

1 EMERGING TRENDS FOR GLOBAL LEADERS¹

Traditional business patterns are changing as globalism spreads. Convergence is everywhere: Competitors are also suppliers, customers, and partners; industry boundaries are disappearing and global enterprises are rapidly emerging. Convergence within industries, marked by the mergers of the 1980s and 1990s, has been compounded by convergence between industries. Alliances, partnerships, and strategic outsourcing create new global models, never experienced before, which give access to the full range of skills, resources, and market offerings that success now demands.

Executive leadership models of the past provide little guidance for creating the models of the future. How will new leaders be able to guide their organizations through uncharted and often unanticipated global shifts, to bring value to their investors, employees, partners, and customers? In a complex global business environment, no specific, single model will fit the broad range of situations that leaders will encounter.

FIVE EMERGING CHARACTERISTICS OF GLOBAL LEADERS

The degree of change in leadership profiles from past or present to the future has interesting implications for leadership development, with both consistent themes and emerging trends. Many qualities of effective leadership—characteristics such as com-

municating a shared vision, demonstrating integrity, focusing on results, and ensuring customer satisfaction—will never change. However, five factors, discussed in the following sections, have emerged as clearly more important in the future:²

1. Thinking globally
2. Appreciating cultural diversity
3. Developing technological savvy
4. Building partnerships and alliances
5. Sharing leadership

THINKING GLOBALLY

The trend toward globally connected markets will become stronger. Leaders will need to understand the economic, cultural, legal, and political ramifications. Leaders will need to see themselves as citizens of the world with an expanded field of vision and values. Two factors making global thinking a key variable for the future are the dramatic projected increases in global trade and integrated global technology, such as e-commerce.

Future leaders will have to learn how to manage global production, marketing, and sales teams to achieve competitive advantage. To do so, the global leader must be capable of understanding and leading across global regions. There are few differences across regions in the basic leadership profile, lending support to the “global village” view of the world. A home-centric view will not be tolerated. Most likely, global leaders will have lived in, or at least spent substantial time in, different regions of the world.

New technology is another factor that makes global thinking a requirement for future leaders. New technology will make it feasible to export white-collar workers around the world. Computer programmers in India will communicate with designers in Italy to help develop products that are manufactured in Indonesia and sold in Brazil. Technology can help break down barriers to global business. Leaders who can make globalization work in their favor will have a huge competitive advantage.

APPRECIATING CULTURAL DIVERSITY

Future leaders will also need to appreciate cultural diversity, defined as diversity of leadership style, industry style, individual behaviors and values, race, and sex. They will need to understand not only the economic and legal differences, but also the social and motivational differences that are part of working around the world and across nations, states, and regions of diverse peoples and cultures. Understanding other cultures is not just good business practice; it is a key to competing successfully in the future.

An appreciation of cultural diversity will need to include both the big and the small things that form a unique culture. Religion is one of the most important variables affecting behavior in a region. Smaller issues, such as the meaning of gifts, personal greetings, or timeliness, will also need to be better understood.

The ability to motivate people in different cultures will become increasingly important. Motivational strategies that are effective in one culture may be offensive in another culture. The same recognition that could be a source of pride to one could be a source of embarrassment to another. Leaders who can understand, appreciate, and motivate colleagues in multiple cultures will become an increasingly valued resource.

DEVELOPING TECHNOLOGICAL SAVVY

As organizational change couples with technological innovation in products, planning, managing, communicating, producing, and delivering effectively, the global organization becomes a virtual network operating through technology. Information and communication systems are becoming the backbone of the global enterprise. Most executives are not responsible for their information technology systems, but they are required to understand the strategic application of technology and to lead the company in using it. If they are planning to engage in electronic commerce, technological leadership is especially important.

Many future leaders who have been raised with technology view it as an integrated part of their lives. Many present leaders still view technological savvy as important for staff people and operations, but not for them. We need not all become gifted technicians or computer scientists, but we need to

- Understand how the intelligent use of new technology can help us.
- Recruit, develop, and maintain a network of technically competent people.
- Know how to make and manage investments in new technology.
- Be positive role models in leading the use of new technology.

Organizations with technologically savvy leaders will have a competitive advantage. Without technological savvy, the future of integrated global partnerships and networks would be impossible.

BUILDING PARTNERSHIPS AND ALLIANCES

More organizations are forming alliances today. This trend will be even more dramatic in the future. Reengineering, restructuring, and downsizing are leading to a world in which outsourcing of all but core, brand-related activities may become the norm. The ability to negotiate complex alliances and manage complex networks of relationships is becoming increasingly important. Joint leadership of new business models is vital to a successful global venture.

Developing and operating efficiently under new, complex, and shifting social architectures means that tomorrow's leaders will function inside of alliances, partnerships, and ventures like never before. A bias toward the status quo is an unaffordable

luxury. Tomorrow's leaders will need to be less controlling; more emotionally astute; culturally attuned; and most importantly, willing to share authority and decision making. Leadership in the future will require teams of collaborative leaders, each possessing many of those skills required for effective global leadership.

The changing role of customers, suppliers, and partners has implications for leaders. In the past it was clear who your friends (customers and collaborators) and enemies (competitors) were. In the future, these roles will become more blurred. Building positive, long-term, win-win relationships will become critical.

SHARING LEADERSHIP

Sharing leadership may be a requirement, not an option. In an alliance structure, telling partners what to do and how to do it may quickly lead to having no partners.

Chief executive officers are no longer the sole decision makers; they have to create an environment in which other leaders, who subscribe to the common vision and purpose, collaborate to make effective decisions. Unlike individualist leaders today, successful leaders in the future will strive for integration, not control. The singular role will give way to internal networks of influence that alter the very foundations of the organization.

Leaders must also learn to develop a social architecture that encourages bright, confident people to work together successfully and to exercise their own creativity. They will need the capacity for personal leadership, stemming from a deep self-awareness that develops from the inside out rather than the outside in.

In dealing with these knowledge workers—people who know more about what they are doing than their managers know—old models of leadership will not work. Future leaders will operate in a mode of asking for input and sharing information. Knowledge workers may well be difficult to keep. They will likely have little organizational loyalty and view themselves as professional free agents who will work for the leader who provides the most developmental challenge and opportunity. Skills in hiring and retaining key talent will be valuable for the leader of the future.

Because no one individual is likely to embody all of these critical capabilities, and because the very nature of business organization—merged, allied, outsourced, and virtual—is beginning to dictate it, shared leadership is expected to gain preeminence as the operating model of the future. In the future, there will be fewer single CEOs; instead, leadership will be widely shared in executive teams. New demands for collective responsibility and accountability for results will emerge, as will new competencies for sharing leadership. The sheer number of alliances and networks mean that more than one person will lead these structures.

Effective leadership is the key to sustained business success. Chief executives are rightly concerned to recruit, train, and develop the leaders who will be needed in the future. Most high-potential future leaders see the value of these new competencies and are willing to have their performance measured by them. If future leaders have the wisdom to learn from the experience of present leaders, and if present leaders have the wisdom to learn new competencies from future leaders, they can share leadership in a way that benefits the organization.

SUMMARY

No one leader can be good at everything, which leads us to the conclusion that shared leadership across a team of leaders will be the way in which excellent global companies do business in the future. Not many companies today have developed either the talent management processes or the organizational constructs to support this leadership approach. Fortunately, however, support for shared and/or team-based leadership is growing and evolving to meet the increased demand. Future leaders must know their particular strengths and how to draw upon the complementary strengths of others—sharing leadership roles as needed.

ENDNOTES

1. Goldsmith, M. and Walt, C. “New Competencies for Tomorrow’s Global Leader.” *Leading Beyond the Walls*, eds. Hesselbein, F., Goldsmith, M., and Sommerville, I. The Drucker Foundation/Jossey-Bass: New York. 1999.
2. The original research upon which the Global Leader of the Future Inventory is based was conducted by Cathy Greenberg, formerly Cathy Greenberg-Walt, and Alastair Robertson with support by the Accenture Institute for Strategic Change and with alliance partners Marshall Goldsmith, Warren Bennis, and John O’Neil. The research methodology and findings are presented in Appendix I.