merely as passive consumers. It points to active processes of self-constitution and meaning-making that directly contradict the prevailing consumerist and marketing ethos. Second, it supports a view of human and social development that goes beyond a preoccupation with the 'nuts and bolts' of educational systems and the limited goals of behaviourist psychology. In so doing it opens up a wider set of understandings about human development and the goals that can usefully be undertaken by people and organisations. For example, concepts of
'self transcendence' and the ability to take a 'world centric' stance indicate stages of development that actively respond to the global challenges mentioned above. Finally, there is a direct connection between spirituality and wisdom. It follows that a useful way to frame some of these developments is through the notion of a 'wise culture'. The latter can be defined and explored. It can help to correct the current imbalance between technical development and human/cultural development, pointing the way to a more advanced synthesis.

4 Futures

The need and ability to think ahead arose early on in human cultural and biological evolution. But it only emerged as a specific discipline, field or paradigm in the mid 20th century. The reasons for this include both positive and negative factors. In the former case people had realised that to construct or achieve anything meant that it was necessary to think ahead and put in place the necessary means. More ominously, it was also realised that modernity had brought with it quite new threats to human well-being. These included pollution scares, atomic weapons, emerging diseases and the prospect of a series of technological revolutions that provided unlimited instrumental power with no or no corresponding increase in human wisdom. Here were the seeds of future conflicts and dystopian (anti-utopian) futures. As a result, the world picture deteriorated from the mid 20th century onward and, broadly speaking, it has not yet recovered.

Formal futures studies were taken up by organisations such as the Hudson Institute (headed by Herman Kahn, the originator of scenarios) and other large military and commercial enterprises. It also diffused into other niches in civil society and, indeed, education. The first specifically futures education courses were initiated in the USA and Canada in the late 1960s and spread to other countries.

There are two key ways to interpret the interaction of futures and education. One is preoccupied with the future of education. The other deals with futures in education. Both have their uses. The former deals with forecasts, the extrapolation of various trends (demographic, technological, work functions etc) and attempts to depict educational provision a certain number of years into the future. It appeals to administrators and bureaucrats because it fits in with (ie, does not threaten) their views about 'economic progress', 'human resource planning', 'market reform' and other such instrumental concerns. Fundamentally, the 'future of' approach is driven by interests in administration, power and control.

Futures in education is a very different matter. It sees 'futures' as an active principle within education now and, as such, is driven by progressive interests in 'futures literacy', 'social innovation' and 'alternative futures'. It draws on the body of knowledge and practice that has been generated by 'futures educators' over more than four decades. The approach is succinctly summarised by an AFI monograph Futures in Education: Principles, Practice and Potential. While these two approaches may productively interact they are seldom treated equally. Futures of education is the usual focus of formal government-funded projects. Futures in education derives from the work of innovators, progressive educators, teachers who are not so much responding to future economic needs as the present needs of young people. The ideal, of course, is to combine the necessary extrapolative work of the first approach with the educationally progressive and well-grounded work of the second.

The significance for the professional development project is at least two-fold. First, the futures in education literature contains many useful elements that could be assessed in relation to the current project.
For example, what futures tools, methods, concepts and approaches have specific value and could be incorporated? Second, the futures of futures in distinction helps to clarify a central issue. That is, what is the optimum balance between administrative (system oriented) imperatives and those that support and value the human life-worlds of people?

Futures education was described by one Australian observer as 'the most important rising paradigm in education'. The reason given for this view was that 'it addresses much of the ambivalence of post-modernism and focuses on pro-active strategies that attend to the imperatives facing our world.' Yet when conceived of merely as curriculum content, futures education runs into an immediate and well-known problem: how to find room in a crowded curriculum? The way around this is to see the approach as, indeed, a paradigmatic influence that acts as a dynamic principle within education at all levels. In this way the wider implications open up for professional development and systemic innovation in areas like environmental scanning, strategic intelligence and social foresight.

In those cases when futures in education is seen as a concern, it may be marginalised by education systems that are driven, at base, by the imperatives of short-term political thinking and mainstream economics. On the other hand, equipped with an appreciation of the viability of well-grounded futures work, the project can be better equipped to resist the sometimes powerful pressures to conform.

The most productive approaches allow for futures work across multiple domains. This includes the administrative heartland of educational systems where the clear perception of an underlying contradiction can open up new options. If it is true that all education is 'for the future' then it follows that the systems created to administer that social responsibility need to learn how to deal with the present implications of emerging futures (ie, phenomena clearly disclosed to adequate forward views). At present, however, business and commerce tend to take the lead by making their own (highly selective) use of futures capabilities and methods. Education systems currently lack the capability to evaluate the relevance of forward looking capabilities that would, in time, allow them to become more proactive and futures-responsive.

A project based on the notion of a 'knowledge era' therefore can decide to what degree it will challenge conventional thinking and practice. One option is to make the case for the development of 'strategic foresight' in the context of vocational education.

5 Integral
The paradigms outlined thus far are each limited in various ways to certain domains, knowledge interests, methods and so on. By contrast, the integral paradigm covers much more territory in breadth and depth. It is a highly significant development in the structure of knowledge and disciplinary development generally. Why is this?

In earlier times questions of inter-, and trans-disciplinarity were complex, contested and, in many cases, irresolvable. How one saw, acted, proceeded, depended largely upon where in the web of knowledge one stood. One's 'map of reality' was largely based on one's discipline. Yet a number of writers detected similarities in the basic structures of various fields of knowledge. One of these was EF Schumacher; another was Arthur Koestler. The latter coined the term 'holons'. (A holon is an entity which is both a whole and a part of something else.) For several years these perceptions languished until they were re-worked and extended by Ken Wilber. The latter has developed a useful way of recognising a variety of paradigmatic types of, and approaches to, knowledge.
Wilber proposed the use of a four quadrant device, each of which provides a 'window' into a different world of reference. The quadrants are constructed through simple distinctions between, on the one hand, inner and outer perspectives and, on the other, individual and collective ones. This generates four clearly defined areas, each with its own sequence of development leading from simple to more complex structures. Koestler's insights are up-graded and re-applied on a much larger scale. From here Wilber has developed what he has termed an 'integral operating system' (covering: states, stages, lines, levels and perspectives). This is clearly not the place to go into these terms in any depth. The point is that the integral approach developed in a rapidly growing knowledge community, makes it possible to:

- associate different ways of knowing with different phenomena and fields;
- show where each of these 'fits' in a wider pattern;
- pay due respect to the achievements of people in many different fields; and provide a way of understanding and resolving paradigm conflicts.

The two key principles of integral thinking are:

1. 'everyone is right', and
2. 'transcend and include'.

The first means that different knowledge claims and methods can each be recognised and valued for what they, and they in particular, disclose and contribute to the overall sum of human knowledge. The second suggests that, in any field, the move from one level to the next involves a structurally similar process: the earlier stage is transcended but not left behind because it is 'included', part of, the subsequent stage.

The integral paradigm is still in process of development. Yet at this early stage several things are evident. First, we have access to a method for adjudicating different knowledge claims that is fair to each. Second, different fields of knowledge are now being viewed, approached and worked in from an integral viewpoint. Therefore many of the earlier problems of achieving comparisons between different fields are being resolved. Third, the suggestion that 'interior' approaches are co-equivalent with 'exterior' ones serves to re-balance maps of knowledge that had constructed exteriors (eg, science and technology) as authoritative and interiors (eg, spirituality and human/social development) as inferior and less worthy of attention.

An implication of the integral paradigm is that it helps us to see how different types of knowledge disclose different aspects of the world. In so doing it has recovered the possibility of a 'grand narrative', or overarching meta-perspective where different types of knowledge can be seen to fit into a larger pattern. That is why integral thinking and methods are now being taken up in various fields, including futures and education.

The integral paradigm has a number of implications for professional development in the knowledge era. For example, it offers the project a number of powerful tools for (a) understanding or reviewing its central priorities and tasks and (b) using the four-quadrant matrix as a checking device. In summary, the perspective offers assistance in the process of:

- mapping domains of knowledge and action involved in professional development;
- viewing professional development itself from an integral perspective;
- structuring the enquiry in a balanced way (eg, interiors and exteriors); and
- developing a more systematic framework of enquiry and action.
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1. Meadows, D & Randers, J, 2005 *Limits to Growth – the 30 Year Update*, Earthscan, London. Diamond, J, 2005 *Collapse – How Societies Choose to Fail or Survive*, Penguin, London. In the view of these writers the combined impacts of humanity upon the global environment have sparked a crisis in the relations between them. Such sources provide intelligent overviews of the issues involved and clearly demonstrate why this paradigm has such power with significant sections of the population (but not business and government).

2. Lowe, I, 2005 *A Big Fix – Radical Solutions for Australia's Environmental Crisis*, Melbourne, Black Inc. NB This is possibly the most succinct and useful recent Australian source on this subject.


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Workplace Changes: change and continuity in the workplaces of the future

By Richard Hall
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Introduction
While it is tempting to see the changing nature of the workplace in the terms of the ‘knowledge era’, the ‘knowledge economy’, the ‘information age’ and the ascendancy of the ‘knowledge worker’ a consideration of the empirical evidence and the history of workplace change suggests that predictions of a future dominated by knowledge work need to be carefully qualified. This is not simply an academic exercise in critique; much can be learnt from a considered reevaluation of the knowledge era thesis and the evidence concerning workplace change. Indeed, without this constructive reevaluation policy and practice interventions are likely to be misconceived, and ultimately ineffective.

The central argument of this paper is that while there are major changes occurring in the workplace, and while these have significant implications for learning and development, the complexity of those changes cannot be adequately comprehended by the knowledge era thesis for three reasons:

1 The growth in knowledge work and in the number of knowledge workers is far from universal, uniform or inevitable.

2 The rise in the importance of knowledge work is only one force impacting on the future of work. Other critical forces include:
   - The changing nature of labour supply
   - The changing nature of labour demand

- Changes to product and service markets
- The changing role of the state and community sector
- Changes to organisational structures
- Technological changes

The complex interplay of these forces will continue to result in different outcomes for different kinds of workers, in different industries, markets, occupations, professions and organisations. These forces can be understood as factors that serve to mediate the relations between the knowledge work imperative and the workplace outcomes for workers and organisations.

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Knowledge work and knowledge workers are distinctive and critical to organisations of the future. However, when considering the professional development of knowledge workers, the structural realities represented by the mediating forces noted above highlight a number of key problems that must be addressed by organisations, managers, learning and development professionals, policy makers and knowledge workers themselves if professional development interventions are to be effective.

What’s wrong with the Knowledge Era thesis?
In a nutshell, the Knowledge Era thesis claims that a potent combination of globalisation, intensified competition and new technology has seen knowledge emerge as the critical resource which organisations need to exploit to secure competitive advantage. As a result, knowledge work – centred on the ‘acquisition, creation, packaging or application of knowledge’ and characterised by ‘variety and exception rather than routine’ and undertaken by professionals with ‘a high level of skill and expertise’ (Davenport et al 1996: 54) – is becoming increasingly important and knowledge workers are proliferating. These developments are associated with the emergence of the ‘knowledge economy’ based on ‘intangibles’ associated with knowledge – ideas, concepts, images, brands, software, services more generally - and contrasted with the old economy based on the production and distribution of hard, tangible products. The rise of knowledge work and the knowledge worker has implications for organisations, management and learning and development. Knowledge workers are powerful because they possess the now critical resource – knowledge; a resource cannot be separated from its owner, the knowledge worker (Despres and Hilltrop 1995). These highly skilled, footloose and in-demand workers are powerful, demanding and able to dictate the terms on which they might work for (or with) an organisation. These are Handy’s (1990) portfolio workers, accumulating skills and experience and moving easily between lucrative contracts.

Despite its appeal, the knowledge era thesis is overstated. While there is evidence that many organisations are increasingly valuing knowledge and knowledge work (Hall 2003) and while the ranks of knowledge workers are certainly growing in all advanced industrial economies, there is little evidence to support the claims that knowledge work is emerging as a dominant form of work, that knowledge workers are transforming power relations at work or in the labour market, or that the economy has been transformed into a new, ‘weightless’ economy based on fundamentally new knowledge-based intangibles.

First, knowledge workers are a significant but hardly dominant feature of the contemporary and emerging labour market. First, even in the US, it has been estimated that only one in five workers could be classified as a knowledge worker (Brown and Hesketh 2004). Other estimates drawn from US, UK and Australian studies utilising various definitions range from one-third to one-quarter. The number of knowledge jobs has been growing, but no faster than the growth in other, often low-end services jobs. In 2003, for example, it was estimated that in Sydney in the period 2000-2005 the number of computing professionals would grow by 5.6% per annum. Yet the number of cleaners (6.0%), childcare workers (6.0%), waiters (4.4%) and registered nurses (4.1%) were also expected to grow strongly (NSW BVET quoted in Thompson 2004). It has often been noted that most of the growth in services has been and will continue to be in relatively lower end, lower-paid, lower-skilled work – cleaning, security, call centre, retail and hospitality.
Second, as the bursting of the dotcom bubble clearly demonstrated, the rules of the economy have not been fundamentally transformed in the so-called ‘knowledge era’. As Paul Thompson (2004) has forcefully argued, it is not the tangibility or intangibility of resources which is important to the economy, rather it is the extent to which resources are converted into commodities that can be produced and sold which matters. Knowledge can and must be used in the creation of any product or service. Services have certainly been displacing manufactured goods as a proportion of economic activity and value in all industrialised economies and are projected to continue to do so in the future. But this has not transformed the rules of the economy or generated a new dynamic of capital accumulation. On the contrary, if anything, intensified competition on an increasingly global scale (in services as much as manufacturing) has forcefully re-asserted the imperatives of efficiency, labour productivity and profit maximisation. While enhanced productivity can be achieved through the enhanced use of knowledge and innovation, the evidence (considered further below) does not suggest that this has been the predominant path taken by Australian business. At best, low-wage, low-end services work appears to be just as important to the emerging Australian economy as high-end knowledge work.

Third, and in light of the foregoing arguments, it is unsurprising that there is also little evidence that knowledge workers are fundamentally altering the political dynamics of workplace relations. Of course, a relatively small elite of in-demand knowledge workers with skills sets and project experience in short supply are able to exploit their labour market clout to their advantage. However, organisations are not simply sitting idly by. Through various strategies detailed below, organisations are seeking to control the power and autonomy of their workers, including many of their so-called knowledge workers so as to manage the risks associated with excessive dependence on a cadre of powerful, highly skilled and expensive knowledge workers. There is therefore also little evidence to support the associated knowledge era claim that organisations are becoming more open, democratic and supportive of worker innovation, creativity and freedom. Indeed, as argued below there are strong forces pushing in the opposite direction toward greater standardisation, control and compliance with carefully detailed business processes.

**What’s really happening in workplaces?**

To dispute the portrayal of workplaces suggested by the knowledge era thesis is not to deny that very significant changes are occurring and will continue to occur at the workplace. The knowledge era thesis, while overstated, contains some important insights. Knowledge is critical to organisational success. Many organisations are seeking to exploit knowledge in new ways for competitive advantage. Services continue to grow as a proportion of the economy and many new services and products rely on the innovative and intensive use of knowledge, information, data and associated technologies. Jobs, organisational structures, methods of working, forms of collaboration and the skills and attributes required are all changing. The point is, however, that these trends are not all in the direction of greater knowledge intensity. Other forces are mediating the ways in which the role and significance of knowledge is impacting on workplaces and workers.

Predicting the shape and character of the workplace of the future is a messy and difficult business. Despite the ubiquity of some trends, and the convergence of at least some practices, workplaces will continue to be extremely diverse. This is to be expected given the range of forces that can be seen to be influencing, more or less in any given
Changes in labour supply

Changing demographics, educational profiles, worker preferences and expectations are all influencing the nature of labour available for Australian organisations. As the recent debate in Australia around the extent and depth of alleged skill shortages has indicated, making sense of labour supply dynamics can be a tricky business. Rates of labour market participation have been increasing, especially amongst women and young workers, leading to greater diversity in many organisations and increased pressures for various kinds of flexible work arrangements. Higher levels of educational attainment, particularly higher school retention rates and increasing attainment of tertiary qualifications, has led to more qualified labour pools, but also to job seekers and workers with heightened labour market expectations. The implications have been diverse. For example, it is apparent that decades of representing manufacturing and many ‘old economy’ industries as declining has had a negative impact on traditional trade apprenticeship commencements and the supply of trade skills in the economy. Alternative narratives portraying the attractiveness of ‘new economy’ professions and occupations in sectors such as IT, media and financial services have also encouraged graduates to pursue these opportunities and to expect high pay, rewarding work and quick promotion when they do so. Amongst other things, this has led to increasingly diverse and often discontinuous career paths. It might also be contributing to increased turnover and dissatisfaction for those workers whose expectations of gaining high-quality, knowledge work are unmet.

Changes in labour demand

Of all the categories of workplace change forces, changes to the nature of labour demand are probably the most significant and far-reaching. The knowledge era thesis would predict that employers will increasingly demand more knowledge workers and more knowledgeable workers as knowledge jobs proliferate and the knowledge content of much other work increases. As noted above, there is little evidence that the growth in knowledge jobs has been markedly greater than that in other white-collar work, much of it routine. When considering the extent to which the knowledge content or intensity of jobs demanded by employers might have been increasing it is worth remembering that a startlingly high proportion of workers in Australia and other advanced industrial economies continue to work in jobs for which they are over-qualified. Thus Thompson (2004) reports that in the UK between 25% and 34% of graduates (depending on the precise study) are currently in jobs that do not require degree qualifications. Similarly, in Australia, 31% of graduates are employed in occupations that do not require a bachelor’s degree (ABS 2005). Far from suggesting a dire shortage of knowledge workers these data indicate that there may well be a shortage of knowledge jobs rather than knowledge workers.

How can this be so? A reconsideration of the other elements of apparent labour demand leads us closer to a solution of this apparent conundrum. In brief, labour demand in Australia (and other Anglo democracies) has been characterised by: the intensification of jobs, especially professional and managerial jobs; increasing labour flexibility; and, an increasing commitment to rigid and disciplined management of labour, even professional and managerial labour.

Firstly, work intensification across the labour market has been evidenced by longer working hours and, in particular, the growth in the proportion of workers working very long hours. This trend is especially pronounced amongst professionals and
managers (Watson et al 2003: 88). Workers, especially professionals and managers, are also reporting increased work pressures, work effort and work intensity generally. Work intensification has been driven by a range of factors: intensified globalised competition and the sustained pressure of shareholder value have increased demands on all organisations to achieve greater productivity and this has, in Australia’s case, typically been achieved through greater labour productivity under conditions of resource stringency – in colloquial terms, ‘doing more with less’. Restructuring, delayering, downsizing and the introduction of teamwork have all been associated with fewer human resources being expected to produce more (or the same) output. Restructuring with teams has often been associated with organisations introducing business units, work groups or project or operational teams as discrete cost centres often expected to operate as micro-businesses. As a result, responsibility for performance and profits is pushed down occupational hierarchies (as reflected, for example, in the tendency for organisations to re-badge even mid to lower level service jobs as ‘managerial’ if only in name). Amongst other things, this has contributed to the intensification of work. Professionals and managers, in particular, have also been exposed to closer performance scrutiny, more detailed measurement and seemingly perpetually increasing performance expectations through the development of performance management systems and performance-based pay.

Secondly, labour demand continues to be characterised by the search for higher levels of labour flexibility. Working time flexibility has been secured by converting jobs tied to specific designated working hours and times to open-ended jobs where work only ends (for the day, week, month or year) when the projects are complete. The growth in so-called ‘non-standard work’ is well-known and the strong continuing growth in the ranks of casual, fixed-term, contract and agency workers is evident (Watson et al 2003: 62-77). While there are numerous implications of labour flexibility, its links to increased job insecurity are especially notable. In short this means that workers – both knowledge workers and lower-skilled workers – are increasingly subjected to heightened performance expectations and intensified performance pressures under circumstances where their sense of security at work has been compromised by a history of perpetual restructurings and the current reality of an insecure fixed-term, casual or agency contract.

Thirdly, recent trends in the management of labour do not seem consistent with a decisive trend toward enhanced discretion, autonomy, opportunities for creativity and genuine knowledge work that would be consistent with the knowledge era thesis. Numerous studies have demonstrated that the key managerial reforms (or ‘management fads’ for some) of recent times – Just-in-Time, Business Process Reengineering, lean production, high performance work systems - have typically had little to do with extending empowerment or genuine discretion and autonomy of work to workers whether professional, managerial, operational or support. Work intensification and increasing insecurity have more often been the characteristic results. Knowledge management provides a particularly relevant example. Depending on the form of knowledge concerned, I have argued elsewhere (Hall 2006) that knowledge management means either: a) identifying optimal business processes and defining and imposing standard operating procedures on workers so that those processes are adhered to as efficiently as possible; or b) codifying, where possible, traditionally tacit skills and forms of knowledge so as convert individual skills and knowledge into organisational skills and knowledge. These trends to greater standardisation of process are entirely consistent with the rise of the
standards movement (eg: ISO 9000) and the increasing globalisation and tightening of supply chains. For present purposes, though, suffice to note that these forms of knowledge management are hardly consistent with optimistic or progressive models of knowledge work.

Understanding these trends – work intensification, labour flexibility and increasingly rigid and disciplined management of labour – makes it easier to understand the changes to employer demand for skills. For all the talk of a knowledge era, the evidence concerning labour demand does not suggest an unequivocal increase in demand for higher order intellective skills (Zuboff 1988), greater creativity and higher-order, complex problem-solving skills. In a recent study of services skills in a range of services industries in Victoria, undertaken by the author and others at acirrt (Buchanan and Hall 2003), it was found that employers were typically demanding an increasingly specialised combination of technical skills in conjunction with a range of behavioural skills (or attributes) including customer service and sales skills and entrepreneurial or business development skills. To take the example of IT consultancy professionals studied as part of that project, new IT consultants were expected to have a specific combination of IT technical skills as well as a demonstrated ability to develop their own clients and line of work, assume total responsibility for the management of accounts, on-sell further work to clients, manage competing demands and be committed, dependable and thrifty. Clearly, these are extensive skill (and attribute) demands, and they draw on a need for significant technical, cognitive and behavioural knowledge, however they are not a simple manifestation of the knowledge work skills as conventionally understood.

**Other critical forces driving workplace changes**

Most of the other forces associated with changes in the workplace are themselves reflected in the changing demand for labour noted in the previous section. As a result they need only be mentioned in passing here.

Key dimensions of the changing nature of service and product markets include the compositional shift from manufacturing to services and an increasing demand for a broader range of services generally. Consistent with the earlier analysis, there has been strong growth in the demand for low-end, budget services as well as high-end services catering to the affluent. Low cost airlines provide a good example. The jobs created by the proliferation of low cost airlines may or may not be classified as knowledge jobs, but it is important to recognise their characteristic features: thinking of customer-facing jobs in this sector, they will typically be non-standard, require a high degree of working time flexibility, require workers to perform a wide range of customer service and associated tasks, be relatively insecure, have limited clear career paths and be relatively low-paid. Moreover, while a keen ability to handle disgruntled customers would obviously be an advantage, customer service workers in this industry typically work according to extensive and detailed standard operating procedures and protocols that might include a requirement to adhere to carefully scripted and tightly controlled model service procedures.

The changing role of the state and associated changes in the community sector are also related to changes at the workplace. The withdrawal of the state from much direct provision of services has expanded demand for services from the private sector. The imposition of business models in both the public and community sectors has also forced public sector and community agencies to act and manage their workers in
ways that are consistent with private sector, for-profit organisations. Work intensification, labour flexibility and management pressures in these sectors have increased as a result.

Changing organisational structures have been a major theme in the knowledge era literature. Flatter organisational hierarchies, decentralisation, teamwork and the rise of various network organisational forms and inter-organisational relationships have been routinely identified. As the record of downsizing, layering and so-called ‘team-Taylorism’ referred to above attests, organisational forms have been changing, but it is simply naïve to see these changes as inevitably leading to richer, more rewarding knowledge work. Knowledge era theorists who see the new organisational forms and practices as leading to more democratic, liberated, creative and autonomous work (and associated ‘leadership’, rather than ‘management’ styles) overlook at least one critical fact: while organisational responsibilities may well have been decentralised, organisational power has not. In Bennett Harrison’s terms organisations have combined decentralisation of operational responsibility while maintaining and even extending the concentration of power and control in the hands of senior management. Thus Harrison’s (1994) own characterisation of the contemporary organisation as ‘lean and mean’ seems somewhat more compelling than the knowledge era theorists predictions of more collegial and participative management. As Milkman notes there is a ‘huge gap between the rhetoric of participation and the reality of the factory or shopfloor’ (1998: 33).

Finally technological changes have played their part in the forces that are shaping the contemporary and future workplace. While the implications of technological change are, of course, diverse and multi-faceted, it is apparent that technology, especially ICT, has played a critical role in facilitating many of the managerial and organisational changes noted above. For example, local area networks and management software have combined to increase the capacity of management to measure the performance of all workers at all levels in the organisation. Sophisticated enterprise resource planning (ERP) systems or enterprise systems have directly facilitated the pushing of operational and management reporting responsibilities down occupational hierarchies while enhancing management’s ability to access to real-time performance information. And finally, the explosion in the use and availability of mobile technologies such as mobile phones, laptops, PDAs, email, Blackberries, etc. has served to further blur distinctions between work and non-work with obvious consequences for work intensification.

A broad range of fundamental political, social and economic forces are shaping the workplaces of today and tomorrow. While the knowledge era thesis, in simple terms, might be too simplistic to adequately capture and interpret these changes, there clearly have been dramatic changes to work with important implications for the skills and professional development opportunities needed by workers. In the least, these workplace changes throw up a series of problems or challenges that must be considered in thinking about professional development initiatives for workers of the future.

Problems and challenges for professional development
While the preceding discussion has considered the nature of workplace changes with reference to workers, including professionals and knowledge workers, this section considers the implications of this analysis for professionals and knowledge workers in particular. Professional work has been shaped decisively by the increasing strategic significance attributed to knowledge in many organisations, but it has also been shaped by the other forces already...
identified. Many of the professional development initiatives proposed for knowledge workers (Staron, Jasinski and Weatherley 2005) are critical. The suggestions and ideas in this section should, in general, be read in addition to those proposals and initiatives.

While many professionals and knowledge workers might be able to shield themselves from some of the worst consequences of the workplace changes discussed here, they still confront a number of significant challenges. Professional and knowledge workers (hereinafter ‘professionals’) have been subject to a major intensification of their work, they report working the longest hours, they express dissatisfaction at their capacity to balance work and family and they are exposed to often extreme performance pressure at work. Many professionals have borne the brunt of organisational restructurings and have seen colleagues and support staff made redundant. The majority, with at least some managerial responsibilities, have also been expected to manage the consequences of those restructurings for their areas of responsibility. All this at a time when the technical skills and demands of their profession or area of expertise have in all likelihood been changing at an unprecedented rate.

Five particular challenges can be identified as particularly relevant for professionals in the so-called knowledge era:

1 **Managing the tyranny of operational demands**

Work intensification is not only a problem for individual professionals in the sense that it can lead to dissatisfaction, poor performance, poor health and even ‘burnout’, but it also generates specific problems for the development of knowledge work and knowledge skills. An intense work environment where there is unrelenting pressure for results tends to squeeze out the opportunities for actually doing creative or innovative knowledge work. Even where organisations might want to encourage their professionals to ‘do’ knowledge work, the operational realities and performance expectations confronted by professionals frustrates any such attempts. Moreover, intense work environments also tend to have few available personnel who can ‘cover’ for professionals while they might be undertaking professional development activities either for themselves or for their colleagues or subordinates. The challenge therefore is to design and develop professional development activities for professionals that can be accommodated. More ambitiously, the challenge is to get organisations to recognise the value of professional development activities by actually resourcing the indirect as well as the direct costs of that development.

2 **Developing the job as well as the professional**

Most of the emphasis in much of the contemporary professional development literature focuses on the individual professional and their individual development. However, given the above analysis, it is clearly critical to also consider the need to further develop many jobs (including professional jobs) so that they more closely approximate knowledge jobs that have genuine and significant opportunities for creativity, innovation and new knowledge development. While this is largely a matter for organisations, and senior management in particular, it might also be possible for professionals to contribute to the development of their jobs, seeking ways to expand the knowledge content, span of control, scope for discretion and control over resources associated with their responsibilities.

3 **Developing professionals as managers**

Most professionals in organisations have management responsibilities and many ‘full-time’ managers are drawn from
professional ranks. One of the most important dimensions of professional development might therefore be better thought of as management development or even leadership development. The cause of many of the problems associated with the failure to fully realise the predictions of the knowledge era thesis discussed in this paper relate to failures of management: a failure, for example, to cede sufficient control and discretion to employees and teams to enable them to exercise the level of discretion consistent with the ideals of knowledge work; a failure to trust employees; and, a failure to adequately resource an environment where knowledge work, and knowledge development, can occur. Amongst other things, knowledge intensive organisations need management that is enlightened, progressive, constructively critical and reflexive. Professional development is an arena in which many of these management skills and orientations might be appropriately developed.

The role of professionals as managers invokes further challenges as well. Professional and managerial responsibilities will often be in conflict, or at least, tension in organisational life, especially where organisations are under intense competitive pressure. Professional development activities might usefully strive to recognise these conflicts and assist professionals in developing strategies for managing, if not resolving, them.

4 Sustaining multiple identities
In addition to their potential role as managers, professionals might also be workers, colleagues, mentors and learners, as well as family members, community members and citizens. Under circumstances of intensified work conditions, effectively balancing the demands of these roles presents an acute challenge. Again, while it is apparent the principal causes of these pressures are related to organisational design and management, professional development needs to be alive to these multiple identities and recognise that managing and balancing these demands is in itself an increasingly critical skill.

5 Establishing a new psychological contract
The ‘psychological contract’ describes the implicit, informal bargain between a worker and their employer that is often thought to underpin the formal employment contract and account for the level of commitment of an employee to their organisation (Rousseau 1995). According to the psychological contract, a worker expects that they will be treated in a certain way by their employer in exchange for their commitment to work assiduously for the organisation. Where the psychological contract might be breached, for example because the employer has not lived up to their part of the bargain, then the performance and motivation of the worker will normally be thought to decline.

The traditional psychological contract that underpinned traditional forms of employment was thought to be based on a worker agreeing to work dutifully and faithfully for an employer in exchange for a secure permanent job, with satisfactory pay and some opportunity for promotion and development within the organisation. In what Peter Cappelli (1999) describes as the ‘new deal at work’ this historic bargain has been broken. As the foregoing analysis makes clear, organisations are now less able to guarantee any meaningful level of security of employment, even for valuable knowledge workers. The new deal at work can offer workers only the promise of the chance to learn and develop new skills at work; skills and experiences that might then be valuable in the external labour market.

While the new deal at work might be seen to be sufficient for workers who are given the opportunity to learn new skills, the trends in knowledge management discussed earlier might be serving to compromise the terms of the new deal. To the extent that
knowledge workers are asked and expected to share their knowledge, whether through participation in formal knowledge sharing activities, contributions to organisational knowledge repositories, or the codification of their techniques into best practice manuals and standard operating procedures, the value of their accumulated learnings might be lessened. From this perspective then, developing knowledge sharing behaviours is not simply a matter of professionals learning how to share knowledge, or of understanding the organisational benefits of knowledge sharing. The most challenging issue is to understand the terms on which professionals might be encouraged to share their most valuable resource – knowledge – when the rewards offered by the ‘lean and mean’ organisation are so limited.

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Wisdom Leadership: Exploring its Relation to Spirituality

By William C Miller and Debra R Miller
April 2006

The Need for Wisdom Leadership
Willis Harman – eminent futurist at the Stanford Research Institute and regent of the University of California – once pointed out the level of opportunity and the responsibility that business leaders (at all levels) face in these stressful days of global communication, global economics, and global competition: 1

‘Leaders in world business are the first true planetary citizens. They have worldwide capability and responsibility; their domains transcend national boundaries. Their decisions affect not just economies, but societies; and not just direct concerns of business, but world problems of poverty, environment, and security. World business will be a key factor in the ultimate resolution of the macro-problem. It crosses national boundaries with much more ease than do political institutions and the business corporation is a far more flexible and adaptive organisation than the bureaucratic structures of government. Up to now, there has been no guiding ethic... (but) such a new ethos for business may be in the process of forming.’

What is this guiding ethic, this new ethos? One name for it is wisdom leadership – where wisdom is more than the sum of our knowledge, intelligence, experience, and innovative thinking. True wisdom is the ‘deep understanding, keen discernment, and sound judgment’ 2 that draws from a level of self-insight, personal and organisational values, and cultural broad-mindedness. It will require this level of wisdom to proactively address the pressing issues that so characterise our world in the 21st century...

The globalisation of national economies
No nation and no company is an island unto itself, unaffected by economic problems or successes elsewhere. Our communication technology links people virtually everywhere on the planet. However, our awareness of being a global family is just beginning to catch up with these developments. Our human family includes both people on the other side of our desk and people on the other side of the world – a collective consciousness that has a profound impact on all phases of our life and work. Our challenge is to develop innovative practices of economic collaboration for mutual benefit: ‘us vs them’ doesn’t work within global village economics.

The evolution to knowledge-based enterprises
Knowledge is a new type of resource, more like a flame than an object. With objects, like an apple, if we take some away, eventually nothing is left. With a flame, we can light a thousand candles so they all have flames, including the original. In the same way, knowledge is expandable, diffusive, transportable, and shareable – particularly with the explosive growth of the global Internet. We still often operate with a vocabulary and with management systems based on producing objects, not flames, but we must embrace knowledge as the key asset for generation of wealth.

The pace of technological evolution
Electronics is but one field in which rapid technological advances make products obsolete within a year or two. We live in a world impacted by developments in disease-resistant crops; gene splicing; fuel cells; advanced ceramics, alloys, and composites; ‘smart’ membranes; computer-
aided design and manufacturing; artificial intelligence; optical computing; universal Internet access; and so on. Our challenge is to be more than just reactive or even responsive, but to be proactive in choosing and valuing what we give birth to technologically.

The rigors of global and local competition
Corporate globalisation and the explosion of technology have changed profoundly the nature of competition. Speed rules in an era of hyper-competition, in which competitors are finding more and more ways to collaborate, even inventing new industries together. Rather than competing for a piece of the pie, they’re busy expanding the pie itself.

The state of ‘continuous discontinuity’
Since the 1960s we have been in a period in which seemingly sudden discontinuities with past trends continue to emerge. Each shift alters the field of business opportunities, government policy, and social lifestyle. Our challenge is to develop flexible, innovative plans and responses across a variety of possible future scenarios.

The stresses of 21st century lifestyles
In 1900, only 4 percent of the American population was over sixty-five, and the top four causes of death were the acute, infectious diseases (diphtheria, cholera, smallpox, and typhoid). In 1990, 15 percent of the population was over sixty-five and the top four causes of death were vascular (heart attack, etc.), cancer, diabetes, and cirrhosis of the liver. And according to the U.S. Center for Disease Control and Prevention (CDC), 75 percent of the incidence of these diseases is brought about by our lifestyles. This self-destructive approach to life can be found throughout the world, not just in the USA. It is intricately linked with our work cultures, our technologies, our attitudes toward stress, and our values.

The global prosperity gap
In 1960, countries located north of the equator were about 20 times richer than those south of the equator. Thirty years later, countries in the Northern Hemisphere countries were 50 times richer despite vast amounts of economic aid, trade, loans, and catch-up industrialisation in countries in the Southern Hemisphere. This trend has continued, year after year, into this century. Today, the wealthiest 20 percent of the world’s population now earns approximately 85 percent of total world income, while the poorest 20 percent earns just over one percent. This growing disparity cannot and should not be sustained. It threatens both economic and social stability and the basic tenets of morality that support that stability.

It will take true wisdom to create a new future for ourselves and for our children’s children. Business leadership plays a key role in transforming society and our quality of life, and the creative challenge for corporations is to develop business models of value-exchange that resonate with goodness, not just goods.

Buckminster Fuller once noted in the 1980s that over 50 percent of the world’s population live at a higher standard of material living than 99 percent of the population lived in 1900. Yet for every technological advance, we seem to produce an adverse impact, socially or environmentally. As we face the challenges of the new millennium, a key question is, ‘Who’s in charge here?’

What may appear to be purely business or technology decisions are really human choices that require our highest wisdom. These decisions mirror our consciousness and values. The partnership of business and human values requires a high level of wisdom in our leadership. Business without wisdom produces a barren world and lifestyle – a barrenness that is insufficient to handle the complexities and challenges we face in the coming decades. This means tapping into a level of wisdom characterised by integrity and caring, and making
business decisions in light of that higher wisdom and values.

**Wisdom Leadership and Spirituality – A Dynamic Controversy**

Many people around the world are highly sceptical and suspicious of using the word ‘spiritual’ in relation to wisdom leadership and business life. They feel that it comes too close to the concept of religion – and all the conflicts that can arise from religious differences. Some feel that spirituality is too personal, and can be compromised if it is brought into candid conversations at work. Others feel that business – as well as education, government, and other kinds of organisations – should be kept secular and thus kept non-religious and non-spiritual.

In light of such sentiments, it might seem ‘wise’ to avoid the perspective of spirituality in any discussion of wisdom leadership, and simply focus on other sources that leaders can draw from for the ‘deep understanding, keen discernment, and sound judgment’ that characterises true wisdom. But can we really do so and still be thorough and unbiased in our quest to discover the nature of wisdom leadership – especially in light of a broad movement around the world that says that spirituality can be the source of the highest wisdom for managing any enterprise?

A crystallising point in this debate about the value and role of spirituality in ‘wisdom leadership’ occurred over a decade ago between a management guru and a CEO in the USA, and that is where our exploration begins…

The morning of April 6, 1993 was not ‘just another day at the office’ for William George, CEO of Medtronic Inc., the world’s largest producer of medical electronics. He opened the business section of his local newspaper and was startled to see the headline, ‘Spiritual Talk has No Place in Secular Corporation.’ The article, written by management guru Tom Peters³, included:

‘I’ve long argued that effective individual and organisational performance is largely a by-

product of an ethical, committed, spirited, joyous leader… But when the talk turns to the spiritual side of leadership, I mostly want to run. In tapping the needed imagination and curiosity, let’s leave the Bible, Koran, and facile talk of spiritual leaders at home.’

William George responded by having the newspaper publish an ‘open letter to Tom Peters,’ in which he said (in part):

‘Dear Tom, You’ve got it all wrong! Your column shows a lack of understanding about what really motivates employees, and people in general.

‘My business experience suggests that the vast majority of employees of corporations are motivated… by making meaningful contribution to others through their work. Appealing to these deeper motivations is indeed the spiritual side of leadership that Max de Pree (Chairman of Hermann Miller, Inc.) and Bob Greenleaf (author of Servant Leadership) have both practiced and written about so meaningfully, yet which you say makes you ‘want to run.’

George went on to express how he and his company set priorities that tap into those deeper, spiritual-based motivations, so that ‘leading by values’ replaced ‘managing by objectives.’ He then articulated those values in priority order:

‘They are, first of all, restoring people to full health; next, serving customers with products and services of unsurpassed quality; recognising the personal worth of employees; making a fair profit and return for shareholders; and maintaining good citizenship as a company.’

What was his wisdom about successfully managing this set of priorities over the long term? He said in his letter to Peters:

‘You may be surprised to see that ‘maximised shareholder value’ is not our first objective, as it is for many companies. Medtronic is not in the business of ‘maximising shareholder value’ rather, our purpose is to ‘maximise patient value.’ The ‘real bottom line’ for Medtronic is the patients who were restored to full life and health last year by Medtronic products …’
At Medtronic we believe that if we first serve our customers well, provide products and services of unsurpassed quality, and empower our employees to fulfill themselves and the company’s mission, we will indeed provide an outstanding return for our shareholders. And the results of the past 30 years, or the past 8 years, seem to validate that approach: $1,000 invested in 1960 in Medtronic stock would be worth $1.65 million today, or $1,000 invested in 1985 would be worth $9,000 today.4

George then concluded:
‘At Medtronic, we don’t mix religion and business, but we certainly don’t shy away from the spiritual side of our work and the deeper meaning of our mission to save lives.’

Peters responded to George’s open letter in his own newsletter, Tom Peters on Achieving Excellence:
John, let me be clear. I find the idea of spirituality in the workplace appalling... I find it amusing – instructive – that the two columns of mine (out of 490 in the past nine-plus years) that have drawn the most flak are the one on spirituality and one that derided, in the 1992 presidential campaign, Ross Perot as a potential tyrant-in-waiting.

Peters included a ‘corporate values statement’ with 10 values for his consulting company (drafted just for his article), and then added:

Two years later, in a Foreword to the book The New Bottom Line5, William George elaborated on his own thoughts:6
‘Discussions of ethics and values lead directly to the source of those values, spirituality. Too often, writers confuse spirituality and religion, and therefore demur in fear of imposing a certain set of religious beliefs.

‘We are all spiritual beings, composed of minds, bodies, and a spiritual side, whether we acknowledge this portion of ourselves or not. To ask employees only to utilise their minds and bodies, while not acknowledging the power of the spirit which resides in every person, not only diminishes their individual gifts and contributions, but it limits their ability to contribute fully to their work and their organisations.

‘To unleash the whole capability of the individual – mind, body, and spirit – gives enormous power to the organisation. This has nothing to do with religion. People of many faiths, or no faith at all for that matter, can join together in a common cause of service to others through their work. To confuse spirituality with religion only diminishes the capacity of the organisation to tap into the spiritual reservoir which resides in each of us.’

The Forward Momentum
Over the next 10 years, the debate about spirituality and leadership alternately simmered and boiled, while the momentum for spiritual-based leadership pressed ahead. From 1990-2000, over 360 books were published in English on ‘spirit and spirituality at work’. Between 1999 and 2002 there were more than 35 major conferences focused on this theme – attended by business leaders, consultants, and academics in countries as diverse as Canada, USA, Mexico, Guatemala, U.K., Holland, Switzerland, Hungary, Slovenia, India, and Australia.

In 1995, one of Asia’s top ranking business schools, the Indian Institute of Management in Calcutta, India, inaugurated its Management Center for Human Values to bring practical, spiritual reality to business. And in 2001, a special interest group was formed on Management, Spirituality, and Religion at the Academy of Management, the primary professional organisation for business school professors in North America.

All of these developments were fuelled by media coverage, such as the 1999 cover story in Business Week magazine, USA, which included:
A recently completed research project by McKinsey & Co Australia shows that when...
companies engage in programs that use spiritual techniques for their employees, productivity improves and turnover is greatly reduced. The first empirical study of the issue, A Spiritual Audit of Corporate America, published in October by Jossey-Bass, found that employees who work for organisations they consider to be spiritual are less fearful, less likely to compromise their values, and more able to throw themselves into their jobs. Fully 60% of those polled for the book say they believe in the beneficial effects of spirituality in the workplace, so long as there’s no bully-pulpit promotion of traditional religion.

In addition to these developments, there was a surge of international non-profit organisations formed to support this awakening – often created by business people. Under the inspiration of Judi Neal, her Association for Spirit at work banded together with the World Business Academy, the European Bahá’í Business Forum, and the Spirit in Business Institute to sponsor the International Spirit at Work Award that honours ‘pioneers in a growing trend of highly successful organisations that explicitly nurture spirituality among employees.’

At their third annual award ceremony – on October 1, 2004 in Zurich Switzerland – 1 of the 10 honourees was the Australia and New Zealand (ANZ) Banking Group of Melbourne, Australia. As ANZ states on their website, the honour was for ‘sustained commitment to cultural transformation and our efforts in creating a workplace where people can find purpose, meaning and values.’ Between 2002 and 2005, 30 other organisations from a wide variety of industries and nationalities also received this award.

But… What was a major bank like ANZ doing in the company of ‘spiritual pioneers’? Here is what CEO John McFarlane had to say:
‘At one time in Australia banks were hated. We felt that if we could create a bank with a human face, that would be very different. We came up with the word BREAKOUT – to have the courage to be different.

‘Many people will invest their whole lives in this company. We have to create the kind of company that is worthy of that investment. In doing that, two things come to mind. First, it is wrong of us to say that we want that investment exclusively for us in the company, and to ignore the other areas of life, including family and spirituality – the maturity of an individual in a spiritual, psychological, evolutionary sense. Second, people ask me about work/life balance. And I say it’s the wrong question. Get a life, and fit work in there somewhere. Work should be a meaningful part of your life.’

John McFarlane’s commitment to having their employees grow ‘in a spiritual, psychological, evolutionary sense’ is an important concern of the bank’s leadership. As a result, they have designed a culture transformation initiative to do just that. How do other banks around the world view their ‘radical’ Breakout program?

‘The top banks in the world get together once a year and I’ve been asked to talk about culture change in banking to this group. That wouldn’t have happened if people hadn’t seen the change…

‘With respect to our people there is no question that people are happier and more engaged bringing their whole selves to work. There is more volunteering in the community. They have more freedom at work to create their own environment. People are being much more creative using individual passions and bringing them to bear. People are really engaged, and staff satisfaction is so high… instead of getting 1,000 applicants we get 11,000 applicants for our graduate jobs now.

‘The performance ethic inside the business is incredible. We are one of the top 5 banks in the world for efficiency. We improved our margins by 20% over 6 yrs – no other bank in the world has done that.’

So, while the debates and scepticism about spirituality and leadership persist even today, spirituality has continued to emerge, slowly but surely, as a source of wisdom for business leadership.
Four contexts for wisdom leadership

One way to understand wisdom leadership in business is to examine the various world views about life and leadership that inform and influence a leader’s wisdom. Even more, each worldview becomes a reference point from which leaders draw their wisdom in conducting their day-to-day activities of relationship building, decision making, and serving and thriving in organisational life.

Over the last 100 years, four distinct contexts (world views, paradigms) for business leadership have emerged, each representing a fundamental shift in how people view the nature of business leadership. Each, therefore, can shape the perspectives and reactions of leaders, and can provide an ever evolving source of wisdom for guiding an organisation.

The four contexts are:

1. **Paternal-mechanistic**

   From this view, business is ‘survival of the fittest,’ and competition is a win-lose game. The goal of business and its leadership is wealth-creation (specifically, profit-maximisation) on behalf of business owners. Business leaders adopt the military model of command-and-control to serve the overall goals for efficiency and productivity. The common employee is usually seen as an interchangeable part in the big machine, expected to perform within clearly defined parameters.

   The paternal-mechanistic context for business leadership dominated leadership thinking well into the 1960's, and still continues to dominate in some circles today. This context offers the wisdom of:
   - Honouring the experience and wisdom of ‘those who have paved the way before us.’
   - Using resources efficiently.

   However, it has two limitations:
   1. Discounting the inherent capability and motivation of people to do good and be good.
   2. Believing that life (including people and nature) can and should be used and controlled for achieving one’s own (self-centred) goals.

2. **Humanistic**

   From this view, the purpose of business and leadership is still wealth-creation, but with a win-win mentality in which ‘enlightened self-interest’ supplants ‘selfish-interest.’ The leader’s job is to help employees become self-actualised ‘intra-preneurs’ who invest both their emotions and their minds, for their own sake and the organisation’s. People are considered a resource to be managed sensitively. ‘Win-win’ problem-solving is prominent in this context.

   The humanistic context of business leadership first gained momentum in the 1960's and became the norm of many major corporations by the 1980's. Inherent in this context is the wisdom to complete the limitations of the paternal-mechanistic context:
   - Recognising the essential goodness and work ethic of people.
   - Providing opportunities for individuals to actualise their potential, which includes self-actualisation as well as work abilities and aspirations.

   However, it too has two limitations:
   1. Focusing on needs, where motivation occurs when something is perceived as missing.
   2. Focusing on individualism, where the ‘win-win’ solutions are to promote individual interests, and do not necessarily include the interest of the organisation as a whole, and other stakeholders such as society and nature.
3 Holistic
From this view, the goal of business and leadership evolves beyond ‘wealth-creation for shareholders’ to ‘wealth-creation for the optimal benefit of all stakeholders’—including shareholders, employees, customers, competitors, community, nature, society, and future generations. Leadership ‘control’ lies more in having a common purpose and value-system rather than the ‘command-convince’ or even ‘participative empowerment’ leadership styles. This view recognises that people are, in fact, the principal assets of wealth-creation, especially in the knowledge-intensive, learning organisations.

The holistic context for business leadership gained momentum in the mid-1970’s, 80’s and 90’s. It has yet to emerge as the norm for major corporations, but it is increasing in strength through initiatives such as ‘corporate social responsibility.’ The wisdom contained in this context has the potential to complete the limitations of the humanistic worldview:
- Recognising the interconnectivity of people, nature, and business enterprises.
- Emphasising the holistic nature of values and principles from which to operate harmoniously and creatively.

But again, it has two limitations:
1. Basing motivation primarily on self-oriented achievement, even while it might benefit the larger whole.
2. Focusing personal and business goals only on having a better ‘in-this-world’ life, rather than taking into consideration the spiritual life that is both ‘in this world and transcends it.’

4 Spiritual-based
By the early 1990’s, business leadership was primarily a mixture of these three contexts: paternal-mechanistic (its influence in decline); humanistic (in its prime); and holistic (on the rise). Yet another view of the nature of business leadership began to emerge, one based on spirituality.

The spiritual-based context sees people as spiritual in nature, with a particular spiritual purpose in life, along with ‘gifts’ to help fulfil that purpose. Leadership in this context focuses on assisting people to fulfil their life purpose while integrating that with the organisation’s ‘life purpose’. The emerging spiritual-based context for business leadership provides its own particular wisdom:
- Focusing first on a relationship with a transcendental Source of consciousness
- Basing motivation primarily on selfless service – intending first and foremost to give and benefit the larger whole, with the skill and conscious attention to do this in a sustainable manner

This kind of wisdom is what S K Chakraborty – founder of the Management Centre for Human Values at the Indian Institute of Management in Calcutta, India – often heard in the late 1990’s when he interviewed chairmen from some of the largest corporations in India, such as the State Bank of India and Hindustan Lever. In his subsequent book, Wisdom Leadership: Dialogues and Reflections, he articulated some common sources of wisdom he found among these leaders:
‘Some kind of spiritual anchorage has emerged as a common denominator through nearly all the leadership profiles presented here. … Most of them have drawn inspiration from serving a national cause, through business or any other field of activity, beyond seeking individual glory.’

Each of the four contexts of business leadership all currently co-exist, sometimes not very peacefully, in today’s business world. Within a company, different leaders might operate from any one of these four contexts, and any single leader might operate from a blend of contexts.

The practical wisdom of spiritual-based leaders
André Delbecq, former Dean of the Santa Clara University Business School near San

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Francisco, USA, has observed that from the spiritual-based context, the nature of business itself is transformed. Professor Delbecq is the founder and director of the Institute for Spirituality of Organisation Leadership and continues to conduct their course on spiritual leadership in business attended by Silicon Valley CEOs as well as MBA students. His thoughts include:  

‘I think a business exists to provide an innovative and compelling answer to a societal need in the form of a needed service or product. This is the discipline of business. When this purpose is approached through a spiritual lens, it will be shaped differently in many ways. The needs that you start becoming attentive to shift. You become willing to let go of many trivial and opportunistic concerns, and instead increasingly put energy into important challenges.  

‘The transformational system you create to receive inputs and transform outputs will also shift, allowing greater attention to stewardship, justice and inclusiveness of the concerns of all stakeholders. The character of the organisation’s culture will also shift. The relational culture of the organisation will be more attentive to the gifts of all, and compassionate regarding each person’s needs.  

‘Because of this deeper perspective regarding the nature of business, a sense of patience and a greater willingness to endure hardship unfolds. All of the struggles of business leadership as a form of societal service take on a very different coloration when they are seen from a spiritual perspective. Servant leadership now becomes a reality.’  

In keeping with Delbecq’s point of view, one of the most striking features of the spiritual-based context for wisdom leadership is that the primary purpose of business, and of wisdom leadership, becomes spiritual fulfilment and service to society. Wealth creation is no longer the goal of a business; rather, it becomes a means for enabling and sustaining a broader purpose. This kind of wisdom goes beyond the ‘either-or’ debate between traditional business success and spiritual leadership, as Tom Chappel, co-founder of Tom’s of Maine (a pioneer and innovator in the natural health and hygiene products industry) shared in his 1996 best-seller, The Soul of a Business:  

‘Christian mystics and saints have written about finding the via media – the middle way. The Hebrew prophets often spoke of finding the ‘good way.’ I’ve found the middle way for Tom’s of Maine, where we use our head and heart in planning business strategies.’  

We make room for spirit in the world of commerce. Profit is only a means to the end of fulfilling the company’s beliefs (and) its higher aims: to do good for our customers, to treat our employees well, to contribute to our community, to protect our environment, and in general to tread lightly on the human spirit. If you nurture the soul of your business, not only can you compete with the biggest players in the game, you will add meaning to your work and make a real contribution to society.  

Drawing wisdom from a spiritual context also makes a difference in the level of responsibility that a leader takes towards all stakeholders. Niran Jiang is a former executive with S C Johnson and Coca Cola in the USA; and today she heads the Institute of Human Excellence in Balgowlah, Australia. Her broad view of responsibility for all was developed while she spent her childhood in Inner Mongolia during the Chinese Cultural Revolution:  

‘Spirituality is everything; I don’t put it in a separate compartment. For me, life is life-force, the connection with the universe. I want to contribute what I can in a process of ‘whole system change’ to create a world that works for everyone – not just humans, but for all species, plants, everything that has a soul. And everything has a soul for me. I think this has been an indirect result of growing up in China, where you grew up with a strong sense of collectiveness that’s above individuality.’  

That kind of broader perspective also includes spans of time, as Ramón Ollé, President of Epson Europe, elaborates:  

‘I understand spirituality as the inner part of a human… the most inner part of ourselves.'
Spirituality is really the inner force – not only in the exceptional moments, the super tasks, but also in our daily life.

‘There are certain measures in a corporation that cannot be evaluated in a month, in half a year, or even in a year. Our responsibility as leaders is not about ensuring that the company survives for even the next few years. Our responsibility is to ensure that the company will survive and thrive for the next 120 years. We cannot just pay attention to the short term. When you begin to think this way, you are really entering into the spirit of family, into the spirit of a multi-cultural environment, and into the spirit of humanity as a whole.’

Finally, Nilofer Merchant, founder of Rubicon Consultants and a former market researcher at Apple Computers, gave us this advice about the courage and faith it takes to developing oneself as a spiritual-based wisdom leader:

‘It takes some major changes internally to choose to measure your leadership different than the way the world now measures things. Right now the things that can be outwardly seen and stated on a piece of paper are valued, such as money, title, position, and power. Sometimes you may not even have the words to describe how you are going to measure your spiritual-based leadership; it may be something you actually have to discover over time. It will require a whole new skill development.

‘The upside to all of this is that this will cultivate a true sense of confidence and clarity knowing that you are living in alignment with your values, that you are living true to yourself. You won’t have an inner dull, aching pain anymore. You will have purity and bliss, and a sense of being connected to all things.

‘In the past I had never defined myself as a big risk taker. However, as I have walked the path of becoming a spiritual-based person, I can see the courage that it has taken. To me the greatest definition of courage is to be willing, without any prior knowledge or experience, to take the risk to transform into someone that you have no idea how to become.’

Today’s need for wisdom leadership based in spirituality

The wisdom inherent in the spiritual-based context is based upon a shift from focusing on our relationship with creation to our relationship with the transcendent Source of creation – that Source or consciousness which is the unchanging basis of this phenomenal, temporal world that undergoes continuous change. From this basis of wisdom, business leaders promote the spiritual fulfilment of everyone touched by the business: employees, customers, competitors, suppliers, shareholders, and society. Likewise, business leaders develop selflessness in their service to society beyond their own self-interest, seeing the Source in all whom they serve.

The potential of the spiritual-based context is to bring forth the wisdom found in the other contexts. That is, it can:

1. Fulfil the potential of the paternal-mechanistic context by:
   - Honouring the experience and wisdom of ‘those who have paved the way before us.’
   - Using resources efficiently

2. Fulfil the potential of the humanistic context by:
   - Recognising the essential goodness and work ethic of people.
   - Providing opportunities for individuals to actualise their potential, which includes self-actualisation as well as work abilities and aspirations.

3. Fulfil the potential of the holistic context by:
   - Recognising the interconnectivity of people, nature, and business enterprises.
   - Emphasising the universal nature of principles from which to operate harmoniously and creatively.

4. While offering its own unique wisdom:
   - Focusing first on a relationship with
a transcendental Source of consciousness, within which a relationship with creation finds new meaning

- Basing motivation primarily on selfless service – intending first and foremost to give and benefit the larger whole, with the skill and conscious attention to do this in a sustainable manner

Thus, the four contexts are nested: with the progression outward from paternal-mechanistic to spiritual-based, each completes and expands upon the other:

Ricardo Levy, Chairman of Catalytica, Inc, USA (producers of catalytic inventions for the energy and pharmaceutical industries) underscores this opportunity to draw from spirituality in order to bring the wisdom of all four contexts into business leadership:

‘There is such a need for a complete rebirth of trust in our business leaders. Leaders in business have an important role and responsibility to help society. This is an important time for us to stop and inquire as to what has happened and what we have learned.

‘The very act of seeking to integrate our outer experiences with our inner voice is a key element of spirituality. In difficult moments, we realise that the skills that our ordinary business training provides are not enough to enable us to make good decisions. We are challenged with the need to reach deeper, the need to draw from our spirituality to find the right course.

This ability to reach within ourselves goes beyond our normal mental exercises and capabilities. So it is important to know where your inner feeling comes from. The more you consciously attempt to reach within, the more the quality of your decisions will be enhanced. We have to connect with a much more human universe and be willing to take the time that is needed to make our decisions from this deeply felt inner guidance.’

Where does Levy’s own ‘inner feeling’ come from? He once described his spiritual view of life at a 1½ day forum on Leadership, Values and Spirituality at Harvard University:

‘Spirituality is a deep connection with a force greater than myself; it is a very individual, lived experience that includes both longing and belonging, expressed often and perhaps best through love and compassion.’

Motorola Corporation’s Janiece Webb – who started her career as a night shift worker on the manufacturing line, and ended up as a Senior Vice President having run $3 billion businesses with over 8,000 employees – would certainly agree:

‘Spirituality is very important to me as a person. If ever there’s a time for spiritual leadership, it’s now. You must connect with a person’s soul, at the deepest core. It can sometimes be lonely but you also feel happy and grounded inside. You also embrace your own humanness and imperfections and it keeps you humble as a leader and yet still strong.’

Business executives like Ricardo Levy and Janiece Webb are not the only ones speaking out today about spiritual-based leadership. Top commentators on business issues have added their voice more strongly than ever. For example, Marc Gunther, editor of Fortune Magazine, authored the 2004 best seller Faith and Fortune in which he discusses ‘what the great religious traditions have to teach today’s business people about creating sustainable enterprises.’ His book relates in detail how…

An exciting new model of conducting business is taking hold, not only in small, socially responsible companies like Ben & Jerry’s but inside such bulwarks of the Fortune 500 as
Ford, Citigroup, and DuPont. Bit by bit, almost imperceptibly, this new model is replacing a century-old approach that was rooted in the industrial era and looked at business as a series of discrete, win-lose transactions.’

And that, ironically, brings us full circle, back to management guru Tom Peters. Ten years after Peters wrote in his newspaper column, ‘When talk turns to the spiritual side of leadership, I mostly want to run,’ Gunther boldly asked Peters to review his book. Here is what Peters had to say about _Faith and Fortune_:

‘I arrived at this book as an avowed, vocal sceptic of the ‘spiritually-in-business movement.’ I departed as a...convert.

‘Even cynics should devour this marvellous book. Marc Gunther makes a compelling case that the right things matter – and pay off. Yet he exudes not a dollop of naïveté.’

That ‘conversion’ of Tom Peters is similar to what is occurring with business leaders throughout the world. An experience with Bob Galvin, chairman of the executive committee on Motorola’s Board of Directors, brings this lesson into sharp focus and confirms that spirituality can indeed be a source of wisdom leadership. Galvin once stated to a group of Motorola Vice Presidents that the primary job of leaders was threefold: inspiring acts of faith (‘things are do-able that are not necessarily provable’); spreading hope; and building trust.

One of the VP’s in the audience asked, with some scepticism in his voice, how these values related to the ‘real world of business.’ Galvin replied firmly and forcefully that executives must develop strong character in themselves and others, as well as good technical and financial skills.

Then Galvin concluded with his own proverb for wisdom leadership: ‘Faith, hope, and trust. Theology is very practical business.’

References

2. This definition of wisdom is from the _Merriam Webster Collegiate Dictionary_, 10th edition, 1998
3. Author of _In Search of Excellence, Thriving on Chaos_, and many other business best-selling books
4. For both periods of time, this is approximately double (2x) the compounded, annual growth rate of the average stocks of American companies during these time periods.
7. For more information about these four organisations, and the _International Spirit at Work Award_, visit the website for the _Association for Spirit at Work_ [www.spiritatwork.org](http://www.spiritatwork.org)
9. The quotes appearing in this article from Andre Delbecq, Niran Jiang, Ramon Olle, Nilofer Merchant, Ricardo Levy, and Janiece Webb are based on interviews conducted by the Global Dharma Center for its Spiritual-Based Leadership Research Programme. For more information, see [www.globaldharma.org/sbl-home.htm](http://www.globaldharma.org/sbl-home.htm)