

# **Effective Leadership for the 21<sup>st</sup> Century**

## **Emotionally and Ethically Competent Leaders**

21<sup>st</sup> century is governed by a new watchword: interdependence. Economies and cultures are now so tangled that the quest of selfish benefits by one of the players based only on self interest without due regard to its impact on others can set off a chain reaction that ultimately derails all the players. The requirements for success are changing. Leadership is no longer requires to merely generate a healthy financial bottom line, but increasingly leaders are challenged to justify their success in terms of how well they support, sustain, grow and also care for the natural world on which all life depends. The ethical rules of the past acquire a new and urgent prominence in the present. The leadership role is not merely transactional but transformational. We are challenged as leaders, individuals, organizations, communities and societies to become emotionally ethically competent.

### **Introduction**

Leadership is stated as the “process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task.” According to Ann Marie E. McSwain, Assistant Professor at Lincoln University, “leadership is about capacity: the capacity of leaders to listen and observe, to use their expertise as a starting point to encourage dialogue between all levels of decision-making, to establish processes and transparency in decision-making, to articulate their own value and visions clearly but not impose them. Leadership is about setting and not just reacting to agendas, identifying problems, and initiating change that makes for substantial improvement rather than managing change.”

Based on the syntheses of Yukl (1998), Locke (1991), and Conger and Kanungo (1998), as cited by Jennifer George (2000), effective leadership includes the following essential elements:

- Development of a collective sense of goals and objectives and how to go about achieving them;
- Instilling in others knowledge and appreciation of the importance of work activities and behaviors;
- Generating and maintaining excitement, enthusiasm, confidence, and

- Optimism in an organization as well as cooperation and trust;
- Encouraging flexibility in decision making and change;
- Establishing and maintaining a meaningful identity for an organization.

Competence is a standardized requirement for an individual to properly perform a specific job. It encompasses a combination of knowledge, skills and behavior utilized to improve performance. More generally, competence is the state or quality of being adequately or well qualified, having the ability to perform a specific role.

Emotional intelligence is ‘the ability to perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth’ (Mayer & Salovey, 1997). Goleman defined emotional competence as “a learned capability based on emotional intelligence those results in outstanding performance at work.”

Ethics (also known as moral philosophy) seeks to address questions about morality; that is, about concepts such as good and bad, the noble and the ignoble, right and wrong, justice, and virtue. Ethical competence then is a learned capability based on ethical intelligence that results in smooth harmonious and peaceful relationships at every level in society. Like emotional competence it is difficult to measure, but its presence or absence in an individual, organization or society is readily observable.

In their book, *Moral Intelligence* (2005), authors Lennick and Kiel conclude that most cultures and religions around the world recognize four principles which are vital to personal and organizational success:

1. Integrity
2. Responsibility
3. Compassion
4. Forgiveness

According to *Jim Ware* (2008), high performing leaders, have a personal commitment to practicing ‘energetic integrity’. This term, and the life that energetic integrity engenders, involves personal skills such as emotional intelligence, communication, and moral courage.

## **Does it makes Business sense to have Emotional and Ethically Competent Leaders?**

Nobel Prize-winning economist Gary S. Becker, who coined the term “human capital,” says that “the basic resource in any company is the people. The most successful companies and the most successful countries will be those that manage human capital in the most effective and efficient manner.” Human capital is a valuable concept because it recognizes that people should be treated as assets, rather than as an expense. Effective business leaders are beginning to understand that to stay on top in the global economy; they need to place more and more emphasis on developing and retaining their people. The pace of change in the business landscape has changed dramatically in the past decade, owing to factors from the feverish hiring boom of the 90s to the economic slowdown in the earlier part of this decade. During this same period of time, employee attitudes have changed dramatically. Exposure to widespread layoffs and corporate scandals has led to an erosion of company loyalty and re-evaluation of career and life priorities by many employees.

Evidently, the leaders of the 21<sup>st</sup> century are beset by a series of dilemmas, with conflicting propositions clamoring for their attention. Leadership positions in organizations often entail a very hectic work pace with multiple and changing demands and high levels of stress (Kanter, 1983; Mintzberg, 1973). Not only do leaders have to meet these multiple demands, but they also have to constructively resolve conflicts, and generate and maintain a sense of cooperation and trust. Effective transformational leaders are able to identify relationships among the many issues they are confronted with (Yukl & Van Fleet, 1992), enabling them to respond to multiple issues simultaneously (Isenberg, 1984; McCall & Kaplan, 1985; Yukl & Van Fleet, 1992), as cited by Jennifer George (2000) . This flexible thinking perhaps arises out of emotional competence whereby they see connections among divergent information, and thus help the leader perceive how issues are interrelated.

Transformational leaders are effective because, they create resonance. Resonance comes from the Latin word, ‘resonare’ to resound. They are attuned to other people’s feelings and move then in a positive emotional direction. They speak authentically about their own values, directions and priorities and resonate with the emotions of surrounding people. Resonance comes naturally to leaders with a high degree of Emotional competence and maturity. Transforming leadership is

concerned with end values, such as liberty, justice, and equality. They use value alignment to influence group performances which enhance follower commitments, job satisfaction, innovation, which in turn positively enhance the company's performance (Avolio, 2000). According to Burns (1978), 'transforming leaders have very strong values. They do not water down their values and moral ideals by consensus, but rather they elevate people by using conflict to engage followers and help them reassess their own values and needs. Hence, transformational leadership has become almost synonymous with ethical leadership.

The ultimate determinant of success for any business leader is the ability to create a harmonious sustainable global civilization on a finite planet. The world too is moving towards more socially responsible and accountable business environment. Corporate social responsibility, social audits, green eco-friendly work environment are some of the buzz words of today. The management and institutionalization of these values comes easy to a leader who is emotionally and ethically competent.

## **Conclusion**

It definitely makes excellent business sense to have emotionally and ethically competent leaders in organizations because;

- Emotionally and Ethically competent leaders, are better equipped to deal with external and internal ambiguities of today's business.
- Emotional management may underlie the ability of the leader to be inspirationally motivating and intellectually stimulating.
- Ethically competent leaders practice 'ethical integrity', institutionalize care for the environment and respect for human values.
- Emotionally and Ethically competent leaders have the capacity to propel the organization forward with a greater speed as they create leadership at all levels as their 'Followers become leaders'.

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