Leadership and management in the 21st century: business challenges of the future

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<th>Author(s)</th>
<th>Cooper, Cary L.</th>
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<td>Imprint</td>
<td>Oxford : Oxford University Press, 2005</td>
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<tr>
<td>Extent</td>
<td>xi, 375 p.</td>
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<td>Topic</td>
<td>HD</td>
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<td>Subject(s)</td>
<td>Leadership; Management</td>
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<tr>
<td>Language</td>
<td>English</td>
</tr>
<tr>
<td>ISBN</td>
<td>9786610756629, 0199263361</td>
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<td>Permalink</td>
<td><a href="http://books.scholarsportal.info/viewdoc.html?id=3750">http://books.scholarsportal.info/viewdoc.html?id=3750</a></td>
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<td>Pages</td>
<td>216 to 240</td>
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Leadership in the Private Sector: Yesterday Versus Tomorrow

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and
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What will ‘they’ state was important about the role of organizational leaders in the twenty-first century? The pronoun is, of course, the key word in this opening question. ‘They’ are the behavioural scientists and historians at the end of this millennium. They will be able to explain the type of organizations that leaders led, because they (1) will know how everything turned out, and (2) will have boiled down the story to a manageable length by focusing on a few major themes and trends that turned out to be decisive. The statistics and events that they cite to
explain what happened will be only a fraction of the voluminous data that we currently respond to and argue about on an annual (e.g. *Annual Review of Psychology*) if not daily basis. This is the process of distillation, through time, that proves the truth or folly in a forecast.

Futurology is the study of forecasting potential developments based on current conditions. In industrial-organizational psychology it is perhaps explained best by the axiom that among the best predictors of future behaviour is past behaviour. Based on empirical research in the twentieth century, six predictions about the future in private-sector organizations are made in the present chapter. Each prediction points to what will differentiate the effective from the ineffective leader during the coming century. Undoubtedly these predictions will be less than accurate. This is because, as is the case with economists, organizational psychologists have yet to discover which factors are crucial to making a valid forecast. Nevertheless, even oversimplified, unrealistic predictions, including those that are false in some respects, often force people to confront possibilities that would not have occurred to them otherwise. Thus as we stand at the dawn of this new millennium, there is value in examining the background, potential consequences, and future scenarios of the science and practice of leadership in the private sector.

In the twentieth century, at least four events had a major effect on leaders in Euro-American society. The first two profoundly changed the balance of power between leaders and employees, namely employee selection practices and employee participation in the decision-making process. The third event, the economy, provided leaders in the private sector with ‘folk hero’ status. The fourth factor was technology.
Selection Practices

Yesterday: Tests and Equal Employment Legislation

The First World War ushered in the importance that would be placed on selection throughout the twentieth century. Psychologists were recruited by the US military to develop intelligence tests for the selection of recruits for various military positions. Following the war, Burtt’s (1926) comprehensive book, Employment Psychology, focused exclusively on the topic of selection with chapter headings that include job analysis, the mental components of the job, types of mental tests, interests in employment psychology, trade tests, the criterion, and rating scales. These scientifically-based selection practices began to make their way into the private sector.

By the latter half of the twentieth century, countries in North America and Europe had passed laws prohibiting employment discrimination on the basis of race, sex, age, religion, and national origin. Unlike their forbears in previous centuries, leaders in the twentieth century were no longer completely free to choose and reject people whom they would lead. Ways of ensuring equal opportunity for people at ‘the starting line’ so as to avoid costly litigation battles, as well as damaging criticism in the court of public opinion, occupied the attention of organizational decision makers. Their emphasis was primarily on selection and promotion issues with regard to a person’s race and sex. With the economic downturn in the latter part of the twentieth century, this emphasis was broadened to that of age, as older people were more likely than their younger colleagues to be singled out for termination. The passage of equal employment legislation resulted in non-whites and women gaining
access to meaningful employment in far greater numbers than their grandparents in the first half of the twentieth century, as well as people over the age of forty becoming far less worried than their forbears about losing their job because of age-related reasons. The result is the on-going development of reliable and valid tests for selection and promotion decisions that ensure a demographically heterogeneous workforce in terms of race, sex, and age within such countries as Australia, Canada, the United Kingdom, and the United States (USA).

**Tomorrow: Selecting and Developing Leaders for Global Organizations**

When something goes on for decades, many people naively come to think that the pattern is relatively permanent. The nineteenth century was Britain’s, the twentieth belonged to the USA. The Americans have enjoyed the biggest piece of the production pie since the end of the First World War. During the last decade of the twentieth century, however, the country-by-country slicing of the global economic pie suggested another historical shift. The growth in the US share has stalled, whereas China has been ‘eating everybody else’s lunch’. Thus, it is increasingly clear that the twenty-first century will belong to East Asia. This means that the US dollar will cease to be the global store of value. Hence organizations will of necessity become increasingly global in their operations. Euro-American nations that inspired the late twentieth-century boom in global trade, and profited most greatly from it, will no longer define the rules. As people in economically poor nations join the international trading game during the first half of the twenty-first century, they will demand and receive a say in the global system.
Social Identity Conflict. Our first major prediction is that there will be a shift in emphasis from the twentieth-century focus on diversity issues within a country regarding the race, sex, and age of employees to tomorrow’s organizational leaders having to face differences among countries regarding employee ethnicity, religion, national origin, and political ideology. Just as they are in society at large, these social-identity differences will be a source of conflict in the workplace. This shift will call for the selection and development of leaders who are effective at preventing or managing identity-based conflict within increasingly global organizations (Center for Creative Leadership, 2003).

To select and develop leaders for a more globally diverse organization, what knowledge, skills, and abilities will be predictive of effectiveness? First, in addition to high cognitive ability, these leaders will need high practical intelligence or ‘street smarts’ (Sternberg, 2003; Sternberg et al., 2003) for working effectively with myriad social identity groups. Social identity conflict is often a battle for hegemony. It represents people’s collective need for dignity, recognition, safety, control, purpose, and efficacy (Rothman, 1997). At our most atavistic core, we, as human beings are afraid of ‘the other’. To help leaders with the task of working effectively across social identity groups, organizational psychologists need to eliminate the current gap in our literature by building upon and then enhancing the extant work of social psychologists (e.g. Suedfeld, 2000; Dion, 2002) that began immediately after the Second World War on ways of minimizing prejudice, stereotyping, and ethnocentrism (e.g. Adorno et al., 1950; Jones, 1958).

Second, a leader’s visionary style in the twenty-first century must be congruent with the heterogeneous culture of a multinational, multi-ethnic workforce. In the twentieth century, a private-sector leader’s vision appealed primarily to cognition.
An example is Henry Ford I, in the early 1900s, predicting with remarkable omniscience the future of the transportation industry. Tomorrow’s organizational leaders, in contrast, will formulate a vision that appeals primarily to the employees’ affect or emotion—much as twentieth-century social-movement leaders appealed to citizens. The effective leader will make clear that working to attain this vision will not merely enrich one’s pocketbook, but more importantly it will directly or indirectly benefit society. Thus, a leader’s vision will be expressed in ways that foster unity by creating feelings of cohesion, by giving a multicultural workforce a common cause that it can rally around. The purpose of goal setting (Locke and Latham, 2002) will be to move the vision from affect to behaviour—concrete action steps necessary to attain this superordinate goal.

In addition, private sector leaders in the twenty-first century will be called upon to use the uniting potential of a shared organizational vision, norms, and interdependent tasks to decrease social identity conflict in society at large. The work organization itself will likely be an ideal place to address deep-seated ethnic, religious, and political social identity issues. Because most people must make a living in order to survive, the global organization in the twenty-first century will be one of the few places in society where people will have some contact with people from other social identity groups. Social identity groups tend to seek similar others through religious organizations, schools, neighbourhoods, etc. The twenty-first-century workplace will of necessity be the most heterogeneous institution. Work itself, to the extent that it increases a person’s status and self-esteem, may prove to be a precursor to harmonious inter-group performance. The leader of tomorrow will need to discover how to craft a vision, shared organizational norms, and interdependent work that will serve as powerful levers for behaviour change.
Education is a final factor to examine in selecting effective leaders for an increasingly globally diverse organization. The launching of Sputnik by the Soviet Union in 1957 marked the decline in the West of the perceived importance of a university degree in liberal arts. Importance instead was attached to science and business degrees that would enable people to increase the strength of capitalist nations relative to those that were communist. By the end of the twentieth century, most countries had rejected communism as an appropriate ideology by which to be governed.

As the focus on issues regarding an employee’s race, sex, and age within a country shift in the twenty-first century to those of ethnicity, religion, and national origin across countries, we predict that there will be a shift back to the importance of a liberal arts degree to enable a leader to foster unity among the differences that exist among employees in a global organization. September 11, 2001 heralded back the value of a leader’s fluency in psychology, sociology, world history, political science, religion, and philosophy, in addition to foreign languages—subject matter that is the mainstay of a liberal arts degree, and subject matter that is critical for overcoming cultural ignorance. Think of the hostility that might have been tempered in the twentieth century had we only understood one another better. Ignorance breeds fear, and fear is a powerful motivator but a terrible adviser. People who believe that they are in danger usually think of themselves first, and are prone to seeing threats and conspiracies everywhere. In order to minimize rigidity, insensitivity, and intolerance within a multi-cultural workforce, we predict that demand for an undergraduate business degree will decrease significantly in the twenty-first century as entry into a prestigious MBA programme will require a Bachelor of Arts.
Integrated Decision Making. Our second major prediction is that the complexity of decision making in global organizations will demand a cross-disciplinary perspective, making the functional approach of most business education necessary but not sufficient. Business schools will respond by teaching future business leaders ways to create mental linkages among these disciplines. Leaders will be taught to look beyond functional silos such as finance, marketing, and human resources management, and focus instead on the interrelatedness among functional disciplines. This is because even today problems rarely fall within the boundaries of a specific functional area (e.g. information science) and thus cannot be resolved using the narrow models developed for it. Hence even within a functional boundary (e.g. marketing), tomorrow’s organizational problems will undoubtedly sprawl messily across other functions thus creating the need for leaders who can attend simultaneously to a vast array of interconnected variables, and deal effectively with enigmatic choices.

To paraphrase Drucker (2002), there is no such thing as a tax or a marketing decision, there are only business decisions. Yet many people in the twentieth century rarely thought in terms of the organization that employed them; instead they thought primarily in terms of their own specialty. If tomorrow’s leaders do not integrate what they are doing with the goals of the organization, they will likely do damage along the way. Thus tomorrow’s MBA schools will teach the capacity to think in an integrated multi-disciplinary, cross-functional way (Latham et al., in press). The necessity of doing so is already being contemplated at the University of Toronto (Pfeffer and Fong, 2002).
Employee Involvement

Yesterday: Participation in Decisions

The second major event in the twentieth century that profoundly changed the balance of power between leaders and employees was ushered in by the Second World War. In response to repressive Fascist regimes, behavioural scientists such as McGregor (1960) published seminal articles on the importance of leaders encouraging employee participation in the decision-making process (pdm). In addition to stressing pdm, psychologists, including Likert (1961, 1967), explained ways of designing organizations that facilitate pdm, goal setting, as well as the leader’s support for the individual employee. The day of the authoritarian, command and control, unilateral decision-making leader came to an end.

Tomorrow: Shared Responsibility and Accountability

To deal effectively with increasingly complex problems brought on by the accelerating pace of scientific discovery, shifting demographics, de-regulation, new business models, and fluctuating economies, organizations in the twenty-first century will need to draw regularly on the intelligence and experience of the whole organization. Complexity implies unpredictability and unintended consequences. An example of a current complex challenge is the need for a change in culture following a merger or acquisition (Drath, 2001). The challenge is complex because no one can say with any authority or certainty the ways in which things need to change. The leader has no way of being sure of the type of culture that is needed. No one leader who was part of either organization prior to the merger has any kind of gifted
insight into the needs of the newly created organization. By virtue of position power, ‘the’ leader may have the authority to ensure that his or her views are accepted. But, that in itself does not guarantee the effectiveness of these views. Thus many mergers and acquisitions in the twentieth century failed (Marks and Mirvis, 2000).

Facing complex problems requires more than smart leaders and they require more than employee involvement in the decision-making process. To deal with and solve these problems, employees throughout the organization need to be responsible for making sense of the problem, connecting with others to bring multiple experience bases to bear on the problem, and navigating their way to solutions (Palus and Horth, 2004).

Leaders as Facilitators of Shared Work. Our third prediction is that twenty-first-century leaders will not be surrounded with dependent followers looking for someone to show them the way out of a complex challenge, but rather will be expected to facilitate collective efforts to face these challenges. This shift in role will require leaders to focus on asking questions rather than providing answers, making employees face the difficulties that lie ahead rather than painting only positive pictures of the future, and drawing out the strengths that each employee has to contribute rather than dwelling on their shortcomings and flaws. We can actually look to the past to find examples of exercising leadership in this way. In the future, this type of leadership will be the rule rather than the exception.

Why has Socrates been revered century after century when he is the last person with whom any of us would want to have a drink? We believe that the answer is due in part to the fact that he articulated the concept of asking questions rather than providing answers. Socrates believed that ‘truth lies within’; the art of leadership is to ask questions that allow for insight and
discovery on the part of the person who is being questioned. Replication of Socrates’ wisdom regarding empowerment was captured by Drucker at the beginning of the present century: ‘In the 1950s great leaders gave great answers; in this new millennium, great leaders will ask great questions’ (Drucker, 2002).

Cohen (2002) argued that, on paper, President Lincoln’s qualifications in the nineteenth century to serve as commander-in-chief of the union army during the American Civil War paled in comparison to those of his opponent, Jefferson Davis, the President of the Confederacy. Davis had graduated years before from West Point, served with distinction as a soldier in the battle of Monterrey and Buena Vista, and was later appointed in 1853 as Secretary of War for the United States. Lincoln’s experience on the other hand, included serving a few months as a junior militia officer. Nevertheless, Lincoln, as President, had behavioural qualities that were as important in the nineteenth century as they will be in the twenty-first, especially for those who must lead in highly difficult circumstances. First, he did not engage in illusions, but rather was clear about the difficulties that lay ahead. History is replete with leaders who, before a clash of arms, had wildly unrealistic images of triumph. One of Lincoln’s secretaries observed that: ‘He had his hopes and his desires, but he did not commit the strategic sin that Napoleon described of “making pictures” of the world as one wishes it to be, rather than as is’ (Cohen, 2002).

A second ability attributed to Lincoln by Cohen was his skill in dealing effectively with flawed, wilful, yet energetic and useful subordinates. This ability was manifested in Lincoln’s use of General Hooker, a man who advocated the need for a dictator of both the union army and the US government; it showed in Lincoln’s effective use of his wily and manipulative
Secretary of State, William Seward, and it showed in dealings with his abrasive Secretary of War, Edwin Stanton.

*Leadership as a Collective Activity.* Our fourth prediction is that leadership will come to be understood more as a collective rather than individual activity. Instead of thinking of leadership as being a product of the leader, it will be an outcome of the connections among people who work on leadership tasks. Leadership tasks will remain the same as they were yesterday, namely, setting direction, creating alignment in support of that direction, and gaining people’s goal commitment. However, the ways in which these tasks become accomplished will be different tomorrow. They will no longer be carried out by a single leader; they will no longer be coordinated with other organizational leaders through one person who is higher in the authority hierarchy. Rather, these tasks will be carried out by communities of organizational decision makers who think, reflect, discuss, and act together on a day-to-day basis.

This shift in both the understanding and enactment of leadership will be mandated by the increased complexity of leadership work. Tomorrow’s organizational environment will be increasingly filled with novel, ill-defined problems—problems that do not lend themselves to rapid solutions by assigning them to a particular leader. Multiple perspectives and expertise will have to be brought to bear, especially due to the multiple groups who will claim a stake in these complex issues. Hence the collective action of multiple individuals will be required. This in itself will become a complex challenge due to the cacophony of differences among employees in the sundry social identity groups. Worse, shared accountability can become the bedrock of social loafing (Latane *et al.*, 1979) or diffused accountability.

Effective collective activity requires more than effective individuals. It requires rich, deep, and varied connections between
the various members of the collective. In short, effective leadership in the twenty-first century will require more than psychometrically valid predictors of the individuals who possess specified KSAs identified through job analysis. It will require the development of processes and systems that foster connectivity within an organization. A primary measure of leadership effectiveness will be the degree of an organization's success in anticipating and coping with complex challenges. Adaptivity will differentiate the organization that survives from the organization that becomes extinct in this century.

Our prediction of the necessity to develop leadership as a collective activity requires addressing three interrelated issues:

(1) How will an organization develop its collective capacity for leadership? How will this be different from developing individual leadership capacity? In the past, the focus of leadership development has been the individual, particularly those individuals who were expected to take on key leadership roles in the organization. But, if leadership will occur in the twenty-first century primarily through the connections among individuals working together on leadership tasks, organizational capacity for leadership will also be determined by the strength and richness of these connections. Developing organizational capacity for leadership will likely require developing social as well as human capital (Day, 2000).

(2) How will organizations develop richer forms of connectivity in their organization than they currently have in place? How will this connectivity enable increasingly effective leadership? Perhaps the most promising way of developing connectivity will be to give groups of decision makers a problem or issue that is large in scope, that is too big and
unwieldy for one person, and for which they as a group have shared responsibility and accountability. Connections will be fostered through such shared work. Rich forms of connectivity might also be developed by changing the ‘language of the community’, that is, by developing ways of talking with one another that demonstrate a commitment to on-going regard, public consensus, and the limits of individual viewpoints (Kegan and Lahey, 2001).

(3) How will organizations recognize their complex challenges? What leadership capabilities will be needed to confront these challenges effectively? Different capabilities will likely be used in recognizing and then solving a problem. Finding solutions to problems will be likely to occur through data gathering and integration, logical analysis, as well as divergent and convergent thinking capabilities. Recognizing yet-unnamed problems and issues will undoubtedly require intuitive sensing, detecting unusual patterns, and synthesis of formerly disconnected information. And to mobilize resources to face complex organizational challenges, individuals across the organization will have to understand or make sense of a challenge in similar ways, thus the capability to make shared sense of complex challenges will certainly become a critical leadership capability (Palus and Horth, 2002).

Public Sector as a Model

Yesterday: Private Sector Economy

A third event that occurred at the beginning and again at the end of the twentieth century had a tremendous effect on the way that
the individual leader in the private sector was perceived by the public. This event was the economy. For nations that embraced capitalism, the economy boomed at the beginning and again at the end of the century. Organizations in the private sector, especially those in Euro-Western countries prospered, so much so that their leaders acquired heroic status. This is because the organizations that they led were seen by the ordinary citizen as stores of value for wealth building, as waterfalls of cash.

By the end of the first decade of the twentieth century, however, there was so much trickery and dishonesty on the part of some corporate executives that T. Roosevelt wrote to his brother-in-law that ‘the exposures about Harriman, Rockefeller, Heinze, Barney, Morse, Ryan, the insurance men, and others have caused such a genuine shock to people that they have begun to be afraid that every bank really has something rotten in it. In other words, they have passed through the period of unreasoning trust and optimism into unreasoning distrust and pessimism’ (Strouse, 1999: 589).

Nevertheless, by the latter two decades of the twentieth century, people once again looked to the private sector for lessons in leadership. This is particularly true in the United States where leaders such as Jack Welch of the General Electric Company and Lee Iaccoca of the Chrysler Corporation achieved folk-hero status as their organizations repeatedly broke profit records. Their every opinion was treated as a gem, their every whim as reasonable. But, at the dawn of the twenty-first century, the mythology that the ‘private sector knows best’ once again came to an abrupt halt with the revelations of stock-price manipulations and the subsequent collapses of American corporate giants (e.g. Enron). ‘From heroes to goats’ proclaimed a special issue of the often fawning Fortune magazine in the USA. A national poll in Canada revealed that corporate executives in
2002 had taken on the status of villains because of lack of business ethics. ‘Business leader’ was viewed as an oxymoron. It would appear that there are few if any new lies or truths, just different cycles.

**Tomorrow: From Melting Pot to Mosaic**

Our fifth prediction is that in the twenty-first century, leadership in the private sector will look to their counterparts in the public sector, especially those in countries such as Canada and Singapore, on ways to develop norms regarding ethics, tolerance, and appreciation for diverse ways of thinking and behaving in a multinational organization. The government of Singapore has passed legislation to foster ‘living across differences’ (Latham and Napier, 1989). The religious holidays of Buddhists, Christians, Hindus, Muslims, and Taoists are officially observed by the nation. Eighty-four per cent of the Singaporeans live in public housing. The Housing and Development Board has an integration policy resulting in Chinese, Malays, and Indians living side by side.

American idealism of a ‘melting pot’ whereby immigrants are pressured to let go of their respective cultural heritages so as to assimilate with the norms of their newly adopted country (Blair *et al.*, 1998) will give way to the historical emphasis in Canada on a ‘mosaic’ (Burton, 1982). The Canadian mosaic emphasizes the preservation and enhancement of diversity rather than assimilation. The focus is on the positive connections among multicultural heritages of Canadians.

We predict that tomorrow’s organizational citizens will demand a global governance system that models Canadian norms regarding peace, order, and good government. Leaders in the private sector will have to lead by consensus as do their
counterparts in the political arena (e.g. European Union; United Nations). Leadership will be defined in terms of the ability to discover the connections within a mosaic that foster harmonization. Organization norms will make a virtue of a culture that fosters tolerance of ethnic diversity. An unintended consequence of continuing to emphasize a ‘melting pot’ will be heightened resentment among social identity groups within the organization toward the organization, dramatically worsening the ability to ‘lead across differences’ and enrich ‘connections’.

Given that cultural differences regarding perceived fairness already exist between the Canadian and American workforce (Seijts et al., 2002), two countries that have been heretofore described as indistinguishable in terms of values (Hofstede, 1980), one can barely imagine the differences that will exist tomorrow among Eastern and Western cultures. Canada, for example, already has stronger social democratic and trade union movements than the USA (Rose and Chaison, 1996). Americans on average tend to be more supportive of management’s prerogative to do what is necessary to attain an organization’s goals, while Canadians are more inclined to focus on the concerns of employees for quality and fairness than employers’ demands of organizational efficiency (Lipset and Meltz, 1999). Americans tend to focus on their own personal rights in contrast to Canadians who focus more on the rights of others (Evans et al., 1992).

Taken together, these findings suggest that tomorrow’s leadership will have to understand historical, social, and political issues among cultures in order to forge a mosaic. Again, this is why obtaining a liberal arts degree rather than an undergraduate degree in business will be so important. Tomorrow’s leadership will have to be aware of potential differences in reactions to various organizational practices (e.g. drug testing, promotability
criteria, layoffs) in order to avoid misunderstandings in the workplace, and to be sensitive to the various human resource management policies that affect perceptions of fairness in the workforce and in the surrounding local communities. Because individuals draw inferences quickly about unknown or poorly understood aspects of the organization on the basis of whatever partial knowledge they have, the leadership of tomorrow must communicate clear, credible justifications for the actions that are taken.

Science and Technology: Quantum Leaps Forward

Yesterday: Who Could Have Predicted?

Who in 1900 would have foreseen the effect of the light bulb on the ability of organizations to employ people in the workplace twenty-four hours a day? Who would have predicted the speed, ease, and comfort with which leaders would travel via car and aeroplane to visit employees in widely dispersed geographical areas? Who would have anticipated the use of the telephone, fax machines, and video conferences to facilitate communication between leaders and their employees around the world? And who in psychology in 1900 would have foreseen that the subject of leadership would occupy the attention of behavioural scientists throughout the last three decades of the twentieth century, continuing unabated into the twenty-first century? How many psychologists in 1900 foresaw the development of computer hardware and statistical software to instantly analyze data on leadership and employee effectiveness? In 1990, only a decade ago, how many people predicted how e-mail would bring about
pigeon-like behaviour in a Skinner Box on the part of leaders – leaders who peck on variable interval, if not continuous reinforcement schedules for morsels of information?

*Tomorrow: Without Predictability, Be Optimistic!*

No chapter on futurology can be written without reference to the impact of science and technology on leadership behaviour. Because we do not know the answers to yesterday’s questions posed above, we find this subject matter regarding tomorrow overwhelmingly impossible for us to speculate meaningfully. Thus our sixth and final prediction in this chapter is based solely on optimism. Within this century, science and technology will make us literally a global village (McLuhan and Power, 1989), a virtual community (Rheingold, 1993). As Taylor (2003) has noted, large geographically dispersed groups, connected only by thin threads of communication technology such as mobile phones, text messaging, two way pagers, and e-mail can already be drawn together at a moment’s notice, like schools of fish, to perform some collective action.

**Summary**

Psychometric findings in the twentieth century showed that most of the variance in a criterion could be explained by three to five predictors. Armed with this knowledge, we predicted tomorrow’s leadership behaviour based on four events that occurred yesterday, namely, the emphasis that was placed on selection following the First World War, the importance given to employee participation in decision making following the
Second World War, the effect of the economy on the way leaders in the private sector were perceived by the public at the beginning and again at the end of the twentieth century, and the quantum leaps forward in science and technology that affected the quality of working life of leaders and the employees whom they led. Consequently, the following six predictions were made regarding the leadership context in the twenty-first century. Each change in context will put new demands on organizational leaders:

(1) The emphasis given in the twentieth century to developing reliable and valid measures of cognitive intelligence for selecting people will shift in the twenty-first century to measures of practical intelligence. The emphasis given to eliminating prejudice based on race, sex, and age will shift to ways of eliminating ethnocentrism. Social identity groups in which ethnocentrism is imbedded will result in the spill-over of religious, political, and ideological conflict into the workplace. Effective leaders will (a) possess practical intelligence for working effectively with different identity groups; (b) convey a vision that appeals primarily to employees’ emotions and makes clear that what they are doing benefits society; and (c) have the ability to craft and foster shared norms, and interdependent work that unites employees. A liberal arts education will better prepare leaders for this new context than a science or business degree.

(2) The complexity of decision making in global organizations will demand a cross-discipline perspective. The problems organizational leaders face will rarely fall within the boundaries of a specific functional area. Effective leaders will understand the interrelatedness among functional
disciplines, and they will attend simultaneously to a vast array of interconnected variables.

(3) Organizations will not be populated with dependent followers looking for someone to show them the way out of a complex challenge; instead they will be made up of employees who are well educated and self motivated, with high expectations of working with others to solve problems. To capitalize on the knowledge and experience across the organization, effective leaders will excel at asking questions, providing realistic pictures of the future and its challenges, and seeing and drawing out the strengths of each employee.

(4) Leadership will come to be understood more as a collective rather than individual activity. Global organizations will be confronted with complex and ill-defined challenges—challenges that will be faced by a community of leaders working in interconnected ways. Effective leaders will engage in shared sense-making, in holding conflicting views in productive tension, and in developing connections throughout the organization.

(5) The private sector will look to the public arena for lessons on ethics as well as an appreciation for ways of working effectively with diverse social identity groups. American idealism for a ‘melting pot’ will be replaced by the Canadian emphasis on a ‘mosaic’. Effective leaders will discover connections within a mosaic that fosters harmonization without losing important differences across groups.

(6) Advances in science and technology will allow the global organization to become a virtual community. Communities foster connections, and connections build trust. Perhaps, just perhaps, differences among people will be embraced rather than shunned.
Note

1. The authors thank Wilfred Drath, Soosan Latham, and Melvin Sorcher for their helpful comments in preparing this chapter.

References


