

Review

The role of leadership in integrating African markets and economies in a changing global economy

Zuvarashe Judith Mushipe

ST Thomas University, Miami Gardens, Florida, USA
jzmushipe@yahoo.com

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The paper discusses the importance of leadership in integrating African Markets and Economies in a Changing Global Economy. It highlighted the requisite qualities of the leader from a business point of view where the leader ought to be someone with a vision, credibility and integrity and is also socially, ethically and fiscally accountable. Currently the picture one gets across the African continent is that democracy is losing ground because of leaders who refuse to cede power. The integration is an opportunity that should not be missed; and institutional leadership is needed at country and should transcend over organizational level in order to direct the magnificent African continent that is abundantly endowed with natural resources. It is incumbent upon the leadership, as drivers of change, to have the requisite attributes in order to realize economic growth which inherently will benefit the majority of the population. The assumption in this paper is that opportunities in integrating African markets and economies in a changing Global Economy do exist and the answer to the integration lies into leadership that is credible; leadership that runs the affairs of the country using business leadership qualities. In terms of methodology and approach this paper critically reviewed and examined literature in the field of globalization, change management and leadership with its different leadership attributes.

Key words: accountability, global economy, globalization, institutionalized leadership, leadership, opportunities

INTRODUCTION

Generally, the African continent has transitioned from colonialism through centrally planned economies to somewhat market economies that are characterized by privatization. The transition process has in a way created leadership of power holders who have created structures of domination that have enabled them to misuse their offices to reap personal gains at the expense of the pressing needs of the bulk of the population (Nzau, 2010). In a way the transition process created leaders who were inward looking. Leaders who had the notion of "I am my position" as such it became difficult for them to give up power (Senge, 2006). According to Hattersley and Hickson (2012), the leaders have failed to uphold social democratic values which are liberty, rights, social justice and equality.

However, there are opportunities in integrating African markets and economies in a changing Global Economy,

but that anchors strongly on the role of leadership. Roles are the positions that are defined by a set of expectations about behavior of any job. In the context of integrating African Markets and Economies in a changing Global Economy leadership is the linchpin. The leadership that is capable of taking advantage of the opportunities found in the changing global economy. The global economy has been and "is still changing, and Africa" is at the center of the changing revolution. Globalization is the process by which regional economies, societies and cultures have become integrated through a global network of political ideas through communication, transportation and trade (Global encyclopedia, 2013). "It is the shift toward a more integrated and interdependent world economy" (Hill, 2011). In 1993 the director of the Institute for International Economics in his article in the Economist from September 11 (1993) predicted that by 2150 all or most

of the global economy will be part of a “single market, perhaps complete with a single currency and monetary authority”. That prediction is proving to be right as the world is becoming one big trading market decade after decade; and also given the progress that has been made by the European Union. On the other hand Africa has formed a number of regional blocks such as the Economic Community for the West African States (ECOWAS), Southern Africa Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA). However the incumbent leadership has used the successes of the Preferential Trade Areas (PTAs) to boost its probability of remaining in office.

Due to Globalization, the world is now a global village mainly as a result of advances in technology. Consequently, leaders ought to have the requisite attributes to stand the test of time. The different regions of the world are shifting from being compartmentalized toward a more integrated and independent economy. Leaders have to understand their role in this changing global economy that is characterized by international trade with its laws of comparative advantage and the simple law of supply and demand; a global economy where outsourcing has taken centre stage. On the other hand, some people have the opinion that globalization is a negative force that reaps some economies off while enriching others especially in the context of outsourcing. Consequently, some nations like America are now focusing on in sourcing through their international corporations. According to the Ernest and Young (2013) report in 2012, General Electric re-shored its domestic appliance manufacturing business to the US from Mexico due to the fact that it takes shorter time (2 hours) to make a refrigerator in America compared to 8 hours in Mexico.

However, Africa seems to be enjoying the law of comparative advantage with regards to the cost of its natural resources, especially the minerals which economies such as China, India and Latin America have a huge demand for. At the same time, Africa's economy is steadily growing hence creating an opportunity on the global economy. According to the African Economic Outlook report (2013) the continent's economic growth in 2013 is projected to reach 4.8% which is an increase from 4.5% in 2012. That is a favorable indicator which other traders look at especially the specific countries' Gross Domestic Product growth rate and population, in conjunction with the types of industries in the different markets. To that extend there is an opportunity in integrating the African Markets and Economies in this changing global economy.

Theoretical background of global economy, change management and leadership

The broad body of literature in this topic comes from a number of areas including globalization, change

management and leadership. The term ‘globalization’ can relate to any of the several levels of aggregation: the entire world, specific country, a specific industry, a specific company or even a specific line of business or functional activity within the company (Govindarajan and Gupta, 2000).

At a worldwide level, globalization refers to the aggregate level of economic interdependence among the Various countries. At the level of a specific country, globalization refers to the extent of the inter-linkages between that particular country's economy and the rest of the world. At the level of a specific industry, globalization refers to the degree to which, within that industry, a company's competitive position within one country is interdependent with its competitive position in another country. At the level of a specific company, globalization is viewed as a four-dimensional construct with the four dimensions being:

- Globalization of market presence, meaning the extent to which the company is targeting customers in all major markets within its industry throughout the world.
- Globalization of supply chain, which refers to the extent to which the company is accessing globally most optimal locations for the performance of various activities in its supply chain.
- Globalization of capital base, that refers to the extent to which the company is tapping into the most optimal sources of capital on a worldwide basis.
- Globalization on corporate mindset, that refers to the extent to which the corporation as a collectivity reflects an understanding of diversity across cultures and markets coupled with an ability to integrate across this diversity.

According to Chareonwongsak (2002), globalization is a movement of ideas, lifestyles, and developments that could affect our families, our employment, and the future of the world. According to the Ernst and Young report (2013) globalization continues to define our business landscape, increasing the levels of crossborder trade, capital and labor integration.

Inevitably, globalization is inherently linked to change management. It could be loosely said globalization is akin to change management, in the sense that change management like globalization is also characterized by competition, new technology and shifts in government regulations among other things. Globalization is fueled by technology and technology continues to drive change. Anderson and Ackerman Anderson (2010) assert that change is happening everywhere and the future success of organizations (countries) depends on how successful leaders are at leading change. They go on to say in today's marketplace, change is a requirement for continued success and competent change leadership is a most coveted executive skill. Appropriate leadership is needed that can anticipate change, react to it with the appropriate skills and take the lead. Galpin (1996) identifies some key attributes for leading change which

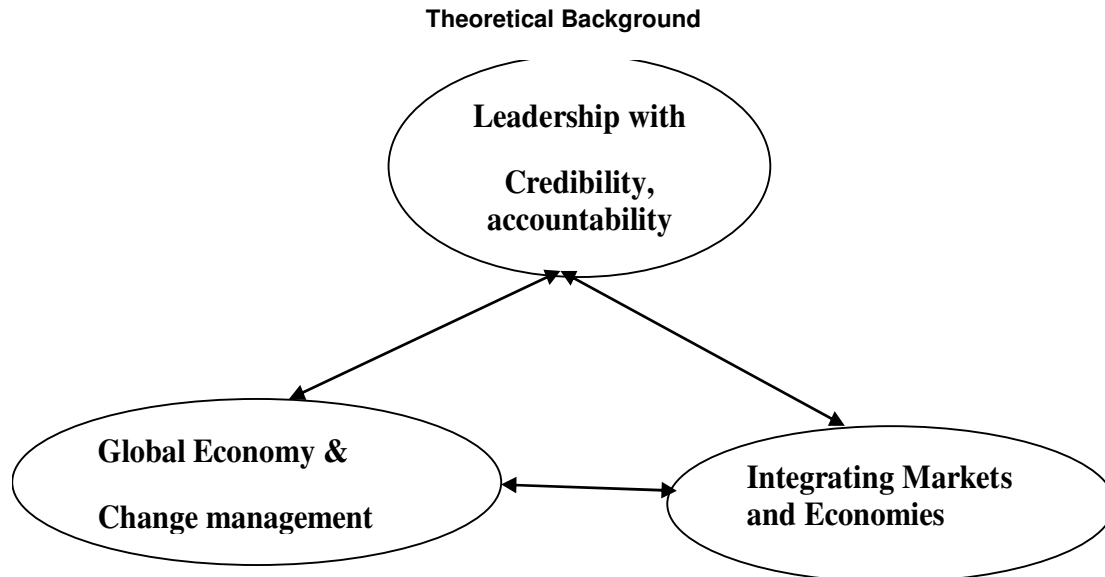


Figure 1. Shows the type of Leadership needed in integrating African Markets and Economics in a changing global economy

include creativity, team orientation, listening skill, coaching skills, accountability and appreciativeness.

Whether at country or organizational level, change management requires that leadership transfers much of the work and problem solving to others so the responsibility is shared. At the same time change has to be institutionalized for continuity purposes. Institutionalization removes the notion “I am my position” as Senge (2006) puts it; that makes it difficult for some leaders to give up power.

The author of this paper asserts that the African leaders need to follow the business model in the management of their economies; especially, in this changing global economy. In the business world leadership has been defined in different ways depending on the context in which the leadership topic is being analyzed. Dubrin (2004) posits that leadership is the ability to inspire confidence and support among the people who are needed to achieve organizational goals. He goes further to say leadership is about having a vision and credibility; and being socially, ethically and fiscally responsible. Thompson and Thach and Morelli (2010) assert that leadership differentiates the good companies (countries) from the great companies (countries) and ethics is a critical component of effective leadership. Chapman and O’Neil (1999) assert that leadership is about empowering followers. When followers are empowered they have the flexibility to make decisions and follow those decisions through. In essence, by empowering followers a bond of trust is built and that maybe liberating if no strings attached to the empowerment process. Senge (2006) asserts that the lack of trust maybe a result of “the enemy is out there” syndrome. The enemy in most cases is the opposition

part in the context of the ruling leader of a country.

In broad terms in the business context leadership maps the direction of the organization. The mapping involves outlining the broad goals, the specific objectives to be achieved and the plan of action to be embarked upon to achieve the specific objectives. Leadership has to think strategically whereby they have to have a vision of where the organization is going, the purpose of why the business is existing, the mission to be accomplished by being in that kind of business and then the specific areas that need continuous daily attention. Inherent in the process are the aspects of evaluating performance and taking corrective action.

Leadership plays a very important role when the economies transform through deregulation and privatization. Many African Economies have gone through the transformations which in some cases came in the name of Economic Structural Adjustment Programs (ESAPS). In such instances, leadership has been faced with many challenges going through such transformational change. Transformation is about changing from the current status to the aspired beneficial one and it hinges on change management. Under transformational change, leaders must transform to lead the transformation successfully. That transformation is achieved with visionary leadership. A vision is the road map the leader sees him/her directing the nation; and is a characteristic of a transformational leader. Visionary leadership is future oriented and concerned with risk taking too. According to McLaughlin (2001) a visionary leader is effective in manifesting his or her vision because she creates specific, achievable goals, initiates action and enlists the participation of others.

The visionary leader has a mission to accomplish and

hence should formulate effective strategies that take into account the external influences on the nation from a regional and global perspective. Economies should be run as businesses where it is upon the leader to have a vision, formulate the mission and have goals to achieve. In that context the leader ought to think outside the box and look at the country as part of a bigger system which is the global economy. With that knowledge strategies are formulated that would take advantage of the opportunities prevailing on the global market; and the changing global economy is an opportunity to be taken advantage of. The leader has to embrace systems thinking where he/she sees the advantage of being part of the bigger picture-the global economy.

Leaders have to be conscientious and out of that are the traits of dependability and integrity. Lussier and Achua (2013) posit that highly conscientious people are willing to work hard and put extra time and effort to accomplish goals and to achieve success. Kouzes and Posner (2003) describe a leader as one who is honest, forward-looking, inspiring, competitive, supportive, mature, intelligent, dependable and consistent among other descriptors. Credibility has been found to be a major factor that affects leadership. According to Kouzes and Posner (2003) credibility, like reputation is something that is earned over time. Credibility is a challenge to leadership that needs to be overcome in order for the integration of African Markets and Economies in this changing Global Economy to materialize. Embedded in credibility, is trust and like credibility trust has to be earned; and one way of earning trust is by being transparent. Credibility goes hand in hand with integrity which is about being honest on the part of the leader and Lissauer (2005) posits that "honest leadership inspires credibility".

Lissauer (2005) goes on to say that the most important attribute anyone in business has is his/her integrity of spirit, integrity of thought, integrity of deed, integrity of ideas and integrity of conviction. The different types of integrity are analyzed further as follows:

- Integrity of spirit goes to the very heart of a leader's credibility where in this context the leader is concerned about the wellbeing of the citizens of the country.
- Integrity of thought applies to the leader's vision and imagination of the future and this is linked to the mission and goals that leader sets to achieve.
- Integrity of deeds focuses on the leader's actions, actions that must be above reproach.
- Integrity of ideas which are about the leader's ability to inspire through words and actions.
- Integrity of conviction which centers on the leader's ethics

Issue of integrity, especially on the aspect of being concerned about the wellbeing of the citizens in their countries is missing among the African leaders. We have witnessed some protests in a number of African countries

such as Libya, Egypt and Nigeria where citizens express their anger about leaders. In Zimbabwe the citizens have been left mute by the outcome of the July 31 elections that favoured the old leadership when people thought it was time for change. When such things happen leadership integrity is questioned. Unfortunately, such kinds of events stand in the way of embracing globalization.

On the other hand McAdrie and Ramerman (2008) add that "credibility can make or break your career" and in this case leadership is a career. The three perspectives of credibility they articulated are

- Credibility at the organizational level and in this case at national level
- Credibility with others and this fits very well with Lissauer's integrity of spirit.
- Credibility at a personal level where in this case according to McArdle and Ramerman (2008) credibility is in the eye of the beholder; and this in essence is the same as Lissauer's integrity of deeds.

Embedded in the credibility is the fact that it can either be gained or lost; as such leadership should work tirelessly to gain it and guard against losing it. To increase credibility McArdle and Ramerman (2008) suggest that people (in this context, leaders) should do the following:

- Live a set of unquestionable values and that is accomplished by being personally attentive to other people's feelings and the significant outcomes that will result and shape their lives.
- Align role with natural talents and is realized when one does what one loves; when the job is a good fit.
- Execute with consistency and meaningful results, which is realized when meaningful results are delivered.
- Step back and try to view one's credibility as a leader by asking how one is performing.
- Request feedback; in other words seek insight from the people who work for you and make it safe for them to provide it.
- Demonstrate accountability with the commitments one makes and the advice one gives.

In conclusion McArdle and Ramerman (2008) assert that credible people perform at high levels and drive performance in others. As a result, people want to work with and for credible people because credibility is the foundation of leadership. That being the case leaders should act in ways that increase people's belief that they (leaders) are honest, competent, inspiring and forward-looking; and people will be much more likely to follow the leader's direction (Kouzes and Posner, 2012).

Credibility and integrity mirror governance. Good economic governance is required in integrating African markets and economies in a changing global economy. Good governance encompasses control of corruption, establishment of well functioning bureaucracies and regulations and protection of property rights.

On the other hand Hellriegel and Slocum (2011) highlight moral intelligence as another leadership attribute. They define it as the mental capacity to determine how universal human principles that cut across the globe, should be applied to personal values, goals and actions. Embedded in the moral intelligence are moral principles which are integrity, responsibility, compassion and forgiveness (ibid). Integrity here is about acting consistently with principles, values and beliefs; and that in other words is about telling the truth, standing up for what is right and keeping promises. However, leadership in Africa has been criticized for lacking credibility and integrity. According to Lanre-Abass (2008), ineffective leadership is often cited as a significant factor contributing to poor development and enduring conflicts in much of sub-Saharan Africa, requiring remedial initiatives. Agulanna (2006), argues that the political and economic strength of a nation, the moral and cultural direction the nation follows, the progress and respect it commands from other nations, are largely traceable to the type of political leadership available in that society.

Besides credibility, accountability is another attribute leadership should aspire to have. Apparently accountability gives leadership credibility. Accountability is pervasive in the sense that it touches on all the activities of leadership from generation of revenues to allocation of the country resources. Accountability is akin to the leadership trait of openness and that is seen through leadership's flexibility, where the leader has the ability to adjust to different situations and change. Embedded in the trait of openness is intelligence which Lussier and Achua (2013) define as the cognitive ability to think critically, to solve problems and make decisions. An intelligence leader also has common sense that enables him/her to see the difference between right and wrong and that in essence is about ethics.

Leadership that is accountable is also ethical. Ethics is about knowing the difference between right and wrong. Ethical leadership is characterized by authenticity. Hassan and Ahmed (2011) argue that philosophers, religious leaders, and thinkers from ancient times have given emphasis on the importance of authenticity and ethicality for leaders, if they are to attain effective governance in any circumstances. In integrating the African Markets and Economies ethics and authenticity will play a very important role. Trade rules will have to be observed, where partners are not cheated or coerced and transparency is the order of the day. There have been some tell-tales of leaders who have plundered the nation's resources to the detriment of the rest the citizens. Some leaders have been known to give government contracts on partisan or tribal basis and that is wrong. This can be attributed to lack of strong state policies coupled with the absence of impartial leadership and good governance. Leaders ought to know that they serve a purpose and the people who have made it possible for them to lead. According to Kouzes and

Posner (2012) the credible leader is a servant leader.

CONCLUSION

The African leadership can take advantage of globalization by putting their house in order first. Leadership with credibility, integrity, honest and accountability among other qualities is required to integrate African markets and economies in the changing global economy. Concurrently, the leaders have to uphold social democratic values, which are liberty, individual rights, social justice, and equality. Hattlersley and Hickson (2012) argue that states should ensure that individuals can have effective liberty and should be there to protect the rights of the citizens. At the same time, leaders have to address social justice which addresses equitable distribution of power and wealth; while equality makes moral and economic sense. Institutional leadership should be there to support the citizens' social democratic values and not to perpetuate the hold of power of the incumbent leaders.

Management of the changing business world has never been more pronounced and there is need for adept leadership that uses the business model of having a vision and strategies in place. The role of credible, accountable, authentic and ethical leadership is of utmost importance if the integration of African markets and economies in a changing Global Economy is to be achieved. Realistic leadership is needed, that takes cognizance of the fact that no nation can survive on its own without interacting with the rest of the world. Nations are a sub system of their regions which are also subsystems of the global economy. The kind of leadership needed is that which is responsible and compassionate; leadership that has the interests of the bulk of the population at heart. Agulanna (2006) posits that the experience of great nations of the world has shown that it often takes a visionary leadership, sometimes a unique and strong individual to galvanize a people or a society into achieving political and economic greatness.

The African leadership should shift away from serving self interests to serving the interests of the citizens of their nations. Globalization is a reality; and in today's environment the world is a global village due mainly to advances in technology. Leadership is seen, in this paper, as the linchpin in integrating the African Markets and Economies in the Changing Global Economy.

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