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## LEADERSHIP CHALLENGES IN GLOBALIZED ECONOMY

*The presentation profile of this papers focuses on leadership challenges in the 21<sup>st</sup> century. Leadership provides foundation for sustainable competitive advantages in the constantly changing global environment. As a catalytic force and motivator for managing knowledge and capabilities, leadership provides the context in which employees create knowledge and influence the levels of creativity and innovation in the organization. It is a great stimulus in building the information networks provided by human asset, relationship network within the organization, nationally and internationally. As a «social capital», its encashment is the essence of leadership. The paper discusses diverse aspects of leadership including those especially applicable to educational / academic institution and / or Business School.*

### Introduction

Leadership is generally viewed as a set of skills and functions executed skillfully and not only as a set of personality traits. Accordingly to Venu Srinivasan, Chairman and Managing Director, TVS Motor Company «leadership is seen as a three-pronged situational or contextual variable». «It is as much dependant on the nature of the people being led, their culture, background and expectations, as on the task or situation at hand and the leader as a person». Management itself being a function of the situation and more so in the context of changing environment, leadership has to take note of businesses being affected by globalization, liberalization, technology in general and information general in particular. Also, all businesses are a function of changing economic, social,

political and workforce environment resulting into constant churn, competition and change. Consequently incremental change is not sufficient in the organization. The organizations need to change continuously and have radical transformation many times over and not just once or twice. The topmost task challenge before the leader is «how to put the organization along permanent transformation track», As Alvin Toffler said:

«The illiterates of the 21<sup>st</sup> century will not be those who cannot read and write, but those who cannot Learn, Unlearn, and Relearn».

### Problem Description Some Key Challenges

Both the organizations as well as leadership are facing infinite challenges today. The real need of

the hour is from «*Vision to Execution*». This requires new kind of leader in their millennium who needs the ability to deliver flawless execution rather than having the ability for creating only a shared vision. The Real Mantra for successful leadership is «*competitiveness*» especially with the advent of WTO enabling equal access to the world market including the Education and Training Sector. It is important to note that the process of change implies larger burden to the extent of even 90 per cent on leadership and the remaining 10 per cent on management. The entire corporate globally and educational institutions in particular need effective leadership having multiple traits:

*Energy, Enthusiasm, Warmth, Integrity, Intelligence, Persistence and Perseverance*, although the presence or absence of traits does not by itself signify leadership. Therefore, what kind of challenges are facing leaders today is a matter of great interest and debate all over the world. The key challenges listed here are only illustrative and not exhaustive.

- **People Count.** The organizations need passionate, trusted, committed and emotionally and intellectually charged team to execute the most forward-looking vision and strategy. Leaders should not focus only on people who are just high fliers, But on «Stayers» who follow the rules, make significant intellectual contributions and implement rules diligently. They need to build bridges between different cultures and geographies to get premium on globalization. The focus should be on producing Global Managers rather than on Local Managers having the mindset for building and nurturing a value-creation mindset calling for inter-disciplinary learning and knocking off barriers between departments, businesses, functions and academic-industry organizations.

- **Redefining Leadership.** Refining and redefining the notion of leadership for changing times continues to be a *critical issue*. Change environment with entrepreneurial spirit rather than with institutionalized systems and formal checks and balances stifle leading to slowing things down and rejecting new ideas and looking out for vital opportunities. The recognition of heterogeneity through leadership transformation (charismatic leaders who provide individualized consideration and intellectual stimulation) is the need of the global industry. Like the winning cricket team which needs fast bowlers, spinners and wicket keepers, only the heterogeneous mix of people helps the process of change.

- **Global Skill Set.** Working in multi-cultural environments requires leaders possessing the glo-

bal skill-sets far beyond language skills or social etiquette and attuning thousands for multi-culturalism premised on tolerance and respect for unique cultures, which differ vastly from what one may have learnt. Hence the change in Leadership style for successful implementation of mergers, acquisitions and collaborations involving peoples hearts and minds coming together and coalescing their values and cultures.

- **Mind Your Mind.** The need is to identify leadership gaps and nurture it at all levels and for young and emerging leaders and offering them role models for leadership with utter sense of humility to recognize wrongs and responding them accordingly. We need to focus on global leadership and creation skewed towards harnessing technical and managerial knowledge to the utter neglect of soft skills and attitudes. The protection of institutional culture and value system in an endeavor to achieve results should be the focus of new leadership style to mind the changing environment all over the world.

### Leadership Success Stories

Numerous success stories of corporate and other leaders may be described. However, a few movers and shakers of India Inc present the new age management mantras in terms of *What Defines Today's Successful Global Leaders?*

«**Don't have attachment to the outcome, just do your job; don't bother about what they think of you**». *Sam Pitroda CEO, World Tel.*

«**I interact with people from my heart. I build relationships of trust - they are my biggest strength. I am never arrogant. I care for my people, they have made me successful**». *Brij Mohan Lall Munjal Chairman, Hero Honda Motors Ltd.*

«Spent 60 per cent of time in meeting, talking, identifying, selecting and placing executives to lead his/her businesses». **Jack Welch Former CEO, GE**

«*Mittal going strong as Steel*».

**SONIA NOMICS: The Return of New Grand Old Party (GOP).**

**NEW AVTAR: Sonia Gandhi as Chairperson with Dr. Manmohan Singh as CEO.**

How well is the Chairperson-CEO model?

«**Insulates policy-making from a lot of political pressure. And it leaves the party free to chart a political agenda unencumbered by the daily chores of running an administration**».

**SONIANOMICS: Seven new habits that rule the GOP boardroom**».

• **Be Cool:** Impulsive action, *à la* Indira is out. Calculated decisions are the in thing.

• **Talk to People:** Consult colleagues on every issue, don't act unilaterally.

• **Be Prepared:** Listen carefully, takes notes, be prepared with facts and arguments.

• **Don't Rush:** Many things resolve themselves even without action, be willing to wait for events to unfold.

• **People Matter:** Analyze the impact of every decision before acting. Give weight age to things that affect more people.

• **Stick to Principles:** Never lose sight of basic principles, however tempting it is to deviate in the short term.

• **Act Firmly:** Once you have decided what to do, go ahead and do it. Face up to the consequences.

### Leadership Myths

The American Management Gurus (Experts) and Authors describe leadership as:

Stephen P. Robbins: *«the ability to influence a group toward the achievement of goals».*

Harold Koontz: *«the art or process of influencing people so that they will strive willingly and enthusiastically toward the achievement of group goals».*

The 21<sup>st</sup> century organization and leadership as conceptualized by the well known Indian Management Guru Dr. Dharni P. Sinha, Chairman, the Consortium of Strategic Management and Organization Development (COSMODE), Hyderabad is:

*«The organization in this millennium will be a community of individuals, not a pool of Human Resources. Individuals will not be given authority; they will have to earn it. And Leaders will be those who will not receive power from position or election but through competence and commitment. Leaders will those who will make things happen, prove themselves in time and space, and are skilled enough to handle virtual reality». They will be confident and trusted, exuding belief in themselves, showing respect for others, with passion for excellence. These will be key characteristics of emerging leadership to face the challenges in the global world.*

The broader context of leadership dynamics «Leadership from Within» is provided a thinker and philosopher in Management - Dr. Deepak Chopra.

*«A leader is one who takes control, is responsible for other people and has the ability to influence the attitudes, thoughts and actions of followers by motivating them to venture beyond their basic job descriptions, drives the mission and vision of the organization and has the ability to touch*

*the lives of each employees». According to him, «Sum and Substance of Leadership is Leading from Within. Managing others begins with managing yourself if you can manage your ego; you are better qualified to handle others. Otherwise think again».*

Yet another view from Shantha Sinha, who won the Ramon Magasay Award 2003 for community leadership:

*«Leadership is all about taking that step forward. We need to create new moral spaces. We need young leaders who will transform India with their energy. The youth needs to be inspired. It is about having self-worth and self-confidence».*

**«IT IS ALL ABOUT CONFIDENCE, GUYS»**

The internationally known technologist Sam Pitroda says **«WHO IS A LEADER»;**

*«Leadership is a process of inter-personal interaction; it is not a personality trait. Leaders inspire people and people inspire leaders. It results in extraordinary performance».*

The industry joint Munjal says that leadership is about being consistent, not clever:

*«I do not believe in complicated management jargon. Leadership is all about simplicity and trust. We win with common sense and conviction».*

**And finally Sonia Gandhi has shown us that «Sacrifice is the most valued quality of a leader».**

The last 50 years have been flooded with new theories of leadership such as:

- Charismatic Leadership
- Wisdom Leadership
- Transactional Leadership
- Transformational Leadership
- Integrative Leadership
- Visionary Leadership
- Value-based Leadership
- Strategic Leadership
- Autocratic Leadership
- Paternalistic Leadership
- Military Style Leadership
- Benevolent Leadership
- Change Leadership
- Knowledge-driven Leadership
- Participative Leadership
- Academic Leadership

The need for a New Paradigm leadership is to meet the visible change in organizational and institutional character in the new millennium.

### Leadership Skill Matrix

The New Economy needs New Leadership beyond the dot.com bubble and the internet: the real change agent to market place and the businesses

that compete in it. The challenges for leadership / CEO's success could be categorized into two main groups, viz.

#### CEO TECHNICAL SKILLS

• *Ability to develop and implement business strategy*

- *Operational management skills*
- *Understanding of emerging technologies*
- *Ability to create and manage alliances*
- *Vertical industry knowledge and experience*
- *Understanding of capital markets.*

#### CEO MANAGERIAL SKILLS

- *Communications Skills*
- *Integrity*
- *Vision*
- *Ability to coach and mentor*
- *Creativity*
- *Lifelong learner*
- *Risk taker*
- *Passion*
- *Maturity*
- *Empathy*

The emerging digital economy requires the above managerial styles or traits are a must for successful leadership especially at the top level.

#### Leadership Lessons

The overview of changing global environment is itself suggestive in terms of leadership challenges. The need of the hour requires effective leaders with the traits:

- Energy
- Warmth
- Integrity
- Intelligence
- Persistence
- Enthusiasm
- Endurance
- Imagination
- Innovation
- Ability to change gears with changing times
- Competence
- Charismatic
- Learners
- Thinkers
- Doers
- Decision takers
- Discoverer
- Positivist

Several top industry CEOs have expressed their views about Leadership Secrets which are summarized below to show that different styles of leading:

- Turning Point
- Execution is Key
- Lead by Example

- Believe in Winning
- Create More Leaders
- Defining a Leader
- Leveraging People
- Establish A Vision
- Think Ahead
- Perceptive Leadership
- Lead, But Let Go
- Motivation Pays
- Be a People's Person
- Managing Expectations
- Leading By Caring
- Leading by Delegation
- Believe in Winning

**The Best Example of Leadership Application is that «Effective Teachers Attract Students Like Magnets»** provided they deliver and are:

- Market-friendly, trendy and a Good Communicator
- Prepare their lectures and have subject knowledge
- Teach with enthusiasm and commitment
- Classroom communicators
- Interest Generators
- Caring
- Helping
- Value Addition
- Right Attitude
- Motivated Trainers with multiple attributes
- Problem Solver

This is the message for Academic Institutions, Business Schools and Industry Leaders that «Leaders are teachers and not Preachers». They should believe in having a clear sense of direction and businesses and organization they are leading. They should have measure adaptability with the knock for motivating people. They should themselves be learners, thinkers and doers and concerned with outcomes and results. The most important attribute should they hold themselves accountable and set an example for others by taking responsibility and credit to teams rather than taking themselves. They should bring a difference in the organization they lead. Finally, they should be tolerant of diversity, unafraid of other people's strengths and generous with appreciation and praise of others.

#### Conclusions

It is not easy to conclude on such a topic but the changing environment very much demands a Possible Approach of «Management by Walking Around» rather than «Bossing Around» from the ivory chamber. This is the key message for meeting Leadership Challenges of multicultural one world today.

Гупта П. К.

## **ВИКЛИКИ ЛІДЕРСТВУ У ГЛОБАЛІЗОВАНІЙ ЕКОНОМІЦІ**

*Статтю сфокусовано на проблемах лідерства у 21 столітті. Лідерство забезпечує основи для стійких конкурентних переваг у глобальному середовищі, яке постійно змінюється. Як каталізатор та мотиваційний фактор управління знаннями та можливостями лідерство формує середовище, у якому працівники створюють знання і мають змогу вплинути на рівень креативності та інновацій в організації. Це значний стимул у створенні інформаційних мереж за допомогою людського потенціалу, національної та міжнародної мережі взаємовідносин в організації «Соціальний капітал». Ключовим унеском лідерства є формування ним «соціального капіталу». У статті аналізуються різноманітні аспекти лідерства, зокрема прикладного характеру в освітніх / академічних інституціях та / або бізнес-школах.*