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Business Leadership and Market Competitiveness

New Paradigms for Design, Governance, and Performance

Andrée Marie López-Fernández

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"Corporate decision-making is becoming complex as society, business, and corporate governance are triangulated in the global marketplace today. This book puts forth new dimensions in current business practices for strategic decision making over the traditional wisdom of managers. The book offers a series of conceptual models that will lead to a shift in readers' mindsets. A must read for managers and change leaders…".

—Rajagopal, *PhD FRSA, Professor and National Researcher, EGADE Business School, Mexico*

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Andrée Marie López-Fernández
Universidad Panamericana
Mexico City, Distrito Federal, Mexico

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Preface

There is a constant need to find an adequate balance between the thoughts, concepts, models, and techniques that created the very foundation of business and new and innovative propositions, in a context of overwhelming changes in the environment. Some organizational leaders make the mistake of engaging in business practices on the basis of tradition or because they are derived from classical theory without considering the particularities of the current climate.

The volatility of the environment has become a constant variable in decision making. The speed with which changes occur has significantly increased in the last two decades; the Internet boom and the emergence of social media and social networking sites have without doubt been instrumental in the shaping of the current external conditions as well as organizational dynamics. For one, current and potential stakeholders have become much more empowered and assertive in voicing their opinions and thoughts regarding business practices and tend to do so via social platforms. Creating a dialogue with them is essential for the achievement of desired performance as well as growth and development.

The purpose of this book is to present a comprehensive view of the implications and attributes of business environments. This book provides insights into business dynamics that provide satisfaction, added value, and enhanced performance. Competitive paradigms, which are constantly being shifted, and turbulent environmental conditions, which are a constant today, tend to dictate rather than inform strategic decision making regarding organization's status quo and desired outcomes. As such, there is a need for organizational leaders to re-examine current

practices. The book intends to provide theoretical contribution in regard to leadership, corporate governance, collaborator management, performance management and organizational design, as well as the relation of the aforementioned to types of organizations.

Each chapter begins with a discussion on the corresponding organizational concept on the basis of various definitions developed by practitioners and scholars. Leadership Taxonomy, Chap. 1, begins with a debate on nature versus nurture in order to determine the fundamentals of the concept. The different styles of leadership, which have been significantly debated by scholars and practitioners in organizational literature, are presented so as to highlight the advantages and disadvantages of each style for the achievement of desired performance. The practices of seeding and implanting leadership are discussed to draw attention to the role of society in the shaping and development, and relevance of a streamlined ideology and its association with leadership and followership. Three types of leadership, induced, purposive, and macro and global, are introduced to explain the new dynamics surrounding the concept in the current conditions. Induced leadership refers to the effects of the organization's internal and external dynamics on the development of leadership, organizational culture, and performance outcomes. Purposive leadership, which is associated with the latter, is generated on the basis of particular strategic goals, while macro and global leadership emerge for global strategic goal achievement. The final section of the chapter includes propositions regarding the correlation between the concept of syntality (description of group behavioral traits) and leadership; it discusses its implications on team dynamics, effectivity, and performance.

Chapter 2, Corporate Governance, offers a discussion on corporate governance; it is a concept that tends to resonate with current and potential stakeholders when an organization's decision making is questioned in traditional media and, increasingly, in social media. The chapter addresses the differences among organizations that formally design, implement, measure, and control corporate governance versus those that steer away from its formal engagement. Transparent communication, control, and accountability are discussed as leading attributes of the internal and external fit of corporate governance. A model for internal fit, which depicts the systematic process where corporate goals and collaborators' personal goals converge, is presented along with a model which explains how corporate goals and corporate social responsibility goals relate and correlate, in alignment with the internal fit. Furthermore, it debates the role of media

participation in accountability and the consequences of its intervention on stakeholder satisfaction and perception of organizational dynamics by illustrating the value of social media, particularly social networking sites.

Chapter 3, Performance Management, tackles the issue of organizational performance and its correlation with individual performance, specifically based on individual assessments. Without disregarding the importance of measuring performance, as it is an elemental managerial practice, the effectivity of traditional individual evaluations is questioned; there ought to be a better approach to evaluating performance that does not stem from a coercive standpoint. An analysis of individual evaluation implications for performance management is included, as well as details of the repercussions of these assessments on individual and organizational satisfaction, productivity, and performance. Moreover, this chapter describes the process to effectively align organizational performance strategic goals with collaborator strategic goal achievement (SGA). And, in order to do so successfully, a model is proposed to achieve an integral approach to performance management on the basis of individual and organization desired performance.

Collaborators are definitely key to the achievement of desired organizational performance and, therefore, growth and development; as such, Collaborator Management is examined in Chap. 4. The dialogue of empowerment describes the characteristics and differences among collaborator voice and silence, and effects of openness. A model, 7Ss for collaborator dialogue, is proposed to achieve desired outcomes. Also, the relation of empowering collaborator dialogue with leadership, and organizational culture and climate is discussed. The maximization of collaborator MO is examined for achieving high levels of productivity, increased satisfaction, perceived added value, and performance; that is, as opposed to forcing collaborators into the contextually accepted organizational fold. Further, it evaluates the impact of SGA on collaborators' well-being, satisfaction, productivity, and performance, which is also discussed for managerial implications. Finally, intergenerational collaboration is addressed by analyzing the negative effects of generational discrimination on individual well-being, satisfaction, productivity, and performance, as well as that of the organization.

In the beginning of Chap. 5, Organizational Designing, the first question posed is whether to redesign or perish. It includes a discussion on the advantages and disadvantages of placing emphasis on redesigning as an ad hoc solution for sustained business growth and development by describing its association with the intent to adopt organizational design trends, as well

as the effects of radical transformation. The effects of keeping up with latest propositions and trends to maintain a "state-of-the-art" organizational design are evaluated and a model to manage potential shock received by the turbulent environmental conditions is proposed so organizational leaders can properly design their organization. Finally, a layering approach to design, as opposed to a radical transformation, is described as an alternative to achieve desired outcomes in regard to organizations' particular needs. The final chapter addresses future directions for organizations. It discusses key elements that all organizations, regardless of size and line of business, should tackle in the pursuit of sustained growth and development.

The idea for this book came from analyzing current organizational decision making as well as trends, which led me to examine whether or not we are likely to tackle current and future challenges. Thus, as we get prepared to enter the third decade of the twenty-first century, it is only fitting that we ask the difficult and uncomfortable questions regarding our business practices.

Mexico City, Mexico
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Andrée Marie López-Fernández

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