

Chapter 4

Women Leaders in a Globalized World

Patricia H. Werhane

Editors' Introduction Patricia H. Werhane takes Rosener's analysis of a transformational style of leadership one step further in presenting us with a new perspective on what may be needed in terms of leadership within contemporary organizational contexts. By drawing on her extensive expertise in the role that mental models play in moral imagination, Werhane makes it clear that ethical leadership has to be understood from more systemic perspective. Werhane introduces the reader to systems and systems thinking as a methodology for organizational thinking and leadership that challenges the traditional firm-centered stakeholder models and the hierarchical leadership paradigms those models perpetuate. An acknowledgement of the multidirectional influences of various stakeholders and other organizational dynamics precipitates a rethinking of leadership roles and characteristics. From a systemic perspective, leaders must have the ability to relocate themselves and their firm away from the center of the stakeholder map to various other positions, in order to be morally responsive.

Introduction

According to Robert Sapolsky, a leading expert in the study of primates, until fairly recently it was thought that “[c]ertain species seemed simply to be that way they were, fixed products of the interplay of evolution and ecology, and that was that.”

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(Sapolsky, 2006, p. 105). This was a conclusion thought particularly applicable to primates, and in his work, to baboons. As he writes,

Hierarchies among baboons are strict, as are their consequences. Among males, high rank is typically achieved by a series of successful violent challenges . . . Male baboons, moreover, can fight amazingly dirty. [and] . . . the victorious male is to subject the other to a ritualized gesture of dominance . . . A baboon group, in short, is an unlikely breeding ground for pacifists . . . [P]rimate species with some of the most aggressive and stratified social systems have been seen to cooperate and resolve conflicts – but not consistently, not necessarily for benign purposes, and not in a cumulative way that could lead to some fundamentally non-Hobbesian social outcomes . . . At least that was the lesson until quite recently (Sapolsky, 2006, p. 108).

In the early 1980s, “Forest Troop,” a group of savanna baboons Sapolsky was studying contracted tuberculosis and all males in the Troop who had foraged at a garbage dump died. “The result was that the Forest Troop was left with males who were less aggressive and more social than average, and the troop now had double its previous female-to-male ratio” (Sapolsky, 2006, p. 115).

As a result, and this still persists after 20 years, in this troop “there remained a hierarchy among the Forest Troop males, but it was far looser than before . . . aggression was [and is] less frequent, . . . [a]nd rates of affiliative behaviors, between males, and between males and females has soared.” (115). Even when male newcomers from other [presumably aggressive] savanna baboon troops join the Forest Troop (a common practice among baboons to prevent genetic inbreeding) these males are “socialized into nonaggressive behavior patterns.” . . . in other words, new males find out that in Forest Troop, things are done differently. And they adapt accordingly. According to Sapolsky, this sort of behavior, until documented by careful study, would have been thought of as “nearly as unprecedented as baboons sprouting wings” (Sapolsky, 2006, p. 115).

This article will defend a very simple thesis. In a diverse globalized “flat” world with expanding economic opportunities and risks, we will need to revisit and revise our mindsets about free enterprise, corporate governance, and leadership. That we can change our mindsets and world view is illustrated by studies of primate behavior, in particular, the Forest Troop savanna baboons, and the kind of leadership necessary in a global economy is, interestingly, exemplified by women.

The Globalized New World

In a recent book, Friedman (2005) has developed persuasive arguments that “[g]lobalization has now shifted into warp drive . . . “ (Wright, 2005) That is, free enterprise has not only infiltrated most of the corners of the earth, but jobs, ideas, goods, and services, like the internet, are now global. This is not simply that one’s telephone, computer, and flight information are outsourced to many other parts of the world or a chat room is accessed by people from all parts of the globe. On a flight recently I met a Peruvian software expert who was heading for Argentina to write code for an Indian high-tech company that markets its products in over 50 countries

in the world. An X-ray taken in a Chicago hospital is likely to be sent electronically to a physician in India to be read and analyzed. Cell phones have infiltrated the poorest and most remote regions of the planet.

The hardware in a Dell Inspiron 600 m laptop comes from factories in the Philippines, Costa Rica, Malaysia, China, south Korea, Taiwan, Germany, Japan, Mexico, Thailand, Singapore, Indonesia, India, and Israel; the software is designed in America and elsewhere. The corporations that own or operate these factories are based in the United States, China, Taiwan, Germany, South Korea, Japan, Ireland, Thailand, Israel, and Great Britain. And Michael Dell [CEO of Dell] personally knows their CEOs . . . (Wright, 2005).

In Thomas Friedman's words, "the world [of the twenty-first century] is flat" (Friedman, 2005, p. 213). If this well-documented conclusion is even partly accurate, there is no longer an "over there". The global organization is thus embedded in a complex adaptive set of global political, economic, and cultural networks. What we once called "externalities" are part of an interrelated networked global system in which businesses operate. A company can no longer "outsource" environmental degradation or dumping in less developed countries (even with the permission of that country) without that action affecting the global environment and receiving media attention. That conclusion is widely understood and accepted today. But globalization also means that one cannot outsource underpaid labor, product or service quality, issues of diversity, disregard of cultural or religious differences, or even corporate social responsibilities. If, for example, the clothes we wear are made under subhuman labor conditions as defined in the country of origin, one cannot dismiss that as someone else's problem. It is ours. Cultural differences are not merely opportunity costs even when one is operating in remote and poor regions. These differences have to do with human relationships, with cultural conflicts as well as consensus, and one cannot ignore them.

When Exxon/Mobil began drilling for oil in Chad and running a pipeline through Cameroon they could not ignore the environmental side effects of this enterprise. So they partnered with the World Bank and operated under the guidelines of the Bank's 2000 page study of that ecosystem. Exxon-Mobil could not avoid dealing with governments commonly ranked as two of the most corrupt nations, according to Transparency International (2005). So again, they partner with the World Bank to keep pressure on how oil royalties are used by the governments of Chad and Cameroon. Nor could ExxonMobil dismiss the fact that the pipeline ran through Pygmy and Bantu traditional tribal territories. As a result, the company works closely with NGOs to try to mitigate the side effects of pipeline construction. They have tried to accommodate many traditional, regional, and tribal practices heretofore often ignored in similar sorts of operations (Mead et al., 2003; Ussem, 2002).

Notions such as "the home office" or "the home country" begin to make less sense; these are becoming virtual or at least, multi-location places. Management, too, is becoming global. I recently visited a division of a Swiss company in Argentina whose general manager was Scottish. They manufacture parts of their products all over the world and assemble them in various other locations.

But what does globalization have to do with women and women corporate leaders? Let us begin with the data. Although women have been in management training

and in MBA programs in significant numbers since the 1970s, in 2006 there were merely eight women CEOs in the U.S. Fortune 500 publicly held companies. In 1995 there were no women in the largest global companies; in 2006 there were eight women leading these companies, five of which are companies of United States origin. According to three, 2006 studies of women leaders the addition of women to executive positions and corporate boards, both in the United States and globally, is moving at glacial speed (Francis and Case, 2006; Helfat et al., 2006; Singh and Vinnicombe, 2006) such that it may take until the next century to see a gender balance in corporate leadership. This is despite the fact that, according to one of the studies, “firms with higher percentages of women in senior management outperform financially, women are responsible for 83% of direct consumer spending, and women represent more than 50% of the educated talent pool” (Francis and Case, 2006, p. ii). It is easy to speculate why this is the case and to complain about discrimination, unequal opportunities and treatment, glass ceilings, etc. Rather than take on that set of arguments, however, we will use this data as background to argue that in a transforming global economy leadership styles, we see exemplified in women best fits the kind of global governance most appropriate for a flat world.

Prevailing and Worn-Out Mindsets

It is common in the leadership literature to define leaders as “. . . individuals who significantly influence the thoughts, behaviors, and/or feelings of others” (Gardner and Laskin, 1995, p. 6). But in a global multicultural economy where interaction is between managers from various cultures and perspectives, this leader–follower model may be outdated. Global leadership might better be thought of as “a process by which [diverse groups of people] are empowered to work together synergistically toward a common vision and common goals . . .” (Astin and Leland, 1991, p. 8, quoted in Adler, 1997, p. 174). In this model, leadership is an interactive, dynamic, and mutually interrelational process between leaders and managers, where each participant contributes to the vision and progress toward change in the company. The most effective global leaders will be those who are not only visionary, but who are used to working with a diverse population collaboratively rather than in a traditional leadership–follower dynamic. This sort of leader thinks and acts across cultures just as in the United States marketplace we think and act across state borders, without thinking about those borders as “borders” at all. The vision and goals these leaders share with their managers are not merely personal aspirations or derived from a particular nationality, religion, or ethnic origin. Rather, these evolving shared corporate goals, developed from managerial interactions that at the same time take into account cultural differences.

Thus, in a globalized economy, many of the operative mindsets in management may need reconception. In a recent article, the late Ghoshal (2005) contended that a series of what he calls “worn-out mindsets” dominate management and managerial thinking, at least in North America and the United Kingdom. These mindsets, he contends, have a pernicious effect of contaminating management teaching,

literature, and practice in ways that are both false and dangerous. Some of the most popular include notions from agency theory that describe individuals as primarily individual rational utility maximizers where self-interest and opportunistic behavior drive management decision-making. Such managers, of course, cannot be trustworthy on their own, thus one needs to spell out principal-agency relationships, wherein managers must be placed in carrot-stick relationships so as to insure that they pursue the proper corporate aim, which should be a preoccupation to maximize shareholder value. This model often perpetuates a hierarchical reward–punishment management focus, rules-based compliance, and reward (i.e., pay) for performance. The result, Ghoshal concludes, is the following.

Combine agency theory with transaction costs economics, add in standard versions of game theory and negotiation analysis, and the picture of the manager that emerges is . . . the ruthlessly hard-driving strictly top-down, command-and-control focused, share-holder-value-obsessed, win-at-any-cost business leader (Ghoshal, 2005, p. 85).

Ghoshal, of course, clearly (and I suspect, deliberately) exaggerates the state of management education and management performance. In most management education today a teams approach is a prevailing model for forward-thinking education. Stakeholder theory has challenged the preoccupation with profits not only in academia but in many companies as well, and “stakeholder” language permeates annual corporate reports. Still, there remains a not insignificant focus on managerial and company self-interest and principal-agent issues and an at least implicit preoccupation with profit maximization as a primary goal, goaded by the demand for quarterly performance, all of which affect management activities. There are still multinational and global companies that think about cultural difference merely as opportunity costs, and there remains a tendency to define “human resources” as human capital, similar to natural resources. The relatively new Sarbanes Oxley legislation has created a climate of compliance rule-governed rather than principles-governed mentality that preempts corporate mission statements and values-based decision-making.

Why do these mindsets matter? As I have argued at length elsewhere (e.g., Werhane, 1999) “Our conceptual scheme(s) mediate even our most basic perceptual experiences” (Railton, 1986, p. 172). Our views of the world, of ourselves, of our culture and traditions and even our values orientations are social constructions. These points of view or mental models are socially learned, they are incomplete, and sometimes distorted, narrow, single-framed. Nevertheless, all experiences are framed ordered and organized from particular points of view. Worse, sometimes these models become self-fulfilling, that is, “reality [is] how we see and feel events, not events as they appear objectively, because we are not objective” (Nin, 1971, p. 91).

Mental models, function on the organizational and systemic levels as well as in individual cognition (Senge, 1990). As a result, sometimes, we imagine we are trapped within an organizational culture that creates mental habits that preclude creative thinking. Ghoshal’s point is that management education and practice traps us in false mental models, which, he concludes, are absurdities, and “[a]bsurdities in

theory lead . . . to dehumanization of practice” (Ghoshal, 2005, p. 85). Worse, even if these alleged “absurdities” in management practices are viable in United States companies for creating economic value-added, they do not work well in global environments for companies working across various cultures and ingrained but alien traditions. Shell Oil learned that lesson well in its Nigerian operations.¹

Since all experience is modeled – whatever our experiences are about – their content cannot be separated from the ways we frame that content. The good news, however, is that because they are learned social constructions, our mental models or mindsets are revisable both at the individual and organizational levels, just as the Forest Troop, when challenged by new circumstances, changed what appeared to be innate genetically imprinted behavior patterns.

Challenging “Worn Out Mindsets”

To demonstrate the questionability of what Ghoshal calls “worn out mindsets” we can simply go back to the writings of the “father” of free enterprise, Adam Smith. Smith begins his first book, *The Theory of Moral Sentiments*, with the following:

How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it . . . The greatest ruffian, the most hardened violator of the laws of society, is not altogether without it (Smith, 1759; 1976, p. I.i.1.D).

Smith argues that human beings by nature are both self-interested and interested in others. Human beings are not merely motivated by their own interests, but also have interests in maximizing the well-being of others, or at a minimum, not inflicting more pain. This is not merely sentimentalism, according to Smith. While all my interests are mine, in the obvious sense that they originate in myself, I am not the only object of these interests. Thus rational beings have genuine interests in others as well as themselves as objects of concern and aggrandizement. Your own self-interest is not always the primary motivating force, and even so, being self-interested is not necessarily bad so long as one is not merely selfish and unconcerned with how one’s actions affect others. Agency theory, then, may exaggerate the importance of monitoring principal–agent relationships in every case, because at least some managers will be interested in the firm and its well-being for its own sake despite their own personal gains or losses. Notice, however, that predicting or proposing that we all are or should be self-interested rational utility maximizers affects our thinking about what constitutes or should constitute “good management” as well as our own behavior. If we promulgate that mindset, it will become reality.

Many successful companies are not merely profit maximizers. In their landmark study of successful companies, defined by long-term returns on investment and stock price, Collins and Porras conclude,

Contrary to business school doctrine, “maximizing shareholder wealth” or “profit maximization” has not been the dominant driving force or primary objective through the history of visionary companies. Visionary companies pursue a cluster of objectives, of which making money is only one – and not necessarily the primary one. Yes they seek profits, but they are equally guided by a core ideology-core values and a sense of purpose beyond just making money. Yet paradoxically, the visionary companies make more money than the more purely profit-driven comparison companies (Collins and Porras, 1994, p. 6).

Thus even if many managers are preoccupied with shareholder wealth, according to Collins and Porras they should not be, if their aim is to survive and do well in the long-term.

Lastly, the focus on rules-based decision-making, fueled by Sarbanes Oxley is as damaging as it is problem-solving, because today often companies and their managers set aside their vision for the company and principles embedded in their mission in an effort to comply with the ever-increasing myriad of rules and regulations. But in a recent set of studies conducted by Linda Trevino and Gary Weaver, they found that in the companies they studied compliance programs without ethics programs are less effective at compliance than companies with ethics programs. Indeed, they discovered that compliance improves when accompanied with an ethics program (Trevino and Weaver, 1999). Thus a compliance focus is less effective at rule-based behavior than a principled-based emphasis.

Some Challenging Paradigms

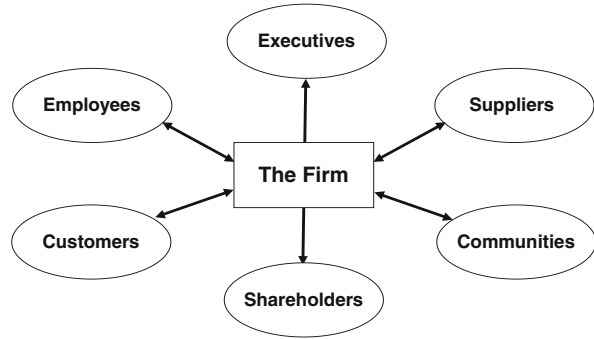
This counterevidence to what Ghoshal depicts as “absurd” managerial mindsets, whether or not he has exaggerated their prevalence, seems to require an appeal to other models. Three of these we will explore are,

- stakeholder theory,
- systems thinking,
- female leadership paradigms.

Stakeholder Theory(s)

Rather than focus merely on returns for shareholders, stakeholder theory argues that companies have obligations to create value added for all their primary stakeholders, usually listed as shareholders, employees and managers, customers, suppliers, and the communities in which the company operates. The argument is based on instrumental and rights-based arguments. From an instrumental point of view stakeholder well-being is a necessary component for creating stakeholder value-added. Companies cannot operate without taking into account various stakeholders, because their activities, survival and prosperity depends, in different ways, upon these stakeholders just as these groups of individuals and organizations depend on

Fig. 4.1 “Standard” stakeholder map (Freeman, 2002)



the corporation for their well-being. From a more rights-based perspective, the company and its stakeholders are all individuals or groups of individuals and they exist in mutual reciprocal relationships with each other. Thus those relationships are of equal value, and shareholders do not take priority (although they are equal participants) just because of fiduciary obligations created by their capital input. Figure 4.1 illustrates at least one version of this theory (Freeman, 2002).

There are at least two weaknesses with this wheel-and-spoke depiction of stakeholder relationships and corporate governance. First, the central preoccupation is always on the corporation. The depiction of stakeholders with the corporation in the center draws our primary attention to the company and then to its relationships. This creates a mental model that implicitly prioritizes the corporation while the stakeholders appear like satellites circling the company rather than as equal players, despite claims to the contrary. It is also an abstract model – names and faces of the stakeholders remain anonymous and the depiction of each remains vague. Although stakeholder relationships are relationships between sets of individuals, the diagram does not depict these relationships as such. Let me illustrate. Suppose we are trying to depict the vast array of interrelationships of a MNC such as Exxon/Mobil as it drills oil in Chad and pipes that oil through Cameroon. This company is engaged in a complex partnership or alliance with various companies, a variety of indigenous people including Pygmies, various governments (e.g., U.S., Chad, and Cameroon), the World Bank, always interested in such investments, environmental agencies and other NGOs, its expatriates and local employees, shareholders and customers, etc. Notice what happens if I merely exchange which stakeholder is in the center. Suppose I put Pygmies in the center.

Already that simple move changes our focus and our thinking. We are now taking these indigenous people into account not merely as strange tribes somewhere in Africa. If I further tweak the diagram and put a picture of actual Pygmies in the center, we now begin to realize that these are real people, and that they matter and matter deeply in this drilling (Figs. 4.2 and 4.3).

Fig. 4.2 Stakeholder networks for global corporations

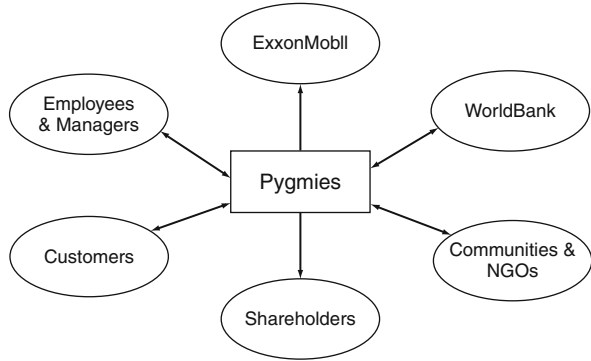
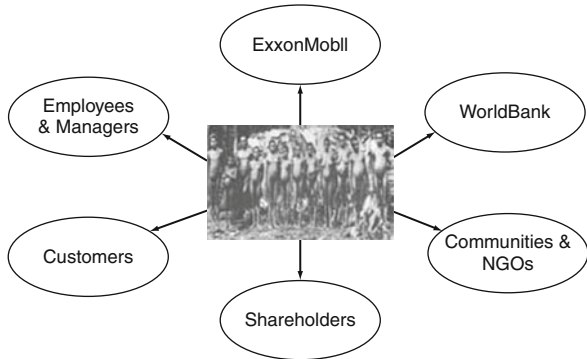


Fig. 4.3 Revised stakeholder map



Still, it is uncertain whether this approach adequately depicts the myriad of interrelationships that Exxon/Mobil must take into account as a global corporation operating in a variety of environments. And why should any particular stakeholder be featured in the center, if, as the theory suggests, each has equal, although not identical, rights and responsibilities. Figure 4.4 better depicts ExxonMobil’s situation. What it suggests, further, is that in a global economy, a systems approach is perhaps a more adequate way of thinking about corporate governance.

Systems and Systems Thinking

- A system is a complex of interacting components together with the networks of relationships among them that identify an entity and/or a set of processes (Laszlo and Krippner, 1998, p. 51).
- A truly systemic view of considers how a set of individuals, institutions and processes operates in a system involving a complex network of interrelationships, an array of individual and institutional actors with conflicting interests and goals, and a number of feedback loops (Wolf, 1999, p. 1675).

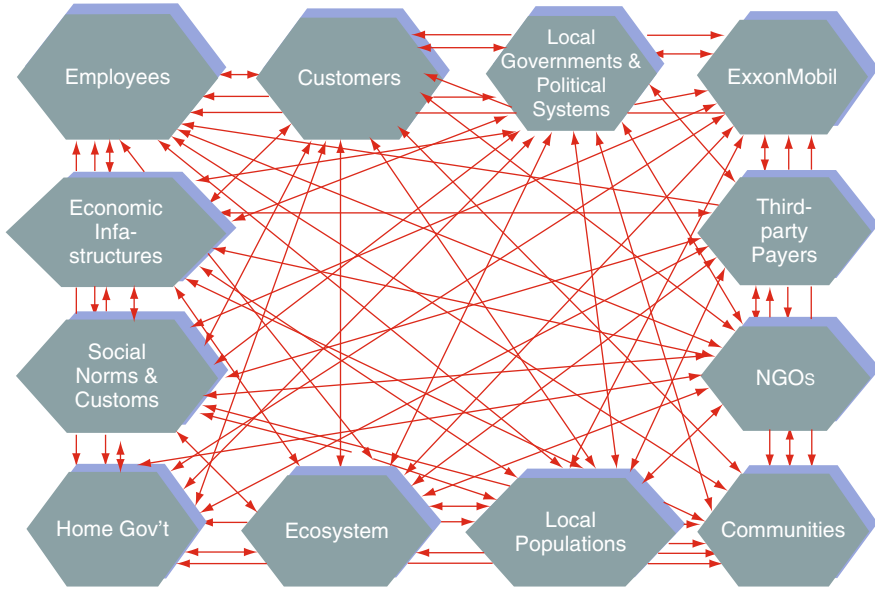


Fig. 4.4 A systems perspective on the stakeholder model

A systems approach presupposes that most of our thinking, experiencing, practices and institutions are interrelated and interconnected. Almost everything we can experience or think about is in a network of interrelationships such that each element of a particular set of interrelationships affects some other components of that set and the system itself, and almost no phenomenon can be studied in isolation from other relationships with at least some other phenomenon.

Systems are connected in ways that may or may not enhance the fulfillment of one or more goals or purposes: they may be micro (small, self-contained with few interconnections), mezzo (within health-care organizations and corporations), or macro (large, complex, consisting of a large number of interconnections). Corporations are mezzo-systems embedded in larger political, economic, legal, and cultural systems. Global corporations are embedded in many such systems. These are all examples of “complex adaptive systems,” a term used to describe open interactive systems that able to change themselves and affect change in their interactions with other systems, and as a result are sometimes unpredictable (Plsek, 2001). What is characteristic of all types of systems is that any phenomenon or set of phenomena that are defined as part of a system has properties or characteristics that are, altered, lost or at best, obscured, when the system is broken down into components. For example, in studying corporations, if one focuses simply on its organizational structure, or merely on its mission statement, or only on its employees or customers, one obscures if not distorts the interconnections and interrelationships that characterize and affect that organization in its internal and external relationships.

Since a system consists of networks of relationships between individuals, groups, and institutions, how any system is construed and, how it operates, affects and is

affected by individuals. The character and operations of a particular system or set of systems affect those of us who come in contact with the system, whether we are individuals, the community, professionals, managers, companies, religious communities, or government agencies. An alteration of a particular system or corporate operations within a system (or globally, across systems) will often produce different kinds of outcomes. Thus part of moral responsibility is incurred by the nature and characteristics of the system in which a company operates (Emanuel, 2000; Werhane, 2002).

Adopting a systems approach Mitroff and Linstone in their book, *The Unbounded Mind*, argue that any organizational action needs to be analyzed from what they call a Multiple Perspective method. Such a method postulates that any phenomenon, organization, or system or problems arising for or within that phenomenon of system should be dealt with from a variety of disparate perspectives, each of which involves different world views where each challenges the others in dynamic exchanges of questions and ideas (Mitroff and Linstone, 1993, Chapter 6).²

Returning to the ExxonMobil example, the alliance model in Fig. 4.4 illustrates a systems approach to this complex operation that takes into account various stakeholders and different but equal constituents.

An Alternative View of Leadership in a Global Economy

Given a systems approach to corporate governance as at least one viable approach to global management calls for thinking carefully about what we expect of global business leaders managing in multiple environments. While there are no definitive models for this, it might be useful to examine some models of leadership that are less hierarchical and that do not depend on a traditional leader–follower relationship. In what follows I shall describe one study of leadership that may give us fresh insights to how one should lead in a global business environment. During 2004 and 2005, and on as an ongoing set of research projects, Lisa Gundry, Margaret Posig, Lili Powell, Laurel Ofstein, Jane Carlson, and I conducted a study of a cross-section of executives and entrepreneurships, all of whom are American women business leaders. We chose women from a variety of enterprises, financial services, manufacturing, transportation, communication, food production and services, and even one woman who heads a large labor union. This was a qualitative study, a small sample, and the selection bias was to seek out women who were admired by their colleagues and co-workers. Moreover, what we found applies or can apply equally to many male leaders. Nevertheless there are some lessons to be learned from this study and some leadership skills, style, and values-orientation that, I would argue, fit well in a flattened world not merely governed by self-interest, preoccupation with shareholder value added, and a mindset that different and difficult cultural settings are merely opportunity costs.

What we found, in summary, was the following (see Werhane et al., 2006 for a more complete description of this study). First, these women are all very intelligent

and well-informed, and they know it. But not all had MBAs, and one did not finish 8th grade. They are extremely knowledgeable about their profession or business, and it is their view that they have to be so informed to succeed. They are absolutely self-confident about themselves and their abilities and about the abilities of other women as well.

Each has what we have termed a “Survive and Thrive” mentality. They are determined to succeed, and they do. Although many were the first woman in their company or even in their field, for example, the woman president of the Illinois AFL-CIO, they did not complain about that. Their first worry was their own talent and whether they were up to the tasks required by leading in these environments. So they lead as if those problems do not exist, while at the same time recognizing the importance of mentoring and networking with other women.

Some of the leaders in this study appear to be what Northouse and others have called “contingent leaders.” That is they have happened to be at the right place at the right time with talents that matched the situation (Northouse, 2004, Chapter 6). More of the women in our study, however, appear to be situational leaders, adapting and readapting themselves to new and changing situations (Northouse, 2004, Chapter 5). Indeed, some of these women actively pursued change working to reengineer their companies or starting new entrepreneurial ventures.

The women we have included in our study are models of a leadership style that Judy Rosener has labeled “nontraditional” or “transformational” (Rosener, 1990, p. 119). They exhibit what James MacGregor Burns calls “transforming leaders.” Burns defines transforming leadership as “a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents . . . [This] occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality” (Burns, 1978, p. 3).

Rosener suggests that one of the distinctive and characteristic features of women in leadership positions is their ability to engage in interactive leadership relationships with their managers and employees and a determination to empower others. Rosener does imply that men do not do this, but suggests that empowerment is almost a mantra for women in leadership positions. All speak of building value-added in their organizations through a participatory inclusive style of leading their employees as colleagues rather than as subordinates or followers. Indeed, the terms “subordinate” and “follower” seldom surfaced in the interviews we conducted.

Unlike leaders in hierarchically structured organizations, these women do not view their authority as a matter of power. They do not think of themselves as persons in superior positions of formal authority even when they find themselves in leadership positions in traditionally hierarchically ordered companies. These women are not transactional leaders who view leadership as a series of transactions between managers and employees, a trade of promotion or salary for performance, or a “punishment” of demotion or firing for poor performance. Their interactions with managers and employees are seldom transactional exchanges of rewards or

demotions for superior or inferior performance. Rather, they see leadership as an ongoing process, envisioning themselves as team leaders, as inspirational rather than directive, as participative rather than hierarchical, working to coordinate and balance their interests and those of their employees, and transforming these into shared corporate goals. This is usually translated into forms of interactive and participatory leadership that empowers employees while achieving corporate ends. Thus leadership is thought of as a two-way interaction where both managers and employees are motivated and sometimes even changed (Couto, 1994). As a result, these women were not afraid of hiring or working with managers who are smarter or more capable than they, nor of seeking out and encouraging their successors.

Values-based leaders create or propound values for their instrumental worth, and they align their employees and shareholders to accept and work for those values. Ethical leadership goes further in at least three ways. Ethical leaders assume that personal, professional and organizational values are congruent. The values embedded in the organizational mission and direction are worthwhile not only instrumentally but for their own sake. They are community or global standards that have moral worth even if the company in question fails to achieve them. An ethical leader, under this rubric, not only embodies her personal, professional and organizational values and expects the same from her employees and managers, shareholders, and the organization, but continually tests these values against societal norms, organizational consistency and outcomes (Freeman et al., 2005). The women we studied by and large were what we would call ethical leaders. They literally practiced the leadership style they “preached,” working to embody their personal values in their professional and social lives.

Finally, most of the leaders we studied in this small sample seem to care more about the sustained success of their organization than their own legacy. Jim Collins sees that as a trait of what he called Level 5 Leadership, where the future of the organization preempts personal glory (Collins, 2001). Unlike the leaders Collins describes in his study, however, the women we studied were not humble. They had achieved success, they were very proud of that and of their capabilities as business leaders. This was not because they were women, but because they had created and embodied a viable and successful leadership style that worked well in diverse environments.

Global Leadership in the Twenty-First Century

Let us recall our definition of global leadership as “a process by which [diverse groups of people] are empowered to work together synergistically toward a common vision and common goals . . .” (Astin and Leland, 1991, p. 8). Given the thesis that the world is flat, and the argument that I made, it follows that global leaders must be multicultural systems thinkers, if not by background at least by the leadership skills they exhibit. In such a world one must be adaptable to new situations, flexible, and inclusive and collaborative, or failure is inevitable. At the same time, according to Nancy Adler, “the CEO of a global company cannot change her message for each

of the countries and cultures in which her company operates. Global leaders, unlike domestic leaders, address people worldwide . . . a fundamental distinction is that global leadership is neither domestic nor multidomestic: it focuses on cross-cultural interaction. Thus global leaders must articulate and communicate a vision which, in and of itself, is global . . . and compelling to people from around the world” (Adler, 1997, p. 175).

In a flat world, too, transparency and trust are crucial, because there are virtually no secrets anyway. This was brought home most clearly when a global oil trading company dumped 250 tons of what turned out to be toxic sludge in Abidjan, Ivory Coast in September 2006. Within a few days this dumping was cited across the world (Polgreen and Simons, 2006, p. 1).

Such leaders must be visionary and open-minded because they are challenged with new ideas, some worthwhile, others less so, every day in every encounter. A hierarchical model of leader–follower is not ideal in global companies, simply because of the diversity of cultures and challenges requires collaboration and team effort across many traditional barriers and religious divides. Ideally, the best global leaders are not merely values-driven but are what we have called “ethical leaders,” who embody their values in all that they do and promote. These are all characteristics of the women we studied.

Conclusion

The Forest Troop savanna baboons were challenged by changes in the male–female population that allowed less dominant males to be sought after as mates. That phenomenon, in turn, changed the social relationships and culture of this troop. By analogy, the globalized flat world has changed the dynamics of local and multinational business. This new world requires behavioral and social modifications in managerial leadership. These global challenges can be taken on by women and men who adapt the leadership style and values we found in women leaders we studied. It is to a company’s peril to ignore this way of leading in a flat world and to ignore the possibility of women as well as men leading the major global corporations in this new century.

Notes

1. The section on “systems thinking” was taken, in part, from an earlier article by this author, “Moral Imagination and Systems Thinking” (Werhane, 2002; see also Werhane, 2007, forthcoming).
2. Shell Oil had to withdraw from its drilling operations in the Ogoni region of Nigeria because of endless unrest in the region including sabotaging of pipelines. Shell claimed to have invested \$100 million in environmental projects to little avail (Newbury and Gladwin, 2002, pp. 522–540).

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