5-31-2008

The Globally Responsible Leader

Bertha-Lucia Fries

University of Massachusetts Boston

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THE GLOBALLY RESPONSIBLE LEADER

A Synthesis Project Presented

by

BERTHA LUCIA FRIES MARTINEZ

Approved as to style and content by:

________________________________________
Peter Taylor, Professor
Chairperson of Committee

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Allyn Bradford, Lecturer
Member

________________________________________
Peter Taylor, Program Coordinator
Critical and Creative Thinking Program
ABSTRACT

THE GLOBALLY RESPONSIBLE LEADER

May 2008

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Directed by Professor Peter Taylor

In recent years there has been a dramatic expansion of what I call Global Responsibility (GR)—a new dynamic force for change in business, government, and other organizations. GR integrates into one inclusive model the emergent (“fragmented”) models generally known as: Business Ethics, Corporate Citizenship, Corporate Social Responsibility (CSR), Eco-Efficiency, Ethics and Development, Sustainable Development, The Best Company to Work For, and others. This unprecedented change, rather than spearheaded internally by management, is pioneered externally by the stakeholders of organizations—including consumers, investors, media, activists and concerned citizens. They are progressively putting more pressure on organizational leaders to change both how companies make their profits and what they do with them. There is an unprecedented need for leaders who are profoundly aware, grounded on strong values, and extremely innovative and effective in creating sustainable development and promoting the common good in today’s world.

The purpose of my synthesis is to suggest a general framework and a process for designing, implementing, and assessing initiatives for developing key attributes of globally responsible leaders of every type of organizations. An extensive literature has emerged suggesting a variety of leadership models. A common thread in this literature is the tendency to
identify, develop and enhance a leader’s attributes, or those personal and intrinsic qualities that make an effective leader. These leadership attributes are about: what the leader IS (character, personal qualities, values, motives); what the leader KNOWS (knowledge and skills); and what the leader DOES (style, competencies, behaviors).

As existing models do not, in my view, fully satisfy the requirements of the globally responsible leader that I envision, I suggest a responsible leadership model. It is built on Ulrich et al’s model and my personal observations and professional experiences in management consulting. My framework emphasizes a set of core attributes that I believe the GR leader must have. These relate to: four Domains of Reflection (Space, Time, Ethics, Global Responsible Citizenship), and four Domains of Action (Defining the strategic direction, Mobilizing the individual commitment, Building individual and organizational capacity, and Modeling the new leader). I suggest also a general strategy for the development of the attributes of the GR leader. It is composed of two main processes: a customized face-to-face learning process and a massive online social networking process.

In my epilogue I draw a parallel between the artistic process and the thesis writing process, and reflect upon my emotions and experience of “walking” through the writing of the Globally Responsible Leader.
# Table of Contents

**ACKNOWLEDGEMENTS** ......................................................................................................................... 1

**1. INTRODUCTION** ................................................................................................................................. 3

- The Emergence and Growth of Global Responsibility (GR) ........................................................................ 3
- The Core Problem ...................................................................................................................................... 4
- A Way Out ................................................................................................................................................. 5

**2. PURPOSE, PREMISES AND CONCEPTS** ............................................................................................ 7

- Purpose .................................................................................................................................................. 7
- Premises .................................................................................................................................................. 7
- Key Concepts .......................................................................................................................................... 8
- The Synthesis Plan .................................................................................................................................. 8

**3. AN UNPRECEDENTED GLOBAL BUSINESS CONTEXT** ................................................................. 11

- Highlights of change in the global business context .............................................................................. 11
- Companies ............................................................................................................................................. 12
- Social Reporting Standards .................................................................................................................... 13
- New Executive Roles .............................................................................................................................. 13
- Professional Associations ....................................................................................................................... 13
- Raters and Rankers ................................................................................................................................. 13
- Universities ............................................................................................................................................ 14
- Civil Society Organizations ................................................................................................................... 15
- Management Consulting Firms .............................................................................................................. 15
Institutional investors ................................................................. 15
Publishers .................................................................................. 16
Government and International Agencies ....................................... 16
Other ......................................................................................... 17
The Internet ................................................................................ 17
Conclusion .................................................................................. 17

4. FRAMEWORK FOR DEVELOPING GLOBALLY RESPONSIBLE LEADERSHIP ........... 22
A Results-Based Leadership Model ............................................... 22
Critique of predominant leadership models .................................. 24
A Responsible Leadership Model .................................................. 25
Domains of Reflection of the New Responsible and Creative Leader ........................................ 27
Domains of Action of the New Responsible Creative Leader ...................................................... 32

5. PROCESS FOR LEADING THE TRANSFORMATION OF ORGANIZATIONS .......... 39
Face-to-face learning process ............................................................ 40
Virtual Social Networking Process .................................................. 43

6. EPILOGUE .................................................................................. 47
Reflections about my emotions ........................................................ 49
Concluding thoughts about my “walking” through the writing of the Globally Responsible Leader ........................................ 49
Path Forward .................................................................................. 51

APPENDICES .............................................................................. 54
APPENDIX 1: Framework for Identifying, Developing the Core Attributes of a Globally Responsible Leader ...... 55
APPENDIX 2: Strategic Direction Framework .................................................. 57
APPENDIX 3: The Values in Action (VIA) Methodology .................................................. 58
APPENDIX 4: Dramatization for Contrasting the Attributes of Both Conventional and Globally Responsible Leaders .............................................................. 65

BIBLIOGRAPHY ........................................................................... 72
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My sweet son, Julian, outstanding student of two careers (Engineering and Economics), living for the first time away from his family and in an adverse environment, energized me to complete my academic program.

When at times unexpected circumstances arose and I was on the verge of giving up my academic dream and return to my home country, I was concerned that perhaps I could not finish my degree. But then I felt that withdrawing was not a good example for Julian. It was not the legacy that I wanted to leave. I would not be any longer the warrior Mom that he knows. My husband, with no doubts or restrains strongly encouraged me to persist and go on.

To Peter Taylor, CCT Program Coordinator and my advisor, who believed in me since the first day, and promoted my name for a scholarship and a graduate assistantship. From him I learned many things: a way of questioning and thinking, of providing detailed feedback, and of offering fresh ideas; his rigor and his
efficiency in reviewing my chapters and his overall concern with students’ problems and with helping students solve their problems.

**Allyn Bradford**, the second reader, who suggested that I explore publishing the synthesis, has opened my eyes to a possible new adventure.

**Nina Grenwood, Arthur Millman, Elizabeth Spievak**, professors who read different parts of my synthesis concept and provided relevant feedback on the papers I wrote dealing with my synthesis theme.

**Stanley Wuanucha**, the ESL program director, who helped make things easier for me in adapting to my new life at UMass, and who gave me opportunities to work.

To all those at UMass I was able to work with and learn more about the US culture with, including: **Denise Patmon, Glen Mitchell, Lisa Gonsalves, Mari Koerner, and Martha Montero**. As well as the UMass administrative staff that gave me support, including **Robert Bobek, Shirley Condon and Kahrin Wade**.

**Lucia Mayerson-David** Director of ILT and **her staff**, who gave me the opportunity to create programs and projects for the TAG and ALERTA students.

I acknowledge the constant support I received from **Michael Mahan** with all my difficult family situations abroad that changed my initial plans about my timing at UMass.

My special thanks to **Michael Brower** for his constant support, sharing thoughts and ideas, and always helping out in difficult situations.

To **Shari Friedman**, my neighbor and buddy, being always ready to solve problems with humor and a kind smile.

To **Jennifer Nash**, from JFK Harvard, who invited me to participate in many Corporate Social Responsibility Initiative Seminars sponsored by the school during the past two years.

To my **Papi, Mami** and close family members who suffered but understood and accepted that I was living far away accomplishing the goal I had in mind, and giving their best to support Julian.

To the **entire Picker family** that helped in making my living in this area much gentler.

To all my **new friends at UMass, my classmates, my party friends ….Mil Gracias !**
1. **INTRODUCTION**

The Emergence and Growth of Global Responsibility (GR)

Over the past few years something quite remarkable has begun to happen: a rapid evolution of what we call the Global Responsibility (GR)™ industry—a new dynamic force for change in business, government, and other organizations. We call Global Responsibility (GR) the integration into one inclusive model of the emergent (“fragmented”) models generally known as: Business Ethics, Corporate Citizenship, Corporate Social Responsibility (CSR), Eco-Efficiency, Ethics and Development, Sustainable Development, The Best Company to Work For, and others. (See Graph)\(^1\)

The novelty is that this change is spearheaded not so much internally by management, but mainly externally by the stakeholders of these organizations. These stakeholders include: activists, consumers, governments, investors, the media, and others. Altogether they are putting progressively more pressures on organizational leaders to change not only what companies do with their profits, but also how they make them.

GR goes beyond philanthropy and compliance and addresses how companies implement their business models and manage their economic, social, and environmental impacts, as well as their relationships in all key spheres of influence: the workplace, the marketplace, the entire supply chain, the community, and the public policy realm. As a result, corporate responsibility has emerged as an inescapable priority for business leaders in every country.\(^2\)
Many companies are making important strives in this direction, convinced that it is strategically necessary and possible to improve their bottom line along with their contributions to society and the environment. And now they are demanding new relevant models and tools to do this.

In response, there has been an outburst of different the management approaches/models, mentioned before, including: Business Ethics, Corporate Citizenship, Corporate Social Responsibility (CSR), Eco-Efficiency, Ethics and Development, Sustainable Development, The Best Company to Work For, and others. (See Table) Around each approach/model have emerged dozens of organizations that supply an impressive portfolio of products and services, such as: measurement and assessment of impact, certifications, codes of conduct, consulting, education and training, information, media, news, publications, ratings and rankings, responsible investment, social reporting, and many others.

Leaders are increasingly inundated with investigations, regulations, education, evaluations, ratings, and rankings. And they are increasingly subject to censure, denouncements, punishments, sanctions, and other pressures for corrective actions and behaviors.

The Core Problem

The fact is that the use of the new approaches/models has not been nearly as productive as they could be, due to several reasons:

- **The separate models/approaches are individually too limited in scope, fragmented, and disconnected from one another and from business strategy.** Each one only provides a small piece of the required solution. For example, a company making significant progress in the environmental arena (Eco-efficiency model) may have a deplorable record in the human rights (CSR model) and/or the ethical arenas (Business Ethics model).

- **The current discussion tends to set business against certain stakeholder groups**, when clearly they are interdependent.

- **The research methodologies and outcomes on the business case for GR** are often questioned, which adds confusion and obscures many of the great opportunities for companies to innovate, increase their competitive advantage, and benefit society.
The Globally Responsible Leader

- **The skepticism or ignorance of laggards**, who think in terms of trade-offs between a company’s GR practices and its financial performance, or who use philanthropy or trivial programs to shirk their global responsibility, or who are simply unaware or uninformed about the core issues and the potential consequences of holding to their old paradigms and practices.

- **The lack of consistency in living up to the values declared along the entire supply chain**, which erodes the trust in, and endangers the reputation of certain companies and their leaders.

Given the widespread lack of trust in business today and the equally pervasive sense of the need for change, we can surely expect that there will be continued growth of initiatives to effect system change both incrementally (as many of the organizations and stakeholder groups are doing) and perhaps even more radically, if change does not come quickly enough.5

**A Way Out**

As the problems mentioned are so massive, complex and systemic, no single sector or organization6 can solve them independently. Rather, responsibility for solutions must concern all organizational stakeholder groups, not just one or a few. Stakeholders have grand responsibilities, because they affect, and are affected by the actions of organizations. And they can deeply influence the competitive advantage and sustained development of a company and society.

The necessity for joint efforts among stakeholder groups to advance global responsibility is now essential for securing the creation of increased wealth, an ecologically healthy planet, and a better living of present and future generations.7

To foster GR there is an unprecedented need for globally responsible leaders, globally responsible organizations, and globally responsible stakeholders, who are thoroughly aware, grounded on strong values, and extremely innovative and effective in producing sustainable development and the common good in today’s world.

---

1 CEC International will soon launch VIAGlobus, a social and business Internet portal built around this framework.
4 http://en.wikipedia.org/wiki/Enron

To be globally responsible organizations must excel in all areas. For example: Wal-Mart promotes long-life light bulbs, but when is Wal-Mart going to pay a decent wage and promote women? Enron issued a Triple Bottom Line...
The Globally Responsible Leader

Report, won six environmental awards, earned a spot on Fortune’s “100 Best Companies to Work For” list for three years…and the rest is known history!


6 Unless otherwise stated, organization means here any type of organization pertaining to the government, business, or not-for-profit sectors.

7 VIAGlobus’s vision is: “An expanding virtual global workshop where millions of stakeholders across the value chain create together the world in which they want to live”. And VIAGlobus’s mission is: “To enable stakeholders to build innovative GR leadership and organizations that are highly profitable, ethical, meaningful, and sustainable to them and the world.” (www.viaglobus.com)
2. **Purpose, Premises and Concepts**

**Purpose**

My synthesis is focused on the development of globally responsible leadership. The following passage is at the heart of this matter:

“In every historical era, many people have sought to carry out good work. It has always been true that some people do their work expertly but not very responsibly. People who do good work, in our sense of the term, are clearly skilled in one or more professional realms. At the same time, rather than merely following money or fame alone, or choosing the path of least resistance when in conflict, they are thoughtful about their responsibilities and implications of their work. At best, they are concerned to act in a responsible fashion with respect toward their personal goals; their family, friends, peers and colleagues; their mission or sense of calling; the institutions with which they are affiliated; and lastly, the wider world —people they do not know, those who will come afterwards, and, in the grandest sense, to the planet or to God.”¹

My aim is to suggest a general framework and process to design, implement, and assess initiatives for enabling the unique attributes that characterize globally responsible leaders.

**Premises**

My synthesis is grounded on the following premises:

1. In today’s unprecedented global context there is an urgent need for a new leadership approach, capable of creating organizations that are more inclusive, more welcome, and far more successful.

2. This new leadership must be capable of creating organizations that are profitable and that contribute to generating sustained development with an ethic of the common good.²
3. For creating these new classes of organizations and results the responsible leaders need to develop unique attributes related to new ways of thinking and performing in different domains.

4. These unique attributes of the new leader can be intentionally learned and developed.

**Key Concepts**

The following framework includes the key concepts discussed in the next sections (See graphic):

- **Global Responsibility (GR).** An attempt to define and act upon the future of oneself and our family, organization, society, world, and the ecosystem.³

- **Values in Action (VIA).** A way of bringing Global Responsibility (GR) to life.⁴

- **Sustainable Development.** To satisfy present needs without affecting the capacities of future generations to satisfy their own needs.

- **Globally Responsible Leadership.** Values-Based Leadership enabled for creating globally responsible organizations.

- **Globally Responsible Organization.** An organization that contributes significantly toward attaining sustainable development and the common good.⁵

**The Synthesis Plan**

The synthesis is divided into the following sections:

1. **Introduction**

2. **Purpose, Premises, and Concepts**

3. **An Unprecedented Global Business Context.** International, social and economic trends and pressures in today’s world to change or create new: civil society organizations, education programs, investment criteria, leadership roles, overseers raters and rankers, professional associations, service providers, social & sustainability reporting standards, and others.

4. **Framework for developing globally responsible leadership.** Review and critique of predominant leadership models; a proposed new leadership model; four key leadership reflection domains (to think and act in boundary-less space and time; to think ethically and act consistently; to think and act as globally...
responsible citizen; four key domains of action of the new leader (set direction, mobilize individual commitment, build individual and organizational capacities, model personal attributes and qualities).

5. **General process for leading the transformation of organizations.** A process for initiating the development of responsible leadership capabilities along with organizational transformation.

- They assume personal sacrifices for the sake of the team success. They are determined to succeed.
- They never give up, but always persevere and exercise "active patience".

Committed people are identified emotionally, rationally, and volitionally with the values, vision and mission of the team or organization. They have clarity of purpose, are confident with what they do, and feel engaged in something that is meaningful, ethical, and innovative. Nobody can be committed with something that is vague, trivial, or repetitive. Committed individuals ponder what is challenging, what is important, what makes sense, and keep focused on that. They are not interested in banalities. The essence of commitment is clarity and meaning. Work is only work until it is transformed into commitment, and commitment is possible when people realize the meaning of what they are doing. The leader has a fundamental role in creating a culture that promotes commitment supported by trust generated through sustained consistency between values and behaviors.⁶

- What are the most effective strategies for putting the values into action and closing their gaps?

The strategic VIA Cube integrates the three key dimensions of each value — unanimity, priority and gap — and analyses the relationships among them and their impact upon expected results.

---


2. The common good is a notion that originated over two thousand years ago in the writings of Plato, Aristotle, and Cicero. More recently, the contemporary ethicist, John Rawls, defined the common good as "certain general conditions that are...equally to everyone's advantage". The common good, then, consists primarily of having the social systems, institutions, and environments on which we all depend work in a manner that benefits all people. Examples of particular common goods or parts of the common good include an accessible and affordable public health care system, and effective system of public safety and security, peace among the nations of the world, a just legal and political system, and unpolluted natural environment, and a flourishing economic system. Manuel Velásquez, Claire Andre, Thomas Shanks, S.J., and Michael J. Meyer. Markula Center for Applied Ethics at Santa Clara University. [http://www.scu.edu/ethics/practicing/decision/commongood.html](http://www.scu.edu/ethics/practicing/decision/commongood.html) (downloaded 01/17/2008).

3. As mentioned earlier, several approaches have emerged, including business ethics, corporate social responsibility, corporate citizenship, sustainable development, eco-efficiency, etc. Each approach has certain unique features and also some features common to other approaches. Yet values are the single element common to all approaches. No matter what the focus is, values are always at the core of each method. The integration of the unique features of the
evolving approaches into one single new leadership model, we call Global Responsibility. For some companies these approaches are simply fads while for others they are regarded as new emergent leadership models.

4 Appendix 3 summarizes the Values in Action methodology.

5 Whether in response to intrinsic values, stakeholder pressures, or market opportunities, pioneering organizations across all sectors and disciplines have been transforming themselves and adopting new models and approaches that challenge the traditional sectoral boundaries. This new class of organizations are known as “For-Benefits”. They represent a new paradigm in organizational design. At all levels, they aim to link two concepts which are held as a false dichotomy in other models: private interest and public benefit www.fourthsector.net, (viewed 01/17/08)

3. **AN UNPRECEDENTED GLOBAL BUSINESS CONTEXT**

### Highlights of change in the global business context

In about a decade the Global Responsibility market has evolved from practically zero to:

- A $31.7 billion industry of GR support services by 2005.¹
- $4 trillion in socially responsible investments.²
- Companies paying dues of up to $35,000/year for memberships.³
- 4,166 of the largest corporations across 106 countries having issued 16,013 social and sustainability reports.⁴
- The creation of 100,000 new citizens groups around the globe for watching company behaviors.¹⁶
- Corporate philanthropy and cause-related investments accelerate beyond the $12.72 billion mark.⁵
- An estimate that social networking advertising will be worth roughly $2 billion by 2010.⁶
- The U.S. marketplace for goods and services focused on health, the environment, social justice, personal development and sustainable living (known as LOHAS) is estimated in $209 billion, and is among the fastest growing markets -23% of U.S. adult population.⁷

Companies are beginning to understand that Corporate Social Responsibility (CSR) forms an inextricable part of their reputation and brand identities. An increasing number of companies are converting their growing awareness into action, investing resources in implementing CSR rather than only spending money in philanthropy and public relations. Billions of dollars are spent every year on philanthropy, and billions more are spent on the defensive advertising, lobbying and PR with companies attempting to
sidestep the social concerns for which they are blamed. Yet research indicates that the companies that choose the corporate responsibility path will do better by building sustainable reputations that outdistance their competitors.⁸

Indeed, corporate responsibility, which is one component of my global responsibility concept, is a growing movement burgeoning at amazing rates across the world, specially in the past few years, as shown by the following few examples.

**Companies**

Currently over 4000 companies across 106 countries have issued, in addition to their yearly conventional financial reports, more than 16,000 non-financial reports.⁹ These companies are registered in [www.CorporateRegister.com](http://www.CorporateRegister.com), the world's largest directory of corporate non-financial reports. Chart 1 shows the remarkable growth trends of reporting.

As recently as March 2007, SustainAbility¹⁰ and Flag have launched “Learn from the Leaders”, a searchable online database of best practice in sustainability reporting, designed to help practitioners access the finest examples of sustainability reporting from around the world.

![Chart 1: Trend in social reporting](chart1.png)
Social Reporting Standards

Most of the reporting companies follow the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines on the economic, environmental, and social impacts of corporate activities, products, and services, which is becoming the standard reporting system. GRI members have access to a growing global network of over 10,000 like-minded people and organizations that are working to grow and improve the practice of sustainability reporting.

New Executive Roles

Most large corporations now have a senior executive specifically charged with developing and leading GR policies, strategies, and programs, often with a staff at his/her disposal charged with GR operational activities. Their job titles include vice president, director, or manager of: corporate social responsibility, corporate and community relations, environmental health and safety, business ethics, and a range of many others.

Professional Associations

The Ethics and Compliance Officers Association (ECOA) (www.theecoa.org), founded in 1992 by a dozen ethics officers today has more than 1,300 ethics and compliance professional members within the ECOA network, representing nearly every industry. Member companies include more than half of the Fortune 100 and they conduct business in over 160 countries.

The Corporate Responsible Officer (CRO) association (www.thecro.com) founded in August 2006 has over 20,000 subscribers to the CRO magazine (formerly Business Ethics Magazine).

Raters and Rankers

Another key indication of the GR evolution is the emergence in recent years of prestigious organizations that:

- Track the stock market performance of companies screened for social responsibility (See Table 1)
- Offer socially responsible investment (SRI) opportunities (See Table 2)
- Select each year the “best” companies according to their specified criteria (See Table 3)

Business Ethics magazine’s Best 100 Corporate Citizens ranking, published annually in collaboration with KLD Research and Analytics, the firm that gathers corporate responsibility data, is regarded as the third most influential corporate ranking (behind Fortune’s “Most Admired Companies” and “100 Best Companies to Work For”) according to a PRWeek/Burson-Marsteller CEO Survey. Published annually
since 2000, the ranking scores companies on eight social, environmental, and financial dimensions of responsibility.¹³

### Table 1. Corporate Responsibility Indexes

<table>
<thead>
<tr>
<th>INDEX</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Domini 400 Social Index (DSI)</td>
<td>A benchmark established to measure the social impact and the financial results. The DSI has surpassed S&amp;P 500 in total profit value and level of risk, since was initiated in May 1990.</td>
</tr>
<tr>
<td>FTSE4Good Index Series</td>
<td>Identifies the best corporate social responsibility social businesses, in measuring the performance of the companies against standards of social responsibility, to facilitate the investment in the companies. Can be use in four ways: investments, research, reference and benchmarking</td>
</tr>
<tr>
<td>The Citizen Index ®</td>
<td>Integrates the analysis of the social impact in the investment processes. The companies are hold in a rigorous x-ray to eliminate those companies whose corporate values or type of business can be a restriction for the socially responsible performance.</td>
</tr>
<tr>
<td>Dow Jones Sustainability Indices (DJSI)</td>
<td>The first index that compiles business and sustainable development, including social, environmental, and economic aspects</td>
</tr>
<tr>
<td>JSI Jantzi Social Index® (JSI®)</td>
<td>Index of common actions selected according to the impact in the company and the power of capitalization. Stock holder value</td>
</tr>
<tr>
<td>Calvert Social Index™</td>
<td>Index of extensive base built rigorously to measure and to compare the performance of large socially responsible American businesses.</td>
</tr>
<tr>
<td>Sarasin Bank</td>
<td>Evaluates the social and ecological performance of a selection of companies as base for services and investments in socially responsible funds.</td>
</tr>
<tr>
<td>Business in the Environment (BIE)</td>
<td>Created by a group of top executives businesses leaders from the east of England. Is focused primarily in ecological aspects. An investigation published by <em>Business in the Community</em> reveals that 78% of high executives and board members from European businesses will be more competitive only if they integrate social responsibility in their managerial practices.</td>
</tr>
</tbody>
</table>

### Universities

Harvard University is part of a network of 102 academic institutions in 50 states that are working on ethics applied to different domains. Leading academic institutions are embracing corporate responsibility as a key element in MBA and Executive Education. A recent survey of nearly 100 MBA programs around the world found that more than half require students to take courses on corporate responsibility, up from only a third in 2001.¹⁴

Net Impact — whose mission is to make a positive impact on society by growing and strengthening a community of new leaders who use business to improve the world — offers a portfolio of programs to
The Globally Responsible Leader

educate, equip, and inspire more than 10,000 members to make a tangible difference in their universities, organizations, and communities. Spanning six continents, their membership makes up one of the most influential networks of MBAs, graduate students, and professionals in existence today. Net Impact members are current and emerging leaders in CSR, social entrepreneurship, nonprofit management, international development, and environmental sustainability who are actively improving the world.¹⁵

Civil Society Organizations

According to a recent report by McKinsey, since 1990 more than 100,000 new citizens groups have been established around the world to monitor and modify company behaviors.¹⁶

Management Consulting Firms

Many consulting firms have in recent years added components of GR-related products and services to their original service lines. To begin with, the “big” firms are all offering these type of services, including: Accenture, Arthur D. Little, Booz Allen Hamilton, Deloitte, IBM Consulting Group, KPMG, McKinsey & Company, The Boston Consulting Group, and others.

A few firms have emerged specializing entirely in one or more GR approaches. For example, the Corporate Citizenship Company (www.corporate-citizenship.co.uk) offers research, consultancy and publications to help businesses succeed as good citizens in the changing global context. They have developed special strengths in: benchmarking; social and economic impact assessment; international issues management; community program evaluation; reporting; and news briefing. Their clients include major global corporations such as Vodafone, Unilever, Ford, Deutsche Bank, Cadbury Schweppes, Diageo, and BP.

Institutional investors

<table>
<thead>
<tr>
<th>Name of Award</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>The 100 Best Companies To Work For 2006</td>
<td>Fortune</td>
</tr>
<tr>
<td>100 Best Companies to Work For</td>
<td>The Sunday Times</td>
</tr>
<tr>
<td>200 Best Small Companies</td>
<td>Forbes</td>
</tr>
</tbody>
</table>

Table 2. Top 10 Social Investment Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parnassus Fund</td>
<td>$294.5</td>
</tr>
<tr>
<td>Neuberger Berman Socially Responsible Inv</td>
<td>$361.8</td>
</tr>
<tr>
<td>Vanguard Calvert Social Index Fd</td>
<td>$385.3</td>
</tr>
<tr>
<td>Calvert Large Cap Growth A</td>
<td>$443.4</td>
</tr>
<tr>
<td>Calvert Social Equity A</td>
<td>$889.6</td>
</tr>
<tr>
<td>New Covenant Growth Fund</td>
<td>$894.2</td>
</tr>
<tr>
<td>Parnassus Equity Income</td>
<td>$936.0</td>
</tr>
<tr>
<td>Domini Social Equity Fund</td>
<td>$1,225.2</td>
</tr>
<tr>
<td>Ariel Appreciation</td>
<td>$3,389.3</td>
</tr>
<tr>
<td>Ariel Fund</td>
<td>$4,920.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$13,739.4</strong></td>
</tr>
</tbody>
</table>

Table 3. Company Rankers

<table>
<thead>
<tr>
<th>Name of Award</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>The 100 Best Companies To Work For 2006</td>
<td>Fortune</td>
</tr>
<tr>
<td>100 Best Companies to Work For</td>
<td>The Sunday Times</td>
</tr>
<tr>
<td>200 Best Small Companies</td>
<td>Forbes</td>
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</table>
In May 2006 about 50 institutional investors, who collectively represent nearly $4 trillion in assets, agreed to uphold a new set of Principles for Responsible Investment.\textsuperscript{17}

**Publishers**

Ethical Performance (publisher@ethicalperformance.com), a global independent business publisher on corporate social responsibility and socially responsible investment, publishes since 2006 “the world's first directory of professional services offered in the corporate social responsibility field.” The directory lists hundreds of CSR service providers showing that “a distinct area of professional endeavor is already underway … that barely existed five years ago”.\textsuperscript{18}

**Government and International Agencies**

In 1999 UN Secretary General Kofi Annan called for a new contract between business and society, a social compact, a call that led to the development of the UN Global Compact, which has ten universal principles based on globally agreed UN documents that companies commit to uphold. By 2006 the Global Compact had nearly 3000 signatories, 2500 of which were businesses from 90 countries around the world.

The following international agencies are already promoting, supporting and/or implementing important GR initiatives:

- Commission of the European Communities
- Department of the Environment (UK)
- Department of Trade and Industry (UK)
- European Environment Agency (EEA)
- Export Credit Guarantees Department (ECGD)
- International Finance Corporation (IFC)
- International Labor Organization (ILO)
- Nature Conservancy Council (NCC)
- Organization for Economic Co-operation and Development (OECD)
- The Agency for International Development (USAID)
- The United Nations Children's Fund - UNICEF
- The United Nations Development Program (UNDP)
- The United Nations Environment Program (UNEP)
The Globally Responsible Leader

- The United Nations Global Compact
- The World Bank

Other

The World Business Council for Sustainable Development (WBCSD) (www.wbcsd.org) is a coalition of 175 international companies united by a shared commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress. Members are drawn from more than 35 countries and 20 major industrial sectors. They benefit from a global network of 50 national and regional business councils and partner organizations involving some 1000 business leaders globally. Their mission is to provide business leadership as a catalyst for change toward sustainable development, and to promote the role of eco-efficiency, innovation and corporate social responsibility. WBCSD has been selected as the “Best website for information on sustainable development” (Globescan Survey of Sustainable Experts).

In 2006, the Center for Business as an Agent of World Change at the Weatherhead School of Business, Case Western Reserve University, the UN Global Compact, and the Academy of Management (the world’s largest professional organization for management academics) launched the Business as an Agent for World Change project, hoping to draw together leading academics, businesses, and other stakeholders in dialogue about how businesses can be agents of positive change in societies around the world.

The Internet

Social networking, popularized by teens sharing information with their friends online on Web sites such as Facebook Inc., is now blooming in the business world, thanks to new social networks that enable professionals and executives in industries to connect with colleagues to conduct business or socialize. Millions of professionals already turn to broad-based networking sites like LinkedIn to swap job details and contact information, often for recruiting purposes. Business executives also have turned to online forums, email lists and message boards to sound off on information related to their industries.

Conclusion

I have presented just few key changes in the business context in recent years, and the major forces driving change in leadership and organizations.

The previous discussion signals the rising of new leadership approaches. I think that these approaches are not likely to become a new fad, as the many that have existed in the management world before; fashions that suddenly are born, culminate and eventually vanish and are forgotten. Corporate responsibility has a
The Globally Responsible Leader

new characteristic that previous management models did not have, which augurs the prevailing of CSR in the long run. CSR is counting on increasing global support from stakeholders, mainly external to the organization, who are driving change inside organizations. Whereas past management fads were related mainly to internal management practices unnoticed by external stakeholders.

Says Bernardo Kliksberg, senior advisor of the Inter-American Development Bank (IDB): "Business Social Responsibility grows under the combined pressures of a civil society increasingly more active, organized consumers and anxious investors after the 'Enrones'" (Kliksberg 2006).

Juan Trimboli, Regional, Sub director for the Latin American and Caribbean International Consumers Office states: business social responsibility has been acquiring a political dimension, as a result of the technological and communication changes and the social problems. This is shown in two important international initiatives: the Global Pact, promoted by United Nations, and the proposal of the European Commission to establish a regional framework for business social responsibility.

Multinationals control two thirds of the world commerce and half of the 100 largest economies of the world (54 are businesses and 46 are countries). Most of these businesses are considerably larger than the majority of nation-states, warns Max-Neef, alternative Nobel Prize winner in Economics.

This delicate situation explains the call of the Secretary General of United Nations to align business practices with universal values and goals of a more just, global, sustainable, and inclusive market. As the Global Pact of United Nations suggests, businesses should adopt basic principles, such as respect of human rights, observance and promotion of labor standards, compliance with high standards and practices of environmental protection, and respect of consumer rights.

This unprecedented new element in the business world is beginning to cause structural changes in the leadership and organizational models.

When a new paradigm appears normally doubts and confusion emerge about the convenience to continue working with the old paradigm or to adopt the emerging one. This is what is occurring in the responsibility industry.

There are skeptics tied to old practices, who believe that the business will not improve by using social responsibility or other similar models. They think in terms of trade-offs or the zero-sum principle: if one wins the other loses the same amount. If a business spends in social responsibility, stockholders will reduce their dividends and investment value while other stakeholders will benefit. A skeptic typically asks: Why should I change if have been successful in the past? Skeptics love to work in the comfort zone. Their leadership approach is fragmented, egocentric, and shortsighted.
In the other extreme are the **convinced**. They want to learn quickly how to transform their organizations in line with the new paradigm. They believe there is a positive relation between business development and local and global sustainable development and common good. The convinced consider social responsibility not as an expense, but as a strategic investment over time. They ask: How can I change the form of doing business and take advantage of the opportunities offered by the new paradigm? The convinced are purposeful and think globally and systemically. They feel more comfortable in the innovative zone, working for business improvement and the wellbeing of all stakeholders, not just a few. They believe that investing in CSR generates a win/win situation, rather than a win/lose as skeptics think.

In the middle of the previous positions are the **undecided**. They are disconcerted, worried, seeking, and oscillating between the positions of the skeptic and the convinced. And they are insecure which one to adopt.

The rising unprecedented and dynamic context is driving the creation of new leadership and organizational models and innovative processes for developing the capacities to operate in this new context. In the following section I suggest a framework for identifying, forming and assessing these capacities.
The Globally Responsible Leader

1 Corporate Responsibility Officer (CRO) (www.thecro.com), publisher of the CRO Magazine (formerly Business Ethics Magazine) and the yearly 100 Best Corporate Citizens list, plus a host of other services, claims to be “the most cost-effective


4 These reports are known as: Community Report, Corporate Citizenship Report, Corporate Environmental Report, Corporate Social Responsibility Report, Corporate Sustainability Report, and many other names. See Corporate Register: http://www.corporateregister.com/charts/charts.pl


7 LOHAS is an acronym for Lifestyles of Health and Sustainability, a market segment focused on health and fitness, the environment, personal development, sustainable living, and social justice. LOHAS companies practice "responsible capitalism" by providing goods and services using economic and environmentally sustainable business practices. LOHAS consumers, sometimes referred to as Lohasians, are interested in products covering a range of market sectors and sub-sectors, including: Green building supplies, socially responsible investing and "green stocks", alternative healthcare, organic clothing and food, personal development media, yoga and other fitness products, eco-tourism and more. (http://www.lohas.com, viewed 11/01/07).


10 Established in 1987, SustainAbility (www.sustainability.com) is a strategy consultancy and independent think tank specializing in the business risks and market opportunities of corporate responsibility and sustainable development. Flag (www.flag.co.uk), a subsidiary of Computershare (www.computershare.com), is an international creative communication agency (Downloaded 03.10.07)

11 http://www.globalreporting.org/Home

12 VIAGlobus Business Plan 2007

13 See, e.g., KLD Research and Analytics Website, http://www.kld.com/research/socrates/businessethics100/BE100FAQ.html, viewed 5.31.06.

15 www.netimpact.org (Viewed 01/10/2008) Net Impact is a global network of leaders who are changing the world through business.


18 CSR Professional Services Directory, offered by Ethical Performance online since January 2007 (www.ethicalperformance.com/csrdirectory/index.php, viewed 01.28.07)

19 See, http://worldbenefit.cwr.edu/, viewed 5/31/06.


21 http://www.lafogata.org/alca/desastre.htm Advierte nobel alternativo, Manfred Max-Neef

22 Zero-sum describes a situation in which a participant's gain or loss is exactly balanced by the losses or gains of the other participant(s).
4. FRAMEWORK FOR DEVELOPING GLOBALLY RESPONSIBLE LEADERSHIP

Much has been written and debated about the leadership concept and practice, and an extensive literature has emerged suggesting a variety of leadership models. A common thread in this literature is the tendency to identify, develop and enhance a leader’s attributes, or those personal and intrinsic qualities that make an effective leader. These attributes are often defined and named with terms that are confusing and have overlapping meanings, including: attitude, competencies, capacities, skills, styles, habits and motivations. All these terms form part of the so-called leadership attributes, which can be classified in three big categories:

1. What the leader IS (character, personal qualities, values, motives)
2. What the leader KNOWS (knowledge and skills)
3. What the leader DOES (style, competencies, behaviors)

In this section I propose a framework for the design and development of the attributes that distinguish the Globally Responsible Leader from other leadership conceptions. I will begin reporting on my literature review on this subject.

A Results-Based Leadership Model

Authors Dave Ulrich, Jack Zenger and Norm Smallwood, in their landmark book “Results-Based Leadership”, suggest an innovative leadership framework that stands out from mainstream thinking on this topic. In my view this is the most advanced model that I know of. However, this model does not satisfy fully the requirements of the globally responsible leader that I envision.
In what follows I summarize Ulrich et al.’s model, synthesize its strengths and weaknesses for our purpose, and then use some of the model’s elements to build a model of the new leader.

As the Results-Based Leadership title suggests, the authors propose a model that gives extreme importance to the “desired results”. These are the planned and visualized results that the leader is expecting to achieve.\(^5\) When leaders fall short in attaining the targeted, expected, hoped-for, and planned-desired results, they are actually not leading, state the authors.\(^6\)

They propose the following interesting formula:\(^7\)

\[
\text{Effective leadership} = \text{attributes} \times \text{results}
\]

Ulrich et al. conclude: “Results must be focused on ends. Results-based leadership means achieving outcomes, not just having great character.”\(^8\)

According to them the desired results have to match the organizational strategy and must balance the results they produce among four stakeholder groups: employee, organization, costumers, investors. (see Table 8).

They suggest four criteria to assess if the leader is focused on the desire result. These criteria help to detect how much a leader can achieve in all four quadrants. They recommended that the result be:\(^9\)

- **Balanced:** across the four stakeholder groups (employees, organizations, customers, and investors) avoiding benefiting one group over another.
- **Strategic:** linked strongly to the strategy of the business, strengthening its competitive advantage.
- **Lasting:** meet both short- and long-term goals.
- **Selfless:** support the whole enterprise, not just self, a particular group or area.

According to the authors the leaders that aspire to be successful have to satisfy these four criteria.
Synthesizing, the Ulrich et al. conceptual framework integrates three attributes and four fundamental activities. Successful leaders need to Be, Know and Do well four things:

1. Set direction.
2. Mobilize individual commitment.
3. Engender organizational capability; and
4. Demonstrate personal character.

And for achieving this, add the authors, the leaders must develop specific competencies.

**Critique of predominant leadership models**

As mentioned, prevailing leadership models—including Ulrich et al’s “Results-Based Leadership” model—do not address the dramatic changes that are taking place worldwide. Present models are non-contextual, exclusive, ethically aseptic, and focused more on process than on process and results (except Ulrich et al’s):

- Models do not take explicitly into account the influence of the environment or business context in which leaders work on identifying and developing the corresponding attributes to perform effectively. In the best of cases the environment is mentioned in generic and abstract terms, such as the change in the speed of communications, globalization, Internet revolution, etc. But they do not examine the root causes and the nature of the unprecedented structural changes that are occurring around the globe. For example: extreme world poverty, climate change, corruption, famines, epidemics, health, drug addiction, wars, violence, etc. These crude realities and global problems are excluded from the leadership discourse. Can this be interpreted that these realities and problems aren’t the responsibility of our leaders to solve? If the leaders are not meant to create solutions for these immense problems that affect us all, who then should be the responsible for solving them?

A model of leadership must consider, first of all, the nature of and trends in the environment in order to identify and develop the necessary attributes of leaders for creating systemic solutions of systemic problems.

- Models normally do not include the expected results to be achieved by the leader, in spite that results are the reason for being a leader, as Ulrich et al affirm. The tendency is to emphasize:
  - The process of leading over the results of leading, even though both should be equally important.
  - The benefiting of exclusive stakeholder groups (specially stockholders) rather than of all stakeholder groups (See graphic in next page)
Leaders performing high-level functions in organizations. However, the new leader I’m proposing may perform at any organizational level and function, not only at the highest one. The premise is that even the most modest positions require exercising leadership. Organizations that operate with this philosophy develop a participatory culture that empowers all employees, that promotes synergy based on shared vision, mission and values. These types of organizations tend to be more effective than the conventional organizations.

The development of a single attribute domain — to know, to do, or to be. This is a fragmented view of leadership, for the three domains should be given equal importance. Partial capability is insufficient for approaching systemic issues.

A Responsible Leadership Model

Following I suggest a framework to facilitate the design, planning, implementation, and evaluation of initiatives for developing globally responsible leadership. This framework is built upon elements of Ulrich et al’s model plus my own observations and professional experiences in management and organizational consulting. It includes the following components (see Matrix 1):

1. **Four Domains of Reflection**
   a. Space
   b. Time
c. Ethic
d. Global responsible citizenship

2. **Four Domains of Action**
   a. Defining the strategic direction
   b. Mobilizing the individual commitment
   c. Building individual and organizational capacity
   d. Modeling the new leader

4. **Three leadership attributes**
   a. To Be ((the kind of person an individual is))
   b. To Know (the kinds of competencies a person has)
   c. To Do (the kind of will a person has)

   I don’t understand why to be is emotional and to know is functional. Explain more or rethink.

5. **Four criteria for determining the leader’s desired results**
   a. Balanced
   b. Strategic
   c. Lasting
   d. Selfness

The purpose of the framework is to facilitate the process of developing the attributes required by the “new creative responsible leader”.

As each organization is unique their leaders need to develop unique attributes. It is not possible to determine relevant generic attributes of all leaders of all organizations. Therefore, the framework I propose allows an organization to perform a systematic and participatory process for identifying the particular competencies, taking into account the following:

- A leader requires more than character, knowledge and action; a leader must also generate multi-level results.
- One should not assume that a leader’s attributes lead automatically to generating desired results. It is important to first specify the expected results and then identify the attributes and the appropriate capacities to achieve them.
- To establish the desired results it is necessary to understand the context: underlying causes, symptoms, needs, trends, risks, and opportunities.
Domains of Reflection of the New Responsible and Creative Leader

As explained earlier, an unprecedented environment demands unprecedented leadership models and organizations. An emerging literature and practice describes leadership from a spiritual and ethical perspective.\textsuperscript{11} For this thesis I mean by spirituality the searching and the outcome "of the meaning and the reason of our life."\textsuperscript{12}

Leaders who adhere to solid values within a spiritual perspective, understand and apply in a reflexive mode the "being" and "knowing" to make important strategic decisions.\textsuperscript{13} In doing so they approach time and space in a boundary-less fashion, are ethically consistent in their acts and are genuine global citizens.

A leader should develop specific intrinsic attributes in the following four domains of reflection: Space, Time, Ethics, and Global Citizenship.

These are not the only endeavors of a leader. Rather, they characterize what in essence distinguishes the new leader from the conventional leader.

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Matrix 1. Framework for Developing the Attributes of the *New Creative Responsible Leader*

<table>
<thead>
<tr>
<th>DOMAINs OF ACTION</th>
<th>DOMAINS OF REFLECTION</th>
<th>LEADERSHIP ATTRIBUTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results</td>
<td>Space</td>
<td>To Be</td>
</tr>
<tr>
<td></td>
<td>Time</td>
<td>To Know</td>
</tr>
<tr>
<td></td>
<td>Ethics</td>
<td>To Do</td>
</tr>
<tr>
<td></td>
<td>Global Citizenship</td>
<td></td>
</tr>
</tbody>
</table>

- Defining the strategic direction
- Mobilizing commitment
- Developing capacities
- Modeling the responsible leader

Results

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Bertha Lucia Fries
1. Boundary-less thinking about space

The new leader must be a "citizen of the world". This requires cultivating "boundary-less thinking". It means that we need to change and evolve our mental models by removing the barriers to listening and learning. Prejudices, attachments, ignorance, discrimination, ego, preferences, desires, needs, are common barriers we have. We need, in addition, to open our minds and be extremely creative and innovative. And we need to be more objective, trying "to see the world as it is and not as we are".

In practice, boundary-less thinking is fundamental to create boundary-less organizations. These organizations can be built by removing or permeating their borders between:

- The functions (marketing, engineering, production, finances, etc.).
- The levels (board of directors, top management, operations, etc.).
- The characteristics of the people (race, gender, etc.).
- The organization and its external environment

The rigid mental models of management and the complexity of organizations, induced by short-term demands and activity, are two critical barriers embedded in mainstream organizational cultures. To change this, it is indispensable to expand considerably our mental space, focusing at the same time on our immediate territory and on the global territory.

The meaning of “unlimited thinking” means, in simple terms, to be open to better ideas and practices from everywhere: another colleague, another department, another company, or another country. This enriches our know-how and enhances our consciousness.

What does boundary-less thinking require? Briefly, a deep understanding and respect of the cultural diversity; at the same time it requires the power to think and feel with empathy. Furthermore, empathy effectively promotes critical and creative thinking.

The above implies practicing tolerance, not indiscriminate tolerance. A tolerance delimited by universally shared values, as for example, "a golden rule". Tolerance is manifested through an attitude willing not to judge the convictions of others, particularly religious and moral ones, even if they could be perceived as invalid or disposable.

Thinking without borders means also to make decisions based on a systemic and three-dimensional understanding of our planet earth: its exterior surface, its internal mass and its surrounding atmosphere, including all the things within and without, both natural and man made.

Unlimited thinking can change in significant ways our forms of life, work, behaviors and relations. It contributes to increase the organization’s learning and, consequently, its effectiveness. It is as simple as to know that we are never too old to learn something new or recognize the fact that there is no person that can have all the answers. We should respect, appreciate and practice complementation. We can always learn something new or something better from someone else. Everything can be improved, because perfection has no limits.
2. Boundary-less thinking about time

The new leader should have the capacity to expand the time horizon of his thinking and feelings. This implies to be constantly in contact with the history and the cultural roots of the past, to understand the present and to visualize the immediate and distant future. Being aware that time does not have limits nor past nor future and that anything that we do today will affect tomorrow. The leaders carry enormous responsibilities. It is impossible to reach the purpose of sustainable development without practicing this notion of time.

Although the above seems obvious, the reality is that the great majority of the business leadership practices the contrary. The board of directors and the top management tend to plan and make decisions within an extremely restricted time horizon. They opt granting priority to satisfy short term "Wall Street" and investors expectations, showing them attractive profits and investment value as the result of last quarter’s operations, without taking into account the detrimental consequences that these decisions may have to "future generations’ capacity to satisfy their own needs" and to the eventual survival of the business itself in the long run.

Corporations define today the way we feed, dress, communicate, move, and even the way we entertain and take care of our health. Their impacts on our daily life and on shaping contemporary culture are tremendous. This is why it’s so important to be aware of the power corporations have in creating our future.

Nevertheless, many corporations have been consistently operating inefficiently, below their potential, and many have been complete failures. Indeed, corporate "mortality" has been very high. For example, the life expectation of Fortune 500s is between 40-50 years, which is much less than the life expectancy of people in many countries of around 75 years.¹⁶

Then, why do organizations have such a relatively short life? Growing evidence and social science research suggests a key reason: the shortsightedness and mechanistic view of the organizational leaders.¹⁷

On the other hand, there is a growing body of research showing that it is possible to develop a successful business, in terms of profitability and share value, and its contribution to improve three domains of sustainable development: economic (formation of material wealth); social (improving the quality of life of employees and society) and ecological (protection and environmental conservation).

Sustainable development or "eco-efficiency" means viability for the future and present regeneration. It is a strategy that seeks an adequate balance of social, economic and environmental priorities in the global space over time. This strategy requires making decisions and resolving problems to satisfy present expectations and needs without jeopardizing the capacities of future generation to satisfy their own (United Nations).

3. Thinking ethically and acting consistently

The concept of ethics and values are often used interchangeably, but they are not the same thing. Ethics is the process of thinking required to decide what is correct or incorrect, or to weigh the rights in conflict. It
The Globally Responsible Leader

consists of establishing the appropriate principles to make decisions when the values enter in conflict among them. While the values permit us to appreciate the importance of the ethics decisions, to be ethical helps us to select the correct values. For example, Mattel Co. Robert Eckert, Mattel’s chairman and chief executive, decided that it was ethical to recall china toys under his brand that contained magnets and led, because they are dangerous for the security and health of children.

A business leader’s ethical style can be observed and evaluated along a continuum, from "less ethical" (manipulator: the end justifies the acts) to "more ethical" (integral: correct, impeccable). The manipulator leadership style is based on a Machiavellian ethics that sees leadership as amoral. It is an egotistical moral leadership and essentially economic. While, according to James Burns, integral leadership is grounded on personal ethics. This style "elevates the level of human conduct and aspirations of both, the leader and its followers and has a transformational effect on both".

There is a great need to develop integral leaders, who explicit their values and who act accordingly with purposeful behavior. Leaders who are ethically and socially responsible must conscientiously observe their commitments with respect to all the organizational stakeholders, not just a privileged few. Responsibility should transcend to all groups of the company. Leaders should observe permanently their own conscience, as well as how they management the business, the transactions and the interactions with the different interest groups, to assure consistency with ethical principles of equity and service — in addition to the utilitarian logical.

Trust and development

It has been shown that there is a significant relation between trust and development. Trust provides the preconditions for civil society, civil not in the sense of "getting along well" but in the ancient sense of a courteous, organized and coordinated community. The businesses are better conceived not as legal fictions but as coordinated communities.

Francis Fukuyama affirms that societies with high levels of trust excel for their potential to form associations and alliances of successful cooperation with extensive outreach. In contrast, continues Fukuyama, societies with low levels of confidence tend to become areas of economic disaster and terrible places to live. In turn, Nobel Laureate Amartya Sen adds “the nature of the modern economy has been substantially impoverished by the growing gap between economics and ethics”. And “…the economic underdevelopment worldwide can be explained for the lack of mutual trust”, concludes Nobel Prize Economist Kenneth Arrow.

Enrique V. Iglesias, president of Inter American Development Bank (IDB) said: “the ethical dimension should be incorporated completely in the analysis and implementation of development work.” Companies that develop fluid networks of humane relationships based on trust and reciprocity, built Social Capital, which is the indispensable complement for building Human Capital and Economic Capital, shows Harvard professor Putnam in his landmark book Bowling Alone. The success of the global economy will depend on the trust that is built among the nations and the consumers and the companies that serve them, and among the citizens of the world. In the nucleus of
constructing trust is the "consistency principle": the coherence between the values that we proclaim and our respective actions and behaviors. Only the leaders that lead according to this principle can be considered trustworthy leaders.

"Ethical leadership is an emotional and voluntary relation between the leaders and its followers, based on trust and motivated by the appropriate values". The authentic leader does the correct thing in the correct way for the correct reasons. Nevertheless, there are many examples of leaders that have violated their ethical and legal responsibilities towards the shareholders and other stakeholders.

4. Thinking as a globally responsible citizen

There are a billion people subsisting with less than $1 dollar per day. This extreme poverty is not an incurable condemnation, as some people conveniently believe, in spite of the unsatisfactory results of five decades of foreign aid. We need to reflect seriously about development. World security, freedom and peace are, in my opinion, strongly related to poverty and discrimination on a global scale. The prevailing approach consists of improving the government models of the poor countries and developing efficient market economies. These initiatives can be important, but they are far from being adequate for the poor nations.

What social obligations do businesses and their executives have toward the shareholders, employee, the company and the ecosystem? The mainstream thinking holds that the main responsibility of the owners and managers of the companies is to serve primarily the interests of the shareholders. I believe this must be seriously questioned. There are two different positions with respect to the social responsibility of the business and the management: the shareholder model (the primary responsibility of the business is with the shareholders) and the stakeholder model (the responsibility of the business is with the external and internal interest groups).

The globally responsibility citizen honors ethical values and respects the people, the communities and the environment, and contributes to the creative generation of wealth. It takes the form of an integrated set of policies and programs and actions including the planning, leading and managing of operations, the value chain and in decision making. Through integrating values in strategy and operations an organization can generate significant business and stakeholder benefits. The correlation between these benefits and the practices that integrate the ethics, innovation and efficacy are shown in a growing number of practical experiences and academic studies.

I think that the socially irresponsible leaders that practice inconsistent leadership are a true danger to companies and society, because they contribute to multiply poverty and global warming around the world. These leaders are egotistical, incapable of harmonizing their personal interests with the interests of the community. They end up leading their businesses toward eventual extinction, toward enhancing the gap between the rich and poor and toward deplete the resources of the planet.
Domains of Action of the New Responsible Creative Leader

1. Setting the strategic direction

A fundamental role of the leader is setting the strategic direction of the organization to:

- Signal the north toward which we want the organization to advance, thus avoiding confusion, disorientation and automatic behavior.
- Offer a frame of reference to achieve consistency in the planning, the leadership, the management and the feedback according to the desired results, and for solving problems solution and making decisions.
- Help to agglutinate people to generate synergy and interdependency among individuals, family, organization, stakeholder groups and the environment.
- Clarify what is important and what is urgent, as well as what is necessary to continue, to stop, to prevent and/or to create.
- Support the strategic planning process.\(^{31}\)

The Strategic Direction is the overarching guide for all the work of the organization. Its participative construction produces conceptual and emotional commitment. Its constituent elements are Values, Vision, Mission and Capacities. (see Appendix 2)

2. Mobilizing the individual commitment

Without commitment, the arduous work of creating organizations that learn will not yield the expected results. Without communities of people that trust one another and are genuinely committed, no organization, innovation, and progress will be possible.

The commitment required to build learning organizations goes a lot further than the commitment people typically adopt in traditional organizations. The commitment in learning organizations requires to be actively part of—not an observer—of the changes required in the world, and to conceive the organizations as a vehicle to produce these changes.

The acceleration and impatience—especially among the upper management levels pressured by shareholders—to produce immediate changes, may achieve temporary or superficial results that don’t prevail. Thus often projects and efforts of change are discredited, creating skepticism and cynicism in regard to change processes.

Research has shown that high-performance teams are characterized by including members who feel confident and committed, and are described as:

- Being focused and centered.
- They are willing and look forward to working all the time (even on Monday morning!)
- The results are important to them as well as the quality and performance of the team process.
When their team does not reach the expected goals, they take it as a personal matter and do not judge or blame others.

They assume personal sacrifices for the sake of the team success. They are determined to succeed.

They never give up, but always persevere and exercise "active patience".

Committed people are identified emotionally, rationally, and volitionally with the values, vision and mission of the team or organization. They have clarity of purpose, are confident with what they do, and feel engaged in something that is meaningful, ethical, and innovative. Nobody can be committed with something that is vague, trivial, or repetitive. Committed individuals ponder what is challenging, what is important, what makes sense, and keep focused on that. They are not interested in banalities. The essence of commitment is clarity and meaning. Work is only work until it is transformed into commitment, and commitment is possible when people realize the meaning of what they are doing. The leader has a fundamental role in creating a culture that promotes commitment supported by trust generated through sustained consistency between values and behaviors.32

3. Building individual and organizational capacity

To create an organizational culture focused on a shared strategic direction and generate trust and commitment, the leaders must create conditions for the development of individual organizational and physical capacities.

For change to make sense it is indispensable to share a strategic direction that serves as a framework to:

- Optimize the human (personal and group), physical and virtual processes, required to form the attributes and ensure personal, professional, and organizational development.
- Upgrade and create the necessary systems to maintain the operations and the continuous process optimization.
- Modify or build a culture and organizational structure that guarantees permanence and adaptability in a dynamic and interdependent balance between stability and change, tradition and modernity, integration and decentralization.

4. Modeling leadership attributes

Asserts Warren Benis: "Let me state a personal bias that leadership is really a matter of character. The process of becoming a leader is not different to the process of becoming a fully integrated, healthy human being".33 Followers need leaders they identify with and whom they trust, that have "credibility".34 These authors have identified leader attributes, including honesty, ability to inspire, impartiality, and support.

A leader, in his/her work and life style, is grounded on fundamental and explicit values, and lives consistently by them. This consistent or authentic behavior is what makes us trust the leader.

The values in a sense are the basic matter (what is) that the leader translates creatively into dreams and visions of future states of higher order (what can be). I see a direct relation between values and vision, the values being the foundation of leadership and the vision the pictures or images that symbolize them.
1. **Assign work in organizations between process events**

   At the end of each process event design activities that participants are required to implement in their respective organizations. In the next event have participants to report back to the full group the work done and results obtained in their organizations, and their major learning.

2. **Plan of Action**

   During the entire process have each participant develop a project including (at least) the following three key components:
   
   • Development of a truly compelling Value Proposition\(^3\)$ — the primary benefit of the GR approach/method — to the stakeholders of the participant’s organization.
   
   • Development of a strategic plan for initiating a GR process in the participant’s organization.
   
   • Development of a compelling presentation (e.g., PowerPoint-type) of the value proposition, the strategy and the plan of action for use by the participant for different audiences.

3. **Support of the process participants**

   Encourage participants to use all the necessary resources (personnel, infrastructure, etc.) of their organizations for the development of their plans of action. In addition, provide external support, online and/or otherwise, between events for developing these plans.

4. **Dramatization**

   Use dramatizations to depict the attributes of both conventional and globally responsible leaders and organizations. This method helps to foster participation and learning in engaging and entertaining ways. (Appendix 4 illustrates a dramatization)

**Virtual Social Networking Process**

**Vision**

An expanding virtual global workshop where millions of stakeholders across the value chain create together the world in which they want to live.

**Objective**

To enable stakeholders to build innovative GR leadership and organizations that are highly profitable, ethical, meaningful, and sustainable to them and the world
The Internet Portal

Create a one-stop business and social networking portal where you—the stakeholders—collaborate on the who, what, where, why and how of implementing Global Responsibility (GR) and putting Values in Action (VIA).

A vast results-driven business and social networking service for every type of stakeholder, model and organization, to make GR the innovation for enhanced profits and globally responsible leadership and organizations.

Why Social Networking?

The Internet Social Networking technology allows to:

- Enable community, collaboration, content and action on massive scale
- Facilitate effective direct democracy by:
  - Helping one another for nothing
  - Bypassing the power of mainstream media and political structures
- Host user-generated content that costs less than supporting an editorial staff
- Allow access to content that users deem important and incorporate the preferences of like-minded and trusted people (not the site owners)
- Grant the opportunity to build a new kind of global understanding:
  - Not politician to politician, great man to great man, but rather citizen to citizen, person to person

The Social Networking technology not only is changing the world, but also changing the way the world changes.

Portal Characteristics

Design the Portal as a virtual space where its members meet recurrently to implement GR through:

- Learning, benchmarking and building innovative and highly relevant leadership and organizational models.
- Conducting business with customers, service providers, partners and investors they trust.
- Networking, engaging in discussions and ratings, and creating support groups.
- Making new acquaintances and socializing.
Using a powerful business and social networking technology and highly demanded GR contents, design a portal that:

- Is open to all stakeholder groups
- Integrates all GR-related leadership and organizational models
- Includes all types of organizations—business, government, non-profits, and the rapidly emerging 4th Sector organizations, of any size
- Is fully interactive
- Stimulates collective creativity and innovation through open source approaches
- Makes accessible a relevant database of user-generated information and resources
- Moves people away from despair, complaining and blaming and toward taking constructive action to build sustainable organizations and societies for present and future generations

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1. In this synthesis I will use the generic term “attribute”.
2. The capacity to relate, react or perform in a particular way.
3. The capacity or aptitude to do something or perform successfully.
5. Ibid. (pp. 27-29)
6. Ibid. (p. 27)
7. Ibid. (p. 3)
8. Ibid. (pp. 29, 31)
9. Ibid. (pp 29-51)
10. See the practical use of this framework and a description of the attributes of a hypothetical leader in the next section and in Appendix X#1.
11. Ian Mitroff & Elizabeth Denton interviewed 215 top managers. A surprising discovery of this study was that these company leaders desired a way of expressing their spiritual selves through their work, rather than leaving them in “the front gate before entering to work”. Mitroff, I. and E. Denton (1999). *A Spiritual Audit of Corporate America: A Hard Look at Values in the Workplace*. San Francisco, Jossey-Bass/Pfeiffer.
The Globally Responsible Leader


35 A statement of business strategy: a statement of the way a business proposes to use its resources to deliver superior value to its stakeholders.

36 Internet Portal (synonymous with gateway) is a web site that acts as a starting point for browsing the Web and which users tend to visit as an anchor site.

37 A Business Network Portal allows businesses from across the globe to come together and share ideas, clients and referrals in a mutually beneficial manner. Allows users to network with one another online, without ever having to meet someone face-to-face. And a Social Network Portal provides a virtual community for people interested in GR or who just want to "hang out" together. Members communicate by voice, chat, instant messaging, videoconference and blogs, and contact members colleagues and friends

5. PROCESS FOR LEADING THE TRANSFORMATION OF ORGANIZATIONS

The very first step for developing responsible leadership capacities along with organizational transformation is to ensure that the values declared by an organization are actually lived by their key stakeholders. The consistency between values and associated behaviors breeds trust and helps to unite stakeholders at deeper levels. Values constitute the core of the leadership and organizational models/approaches.

Talking about values and attempting to put them to work is not new in the business and organizational world—actually, this has been going on for many years. Normally values are defined by a small group of top-level managers and disseminated to the rest of the organization in printed form or more recently online, expecting that people will understand, accept, and live by them. But the reality is that people generally do not apprehend values created and diffused this way.

What is badly needed is effective ways for engaging leaders and other stakeholders in:

- Enhancing their awareness of the crucial role that values play to become globally responsible and transform organizations.
- Internalizing values through learning and cultural assimilation.
- Manifesting values through consistent actions, attitudes, and behaviors.

For initiating the implementation of responsible leadership and organizations, following I suggest a general strategy composed of two main processes: a customized face-to-face learning process and a massive virtual social networking process.¹
Face-to-face learning process

Objectives

- Understand why it’s time now to fundamentally change how to lead, structure organizations and conduct business in today’s unprecedented world.
- Learn about current cutting-edge leadership approaches.
- Learn how innovative organizations are generating improved business results while they contribute to a better society, economy, and ecosystem.
- Learn about Global Responsibility (GR): a new model/approach for leading and organizing in an unprecedented work and living context.
- Discuss different ways for implementing GR and create alternative strategies for implementation.
- Identify the core attributes required by the New Leader.
- Begin developing basic competencies for promoting, designing, facilitating and assessing GR strategies and initiatives

Target Audience

Leaders, facilitators and other stakeholders pertaining to all levels of business, government, Non-Profits, and community organizations across the value chain.

Content and Flow

The content and flow is divided into three basic themes: Vision and Principles, Strategy, and Plan of Action. (See graph)

Vision and Principles

1. The global context
   - Key issues and challenges that leaders must face now and in the future.
   - Possible solutions to these issues.
2. Global Responsibility (GR)
   - GR, an unprecedented leadership/management approach/model for addressing today’s and future
problems and challenges. Integration of key components of different models emerged in the recent decade (Business Ethics, CSR, Corporate Citizenship, Eco-Efficiency, Sustainable Development, and others).

• GR, the principal generator for building trust, reciprocity, reputation and social capital in organizations, communities and societies.

3. **Expected Results: Sustainable Development and Common Good**

- A framework for specifying the expected results across the entire value chain: present and future, internal and external to the organization, tangible and intangible.
- Sustainable Development and Common Good: A strategic objective.
- Techniques for projecting and mapping the results expected by different stakeholder groups (organizational, economic, social, and ecological).
- Techniques for reconciling and integrating diverse stakeholder interests and creating a common purpose and organizational strategies.

**Strategies**

4. **The Globally Responsible Leadership (GRL)**

- The main drivers of GRL: pressures from stakeholders; socially responsible investors; regulators, overseers and rankers; and mounting signs that GR is “good business”.
- The unique attributes of the socially responsible leader: **being, knowing, and doing** in the **domains of reflection** (space, time, ethics and global citizenship) and the **domains of action** (defining the strategic direction, mobilizing commitment, developing capacities, and modeling the responsible leader). (See Appendix 1)
- The GRL, a role model for other organizational, community and societal leaders.

5. **The Globally Responsible Organization (GRO)**

- Definition of a GRO or 4th Sector Organization: major risks and opportunities.
- Minimum requirements for becoming a GRO.
- Structure and governance system of GROs.
- Techniques for assessing and communicating EGR’s accomplishments (i.e., Social and Sustainability Reporting).
Plan of Action

6. A systematic process to put values into action in organizations, communities and societies.

   • **Values in Action (VIA).** An effective methodology for initiating the building of a Globally Responsible Organization. (See Appendix 3)
   
   • How to **declare** the organizational values and associated behaviors through participatory processes.
   
   • How to **disseminate** the declared values among stakeholders in the organization, community and society, and how to establish an effective and sustained dialogue with stakeholders across the value chain.
   
   • How to engage stakeholders in **living up** to the declared values.
   
   • How to **measure** values and support strategies to improve company results and contribute to the sustainable development and the common good.

7. A strategic and operational plan for implementing Global Responsibility in organizations:

   • Purpose
   
   • Expected Results.
   
   • Process.
   
   • Capabilities.

Methods and Techniques

Following are few preliminary ideas of workshop methods and techniques.

1. **Create Stakeholder Groups among the process participants**

   Right from the beginning of a workshop process, organize participants around several stakeholder groups pertaining to the entire values chain. The purpose for creating these stakeholder groups is:

   • To replicate in some ways the tensions that exist among stakeholders and the pressures they are increasingly exercising upon the leadership of organizations.

   • To learn how to facilitate group processes to transform pressures and tensions (normally counterproductive) into innovative, pro-active and responsible forces of change.
2. **Assign work in organizations between process events**

   At the end of each process event design activities that participants are required to implement in their respective organizations. In the next event have participants to report back to the full group the work done and results obtained in their organizations, and their major learning.

3. **Plan of Action**

   During the entire process have each participant develop a project including (at least) the following three key components:
   
   - Development of a truly compelling Value Proposition\(^6\) — the primary benefit of the GR approach/method— to the stakeholders of the participant’s organization.
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- Moves people away from despair, complaining and blaming and toward taking constructive action to
  build sustainable organizations and societies for present and future generations

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1 Process here can take different forms, including a program, a series of workshops, etc.

2 The so-called Fourth Sector or the For-Benefits are a new class of organization. They are driven by a social
  purpose, they are economically self-sustaining, and they seek to be socially, ethically, and environmentally
  responsible. Like non-profits, For-Benefits can organize in pursuit of a wide range of social missions. Like for-
  profits, For-Benefits can generate a broad range of beneficial products and services that improve the quality of life
  for consumers, create jobs, and contribute to the economy. For-Benefits seek to maximize benefit to all stakeholders
  (See for example,


  www.nytimes.com/2007/05/06/business/yourmoney/06fourth.html?n=Top%2FReference%2FTimes%20Topics%2F
  People%2FS%2FS%2FStrom%2C%20Stephanie&adxnnl=1&adxnnlx=1178650585-4s5QB1UCBldngC88zedjeA,
  Downloaded 12/7/07.

3 The Global Reporting Initiative (GRI) is “…a unique, multi-stakeholder organization founded on the conviction
  consistent, regular and comparable reporting, provides transparency and can be a powerful catalyst to improve
  performance." Judy Henderson, immediate past-Chair, Board of Directors. The GRI's vision is that reporting on
  economic, environmental, and social performance by all organizations is as routine and comparable as financial
  reporting. The Sustainability Reporting Framework - of which the Sustainability Reporting Guidelines are the
  cornerstone - provides guidance for organizations to use as the basis for disclosure about their sustainability
  performance, and also provides stakeholders a universally-applicable, comparable framework in which to
  understand disclosed information (www.globalreporting.org/AboutGRI).

Presently over 3,000 corporations adhere to these guidelines and have published over 14,000 reports which are
accessible to all stakeholders and the general public.
The stakeholders of an organization include those who effect or are affected by the organization's performance and results. Simply put, they include those groups that have a stake in the organization's operations and outcomes. Organizations have four kinds of stakeholders: organizational stakeholders, economic stakeholders, societal stakeholders, and the ecosystem.

Indeed, great changes are being pioneered externally by stakeholders (consumers, investors, media, activists, citizens, etc.), rather than spearheaded internally by management. They are progressively putting more pressure on organization leaders to change both how companies make their profits and what they do with profits. Furthermore, sustainable development is too complex and multidimensional to be addressed by any single initiative or organization: all stakeholders must contribute.

A statement of business strategy: a statement of the way a business proposes to use its resources to deliver superior value to its stakeholders.

Internet Portal (synonymous with gateway) is a web site that acts as a starting point for browsing the Web and which users tend to visit as an anchor site.

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EPILOGUE

Matrix 1. Framework for Developing the Attributes of the New Creative Responsible Leader

<table>
<thead>
<tr>
<th>DOMAINS OF REFLECTION</th>
<th>Space</th>
<th>Time</th>
<th>Ethics</th>
<th>Global Citizenship</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defining the strategic direction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobilizing commitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing capacities</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Modeling the responsible leader</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

LEADERSHIP ATTRIBUTES

To Be
To Know
To Do
1. **EPILOGUE**

“When I look back to my life as a consultant, having had constantly a stage to speak from and to be listened to, not having the limitations of money that I have had during the past three years, living in my own culture together with my son, my family and my friends... I realized how easy it is to live in a comfort zone.

I have learned during my student process the importance of being alone, not surrounded by people that constantly congratulate what you do, having the possibility to rethink life, relations, love, and what you have been doing for a living. I felt like the phoenix bird, reviving from the ashes, living in a new environment, creating new friends, without my beloved son, learning a new language, a new culture, studying, researching, and trying to create two new products: a concept of a new leader for times like these and a portal dedicated to the organizational stakeholders and leaders, utilizing the new Internet social networking technology to create conditions for developing globally responsible leadership on a mass scale.”  

—Bertha Lucia

If I had the opportunity to close this synthesis just with paintings, colors and graphics, I would love to do it with the Epilog cover page, allowing the reader to imagine different scenarios.

When we go to an art gallery we see final works of art. But I think we’re unable to see what’s behind the creation of these works of art. For example: understand how the artist’s idea evolved and transformed into a concept, perceive the difficulties the artist must have gone through during the gestation of his/her new artistic expression, and feel the emotions and frustrations the artist felt during the painting process. I think there are some parallels between the artistic process and the thesis writing process: both are essentially creative, emotional and intellectual processes and require a lot of perseverance to follow through and complete them. In this epilogue to my synthesis I would like to concentrate more on my personal (intrinsic) process in working on my synthesis and on my path forward than on the synthesis content itself.

What did I intend to convey with the illustrations I included in the cover page of the epilogue:

- The flower symbolizes the emotions I lived through during my research process.
- The man carrying the world on top of his head and reading the newspaper represents the importance of thinking globally when you want to change the world and conduct research on my specific theme — the globally responsible leader.
- The framework diagram signifies the workshop synthesis of the New Creative Leader.
- The VIAGlobus icon denotes the different management approaches that form what we called Global Responsibility, which is the core content of the social networking portal my partner and I will soon launch.
Reflections about my emotions

I’m thinking that if that night of the Club Nogal terrorist attack had not happened, I most likely wouldn’t be here. During my long year of healing after several surgeries, relearning to walk and move, trying to understand why I was alive; and not only that, being able to walk and move again after a quadriplegia prognosis, realizing that I had a second opportunity to live, feeling how fragile life is, today we are and tomorrow perhaps we aren’t any more.

During my recovery period I began forming the idea of taking a sabbatical. I felt like going back to school and do a second Master that would allow me to write about some thoughts and feelings I was struggling with. My dream was to do this in Boston. Why Boston?

As a consultant I had to travel frequently during ten years to this beautiful city and I was acquainted in some ways with the place. If destiny exists, then I was doing what I had to do, reviewing and reflecting upon my consulting work, the methodologies and the processes used for almost two decades at CEC as an organizational consultant and facilitator of processes for creating values-based citizen corporations. My intention was to compile these reflections and experiences in a document called “The Globally Responsible Leader” and in the development of an online social networking portal named VIAGlobus dedicated to “Values in Action” for Global Responsibility”.

As a result, in this year 2008 I am feeling again as mother with two newly born babies. Suddenly I realize that this is certainly more than what I had expected to accomplish after the stressful situations I lived during the past three years.

I must confess myself that at moments I though that I was swimming against the current: writing about an emerging field that has little literature and creating an Internet portal, which was a totally new experience for me. And all this in the middle of the process filled with difficult family situations, one brother passing away after a long cancer disease, parents extremely affected by this, another brother now also with cancer, my father having an accident, and myself being far away, jumping back and forth to my country (Colombia) attempting to be useful to my family and trying to be creative and responsible with my study and research commitments.

How easy it is to see life in retrospect when parts of the crises vanish or get resolved.

Concluding thoughts about my “walking” through the writing of the Globally Responsible Leader

I learned through my research that the information required for my project is quite fragmented.

Whereas the framework I suggest is contextualized, inclusive, and systemic. This is important because big problems and issues are inherently systemic, and cannot be comprehended with fragmented information nor solved with fragmented solutions.

Following are some of my conclusions:
1. Global responsibility is contextualized
(Read: Chapter 2. Key concepts)

2. Global Responsibility is inclusive.
It integrates the prevailing leadership models/approaches
(Read Introduction: The Emergence and Growth of Global Responsibility)

3. The framework includes the unique attributes of the new leader in four key domains of reflection (thinking and acting in boundary-less space and time; thinking ethically and acting consistently; thinking and acting as a globally responsible citizen; and thinking and acting in extremely innovative and creative ways); and four key domains of action (setting direction, mobilizing individual commitment, building individual; and organizational capacities, and modeling personal attributes qualities).
My overall vision for my project was: To enable stakeholder collaboration for building innovative globally responsible leadership and organizations that are highly profitable, ethical, and sustainable. and meaningful to them and the world
(Read Chapter 4. Framework for Developing Globally Responsible Leadership)

4. I believe that both the business and organizational contexts have changed dramatically; therefore we need a new leadership capable of creating new organizations that produce unconventional results. (Read Chapter 3. An Unprecedented Global Business Context)

- The leaders have to learn how to develop these capacities. Therefore they need methodologies, tools and processes that allow them to monitor the results and how do they accomplish it.
- I have identified the following premises:
  - The new leadership must be capable of creating new organizations that produce new results
### The Globally Responsible Leader

| • Enhance significantly opportunities for increased profitability, growth, reputation, endurance, and |
| • Improve the quality of life and wellbeing of everybody, and |
| • A stronger economy, and |
| • A better conserved ecosystem, and |
| • The removal of major barriers for improving global justice, security, peace, and prosperity |

The new leadership needs new attributes for creating these new types of organizations that produce these unconventional results.

These are related to a new way of thinking, in regard to

| • Ethics |
| • Space |
| • Time |
| • Global Citizenship |

(Read Chapter 4. Framework for Developing Globally Responsible Leadership)

#### 5. My overall vision for my project was:

- To enable stakeholder collaboration for building innovative globally responsible leadership and organizations that are highly profitable, ethical, sustainable, and meaningful to them and the world
- I specified the audience of the synthesis: Those who are convinced with the need for change but do not know how to begin this process nor which new core attributes that have to be developed.
- The framework is designed for all types of organizations and stakeholders.

### Path Forward

Now I am focused on the launch of the VIAGlobus portal, refining the Beta Version 1, and strategizing how to raise funds for further development and operations of the portal.

As I mentioned before, the portal is conceived as the only one-stop business and social networking service where the stakeholders collaborate on the who, what, where, why, and how of implementing Global Responsibility (GR) and putting Values in Action (VIA).

It’s intended to be a vast results-driven service for every type of model and organization—business, government and non-profit of any size—to make global responsibility an innovation for enhanced profits and globally responsible leadership and organizations on mass scale.

VIAGlobus provides a virtual global workshop space, equipped with a member-generated database and a toolbox containing effective and user-friendly tools for implementing individual and group activities with like-minded people drawn from a vast membership community. To make this experience simple, meaningful, and engaging, stakeholders can use the following functionalities built into the portal:

### Social Networking and Collaboration Functionality

Members of VIAGlobus are able to create their own online communities and invite other VIAGlobus members into their group to collaborate with an open source approach on global responsibility issues. This new functionality will be seamlessly integrated into the VIAGlobus database framework allowing members to develop and publish their ideas and projects. Through the creation of individual online communities, these unique features will combine group
based interaction and the facilitation of the development of new searchable data. Creating the group will be done
easily by clicking a link from within the member’s ‘my account’ page.

Stakeholders anywhere will be able to: find the information relevant to them, searching for GR content by
organization, industry, model, stakeholder group, location, keyword, and more; ask questions about any aspect of
GR and learn directly like-minded users through networking around the globe; mix advocacy, business, and
pleasure; and be part of the GR solution with stakeholders across the value chain.

VIAGlobus members will have the opportunity to contribute their expertise, knowledge, information or news to help
answer other members’ needs and questions.

**User-Generated Database**

A user-generated database containing resources and information for learning, benchmarking and innovation:

- **Learning.** Users can easily post, search, access, comment on, and disseminate forward-looking learning
  possibilities to keep constantly abreast of knowledge and information about the Global Responsibility field,
  including upcoming events, publications, videos, research studies, surveys, education programs, glossary terms,
  and more.

- **Benchmarking.** Users can find out the kinds of Global Responsibility (GR) initiatives specific companies are
  implementing and the results they are achieving. They can also find out and comment on what the CEO’s of
  these companies are informing to the public about their GR accomplishments. In turn, companies can easily
  post their yearly Global Responsibility reports for wide dissemination among stakeholders and the public
  general, and discover how stakeholders perceive their economic, social and environmental performance.

- **Innovation.** Users can gain a systemic view of the entire GR market/industry and discover opportunities for
  innovation. On the supply side users can easily post the GR-type services, products and job openings they
  provide. On the demand side users can search for specific products/services they need or jobs offerings they
  are interested in, and contact the respective sources directly, including consultants, trainers, investment researchers
  and advisors, investors, headhunters, and others. Users can find also influential regulator, overseeing, ranking
  and activist organizations in the GR world, can learn about their objectives and strategies, and can contact them
  directly if needed.

**Toolbox**

Users engaged in individual or group activities can access and apply effective and user-friendly tools for stimulating
brainstorming and thinking, planning and managing projects, polling and voting, and communicating.

**Summing up**

VIAGlobus is expected to be a virtual space where its members meet to implement GR through:

- Learning, benchmarking and building innovative and highly relevant leadership and organizational models.
- Conducting business transactions with other members they have been referred to and trust, including customers,
  service providers, partners and investors and others.
- Networking, engaging in conversations, creating support groups, and collaborating.
- Making new acquaintances and socializing.

Further, VIAGlobus is aimed at:

- Being open to all stakeholder groups.
- Integrating all GR-related leadership and organizational models.
The Globally Responsible Leader

- Including all types of organizations—business, government, non-profits, and the rapidly emerging 4th Sector organizations, of any size.

- Being fully interactive.

- Stimulating collective creativity and innovation through open source approaches.

- Providing a relevant database of user-generated contents.

- Moving people away from despair, complaining and blaming and toward taking constructive action to build sustainable organizations and societies for present and future generations.

- Becoming a role model of a dynamic, significant and prosperous business.

VIAGlobus will not only take advantage but will also contribute to both the extraordinary boom of the GR market and the powerful vertical and social networking technologies which, according to Time Magazine, “are not only changing the world, but also changing the way the world changes.”

A Closing Reflection

My synthesis is a key complement of the VIAGlobus Portal. It allowed me to conceptualize and prioritize the contents and functionalities deemed important to the users (stakeholders) interested in searching, meeting, asking and collaborating for building more responsible organizations and making the world a better place.

I am closing this chapter dreaming that next generations could live in this better world and that my two babies—the Globally Responsible Leader and the VIAGlobus Portal—could be part of the solution.

1 ViaGlobus is a business and social Internet networking service to enable stakeholder collaboration worldwide, for creating innovative value-driven leadership and organizations on massive scale, and which will soon go live.

2 I refer to Global Responsibility (GR) as the integration into one inclusive model of the emergent and fragmented models generally known as Business Ethics, Corporate Citizenship, Corporate Social Responsibility (CSR), Eco-Efficiency, Ethics and Development, Sustainable Development, The Best Company to Work For, 4th Sector Organizations, and others.

3 One of the most important social and business clubs in Bogotá – Colombia. This terrorist attack was equivalent symbolically to 9/11, in the Club El Nogal Bogota. Two hundred people badly injured and over 40 dead.


FARC blamed for Colombia club blast

4 Values in Action (VIA) is a methodology I co-developed and applied extensively in many organizations in several Latin American countries when I was a CEC senior management consultant. This methodology helps clarify and bring into action the core values of individuals and organizations by means of four modules: declaring values, disseminating values, living the values, and measuring values.

APPENDICES
APPENDIX 1
Framework for Identifying, Developing and Assessing the Core Attributes of a Globally Responsible Leader

The following matrix is not intended to be an exhaustive list of attributes to be possessed by a globally responsible leader. Rather, it describes the attributes of a hypothetical leader, which I developed for illustration purposes.

<table>
<thead>
<tr>
<th>SPACE</th>
<th>TIME</th>
<th>ETHICS</th>
<th>GLOBAL CITIZENSHIP</th>
<th>RESULTS</th>
</tr>
</thead>
</table>
| Defining the strategic direction |• Understands the effect of decisions and actions in both the immediate and the global social and ecological environments.  
• “Thinks globally and acts locally”. |• Takes into account the needs and preferences of the present generation and anticipates the needs and preferences of future generations |• Thinks always what is the right thing to do in each situation and decision, finds a lucid answer to this question, and shares it widely. |• An overarching guide for aligning stakeholders, creating synergy and stimulate collaboration in a community or organization (See Appendix 2) |
| Mobilizing commitment |• Empowers people to be actively part of— not as observers— of the changes required in the world, and mobilizes the entire organization as a key vehicle to produce these changes. |• Envisages a brand new tomorrow in which today’s problems are essentially absent, and engages all stakeholders in the creation of that tomorrow. |• Possesses moral integrity and is committed to intentionally creating a better future in thought and action through collaborative efforts among stakeholders |• Possesses a love of people  
• Builds collaborative relationships with all stakeholders (not just a few or privileged one’s) |• A critical mass of diverse stakeholders collaborating across horizontal, vertical and external organizational boundaries, to turn the strategic direction into collective action |
| Developing capacities |• Creates conditions for developing boundary-less thinking about space: removing barriers to listening and learning (prejudices, attachments, ego, discrimination, ignorance, etc.); being creating and innovative; and trying "to see the world as it is and not as we are". |• Creates conditions for developing boundary-less thinking about time: expanding the time horizon of thought and feeling; understanding the history and causes of present problems; sensing trends and immediate and distant futures; and realizing that anything we do now affects tomorrow. |• Learns and shows how to integrate values and ethics into everyday workplace activities at all levels. |• Creates an organizational culture that “recognizes, appreciates, values, and engages the unique talents and contributions of all stakeholders”, regardless of age, color, culture, disability, education, ethnicity, gender, language, national origin, race, religion, etc. |• An organizational culture that stimulates the development of globally responsible leadership |
### Modeling the responsible leader

<table>
<thead>
<tr>
<th>Space</th>
<th>Time</th>
<th>Ethics</th>
<th>Global Citizenship</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>• In taking action, demonstrates an understanding and consideration of how it will affect stakeholders and areas around the globe.</td>
<td>• Communicates a clear, vivid and relevant description or picture of where the world is heading and where the organization should be 3, 5, 10, or more years out</td>
<td>• Acts consistently with proclaimed values and principles.</td>
<td>• Is very well informed about world political, social and technological developments, and uses advanced information and communication systems</td>
<td>• A leader whom stakeholders trust, respect, and feel inspired to learn from</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th></th>
<th>Key decisions made considering the needs of present and future generations</th>
<th>Key decision guided or delimited by strong and shared values, and actions and behaviors consistent with these values</th>
<th>Stakeholders concerned with and engaged in addressing three major growing global problems: climate change, global public health, and economic development and poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Key decisions made based on a deep understanding of and respect and empathy for cultural diversity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX 2

Strategic Direction Framework

The Strategic Direction is the overarching guide for all the work of the organization. Its participative construction produces conceptual and emotional commitment. Its constituent elements are Values, Vision, Mission and Capacities.

Values

Values express what is most important to us, what we really care about. They generate mystique, rightness, energy and enthusiasm, and give meaning to life and daily work. While diversity enriches us, values unite us. Values ground our Vision, Mission and Capacities.

Vision

Vision is the manifestation of our values. It permeates the entire organization and whoever shares in it and is committed to it. It is simultaneously a picture of the viable ideal we are striving to achieve, the path we agree to be on, and a field of energy that attracts and influences whoever participates in or encounters it.

Mission

The mission is a statement of the long-range purpose of the organization in terms of what core work is done, what we create or improve with it to meet and exceed the needs --present and future-- of customers and other stakeholders. In short, it is the reason for the existence of the organization.

Capacities

Capacity is developed in three arenas: individual, physical and organizational; together they determine its future potential. Individually this is the capability of exercising skills and knowledge and managing emotions and will to seek our Vision, accomplish our Mission, and act according to our Values.
AN ILLUSTRATION

Strategic Direction of the Port of Buenaventura¹ and the Pacific Coast of Colombia

The following Strategic Direction was created with the active participation of over one hundred people pertaining to different sectors (business, government, NGOs) of society²

Vision

• We dream of a Pacific³ with a community of solidarity and reflexive people who have their own identity and territory.
• We dream of a Pacific with children that are healthy, educated and happy; living in spaces that are clean, safe and pretty; and where fairness and justice reigns.
• We dream of leaders at all levels that are capable of working interdependently to bring our vision to life.

Mission

• To contribute to regional, organizational and individual development through education of the community, business, political and public leaders and with proper institutional support, enabling participants to perform more effectively, responsibly and socially and ecologically committed.

Values

• We value the inhabitant of the Pacific, characterized by his/her value-based global perspective, ideas, sentiments, customs and aspirations for individual and social change. A perspective inspired by: the knowledge of and sense of belonging to the environment; the imagination, dreams, solidarity, hospitality of its inhabitants; the respect for life and dignity; the tradition of their own social, economic and political structures; the vocation for individual and collective work; the respect for the rhythm of nature, culture and traditions; and their uncompromised commitment to the conservation of the natural environment.
• We appreciate both the traditional and the modern worldviews, and recognize the equal importance of both the village and the city and their relations of interdependency.

Capacities

• We will focus our energies on strengthening and developing our skills, behaviors, knowledge, and being, to enable the integral development of the Leaders of the Pacific we dream of —leaders capable of:
  o Imagining and building a better future.
  o Creating strategies and making decisions using appropriate leadership methods.
  o Reconciling conflicts and working in teams.
  o Facilitating effective evaluation processes.
  o Prioritizing common interest over individual interest.
  o Generating conditions for the sustained development of new responsible leaders.

¹ Buenaventura is Colombia’s most important maritime port, with a population of 324,207 (2005 census) and is the size of Los Angeles’ metropolitan area; most of the city’s land is rural with scattered small villages throughout.
² I was part of the facilitating team that helped create the strategic direction
³ Pacific refers here to the entire pacific coast of Colombia. The demographics for this region is mainly Afro-Colombian, it also shelters several indigenous settlements. On the urban areas the most important activities are those of agricultural and industrial in nature, they are related to the fishing industry and the resources such as wood.
Values in Action (VIA) Methodology

APPENDIX 3
THE VALUES IN ACTION (VIA) METHODOLOGY

In order to convert an organization into a Citizen Corporation, we created and successfully applied the Values in Action (VIA)
methodology. It allows the organization to declare, diffuse, measure and put into action personal and corporate values.

VIA is a simple, robust and cost-efficient methodology composed of five modules that effectively serves the following needs of the corporation:

Module I. Structuring the VIA process

To assure that the VIA process is well adjusted to the needs, possibilities and culture of the organization, and to constantly monitor its implementation.

This is accomplished by establishing a Leadership Team including organizational leaders, employees, and CEC senior consultants.

Module II. Declaring the values and associated behaviors.

To make the organizational values and required behaviors explicit, well understood, and ensure the commitment by the Board and top management to live by them.

This requires developing an understanding of the organizational values in terms of how they are expected to be manifested by individuals and groups, prioritizing them according to expected results, and the committing of the Board and top management to model and institutionalize them.

Module III. Diffusing the Values within the Organization and Society.

To widely disseminate and share the values and behaviors among the employees within the organization and other stakeholders in the community, and to seek their commitment to live by them.

Strategies are also developed for sharing the values with other stakeholders outside the organization, including employees’ families, customers, suppliers, distributors, franchisees, stockholders, and communities.
Values possess the marvelous quality that the more they are given away, and lived by, the more they are returned. Therefore, they must be well understood and appreciated and seen in action by people and groups related in any way to the organization.

**Module IV. Living the values.**

To have the stakeholders live the values and behaviors day in day out.

A value has value only if it is manifested with authentic and coherent actions consistent with that value. This module develops strategies and actions for aligning behaviors throughout the organization with the declared values.

**Module V. Measuring and assessing the values.**

To support strategies to share values and behaviors, obtain the backing from key stakeholders to implement them, and to constantly assess progress over time.

Measuring the values in action is essential for choosing the most effective strategies for eliciting democratic participation, cooperation, and support and organizational synergy for them, and for assessing the results of applying these strategies.

It is important to know how the organization members prioritize the values, the levels of consensus among different levels and functions with respect to the priorities, and any gaps between the declared values and the corresponding behaviors.

It is advisable to begin with implementing those strategies that are supported with the highest consensus levels among different groups about what values deserve priority and where there are the widest gaps between declared values and behaviors.
The Values in Action (VIA) Methodology

THE VALUES MEASUREMENT INSTRUMENT (VMI)

In order to assess the health of the organizational values we developed and applied the Values Measurement Instrument (VMI).

Measurement and assessment respond to the need for confidence in a world of uncertainty. Applying solutions without understanding the nature of a problem leads to harmful and disappointing results. In our fast changing world, measurement and evaluation are the best alternatives for preventing erratic action, and for choosing sound corporate strategies and decisions.

The purpose of VMI

The benefits of applying the VMI show up equally in the outcomes and from the byproducts of the processes used. They include:

- **Better understanding of the power of values in action** to produce expected individual, organizational and societal results.
- **Diagnosing the current state of health of values and behaviors**, including: Are they still valid? Are people actually living them?
- **Engaging initially the Board and top management** and then the entire organization in a systematic reflection about the corporate values.
- **Supporting effective strategies** for creating a value-based culture.
- **Backing implementation** of key initiatives and projects for disseminating values.
- **Facilitating the learning** about values and practice of values in our own organization and by benchmarking with others.
- **Monitoring progress** of living the values over time.

How the VMI is applied

- The design and application of VMI is fine-tuned to the strategic direction and the culture of the corporation.
- In very large corporations a sample of the employees, segmented by major levels and functions, is selected for taking the VMI. This is key for comparing the outcomes between different sectors of the corporation.
Depending upon the preferences of the corporation, the VMI can be applied in person or online.

**THE STRATEGIC CUBE**

The VIA Strategy Cube measures three essential factors of values and behaviors:  
- unanimity,  
- priority  
- gap.

**Unanimity.**
- What proportion of stakeholder groups agree on the order of priority of values and behaviors?

**Priority**
- What priority do individuals attribute to each value and behavior in terms of contributing toward achieving expected objectives?
- What priority do the individuals believe that the organizational culture attributes to each value and behavior in different sectors, in terms of contributing toward achieving expected objectives?

**Gap**
- To what degree are the values and behaviors actually practiced in different sectors and by different stakeholder groups.
THE VMI REPORT

The data collected with the VMI is processed and compared between organizations within the corporation, and between functions and levels of each organization. These outcomes are presented in the VMI Report, structured around three sections.

1. The Value Scale

   Ranks the values according to their contributions in producing organizational, operating and business results, and it provides information on:
   
    What values have priority for the participant?
    What values have priority for the organization?

2. Gap and unanimity

   Tells us:
   
    How well are the declared values and behaviors practiced by the corporation’s stakeholders?
    What degree of consensus exists among different stakeholder groups with respect to how they prioritize each value?

3. The Strategic VIA Cube

   Displays:
   
    What are the most effective strategies for putting the values into action and closing their gaps?

   The strategic VIA Cube integrates the three key dimensions of each value — unanimity, priority and gap — and analyses the relationships among them and their impact upon expected results.
THE VIA STRATEGY WORKSHOP

The VIA Report is submitted to the participants, who earlier invested valuable time in completing the Values Measurement Instrument (VMI), during a VIA Strategy Workshop, which may take about four hours, and whose purpose is:

- **Analyze** and **interpret** the information provided in the VMI Report.
- **Derive** conclusions about the state of health of the operating and ethical values in the organization and their relationship with the business results.
- **Suggest** strategies to create, prevent, maintain and/or discontinue, processes, systems and structures aimed at improving corporate results (return, growth, prestige, sustainability), by means of living up to the values. It is advisable to begin implementing strategies related to those values showing the highest consensus in regard to priority and having the widest gaps.

---

1 Values in Action (VIA): CEC International Methodology. (1990-2006)
Appendix 4

Dramatization for Contrasting the Attributes of Both Conventional and Globally Responsible Leaders

An Illustration

Following is a dialogue between two leaders: one is the New Creative Leader, the other the Old Mainstream Leader.

<table>
<thead>
<tr>
<th><strong>Green</strong> represents the “New” Globally Responsible Leader with a creative and ethical way of thinking. This leader has the preference to continue—as in traffic lights—because he/she is in the right path.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yellow</strong> represents four “Unique Attributes” of the Globally Responsible Leader. This leader, no matter in which type of organization he/she works (private, public, NGO, community), must always be aware of modeling these attributes.</td>
</tr>
<tr>
<td><strong>Red</strong> represents the “Old” leader, who must stop being and acting in the way he/she has until now.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>The “New” Leader</strong></th>
<th><strong>The “Unique Attributes” of the “New” Leader</strong></th>
<th><strong>The “Old” Leader</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROFILE:</strong></td>
<td></td>
<td><strong>PROFILE:</strong></td>
</tr>
<tr>
<td>It is very important to <strong>re-create</strong> the way I’m doing things.</td>
<td></td>
<td>I am a leader “Model 1970”. I have some old bad habits, but I don’t care. I just love to be like this. And I’m not going to change.</td>
</tr>
<tr>
<td>I have heard about <strong>Values in Action (VIA). Yes!</strong> My actions and behaviors must be consistent with the values I declare. This builds <strong>trust.</strong></td>
<td></td>
<td>I’ve always been thinking first in my own personal benefit, and second in my organization’s benefit, or my community’s benefit. And I have been very successful! My behavior is egocentric and competitive: first me (and my pocket) and then the rest.</td>
</tr>
<tr>
<td>I must not be <strong>selfish.</strong> I must be aware that my decisions affect others in the workplace, my community, my country, and the world</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I must be <strong>conscious</strong> that my decisions are going to affect the next generations,</td>
<td></td>
<td>a) You are asking me to think about New Orleans and how this affects Latin America, and the rest of the world?</td>
</tr>
<tr>
<td>a) Did the leaders involved in Katrina’s disaster think in different dimensions of space?</td>
<td></td>
<td>1. <strong>Thinking in boundary-less dimensions of space.</strong> How the</td>
</tr>
</tbody>
</table>

1. **Thinking in boundary-less dimensions of space.** How the
### The Globally Responsible Leader

<table>
<thead>
<tr>
<th>The “New” Leader</th>
<th>The “Unique Attributes” of the “New” leader</th>
<th>The “Old” Leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearly, the Katrina hurricane did not affect only New Orleans. It had a global impact. For example, it affected the price of oil all over the world, and this increased the cost of practically everything, thereby augmenting the cost of living of millions of people and contributing to increased poverty, illness, emotional distress and insecurity, to say the least.</td>
<td>decisions in one place affect other places on the planet (i.e., the economic situation in Asia affects the situation in Latin America; the contamination in the US affects Canada, etc.).</td>
<td>Why should I have to think about all this, if the President, the Governor, the Mayor didn’t? They had two years to prevent the disaster, and I pay their salaries with my taxes. That is their responsibility, not mine. Why should I have to be concerned about the whole country, or the whole world?</td>
</tr>
<tr>
<td>b) Do you as parents and teachers explain your students how to analyze in a systemic way the consequences of consuming drugs? Do you realize that drug production, distribution, and consumption constitute a geopolitical problem? If there is a demand there will always be a supply, either open or underground. This is a market economy principle. For example, if the USA continues to consume drugs the cartels in Afghanistan and Colombia will continue delivering them to the consumers, supported directly and indirectly by guerillas, terrorists, ignorant and corrupt individuals, companies (i.e., chemicals, arms, banks), and other organizations.</td>
<td>b) Yes, I understand the drug cartel in Colombia exists because there are consumers of drugs in the USA and other countries. “Thank god the Afghans and Colombians produce such exquisite drug and that we are free to do what we like most.” The marihuana was so good business that we decided to cultivate it here in the USA and are now the first producer in the world. This is free competition for creating wealth, you know? Perhaps we could think doing the same with the cocaine and heroine.</td>
<td></td>
</tr>
</tbody>
</table>

---

### The Clock is Moving

Are you aware that the temperature of our planet earth is going to increase in 5.8 Centigrade in the next century? The Kyoto protocol signed by 140 countries intents to reduce emissions in 5.2% between 2008 and 2012.

| 2. Thinking in boundary-less dimensions of time. How to solve problems and make decisions that satisfy present needs and expectations without jeopardizing | I am not going to be alive when the floods will happen, so what! I am not going to be alive when the earth will not have sufficient oxygen to breath and water to drink, so what! |

---

Bertha Lucia Fries
The Globally Responsible Leader

<table>
<thead>
<tr>
<th>The “New” Leader</th>
<th>The “Unique Attributes” of the “New” leader</th>
<th>The “Old” Leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you know what is likely to happen if we do not change? Entire cities, countries, continents are going to disappear under water because of massive floods. Due to the contamination produced by business—filling the air with poisoning substances, plundering the green forests that clean the air, and exterminating species that help maintain a natural balance—the atmosphere is heating up and the Polar ice is beginning to melt. The planet is ill. The ozone layer is having a big hole. In the meantime other consequences of this are, for example, the increase of skin cancer, of floods, and of new illnesses such as the bird flue, zars, etc. The World Health Organization states that in Asia thousands of people are dying each year because of illnesses transmitted through mosquitoes that are steadily increasing due to floodwaters.</td>
<td>future needs and expectations (i.e., depleting natural resources, such as oil, without concern for using oil more efficiently and/or creating alternative sources of energy).</td>
<td>Let the future generations deal with this. That's their responsibility, not mine.</td>
</tr>
<tr>
<td>Are you aware of what is at stake at the world trade negotiations? One key issue relates to the production and distribution of generic medicines in poor countries. Presently badly needed drugs in these countries are protected with patents for a period of five years.</td>
<td>3. <strong>Thinking ethically and acting consistently.</strong> How decisions must be limited by strong values, and how actions and behaviors must be consistent with the values we declare. This builds trust in organizations and society, which in</td>
<td>Are you suggesting that I need to be more concerned about the health of the people than of my company’s profitability? Why should we give the medicines with a special price to the people in Africa and other poor regions? They are solely responsible for having VIH, not</td>
</tr>
</tbody>
</table>

Bertha Lucia Fries
The “New” Leader | The “Unique Attributes” of the “New” leader | The “Old” Leader
---|---|---
year. Thereafter, the same drug may produced and commercialized generically, namely not any longer under a particular brand and at much lower price for the consumer. However, in the current international trade negotiations multinational corporations and their respective governments are using their power to increase the five year period to ten years.
What does this mean?
It means that pharmaceutical companies want to continue reaping off enormous profits in detriment of the health and wellbeing of millions of people.
It means also that in the long-run, these same companies plus many others will have less possibilities for growth because of the limited international demand for their products and services created by unhealthy and unproductive populations.
Statistics show that one of three persons suffers from high cholesterol levels. And only the rich people can afford the cholesterol medication.
b) The recent corruption scandals of enormous proportions involving company boards and top management have contributed to further corrode trust in corporations on the part of investors, clients, suppliers and the general public. More than ever before companies now seek to effectively manage their reputation, a capital as important as the financial capital. In a global turn is essential for building social capital and achieving sustained development.
us. 83% of all the deaths caused by AIDS occurred in Africa.

b) Scandals. Yeah!! Those guys at Enron were so stupid. A business (Machiavellian!) principle related to corruption is: be corrupt but do it well - not stupidly- letting you to get caught!!! Because, as Milton Friedman, Nobel Prize winner in economics, expressed in the New York Times Magazine:

“There is one and only one social
### The “New” Leader

- Market reputation management is a key factor of company leadership.
- What is amazing is that many of these companies declare having high ethical standards. Yet their behaviors do no correspond to these declarations.
- The “New” leader is the first one in recognizing this gap, in trying to close it and in acting consistently. Indeed, he/she makes conscious efforts for becoming a respectable and trustworthy role model for their families, organizations, communities and society at large.

---

“...In every historical era, many people have sought to carry out good work. It has always been true that some people do their work expertly but not very responsibly.”

---

**How will we close the gap between the rich and the poor?**

More than 1 billion people live on less than one dollar a day and an additional 2.7 billion struggle to survive on less than two dollars per day.

**How will we solve the immense problems of health, hunger, and poverty of the world?**

### The “Unique Attributes” of the “New” Leader

### The “Old” Leader

- Responsibility of business -- to use its resources and engage in activities designed to increase its profits.”
- Besides, I trust my friends who think like me and are as corrupt as myself.

### The “Old” Leader

- Responsibility of business -- to use its resources and engage in activities designed to increase its profits.”
- Besides, I trust my friends who think like me and are as corrupt as myself.

---

**4. Thinking as a socially responsible citizen of the world.** Realizing that the growing gap between the poor and the rich is the single most important problem on earth that must be solved, not only for humane reasons but for pragmatic reason as well. Closing this gap will foster

**Poverty has always existed and will continue to exist for ever and ever. Only the strong survive and evolve; the weak are left behind and eventually disappear. This is a Natural, or Divine, or Scientific Law.**

If I were unable to purchase the newest Mercedes Benz car, what would my clients, bankers, and friends going to say?

Let me remind you that I am a fervent follower of Milton Friedman the Nobel prize 1970 winner in
The United Nations Millennium Project, directed by Jeffrey Sachs, was commissioned by the Secretary General as an advisory body to develop a plan to achieve the Millennium Development Goals. If the goals are met, it is estimated that more than 500 million people will be lifted out of poverty, 250 million people will no longer suffer from hunger and 30 million children and 2 million mothers who might have been expected to die will be saved.

While the goals of the Millennium Project are encouraging, is it reasonable to expect that they will be achieved? What are the steps that those involved in the Millennium Project are taking to ensure success given the financing that will be needed? What is the role of the international community? What is the role of the “New Leader”?

The “Unique Attributes” of the “New” leader

wealth, wellbeing, dignity, security and peace worldwide.

If my goal is to increase profits, how can I spend money on the poor?

This Friedman really changed my life!

The 20 percent of people living in high-income countries consume 86 percent of the world’s goods and services. The poorest 20 percent, by contrast, consume just 1.3 percent.

In Latin America poverty has increased at the following levels:

BID:7

<table>
<thead>
<tr>
<th>Year</th>
<th>Indigence</th>
<th>Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>17.0%</td>
<td>42.1%</td>
</tr>
<tr>
<td>2001</td>
<td>18.8%</td>
<td>43</td>
</tr>
<tr>
<td>2002</td>
<td>20.0%</td>
<td>44</td>
</tr>
</tbody>
</table>

De 2000 a 2002 se generaron 15 millones de nuevos pobres.

The “Old” Leader

economy. Remember again what he so wisely stated:

"There is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits."

If my goal is to increase profits, how can I spend money on the poor?

This Friedman really changed my life!
The Globally Responsible Leader


The Globally Responsible Leader

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FORTUNE Magazine (09.06.2004) The Unmaking of the Un-Enron Duke Energy seemed to be doing deregulation right, but it turned out to have its shady side as well. Can the ultimate widows-and-orphans company ever recover?


Bertha Lucia Fries  74  Critical & Creative Thinking


Virtual

<table>
<thead>
<tr>
<th>Website</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.bitc.org.uk">http://www.bitc.org.uk</a></td>
<td>Business in the Environment (BiE)</td>
</tr>
<tr>
<td><a href="http://www.calvert.com/">http://www.calvert.com/</a></td>
<td>Calvert Social Index</td>
</tr>
<tr>
<td><a href="http://www.cecinternational.com/">http://www.cecinternational.com/</a></td>
<td>CEC International Web</td>
</tr>
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<td>Corporate Register</td>
</tr>
<tr>
<td><a href="http://www.fourthsector.net">www.fourthsector.net</a></td>
<td>Businesses Try to Make Money and Save the World,</td>
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<td><a href="http://www.facebook.com/friends/">http://www.facebook.com/friends/</a></td>
<td>Facebook Inc</td>
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<td><a href="http://www.ftse.com/Indices/index.jsp">http://www.ftse.com/Indices/index.jsp</a></td>
<td>FTSE4Good Index Series</td>
</tr>
<tr>
<td><a href="http://www.globalreporting.org/Home">http://www.globalreporting.org/Home</a></td>
<td>The Global Reporting Initiative (GRI) has pioneered the development of the world’s most widely used sustainability reporting framework. This framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.</td>
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<tr>
<td><a href="http://www.jantzisocialindex.com">http://www.jantzisocialindex.com</a></td>
<td>JSI Jantzi Social Index</td>
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<tr>
<td><a href="http://www.lafogata.org/alca/desastre.htm">http://www.lafogata.org/alca/desastre.htm</a></td>
<td>Advierte nobel alternativo, Manfred Max-Neef</td>
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<td><a href="http://www.lohas.com">http://www.lohas.com</a></td>
<td>Acronym for Lifestyles of Health and Sustainability</td>
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<td>Mashable social network news</td>
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<td><a href="http://www.msnbc.msn.com/id/20254745/">http://www.msnbc.msn.com/id/20254745/</a></td>
<td>Msnbc Mattel issues new massive China toy recall</td>
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<td><a href="http://www.netimpact.org/">http://www.netimpact.org/</a></td>
<td>Net Impact is a global network of leaders who are changing the world through business</td>
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<td><a href="http://news.bbc.co.uk/2/hi/americas/2741105.stm">http://news.bbc.co.uk/2/hi/americas/2741105.stm</a></td>
<td>FARC blamed for Colombia club blast</td>
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<td><a href="http://www.sri-advisor.com">http://www.sri-advisor.com</a></td>
<td>The Citizen Index</td>
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<td>Sarasin Bank</td>
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<td><a href="http://www.sustainability.com">www.sustainability.com</a></td>
<td>SustainAbility is a strategy consultancy and independent think tank specializing in the business risks and market opportunities of corporate responsibility and sustainable development</td>
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<td><a href="http://www.theecoa.org">www.theecoa.org</a></td>
<td>The Ethics and Compliance Officers Association (ECOA)</td>
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<td><a href="http://www.thecro.com">www.thecro.com</a></td>
<td>The Corporate Responsible Officer (CRO) association</td>
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<td><a href="http://www.viaglobus.com">www.viaglobus.com</a></td>
<td>VIAGlobus business and social networking</td>
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<td><a href="http://www.wbcsd.org">www.wbcsd.org</a></td>
<td>The World Business Council for Sustainable Development</td>
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