

# *Emerging Challenges faced by Leaders of various Functional Teams within SMEs for building a Positive Work Environment*

Ms. Sanobar Khan

## **ABSTRACT**

A Leader is an individual who influences other group members towards attainment of pre-defined Organizational goals. Therefore how challenging Leadership is, becomes obvious by the fact that the influence by the Leader has to be Goal-Directed and Non-Coercive in nature. The Leaders must adapt to Grassroots Leadership Approach which turns the Traditional Management Hierarchy upside-down by empowering people to make their own decisions.

This compact piece of writing will shed light on a framework of Challenges faced by the Leaders of today. The paper will go onto highlight the emerging trends and challenges in a day-to-day functioning of the Organization. Today, an Organization's success depends on the collective wisdom of all its employees. Who can be a more suitable person than a Manager to be able to play an important role in guiding the Team to use their collective power effectively in developing an environment that fosters trust and respect? It can easily be concluded that the Leaders of today should be more willing to share, as the Organizations are more bent on Team-based structures that require more collaborative and inclusive approaches.

**Originality/Value-** This article identifies the key elements crucial for effective Leadership. It shows how Leaders who align personal purpose with organizational mission and guide their Team in a right manner become successful in this challenging era of globalization.

**Keywords:** Leadership, Manager, Challenges, Organization, Globalization

**Paper Type-** Viewpoint

## **INTRODUCTION**

The world is undergoing a fundamental shift due to various effects of Globalization, regardless of Industry, Location or size. This shift is affecting the nature of every work and Leadership. Leaders of this era are expected to untangle paradox and uncertainty, balance conflicting demands, connect to and empower those around them and adapt to change within no time.

Against the backdrop of highly increasing demands and looming challenges Organizations are being more and more drawn towards the capacities of their current Leaders. Over 75% of companies surveyed in IBM's Global Human Capital Study claimed that developing capable leaders is an area of concern (IBM, 2008). Therefore it is more than obvious that competencies rooted in the past will no longer be successful in times to come. The current era requires fresh set of Leadership Skills and hence there is a need for realignment of traditional Leadership competencies towards the future.

## **KEY DRIVERS OF CHANGE**

The first step towards realizing the challenges of the Leaders of today is to identify the key social, political, economic, technological and environmental trends affecting the future business.

The key drivers of change can be identified as :-

- 1) Globalization
- 2) Technology
- 3) Demographics

## **GLOBALIZATION**

As we all can access by considering the business scenario around us, it is very true that Globalization has brought an end to national boundaries and a rise of Multinational Business Environment.

This Environment has given birth to competition, new markets and steady flow of International labours (Friedman, 2006)

## **TECHNOLOGY**

Rapid advancement in I.T Sectors are also influencing the business environment by varying the way people collaborate and interact with one another. Wireless Networks, Graphic-intensive applications and Video-conferencing are enabling individuals to interact with one another without considering the actual distance separating them. Rapid growth in I.T sector is expected to further accelerate the commoditization of knowledge and innovation, adding to the need of perpetual innovation (Wheatley, 2007).

## **DEMOGRAPHICS**

Demographic trends have also led to a major need of updation of Leadership skills as there is an alteration in the composition of Global workforce. There has been a great increment in the number of women and other minorities alongwith growing international labour pools. This means that talent will be a primary source of competitive advantage in times to come. Therefore companies, which can attract, retain and leverage the best and brightest will be the Leaders of the future.

## **BUILDING A BETTER WORLD**

Environmental fragility, financial vulnerability and a handful of complex global issues have unsettled all leaving our minds engaged with a list of Questions like

- (i) Who can be trusted?
- (ii) Who can be looked upto as a Leader?
- (iii) What types of world is wanted tomorrow?

These types of Questions have a serious implication on the decision of the kind of Leaders who will be successful in tomorrow's era.

## MAJOR LEADERSHIP CAPABILITIES

**Authenticity**- It can be called a state of being committed to the truth of who you are. Authentic Leaders see themselves and their team accurately and always take responsibility for their behavior. Such Leaders are truthful and demonstrate high levels of humility .Such Leaders stay true to their intentions and commitments.

**Agility**- It is the ability to be flexible, responsive, adaptable and show initiative during times of uncertainty and change.

**Resilience** - it is the ability to cope with negative situations or recover quickly from disruptive change. Such Leaders bounce back from difficulties, cope well with crisis and sustain high energy levels under constant pressure.

**Foresight**- it is the ability to have a forward view and anticipate emerging opportunities and threats by constantly scanning the business environment for on-going trends and novel developments such as Leaders focus on long-term results (Martin, 2007).

**Self-Mastery**-It requires an awareness and mastery of emotions, control of thoughts, contemplative reflection, a continual focus on self growth and empowerment and development of others.

**Creativity**- it is the ability to view situations from multiple perspectives and generate unique approaches and solutions to problems, These Leaders encourage out of the box thinking.

**Presence** – it is the ability which enables Leaders to captivate attention of others and be completely focused in the moment.

**Intuitive**- it is the ability to tap into our natural knowledge capacity to obtain knowledge without logical explanation.

**G-localism** – It is the ability to work effectively in both local and global environment. It is thinking locally and acting globally. This needs a deep understanding and concern for both immediate and wider context of decisions and actions.

## THE OPPORTUNITY FOR BUSINESS LEADERS

Every organization has a number of responsibilities towards the society. Purpose –Driven Leaders can touch major systemic challenges like effective infrastructure, quality of women, fair-pay trade, international tax issues, access to education, technology and medicine, global financial system.

Considering the present Business scenario every successful Leader should have a mind-set shift from survival to growth. To gain the team's confidence, the Leaders should give people permission to explore, irrespective of success or failure. To be able to make the team expand beyond their current level of performance, it is essential to make them feel safe in order to make the leap (Hamel, 2007).

Thriving in the new Business reality means that Leaders need to paint a picture for their people of where the Organization is heading. They encourage the employees to forge into uncharted waters, to try new things and grow in new directions Leaders should have a balanced Entrepreneurial spirit with a sense of discipline.

Leaders should be able to define and measure culture. There are so many different definitions and so many different elements to pay attention to. What it comes down to is clarifying the behaviors, the Leaders want to see from a stand-point of productivity, performance, values and then holding people accountable to those behaviors and attitudes (Bower, 2007).

In order to maximize the employee performance, Leaders must

assist them in moving quickly through development levels to peak performance by diagnosing their weaker areas and guiding them to reach the peak levels as soon as can be (Brien,2008).

## GLOBAL AWARENESS:

Leaders operating by Global ethic of sustainability need to enhance their awareness and consciousness of the World, of nations, of cultures and businesses. Globally aware Leader should spend substantial time getting out of their shell and see the future of the business and expanding their thinking.

## STRENGTH OF CHARACTER

Leaders of today should have traits within them which would portray their strength of their character. If a leader is, for instance, is honest, just, and shows characteristics such as resilience, courage and generosity, it would motivate the team and add a new dimension to the concept of leadership (Siebert, 2005). One of the greatest challenges lies in the fact that the leaders feelings, values and purpose are in alignment with his actions.

## DISCUSSION AND CONCLUSIONS:

Any forward - looking leader should respond to the existing challenges by polishing the leadership qualities that are requisites for success in this era. Even the organization must adapt their Leadership development to the specific requirements of different generations and cultures. Organizations must start to acknowledge the challenges of the emerging environment and the competency deficits their Leaders currently face. Human Resource professionals must help their Organizations prepare for the future, by acknowledging the deficits and unsustainability of traditional Leadership competencies. They must begin to introduce and integrate future-oriented model of Leadership, through review and realignment of current succession management processes, performance standards, leadership trainings and recruitment profiles. Organisations must urgently start to address the challenges of emerging environment and the competency deficits their leaders currently face (Barsh, 2008). Businesses that fail to heed the signs of change, will not only lose their competitive advantage, but also will find themselves with a capability gap almost too wide to overcome.

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