

LEADERSHIP CHALLENGES IN GLOBALIZED ECONOMY



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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, C M TVS Motor Company

“Leadership is seen as a three-pronged situational 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”.

Leadership has to take note of businesses being affected by globalization, liberalization, privatization ,technology in general and revolution in I T in particular.

All businesses are a function of changing economic, social, political and workforce environment. Organizations therefore need to change continuously.

The topmost challenge before the leader is *“how to put the organization along permanent transformation track”*, As Alvin Toffler said:

“The illiterates of the 21st century will not be those who cannot read and write, but those who cannot Learn, Unlearn and Relearn”.

Some Key Challenges

The entire Corporate World globally and also educational institutions need effective leadership having multiple traits:



Energy



Enthusiasm



Warmth



Integrity



Intelligence



Persistence and



Perseverance



The key challenges are: ----

▶ People

Organizations need passionate, trusted, committed and emotionally and intellectually charged team to execute the most forward looking vision and strategy.

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 leadership for changing times is *a critical issue*.

▶ Global Skill Set

Working in multi-cultural environment requires leaders possessing the global skills far beyond language skills or social norms. Hence the change in Leadership style for successful implementation of mergers, acquisitions and collaborations involving peoples' hearts and minds coming together and their values and cultures.



► **Mind Your Mind**

The need is to identify leadership gaps and nurture it at all levels particularly for young and emerging leaders. Offering them role models for leadership with utter sense of humility to recognize wrongs and responding them accordingly.

Leadership Success Stories

Numerous success stories of corporate and other leaders may be described

“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.**



Leadership Success Stories

“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”.

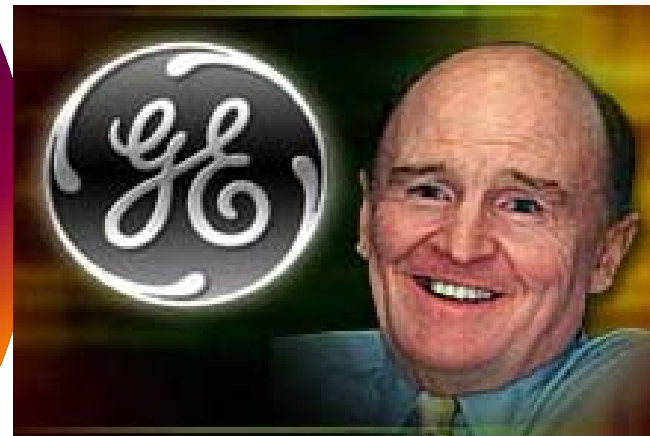


**Brij Mohan Lall Munjal
Chairman
Hero Honda Motors Ltd.**



Leadership Success Stories

“Spent 60 per cent of time in meeting, talking, identifying, selecting and placing executives to lead his/her businesses”.



Jack Welch
Former CEO, GE



Leadership Success Stories



“Laxmi Mittal going strong as Steel”.



**Sonia Gandhi as Chairperson
with Dr. Manmohan Singh as
CEO.**





7 New habits that rule



Be Cool:

Impulsive action, *a la* Indira Gandhi 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.



7 New habits that rule



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



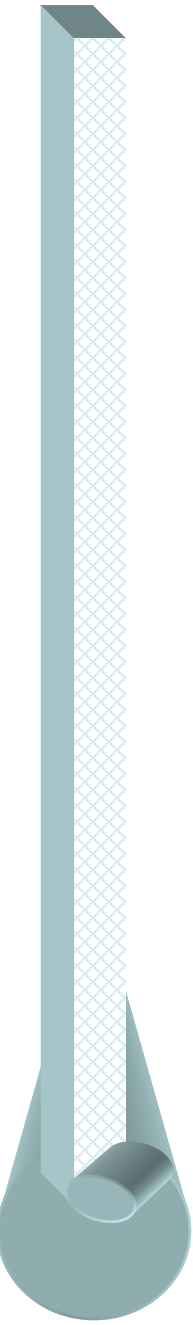
The American Management Experts describe leadership as:

Stephen P. Robbins:

“The ability to influence a group towards 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 21st century organization and leadership as conceptualized by the well known Indian Management Expert 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 be 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, with 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 by 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 Magasay Award 2003 for community leadership:

“Leadership is all about taking steps 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”.

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”.



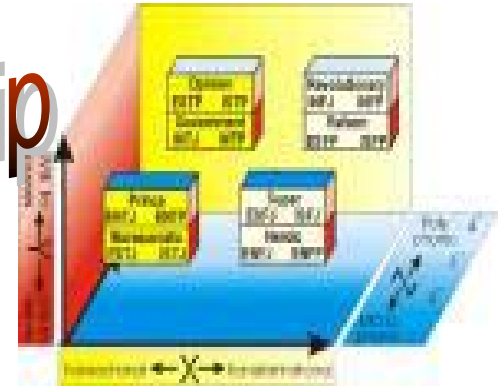
The industry joint Munjal says that leadership is about being consistent, not clever:

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

Finally Sonia Gandhi has shown us that
“Sacrifice is the most valued quality of a leader”.



Various Types of Leadership



- 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
- **Laissez Faire Leadership**

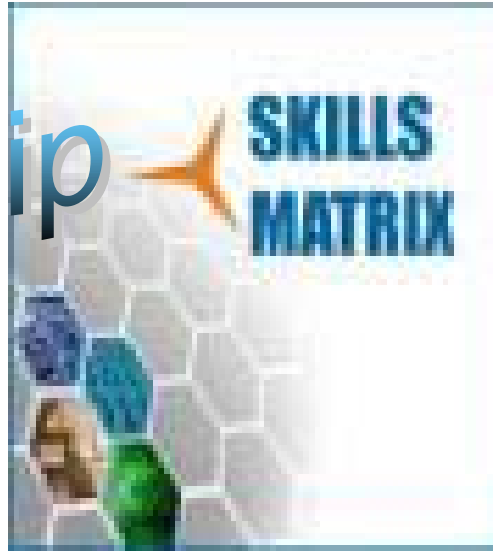
Authority

Parental

Democratic

Free for All

Leadership



The New Economy needs New Leadership beyond the **dot.com bubble** and **the internet**. The challenges for leadership / CEO's success could be categorized into two main groups

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.

MANAGERIAL SKILLS



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



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 following traits:

- Energy
- Warmth
- Integrity
- Intelligence
- Persistence
- Enthusiasm
- Endurance
- Imagination



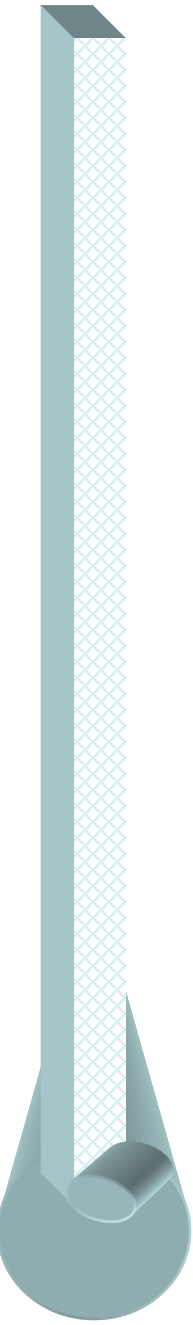
Leadership Lessons

- **Competence**
- **Innovation**
- **Ability to change gears with changing times**
- **Charismatic**
- **Learners**
- **Thinkers**
- **Doers**
- **Decision takers**
- **Discoverer**
- **Positive**



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

- Execution is Key**
- Lead by Example**
- Believe in Winning**
- Create More Leaders**
- Establishing A Vision**
- Think Ahead**
- Motivate**
- Be a People's Person**
- Manage 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 are:

- + Market-friendly and a Good Communicator**
- + Prepare their lectures and have subject knowledge**
- + Teach with enthusiasm and commitment**
- + Interest Generators**
- + Caring**
- + Helping**
- + Provide Value Addition**
- + Right Attitude and Mind Set**
- + Motivated Trainers with Multiple Attributes**
- + Problem Solver**

Various Styles of Leadership

S. No.	Criteria	Autocratic	Bureaucratic	Laissez Faire	Democratic
1.	Involvement	Nil "Runs the show himself" Self is Supreme	Very Little. All authority flows from rules & regulations	Sometimes	Always Interaction & Participation
2.	Delegation of Authority	Nil	As per rules & regulations	No Norms	Full
3.	Direction	Always Directs	As per norms	No Direction	Set your own objectives with in the goals.
4.	Concern for others	No	As per norms	Sometimes	Always
5.	Communication	One way	As per norms	Fish Market	Discussions

S. No.	Criteria	Autocratic	Bureaucratic	Laissez Faire	Democratic
6.	Guidance	Thinks that always guiding	Follows the rules	Cross guidance & confusion	Mutual respect and faith – always discussions
7.	Control	Very high level of control	Follows the rules	No Control	Group sets its own norms.
8.	Results	Quick & High Results but short term. After that Frustration sets in	Slow Results Demoralization	Fish Market	High Results on long term basis. Members feel that they have achieved the results. They identify with the organizational objectives.
9.	Feed back	Nil	Sometimes	None	Always

Conclusion

It is not easy to conclude on such a topic but the changing environment very much demands an 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--A global economic village



Thank you all very much
for your patient listening

Any Question please.....