

A New, Different Look to the Abilities of the New Leader, Desired and required characteristics of the new leader and the importance of moral sense.

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Proposal Summery:

“Dynamic leadership in Business requires proactive behavior and attitude by the individual as well as by the team. Such an approach must be rooted in the basic rules and ethics of: the Business, each team and the leader. This includes personal and team commitment that leads to enhanced performance and reliability. A holistic vision of leadership is essential in this context.” The new leader must have two abilities: To take into account the real needs of the people he lead, (have empathy toward their needs) and to accomplish that the worker finds his own fulfillment through his own work.

Antecedents and Development.

The modern economy practiced by enterprises has brought many benefits to mankind; its root is the freedom of the individual, expressed not only economically but also in other aspects. Businesses (and economy) are two of the most important sectors of multifaceted nature of human activity, and there, as in others, the right of freedom is as valid as the duty to make use of it in a responsible way.

The tendencies of modern society and those of past societies, including the recent past, are different. In the past, the decisive factor in production was the land and afterwards the use of capital, meaning the conjunction of machinery and property. Ever more apparent today, the decisive factor is man himself, that is to say, his capacity for knowledge that manifests itself

through science and his capacity to form mutually beneficial organizations that satisfy the necessities of the rest of society. These circumstances need to be understood by future Small Business Leaders. These circumstances present the need to acquire new abilities

This paper will discuss the points listed above, and will try to propose the characteristics required of future Small Business leaders. They will not be the traditional enterprise captains. The new commanders will hold a deep sense of social responsibility, a responsibility they have not yet claimed, but that society has increasingly demanded. In today's society, new leaders occupy a predominant role: their decisions transcend the mere limits of the enterprise to have a deep influence in the constant reshaping of society.

Introduction: The World is Changing

Toward the end of last century, the world found itself engulfed -in a historic process, one that had begun earlier, but was then reaching its pinnacle. The principal force behind this process was a combination of radical changes in the political, social, economical, and scientific domains in conjunction with an increase in ideologies vying for power. In the midst of these changes, new conceptions of society, the state, and authority arose. As the traditional notion of society waned, a new one formed, one which joined the hope of new liberties with the dangers of new forms of injustice and slavery.

Through scientific discoveries and their application to industrial settings, new structures for the production of consumer goods were formed. The nature of propriety and of work evolved. They became focused on "capital" and "salaries". As production rates soared, little consideration was given to how they affected workers of both sexes, different ages, and distinct family situations.

Work became a type of merchandise, something that could be easily bought and sold, whose price was regulated by the law of supply and demand. Not the least attention was paid to the basic necessities the workers and their families. Furthermore, the workers did not have the right to sell their "merchandise", being continually threatened with having their jobs taken away. Such hardships often signified a life or death situation for the employees.

This economically-based transformation resulted in << the broad separation between the two classes in society >> (1). This situation became intimately connected to the political changes occurring at that time. Dominant political thought espoused total economic freedom through the passage of laws, or a deliberate absence of any intervention at all. At the same time, another conception of propriety and economic life began to take shape, one that all too often revealed itself violently.

As in our times, there surged from among the people a desire for change in the status quo. Leaders worked hard to implement change, while recognizing the need to foster it politically as well as in the life of the economy.

Political, social and economic conflict arose. It was rooted in numerous elements: industrial advances, new professions, changing relationships between owners and workers, the accumulation of riches in the hands of few, and poverty for the great majority. Workers became unified and there was a pervasive loss of moral sentiment. (See note 2.)

Society divided; capital and work took opposing sides. This conflict put man against man, and the basic sufferings of one against the opulence of the other.

Then as now, to avoid conflict between those who were focused on capital and those focused on work, it is crucial that human rights and worker dignity be upheld. Equally important, is the effort made to provide for the workers basic necessities. (It is important to remember that these actions should be rooted in the basic rules and ethics of the corporation, each organizational unit and by the individual.) Work, as such, is something personal in that it is the inherent active force of the person, in whose benefit this force has been given (3). At the same time, work has a social dimension because of its intimate relation to the family. It can be stated firmly, maintaining workers active is what produces the riches of the States (4).

The two principal social and economic systems toward the end of the 1880's, socialism and liberalism, have suffered from serious defects since their beginnings. The first, of course, because it eliminated private property. The second tends to favor the rich and prosperous while fails to respond to the needs of the undoubtedly great majority. The conflict between capital and work which has been ongoing throughout this century, continues today. Future leaders (acting as a leaders) must overcome it through an attitude of proactive behavior and with an "approach rooted in the basic rules and ethics of the corporation". To achieve this, it is essential a correct conception of the human being and his unique value

The basic error in these two economic systems is an anthropological one, although each is defective in a different way and with different consequences. Socialism considers man a basic element, a molecule in the social organism, in which the welfare of the individual is subordinate to the functioning of the social-economic organism. On the other hand, an individual's personal well-being can be achieved through the person's decision to accept responsibility in the face of good and evil. This way, man is reduced to a series of social relationships; the concept of a person as an autonomous being of moral decision disappears. Economic liberalism, on the other hand, represented by the consumer society surpasses socialism in the area of material goods, demonstrating how a free market is capable of satisfying the material needs of man more thoroughly than communism, excluding spiritual values as well. In reality this model, on one side shows the failure of socialism to build a new and better society, on the other side, in denying individual existence, moral values, and rights of the individual, culture and religion, coincide with Marxism in reducing man to an economic entity and the satisfaction of his material needs (See note 5).

The modern economy of the enterprise has bought many benefices to men, her root is liberty of the human person, that express herself in the economic field and also in others. Economy is one of the sectors more of more importance of the human activity, and here, and everywhere is very valid the right to liberty (and the obligation to use it in a responsible way)

One undeniable and decisive factor that undoubtedly put in motion the fall of the communist system and accelerated the changes is the violation of the rights of workers. It is the great mass of workers that discredits the system and it is they who, breaking off from this lived through experience, reveal themselves. This is a point that a future Small Business leader can not ignore, especially considering that oppression exists not only in communist regimens. This is specially important, as far as justice is considered, justice is one of the most precious abilities a Small Business Leader must have.

Another factor in the crisis, truthfully speaking, is the inefficiency of the economic system. However, it would be a mistake to consider this inefficiency a simple technical error. Instead, the inefficiency is due, at least in great part, to the violation of the human rights of initiative, ownership and -freedom in economic sectors. As Solyenitsin (6) affirms, "communism is crumbling due to the lack of viability that is inherent in it as a system and because of the weight of accumulated errors."

In these systems man has been neglected and treated as an object and therefore, the work that he carries out has not been given importance. This kind of neglect is impossible to avoid if man is unilaterally seen from an economic point of view or defined solely on the basis of what social or economic class he belongs to. The Small Business leader of the future must be able to understand man as he really is based on ethical considerations. If he only views man as an instrument with a certain capacity for work to be led or directed, then he will never become a real leader.

Dynamic leadership and management of change require proactive behavior by the individual as well as the organization. If this approach is rooted in the basic rules of ethics, then it must take into account the men it is directing. For this to be possible the ethical values of these men must be taken into account. Man is understood more completely if he is viewed from a cultural perspective, through language, history and the position he takes when confronting the fundamental issues of existence.

In this respect, it is ironic that Mikhail Gorbachev should grasp the point that so many Westerners miss: "The Soviet Union is suffering from a spiritual decline. We were among the last to understand that in the age of information technology the most valuable asset is knowledge which springs from individual imagination and creativity, We will pay for our mistakes for many years to come" (7).

The New Small Business Leader Must Understand and Serve Man.

The true cause of "novelties" is the spiritual vacuum caused by atheism which has left the younger generation with no orientation and in some cases has even provoked great emptiness in the inevitable search for identity and meaning of life (8).

The goal is for Small Business leaders of the future to take advantage of those qualities that man possesses for achieving a lasting and fair social order. "On the other hand, man created for liberty ...who believes naively that he can build paradise on earth"(9). Wherever society--the

firm--is organized by arbitrarily reducing or even by elimination that environment in which freedom is exercised legitimately, the result is the disorganization and progressive decadence of social life (i.e., the life of the firm).

On the other hand, man created for liberty, is capable of carrying out absolute aberrations and sometime it would appear that there is something that compels him continually toward evil (thus it is necessary to fight against it, that is to say, to redeem oneself). Man, then, tends towards good, but is also capable of evil. He can transcend his immediate interests and, at the same time, remain connected to them. The more we take this fact into consideration, the more solid will be the social order -that results from the search for a balance of cooperation between individual interests and society as a whole. (One of the characteristics that we propose for the new Small Business Leader is precisely the "moral sense" needed to achieve this goal (10)).

As Alexandr Solzenitsin (11) stated "If we do not learn...to subordinate our interests to moral criteria, mankind will eventually tear itself apart, as the worst side of human nature will soon show itself.."

We must lead and guide and encourage man, considering him a human being, taking him as an acting, creative person, capable of initiative and responsibility, seeking institutions in the three main spheres of life (political, economic and cultural) worthy of his or her capacities--institutions that do not stifle or distort human liberty. This is so, because we know for certain that God Himself made human beings free.

Not only is it wrong from the ethical point of view to disregard human nature, which is made for freedom, but in practice it is impossible to do so. Where society is so organized as to reduce arbitrarily or even suppress the sphere in which freedom is legitimately exercised, the result is that life in society becomes progressively disorganized and goes into decline. And that is lesson we can draw from the self-destruction of socialism. Analogously, John Paul II considers: "Man tends toward good, but he is also capable of evil; he can transcend his immediate interest and still remain bound to it" (12).

Thus respecting man's limited but genuine goodness, we are urged not to stress an opposition between "self-interest" and "the common good", but rather to seek "harmony" between "self-interest" and "the interests of society as a whole" wherever this may be possible (we have already speak of justice, we will again speak of it). "Social order will be all the more stable, the more it takes this fact (man's two-sided nature) into account and does not place in opposition personal interest and the interests of the society as a whole, but rather seeks ways to bring them into fruitful harmony (13).

One of the cautions of James Madison and Alexander Hamilton is that the perfect should not be the enemy of the good (14). They resisted "utopia theorists" and appealed to the basic realism about human beings rooted in sober consideration of historical experience. In a spirit not altogether dissimilar, we recognize the claims of legitimate self-interest.

In fact, where self-interest is violently suppressed, it is replaced by a burdensome system of bureaucratic control which dries up the wellsprings of initiative and creativity. When people

think they possess the secret to a perfect social organization which makes evil impossible, they also think that they can use any means, including violence and deceit, in order to bring that organization into being. Politics then becomes a secular religion which operates under the illusion of creating a paradise in this world. But no political society possessing its own autonomy and laws can ever be confused with a perfect -kingdom. (see 15) Thus, new leaders must favor initiative and progress in their followers, always respecting their freedom.

Anchoring New Concepts: System, Enterprise and Small Business Leader Attitude and Position.

As we have already stated, in this new system, the leaders must be entrepreneurs. They will be the new commanders, and not the traditional enterprise captains, leaders with a deep sense of social responsibility, a responsibility they have claimed, but that society, a predominant role. Their decisions transcend the mere limits of enterprise, to attain a deep influence in the constant reshaping of society.

Every day more and more, entrepreneurs occupy distinguished positions as leaders or as advisors to government officials. These are Small Business Leaders for whom attitude and "pro-activity" mean everything. This is important because there must be a vision of the future in order to "catch" it in time and guide mankind toward the right path. The Small Business Leader, in those cases, must be always attuned to the most appropriate path for humanity to take.

Nobody can give what he does not have. Therefore, if a quality organization with moral sense is desirable, you must begin with the leaders. In leadership, it is indispensable for the leader to possess a "proactive behavior" and for the organization to be "rooted in the basic rules of ethics". Leaders must possess moral sense, because this is the only way to avoid injustices such as the economic failures of the past.

A New Look to the Abilities of the Small Business Leader

What are the concepts that a Small Business Leader must master? We believe that "virtue" is one. As Aristotle wrote (In "Politics"), it is necessary to be satisfied with a "tincture of virtue". It was very easy to determine the common good when, as in other times, a single chief was charged with pointing it out. Unfortunately, this is no longer the case; nowadays, the decisions are the responsibility of more than one person.

It is far more difficult when the freedom of each person to discern the common good is respected. However, many aspects of the good of a people are not achieved in concert or by single-minded direction from above. On the contrary, they are achieved by a large number of persons and groups independently performing their own tasks with excellence. A sound family life, for example, is not achieved throughout society by *diktat* from above, but rather by sets of parents doing their best independently. In the same way, individual small businesses do not await commands from planning boards, but achieve their purposes within their own markets and in

their own particular niches in their own particular ways. Thus, in asserting the principle that the coincidence of private interest and public good, as often as it can occur, achieves a generally positive outcome not for society. We are not only taking into account of both the good in humans and its ordinary limits, we are also assuming a more subtle view of the common good that was possible in the less pluralistic past (16). (We are concerned, here, with the difficulties that leaders have to overcome)

There is a difficulty here, of course. Many societies today are driven by "culture wars". Large and important factions hold radically different views about which way the society as a whole ought to go. What one faction finds good, another finds evil. Those cultural issues are the most important of all--and perhaps the most neglected by thinkers and doers. So much energy has gone into early conflicts over which political and economic order is most suited to human nature, that for more capital. Concern over the physical climate has not yet been matched by concern over moral climate. "The ecology of liberty needs as much attention as the ecology of air, water, sea and flame" (17). We are entering a period of cultural crisis.

Since personal action always entails risk, fault and possible failure, the universe of freedom must be open, indeterminate, and contingent. Some new ideas appear in it, some old things disappear. History has been a realm of trial and error, of costly mistakes and hard-earned lessons. Moreover, the human person seldom experiences societies worthy of his or her capacities for freedom, for love for truth, for justice--and it is these that the human race seeks.

That is why the moral sense of the Small Business Leader is so important. This moral sense must be present within him. (Virtue is more valuable and better understood if we see it lived by someone than if we have it defined.) As Aristotle wrote in *Ethics*, "If you would understand virtue, observe the conduct of virtuous men".

Bennis (18) states some virtues and he who practices them undoubtedly has moral sense: *Integrity*: standards of moral and intellectual honesty on which our conduct is based; *Dedication*: passionate belief in something; *Magnanimity*: being noble of mind and heart, generous in forgiving, above revenge or resentment; *Openness*: willingness to try new things and hear new ideas, however bizarre; a tolerance for ambiguity and change, and a rejection of any and all preconceived prejudices, biases and stereotypes.

Moral sense means all of this and perhaps more. All of this is vision and virtue and/ as Bennis (19) states, "all are in all of us, however rusty or dormant they may be". Stephen Covey (20) also speaks of this: "Principles are not invented by us or by our society." They are part of the human condition, consciousness and conscience. To the degree that people recognize and live in harmony with such basic principles as fairness, equity, justice, integrity, honesty, and trust, they move toward either survival and stability, on the one hand, or disintegration and destruction on the other.

What are the abilities of the Small Business Leader? *Temperance*, the ability to be able to control himself; *Fortitude*, be able to fight, to attack with force, and, at the same time be patient an capable to resist, in the middle of attack; *Justice*, to give everyone on the team, and in the project, what he deserve (in terms of recognition, either for good or bad behavior), and finally

Prudence (also known as practical wisdom). It means being able to put the means to make things happen .

These four abilities are very interdependent, He, who does not control himself, Will be able to lead others? and only if he is capable of controlling himself, he will be able to show Fortitude, either to attack or to resist. and only he who has Fortitude will be able to treat others with Justice, his Fortitude will let him to do this way. And as Prudence is concerned, only having the three first abilities, will someone be able to have this one

In sum, the new abilities of the Small Business Leader, (new abilities that do not cancel the technical and knowledge abilities that we already know) are Temperance, Fortitude, Justice and Prudence. This is the new Small Business Leader that our world requires and that the present condition of our society demands.

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