

Chapter 9 Towards Responsible Leadership through reconciling dilemmas.

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1. Introduction

Today, in an age of globalization, leaders in the organizations find themselves in an ever-changing, dynamic and complex multi-cultural business environment in which there is an increasing interconnection between technology, people, organizations, cultures and society at large. Established models of leadership, conceived for more traditional and stable eras, have broken down. We must consider what new facets of leadership are required to serve today's leaders.

From a holistic perspective, the apparently conflicting needs and demands of employees, clients, suppliers, customers, shareholders, communities, NGOs, governments, international institutions and the environment give rise to a whole series of tensions that need to be reconciled. In addition, the internal organizational challenge is to lead an increasingly diverse workforce across distance, organizations, countries and cultures; to select, develop and retain people from different backgrounds; and to leverage their potential in order to create an inclusive environment.

In this global multi-stakeholder society, a purely financial view of bottom-line performance is too limited to capture the quality of leadership and success of organizations in the long run. There is no line in the regular profit and loss statements that represents 'responsibility' as either an income or expense. The challenge for today's leaders is to perform effectively in an environment of uncertainty and ambiguity while reconciling the diversity of interests, needs and demands of multiple stakeholders.

To rise to a position of responsible leadership is to experience ever more numerous and more various claims upon your allegiance: organizational goals versus the long-term needs of society, globalism versus localism, employee orientation versus accountability to shareholders, self- versus organization-interest, and service to customers and community. As a leader you are no longer only in your own business and organization, but in interaction with external stakeholders. You must, of course, satisfy shareholders, but how can you do this without first enthusing your own people, who then delight customers, who then provide the revenues you all seek? Once again you are between such constituencies and you need to reconcile these claims and demands of multiple stakeholders.

In this chapter, we present our definition of responsible leadership in the above context. We explain the key dilemmas responsible leaders face in a global multi-stakeholder society and why it is appropriate to present cross-cultural competence as the fundamental construct for responsible leadership. Analyzing the data and cases we have collected over the years in our consulting practice as well as our research demonstrates that competence in reconciling dilemmas is the most discriminating feature that differentiates successful from less successful leaders, and responsible from nonresponsible leaders. Having explored this key competence of responsible leadership, we discuss how to develop responsible leadership characteristics and how to develop the propensity to reconcile with external stakeholders. Finally, we explore what is the 'inner' path to responsible leadership.

2. How can responsible leadership be defined?

An enormous amount has been written and researched in leadership. Frameworks to capture the essence of leadership have been developed on the basis of personality traits, cognitive and behavioural competencies, situational and context models, as well as military ideologies.

At this point we neither want to discuss the different leadership approaches nor conduct an in-depth analysis of their strength and weaknesses (see Rost 1991). However, we need to share an observation from a cross-cultural point of view: many approaches that claim universal applicability for their

findings and ideas ignore cultural differences and are as such ethnocentric; they often only apply to the culture of the country or organization in which they were studied. Nonetheless, such models are not sufficient for the trans-cultural leader to lead a multi-cultural organization. How does one deal with multicultural groups and stakeholders with multiple frames of reference and mental models? Which

principles should they follow if they need to act in a multicultural setting? Which framework should they follow? Which meaning should they create?

Based on our research and consulting where we have examined the professional practice of leaders across the globe in both public and private sector, we have derived the following core proposition that evolves from the analysis of our evidence: namely, that

Successful and responsible leaders apply their propensity to reconciliation – the art of turning differences into complementarities, the art of transforming forces of oppositions and resistance into collaboration and synthesis, and the art of catalyzing creative tensions into innovative breakthroughs, with the ultimate results of sustainable performance of all stakeholders.

Our research studies reveal clearly that competence in reconciling dilemmas is the most discriminating feature that distinguishes successful and responsible leaders in multi-cultural and multi-stakeholder environment. Thus, our definition of responsible leadership is that leaders are those who take responsibility towards the results and performance of the organization, whilst at the same time through reconciliation take responsibility towards integrating a diverse workforce, multi-cultural stakeholders, and suppliers, local and global communities, NGOs, society at large and environmental concerns. These leaders recognize, respect and reconcile these multiple demands, interests, needs and conflicts stemming from these diverse responsibilities. Finally, they can mobilize and successfully engage the collective organizations and varying stakeholders to fulfill these multiple responsibilities.

3. The inner path to responsible leadership

Where does the path towards responsible leadership start? Responsible leadership towards stakeholders starts from the very core of the leader him/her self. The sense of responsible leadership originates from a deep sense and recognition of unity with all living beings and the external environment; behind all apparent differences we are all alike in human heart, soul and feeling, and from the same source and origin. Given this unity, the responsible leader's view on people is: people are seen more as beings to be trusted, believed in, loved, served and to be empowered; and less as objects to be used, competed against, and judged.

Responsible leadership is evolved via thorough understanding of oneself: one's innate nature and temperament; one's outer self and inner being; one's various layers of self and ego: mind, heart, soul; one's limitations and aspects needed to be transformed; one's various mental models and lenses on life and world established along the years of life experiences. It is the self-knowledge and awareness, including understanding one's impulses, drives and motives in life and in dealings, and the consciousness about which layer of the self is steering one's action and making choices in life. It is also the awareness and conscious development of one's ideal – a goal with a higher purpose, with the extra depth and width; value systems, and the clarity of life's purpose.

After all, responsible leadership sets on the foundation of a leader's inner urge to serve and enable others accompanied by human empathy and compassion. The urge to serve goes beyond serving one's own interests, purpose and position. As Robert Greenleaf said, love of oneself in the context of pervasive love for one's fellow man is a healthy attribute and necessary for the fulfillment of a life. We would also say that it is therefore necessary for the fulfillment of the responsible leadership. The crucial point is humanness, the leader as a thoroughly humane person. (Greenleaf, 1960)

Before leaders can fulfill the responsibility towards the outside world with various stakeholders, they have the above challenging tasks to fulfill first the responsibility towards one's integrity, inner self and the life one is leading. How well one has the mastery of reconciling the inner being with the outer self? How diligently one is working on cultivating one's personality in the context of being conscious of one's innate nature and character and in spite of the possible inborn defects? How well one is actualizing one's inspiring ideal and values while meeting the demand of everyday life? How effective one is reconciling the instant impulse with deeper motives; one's mind with one's heart; feeling with reason, body with soul, internal journey and external action? How conscious are the leaders in reconciling his/her own developmental goals with serving the others? Given the complexity of human nature and life, has the leader reconciled the multiple stakeholders and perspectives within his- or herself in humanness?

All above requires self-discipline and self-mastery charged by the will power and capacity to reflect - capacity to look within and to have an inner dialogue so that one can continuously grow and expand in

wisdom and maturity. Maturity, as defined by Robert Greenleaf, is the capacity to withstand (outer) ego-destroying experiences and not lose one's deeper perspective in Self-building experiences. (Greenleaf, 1960)

In this increasingly demanding organization and business environment where actions, whether well thought / well-intended or not, are overly dominating, first of all, it is crucial to build repose in one's work and life in order to have moments of reflection, allowing time and space to investigate within, getting perspectives, acquiring strength and illumination, and finding the inner connectedness and centeredness – intuition. Intuition is one's deeper faculty. It goes beyond reason and emotion. The key to it is a pure mind and a pure heart. Beauty is a good remedy and a valuable help in the process of purification. The more beauty people absorb in life and nature, the more beauty they can shine out.

Secondly it lies in the focus of developing the art of personality, the humane qualities. At this time the world's condition is such that it seems that the art of personality has been much neglected. People, intoxicated with the life of cupidity and the competitive spirit, is held by the commercialism of the day, is kept busy in the acquirement of the needs of his everyday life, and the beauty which is the need of the soul is lost to view. Man's interest in all aspects of life, business, prestige, status, science, art, philosophy, remains incomplete in the absence of the art of personality. The Indian musician and mystic Hazrat Inayat Khan, who lived in the 1920's, said: "The human heart must be first be melted, like metal, before it can be molded into a desirable personality." (Khan, 1993)

The art of personality resides in polishing the rough edges of one's vanity, since vanity is in fact the hidden source from which both virtue and sin arise in one way or another. It is in the practice of this art that the personality and character are ennobled. The art of personality is like the art of music, wherein ear and voice training are indispensable in discerning the pitch of a tone and its interval from another for the purpose of establishing harmony. When relating this same ideal of harmony to our fellow humans, it is obvious that the beauty of the personality shines out in such tendencies as a friendly attitude in word and action, spontaneity in the art of offering one's help without any expectations of return, and in the awakening of the true sense of justice, all of which are the expressions of the music of personality (Hidayat Inayat-Khan, 2000). The art of personality is a precious secret in life and in responsible leadership. This art is manifested in feeling for beauty and sincerity in thought, speech and action. It is revealed in a considerate attitude towards self and others and in being aware of the re-echo of all that one does in life, and for which one shall have to account sooner or later.

The examples of remarkable and responsible leadership are among others Nelson Mandela and Mahatma Ghandi, who were capable of acting as responsible leaders based on the fulfillment of their humane personality development and the cultivated heart full of compassion. Although people may say that we cannot expect all organizational leaders to act like these great people as both responsible and moral leaders in its most responsible sense, we think that such quality is equally crucial and needed in business and development before people can internalize the true responsibility. Somehow, in the present corporate world, it seems hard to explore this inner aspect of the responsible leadership and give space and attention to develop the heart quality and personality of leaders. The main reason of this tendency has partially to do with the notion that leading and managing an organization relies on logic, reason and analytical skills and leaders are judged by the tangible financial results, while heart quality is misinterpreted as too emotional, soft and not quantifiable, therefore it may/should be eliminated from the managing of organizations. On the contrary, heart quality herein refers to the evolved maturity and personality resulting from reconciliation between reason and feeling, mind and heart, inner being and the outer self. Once one has increased the inner strength and transparency, one can enable and sustain the outer self to be more humane and centered.

Many of the above arguments have been confirmed by various scientific disciplines. The leading cognitive scientist Francisco J. Varela in his scientific study of consciousness has done investigation of conscious experience at the personal level. His book "The View from Within" and "On becoming Aware: A Pragmatics of Experiencing" advances such investigation along several fronts on introspection, phenomenology, and meditative psychology, building bridges to cognitive science, psychiatry, and the scientific study of meditation techniques. He argues that objective scientific paradigm is not sufficient to serve the study of human consciousness and inner state, the methodology of first-person accounts is needed in studying and making sense of internal consciousness experiences. In order to make sense of the internal consciousness experiences, whether for cognitive science researchers or ordinary people who want to gain more self-mastery, it requires the cultivation of a sustained discipline of observation and introspection. (Francisco J.

Varela 2001)

In the field of psychology, drawing on groundbreaking brain and behavioural research, Daniel Goleman shows the factors at work when people of high IQ flounder and those of modest IQ do surprisingly well. These factors, he terms "emotional intelligence, which include self-awareness, self-discipline, and human empathy, add up to a different way of being smart and effective. These factors can be nurtured and strengthened throughout adulthood- with immediate benefit to our inner peace, health, relationship with others and work. (Goleman, 1995, Bantam Books). In both public and private sector, IQ, which refers to cognitive intelligence, logical reasoning and mathematical skills, is traditionally over-valued and emphasized. And the study of Goleman on emotional intelligence referring to the healthy state of one's inner life and emotional maturity as we discussed above gives the extra evidence of our argument on responsible leader's tasks in addressing the challenges within him and leading from the very core of him/herself before exercising the responsible leadership externally.

Another figure is the professor of Insead Manfred Kets de Vries, who scrutinizes the interface between international management, psychoanalysis, psychotherapy, and dynamic psychiatry, in investigating and researching effective leadership. His study goes deeper into the psychological reasons for leadership and follower behavior exploring that core themes in a leader's "inner theater" cause him or her to choose actions, and these themes are a key to understanding the resulting behavior. He investigates a wide variety of counter-productive executive maladies such as: excessive narcissism (self-centeredness); unusual - even inappropriate - responses to associates; excessive compulsions; self-defeating behaviors, which are key stumbling obstacles for acting responsibly towards one-self, let alone towards multiple stakeholders externally. Kets de Vries, Manfred F.R. (1989)

We see that responsible leadership towards multiple stakeholders starts from the leader him/herself, leading from within based on regular introspection, leading ones' own life consciously, truthfully as a result of cultivating one's heart and personality with self-discipline; walk the talk and embody the true responsibly in his/her own life. This "inner expertise" (Francisco J. Varela, 2003, , Bantam Books) of reconciliation needs to be and can be nurtured and development by leaders, and by then he/she is able to fulfill the responsibility with compassion towards the external stakeholders and the society at large.

4. Conclusion

Responsible leaders recognize, respect and reconcile the multiple demands, interests, needs and opposites stemming from their intrinsic responsibility towards employees, organizations, customers, suppliers, communities, shareholders, the society at large, NGOs and the environment. As we have demonstrated, the propensity to reconcile these dilemmas is the most discriminating competence that distinguishes successful responsible leaders today. Leaders, their organizations and the society at large grow and prosper not by choosing one end over the other, but by reconciling both ends.

Reconciling outer dilemmas starts with the inner world of leaders, embodying the true responsibility in one's own life before one is able to fulfill the responsibility with compassion towards the external stakeholders and the society at large. The path to responsible leadership towards stakeholders starts from the very core of the leader him/her self. All the above requires self-understanding, self-discipline and self-mastery charged by the will power and capacity to reflect.

All in all, responsible leadership does not only have to restrict itself to organizational leaders, but it can be applied to every responsible human being. Before the world splits itself between commercial gain and the well being of human being and society, between nations, cultures, groups, ideologies and convictions, in order to serve humanity in the work of (re) construction, everybody can act as a responsible leader in his and her own way to bridge existing and new gaps, starting from leading from within, leading ones' own life consciously, truthfully as a result of cultivating one's heart and personality, embodying the true responsibly in his/her own life. This "inner expertise" reconciliation can be nurtured and developed.

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