

Harmony in Economic Transformation

Rowland Chen



The Segregation of Work

The Integration of Knowledge

Economic tides are shifting. Industries based on physical assets are losing the economic high ground to industries based on intellectual assets. We are in a time of massive, large-scale change and transformation – a transformation where we have one foot in the manufacturing age and one foot in the information age. Major changes drive our transformation including the deployment of advanced technologies, the emergence of true global enterprises, and the uncertainty of the world’s political environment.

Different strategies and operating methods are required for maximizing economic value in the information age than in the manufacturing age. The tried and true method of the manufacturing age is the segregation of work, also known as the division of labor spearheaded by Henry Ford’s assembly line. As we accelerate through the information age, time will show that the segregation of work is no longer the ideal method for maximizing economic value. In the information age, market leaders will successfully integrate knowledge through collaboration, utilization of transparent information technologies, and the leverage of strategic resources in a firm’s value network.

During the present transformational era, we have a duality of mission given the duality of existence in both the declining manufacturing age and the emerging information age. The integration of knowledge must coexist with the segregation of work in order to achieve true maximization of economic value. Senior executives must lead organizations into a new paradigm of information transparency, shared accountabilities, and communal benefit yet balanced within a culture which still values individual excellence.

Transformations do not just happen. Leaders must manage their organizations through the uncertainties. Especially now in an era of mass consolidation, downsizing and restructuring, senior executives run the risk of rushing to a false safe harbor promised by the operating models of our past.

What is your current operating model and where is it headed? How many of your people work in segregation of one another? How many collaborate and contribute to the integration of knowledge? How will you manage harmony between the segregation of work and the integration of knowledge? Where do you find equilibrium? How do you spend *your* day?