



# Learning to dance on a shifting carpet

In a global business environment, future leaders must be able to balance many paradoxes simultaneously without losing their footing.

by Michael Osbaldeston

**P**redicting corporate change and its implications for management over a long time horizon is notoriously difficult and dangerous. Just a few years ago, analysts who held that the world had moved into an age of continuing growth seemed to be on firm ground. The recent economic crisis, however, has unsettled established views and shown that company leaders can expect perpetual turbulence in the

business environment of the future. Managers will face a radically transforming business world, intensifying competitive pressures resulting from globalisation in particular, and ever higher levels of personal challenge and stress.

It is against this background that management educators the world over are grappling with the question of how to identify and develop competent leaders for the new business era.

## The new organisation

What is beyond dispute is that corporate leaders of the future will have to apply their skills within an increasingly international business environment. The concept of being a national or a domestic company is fading. Through takeovers, mergers, joint ventures and strategic alliances, companies are fast becoming consortia of smaller organisations that operate internationally. Their national loyalties are diminishing as they coordinate business assets in multiple countries.

Companies face the increasing challenge of enabling people of different cultures to work together effectively. Internationalism, therefore, implies the ability to work with local differences in a global context. The international manager must be able to act locally, but think and plan strategically and globally.

## Human capital is what counts

Many businesses have moved towards flatter, decentralised structures in order to become more flexible and market-driven. The focus has shifted towards horizontal management, which operates through lateral rather than hierarchical relationships. Competencies such as clarity of vision, strategic leadership and cross-cultural team-working are required to be successful. In light of these shifts, modern-day businesses experience a growing dependence on people rather than on systems and procedures. If there is one thing that organisations worldwide now have in common, it is a strong belief in the strategic value of human capital. They realise that their long-term competitiveness depends on their ability to develop and use the expertise and talents of all their staff.

## Rethinking the organisation's relationship with society

It is clear that the debate about the role of business in society, and the impact of economic and social issues on organisations, will increase in future. Businesses are now among the most influential institutions worldwide. At the same time, increasing globalisation affords them an opportunity to help shape a better world for present and future generations. This requires globally responsible leaders to think and act in a global context, to broaden their corporate purpose to reflect accountability to society, and to put ethics at the centre of their thoughts, words and deeds.

### Balancing paradoxes is part of the future

While recognising that business will have to re-examine its relationship with the rest of society if both are to prosper, many business leaders find it difficult to focus on such issues in the face of short-term pressures that threaten their organisations' survival.

In fact, conflict between short-term survival goals and long-term prosperity underlies many of the paradoxes organisations face as they look into the future. It is no longer a question of emphasising either the short or the long term; it is about simultaneously satisfying the demands of both. Many more, equally challenging paradoxes will need to be balanced, such as between internationalisation and serving key local markets, and between sticking to core activities and diversifying into new strategic alliances.

### The new leader

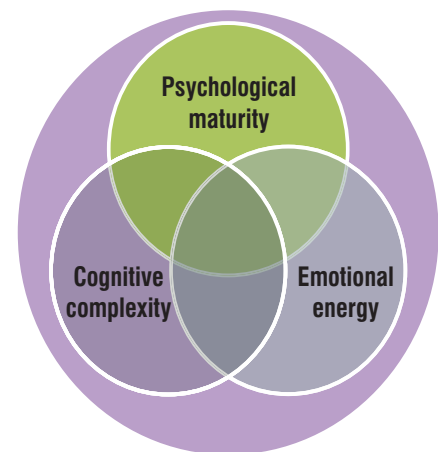
With trends in the business environment and changes in organisational design placing substantial new demands on the international

### Combining *doing* and *being* competencies

Research has revealed that there are two sides to the international manager's abilities. The first entails the active or doing competencies, because there is constant pressure on people in international jobs to deliver. But, in order to deliver when roaming the world without the comfort of head office or staff function support, one needs something more. Successful international managers possess a set of being competencies that underpin the doing side of the job. These are made up of three mutually sustaining parts, as shown **on the right**.

**Cognitive complexity** relates to the ability of leaders quickly to process and make sense of complex issues as they move into new situations and from country to country. **Emotional energy** refers to the ability to have a strong understanding of one's own emotions and a high resilience in tough, unfamiliar situations. Successful international leaders control the way their emotions influence their decision-making. **Psychological maturity** refers to being sufficiently aware of

### BEING COMPETENCIES



analysis reveals a surprising consistency about the key competencies of the manager of the future. This consistency lies more at the level of attitudes than skills: where managers need to develop a mindset that is constantly in tune with both the internal organisational context and the complex and turbulent business environment. This mindset encompasses a number of inherent demands and tensions:

- Managers must have a strong sense of the whole organisation to underpin their internal interactions, **while at the same time** being acutely aware of the external environment, anticipating and responding to its constant changes.
- They should place a heavy emphasis on doing skills to achieve high performance, **while at the same time** approaching tasks with highly developed behavioural skills.
- They should display a healthy scepticism »

## Successful international leaders control the way their emotions influence their decision-making

manager, effective managerial performance more and more involves learning to handle complexity, diversity and ambiguity. There has been a significant change in thinking about managerial qualities, which implies a more holistic view of the manager's role and reflects a shift in emphasis from what managers *know* to what they *stand for*. (See roles of the new leader **below**).

one's own psychological make-up to be able, when handling unfamiliar situations, to call on one's values and ethics as well as any experience that may be relevant.

### And/and competencies, not either/or

As more and more studies attempt to define the characteristics of the perfect manager, a deeper

## ROLES OF THE NEW LEADER

Research (by Barham *et al.*, at Ashridge Business School) has highlighted six important roles that the international manager must play:

**Sensor** – the person who has antennae out in the environment, constantly sensing what is going on before it impacts on the organisation.

**Integrator** – the person who can bring a range of different skills, people, ways of thinking and challenges to a situation before deciding what to do.

**Leader** – the person who can be creative and can inspire a vision at all levels of the organisation.

**Animateur** – the person who is able to harness human energy, and exploit it, for the benefit of the organisation.

**Focuser** – the person who is able to focus on the near as well as far horizons, who can function both as an operational leader and strategic thinker, moving backward and forward at will.

**Information user** – the person who can process and make sense of a profusion of complex data from almost every source in the organisation.



towards theory and a focus on action, **while at the same time** valuing reflection and looking ahead, with strategic thinking being the priority skill.

- Individuals will take responsibility for their own development, being no longer able to rely on career ladders within one organisation, **while at the same time** stressing the key role of teams, which requires the skills to collaborate with other people in temporary and non-hierarchical groups.

While successful organisational change programmes involving the top-down, vision-led approaches of assertive leaders have been well publicised, similar reforms have been ascribed to bottom-up, facilitating leadership styles. Since the need for transformational change will be ever-increasing, and the days of the heroic leader and the over-dependent culture are on the wane, organisations are seeking to develop leadership at all levels.

Managers themselves need coaching and

hands-on, products like the MBA are developed by faculty who are distant observers of the world they serve.

The business school of the future actually recognises that it has to become a partner of the world it serves. Instead of saying: "Here is what we know, and here is how best we can convey it to you!", schools need to work on development-based change where they really say: "What is the problem? What is the challenge? How can we help?" Quite a number of business schools are making this change.

### Stumble, or learn to dance!

While the multiple dilemmas and paradoxes facing business today may strike fear and trepidation into the hearts of managers responsible for leading their organisations forward, the key challenge can be expressed much more encouragingly in the words of Thomas Crum:

"Instead of seeing the rug being pulled from under us, we can learn to dance on a shifting carpet." ■

## The business school of the future actually recognises that it has to become a partner of the world it serves

### Developing the new leader

Research shows that organisations are moving away from a fragmented and peripheral approach to management training and development to a focused approach, where training and development are intrinsic to the organisation and are aimed at providing competitive advantage. Organisations must recognise leadership development as one component in a continuous process of organisation development. They should promote learning as a cherished organisational value and seek to link training and development to corporate strategy.

mentoring skills to fulfil their growing role as developers of others. The trainer's wider role will be more demanding, and much needs to be done to develop trainers to become facilitators of continuous learning, rather than teachers of courses.

### The role of business schools

Many business schools around the globe have designed management training and leadership development while remaining far removed from these activities in practice. If schools are not



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This article is based on a talk presented by Professor Michael Osbaldeston, previously the director of Cranfield University School of Management and a non-executive director of USB-ED Ltd, at a Leader's Angle event hosted by the University of Stellenbosch Business School (USB) in October 2009, under the title *Developing leaders for a global business environment*. For more details about the USB's monthly talk series, visit [www.usb.ac.za/leadersangle](http://www.usb.ac.za/leadersangle).



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