

# Chapter 1

## Finding your place of impact

*Globalization challenges you. Stimulates you to move around, looking for opportunities. But you still need to be present if you want to have an impact. Leaders choose wisely where to spend their energy. But how and what do you choose?*

**K**nowledge is often unspoken, hidden – the experts say knowledge is tacit.<sup>i</sup> What you know can't always be spelled out. You may not know what you know. You may have too many things on your mind, or too much information in front of you. In short, there are many reasons why knowledge is sticky. A Norwegian aphorism claims that experience is embedded in the walls of the institution. Only by spending time inside the same walls do you access it. Moreover, once you are inside the walls your thinking is constrained. You speak from a fixed position.

By the same token, both the physical and metaphorical walls are the perimeter of what you know, what you can do and say. Certain things are not said. The walls also insulate you from the outside. Public institutions and also larger corporations all have infrastructure. The walls or buildings provide reminders, containing symbolic power. Suffice to think of the Pentagon, the UN, or the Eiffel Tower.

Knowledge is embodied.<sup>ii</sup> It usually resides with a person and can only be expressed by that person. Moreover, knowledge is ephemeral, occurring in the blink of insight, only to become irrelevant if it is not picked up there and then.<sup>iii</sup> Very often, business knowledge older than six months goes cold and loses much of its relevance. This is certainly true of social networks. Know-how activates when people meet and tasks need to be accomplished; if not, it dies.

Knowledge is produced by combining things in ways that seem a bit odd. From there, you try to convince others that there is some common ground. The Japanese have a name for it – *ba* – a common space for action where participants feel safe and exchange insights that are “actionable.”<sup>iv</sup> The Japanese management scholar Nonaka used *ba* to describe the innovation that occurred within the Sony Corporation in the early 1990s. Knowledge thrives only if there is a culture fit for it to thrive.

Knowledge needs networks, but networks are just a potential. To put networks to work demands the actions of motivated workers. Innovators must meet each other daily in order to explore and pitch ideas. Successfully persuading someone and finally “freeze” a loose concept into a meaningful picture (what psychologists call a gestalt), is the only way an idea can become a reality. The final phases of negotiation are nearly always offline. Wherever there is dissent, the real life cues of body language, the ability to move around freely, pop into each other’s offices to mobilize resources or discuss a matter at hand, the talk by the coffee machine – all trivial things become important. Good decisions are made only when there is trust. Trust can only occur when we relax and let go of our fears. Yet, it is the essence of knowledge.

In IBM, on any given day, only 60 percent of the workforce reports to a traditional office.<sup>v</sup> The rest work from home, at client sites, or are constantly in transit. Studies of economic activities between world cities like New York, London, Tokyo, Frankfurt, or Singapore over the last decade show increased inter-organizational activity and networking. The Spanish sociologist Manuel Castells has described the last decades as an evolution into a “network society.” This society has ever more computerized work processes. Employees travel more. Electronic flows enable the exchange of information through and between large cities. Information goes through the Internet, but also through corporate Intranets and other elite information networks. These enable access, communication, and action across great geographical distance.

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The flipside of a nomadic workforce is a lack of influence over matters that require sustained interaction in one location. If nomads float on the top, they lose that influence. Meanwhile, their managers struggle to hold together teams, projects, and companies.

### **Globalization from below**

There is quite a flow of people, technology, culture, and capital across borders these days. This is what we can observe. However, while the material foundation of social interaction is increasingly mobile, so to speak, the physical encounters between the elite are still important. Are physical places becoming less important?

Flows, especially electronic flows, enable elites and cities to grow in number and importance. The result: a world that will one day function like one, globally networked

space in which people are only relevant because of their links.<sup>vi</sup> Will that happen? The process will take time

## **Placemaking – activating your surroundings**

While it looks like these flows are what matters, there is actually something else going on. People are engaging in what I will call placemaking<sup>vii</sup>. Placemaking is a generic human process. People take in a subset of the possible impressions that are around them and make them their own. Speaking, convincing others, we establish facts and make changes around us.

Placemaking is very physical, as the three people I now discuss will reveal. Chen, 35, is a fashion designer from Singapore. His usage of shopping online is radically different from Julia, 40, a venture capitalist in New York City. Fatima, 16, a schoolgirl in Zambia, could not even dream of shopping at all. To Fatima, the Internet exists to learn about other countries and gain access to books. She wants to grow up to feed her extended family of 15. To Chen, the Internet is all about comparing images of designer fabrics and styles from across the globe to his own designs. To Julia, it is a tool she uses to benchmark possible investments and background information, so she can decide which start-up to invite back for lunch the following week.

The place-making process has three stages: First, like Julia on Wall Street or Fatima in a Zambian school, you need to expose yourself to a site where key things occur. Second, you take part in negotiations (“stirring up”) between ideas, meanings, and designs. Fatima cannot merely sit there if she wants to make a difference, learn fast, and develop a drive. Chen knows that too, because his team needs to produce his designs. Julia cannot convince the rest of her team that her analysis is correct and better than her more experienced colleagues. Third, you contribute to “freezing” one chosen approach. You attempt to establish boundaries and consequences. The result is what becomes a concept. However, if Chen gets an idea while taking a shower, that idea is worth nothing unless he successfully pitches it to someone and they act on it.

Knowledge work does have elements of silence and concentration, of freedom to think. But eventually you need to enter into intensive dialogue in order to convince others. Then, you need to pause in order to reflect on the impressions from others. In the middle, there is a constant flow of communication that you need to ignore, but still be able to pick out the bits that require your attention.

Julia lives in New York, works on Wall Street, and interacts with people and computers in a very narrowly defined physical space in lower Manhattan. What matters to her is what matters to those people with whom she shares her profession. She is, of course, watching consumer trends across the globe, but everything is interpreted within her context. Whatever is brought to her attention, and convinces her and the others, counts in her decision-making, everything else does not. In Zambia, for the most part, design is out of scope.

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Throughout the 1990s, many companies abolished offices in favor of open spaces. They got team offices instead of individual offices, brought in gourmet food, and focused on providing flexible kitchen facilities and common lunch rooms for their employees. They provided more and more basic services. Laundry, shopping, and Kindergarten can now be found on the corporate campus. They even endorsed leisure activities as part of the workday (such as ping-pong, running, and cultural activities).

Why did they do all this, if all is moving electronic? Why do this if innovation could be measured in Web links? Do they miss the social life that everyone else enjoys? Could it be that they compensate for the loss of meaning in their work?

The average American workweek has gone from 40 to 60 hours in just 20 years. In 1998’s *The Corrosion of Character*, cultural sociologist Richard Sennett wrote about the personal consequences of losing our lives to businesses that demand more hours than ever before.

Loyalty is lost at the promise of an artificial type of freedom – that of choosing which employers get to drive you to the maximum – until you collapse. Corporations are nowadays taking over functions that previously were handled by the family, the welfare state, the police, or other basic institutions of society. Is that healthy?

Choose your employer wisely. Business culture can make the difference between a sustainable or an unsustainable **company**. If one were to study old-economy companies like General Electric, one could conclude that keeping core values and changing specific goals and strategies is part of the same game.<sup>viii</sup> Look at the best employer rankings and figure out what counts the most for you.

## **Leading knowledge work**

Knowledge work consists partly of non-social practices essentially aimed at isolating oneself (e.g., thinking, concentrating, etc.) and partly of social practices (e.g., thinking, pushing, and pitching). The knowledge work process, if you wish, comprises several steps.

First, you try to make sense of things around you – your thoughts and ideas – and the tasks you are given. This step happens not only during billable hours in your office or with a customer, but also it occurs at home, when traveling, in cafés -- in short, also on your free time. Technology is seldom the only driving force in this process; it’s merely one element for you to consider.<sup>ix</sup>

Second, you mobilize your own energy, acting upon your insight, trying to convince others, and setting out to create and establish facts. In fact, what we regard as true is based on knowledge we trust -- and nothing else.

Third, there is the step where you design the final format of the paper, the speech, or the product you are making. In this final step, you write out the “manuscript” for

someone else to act upon, your instructions for use. If you are a designer, you try to let the instructions be “invisible” and self-evident from seeing the product itself. If you have taken enough care to think of the customer, he or she will use it the intended way, otherwise not.

In a famous case of folly, development workers brought electronic lamp devices to an African country only to realize that there were no replacement parts on the continent. The product was clearly designed for a society with larger product supply. All products are designed for a purpose.

If you are reading this book, you are likely to have a house or an apartment you call your own, whether you actually own it or not. Humans tend to produce meaningful attachment to people, places, and objects in order to feel safe and to feel they are in place, at home, and at ease. Placemaking activates those otherwise ephemeral knowledge bits. Through our pitching initiatives and efforts, talking about it, we convince people and stabilize things around us. Psychology is clear on the matter – control is a human need. Leaders understand psychology, while managers do not.

<b>Leadership from below</b>	<b>Lesson #1</b>
<b>Be present where knowledge is found, products are made, and markets are shaped. Re-shape those surroundings and make the most out of every situation. Look around you and do what successful peers do.</b>	

<sup>i</sup> The notion of tacit knowledge was first explored by the philosopher Polanyi back in 1966.

<sup>ii</sup> The French sociologist Pierre Bourdieu was among the thought leaders of the 1990s bringing the notion of embodied knowledge back in to social science. He built on French philosopher Merleau-Ponty who argued body always expressed our perception of things around us. For more insight, see Bourdieu (1996) in the bibliography.

<sup>iii</sup> A full theory of knowledge work is found in Trond A. Undheim, *What the net can't do*, Trondheim, Norway, 2002 [Ph.D. thesis], available in full text at: [http://www.hf.ntnu.no/itk/ikon/tekster/Undheim\\_STS55\\_2002\\_NET.pdf](http://www.hf.ntnu.no/itk/ikon/tekster/Undheim_STS55_2002_NET.pdf)

<sup>iv</sup> The first to popularize the Japanese philosopher Nishida's notion of Ba was the Japanese management scholar Nonaka in 1996.

<sup>v</sup> Source: IBM Global Innovation Outlook (2004).

<sup>vi</sup> Castells, 1996, op.cit.

<sup>vii</sup> Our inspiration for the place making theory is found in the works of classical sociology, especially Durkheim (1911), as well as the French phenomenologist Merleau-Ponty (1945), and the contemporary scholars Latour (1999), Hannerz (1992), Bourdieu (1996), Lie & Sørensen (1996), and Berger & Luckmann (1967) as well as among Gestalt psychology theorists of sensory perception who discovered 'insight' learning. A more elaborate version of the place making theory is found in *What the Net can't do*, Trond A. Undheim, STS-report 55, Trondheim: NTNU, 2002, the Ph.D. thesis of one of the authors, op.cit.

<sup>viii</sup> *Built to last* by Collins & Porras, 1994; *Good-to-Great* by Collins 2001

<sup>ix</sup> For more illustrations of how technology is introduced into everyday life – and domesticated – see for instance Silverstone 2000; Sørensen 1998; Undheim 2002 in the bibliography.