



## Leadership Skills of the New Millennium

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No one needs to remind corporate veterans that the nature of today's business environment is dramatically different from what has previously been experienced. Professionals and students are enrolling in training programs in the hope of learning leadership skills to help them compete in today's environment.

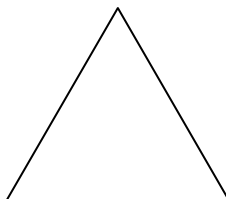
However, in order to translate leadership skills into a competitive career strategy, we need to understand how organizations are evolving and what they may look like in the next century.

Dr. Albert Vicere, business professor, author, lecturer and business consultant states, "To be successful in the workplace of today and tomorrow you must be able to influence people that you have no direct control over." Vicere should know. He spends the majority of his time consulting corporate giants such as IBM, Anheuser-Busch, Hewlett-Packard, Mercedes Benz, Amoco and McDonalds.

What Vicere sees is the evolution of an organizational structure in which leaders no longer manage and grow their organizations by control, but manage and grow them through relationships, trust, and communication.

## Organizational Evolution

Through the 1970's corporations were organized to look like this:



A tall steep pyramid organized around clear lines of authority, narrow spans of control, total vertical and horizontal integration. This model implied that you wanted to own more assets (supply chain) than your competition. The theory being that if you owned more of the supply chain than your competitors you could control the market and control the price of your product and services.

Through the 1970's corporations made millions using this organizational model. Then two major developments happened.

## Globalization and High Technology

Globalization and high technology created problems for American businesses. Suddenly the economy went global. On top of that more and more businesses started using computers, electronics and robots. The first companies to experience global competition and the impact of technology were in the steel, auto, machine tool and electronics industries. Others soon followed. Suddenly these industries began to realize that the way they were organized was too expensive and too slow to react to market changes. They began to lose money. This led the drive to reduce costs. American managers did this by getting rid of people, "down sizing." The prevailing organizational structure however was still a pyramid and hierarchical in nature. Workers at the bottom and managers with authority were at the top.

## The Shadow Pyramid

According to Vicere, today's successful companies have evolved into an organizational structure that looks more like this:



These companies are organized around a set of core competencies. They focus on what they do better than any one else in the world. They are flat but focused. Which gives the traditional pyramid structure its witch's hat look. Today's successful companies look like this:



This is the Shadow Pyramid. It is the new virtual corporation of the 21<sup>st</sup> century. The two small pyramids on each side of the witch's hat exist outside the organization and are where the joint ventures, strategic alliances, partnerships, outsourcing, contractual and temporary employment take place. In this structure lower to mid-level managers are being thrust into decision-making roles as they interact with similar managers outside their organization. This is where the ability to influence others, that you have no direct control over, is critical.

The shadow pyramid model has changed the rules. Vicere states that, "The key to success isn't contained in the power of the organization anymore. The key is the ability to manage relationships and work well with others!"

## **Key Leadership Skills of the 21<sup>st</sup> Century**

**Boundaryless Thinkers.** One must think beyond the status quo. Critical skill sets needed include the ability to see the big picture, an openness to new ideas and the willingness to look beyond oneself for capabilities and resources.

**Network Builders.** This means finding and linking with complementary partners. Critical skill sets needed include a firm knowledge of our own value and uniqueness and the ability to recognize others' value and uniqueness.

**Diplomats.** Developing the skills to manage networks requires the ability to relate, to communicate, and to negotiate with a diverse group of people.

**Interpreters.** This involves helping people see the benefits of working together by bridging communication gaps. Critical skill sets include a solid knowledge of business, a broad knowledge of the marketplace and the ability to influence others.



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