

A Critical Analysis Of Adaptive Leadership Styles In The Current Contemporary Globalised Scenario

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ABSTRACT

With the increasingly global environment, leaders are exposed to many complex challenges and what we know about leadership theory and development so far may no longer be effective in this global context. This is a critical analysis of the research done so far on global leadership styles and the gaps are identified to be filled using innovative leadership scenario.

1. BACKGROUND

Leadership style refers to a leader's characteristic behaviors and habits when directing, motivating, guiding and managing groups of people, which is closely related to personal experience, enterprise features and enterprise development cycle (Cong Yang, 2009). Hence, we see, there's a correlation between hierarchical levels of management and leadership styles, though the exact relationship needs to be established.

Many studies in the past, have confirmed that there was a positive correlation between transformational and other leadership styles and employee satisfaction (Bass, Avolio, 1990). However, whether the influence is direct or indirect is still unknown. Also, the influence of managerial level as a moderator, on the effectiveness of leadership style exercised, in terms of employee commitment, still needs further research.

The literature on global leadership provides many articles that state traits, characteristics, and attitudes of successful global leaders; but few attempt to lay a foundation on how to actually develop individuals into global leaders (Hall, Zhu, & Yan, 2001). The lack of research in this area is apparent and it mirrors the void of organizations, as 85% of Fortune 500 executives believe that their organization lacks capable global leaders (Gregersen, Morrison, & Black, 1998; Morrison, 2000).

With the increasingly global environment, leaders are exposed to many complex challenges and what we know about leadership theory and development may no longer be effective in this global context (Robinson & Harvey, 2008). Sloan, Hazucha, and Van Katwyk (2003) asserted that global leadership development should be part of the strategic plan of any organization that wants to flourish in the global market.

1.1.COMPLEX GLOBAL CONTEMPORARY LEADERSHIP SCENARIO

In an interview with **Mc Kinsey's Rik Kirkland, Tracy Wolstencroft**, CEO of the global executive search firm explains the importance of authentic leadership, listening and getting humble and comfortable with being uncomfortable in this volatile, uncertain, complex and ambiguous world – “**VUCA WORLD**” (tracyWolstencroft, 2015).

He further said we are living in a “**fish bowl**” where the company is being looked upon by multiple vectors simultaneously but at the same time the sources of information are endless if you have an ability to keep your mind open for out of the box ideas and information. The leader should have the agility to assimilate all this information. They have to be open showing their team that they are ready to connect with people at different levels (tracyWolstencroft, 2015).

Global leadership has been defined as being capable of operating effectively in a global environment while being respectful of cultural diversity. (Harris, Moran, & Moran, 2004, p. 25).

Since the society is becoming increasingly based on the group efforts and as many organized groups are becoming larger, the importance and complexity of the management tasks is also increased. In this sense, the role of management and effective leadership in the contemporary economy is becoming irreplaceable (Buble, 2015, pp1).

Today it has become strikingly evident that the success of any business largely depends on effective leadership which, under the conditions set by the complex heterogeneous, dynamic and uncertain environment, will be able to skillfully steer the company. (Buble, 2015, pp2).

Buble M., 2015, has described the model and characteristics of the contemporary world of labour. It is expected that, by the end of 2020, most of the world economy will be even more and almost completely globalized. The main challenge of 21st century will be sustainable development and environmentally, socially and economically sustainable society, economy and the system of consumption and production. (Buble, 2015, pp4)

His “New employee” is the direct product of the new economy and other phenomena, requires the notion of an employee to be redefined (Buble, 2015, pp5). In this sense the following phenomena are characteristic: multiple skills, employment instability, personally directed career, continuous training, working in teams, and coping with alienation and stress (Robbins, pp.23). Are the current organizations and leadership apt to steer such employee base?

These changes results in the need of democratization of the company with increased social responsibility and transforming it entirely. This transformation is manifested in the change of its organization, changes in work, human resource and working hours, changes in the status of employees, changes in defining a job, job security, and other (Buble, 2015, pp 5).

The new era changes in the 21st century employee and organizations has its implications on the management (Draft, 2008). Subsequently the paradigm shifted to these core principals, which are:

- Specialization

- Standardization
- Hierarchy
- superimposing goals
- planning and control
- use of extrinsic rewards to shape human behaviour.

As per **Buble, 2015** (pp13), the companies of the future will have to adopt to complexities of the global world and develop their employees and managers to handle these contemporary management issues, which are as follows:

- openness and adaptability.
- focus, but with no core business.
- internal cluster organization.
- autonomy of employees in terms of choice of activities.
- “lattice” enterprise architecture.
- the concept of natural leadership.
- roles instead of jobs.
- lateral movement in career.
- autonomous regulations of working hours.
- ethos of voluntary commitment.
- compensation dependent on the contribution.
- re-distribution of power in favor of employees.

Buble, 2015, pp14, in his study on evolution of 21st century management gave The model of management that will be designed in the 21st century complex environment. As per him, will have to deal with these components:

- shared vision and courageous mission.
- very little hierarchy and a wide range of control.
- small self-managed work groups with rotating leadership.
- freedom of opinion and following your own instincts.
- variety of quick and economical experimentation.
- a dense network of lateral communication.
- policy of giving exceptional prizes to people who come up with extraordinary ideas.
- the team efforts, focused on product development.
- corporate belief that encourages employees to put the customer in the first place.

As the boundaries within organizations and the boundaries in the world in general will be disappearing, the area of management will be increasing, with managers taking the roles of experts in organizational development, diversity experts, expert facilitators, consulting experts and many other (**Buble, 2015**, pp15).

2. LEADERSHIP STYLES UNDER STUDY

A leadership style refers to a leader's characteristic behaviors when directing, motivating, guiding and managing groups of people. Great leaders can inspire political movements and social change. They can also motivate others to perform, create and innovate.

As you start to consider some of the people who you think of as great leaders, you can immediately see that there are often vast differences in how each person leads. Fortunately, researchers have developed a number of different theories and frameworks that allow us to better identify and understand these different leadership styles.

The following three are just a few of the most prominent leadership frameworks and styles that have been identified and will be studied:

2.1.Transformational leadership

Transformational leaders tend to be emotionally intelligent, energetic, and passionate. They are not only committed to helping the organization achieve its goals, but also to helping group members fulfill their potential. Research has revealed that this style of leadership resulted in higher performance and improved group satisfaction than other leadership styles. Studies also found that transformation leadership led to improved wellbeing among group members.

Transformation leadership is a philosophy of vision, values and empowerment that encompasses the daily transactions required for organizational operations (**Burns, 2003**)

Transformational leadership is a pattern of behaviour that expects leaders to use the method or style of leadership that best fits the given situation (**simmons, 2010**).

Transformational leadership attaches great importance to the effects on employee value, need, self-esteem and emotion, cultivating the sense of identification with leader's value and mission.

Transformative leadership is a deep, transforming engagement with all stakeholders and serious moral and ethical transformation, will continue to be important leadership concerns and will cause transformative leadership to endure as a touchstone for those involved (**James O MDowelle. 2009**).

Satisfaction reflects employee's attitudes and feelings which come from the gap between real feelings and expectations, after evaluating salaries, work environment, interpersonal relationships and other factors (**XU Jia-ni, YU De-hua, Li Jian-gang, 2012**).

2.2.Transaction Leadership

The transactional leadership style views the leader follower relationship as a transaction. By accepting a position as a member of the group, the individual has agreed to obey the leader. In most situations, this involves the employer employee relationship, and the transaction focuses on the follower completing required tasks in exchange for monetary compensation. Transactional Leadership holds that the reason why men give is the desire to get the largest satisfaction in exchange, which not only includes the form of material benefits, also psychological swaps as admiration, respect, self-esteem and emotion (**Chen Xu, 2006**).

Transactional Leadership is divided into reward according to one's deserts and punishment in accordance with misstep (**MacKenzie, Podosoff, Rich, 2000**).

One of the main advantages of this leadership style is that it creates clearly defined roles. People know what they are required to do and what they will be receiving in exchange for completing these tasks. It also allows leaders to offer a great deal of supervision and direction if it is needed. Group members may also be motivated to perform well to receive rewards. One of the biggest downsides is that the transactional style tends to stifle creativity and out-of-the-box thinking.

On the other hand, In his empirical study, **Lee,2008**, has analyzed that transactional leadership lead employees to feel less psychological empowerment and had a negative effect on creativity performance.

2.3. Servant leadership

Servant leadership has always been considered a multidimensional construct that includes a readiness to serve first sacrificially. This attribute has been associated with many positive by-products in organizations such as: followers' emulation of self-sacrificing behaviors (**Choi and Mai-Dalton 1999**); higher commitment (**De Cremer and van Knippenberg 2004**) and performance (**van Knippenberg and van Knippenberg, 2005**).

Servant leaders believe their employees' ability, indicate the direction of work for the employees, develop high quality service standards, motivate employees to do work and improve the quality of service. However, different levels of management leaders play different roles at home and abroad to the servant leadership and organizational citizenship behavior: an area which is involved little.

Many scholars assert that servant leadership has positive effects on employees' attitudes and work behaviors:

In his empirical study (**Xiaoyu Li, 2000**), has analysed : The more servant leadership of department manager has, the more active working behaviors and civic virtue employee has.

Berry L.L (1994) pointed out that quality service needs servant leadership.

As per **James Alan Laub**, Servant leaders are those who put more attention to the interests of others than their own interests, and share the power and position with others, which helps to increase common interest of the members and organization.

Sunita Mehta & Rajkumar Pillay accepts servant leadership as a leadership approach that aims to satisfy the needs of the employees so that it enhances job satisfaction and inspires them to reach higher levels of performance in organizations due to its emphasis on serving, vision, values, teamwork and empowerment.

Servant leadership focuses on the commitment to serve other people (**A.A. Pekerti and S. Sendjaya, 2010**). Followers tend to respond well to servant leaders because they have proven themselves trustworthy as servants.

3. A CROSS SECTIONAL VIEW OF DIFFERENT LEADERSHIP STYLES

Aina and Verma, 2017: They established a significant relationship between leadership style of the senior managers and organizational commitment of the middle managers. Organizational commitment was found to be higher for middle managers whose senior managers exhibited transformational leadership style than those with transactional and laissez-faire leaders.

H. Liu and T. y. Sun, 2014: This paper analyses the action mechanism and impact of transactional leadership style on the new generation employees counterproductive work behavior. The results show that transactional leadership style can effectively reduce the counterproductive work behavior of employees and leader-member exchange is the partial intermediary variable.

H. X. Li and H. X. Di, 2014: The results show that the charismatic leadership of the administrator of fire protection unit is also a four-factor structure under China's special cultural background, composed of charm attraction, stimulation care, vision impelling and moral example, and it has a certain significance for improving the charismatic leadership style of management layer of fire protection unit and continuing to improve its management performance.

C. Schultz and a. Bezuidenhout, 2013: The charismatic leadership style of the plant manager and his commitment to engaging the engineers were strong themes throughout the research. The importance of enabling managers to become leaders was also clear. The overall perceptions were that the leadership workshop initiated employee engagement amongst the engineers.

Z. Hui, Z. Xiang and T.A. Cope, 2010: Results indicated that both transformational and transactional leadership styles positively predict aspects of engagement, but that transformational leadership, the more effective style, has greater predictive strength. Contingent rewarding of transactional leadership is a significant predictor of employee vigor. Intellectual stimulation of transformational leadership is a significant predictor of efficacy and task focus in employee engagement.

Y. Berson and J. Linton, 2003: It is found that both transformational leadership and transactional contingent-reward leadership are related to the establishment of a quality environment in the R&D part of a telecommunications firm. However, the impact of transactional contingent-reward leadership ceases to be significant once both leadership styles are considered simultaneously using structural equations. A transformational leadership style is also found to be related to employee satisfaction.

4. CONCLUSION

Leadership is extremely important for organizational success in this globalized economy. The majority of leaders deal with the reality of the global economy every day. Despite this fact, most leaders have not been trained, educated, and prepared to deal with the complexity of this environment (**Black & Mendenhall, 2007**). Also, very little research has looked into what it takes to develop a global leader (**Smith & Peterson, 2002**).

This raises the question whether we should design a new model of leadership that would ensure coordination of work of numerous employees ‘without creating a burdensome hierarchy of their superiors, how to keep costs under control, without stifling human innovation at the same time, and how to create organizations where discipline does not exclude freedom and vice versa’ (**Hamel, 2008**).

Therefore, today the question arises of whether the so- called rational school of management as emerged in late 19th and early 20th century, can adequately respond to the challenges of the modern world (**Peters, 2008**) or we need to conduct more empirical studies in the dynamic economy and fast fading trends.

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