

Ethical Leadership in the Context of Globalization

A Model for Ethical Leadership Based on the Ethical Challenges Posed by Globalization

Introduction

The aim of this paper is to develop a model for ethical leadership to address the ethical challenges posed by globalization. Although the concept of globalization is not new, there are specific features of the current form of globalization that are unique to our present time. There is a large body of research highlighting a number of ethical concerns and challenges arising from the current form of globalization, and the nature of these ethical concerns and challenges were examined in a research report¹, from an ethical perspective, with a view to answering the question: what type of leadership is required to address the ethical challenges posed by globalization? These challenges provide the context for the development of the model in this paper, as it attempts to answer this question.

The rationale for the research report arose from David Held and Anthony McGrew's (2003:40) reference to a 'moral gap,' which they highlight as one of a number of challenges arising from globalization. In their article: *The Great Globalization Debate* they explain this 'moral gap' as:

- A world in which more than 1.2 billion people live on less than a dollar a day; 46 percent of the world's population live on less than \$2 a day; and 20 per cent of the world's population enjoy over 80 per cent of its income;
- Commitments and values of, at best, 'passive indifference' to this, marked by UN expenditure per annum of \$1.25 billion (minus peace-keeping), US per annum confectionery expenditure of \$27 billion, US per annum alcohol expenditure of \$70 billion, and US per annum expenditure on cars that is through the roof (more than \$550 billion) (2003: 40).

These facts raise questions concerning the justice and fairness of this state of affairs and the nature of the 'moral gap' referred to by Held and McGrew, highlights the vast levels of inequality that exist in our globalized world. This leads to questions regarding how and why this state of affairs has arisen and how globalization is contributing to this situation? The research report conducted aimed to investigate how leadership can address this 'moral gap.'

The approach followed in the research was to critique the structure of the current neo-liberal form of globalization, through the lens of an ethical framework, based on a set of universal principles comprising justice, the dignity of the human person, the common good, solidarity, subsidiarity, and an option for the poor.

¹ This paper is an excerpt from this research report: 'Ethical Leadership in the Context of Globalization'

Leadership is one of a number of ways of addressing the ethical challenges posed by globalization, and is the focus of this paper, specifically ethical leadership. In this regard the following questions are posed:

- Do the current leadership models provide a sound ethical foundation to adequately address the ethical challenges posed by globalization?
- What type of leadership is required to address the ethical challenges arising from globalization?

The findings of the research indicate that the ethical challenges posed by globalization centre around social injustice encompassing vast levels of inequality, a breakdown of democracy, and unjust economic structures that are to a large extent, dehumanizing and are the cause of inequality and suffering for much of the world's population. The development of a model for ethical leadership in this paper thus attempts to address these consequences of globalization.

The Need for a New Model for Ethical Leadership to Address the Ethical Challenges Posed by Globalization

The focus of this paper is on what constitutes morally good leadership. The research report covered a number of theories of leadership, namely the Trait, Contingency, Situational, Transformational and Servant approaches. It was found that aspects of the Transformational and Servant approaches to leadership, have a moral dimension, and these aspects have therefore be included in the development of the model. However, in spite of the moral dimension of these approaches to leadership, they do not specifically take account of the current global context in which all citizens live and work, as Ciulla notes: "Globalization has created a host of new dangers that require a new kind of leadership – one that is, above all, collaborative" (2004:334). Nor do these approaches deal with the nature of the ethical challenges posed by the current neoliberal form of globalization, which can be marginalizing and dehumanizing, for much of the world's population, especially the poor, as noted by Coleman: "Among the alleged negative effects of globalization is its insensitivity to human suffering" (2005:13). There is thus a need for a model of ethical leadership that is aimed at addressing these pressing and universal problems, as expressed by Isaak

We live in a global economy that cries out for models of moral behaviour and sustainable economic development that bring self-respect to both those who give and those who receive (2005:249).

It is acknowledged that Isaak's comment may well be referring to role models, rather than to new models of leadership. However his comment is apt as he highlights the fact that not only is moral behaviour required in our globalized

world, but sustainable economic development, which is a key aspect of globalization. The current lack of this type of development, as highlighted in the research conducted, is the source of many of the ethical challenges posed by globalization. The purpose of this new model is thus to create an awareness of the nature and scope of the ethical challenges posed by the neoliberal form of globalization, and to suggest this model as a possible form of leadership that addresses Coleman's concerns

The key issue becomes this: how do we humanize globalization and make it serve our habitat and humanity? We need to bring about an ethical and just world order with an economy that serves people (2005:15).

The key aims of this model, given the ethical challenges posed by globalization, are thus captured in the above quote by Coleman:

- To humanize globalization
- In service to our habitat and humanity
- To bring about an ethical and just world order
- With an economy that serves people

Bearing in mind the global context, it is believed that the above aims of the model will answer the main question posed by this paper, namely what type of leadership is required to address the ethical challenges posed by globalization.

The Structure of the Model for Ethical Leadership

The ethical framework of this model which is based on the principles mentioned above, forms the foundation of the model, thus indicating that this is an ethical and principled approach to leadership. The model has an upward flow or direction, moving from its roots, the principles of *inter alia*, justice, and human dignity, up through the **micro**, **meso** and **macro** levels, which are all oriented towards the ultimate vision which is to serve an ethic of life, referred to by the late Cardinal Joseph Bernardin of Chicago, who, notes Massaro, referred to: “ “a consistent ethic of life” ” (2000:116). Massaro highlights that this belief has its origins in the view that advocates: “ ... respect for all human life especially that of the vulnerable and outcast” (2000:116). He goes on to say that: “ ... any attack against innocent life is an offence and potential threat to all human life” (2000:116).

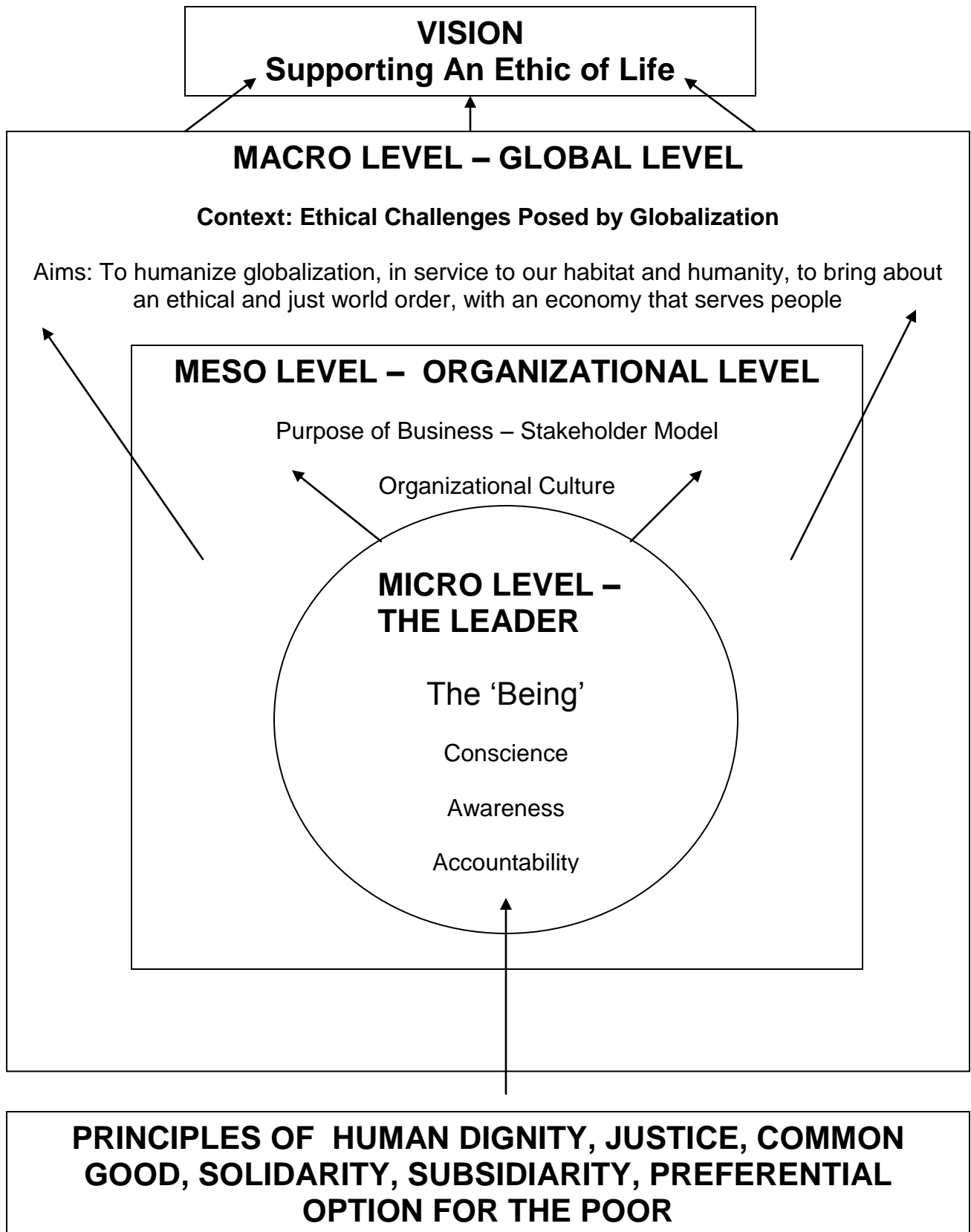
The main aims of this model are thus directed towards serving an ethic of life – the vision of this model.

The following levels represent the three main components of the model:

- **The Micro Level - the individual leader** where the focus is on the ‘being’ of the leader and his/her ethical development
- **The Meso Level - the organizational level** within which leaders operate; these are the units within which most people work and they form a fundamental part of our globalized world. Corporations, including Multi National Corporations (MNC’s) and Trans National Corporations (TNC’s), as well as organizations like the World Trade Organization (WTO), World Bank (WB), and International Monetary Fund (IMF) are included in this level, as well as other types of small and medium-sized organizations.
- **The Macro level** is the global or societal level and is the broader environment within which leaders operate, and forms the context for the development of the model. It is to this level that much of the leader’s efforts and vision are oriented, given the context of the model – the ethical challenges posed by globalization.

The model draws on leadership theory, notably, Transformational and Servant approaches to leadership, and, as Ciulla notes, both of these approaches are normative theories of leadership ethics that: “ ... are open to ethical analysis and provide a rich foundation of ideas for developing future normative theories of leadership” (1998:18).

Model for Ethical Leadership Based on the Ethical Challenges Posed by Globalization



A discussion of the various levels of the model follows.

Micro Level

At this level the model attempts to illustrate the type of leadership required to address the ethical challenges posed by globalization.

This is the level of the individual leader – **the heart of the model** – and the focus is on who the leader is, as Lowney notes: “Leadership springs from within; it’s about who I am as much as what I do” (2003:19). And: “Leadership is defined not by the scale of the opportunity but by the quality of the response” (2003:19). The focus is thus on ‘being’ rather than ‘having.’ The ‘being’ of the leader, and the type of being the leader aspires to, is thus a key element of the model. Fundamental to this model is the belief that the principles of justice, human dignity, the common good, subsidiarity, solidarity, and an option for the poor, upon which the model is based, imbue and develop the being of the leader. As a result of the leader’s commitment to living out these principles, the organizational level is impacted through the being of the leader, who fosters the development of just and humane organizations. The global level is also impacted by the being of the leader, where the focus is directed towards bringing about the aims of the model i.e. to humanize globalization in service to our habitat and humanity, and to bring about an ethical and just world order, with an economy that serves people in service to an ethic of life.

The aspirational nature of the model highlights the developmental nature of ethical leadership, and the circle typifies the development of the being of the leader, which is on-going aimed at developing the whole person. Goodpaster speaks of the need for integrity, which he refers to as: “ ... a kind of wholeness or balance that refuses to truncate or close off the qualities of the heart – that refuses to anesthetize our humanity in the face of what can sometimes be strong temptations to do so” (2007:23). This model thus has a holistic view of leadership, aimed at the development of the whole person – the being. Given the context of globalization and the ethical challenges that it poses, the circle also represents a whole, that Goodpaster refers to as being greater than the parts, in his reference to a

...dimension of moral awareness. Without attention to the whole, corporate leaders are in danger of missing their moral responsibilities for collective action, for action as a human community when they see the direction of the system itself tilting in a tragic way (2006:15).

This statement can well be applied to the current financial crisis of 2008 and 2009 that is spreading across the globe, that Stiglitz refers to as: “ ... the fruit of a pattern of dishonesty on the part of financial institutions, and incompetence on the part of policymakers” (The Guardian 16 September 2008). It is the leader’s

values and principles as well as her thoughts that inform, influence and guide her actions, attitudes, behaviours and decisions, which have an impact, moving outwards and upwards, on the meso and macro levels. The leader's actions, attitudes, behaviours and decisions, are generally informed by her thoughts and values, as Goodpaster notes: “ *Mindsets carry thoughts and values into action, and this fact makes them particularly important in the guidance of persons and organizations*” (2007:35).

Building on current leadership theory, this model draws on the moral aspects of the Transformational and Servant approaches to leadership, specifically those listed below, as it is believed that these elements are necessary aspects of leadership that are applicable to a type of ethical leadership, that is focused on the ‘being’ of the leader, operating within the context of globalization, given the ethical challenges it poses. Ciulla's view is that: ‘Leadership is ... a complex moral relationship between people, based on trust, obligation, commitment, emotion, and a shared vision of the good. Ethics, then, lies at the very heart of leadership’ (1998:xv). She comments that the transforming leadership theory of Burns (1978): “ ... rests on the on-going moral relationship of leaders and followers.” (1998:xv) “Leadership for Burns is about change and sharing common purpose and values” (1998:xv).

Bass' (1985) four transformational leadership factors as identified by Northouse (2004) and Sashkin (2004) that form the basis of his model of Transformational Leadership, are included in this model. These factors, which were described in chapter three are:

- Idealized influence – this factor describes transformational leaders as strong role models for followers (2004:174). The role models that are believed necessary for this leadership model, given the context, are principled leaders who have the ability to inspire followers with the way that they respect and treat others with dignity.
- Inspirational motivation – this factor describes leaders who inspire followers to become part of the shared vision of the organization (2004: 175). The shared vision that applies to this model is a just and humane globalization, serving an ethic of life.
- Intellectual stimulation – this factor describes leaders who stimulate a culture of creativity and innovation, encouraging followers to challenge the status quo, and to challenge their beliefs and values, as well as those of the leader (2004:177). Given that an important aspect of the ethical challenges posed by globalization is the need for change and to challenge the status quo, particularly regarding the structures created within the neoliberal ideology of market capitalism, the need for the leader to cultivate and implement this skill, is key.
- Individualized consideration – this factor describes leaders who provide a supportive climate in which they listen carefully to the individual needs of followers, by spending time with each follower in a caring and unique way

(2004:177), as the basis of the principles of justice, human dignity, the common good, subsidiarity, solidarity, and an option for the poor, is care for the other.

Tichy and DeVanna's (1986, 1999) contribution to Transformational Leadership, as identified by Northouse (2004), is also included in this model. Their focus is on how leaders carry out the change process, and that leaders manage change in organizations by:

- Recognizing the need for change (2004:181)
- The creation of a vision (2004:182)
- Institutionalizing changes, involving breaking down old structures and establishing new ones (2004:182)

These aspects of Tichy and DeVanna's contribution to Transformational Leadership are included in this model, as the need for change, particularly in breaking down old structures and establishing new ones, forms a vital part of addressing the ethical challenges of globalization. As the nature of the ethical challenges posed by globalization is serious and the consequences far-reaching, the creation of a vision is an essential aspect of this leadership model. Greenleaf highlights the need for a vision by referring to the wisdom of the Old Testament: "Where there is no vision, the people perish." *Proverbs 29:18 (King James Version)* (1998:59). The vision of this model has been explained above.

The aspects of Greenleaf's (1998) Servant approach to leadership that are also included in the model are the attributes of:

- listening
- empathy
- healing
- awareness
- stewardship
- commitment to the growth of people
- building community

These characteristics are developmental in nature, and are oriented to the growth of people, which is consistent with the developmental nature of the model. These aspects of Servant Leadership can be linked to living out the principles that form the basis of the model, for example: in **listening** intently to others, the leader: "... seeks to identify the will of a group and helps clarify that will." (1998:5). This attribute resonates with the principle of **solidarity**, in that the exercise of listening demonstrates an attitude of caring and of love for one's neighbour. **Empathy** displays a sense of understanding for others (1998:5), and this can be linked to the principles of **an option for the poor and solidarity**. **Healing**, notes Greenleaf, particularly, the healing of relationships: "... is a powerful force for transformation and integration" (1998:5), and can be linked to

the sense of wholeness that is a key aspect of this model, and to a commitment to the principle of **human dignity**. **Awareness**: “ ... aids one in understanding issues involving ethics and values” (1998:6), and can thus be linked to the principle of **justice**. **Stewardship**, according to Greenleaf is: “ ... holding ... institutions in trust for the greater good of society” (1998:7), and this indicates a link with the principle of the **common good**. A **commitment to the growth of people** indicates a belief that: “ ... people have an intrinsic value beyond their tangible contributions as workers” (1998:7), and this displays a concern for the principles of **human dignity, solidarity** and **subsidiarity**. **Building community** believes Greenleaf: “ ... can be created among those who work in businesses and other institutions” (1998:8), which links in to the principle of the **common good**.

The model also includes the notion of **conscience**, and the need for fostering the exercise of this discipline, as expressed by Goodpaster

The role played by moral reflection (conscience) in the lives of each of us as individuals ... suggest[s] that it may offer helpful clues for understanding the corresponding role to be played by conscience in the culture of an organization. Conscience is our primary check on the unbalanced pursuit of goals and purposes (2007:4).

He goes on to illustrate the important link between the micro and meso levels, by showing that it is the role that the individual leader plays, and whether or not the exercise of conscience as a: “ ... matter of *internal* self-assessment and improvement” (2007:4), is practiced, that influences the type of organization he or she develops. Conscience, notes Goodpaster, is: “ ...a matter of what we as persons – and corporations as organizations – *stand for*” (2007:4). Conscience, and the regular practice thereof, is thus a necessary element of this model, as it guides the individual and the organization with regard to how they are influencing the global environment, and how they are supporting an ethic of life.

Closely tied to the notion of conscience is the concept of **self-awareness**, espoused by Saint Ignatius of Loyola, and practiced by the global organization he founded, the Society of Jesus. Lowney writes that: “Some elements of the Jesuit approach are increasingly finding validation in recent research – for example, the link between self-awareness and leadership” (2003:5). Self-awareness, notes Lowney, means: “To order one’s life” (2003:27). It is closely linked to the concept of conscience, in that its practice leads to an awareness of: “ ... *unhealthy blind spots or weaknesses that can derail*” ... and it assists in: “ ... *cultivating the habit of continuous self-reflection and learning*” (2003:27). This habit of continuous self-reflection and learning is essential for leaders operating in the globalized world of today, given the need to be open to change and learning.

The practice of conscience and self-awareness are necessary aspects of the model because they are developmental in nature, and their purpose is directed towards developing the ethical nature of the interior being. Lowney notes that: “If

self-awareness is critical to leadership success, as Loyola, Peter Drucker, Daniel Goleman, Badaracco, and others have argued, our ideas about leadership and about how we help leaders develop must be revisited” (2003:97).

Another important aspect of this model is that of **accountability**, given that the assessment of the ethical challenges posed by globalization, identified lack of accountability, especially on the part of MNC’s and TNC’s, as a key factor arising from these challenges. Painter-Morland, in commenting on accountability in our current network society, notes that: “Moral development ... is a matter of increasing sensitivity and responsiveness to the needs of an ever-larger variety of people” (2007:522). Given the current globalized business environment and the causes of inequality and the ‘moral gap,’ as revealed by the research, her view of the notion of accountability applies to this model of leadership:

““Accountable” agents are those decision-makers who take *account* of a specific situation in collaboration with other stakeholders and who are able to determine, in the course of this process, the specific nature of their accountability” (2007:526). She notes that: “A new understanding of accountability requires an awareness of the relational context within which responsibilities and duties develop ... What is required is a broadening of our understanding of accountability” (2007:526). Leaders as well as organizations: “ ... need to consider whom they are accountable *to* in the determination of their moral duties” (2007:526). Implicit in this model, given the ethical challenges posed by globalization, and the principles that form the foundation, is the notion that leaders are accountable to some extent, (although the extent will vary, depending on the level of influence and responsibility of the individual leader) for addressing the ethical challenges posed by globalization.

A commitment to living out the principles on which the model is based, combined with the practice of applying conscience, and awareness, with an attitude of accountability will develop the ‘being’ of the leader, and assist her in confronting and addressing the ethical challenges posed by globalization.

Meso Level

The organizational level encompasses structures, processes, practices and culture. Goodpaster notes that there are parallels between the decision-making dynamics of individuals and of organizations: “ ... organizations are in many ways macro-versions (projections) of ourselves as individuals – human beings writ large” (2007:19). He goes on to state that organizations share the moral mindset characteristic of humans, and that: “Business ethics as a discipline takes its departure from this simple truth” (2007:44). Just as there can be character flaws in each of us as individuals, so too these flaws can exist in organizations (2007:44). Goodpaster, in showing the strong links between individuals and organizations, illustrates the important point that the leader’s decisions and behaviours have a profound effect on the organizations in which they operate: “Individuals and organizations are not only comparable, taken in isolation as

decision-making entities; they can and do interact. And the mindsets of individuals within organizations can be mutually reinforcing in crucial ways” (2007:45). It follows then, that the ethical behaviour of leaders influences organizations and leads to their development as ethical organizations.

Organizational culture is an important, intangible feature of an organization. Byron defines culture as

... a set of shared meanings, principles, and values. Values define cultures. Those who hold the same values form an identifiable culture ... People tend to cling to, commit themselves to, buy into, and share over time a set of meanings and values that shape their culture (2006:19).

Lowney comments on culture thus: “Successful cultures tap the motivating power of deeply held beliefs ... they also encourage change and innovation – the willingness to do whatever and go wherever” (2003:247). He goes on to say that: “The paradox is that the energizing power lies precisely in the combination of nonnegotiable core beliefs *and* a willing embrace of change” (2003:248). Bearing in mind the scale of change that is required to address the ethical challenges posed by globalization, the leader’s role in influencing the culture of the organization is a key aspect of her function. Regarding culture, Doh and Stumpf, in referring to responsible leadership, note that

Corporate culture – the accepted behavioural norms of the organization – becomes the avenue for the dissemination of a company’s commitment to ethical decision making ... While executives know their own ethical values, consistent action is needed to convey their beliefs to the entire organization. In the end, ethical decision making is one of an organization’s most important intangible assets (2005:13).

An ethical culture and the development and fostering of this, is thus an important responsibility of the leader. So too is the context, as expressed by Bennis and Nanus (1985) – a concern for the context is a crucial aspect of leadership. This is particularly relevant here given that the model is based on the context of globalization and the ethical challenges that it poses. These aspects are reflected in the organizational or meso level of the model.

Byron speaks of the need for workplace participation: “Every human person in any workplace has a right to have some say in the decisions that affect his or her livelihood. To be shut out of all discussion is to be denied respect for one’s human dignity” (2006:103). He notes that workplace participation is related to the corporate culture of an organization. This is consistent with an inclusive approach that the organizational or meso level of the model refers to, and to Ciulla’s acknowledgement of the need for collaborative leadership (2004:334), which is aimed at countering the marginalizing effects of the operations of corporations, as revealed in the research. By following an inclusive approach within an organization, the leader is living out the principle of solidarity. The development

of processes, practices and structures that are inclusive, particularly of diversity (whether of race, gender, ethnic origin, sexual orientation, or point of view) should lead to a mutual respect for the human dignity of each person, thereby infusing the culture with an ethic that serves life.

Implicit in this model is the notion that the ultimate purpose of business is: “ ... motivated by something good” (1998:2), as expressed by Alford & Naughton. They note that this is based on an Aristotelian concept of seeking for a “good,” to make up for our lack, and that: “ ... everything we do is motivated by a desire for something good” (1998:2). Their approach is to consider the type of goods that are being pursued within an organization, and then to decide how to prioritize these goods. The two types of goods that they distinguish between are “fundamental” goods like profits and efficiency, and “excellent” goods like human development. They go on to state that the most excellent good of an organization is: “the integral development of the person, ... and should be recognized as such in the way the company is organized and run” (1998:6). Their view that: “The integral development of the person needs to be seen as the end and purpose of organizational life if human work is to serve the human person” (1998:6), correlates with the theme of service running through the model, from Greenleaf’s (1998) notion of servant leadership at the micro level of the model - the individual leader - through the meso level with the purpose of business being to serve the human person, to the macro or global level, drawing on Legum’s notion of “ ... an economic system that serves people” (2002:1). This is consistent with the aims of the model i.e. to humanize globalization so that it **serves** our habitat and humanity, and to create an ethical and just world order with an economy that **serves** people. This service-orientation running through all three levels of the model is directed towards the ultimate purpose of this model – to **serve** an ethic of life.

Lowney notes that the Jesuits: “ ... were convinced that we perform our best in supportive, encouraging, and positively charged environments” (2003:5). For this reason the empowering principle of subsidiarity forms an important aspect of the meso level of the model, as one of the functions of the leader is to empower others within the organization to become ethical leaders. It is believed that the example of the ethical leader will have a positive influence on others within the organization, leading and inspiring them in turn, to become ethical leaders. It is the development of ethical leaders that will assist in developing ethical organizations that are necessary in order to bring about the change that is required on a global scale, to address the ethical challenges posed by globalization.

Macro Level

This level encompasses the global level and provides the context for the model, as the principles of justice, human dignity, the common good, subsidiarity,

solidarity, and an option for the poor, are considered in how they can address the ethical challenges posed by globalization.

The research revealed how pervasive the neoliberal ideology that supports globalization has been in influencing the structures and operations of the main organizations that implement and manage globalization. Clark's (1997) analysis of the neoliberal ideology that supports globalization indicates how a truncated view of human nature, society, values and progress, has impacted on the structure and operations of organizations. Implicit in this model therefore, is an economic ideology that has a full view of these concepts, in order to bring about an economy that: "... cares for the human household and its future" (2004:89), as expressed by Gorringer. It is believed that the neoliberal ideology needs to be replaced with an economic system that places the dignity of each human person at the centre of the system, as a way of humanizing globalization.

The research covered an analysis of the shareholder model that characterizes MNC's and TNC's, and revealed that this structure of ownership is contributing to rising levels of inequality and the 'moral gap' by focusing power and control over a significant portion of the world's resources, in the hands of a minority of the population – the shareholders of corporations. This model proposes that organizations are structured to serve the common good, like those referred to by Alford and Naughton (1998), which is a more inclusive approach than that of the shareholder model. It is believed that this is an important aspect in the development of an economy that serves people - one of the aims of this model.

With regard to the WTO, WB, and IMF, the assessment of this characteristic of globalization in the research, found that these organizations, through their structures, which are based on neoliberal ideology, are contributing to inequality and the 'moral gap.' Himes, in his reference to the common good, comments that international organizations should promote the: "... global common good ... at the service of human dignity and human rights" (2001:99). The current global economic crisis of 2008 and 2009 presents a unique opportunity – another "Bretton Woods" moment, as expressed by Stiglitz (2008)² to change the structures of the WB, IMF, and WTO. This model therefore envisions the restructuring of these international organizations, as a way of addressing the: "Structural sins" (1990:112) referred to by Baum that: "... create an unjust distribution of wealth, power, and recognition, and thus push a section of the population to the margin of society where their well-being or even their life is in danger" (1990:112). This model therefore views the restructuring of the IMF, WB, and WTO so as to serve the common good, as part of the process of creating an economy that serves people.

One of the characteristics of globalization raised a question in the research regarding the reasons for the growth in global inequality, amidst growing interdependence. It was found that one of the consequences of neoliberal

² In his article 'A Global Slowdown That Was Made in America'

globalization has been the marginalization of peoples – the social and cultural exclusion referred to by Salih (2001:64). The principle of solidarity is based on the fact that people are interdependent, as noted by Massaro (2000:120). As a way of humanizing globalization therefore, this model is intended to be inclusive of all people, including those referred to in the ‘moral gap,’ and this involves leaders applying the principle of solidarity as an attitude and a mindset, both in their decision-making and in their behaviours.

The characteristic of technological innovation arising from globalization, and the implications for those who lose their jobs as a result of this innovation, was assessed in the research. The question posed was whether cost considerations should be the deciding factor when companies relocate their operations, due to the greater choice they have in deciding where to locate their businesses. The principle of a preferential option for the poor was applied to this characteristic, and it was found that the higher order needs of humans to earn a living are often placed below the needs of corporations to maximize profits and minimize costs that: “ ... has led to increased inequality and instability” (2006:267), as noted by Hornsby-Smith. A preferential option for the poor is “ ... a response to the unjust ordering of society” (1983:3), as noted by Dorr. Implicit in this model therefore, is a commitment by leaders to addressing the causes of injustice and poverty by being prepared to respond to the unjust ordering of society.

Globalization has brought increased speed and the question posed in the research referred to those who can't keep up with this speed. Applying the principle of distributive justice to this characteristic of globalization, revealed that the market forces of the global economy do not ensure social justice, as noted by Koenig-Archibugi (2003:1), and this leads to the marginalization of many people resulting in inequality and the ‘moral gap.’ It was noted by Isaak that we need to: “ ... slow down to become more human” (2005:36). As the humanization of globalization is one of the aims of this model, it is proposed that the on-going development of the being of the leader – the heart of the model – will lead to this humanization.

Regarding the characteristic arising from globalization that events, decisions and activities that occur in one part of the world can have a major impact on the lives of people in distant parts of the globe, the question was raised regarding how this arrangement of power and control impacts the powerless? Implicit in this model is the leader's sensitivity to the needs of the less powerful, as well as a commitment to empower local people so that they are enabled to take more control over their own lives.

Globalization has brought about a change in the role of the state, and the question posed in the research asked what the implications of these changes are, for the future of democracy? The traditional powers of democratic nation states and local communities are being replaced by global corporate democracies, who, notes Gilpin, are: “ ... answerable only to themselves”

(2000:171). This highlights the lack of accountability of corporations, and, as Korten comments: “ ... under capitalism, democracy is for sale to the highest bidder” (2000:10). This situation reinforces the need for the transformation of corporations owned by shareholders, into organizations whose purpose is to serve the common good, and thus democracy, as noted by Alford and Naughton (1998). This forms a key part of this model.

The characteristic of financial deregulation and how this impacts the global economy, and whether this is contributing to inequality, was considered in the research. This characteristic is consistent with the neoliberal ideology of the free market and the effects of this are currently being played out in the global economy, with devastating consequences. Gorringer notes that: “ ... global trade is marked by huge imbalances of power ... more than half of the world’s biggest economies are designed to serve less than 1 per cent of the world’s people” (2004:81). This characteristic once again highlights the need for an economic system that serves people, which is an important aspect of this model.

Rao notes that: “In the process of corporate decision-making, managers contribute, consciously or unconsciously, to the shaping of the human society” (1999:37). It is the leader’s awareness of his responsibility of shaping human society that is key at this macro level of the model, given the context. Rao goes on to refer to a new paradigm of global social development that: “ ... encompasses and reflects values such as “community development,” “social justice,” “sustainability,” “profit-sharing,” and “participative process” (1999:40). The macro level of this model encompasses the implementation and development of this new paradigm, which includes shaping a human society that is oriented to the aims of this model i.e. humanizing globalization so that it serves our habitat and humanity, to bring about an ethical and just world order with an economy that serves people.

Conclusion

In answering the main question posed by this paper regarding the type of leadership required to address the ethical challenges posed by globalization, the focus has been on the humanization of globalization. The marginalizing effects that globalization has had on much of the world’s population, largely as a result of unjust economic structures, is well documented. The focus of this model is thus on how to develop a form of leadership that is more inclusive of all people and respectful of the fundamental human rights of each person. The principle of human dignity lies at the heart of the model and is viewed as key to bringing about a more humane and inclusive form of globalization, that is directed towards the ultimate vision of serving an ethic of life, for all.

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