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Authentic leadership and the knowledge economy: Sustaining motivation and trust among knowledge workers

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INTRODUCTION

The end of the twentieth century, immensely influenced by the invention and proliferation of the Internet, defined the blueprint for a new world order in business and management. The Internet and other technological tools altered how organizations and society conduct business. The world population is entering into new dimensions, where geographical barriers are minimized and new cultural values emerge. It is a heterogeneous world, where managing individuals and companies across hemispheres has become a challenging adventure. As a consequence, special leaders are required — leaders who not only possess the skills to manage teams and comprehend the ongoing challenges posed by traditional managerial hindrances — such as motivating, rewarding, and accountability — but leaders who also have to be able to convey their messages in an efficient and trustworthy manner.

As the world wirelessly connects, all world species, human and animal, become part of a quiet revolution of sorts. Today, an individual can comfortably sit in his or her living room in the United States or Australia and become an active participant in the events of the earthquake in Haiti or the slaughtering of whales off the coast of Japan. By keeping a blog, becoming a member of a social networking Web site such as Facebook or Twitter, or even monetarily helping to fund a cause anywhere in the world by using the Internet, anyone can be an activist and join forces with issues of their liking, whether the issues are close to home or far away. The development of the Internet has changed how people participate in society, from dating to shopping, from education to the workplace. Even many years after its development, the Web is still rapidly redefining how individuals, corporations, countries, and cultures operate in the world economy.

Maintaining a global workforce has many benefits for companies, but it also presents challenges not encountered before. Educated workforces, which in the past were traditionally fostered in industrialized nations, are now sprouting from every corner of the world. As Thomas L. Friedman exemplified in his book *The World is Flat*, new competitors from India, China, and the former Soviet Empire are not just walking, but running, onto the flat world field, with an enormous hunger to get ahead by out learning the competition. Friedman suggested that we are witnessing a mad dash born of 50 years of pent-up aspirations in places like India, China, and the former Soviet Empire where, for five decades, young people were educated but not given an outlet at home in which to fulfill their potential. These well-educated young adults, also referred to as knowledge workers, often choose to stay in their home country while working for major corporations headquartered abroad.

For example, companies such as automakers Renault, Volkswagen, and Harley Davidson outsource complex design engineering projects to eager workers in India. Not only do these workers have nearly equal, or better, educational experiences than American workers, but they also have access to workflow software, freeware, and shareware that makes them every bit as competitive and effective as workers in these companies' headquarter countries. Add that to an unparalleled competitive spirit and motivation, and it is easy to see how these workers and a global organizational structure are here to stay. In fact, a recent article in *The Economic Times* reported that the India engineering services outsourcing industry is projected to reach 55 billion U.S. dollars by 2020.

In order to take advantage of a global pool of talent and to effectively compete in the marketplace, companies have begun to utilize technological tools to form remote teams. Cisco Systems released a press announcement regarding an agreement with Bank of America to deploy the largest network of Cisco TelePresence systems to enhance and enable

team collaboration across the globe. The videoconferencing technology allows people in nearly 50 locations to meet at once, and allows companies to take advantage of their existing facilities and data networks.

Indeed, virtual teams are now a part of many companies where team members are often geographically dispersed and may seldom or never meet in person. Because of the inherent challenges presented by this new system of managing organizations fueled by advances in technology, a new set of leaders is required. Organizations need leaders who possess accurate self-knowledge and who are guided by internal moral standards and values, as opposed to those who base behaviors on external forces such as peers, organizations, or market pressures when contronted with difficult ethical challenges.

Organizations in the knowledge economy require leaders who promote positive relationships through disclosures, including openness in terms of information sharing, accountability, and honesty, and leaders who objectively analyze relevant information and solicit views from others — including those they lead — before making decisions. This is because leaders of knowledge workers may have limited face-to-face interactions with workers, all the while needing to instill the enterprise's message and to harness their teams to accomplish common goals by transcending electronic limitations, physical locations, and cultural differences. Moreover, such leaders have to convey their views, values, creed, and objectives to their knowledge workers with the same effectiveness as they would were the employees physically present, but with the added challenge of not easily being able to transpose their individual leadership personalities, energy, psychological abilities, and charisma.

EXEMPLIFICATION OF AUTHENTICITY

The study of leadership has developed many concepts throughout time — from toxic to charismatic or transformational, Theory X to Theory Y, unethical to servant, leaders are generally segmented in numerous theoretical and practical concepts. For example, leaders described as charismatic or transformational focus on inspiring and engaging followers as the means to attain organizational goals. They inspire and engage their followers by activating their higher order values such that followers identify with them, feel better about their work, and perform beyond expectations. Servant leadership emphasizes leaders' primary duty as giving priority to the needs of their followers. Such leaders have been described as individuals of character who put people and organization stakeholders first, are compassionate collaborators who de-emphasize leader glorification, and exercise high moral authority. Ethical leadership, on the other hand, demonstrates high ethical standards, as well as fairness, respect and trust, and actively tries to influence the ethical behavior of followers by communicating appropriate standards, modeling ethical conduct, and rewarding ethical acts.

The study of *authentic leadership* elevates leadership segmentation to a new height; it takes into account the person who is the leader as an individual style that is inherent in each person. Specifically, authentic leadership encompasses these aspects of leadership constructs, but goes deeper, examining not just the behaviors associated with the leadership style, but leaders' ability to know themselves and to use this knowledge to learn with and develop their followers. As Rob Goffee and Gareth Jones state, "authentic leaders seem to know which personality traits they should reveal to whom and when." These authors argue that because authentic leaders are highly attuned to their environments, such leaders rely on an intuition born of formative, sometimes harsh, experiences to understand the expectations and concerns of people whom they seek to influence. John E. Pepper, who formerly served on the board of directors of The Procter & Gamble Company, in a speech to students at Brigham Young University, said that authentic leaders are faithful in their actions to their most important core values, to their promises, and to their words.

Goffee and Jones further suggest that authentic leaders retain their distinctiveness as individuals, yet they know how to win acceptance in strong corporate and social cultures and how to use elements of those cultures as a basis for radical change. Authors Avolio, Gardner, Luthans, Walumbwa, and their colleagues agree and describe authentic leadership as a synergistic pattern of leader behaviors that exhibit balanced processing, internalized moral perspective, self-awareness, and high levels of relational transparency, which they argue results in self-regulated positive behaviors on the part of leaders and associates, fostering self-development.

Dimensions of authentic leadership. Avolio and his coauthors use the term *balanced processing* to describe a relatively unbiased form of information processing that is less susceptible to denials, distortions, exaggerations, and/or ignorance regarding one's personal experience, private knowledge, and external feedback on the self. Hence, authentic leaders are presumed to be free of the need to engage in ego-protecting biases that distort the process of self-relevant information. Stephen R. Covey popularly quotes an anonymous source for saying, "When man found the mirror, he began to lose his soul." In other words, some people are more concerned with their image than with their true selves. Success and effective influence can be hard when individuals lay their egos aside and listen to the consciousness inside them that allows them to process information from a more holistic perspective.

Internalized moral perspective is used to refer to leader behaviors that are guided by internal moral standards and values, as opposed to those behaviors based on external pressures such as peer, organizational, and societal pressures. When confronted with difficult ethical dilemmas and challenges, leaders who are higher in moral perspective are expected to think and behave in a more pro-social and ethical manner, as they tend to act in line with their highly developed value structures. Robert C. Gay, formerly of Bain Capital, said, "Honoring conscience, not conformity of thought or tradition, is what matters." Leaders will be faced with tough choices, but it is those who are brave enough to make the right choice in the face of adversity who will rise above others.

Self-awareness refers to the extent to which a leader possesses accurate self-knowledge and demonstrates that he or she is cognizant of his or her impact on other people, and it is expected to result in higher levels of self-understanding, which can enhance the leader's capacity for leading and developing followers. Indeed, according to Peter Drucker, "Success in the knowledge economy comes to those who