



## PERSPECTIVES ON THE NEED OF DEVELOPING NEW LEADERSHIP SKILLS FOR THE LEADERS IN THE NEW BUSINESS ENVIRONMENT AND ORGANISATIONS

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### **Abstract**

A new world order is emerging by way of coalitions, power centers, alliances and people to people contact based primarily on economic considerations. Accordingly, the business conducted by global organisations call for a fundamentally different kind of leaders. The author highlights the qualities for the new leaders of the new business environment and organisations. He stresses the need for developing leaders and gives a conceptual model for skill development. Leaders of the new business environment and organisations should give emphasis and practice the qualities of decisiveness, awareness, focus, accountability, empathy, confidence, optimism, and inspiration for an effective and efficient functioning. He concludes that the leaders of new business environment and organisations should understand that their actions speaks better than words and thus they should set personal examples so that the followers always say that their leader is having genuine concern for them and about the organisation.

**Keywords:** *Transformational Qualities; Personal Qualities; Skill Development.*

### **Introduction**

Twenty first Century will be the 'Century of Change' fuelled by the breakthrough in technology, telescoping space and time. The fundamental challenge facing in the twenty first Century will be meeting the needs of consumers and stakeholders. Globalization phenomenon of the new century has paved new partnerships, creating complex groupings between countries, businesses and people. A new world order is emerging by way of coalitions, power centers, alliances and people to people contact based primarily on economic considerations. These have thrown up leadership challenges in the business environment. The evolving nature of business conducted by global organisations will also call for a fundamentally different kind of leader. Leaders of the new business environment and organisations should give emphasis and practice the qualities of decisiveness, awareness, focus, accountability, empathy, confidence, optimism, and inspiration. Demonstrating flexibility and empathy, while remaining true to the core values of the organisation and finding ways to circumvent unpredictable impediments, will be the characteristics of leaders in the new business environment and organisations. They will be leaders who are inspirational; technologically savvy but not prime to getting lost in details; entrepreneurial; devoted to service, and inclusive rather than independent or autocratic. Leadership development is a career long interactive process that involves professional experience, formal training, education, self-study, assessment and reflection. Supported by research, it has been established that leadership can be developed over a period. The evolving nature of business conducted by global organisations' will also call for a fundamentally different kind of leader.

### **Need for New Leadership**

According to Abraham Lincoln, 'the best way to predict the future is to create it'. The organizations' must behave differently in the next century, and will require new leadership. The leadership is attracting a lot of attention. Organisations have realized that it is the most significant competitive advantage. The need has been there for rethinking on the concept of leadership. The present Century requires great leadership. Thus the need for effective leaders in large numbers at all levels in all organisations exists. Everybody can lead at every level and should be good at leading, whatever their level in hierarchy. One can exercise leadership by being an individual contributor at any level of an organisation and ultimately comes down to looking for opportunities to make the world a better place of efficient management. This means that you as an individual, can be more effective and creative, go beyond day-to-day requirements and energize others around that vision.

The shift from great leaders to great leadership is a response to the fast changing business environment. Organisations earlier witnessed a shift from administration to management, and are now beginning to see one from management to leadership. These trends are making organisations' move from centralized management and decision-making to decentralization. These complex and fast-changing realities require faster and high quality decision making, which is possible only when there are competent people capable of taking such decisions at all levels. Faster and quality decision making will lead to de-bureaucratisation, de-hierarchisation and decentralization, resulting empowerment at all levels. The evolution of various approaches to leadership reflects such a shift from administration to management and then to leadership. The changing business environment is characterized by the under mentioned factors:

- Liberalisation which resulted in increased competition.
- Aware and demanding customers.
- Educated and impatient employees.
- High modality, careerism, and declining organisations.

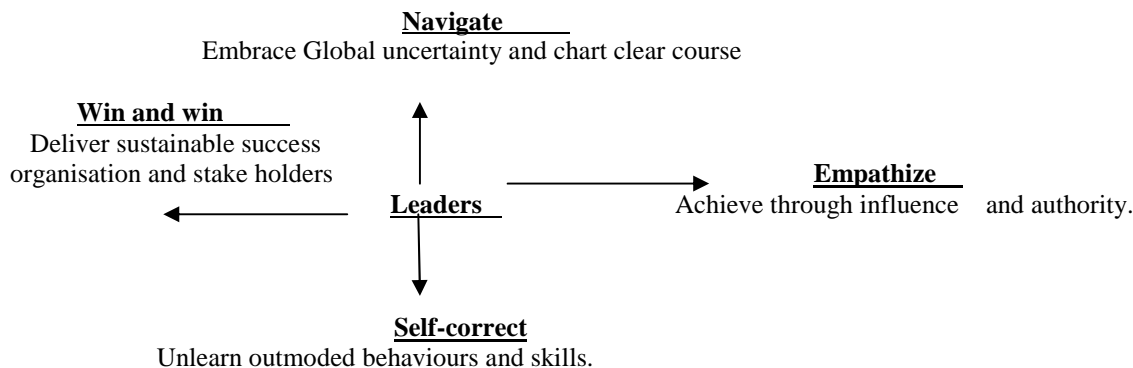
- Growing unemployment and unemployables.
- Glamorization of designations and consequent meaningless promotions.
- Resistance to radical thinking.

The change in business environment creates a need for new leadership skills. Skills have to be acquired through rigorous training, followed by determined, regular practice with a vengeance. The leadership skills identified by the business executives are:-

- Intensified Global and local competition.
- Increasing importance of multiple stake holders.
- Faster rate of information and innovation.
- Greater uncertainty and ambiguity.
- Greater emphasis on corporate social responsibility.
- Greater need for visual teams that transcend an organisation's boundaries.

### Defining the New Leader

Certain attributes of leadership are integrity, courage, judgement, intelligence, vision, timeless and ambition, all still matter but will be insufficient in the future. Leaders need new skills in an uncertain future. The concept is represented below:



Leaders need to be able to navigate through this kaleidoscopic environment. They need to convey purpose and direction but also be willing to make midcourse corrections. They need analytical skills, as always, but also the ability to discern and translate signals and make decisions on the basis of both experience and imperfect information about the future. Leaders need to empathize with people, understand perspectives different from their own, and build networks with people outside of the organisation. The skill is critical in dealing with Non-Government Organisations (NGOs), regulators, and other bodies that are now participating more actively in business. It will also help organisations' entry to developing markets, where customer needs, expectations and the willingness to pay can be quite different. To be an effective leader, one has to tap into the power of that higher purpose and one can't do it by retreating to the analytical level.

Leaders need to have determination to self-correct. Thus skill has to do with fine tuning strategy than with revisiting their potential and long-held assumptions about business leadership and success. Leaders need to question the status quo, be willing to reexamine the environment, and correct outdated modes of leadership. It is tricky to balance this questioning stance with the confidence that leaders need to convey. Leaders need to win and win. They should broaden their view of success in a world of greater government involvement, globalization and interconnections. Success is no longer a zero-sum-game. Organisations increasingly are partnering with competitors, corporate with regulators and NGO's, and entering markets where they may not be other parties rather than coming at their expense.

### Process of Leadership Development- Role of Crucibles

Crucibles were originally suggested by Zaleznik. Bennis and Thomas feel that, there are very important for the formation of leaders. Four major types of crucibles identified are mentoring relationships, enforces reflection, experiencing a new world and disruption and loss. Crucibles refer to an experimental dimension in the lives of all the responded leaders; an intense, transformational experience that set them on the road to where they are now. For these leaders, the crucible serves as a sort of ordeal or test. Surviving the test is an entry or initiation into the life of leadership. Through the crucibles, they acquire new insights, new skills and



new qualities of mind or character that make it possible to leap to a new higher level. Leaders and managers who have faced a crucible are referred to as 'twice born', as contrasted with the leaders and managers who are 'once born'. Crucibles play an important role in leadership development.

Crucible is a transformational experience. Through the crucibles, the leaders acquire new insight. Their expertise and because of their ability to work well and communicate effectively with other employees and departments, gives a real insight to the leaders. Individual contributors are huge asset for any organisation. It is always easier to describe the future than to shape it. Organisations are busily trying to create new mechanisms to identify, develop and retain future leaders and new leadership metrics and processes. The interaction with fifty senior leaders resulted in the emergence of ten cutting edge practices, grouped around three broad themes from more than hundred identified leadership requirements. They are a good starting place for thinking about leadership in a new and necessary way. The ten cutting edge practices emerged out are listed in three categories. These three categories are Expand horizons, Create fast tracks and Accelerate skills development and are enumerated below:-

#### **Expand Horizons**

- Require broad-based experience from future leaders such as rotations through two functions, two business units, and geographic regions.
- Immerse leaders completely in unfamiliar markets by requiring them, for example, to work in rural area.
- Temporarily assign leaders to external groups, such as industry groups, NGO's and government panels.
- Embed social causes into the business in order to generate loyalty among leaders.

#### **Create Fast Tracks**

- Provide opportunities for high-potential leaders to 'Skip a Chair', in order to advance their career.
- Create a 'critical assignments bank', to develop next-generation leaders and to allow older leaders to make valuable contributions late in their career.

#### **Accelerate Skills Development**

- Identify and map top talent in key markets and benchmark yourself against the best.
- Offer experiences in which leadership must be shared, such as joint ventures and partnerships.
- Give timely feedback, such as reviews every Friday or after every assignment in order to accelerate development.
- Conduct quarterly talent reviews that systematically analyse the health of the leadership pipeline, diversity, and succession and create follow up plans based on the outcome of these sessions.

Thus the list of practices is forward looking, but it is neither exhaustive nor universal. Different folks will apply different strokes, depending on their organisations strategic and economic foundation. Leadership models should be built based on the above discussed ten cutting edge practices. The list is also rooted in learning through doing and, careful and orchestrated exposure to a range of new experiences rather than classic leadership training. One cannot teach many of the new skills in the classroom, but can put future leaders outside of their comfort zone and force them to confront in controlled setting, the complexities of the modern world. What is important thinking about leadership in a new way? The twenty-first Century is still young, but is getting late to address the existing leadership gap.

#### **Developing New Leaders**

Organisations are realizing the need to develop new leaders with a distribution made between leader development and leadership development. Leader development focuses on the development of the leader, such as personal attributes desired in leader, desired ways of behaving, and ways of thinking or feeling. Leadership development is the strategic investment in, and utilization of human capital within an organisation. The leadership processes will also include the social influence process and the team dynamics between the leader and his team at the dyad level, and the contextual factors surrounding the team, such as the perception of the organisational and the social network linkages between the team and other groups in the organisation. Leader development has focused on the three main areas. These are providing the opportunities for development, stimulating the ability to develop (including motivation, skills and knowledge for change), and providing a supportive context for change to occur. Leadership development can build on the development of individuals (including followers) towards becoming effective new leaders.

There are several reasons firms should invest in employees with talents. Investing in their leadership development will make these valuable employees feel highly valued, signaling that the organisation respects their contribution enough to provide for their continuing development. Thus talented employees are more inclined to stay with organisations' when they feel they are progressing. Investing their development will also help these employees to achieve greater success. Individual contributors succeed in part not



only because of their professional expertise, but also their ability to communicate effectively. Leadership development efforts can make them better team players. Improve their communication skills and teach them to be better coaches. Skills that are particularly important for people who, lack formal organisational power, must accomplish nearly everything they do through informal influence.

Adaptability, defined as the ability to work effectively in a variety of situations and with a variety of individuals, is the most crucial competencies for modern leaders. If business is to survive and prosper in an ever changing market place, they must be able to respond effectively to new contexts and challenges. As leaders in those businesses, executives particularly need to be able to learn skills and rapidly deploy them to solve novel tasks and unfamiliar problems. Adaptability is one of the competencies of an effective leader. Changing roles forced leaders to learn whole new skill sets and to adapt to radically the different environments. In the long run this helped them to develop new competencies and strategies.

### **Characteristics of New Century Leaders**

Various organisations in different parts of the world reveal features appropriate to the new era. The new century leaders are already emerging. These organisations have a different kind of culture and a new breed of leaders. The characteristics of leaders can be grouped under five clusters. These clusters are internality, creativity, humility, values and net working. Grand vision, internal locus of control, optimism and professional are grouped with internality. Innovation, Maverick mindset and Neoteny are the factors of Creativity. Humility, self-restraint, empowering, culture building are the variables of Humility. Value-orientation, ethics, people first and social concern are the factors covered in values.

**Internality:** Internality has four characteristics. Great leaders have good vision. One should, 'Aim for the Moon, at least reach the Clouds'. The role of the leader is to create a unified vision out of the diverse visions of various groups in the organisation, articulate it, inspire people with it, and concretize it into action. Strategizing involves developing priorities of action in a framework geared to the direction of the organisation's vision. Great leaders develop the capability of strategic thinking at all levels. The aspects of grand vision are creating vision, communicating the vision, committing people to the vision, concretizing the vision, change management, taking care of employee and customer satisfaction, culture, and building a culture. Optimization has been found to be the key element in leadership effectiveness in business, sports, and politics. Pessimism and rumination establishes the key role of optimization in leadership in various fields. Rumination, one will remember, is the tendency to indulge in negative and cynical thinking and obsessive analysis of bad happenings.

Collins has opined that great leaders are characterized by a combination of personal humility and professional will consists of strong unemotional resolve and a culture of discipline. People with professional will face brutal facts and take hard decisions without hesitation. It requires professional will power to take decision without a blink. The leaders with this quality often make right choices when they handle their 'forks in the road' decision points. Leaders once made judgements, they are swift in their decisions and actions and they do not hesitate to take painful decisions.

**Creativity:** Creativity is the set of attitudes, abilities and mental processes that increase the probability of hitting upon solutions that seem to the well informed, both novel and appropriate. The cluster of creativity includes information, maverick mindset and neoteny. Great leaders search new ways of solving problems. They use innovations and promote a culture of creativity. Maverick leaders are vision driven and develop competence, take moderate risks, learn from various sources, and empower their people to experiment and take responsibility. Neoteny is an important characteristic of leaders, geeks and geezers alike. These children like attributes are essential to identifying and creating value because they enable people and organisations to embrace the intense change caused by the dynamic effects of technology on our society.

The combination of modesty or personal humility and professional will, will be considered as the characteristics of great leaders. The concept of personal humility includes aversion to lime light. Such leaders share credit of achievements with their colleagues, develop their successors, and pass on the responsibility as and when subordinates are ready. These leaders generate more and more empowering influence, so that persons working closely with them follow their examples of humility. They admire good qualities in those people and leverage them for the benefit of the organisation. These leaders focus on strengthening the organisation, rather than pursuing their own personal gains. The tendency to postpone gratification of one's immediate needs for a long term organisational goal is of vital importance anywhere.

The main role of leaders will be in creating an enabling culture and empowering people at all levels in the organisation. Sharing of information is one way to empower employees. Education also empowers people. Participation in decision making is another effective means of empowerment. Leadership is increasingly seen as an instrument of empowerment. The influence of leaders is in proportion to their ability to confer power on people. Such empowerment implies that leaders are prepared to shed their own power in the greater organizational interest. Such behaviour can be referred to as power enhancers. Leaders may enhance their real power



by withdrawing somewhat from controlling functions. The power enhancer's based on published research and interviews with the senior leaders and managers are enumerated as follows:

- Developing the competence of employees.
- Laying down clear rules and procedures.
- Defining a formalized and clear organizational structure.
- Developing systems to generate feedback for individuals.
- Providing intrinsically satisfying tasks.
- Undertaking advisory and staff functions.
- Giving rewards determined objectively by a team rather than by individual.
- Maintaining optimal spatial distance between different key functionaries.
- Building strong and cohesive teams.
- Nurturing a professional orientation.
- Developing systems.
- Encouraging self-definition tasks.
- Initiating schemes to reward employees for ideas/suggestions/creativity.
- Encouraging self-government of teams, such as self-sufficient branches.

**Culture Building:** Building an enabling and empowering culture becomes the key role of leaders of new organisations. Culture replaces bureaucracy and the new organisational culture will promote learning, initiative, empowerment, team work and control through a vision. Principles of the new organisations in the development of a new leadership are:

- Create flatter structures, with parallel instead of sequential teams.
- Make teams (not individual) accountable for the task as a whole, empower teams to take all relevant decisions pertaining to their work.
- Organize work around an integrated process, not around segmented tasks.
- Invest in and reward acquisition of new skills by the individual.
- Evaluate the performance of the teams on the basis of customer's feedback. User peer rating to evaluate individual performance.
- Make organisational boundaries permeable in order to bring teams in contact with customers, suppliers, and each other.

Another important part of the new culture is openness. Openness comes from collecting information from several sources. In place of a hierarchical structure, new networked organizational forms emerge. Such forms are characterized by flexibility, self designing, self monitoring and learning from experiences.

**Values and Ethics:** If a leader with determination to achieve something in life, must cultivate and practice certain essential values in life, such as discipline, determination, commitment, compassion, loyalty, punctuality, perseverance, team-spirit, and toleration. At all stages of one's career, aspect to keep in mind is values and ethics. These cannot and should not be compromised at any stage of one's career. New leaders in the new business environment and organizations should be driven by human values such as spiritual, ethical and moral values. These values form a basis for thoughts, actions, skills and behaviour and eventually lead to the formation of a good character. These values will make human beings, 'Men of Honor', excellent and efficient leaders and managers. Values make a significant difference to the image and effectiveness of the organisation. Ethical considerations, personal integrity and a sense of equity and justice must be the values of new leaders. Effective new leaders place high value on empowerment, participation and sharing of credit and gains. Values ultimately remove pollution and pestilence from the minds of people. Great leaders are concerned with ethics. It is concerned with norms of conduct of people members of society as it relates to what is good or bad, and having to do with moral duties and obligations. They are concerned with establishing proper norms and fighting against corruption. Even at the risk of having temporary setbacks, pursuance the path of ethics shall help organisations to gain in the long run. The cluster of value contains characteristics like value orientation, ethics, people first and social concern.

**People First:** The new leaders give high priority to searching, retaining and developing talent. Priority is given to the recruitment and development of the bright young people the organisation can find. The mentoring system is one of the ways to nurture talent. Several organisations have strong educational programmes and the idea of corporate universities is becoming more popular.

**Social Concern:** Leaders with foresight are not only concerned about the success of their ventures and organisation, but are also alive to the needs of the community. Asian countries provide many examples of the involvement of fast growing industries in socially relevant activities. While effective leaders become globally oriented, their roots in their own cultures will remain strong.



Chinese, Japanese and various other communities abound in examples of typical ethnic cultural characteristics reflected in leadership styles along with a global orientation. There are special variants of leadership styles in specific cultures, such as familial style of China and Japan, the nurturing style of India, and the paternalistic style of Africa.

**Networking:** Networking consists of communication networking, competence, synergy building and customer orientation. Effective leaders communicate with all categories of people with whom they work, employees at all levels, customers, important external collaborators, important government officials, etc. Effective leaders focus on sharing their visions and ignite their people with enthusiasm for the plans of the organisation. They share their visions and ideas not only through mass media, but also by personal contact in face to face meetings. Intensive communications with the staff, trained managers on various aspects of managerial and organisational effectiveness, quickly improved a number of management systems, such as maintenance and quality control, introduced new practices in various areas, tackled bad industrial relations successfully, modernized the plants, and redeployed employees. These measures enabled a medium sized company to change from a chronic loss making operation to a highly profitable operation. Great leaders develop networking with their organisations, and with the strategic outside groups and organisations. The structure of the new organisation is changing from hierarchical to networked, which reduces bureaucracy and empowers people at all levels. Leaders also network with key individual and strategic groups outside.

**Synergy Building:** This is another important factor evolved out of networking. Team building is now high priority for effective leaders. Organisations are increasingly becoming team oriented. Leaders also build synergy with other organisations, collaborators, and competitors to sharpen their competitive edge. The new leadership is proactive and eager to learn from various sources. It believes in empowering and taking charge. New leaders are assertive, empower their subordinates and emphasize on individual creativity and team performance. Organisations that do not attempt to create new leadership at all levels are likely to be left behind in the race of excellence and competition.

**Customer Orientation:** All new leaders are concerned about the customers. Interaction with the customers, feedback from them, and even training of customers is part of their customer orientation. Customizing research and offering testing facilities to present and prospective clients helped various small scale and large scale projects.

### Conclusion

New business environments and organisations require leaders in large number at all levels. The profile of the leaders in the new business environment and organisation include internality (grand vision, internality, optimism and professional will), creativity (innovation, maverick mindset, neoteny), humility (personal humility, self-restraint, empowerment, culture building), values (value orientation, ethics, people first, social concern) and networking (communication networking competency, synergy building and customer orientation). Adaptability, defined as the ability to work effectively in a variety of situations and with a variety of individuals, is perhaps the most crucial competency for the leaders of new business environment and organisations. Working as junior level leaders in their early career helps to foster rising talent, allowing them to learn how senior leaderships or management deal with changing circumstances. The most flexible executives or leaders are those who have experienced a number of different roles, and have spent long enough in each of them to gain a full understanding of the consequences of their decisions. Demonstrating flexibility and empathy, while remaining true to the core values of the organisation and finding ways to circumvent unpredictable impediments, will be characteristic of the leaders in the new business environment and organisations. These new leaders will be people who are inspirational; technologically savvy but not prone to getting lost in details; entrepreneurial; devoted to service, and inclusive rather than independent or autocratic.

Additional key leadership competencies will include; the ability to develop and articulate a value proposition, maintaining it in a dynamic market and energizing others to buy into it; investing in a business model that guides employee decision making at all levels; committing to a culture that values mentorship and learning while aligning individual and corporate goals, and recognizing what it means to develop and manage truly transformational knowledge systems. The common characteristics of these new leaders are related to issues that are more focused on the intangible aspects of an organisation. Over time, those leaders who are unwilling or unable to demonstrate these leadership behaviours will find themselves with few followers. Leaders of new business environment and organisations should understand that their actions speak better than words; he should set personal examples so that the followers always say that their leader is having a genuine concern about them and about the organisation.

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