A multi-level analysis of global trends in leadership challenges and practices

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Executive Summary

To succeed in the shifting business landscape of the 21st-century, leaders must rethink their historical views and cultivate a new configuration of attitudes and abilities.

That is the crux of AchieveGlobal’s multi-phased, multi-level study of how leadership is changing to keep pace with today’s business challenges. The research began by identifying leadership trends documented in peer-reviewed academic and industry journals over a two-year period. Later focus-group sessions supported development of a survey completed by 971 business and government leaders and employees in Europe, Asia, and North America. Survey results in turn facilitated development of a comprehensive new model of leadership today and a related individual assessment instrument.

The literature review, focus groups, and survey painted a detailed picture of the business challenges and required practices for leaders at multiple levels in organizations worldwide. Among the key research findings and conclusions:

• Leadership in the 21st-century is more than ever a complex matrix of practices, which vary by geography, organizational level, and individual circumstances.

• In all global regions, modern leadership may be distilled into six “zones,” or categories of best practices, which the study identified as Reflection, Society, Diversity, Ingenuity, People, and Business.

• Effective leaders recognize their own leadership strengths and liabilities, adjust current strategies, adopt new strategies, and recognize strengths and liabilities in other people.

• Leaders from organizations with greater geographic scope, numbers of employees, and worldwide revenues tend to value the Diversity zone more highly than leaders do in smaller organizations.

• Organizations with wider global operations identify their most pressing challenges in the Diversity zone, notably in “creating virtual workplace structures” and “succeeding with mergers and acquisitions.”

• At the same time, leaders worldwide rank Diversity of lowest importance among all leadership zones.

• In alignment with the overall top business challenge, “cost pressures,” survey respondents ranked Business as the most important leadership zone.

• Leaders who adapt their zone strengths to their geographic location, scope of operations, and organizational level are better able to meet their specific combination of challenges.

• Leaders who maintain active awareness of their environment and apply the practices demanded by that environment are more likely to achieve individual and organizational success.
Introduction

The world has experienced profound changes in the early years of the 21st-century. Countless challenges—notably the rise of the global economy and its impact on countries everywhere—have forced leaders worldwide into uncharted territory and literally redefined what it takes to succeed. In the context of AchieveGlobal’s earlier research on leadership principles\(^1\), these challenges raised key questions to be addressed by comprehensive new research on leadership today:

- What challenges confront leaders in the 21st-century?
- How has leadership changed to keep pace?
- What key practices are still important for leaders?
- What new practices have emerged in response to the shifting business landscape?

To answer these and other questions, a new worldwide study sought to uncover what makes leaders successful by examining their main challenges and daily practices against the backdrop of a dynamic business climate.

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\(^1\) An earlier AchieveGlobal study confirmed the continuing relevance of six “Basic Principles” of leadership, universal guidelines time-tested worldwide with leaders for decades:

1. Focus on the situation, issue, or behavior, not on the person.
2. Maintain the self-confidence and self-esteem of others.
3. Take initiative to make things better.
4. Maintain constructive relationships.
5. Lead by example.
6. Think beyond the moment.
The study was designed to isolate and analyze current concerns among leaders and employees, with the ultimate goal of a comprehensive model articulating key areas of focus for 21st-century leaders.
The study was designed to isolate and analyze current concerns among leaders and employees, with the ultimate goal of a comprehensive model articulating key areas of focus for 21st-century leaders. This model would give leaders:

- A well-documented and detailed picture of effective leadership in the 21st-century
- A tool to identify and make use of existing strengths, as well as to identify and reduce or eliminate potential liabilities
- The ability to track progress by re-assessing leadership strengths and liabilities over time

Three research phases included secondary research in phase 1 and primary research in phases 2 and 3.

Phase 1 was a review of articles from eight peer-reviewed business and leadership journals published in Europe, Asia, and North America. This review produced two long lists of business challenges and of best practices that leaders need to address them. Phase 1 laid the foundation for development of a preliminary leadership model.

Phase 2 tested this preliminary model with two focus groups of mid-level and senior leaders. Focus-group results helped prioritize the business challenges and aided further development of the leadership model.

In phase 3, a survey on key business challenges and commensurate leadership practices was developed and launched in the United States, Mexico, India, China, Singapore, Germany, and the United Kingdom. Survey results of 971 responses from respondents at all organizational levels were analyzed to produce the final leadership model.

This research design, with extensive feedback from practicing leaders, produced a truly discursive definition of leadership. During this process, multiple voices from the major global regions contributed to the final picture of today’s leadership challenges and best practices.

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2 A detailed summary of the three-phased research process, along with the analysis of findings in each phase, appears in “Appendix – Research Process, Findings, and Analysis.”
The research team used the term "practice" to refer to a range of behaviors and thought processes, i.e. actions that leaders take or central issues about which they have evolving thoughts and feelings.
The core finding of the AchieveGlobal study was validation of 42 practices—some behavioral, some cognitive—required to meet the challenges of 21st-century leadership. The research team used the term “practice” to refer to a range of behaviors and thought processes, i.e. actions that leaders take or central issues about which they have evolving thoughts and feelings.

Researchers sorted these 42 practices into six categories, or “zones,” represented here in a hexagonal model, in which each zone contains seven unique practices, identified below.

**Reflection**
In this zone, leaders assess their own motives, beliefs, attitudes, and actions. Reflective leaders look within and ask, “How can I make sure my own blind spots and biases don’t cause me to make poor decisions?” and “How can I leverage my strengths to become a better leader?” To succeed in this zone, leaders:

- Take responsibility for their own mistakes.
- Seek the knowledge required to make sense of the big picture.
- Examine what role they play in the challenges that they face.
- Treat failure as a chance to learn and grow.
- Reflect often on their performance as a leader.
- Give serious consideration to opinions that differ from their own.
- Speak frankly with others to learn from them and build trust.

*Reflection* helps leaders avoid pitfalls in other zones, make the most of honest feedback, recognize the limits of their knowledge, and avoid repeating their mistakes. When leaders see their mistakes as a chance to learn and grow, they gain the ability—and credibility—to help others do the same.

**Society**
In this zone, leaders apply principles—such as fairness, respect, and “the greater good”—to balance individual and group welfare. Here, leaders attend to economic, environmental, and ethical matters that affect the larger society. To succeed in this zone, leaders:

- Act ethically to serve the larger good, not just to obey the law.
- Encourage others to take socially responsible action.
- Openly challenge what they consider unethical decisions and actions.
- Take action to benefit others, not just themselves.
- Recognize and reward others based on merit, not on politics.
The Leadership Assessment Instrument

To help leaders improve their performance in all six zones, a full-scale assessment instrument was developed. Self-reported, 180-, 270- or 360-degree ratings for the 42 practices paint a detailed picture of an individual's strengths and liabilities in each zone, visualized in a graphic display, or “zone profile,” as in this sample profile for a middle manager:

- Make fair decisions, even if they have a negative impact on themselves.
- Take steps to reduce environmental harm.

Recent unethical business practices with worldwide consequences highlight the need for leaders to serve and encourage others to serve a larger good. While every leader must achieve short-term goals, socially aware leaders know that some short-term goals sabotage long-term health—of the organization, the society, and the planet.

Diversity

In this zone, leaders value and leverage human differences, including gender, ethnicity, age, nationality, beliefs, and work styles. Here, leaders prove their ability to work with diverse people and appreciate cultural perspectives. To succeed in this zone, leaders:

- Strive to meet the needs of customers representing other cultures.
- Encourage collaboration among people from different groups.
- Display sensitivity in managing across cultural boundaries.
- Collaborate well with people very different from themselves.
- Effectively lead groups made up of very diverse people.
- Learn about the business practices of other cultures.
- Manage virtual teams with explicit customer-centric goals and practices.

This ability to derive value from human differences is a core skill for 21st-century leaders. A global workforce requires a leader’s awareness of cultural nuances; a dispersed workforce requires structured yet flexible leadership; and a diverse workforce requires tailored collaboration and coaching. All of these tasks require leaders who balance their own strong identity with their daily effort to understand people very different from themselves.

Ingenuity

In this zone, leaders not only offer and execute practical ideas, they also help others do the same by creating a climate in which innovation can thrive. To succeed in this zone, leaders:
Ingenuity is the currency of success in a capricious global economy. Closely allied is the ability to manage the changes—on the business and human levels—implied in every innovation. Ingenuity is also vital to helping groups develop a motivating vision of future success.

**People**

In this zone, leaders connect with others on the human level shared by all to earn commitment, inspire effort, and improve communication of every kind. To succeed in this zone, leaders:

- Read a range of emotions in others and respond appropriately.
- Adapt to the leadership needs of different groups.
- Help others resolve issues of work-life balance.
- Make a daily effort to inspire the trust of customers and colleagues.

The Zones in Action: What’s Changed?

Clearly, none of the six leadership zones is altogether new. Still, the research revealed them as especially critical and understood differently today. A look at what’s changed:

<table>
<thead>
<tr>
<th>Zone</th>
<th>In the past, leaders;</th>
<th>Today, leaders:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reflection</td>
<td>Made mistakes due to over-confidence in their own knowledge and abilities.</td>
<td>Recognize and take steps to expand the limits of their knowledge and abilities.</td>
</tr>
<tr>
<td>Society</td>
<td>Neglected the health of the economy, society, and environment.</td>
<td>Promote their own success by acting with the greater good in mind.</td>
</tr>
<tr>
<td>Diversity</td>
<td>Merely accepted the facts of a diverse workforce and global economy.</td>
<td>Respect and make positive use of key differences including gender, age, ethnicity, nationality, and points of view.</td>
</tr>
<tr>
<td>Ingenuity</td>
<td>Focused ingenuity mainly on ways to preserve the status quo.</td>
<td>Re-think core assumptions to respond to new threats and opportunities.</td>
</tr>
<tr>
<td>People</td>
<td>Motivated people mainly with incentives and rational argument.</td>
<td>Motivate people through strong relationships based on mutual trust.</td>
</tr>
<tr>
<td>Business</td>
<td>Sacrificed almost everything for short-term performance.</td>
<td>Make the plans and hard decisions to sustain long-term success.</td>
</tr>
</tbody>
</table>
• Minimize the negative human impact of their decisions and actions.
• Build and maintain a cross-functional task network.
• Communicate well with customers and colleagues at all levels.

Leadership in part is getting work done through others—a real challenge without the skill and zeal to engage people in a team effort. Leaders effective in this zone inspire trust and loyalty, weather difficulties through a wide support network, soften the human impact of hard decisions, and encourage shared commitment to business goals.

**Business**

In this zone, leaders develop strategies, make and execute plans and decisions, organize the work of others, and guide effort toward predicted results. To succeed in this zone, leaders:

• Adapt quickly to changing business conditions.
• Manage the costs of operation.
• Learn new ways to make the business competitive.
• Develop and implement effective business plans.
• Analyze and use hard data to promote business results.
• Manage customer acquisition, retention, and lifetime value.
• Add clarity to their organization's vision and values.

Yet 21st-century challenges demand more than textbook formulas. Beyond the hard skills of analyzing data and managing costs, leaders must respond quickly to threats and opportunities—a skill that requires close attention to key trends and events. Still vital is a leader's ability to shape the customer's experience, but also to cultivate that customer's lifetime value.

Balancing these six zones can be daunting because it is nearly impossible to give equal attention to every zone all the time. Even so, increased awareness of the zones and activities can help leaders make conscious trade-offs in response to shifting conditions.
Higher-level leaders more highly valued all six zones of leadership and were more likely to select the business challenge “Quality of leaders.”
The literature review (phase 1) identified a range of business challenges for 21st-century leaders, including:

- Business growth
- Competitors
- Cost of healthcare
- Cost pressures
- Diversity in the workforce
- Driving sales growth
- Employee productivity
- Expanding into new markets
- Improving customer satisfaction
- Product/service innovation
- Quality of leaders
- Retaining talent
- Succeeding with mergers and acquisitions
- Technology challenges
- Virtual workplace structures

As noted, analysis of focus-group responses to these challenges (phase 2) helped the research team isolate the six essential “zones of leadership” outlined earlier.4

Respondents in the primary survey (phase 3) included leaders and employees at all levels in a wide cross-section of organizations of varying size. Respondents were asked to identify their “top five” business challenges and to rate the importance and observed application of various practices within each leadership zone. These findings were analyzed for immediately evident trends in business challenges and leadership practices across global regions and organizational levels.

Among other statistical analyses, a Cronbach’s alpha was used to calculate the internal consistency and accuracy of the leadership-zone model. This alpha value was .983, indicating a highly consistent and accurate description of leadership today (1.0 is perfect), and therefore a very reliable model. Further, all six zones correlate very highly with each other, suggesting that the six zones triangulate on a larger leadership construct. In other words, the six-zone approach is accurate.

Further analysis revealed a number of statistically significant differences and correlations among the identified business challenges, the zones of leadership, and the survey respondents’ organizational levels, global region, company size, and approximate annual revenue.5

- **Managerial Role:**
  As compared to lower-level leaders, higher-level leaders more highly valued all six zones of leadership and were more likely to select the business challenge “quality of leaders.”

- **Number of Direct Reports:**
  As compared to leaders with fewer direct reports, leaders with more direct reports more highly valued all six zones of leadership.

- **Geographic Scope of Operation:**
  Individuals from organizations with a greater global scope of operation were more likely to select the business challenges “succeeding with mergers and acquisitions,” “diversity in the workforce,” and “virtual workplace structures” than were individuals from organizations with a more domestic or local scope of operations.

- **Number of Employees Globally:**
  Individuals from organizations with a greater number of employees globally were more likely to select the business challenge “succeeding with mergers and acquisitions” than were individuals from organizations with a smaller number of employees globally.

- **Worldwide Revenue:**
  Individuals from organizations with a higher approximate 2008 worldwide revenue were more likely to select the business challenge “succeeding with mergers and acquisitions” than were individuals from organizations with a lower 2008 revenue.

- **Time Working at Current Level:**
  Individuals with more time at their current level were more likely to select the business challenge “controlling healthcare costs” than were individuals with less time at their current level.

- **Number of Direct Reports:**
  Individuals with a greater number of direct reports were more likely to select “virtual workplace structures” than were individuals with fewer direct reports.

Of special note, individuals in organizations with a wider scope of operation, a greater number of employees, and/or greater worldwide revenues more highly valued the Diversity zone than did individuals from organizations with a narrower scope, fewer employees, and/or lower approximate worldwide revenues.

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3 See in “Appendix – Research Process, Findings, and Analysis” for the complete list of identified business challenges.

4 The final terms for the six zones of leadership are Reflection, Society, Diversity, Ingenuity, People, and Business. The corresponding six terms used in the survey were Introspective, Ethical, Global, Creative, Human, and Business.

5 For greater detail, see “Appendix – Research Process, Findings, and Analysis.”
Survey respondents worldwide rated the observed use of most leadership practices lower than they rated the actual importance of those practices.
Overall findings for all organizational levels paint a detailed picture of 21st-century leadership. The practical implications of several specific findings deserve further discussion:

1. Survey respondents worldwide rated the observed use of most leadership practices lower than they rated the actual importance of those practices. In other words, respondents rated many practices as critical but not always seen in action. One implication is that this result highlights that leadership, like service, depends on meeting customer expectations. A middle manager, for example, serves at least two internal customer groups: direct reports (supervisors) and superiors (executives). If these groups expect more zone competence than the leader can deliver, credibility suffers, relationships suffer, results suffer, and ultimately the leader suffers.

2. In two of three global regions (Asia and North America), ratings of the importance of the leadership zones rose with organizational level. Since these higher-level leaders have a wider purview of organizational success, they apparently value a wider range of practices required to achieve that success. So at least in these global regions, improved zone awareness and competence would seem the very definition of “executive material.”

3. Focus-group participants and leaders who subsequently completed the assessment instrument often observed that leaders strong in Reflection are better equipped to recognize their liabilities and leverage their strengths in other leadership zones, adjust their current strategies, adopt new strategies, and recognize strengths and liabilities in other people.

4. Most middle managers gave high importance ratings for practices in the People zone—a window through which any leader can demonstrate commitment in other zones. Every role has its “core zone.” For an executive, it may be Reflection. For a supervisor, it may be Ingenuity. For a middle manager—at the center of the organization, who must cultivate make-or-break relationships in two directions—it is very likely the People zone.

5. Survey respondents from organizations with wider global operations (in terms of scope, number of employees, and revenue) rated the most pressing challenges as “succeeding with mergers and acquisitions,” “diversity in the workforce,” and “virtual workplace structures”—all logical correlations since these challenges more deeply affect organizations operating globally.

6. Notably, the business challenge “diversity in the workforce” ranked lowest among all respondents, but highest among respondents from organizations with greater global scope. A question for further study is whether organizations that value diversity are more likely to grow globally, or global scope causes leaders to place higher value on diversity. The answer is likely a little of both.

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6 See “Appendix – Research Process, Findings, and Analysis” for further detail on region-specific survey data.
If a raisin is a grape with something vital missing — water — so a manager is a leader with many vital things missing.
The overall research findings and analysis shed new light on the eternal question, “What is the difference between a leader and a manager?” An analogy may illustrate: The zone model suggests that this difference is very much like the difference between a raisin and a grape.

If a raisin is a grape with something vital missing—water—so a manager is a leader with many vital things missing. Through the lens of this model, a “manager” is competent primarily in one zone: Business. Managers “make and execute plans and decisions, organize the work of others, and guide effort toward predicted results.” “Leaders” must do these things, too, but the research found that leaders also demonstrate other interests and abilities grouped in the model in the other five zones: Reflection, Society, Diversity, Ingenuity, and People.

Just as a raisin has vital nutritional value, a “manager” has vital organizational value. In fact, survey respondents at every level in every global region consistently rated the Business zone more highly than other zones—and for good reason: without business results, no one succeeds.

At the same time, our respondents said that business savvy alone is not enough to meet the complex variety of 21st-century challenges. In summary, researchers concluded that:

- More complex problems demand greater Reflection.
- Sustainable long-term strategy must have a positive impact on Society.
- Large-scale efforts need to leverage Diversity in all its forms.
- Ingenuity drives innovation, which sharpens a competitive edge.
- Motivating People must involve their emotions as well as their minds.

By this definition, an effective 21st-century leader moves smoothly among the zones as conditions demand, leveraging strengths from each zone to address deficiencies and ultimately succeed in the other zones.

These research conclusions clearly reflect the beliefs, attitudes, and actions of practicing leaders worldwide. Focus-group and survey participants as well as leaders who completed the assessment instrument drew from their experience to confirm, extend, or correct a wide range of peer-reviewed research. The result is a discursive definition of 42 practices that help leaders meet today’s business challenges.

Further data analysis will yield greater insight into region-specific needs—in isolation and in relation to other regions. With business routinely operating across borders, understanding the business practices and leadership expectations of other cultures can promote collaboration, mutual benefit, and increased appreciation of workforce diversity.

With time, as many more leaders complete or re-take the online assessment instrument, AchieveGlobal will continue to collect and analyze longitudinal data on worldwide leadership strengths and liabilities. Meanwhile, leaders who have already completed the assessment instrument have provided positive feedback on its utility, accuracy, and relevance.

More than ever, leadership in the 21st-century is a complex matrix of practices, now responding to rapidly evolving internal mandates and market realities. When leaders actively aware of these forces apply practices in tune with their geographic location, scope of operations, revenue goals, and organizational levels, they are better equipped to build on their strengths, minimize their liabilities, and achieve success for themselves and their organization.

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7 See “Bibliography.”
This appendix provides further detail on the process, findings, and analysis in each phase.
The three-phased study included a review of journal articles, two focus-group sessions, and a worldwide quantitative survey, with each phase building on the findings of the previous phase or phases. This appendix provides further detail on the process, findings, and analysis in each phase.

**Phase 1 – Literature Review**
The literature review focused on quantitative and qualitative articles published over a two-year period. To begin, researchers captured themes from a broad range of journals and identified eight journals as the basis of this first phase of research:

- Asia-Pacific Journal of Human Resources
- European Journal of Work and Organizational Psychology
- Global Business and Organizational Excellence
- Human Resource Development Quarterly
- International Journal of Human Resource Development and Management
- Leader to Leader
- The Journal of Management Development
- The Leadership Quarterly

A preliminary review of all article abstracts produced this list of what the research team called “contextual themes”:

- Complex adaptive systems
- Cross-cultural leadership
- Decentralization
- Fairness
- Introspection
- Leadership type
- Organizational citizenship
- Organizational climate
- Organizational justice
- Social responsibility
- Storytelling
- Teams

- Trust
- Work-life interface

The research team read the full text of 70 selected articles and books representing the best thinking and hard research on the identified contextual themes. For each article or work, the team developed a three- to five-page annotated bibliography summarizing key findings on best leadership practices and the following major business challenges driving the need for effective 21st-century leadership:

- Attracting talent
- Changing buying patterns
- Changing methods of distribution
- Controlling healthcare costs
- Corporate social responsibility
- Cost pressures
- Current competitors
- Diversity in the workforce
- Driving sales growth
- Employee productivity
- Enabling business growth
- Environmental responsibility
- Ethical leadership
- Expanding into new markets
- Gaining access to capital
- Insufficient number of leaders
- Improving customer satisfaction
- Insufficient talent overall
- Integrating new technologies
- Lack of trust among leaders and employees
- New competitors
- Operational excellence
- Product/service innovation
- Quality of leaders

8 See “Bibliography” for a complete list of articles and other works reviewed.
In the 21st-century you have to create an environment where people can be open to present ideas... Throw a hundred ideas on the table, maybe you can get five of them that really work. That’s the way I understood creativity.

This is a good bridge from traditional to modern leadership. You’re taking those archaic traits and molding them for today’s workforce. The static organizational chart we’re so familiar with is not really the way it works anymore. This model moves leadership into a modern environment, addressing the world issues at hand.

Among their other responses, focus-group participants identified the following “challenges facing organizations”:

- Boosting quality and morale
- Diversity in the workforce
- Ethical issues in the workplace
- Finding the right people
- Generational integration
- Global cultural problems
- Job-risk management
- Lack of creativity and problem solving
- Lack of trust
- Leadership development
- Performance management
- Resistance to change
- Resource management
- Velocity of change
- Virtual workplace structures

Focus-group participants also identified “skills and knowledge required to address these challenges,” including the following:

- Business acumen
- Conflict management
- Effective communication
- Flexibility to adapt to environment and people
- Global management skills: cultural dynamics

During phase 1, in addition, a preliminary leadership model was developed unifying the identified business challenges with commensurate best practices.

**Phase 2 – Focus-Group Sessions**

Two focus groups were hosted for more than two dozen mid-managers and executives representing a range of industries and the public sector. Themes from the journal articles and the preliminary leadership model formed the basis for discussion. Focus-group participants shared their real-world experiences, confirmed some themes, and added new ones, thereby clarifying the evolving picture of 21st-century leadership. Based on focus-group findings, researchers extensively revised the leadership model.

In the focus-group sessions, participants responded to a range of questions, including:

- What challenges are you facing in your role as a leader in your organization at this time?
- What knowledge, skills, and abilities do leaders need to address these challenges?

The following are sample comments from the focus groups:

- A person really needs a personal perspective on leadership... There are layers of a person’s character, their behaviors, or their attributes that make them an effective leader. Not just one attribute is going to do it.

- Effective leaders adjust the degree of active leadership...because from my perspective, my management style with people from the United States might be effective. But if I go to a different cultural setting, their expectations of my style might be different... I’ve got to make sure that my style doesn’t get in the way of being effective in different cultural settings.
Researchers used the term “practice” to designate a range of behaviors and thought processes, i.e. actions that leaders take, or key issues about which they have evolving thoughts and feelings. Survey respondents facilitated further development of the leadership model by rating the importance of the identified leadership challenges and practices, as well as the observed application of the practices.

Focus-group responses were analyzed and applied to restructure and refine the preliminary leadership model. Based on this analysis, researchers identified six preliminary “zones of leadership,” later renamed to reflect the highest-rated leadership practices identified in the quantitative survey. Initial and final zone names appear below:

<table>
<thead>
<tr>
<th>Initial Zone Names</th>
<th>Final Zone Names</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introspective</td>
<td>Reflection</td>
</tr>
<tr>
<td>Ethical</td>
<td>Society</td>
</tr>
<tr>
<td>Global</td>
<td>Diversity</td>
</tr>
<tr>
<td>Creative</td>
<td>Ingenuity</td>
</tr>
<tr>
<td>Human</td>
<td>People</td>
</tr>
<tr>
<td>Business</td>
<td>Business</td>
</tr>
</tbody>
</table>

These zones, or categories of leadership practices, were then tested with a wider audience in the final phase of research.

**Phase 3 – Quantitative Survey**

Based on the combined findings of the literature review and focus-group sessions, a quantitative survey was developed and launched in the United States, Mexico, India, China, Singapore, Germany, and the United Kingdom, and 971 responses were gathered from business and government leaders and employees.

**Survey Purpose and Structure**

This survey was designed to answer two key questions:

* What are the central challenges for leaders in the 21st century?
* What best practices will help leaders meet these challenges?

Respondents completed 16 subsections in the survey, including demographic information, free-response questions, and Likert-scale ratings of the importance and observed application of leadership practices emerging from the literature review and the focus-group sessions. A survey section on current business challenges created a unique context for each respondent to consider his or her leadership concerns and recommended best practices.

**Survey Demographics**

Respondents included international and domestic-only organizations ranging from fewer than 500 to more than 100,000 employees. Survey respondents represented a cross-section of companies of varying sizes, and included multiple levels of management as well as individual contributors. Specifically, respondents represented:

* Companies whose scope of operations ranged from domestic-only operations (37 percent) to global operations (25 percent). See Figure 1.
* Companies ranging in population from fewer than 500 associates (37 percent) to more than 25,000 (18 percent). See Figure 2.
* Companies with annual revenues ranging from less than $50 million (44 percent) to more than $1 billion (12 percent). See Figure 3.
* Just over 25 percent of respondents had no direct reports. Of respondents with direct reports, 29 percent managed individual contributors, 36 percent managed other managers, and 10 percent managed entire business units. See Figure 4.
Survey Findings: Business Challenges

Responses to the survey item “Please select the TOP FIVE most pressing challenges that your organization will face over the next 1-3 years” were tabulated by organizational level, company size, and global region. The five top-rated challenges by global region appear in the table below.

Note that “cost pressures” was the top challenge in three of the four regions (Asia, Europe, and USA). The fact that “employee productivity” was the top challenge for Mexico may reflect that country’s status as one of two countries (with Turkey) with the lowest productivity levels in the Organization for Economic Co-operation and Development (OECD) area in 2004. In 2006, the World Bank found productivity growth in Mexico “disappointing.”

“Employee productivity” rated in the top five challenges for Europe and the USA as well, while “growing the business” rated in the top five challenges for Asia, Europe, and the USA, but not for Mexico.

In alignment with the overall top business challenge, “cost pressures,” respondents worldwide rated Business as the most important leadership zone.

The broader comment here is that regional differences in top business challenges tended to align with regional differences in business use of technology, and with other cultural and market or industry differences.

<table>
<thead>
<tr>
<th>Asia</th>
<th>Europe</th>
<th>Mexico</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Cost pressure</td>
<td>Cost pressure</td>
<td>Employee productivity</td>
<td>Cost pressure</td>
</tr>
<tr>
<td>2  Competitors</td>
<td>Growing the business</td>
<td>Product/service innovation</td>
<td>Growing the business</td>
</tr>
<tr>
<td>3  Improving customer satisfaction</td>
<td>Driving sales growth</td>
<td>Expanding into new markets</td>
<td>Driving sales growth</td>
</tr>
<tr>
<td>4  Growing the business</td>
<td>Product/service innovation</td>
<td>Technology challenges</td>
<td>Improving customer satisfaction</td>
</tr>
<tr>
<td>5  Technology challenges</td>
<td>Employee productivity</td>
<td>Competitors</td>
<td>Employee productivity</td>
</tr>
</tbody>
</table>

Survey Findings: Leadership Practices

The 42 most important leadership practices identified by the survey were sorted into categories (the “zones”), and results were tabulated overall and by organizational level, industry, and global region. To identify the most important practices, the survey had respondents use a 7-point Likert scale (with 7 representing “very important”) to rate the importance of each practice in meeting business challenges during the next five years.

The Y-axis of Figures 5–7 represents the percent of survey respondents choosing an importance rating of 6 or 7. Researchers analyzed these responses to this survey section in order to:

- Determine which practices were most important to respondents.
- Refine the sorting of top-rated practices into the six leadership zones presented in the survey.
- Identify trends based on organizational level and global region.

---


In Asia (Figure 5) and the USA (Figure 7), executives rated all six zones higher than did any other organizational level. In Europe, however (Figure 6), it was supervisors who rated all zones higher than did other organizational levels. This finding may indicate greater acceptance of traditional leadership practices by European executives, as compared to executives in other regions.

In Asia, where all levels combined rated Society much lower than the highest-rated zone, Business, executives rated Society above Reflection, Ingenuity, and People. That executives in Asia see value in action for social good highlights their possible failure to see that action in other zones—namely Reflection, Ingenuity, and People—also contributes to social good.

In Europe (Figure 6), an interesting trend occurred among respondents with no direct reports, who rated Reflection much higher than they rated any other leadership zone. This finding may correlate (and possibly reflect dissatisfaction) with the relatively low rating given by European executives of the same leadership zone.

In the United States, with the exception of middle managers, ratings in every zone rose with organization level. For example, executives rated the importance of Reflection higher than did supervisors, yet both executives and supervisors rated Reflection at least seven points higher than middle managers did.

Respondents in Asia followed a similar pattern, with ratings in every zone rising with organizational level, except among middle managers. Meanwhile, executives in Asia rated all zones much higher than did other leaders in Asia (notably rating Society 18.3 points higher than did middle managers in Asia). A similar trend was observed in Europe, except that European executives rated most zones (including Business) lower than did leaders in other global regions.

This global trend—the drop in middle-managers’ ratings of zone importance compared to the ratings of other leaders in their region—deserves some focus. Since middle-managers play a challenging role, often caught between big-picture strategy and day-to-day operations, these leaders may tend to adopt an all-Business leadership style they feel helps to operationalize strategy and meet practical demands. It is worth noting, however, that to realize strategy in concrete terms, most middle managers would benefit from increased awareness and competence in all the zones.

<table>
<thead>
<tr>
<th>Asia</th>
<th>Reflection</th>
<th>Society</th>
<th>Diversity</th>
<th>Ingenuity</th>
<th>People</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>70.4%</td>
<td>73.6%</td>
<td>74.3%</td>
<td>72.7%</td>
<td>71.8%</td>
<td>81.8%</td>
</tr>
<tr>
<td>Middle Manager</td>
<td>60.8%</td>
<td>55.3%</td>
<td>60.0%</td>
<td>60.8%</td>
<td>61.4%</td>
<td>66.1%</td>
</tr>
<tr>
<td>Supervisors</td>
<td>62.4%</td>
<td>60.0%</td>
<td>61.7%</td>
<td>61.4%</td>
<td>62.7%</td>
<td>65.9%</td>
</tr>
<tr>
<td>No Direct Reports</td>
<td>52.9%</td>
<td>47.9%</td>
<td>45.9%</td>
<td>50.4%</td>
<td>51.6%</td>
<td>56.4%</td>
</tr>
<tr>
<td>Total</td>
<td>61.6%</td>
<td>59.2%</td>
<td>60.5%</td>
<td>61.3%</td>
<td>61.9%</td>
<td>67.5%</td>
</tr>
</tbody>
</table>

Figure 5: Importance of leadership practices across organizational levels in Asia
Figure 6: Importance of leadership practices across organizational levels in Europe

<table>
<thead>
<tr>
<th>Europe</th>
<th>Reflection</th>
<th>Society</th>
<th>Diversity</th>
<th>Ingenuity</th>
<th>People</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>40.8%</td>
<td>36.6%</td>
<td>33.0%</td>
<td>36.6%</td>
<td>42.3%</td>
<td>44.2%</td>
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<tr>
<td>Middle Managers</td>
<td>40.2%</td>
<td>41.5%</td>
<td>40.4%</td>
<td>38.6%</td>
<td>41.3%</td>
<td>49.8%</td>
</tr>
<tr>
<td>Supervisors</td>
<td>48.4%</td>
<td>45.3%</td>
<td>45.5%</td>
<td>47.3%</td>
<td>50.4%</td>
<td>51.2%</td>
</tr>
<tr>
<td>No Direct Reports</td>
<td>44.1%</td>
<td>38.8%</td>
<td>34.0%</td>
<td>34.5%</td>
<td>39.6%</td>
<td>38.8%</td>
</tr>
<tr>
<td>Total</td>
<td>43.4%</td>
<td>40.6%</td>
<td>38.2%</td>
<td>39.3%</td>
<td>43.4%</td>
<td>46.0%</td>
</tr>
</tbody>
</table>

Figure 7: Importance of leadership abilities across organizational levels in the USA

<table>
<thead>
<tr>
<th>U.S.A.</th>
<th>Reflection</th>
<th>Society</th>
<th>Diversity</th>
<th>Ingenuity</th>
<th>People</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>62.2%</td>
<td>62.8%</td>
<td>58.5%</td>
<td>62.3%</td>
<td>62.7%</td>
<td>68.8%</td>
</tr>
<tr>
<td>Middle Managers</td>
<td>53.5%</td>
<td>52.2%</td>
<td>52.2%</td>
<td>55.2%</td>
<td>54.5%</td>
<td>58.2%</td>
</tr>
<tr>
<td>Supervisors</td>
<td>60.6%</td>
<td>68.7%</td>
<td>53.4%</td>
<td>58.6%</td>
<td>59.2%</td>
<td>63.1%</td>
</tr>
<tr>
<td>No Direct Reports</td>
<td>51.4%</td>
<td>50.3%</td>
<td>43.2%</td>
<td>48.4%</td>
<td>51.2%</td>
<td>53.3%</td>
</tr>
<tr>
<td>Total</td>
<td>56.9%</td>
<td>55.9%</td>
<td>51.8%</td>
<td>56.0%</td>
<td>56.8%</td>
<td>60.8%</td>
</tr>
</tbody>
</table>
Survey Analysis: Correlation Matrix
A detailed correlation analysis of the survey data was performed to establish relationships among data sets and test the internal accuracy and consistency of the survey instrument and commensurate leadership model.

To focus only on major trends in the survey data, specific questions were grouped into six separate subscales, measuring the six zones of leadership. This data was further examined to assess whether the value that respondents placed on each of these zones varied in a statistically significant way according to several organizational and managerial characteristics:

- Geographic scope of operations
- Number of employees globally
- Approximate 2008 worldwide revenue
- Organizational level
- Time working at current level
- Number of direct reports

The statistical analysis used was a series of correlation coefficients. Since over 900 individuals responded to the leadership survey, many of these correlations reached statistical significance, even when the effects were trivial. Instead of focusing on statistical significance, the correlations were used as estimates of effect size, which emphasizes the magnitude of the relationships among the variables. Correlations above .10 are considered small, above .30 are considered medium, and above .50 are considered large.

Therefore, the focus was on correlations above .10.

To examine whether the frequency of item selection on the question “Please select the TOP FIVE most pressing challenges that your organization will face over the next 1-3 years” varied as a function of organizational/managerial characteristics, several hundred Analyses of Variance (ANOVAs) were performed, which were Bonferonni-corrected to control for the over-identification of statistically significant findings (family-wise error) when running so many analyses. Only statistically significant differences were reported.

To test the internal consistency and accuracy of the survey instrument in measuring leadership, a Cronbach’s alpha was calculated. This alpha value was .983, reflecting a highly consistent and accurate instrument (with 1.0 being perfect), and therefore very reliable in its ability to measure leadership. Further, all six subscales of the leadership survey instrument correlate very highly with each other. These correlations are highlighted in red in the Correlation Matrix, on the following page. These high correlations suggest that the six zones of leadership tapped by the instrument all triangulate on a larger leadership construct. In other words, the six-zone approach in which leadership was conceptualized in this instrument is very likely accurate.

Correlations represent the degree to which changes in one variable are associated with changes in another variable. Larger correlations represent a stronger relationship between two variables, whereas smaller correlations represent a weaker relationship. For example, in the matrix on the following page, Society and Reflection correlate at .846, suggesting a very high relationship between the degrees to which managers attribute importance to these two variables. In other words, if a manager attributes high importance to Society, he or she will also be very likely to attribute importance to Reflection, and vice versa. Correlations above .10 are small, above .30 medium, and above .50 large.

P-values represent the degree to which a correlation is statistically significant. Values at or below .05 are statistically significant and would be expected to occur by chance at or below 5 percent. Correlations in red in the matrix are statistically significant.
## Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>Reflection</th>
<th>Society</th>
<th>People</th>
<th>Ingenuity</th>
<th>Diversity</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Geographic scope of operations</strong></td>
<td>Correlation</td>
<td>-0.03485360</td>
<td>-0.07481</td>
<td>-0.05862</td>
<td>-0.08076</td>
<td>-0.18103</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.290684507</td>
<td>0.023551</td>
<td>0.076691</td>
<td>0.014711</td>
<td>&lt; .001</td>
</tr>
<tr>
<td><strong>Number of employees globally</strong></td>
<td>Correlation</td>
<td>0.032730553</td>
<td>0.061944</td>
<td>0.036845</td>
<td>0.034949</td>
<td>0.117196</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.321088714</td>
<td>0.06093</td>
<td>0.266066</td>
<td>0.291739</td>
<td>0.000393</td>
</tr>
<tr>
<td><strong>Approx '08 worldwide revenue</strong></td>
<td>Correlation</td>
<td>0.022120423</td>
<td>0.05345</td>
<td>0.031786</td>
<td>0.022456</td>
<td>0.11401</td>
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<tr>
<td></td>
<td>p-value</td>
<td>0.502551505</td>
<td>0.10596</td>
<td>0.33737</td>
<td>0.498217</td>
<td>0.000565</td>
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<tr>
<td><strong>Managerial role</strong></td>
<td>Correlation</td>
<td>0.198549844</td>
<td>0.15247</td>
<td>0.192262</td>
<td>0.18173</td>
<td>0.163363</td>
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<tr>
<td></td>
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<td>&lt; .001</td>
<td>&lt; .001</td>
<td>&lt; .001</td>
<td>&lt; .001</td>
</tr>
<tr>
<td><strong>Time working at current level</strong></td>
<td>Correlation</td>
<td>0.025975384</td>
<td>0.024375</td>
<td>-0.01448</td>
<td>0.003603</td>
<td>-0.01744</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.431069528</td>
<td>0.461235</td>
<td>0.662169</td>
<td>0.913479</td>
<td>0.59899</td>
</tr>
<tr>
<td><strong>Number of direct reports</strong></td>
<td>Correlation</td>
<td>0.204536954</td>
<td>0.175551</td>
<td>0.180315</td>
<td>0.197836</td>
<td>0.207768</td>
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<tr>
<td></td>
<td>p-value</td>
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<td>&lt; .001</td>
<td>&lt; .001</td>
<td>&lt; .001</td>
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</tr>
<tr>
<td><strong>Reflection</strong></td>
<td>Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>p-value</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Society</strong></td>
<td>Correlation</td>
<td>0.846665662</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>&lt; .001</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>People</strong></td>
<td>Correlation</td>
<td>0.830657084</td>
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<td></td>
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<tr>
<td></td>
<td>p-value</td>
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<td>&lt; .001</td>
<td>&lt; .001</td>
<td></td>
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</tr>
<tr>
<td><strong>Ingenuity</strong></td>
<td>Correlation</td>
<td>0.801018393</td>
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<td></td>
<td>p-value</td>
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<td>&lt; .001</td>
<td>&lt; .001</td>
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<td></td>
</tr>
<tr>
<td><strong>Diversity</strong></td>
<td>Correlation</td>
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<td>0.77633</td>
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<td>0.797781</td>
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<tr>
<td></td>
<td>p-value</td>
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<td>&lt; .001</td>
<td>&lt; .001</td>
<td>&lt; .001</td>
<td>&lt; .001</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td>Correlation</td>
<td>0.782645881</td>
<td>0.828823</td>
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</tr>
<tr>
<td></td>
<td>p-value</td>
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<td>&lt; .001</td>
<td>&lt; .001</td>
<td>&lt; .001</td>
<td>&lt; .001</td>
</tr>
</tbody>
</table>


About The Contributors

Joyce Thompsen, Ph.D.
Executive Consultant, AchieveGlobal
Joyce is an experienced corporate executive, consulting practice leader, and educator. Her primary role is to help organizations clarify and execute strategy to achieve desired results. Joyce has a Ph.D. in applied management and decision sciences, an MBA, and a B.S. in business education.

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Kathleen brings more than 25 years of progressive experience in global performance improvement to AchieveGlobal. Kathleen holds a doctorate in business administration from Kennedy-Western University, with a specialization in strategic management.

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Executive Consultant, AchieveGlobal
Colleen’s experience as an executive and consulting leader is extensive. Her in-depth knowledge and experience in developing enterprise-wide solutions to help organizations achieve desired results has made her a sought-after speaker and consultant. Colleen earned degrees at the University of Hawaii and the University of Tampa.

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In her role as an executive consultant to AchieveGlobal, Linda specializes in large-scale organizational change, leadership development, training design and delivery, and implementing high-performance teams. Linda earned a doctorate in organizational leadership and adult education at Columbia University, a master’s degree in organizational communication from the University of Maryland, and a B.S. degree from Pennsylvania State University. She is currently a faculty member at the University of Hartford.

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Director of Solution Development, AchieveGlobal
As AchieveGlobal’s Director of Solution Development, Craig is a thought leader who works cross-functionally and with clients to guide creation of a range of responses to market needs. Since 1986 he has played a central role in developing the company’s flagship programs in leadership, sales, and customer service. Craig holds a B.A. and M.A. from San Francisco State University.

Chris Blauth
Director of Product Strategy, AchieveGlobal
Chris, Director of Product Strategy, spearheads AchieveGlobal’s efforts to develop and maintain products that will prepare leaders at all levels of an organization. Chris holds a B.S. in Accounting and Finance from the University at Buffalo, and an MBA in Marketing from Canisius College.

East Apthorp
Senior Marketing Manager, AchieveGlobal
During her 10 years with AchieveGlobal, East has contributed to numerous successful initiatives related to leadership development, including strategic planning, research development, product launches, and market positioning. East holds a Bachelor’s Degree from the University of the South and an MBA from Rollins College.

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Sharon Daniels, President and Chief Executive Officer, has overall responsibility for AchieveGlobal’s business growth. She holds a Bachelor of Education degree from the University of Florida, and a Masters in Training and Organizational Development from the University of South Florida, and has over 25 years of experience in general management and sales leadership roles.

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Research Consultant, AchieveGlobal
Mark is an author and professor with over 15 years of research experience with companies across all industries. Mark earned a Ph.D. from Indiana University and has served as an adjunct professor of management at the University of South Florida.