

Leadership for Tomorrow: An Aristotelian Paradigm

Prof.(Dr.) Laxman Kumar Tripathy

Director, Global Business School & Research Centre

Dean, Faculty of Management

Dr. D. Y. Patil Vidyapeeth(Deemed to be University), Pune, India

Email: drlktripathy@gmail.com / director.gbs@dpu.edu.in

“Leadership of Tomorrow : An Aristotelian Paradigm”

Abstract

Leadership in a traditional sense has meant conveying a set of instructions from hierarchical structures (such as management) to others to attain certain goals and objectives. This has been followed in businesses for several years and continues to be followed. In view of new emerging business environments, supported with technology developments and threatened by newer forms of competitions, leadership will be searching for other dimensions. This aspect needs a rethink in perspectives of various stakeholders involved within it. Now it is expected that the leadership must take care of all the stakeholders and fulfill their expectations. So, what exactly does the leadership to the next generation organizations look like or do? It is attempted to list some of the characteristics. This list of characteristics is just indicative and not exhaustive. Also, it does not mean that the next generation organization would not necessarily demonstrate these entire characteristics, but it would likely embody some of these traits. Some of them are Impact Driven, Finance and Business Centric, Technology and Digital Savvy, Continuous Learning, Shared Leadership, Multicultural and Culturally Competent, Consideration to Work-Life Boundaries, Social Responsibility and Environmental Concerns. All these characteristics together result in value addition to the Management (Board). Thus apart from paying attention to the routine & regular aspects such as making the organization profitable, managing the competition and complying to relevant statutory and legal regulations, leadership tomorrow demands some more. It has to be environment friendly and encompass social empathy. It may give due attention to needs of underprivileged sections of the society and by suitable means try to fulfill those needs. This may not be for image building but for keeping the organization active in the real world. The leadership may try to do activities that result in conservation of natural resources by the organization by

undertaking suitable activities that are synergic to their business operations and satisfy, to some extent, needs of all their stakeholders. Indeed, tomorrow's leadership is challenging, evolving and is in the process of ongoing learning; in the quest for acquiring new knowledge to maintain its coveted position. That's not impossible but certainly a demanding task ahead of all the new and emerging organizations of tomorrow.

Objective : The present study compares the Indian and Western Leadership Models & their variables and also will make an attempt to form an alternative paradigm of Leadership taking the best from both and aiming at an integrated model of Leadership. A Taxonomic View of Leadership is partial, fragmented, like Parable of five blind men's perception of Elephant and therefore there is a need and necessity of holistic or integrated view.

Research Methodology: Extensive review and analysis of various research papers and articles published over past few years. Resources quoted and borrowed are duly acknowledged.

Outcome: An Integrated and New Paradigm of Leadership which is holistic and also provide a basis for critical understanding of the concept of Leadership in 21st century.

KEY WORDS : Leadership, Next Generation Leaders, Developing tomorrow's Leaders, Challenges in Leadership

Part 1: Eastern & Western Models of Leadership

1.1.Introduction

Without capable leadership, there will be chaos.

There is no second opinion that organizations depend on good talent to prosper. Today in India, there is a huge growth impetus. This momentum, however, presents significant leadership challenges as well. The question is whether India is developing enough leaders fast enough to keep up with this growth and subsequent demand. There is no doubt that it will need more and stronger leaders for India. The sustained growth of

Indian businesses has put a strain on existing leaders while creating an increased demand for “ready now” leaders. It is required to identify practices and strategies to not only accelerate the next generation of leaders but to sustain and support them.

Most organizations invest in short-term training and programs, but very few persist with the long-term commitment required to develop a leadership strategy that goes in tandem with the business strategy. Instead of creating the talent masterpiece required for the future, most organizations want to doodle when it comes to people and talent development.

The war for talent is intensifying at all levels locally and globally. In India, foreign organizations MNCs (multinational corporations), local large organizations, and even start-ups, are competing for the “best-in-class” talent. Indian talent is also being courted to take up overseas positions in global companies. The key question organizations are grappling with is how to attract, keep, and develop the best?

As India pushes ahead on the development path and occupies center stage in the global economy, it will need talented men and women who can lead rapid, well-orchestrated, and inclusive growth.

1.2 Eastern Model of Leadership

Eastern model of business leadership, as a research topic, is a relatively new phenomenon that emerged about three decades ago. Ongoing studies however, suggest that Eastern and especially the Indian business practices will continue to follow traditional beliefs and long-established cultural traits. Such beliefs may be influenced by cultural forces and may be conceptually linked with political, social, and industrial paradigms. Within this philosophical framework, leadership has to focus on being humanistic and improving followers through personal development.¹

According to the Eastern model of leadership, the leaders are expected to rate ethical values and considerations above the achievement of profit.²It is said that a leader can be a (role) model and a source of inspiration for (others) subordinates by using persuasion rather than compulsion; promoting synergy with nature and with others; and setting a personal example by promoting equality, simple living, and so on.³ Last but not the least, the leader should exert minimal influence on subordinates.⁴ Although described as discrete elements, these principles are interlinked and interdependent.

Exhibit 1 shows some of the indicative aspects of Eastern Model of Leadership



Exhibit 1: Some Indicative aspects of Eastern Model of Leadership

Western Model of Leadership

Western leadership principles and management theories have always remained business centric with focus on revenues and profit generation.⁵ Western leadership principles vary to some extent across European and American cultures.⁶ Though, it was observed that specific leadership aspects remain the same which follow specific leadership practices.⁷ The difference is only with the extent of significance given to certain features.⁸ According to the Western model of leadership, the leaders are expected to give more importance to business specific aspects.⁹ Such leadership style has created rather specialist practices rather than generalist leadership practices. Such special aspects include articulating a view of the future for followers, supporting and management of innovation, fostering human relations, and strategic planning.¹⁰

Exhibit 2 shows some of the indicative aspects of Western Model of Leadership



Exhibit 2: Some Indicative aspects of Western Model of Leadership

Part 2: External Factors shaping the Leadership of Tomorrow

The changing environment, over time, has created more challenges for the leadership. Dynamic business environments have made this situation more complicated. Changes in external environment have caused shift in thoughts about leadership and its implementation.¹¹

Exhibit 3 shows some of external factors that is shaping now the Leadership of tomorrow.

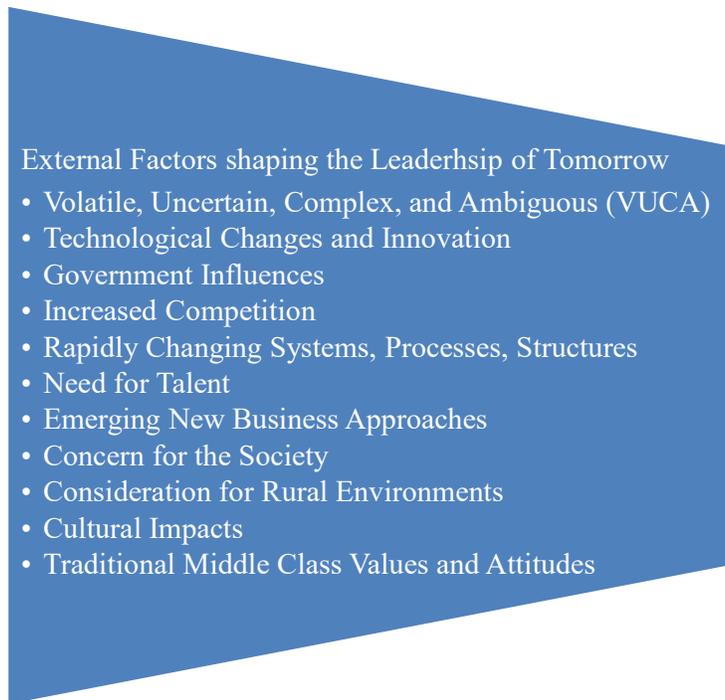


Exhibit 3: Some of external factors shaping the Leadership of tomorrow

2.1.Volatile, Uncertain, Complex, and Ambiguous(VUCA)¹²

The changes in today's business environment are unpredictable and the phrase VUCA is used to describe the new environment in which leaders must work.

Volatile: Change happens rapidly and on a large scale.

Uncertain: The future cannot be predicted with any precision.

Complex: Challenges are complicated by many factors and there are few single causes or solutions.

Ambiguous: There is little clarity on what events mean and what effect they may have.

As country and regional economies become more integrated and interconnected, the world's economic systems have become much more volatile, uncertain, complex, and

ambiguous(VUCA). Low crude oil prices, a strong US dollar, increasing interest rates in the United States, and the slowdown in China—all of these factors move in tandem and increase volatility globally.

Closer home, political uncertainty and infrastructure bottlenecks add to the uncertainty and unpredictability in the business environment. Another aspect of complexity has been the volatile nature of financial capital flows and the financial market indicators. Key characterization of this complexity is the difficulty in making predictions in a deeply uncertain local and global environment.

Leaders at the helm of Indian organizations, therefore, must deal with an increased number of variables, and there is a growing interdependence between organizations and the macro-environment.

2.2.Technological Changes and Innovation¹³

The external environment and organizational context in which Indian leaders operate define the challenges they may face, and individual values and beliefs influence how these leaders respond to such challenges. Indian leaders have witnessed a dramatic shift in context over the last few decades—from a stable, low-growth economy comprising of government-controlled businesses using rudimentary technology, to a relatively volatile, moderate- to high-growth intense competitive environment comprising of large and small enterprises embracing cutting-edge technical know-how.

Advances in technology are fundamentally changing the macro-environment, with media, IT, banking, telecommunications, and retail sectors leading the way, thanks to leaps in bigdata analytics, mobile technology, and robotics. Irrespective of the industry, Indian organizations are impacted by these changes, especially as it pertains to making investments and managing risk. For instance, large telecommunications players such as Bharti Airtel, Reliance, and Vodafone have invested in 4G technology, and must manage the risk of influencing a relatively immature market to embrace new services. This calls for a Technology and Digital Savvy leadership.

Financial services organizations are increasingly providing services via the Internet or mobile technologies to meet the needs of current and future customers. According to the survey, Indian leaders consider the speed of technological change as a top new

threat. More than two third of the respondents surveyed, are concerned about the influence the speed of technological change will have on their organization's growth.

2.3.Government Influences¹⁴

In addition to the external macro environment, organizational capabilities and circumstances also affect the leadership influence. The government is the biggest aspect now when it comes to business. It is well understood that the government has the power to intervene and regulate how organizations do business. As observed the industry is now increasingly having interventions from the government, which at times are very sudden and have far-reaching variations in the way business is conducted. This in turn affects the top level and bottom level performances, the organization composition, and internal working systems.

To mitigate uncertainty and unpredictability, it is necessary for the organizations now to seek ways to influence and work with the government. The challenge of partnering with the government is a proactive response to what would otherwise be completely outside of the organization's control.

2.4.Increased Competition¹⁵

With increased use of technology, access to information it is now possible for the businesses to easily reach their prospective customers. It is also become equally important to retain the existing customers. Such kind of immensely dynamic marketplace now offers a considerable challenge in terms of business growth and market share. Customers choose between existing large organizational players and smaller, newer entrants who do not always play by the same rules. More discerning and savvy customers mean organizations must become more customer-centric by understanding their needs and motivations to provide value-added services and products. Organizations are shifting from transactional customer relationships to longer-term, value-added relationships. The main question now asked is, 'are you customer oriented?' It was understood that the real challenge would lie in aligning every process, every resource allocation, every people capability building, to meet the customer's needs. Being "Impact Driven" has become today's prominent aspect as well as one of the challenges for every business.

2.5.Rapidly Changing Systems, Processes, Structures¹⁶

As the external environment changes, organizations are facing the daunting task of streamlining their internal systems, processes, and structures to better meet the needs of customers and stakeholders. Such streamlining of the systems may vary from organization to organization and it may also depend on the nature of the industry, the organization, and the customer. For example, one progressive Indian organization may streamline their sales related team in a way such that they are very comprehensive in nature and are in a position to offer a wide range of services and solutions (to their demands) instead of maintaining product specific or service specific teams. Such modifications may result in more efficient operations and inter- connected organization structures.

2.6.Need for Talent¹⁷

The most frequently mentioned challenge from within any organizations is the ability to attract, develop, and retain people with the capabilities and commitment needed for current and future organizational success. According to the past research about more than half of the respondents who participated in this survey, i.e. about 58% of Indian organizations, face talent shortages, compared to a global average of 38%.

Shortages of talent in the employee marketplace are indications of more demand and more competitive market. In such environment it is obvious that there is more need of talented individuals and it underscores the need for organizations to develop talent internally to some extent. For example, in the context of an Indian organization which is on a growth track one can never have enough talent. In reality, especially in Indian organizations in high growth segments, there is a huge shortage of talent. Now a days it has become more difficult to find a challenger, a successor for every important role.

2.7.Emerging New Business Approaches ¹⁸

Today it is observed that new business approaches are in vogue. In addition to three basic and traditional business approaches - asset builders (build, develop, and lease physical assets to make, market, distribute, and sell physical things), service providers (hire employees who provide services to customers or produce billable hours), and

technology creators (develop and sell intellectual property), new-age enterprises prefer to function as network creators(create a network of peers in which the participants interact and share in the value creation).

Recent examples in India include Flipkart, Ola, Pumpkart, and pepperfry.com. Such new-age enterprises are not following the traditional ways of doing business; they have their own rules and systems. They are flat, agile, and without any layers.

2.8.Concern for the Society ¹⁹

There is growing awareness about concern for the society amongst the corporate sector. It was observed that the social infrastructure in India is in nascent stages till date. According to the past research there are about 290 million Indian adults who are illiterate. In fact one in three illiterate adults in the world lives in India. The physical infrastructure such as roads, electricity, transport, housing, etc., is also missing in most of the parts of the country.

Also, according to another research done earlier, roughly one in 20 Indians earns a daily income of more than ten US dollars, so there are a huge number of people at the bottom of the pyramid in India. Operating amidst “yelling” demands for the development, Indian organizations are increasingly trying to mix and match their corporate needs with the community requirements.

Progressive organizations in India understand that they cannot work alone; they need to look beyond their immediate gains to build sustainable businesses. This calls for a “Socially Responsible and Environment Conscious” leadership.

For example, well known Tata group organization’s Tata Steel has developed and managed the city of Jamshedpur, where its steel plant is located, for more than nine decades. Tata Steel works in conjunction with the local government, district administrations, and international organizations to create a strong and resilient economy in urban and rural areas around Jamshedpur.

2.9. for Rural Environments²⁰

This calls for encouraging and supporting the good works in the rural society. This may be termed as recognizing the importance of rural environments by supporting the grassroots innovation. Uncertainty, hardships, and intense focus on frugality have cultivated an ability in organizations to improvise around obstacles - getting most out of least for many.

National Innovation Foundation is promoting Rural Technologies under the scheme (GTIAF) - Grassroots Technological Innovation Acquisition Fund, which is aimed at dissemination and social diffusion. Coconut husker, Manually Operated Water Lifting Pump, Hand Operated Pump, Centrifugal Sprayer, Improved wood cutting machine, Bullock operated sprayer, Nursery bag filler, sprayer, gum scrapper, etc., Parboiled paddy spreader, Portable stove fueled by paddy husk, Variable gear system for cycle rickshaw, are a few examples of consideration of rural environments.

2.10.Cultural Impacts²¹

Although evolving every day, India largely remains a hierarchy-conscious society, particularly among older employees. Most attribute this psyche to family upbringing, where the senior-most is to be respected and obeyed, the caste system, or the political environment where hierarchy was used to organize and manage the huge population. This hierarchy mindset has seeped into the corporate environment as well, much more so in government enterprises and family-owned and managed enterprises, than multinational corporations. The leadership should also take this into account and align their mindset towards a more “Multicultural and Culturally Competent” approach.

2.11.Traditional Middle Class Values and Attitudes²²

The middle class is dominating in the country. While there are differing opinions, according to National Council of Applied Economic Research (NCAER) estimates, India’s middle-class population is estimated to be about 270 million. An average Indian leader therefore grows up in a household with a deep focus on education as a vehicle to progress. Since there is a large population competing for limited resources, middle-class values also fuel an intense spirit of competition. Other values that middle-class parents impart to their children are modesty, respect for hard work, and the value of

good deeds. That being said, having a “Consideration to Work-Life Boundaries” is an important quality for the new leadership so that the same values can be passed on to the future generations.

Part 3: Emerging Paradigm of Leadership

We have to evolve a framework in terms of which each one of the variables discussed above viz. variables related to the Eastern and Western Models of Leadership and variables related to the External factors shaping the new Leadership of tomorrow, may be accepted from the points of truth they contain. In other words change in Leadership of 21st Century is not merely accepting the Eastern One and rejecting the western, but rather harmonizing them and giving each its respective place in our conception of Leadership as a whole.

The framework, which we shall be using, is based on the Aristotelian doctrine of four causes.²³ For Aristotle, a full understanding of anything requires that we consider it from four perspectives or points of view. They are

- i. material cause
- ii. formal cause
- iii. efficient cause
- iv. Final cause

(The word “cause” here is to understood not in the Human sense of an antecedent event, but cause, here, stands for a ‘point of view’ or ‘perspective’.)

The significant point about Aristotle’s scheme of four causes is

- i. a full understanding of anything is possible only if the thing in question is considered from the four points of view
- ii. these views are to be seen as connected with each other

Hence, the Aristotelian schema is an integrated framework. It is this feature, which is helpful for us, for all variables of both Eastern and Western Leadership models and the contemporary external factors shaping the leadership tomorrow are also integrated.

The four points of view or four causes can be explained in terms of his own example.

- i. He illustrates the material cause by the formless bronze from which a sculptor fashions his statue.
- ii. The formal cause is the pattern or the structure, which is to become embodied in the thing after it is well fashioned. In the case of the statue it is the plan or the idea of itself as conceived by the sculptor
- iii. The efficient cause is the agent which produces the thing as the effect. The efficient cause of the statue is the chisels, hammers, the will of the agent and other instruments used by the sculptor.
- iv. The final cause is the end or the purpose towards which the thing is directed. In the example of sculpturing, it is the fully complete and realized statue.

In this way Aristotle explains the four causes by his own example of sculpturing. But what is important to note is that Aristotle himself extends this schema to more complex, non - physical cases as shown in his works -

- i. arguments for persuasion as described in Rhetorics
- ii. scientific theories in Prior Analytics.

There is, therefore, some basis for extending the Aristotelian causal model not only to material objects or events but also to conceptual constructions such as Leadership.

With this brief introduction, in the present issue, we propose to use this as a framework for the discussions of some of the dimensions of Leadership. But before proceeding to do so, I would like to emphasize that the use of the framework, which I am attempting

now is an interpretative and not a causal one. In Aristotle, the doctrine of four causes is presented as four perspectives or points of view from which anything may be considered. More importantly, these four perspectives are not alternatives rather they are related with each other such that a total understanding requires all the four. It is this unifying and integrating character that proves useful in our attempt to understand the concept of Leadership in 21st Century in all aspects.

While using this schema we shall observe a certain sequence of discussion, i.e. the order in which we can arrange our discussion is

- i. The material cause point of view
- ii. The efficient cause point of view
- iii. The formal cause point of view
- iv. The final cause point of view.

In anticipation, the material cause perspective will identify the substance or the content which is said to be transformed (i.e. personal variables of Leadership), the efficient cause identifies the agency which brings about the transformation (i.e. the variables of organizational environment), the formal cause –the pattern of transformation (i.e. the variables of External environment) and the final cause –the goal of transformation(i.e. Leadership leading the organization towards its goal).

As we have seen earlier, the eastern model of Leadership has the following variables:

- i. Traditional Beliefs ,ii. Cultural Traits, iii. Humanistic Approach, iv. Focus on Personal Development, v. Ethical Behaviour , vi. Promote Synergy, vii. Minimum influence, viii. Use of Persuasion

Continuing with the Western Model of Leadership, we have the following

ix. Modern Thoughts, x. Profit Generation, xi. Business Oriented approach, xii. Focus on OD ,xiii. Articulating view of future, xiv. Supporting Innovation, xv. Human Relations, xvi. Strategic planning

As proposed earlier, to develop a holistic concept of Leadership which is pragmatic for 21st century, we can have the following variables in the respective perspectives.

3.1. Material Cause : (i.e. Personal Variables of Leadership)

Traditional Beliefs, Cultural Traits, Focus on Personal Development, Ethical Behaviour ,promotion of synergy, use of persuasion and human relations.

3.2. Efficient cause (i.e. Variables of Organizational Environment)

Modern Thoughts, Minimum Influence, Focus on OD, Articulating View of Future, Supporting Innovation, Strategic Planning

3.3. Formal cause (i.e. Variables of External Environment)

VUCA, Technological Changes & Innovation, Government Influences, Increased Competition, Ever changing systems and processes, Emerging New Business Approaches, Middle class values and attitudes

3.4. Final cause (i.e. Leadership leading the organization towards its goal).

Profit Generation, Concern for Society, Consideration for environment, Sustainable Cultural impact

Concluding Remarks

The preceding attempt to place the basic concepts and ideas of Leadership within a philosophical conceptual framework may have two interesting implications. First of all such a framework may allow us to recognize the interconnections and inter-relationships between various variables of Leadership per se. Secondly and more importantly, it may also provide a basis in terms of which sustained comparisons with other theories of Leadership may be made. For example, if one were to elaborate the

Transformational or Transactional theories of Leadership in such a unifying framework, it may, perhaps, be easier, to have some kind of critical judgements regarding the limits of these three models. In this sense, the framework used in this paper may provide a philosophical basis for comparative studies of theories of Leadership. To the extent that it provides such a basis I believe that philosophical theory may serve an important function for the human sciences.

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