

LEADERSHIP AND ORGANIZATION IN THE INNOVATION ECONOMY

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LEADERSHIP AND ORGANIZATION IN THE INNOVATION ECONOMY

BY

JON-ARILD JOHANNESSEN



United Kingdom – North America – Japan – India – Malaysia – China

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Foreword

In this book, we have developed 45 student reflection tasks followed by some business case letters to help students understand the material in the book and hopefully become better leaders. The student reflection tasks are based on process pedagogy. This means here that the students learn by working with the reflection tasks in the book.

This book represents directly, but most indirectly, a critique of, and part of a drive to replace, goal-driven management and new public management. For at least two reasons, this is a Sisyphean task. Firstly, this is a large and ambiguous field. Secondly, a powerful norm police operating at multiple levels is intent on protecting this technocratic approach to management and control. Perhaps the most significant level of norm police is made up of the “men in suits.” These bureaucratic apparatchiks are strapped into the armor of liberal economics. They will use every means at their disposal to retain goal-driven management and new public management, for reasons including the fact that this type of management logic has served them very well.

We do more than simply criticize: we also introduce a new concept to replace goal-driven management and new public management. Our main hypothesis is that goal-driven management and new public management hamper creativity and innovation, even though they may increase productivity. High levels of productivity are no use if your product or service cannot compete with something creative and new.

New public management is a term that originated in the 1980s to describe the transfer of private-sector management principles to the public sector. The goal was to increase the efficiency of public-sector bureaucracy, which was traditionally managed by senior professionals in the various fields rather than senior management executives. The overriding aim was to make the public sector more market oriented. Various processes were employed to achieve this, including competitive tendering, privatization, unit pricing, internal pricing, the purchase-provider model, etc. The most important technique employed to implement these processes was goal-driven management. There was a general assumption that this type of management had few side-effects.

Since the 1980s, society has undergone enormous change. There has been a transition from an industrialized society, focused on efficiency and productivity, to a globalized knowledge society, focused on creativity and innovation. In this book, our main point is that goal-driven management promotes efficiency and productivity, but hampers creativity and innovation. In order to introduce a new

element that could replace the goal-driven approach with regard to creativity and innovation, we have developed a new concept: strategic innovation management. We clarify this concept in the course of this book, such that the reader will be equipped to apply strategic innovation management in practical settings in both the public and private sectors, as well as in civil society, in order to promote creativity and innovation.

In the four chapters of this book, we describe, analyze, and debate what is demanded of the new leadership role, of employees and of organizations. We also examine what needs to be jettisoned in order to achieve this. The changes that have occurred in the world around us mean that the basic experiences on which leaders and others have based their competence are currently collapsing, or in some cases have already collapsed. This has led to a situation where leaders at all levels, in private- and public-sector organizations, in government bureaucracies and politics, have used their basic experiences and acquired competence without achieving their aims. What they often experience is that they meet a wall. To put it metaphorically, they find that leadership is like shouting in space – no one can hear you and no one changes their behavior.

In this book, we attach particular emphasis to four elements that will replace goal-driven management and new public management with regard to creativity and innovation. These four elements are strategic innovation management, moral courage, prosocial behavior, and curiosity.

We have also included a chapter dedicated to describing and explaining the concepts employed in this book.

Acknowledgments

I am greatly indebted to two Danish professors for their ideas and contributions to this book. Firstly, I would like to thank Professor Svend Brinkmann for his clear views and his courage in asserting them, despite extremely strong opposition from a “norm police” consisting of economists and technocrats. I would recommend his books to anyone interested in the types of leadership roles that are emerging in the new global economy. In particular, I recommend his book *Ståsteder [“Standpoints”]*, published in Danish in 2016. In this book, Brinkmann shows what goal-driven management, performance management, and new public management all fail to measure in their eagerness to count, without understanding what it is that really counts. Brinkmann writes about goodness, human dignity, good faith, the importance of honesty, taking responsibility, love, forgiveness, and freedom. One might ask: What does this have to do with the new leadership role. The answer is simple: EVERYTHING.

I would also like to recommend Svend Brinkmann’s book: *Stand Firm: Resisting the Self-Improvement Craze*, published in 2014. This is not because I agree with everything Brinkmann says in this book, but because he presents an alternative to my own thinking. I am convinced that positive leadership based on the concept of positive psychology, which was launched in 1989, and introduced into organizational theory by Professor Cameron shortly thereafter, is the only valid way to convert today’s leaders from counting machines into individuals capable of taking on leadership roles in the new global economy, where what really counts is often incapable of being counted. In any event, thank you Svend for your commitment and courage. On the other hand, I entirely support Svend’s view that if one is to study leadership, then one must go back to philosophical ideas about leadership, as many philosophers devoted their attention to this topic long before everything started to be about utility, benchmarks, and performance indicators, and leaders were elevated to become the new gods of business.

I would also like to thank Professor Ove K. Pedersen for his book *Konkurrencestaten [The Competitive State]* published in Danish in 2015. Pedersen is Professor of Comparative Politics at Copenhagen Business School (CBS) and has done the field of leadership studies a great service by increasing the porosity of the distinction between political leadership and business leadership. In addition to Professor Pedersen, I would like to mention the philosopher who wrote the best book ever on leadership, according to Peter F. Drucker. To get to grips with this book, one must travel 2,500 years back in time to the era of the philosopher Xenophon. I am talking about his book *Cyrus the Great: The Arts of Leadership*

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and War, which I recommend highly to anyone interested in leadership and who is looking for some historical background to leadership as a scholarly area of research, and not only as a course topic, or as one of the hyphenated management courses that have emerged in business schools in Norway, and elsewhere in the Western world because people have become so obsessed with counting that they have forgotten what really counts.

Last, but not least, I am greatly indebted to the American psychologist Adam Grant. There are two books by Grant that I recommend very highly to anyone teaching leadership studies, as well as to new leaders in the public and private sectors. These are *Give and Take* and *Originality*. If the norm police think that I have aligned myself too closely with Grant, then they are correct. This was my intention because it is crucial to make new leaders aware of his teaching and insights.

I would also like to thank Assistant Professor Siri Hopland for her linguistic input.