The need for effective leadership is greater now more than ever before and in order to prepare for future challenges, companies, industries, sectors, and countries must develop their leaders and equip them with the tools and skills necessary for effective leadership. The economic profile of the new global economy has been driven by technology, fuelled by innovation, entrepreneurial initiative, and is based on new ideas, perspectives and business strategies. Hence, the roles and functions of leadership in the 21st Century have taken on added significance and faces compounded future challenges. This new era is composed of a myriad of interactive forces that include globalization, information technology and the communications revolution. Globalization has melted national borders, free trade has enhanced economic integration and the information and communications revolution has made geographical location and time irrelevant (Constantine, 2006). Today, it is imperative that leaders not only understand the critical perspectives of issues, but become adept at anticipating the impact of economic trends, competitive challenges and global-scale market issues in order to enhance their current and future competitive advantage.

Further, their business strategies should be innovative, embrace diversity, involve quick response times and a proactive approach to social, economic, and technological challenges. This essay will argue that in order to meet these interweaving challenges, adaptive capabilities, specific leadership strategies, competencies and perspectives must be further developed for success in the next decade. Thus, the social, economic and technological heartbeat of the future comprises of responsible leaders with a global mindset.

The biggest challenge economic leaders will encounter a decade from now is to innovate by learning from the world. The global crisis, the financial crisis and now the employment crisis of advanced economies, all affect the global economy, and the interconnectedness of the whole financial system. Leadership is required to orchestrate global efforts to deal with the crisis’ lasting effects, avoid dysfunctional policy choices and address the many shared challenges ahead. According to Haley (2012), “The global crisis has tarnished the status of leadership enjoyed by the advanced economies, which dominated global institutions and international decision making for the past half-century.” This new crisis has gone to the heart of the global economy and has left it in a “zombie-like” state. Arguably, the resulting economic stagnation has led to the polarization of societies and the radicalization of politics, with tragic consequences for many. Though some countries have weathered the economic crisis better than others; many people globally still live in poverty. Based on the past ten years and the overall current state of the financial market, one could argue that next decade will be marked by higher taxes and restraint on public spending. Consumer demand and government investment will grow far more slowly than in the boom years and eventually resources will be diverted into investment and exports. The unprecedented aging of population across the developed world will call for new levels of efficiency and creativity from the public sector. Further, ongoing shifts in labour and talent will be far more profound, as the increasing integration of global labour markets is opening up numerous new talent sources. At the same time, geography will become more irrelevant as highly skilled workers become more mobile. Undoubtedly, economic leadership is in critical state which marks a crossroads of leadership in the global economy.

As globalization, technological change, collective human experiences and advances in knowledge drive societies in the 21st Century, how successfully companies continue to manage the challenges of diversity will have an important bearing on their social and economic success. The diversity of the workforce, which involves differences in ethnicity, gender, age, national origin, disability, sexual orientation, education, and religion, is an economic asset that must be deployed into strategic business advantage. A global perspective involves a holistic view of workforce inclusiveness, whereby all employees are treated fairly and equitably, and are provided with equal opportunities and equal rewards. If one appreciates diversity and values differences, then they are champions of inclusion who only view differences as positive. The question that arises is, while more organizations today have become increasingly diverse, how will they create, promote and support a pledge to diversify leadership? In Toronto, Canada for example, the racial and cultural diversity has proven a strategic advantage due to it being a magnet for new immigrants. Interestingly, only 14.5% of the city’s leaders and less than 5% of large company boards and top executives are visible minorities, even though 49.5% of the population identifies as visible minority (CivicAction Progress Report, 2012). Due to such disparities, one could question the notion of diversity by analyzing the extent to which companies are truly diverse. Are companies really being diverse or are they jumping on the “diversity bandwagon” to merely appear that way? If companies are in fact diverse, then why are these statistics so alarming, and what will these statistics reflect ten years from now? The face of leadership must be changed and in order to fully benefit from this diversity, organizations must have it reflected at their leadership and decision-making tables. This year, “PricewaterhouseCoopers” was ranked number one for DiversityInc’s Top 50 Companies for Diversity, specifically for their commitment to visibility of diversity management. Though this is a great achievement, many organizations worldwide still have a far way to go. The contemporary leader must turn challenges into opportunities by developing an appreciation of the social, cultural, and economic differences that influence how people interact in their environment. It requires being educated on and sensitized to the different cultural approaches to problem solving and decision-making. Indeed, the most unique opportunity for leaders is to garner the tremendous potential and remarkable creativity of a workforce that brings together human diversity, as well as professional and occupational dissimilarity in a harmonious and productive workplace environment. In the next decade, a proficiency in managing global diversity is essential for harnessing the multicultural profile of the workforce and ensuring optimum levels of productivity.
Another daunting challenge that world leaders must tackle is population growth and what it means for developed nations regarding topical issues such as transportation. By 2025, the population of the world is projected to balloon to eight billion. With more people, comes more mobility and rampant migration as people search for jobs and lifestyle opportunities in growing economies. Therefore, the underlying challenge will remain ensuring cities have a comprehensive transportation infrastructure needed in a dynamic modern economy. Making it easier to move people, goods and services across a country is a key issue that is critical to a city’s economic, social and environmental prosperity. As such, mobilizing leaders and their communities to implement accessible, affordable and connected transportation system is crucial in order to meet the growing population. In the last 20 years, 14 cities in the USA and Canada have introduced new light rail systems including: Calgary, Edmonton, New Jersey and Los Angeles. The Netherlands, one of the highest population densities in the world, which generates significant traffic volumes on highways, have implemented an efficient and rapid light rail system. If more cities around the world do not invest in long-term, comprehensive transportation and transit improvements shortly, the quality of life for residents of, as well as their economic prosperity, will be in serious jeopardy. It is imperative that government and business leaders address this challenge by focusing on being pioneers of transportation technology. A sustainable and environmentally friendly transportation ecosystem must be created that can have an impact across the globe. The challenges facing a world where overpopulation is a reality are numerous; thus, world leaders will have to come together and chart a common strategy. Failure to act now means the problems will only multiply with each passing generation.

Globalization has necessitated the effective integration of state-of-the-art technologies in the domain of information and communications in order to enhance competitive advantages. In the new global economy, we are at the beginning of a significant cluster of technological innovations with far-reaching economic and social impact. The explosion of technology in recent years has created new opportunities for organizations worldwide, but has posed new challenges to win over customers in an effort to gain market shares. Increasingly customers demand better quality products and look for customized services to meet their needs. Technological connectivity has already transformed, and will continue to transform, the way people live and interact. With the pervasive influence of the Internet and the World Wide Web, hardly a day goes by when our lives are not touched by some aspect of the information technology. The rapid growth of social media has enabled people anywhere to have the unprecedented ability to influence other people around the world. Also, with the unstoppable pace of technological and market innovation, competition is increasingly intense. In order to remain competitive, businesses must utilize the integrative power of information and communication technology, including embracing the new social media discourse. Further, products and services must be sensitive and responsive to local market needs and customer preferences. Take China for example, who is now becoming a technological king of the world who plans to wrest leadership in information technology and rival its United Stated (U.S) counterparts as the principal driver of the world’s economy. The rapid modernization in China will put tremendous strain on resources throughout the next decade as the population grows and economic development drives demand. According to Welnick (2012) “The challenge to U.S. leadership is very real, and the stakes are very high. China is also poised to overtake the U.S. as the leading market for smartphone shipments in 2012, commanding more than 20 percent of the smartphone marketshare.” Chinese companies, supported by their government, are also aggressively acquiring intellectual property, and are increasingly looking to go alone in competing on the world stage. The days when China is seen solely as a low-cost producer of manufactured goods is over; rather, the Asian powerhouse has vastly changed the world economic landscape in technology. The biggest challenge for China’s new leadership will be applying the brakes to its rampant economy. Unquestionably, the next decade will see a wave of innovation that will further advance the pivotal role technology plays in our socio-economic lives.

A global mindset can be the new competitive advantage in the marketplace but, the art of harnessing human energy to create a better future must be at the forefront. The tension between optimism and pessimism is particularly relevant as the future comes faster than ever. In the next 10 years there will be a lot more changes than in the last 10. The global future is clearly a tangled web of possibilities and pitfalls that will add new layers to what we define as great leadership. Today's leaders and those of the future must respond to several unpredictable environmental factors such as globalization, demographic diversity, and technology and innovation. Those who manage to raise the global attention level in their organization, sector, industry or business, and who ensures that their leaders are well-equipped to explore and benefit from the new reality, will be amongst the frontrunners in the years to come.

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Works Cited


