



The New Science of Management and Leadership

A CRITICAL OVERVIEW

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Lead people, Manage process. Superperformance Proverb

The organization is an organism. Peter Senge

Not everything that counts can be counted. And not everything that can be counted, counts. Albert Einstein

THE NEW INTANGIBLES

Knowledge and human capital have made a dramatic debut in the millennium economy. Together they signal a critical shift in organizational life to something new and different, especially when it comes to dealing with people. The best of your company's knowledge and human capital walks out the door, everyday, at 5:00PM. These two forms of capital are *intangible*; they have not been a part of the traditional balance sheet. Capturing and increasing the value of *these* capital assets requires a new set of skills. As many have noted, in the information age "knowledge workers" have the leverage. And they carry their means of production with them wherever they go.

The result is that management as a professional discipline is on the verge on a major transformation. While management's famous guru Peter Drucker insisted that management is the organization's single most important "organ," he also declared it is not possible to manage people. Rather, he stated, "the task is to lead."¹ Lloyd Provost and his contemporaries at API teach us that it is only processes that can be managed, and only then through the purposeful application of continual testing and learning.² Esther Dyson drew from the new science of complexity, especially in the area of complex adaptive systems, ("CAS") to characterize this impending transformation through a different lens. The new management acts in a distributed way, as an "immunity," a capacity that everyone can (and should) participate in and practice.³

Superperforming management and leadership co-joins improvement and complexity science to create a new approach that leverages both process and culture *together*. This incredible new paradigm signals a fundamental shift away from a mechanistic view and towards a view of organizations as living organisms.



In living systems individual parts cannot simply be removed or replaced without regard for the complex, nonlinear interrelationships that connect and surround them. Only a view of organizations as organic systems can accommodate this new paradigm. Organisms and ecosystems grow; machines do not.

PRODUCTIVITY OF KNOWLEDGE

Superperforming Management and Leadership has to do with the *productivity of knowledge*, especially as it pertains to increasing customer value and achieving unprecedented performance levels. Productivity of knowledge is driven by the inspiration of people. And people are driven by the opportunity to contribute, the chance for personal growth and challenging work, relationships, community, real involvement in a shared vision, and much, much more. Unless organizations can encourage and affirm these needs, knowledge productivity will not emerge. Human and knowledge capital are interdependent, they reinforce and expand each other.

Not every company will adapt. Nature shows us that as with any evolutionary change, some learn and change while others resist and eventually die out. Some will achieve the high peaks of the new “fitness landscape” while others will sink into a deep valley where the old ways simply don’t work anymore.

TRADITIONAL VIEW

Process **or** Culture
Control of People
Manage People
Authority-Based Power
Mechanics Needed
Trophies Matter
Most Not Engaged

SUPER VIEW

Process **and** Culture
Control of Process
Inspire and Help People
Knowledge-Based Power
Gardeners Needed
Optimization Matters
Everyone “Involved”



LEADERSHIP AS GARDENING

What are the implications for prevailing leadership paradigms? Servant leadership, as described by Robert Greenleaf, is about service to others.⁴ Peter Block suggests that leadership is “stewarding,” helping others to become everything that they can be in service to the firm.⁵ We prefer the metaphor of Leader as Gardener, where cultivating the environment is everything. The productivity soil of the new workplace can be a bountiful soil if tilled with the nutrients of encouragement, gain sharing, and collaboration, or it can easily become a depleted dustbowl. It can become a difficult, withering place, if infected by a culture of win-lose, fear and incivility.

Super leaders inspire people and help them to grow. They are able to engender commitment, trust, teamwork, and extraordinary effort.

MANAGEMENT OF PROCESS

If processes, not people, are the thing to manage, then rapid process improvement is the calling card of the new manager-leader. The ability to document process flows, identify linkages and handoffs, and measure a statistical change has become the *sine qua non* of the new management paradigm. An even more critical requirement is an understanding and capability for systems and statistical thinking. Control, in this new paradigm, is not about control of people. The “control” in this management arsenal is statistical control: control of work. Knowledge for developing small scale tests of change, executing rapid learning cycles, and provoking second order change is essential for the millennium manager-leader.

BABY WITH THE BATH WATER

It's easy to throw out the baby with the proverbial bath water. The New Science of Management and Leadership does not mean we should completely abandon traditional management methods. For example, structure is still necessary and so is hierarchy. In *The Pattern of Evolution*, prominent paleontologist Niles Eldridge shows us that hierarchy is an organic necessity, noting that the only illustration Charles Darwin included in his *Origin of Species* was a picture of a nested



hierarchy.⁶ Hierarchy is a crucial feature in any complex living system, whether rain forest, anthill, or organization.

No manager-leader will be successful in the future without knowing how to improve a process, interpret a control chart, build trust, try something new, manage a budget, or develop a statement of work. These “traditional” management capabilities are of critical importance in the new fitness landscape. But there are also new requirements, such as increasing intuition and sensing, encouraging the emergence of community, dealing with surprise, and modeling the future.

LEAD PEOPLE, MANAGE PROCESS

Lead people, manage process. The New Science of Management and Leadership can be summed up in this simple phrase. For most of us, this is great news. It means that optimization can be achieved through a much simpler approach—one that can be easily adopted and distributed throughout any organization. It means, especially in the area of Complexity Science, that there is important new knowledge to acquire and apply.

Even though making the most of human and knowledge capital requires new management and leadership skills, improvement and complexity science provide many of the necessary tools.



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ABOUT CORPUS OPTIMA

Corpus Optima is a management and leadership coaching, consulting and education company specializing in organizational Superperformance. Corpus Optima leverages the best of improvement and complexity science to amplify process and culture together. These concepts are based on the book *Superperformance: New Profound Knowledge for Corporate Leaders*, by Dave Guerra, co-founder and managing partner. Corpus Optima, founded in 1996, serves a growing list of Fortune 500, prominent healthcare, and nonprofit community organizations. For more information, contact us at 281-893-1845 or email info@copusoptima.com.

