Leadership Decision Making and Business Development:
What should be considered nowadays to assist business development?

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Abstract

The advent and aftermath of the global financial crisis has placed in sharp focus the effectiveness of leadership decision making. Decisions made by leaders which have profound effects on the operation and stability of the organization need not only be efficient, but effective. New factors and issues have been identified to become more significant in a leader's decision making process. The increased rate of changes in technology and regulations, increased stakeholder awareness, both internally and externally challenge more leadership decision making. The success or failure of a course of action can be determined by factors totally outside the realm of control of a leader. In this increasingly competitive environment where information and knowledge continue to expand exponentially, a cognizance of these factors and issues arising from them may assist leaders improve the effectiveness of decision making. This paper reviews issues of context of effective leadership nowadays, identify the factors that contribute to this effectiveness and the leadership style and issues which are important for an effective leadership decision making in the era of globalization and financial crisis.

1. Introduction

Over the last few decades the business environment has changed significantly. Many organizations have faced the effects of the global financial crisis: layoffs, decreased engagement levels, an imminent retirement of current skill set in their labour pool, fear, and a lack of confidence in leadership decisions have caused organizations and leaders to redefine who they are, refresh their leadership perspectives and re-evaluate how to engage and lead their teams. Every day, leaders make decisions in various areas that affect their organizations and its employees. Their decisions influence corporate strategy, change, workforce structure, competitive advantage and company health (Frohman, 2006). However, decision-making for leaders in a crisis situation, such as the global financial crisis of 2007, takes a different dimension to traditional decision making, because during crisis uncertainty, confusion and fear affect organizations and employees; while the leader is required to make effective decisions within a limited amount of time (Sayegh, Anthony, & Perrewe, 2004). Nowadays, this (decision making under crisis) has been coupled with the added strain of globalization, where businesses are affected by events far removed from the reach of its own actions. Organizations now operate in varying degrees of multi-ethnic societies, where the behaviour and attitude of stakeholders and employees in the organization are affected by factors completely extrinsic to its immediate environment (Zorlu & Hacioglu, 2012).

Sustaining effective teamwork, job satisfaction, productivity, efficiency, motivation, coordination and synergy throughout these ethnically diverse business units, during times of crisis come with its own unique challenges for the "modern day leader". Furthermore, in this era of globalization, organizations are subject to increased competition. Access to identical resources, business processes concentrating on similar standards, and new driving forces resulting from more varied and sophisticated consumer populations, stakeholder and regulatory requirements have all increased the pressure on leadership decision making. Effective leadership decision making is increasingly becoming an important contributing factor

to increasing competitive advantage in the business environment today (Wiig, 2012). As the effects of the global financial crisis which rocked the world in 2007 are still being felt today, new management skills and leadership talents are highly valued as there is never enough time to collate and examine all relevant and available information before making decisions (Hymowitz, 2001). New challenges, competencies and demands are being placed on leaders and the decisions they make. The Transformational, Transactional, Relational and Influential leadership theories are morphing into new theories such as "Charismatic Leadership" (Goertzen, 2012). Taking into account these current challenges of globalization and the financial crisis, what are the new definitions for effective leadership decision making nowadays?

2. Effective leadership decision making nowadays

Despite extensive research, a concise and widely accepted definition of leadership effectiveness is difficult to come by because it is a concept that attempts to encapsulate a widely differing number of contextual components. Multiple interpersonal contingencies, personal and interpersonal behaviours and context based "effectiveness" are some of the issues it tends to encapsulate. Cooper and Nirenberg (2012) attempted to define effective leadership as the ability to influence others to accomplish goals which benefit all stakeholders in a manner that is mutually beneficial to all parties. Despite the subjective nature of leadership effectiveness, there are visible success factors associated any evaluation of effective leadership decision making. An organization's accomplishments, financial results, and reputation are indicators of effective leadership. In addition, Cooper and Nirenberg (2012) and Kotter (1996) emphasize that an effective leader also creates a sustainable environment that continues to excel after the leader leaves the organization. They emphasize further that the result of effective leadership is ultimately the creation of a harmonious cooperation between customer, employee, organizational goals and environmental conditions in order to succeed in the market. The core elements that define the post-financial crisis; global era – ambiguity, urgency, social complexity, increasing changes in social and stakeholder complexity and stakeholder priority give rise to important factors that that must be considered in order to improve leadership decisions in our world today. These factors have taken on increasingly important positions in the way leaders make decisions. In the past, decisions made without a careful consideration of all these factors could be acceptable and not lead to any serious business damage, the tide has turned. These factors include: Business Conditions, Political Conditions and Cultural Dynamics (Schraagen, J van de Ven, J. 2008).

Business Conditions

The impact of globalization has led to a careful study in the different perspectives of the business environment in which an organization operates. Whether an organization terms itself as multinational or transnational, there a few views of business which can be viewed as universal. This must in itself, affect how a leader makes decisions, develops and constructs alternatives and decide on plans of action. Practices, strategies or perspectives that are acceptable in a particular business environment maybe be unacceptable in other environment. A newspaper in Nigeria may praise an organization on increasing shareholder value through its efficient global supply, while a newspaper in America may attack the human costs involved with factory closings in its immediate environment. As globalization is a constantly changing phenomenon, leaders must learn to review their assumptions about how business is done in other parts of the globe. Simply being cognizant of these conditions does not provide any assistance to the leader. A leader must make himself aware of theories, analysis and current business developments made by international and local scholars over time to properly familiarize themselves with these conditions in order to improve their decision making.

Economic Conditions

The economic interaction among countries and the effect of the global crisis is a condition that a leader must be aware of while making decisions. Industrial and Labour practices, Trade Policies and Organizations, the increasing importance of Non-Governmental Organizations must be included in the big picture of decision making. The economic conditions of the varying countries an organization is involved in may lead to a different approach being appropriate for the different economies. As more and more companies today operate in developing economies, business strategy must be aware of these conditions and act appropriately.

Political Conditions

The impact of governmental policies on business nowadays cannot be overestimated. Governments, and by extension, politics are involved in the shaping of tax policies, the implementation of monetary and fiscal policy, act as judicators where disagreements arise. Businesses have begun to recognize the importance of governmental politics on business, as evidenced by the monies spent on lobbying, grassroots campaigns, action committees, etc. An integrated strategy as espoused by Baron in 1995 is a framework that can be used to measure how business interacts with governments. Recent events, such as the unrest in Nigeria, Iran and Libya, where international companies invested billions of dollars provide concrete evidence of this. Companies were able to operate in peace while the political situation of these countries was stable but became precarious when things became uncertain.

Cultural Dynamics

Compensation expectations, appropriate management practices, employee participation, work/life balance are all things that can be influenced by culture. The way individuals and employees of a company experience the world around them might give the leader an advantage in his decision making. Employing a top-down or bottom up method of evaluating the prevailing cultural biases of an organization is a helpful tool in improving decision making. This can give the leader a fair knowledge of techniques and strategies that are most likely to be productive in a given culture, and how and when these have to be modified before being executed in different locations around the world (Blumentritt, T. (2011) James E.& Wooten L., (2004)).

3. Issues arising

The above factors have pre-empted several issues which must be addresses in the post financial crisis/global era. These include the development of: a Foundation of Trust, a Critical Global Thinking Mindset, Ethical and Social Responsibility, Partnership/Relationship Building, Shared Leadership and Learning from Crisis (James E.& Wooten L., (2004); Blumentritt, T. (2011); Schraagen, J van de Ven, J. (2008)).

3.1 A foundation of trust

As evidenced by The Edelman Trust Barometer, trust in business plummeted across the globe in the wake of the 2007-08 financial crisis. Previous literature asserts that "no matter how brilliant the strategy may be, unless the business team understands and accepts it, performance will suffer (Alkhafaji 1997, p. 193)." Trust and confidence in a leader leads to a wholesome acceptance of the decisions they make. Lack of trust causes employees to be wary, and reluctant to engage in risktaking. This, in turn can hinder collaboration, exasperate the inefficiencies of monitoring, reduce innovation, damage inter-personal relationships and reduce the effectiveness of leadership decision making (Edelman, 2012). The need for employees to feel secure means that business leaders are required to create an environment of trust both internally

and externally. Openness and a desire to share information gives employees and stakeholders that element of trust. However, sharing of information can be sometimes detrimental to the leader and the firm (James E. & Wooten L. 2004). A leader can also demonstrate trust worthiness by enforcing a technical competence in the company operations (ability), showing positive motives and a true concern for all stakeholders (benevolence) and honesty and fairness in its affairs with others. (integrity) (Dietz, G. & Gillespie, N. 2012).

3.2 A critical thinking global mindset

In 2005 Thomas Friedman asserted that the world had become flatter. The explosion of corporations around the world validates this notion. Partnerships, Joint Ventures, Strategic Outsourcing are creating new global models which now shape the definition of an effective leader. Although qualities of effective leadership such as communicating a shared vision, integrity, an emphasis on results and focusing on customer satisfaction will still be applicable for a long while, new paradigms are emerging which are shaping the thinking of leaders nowadays. The dramatic increase in global trade and integrated global technology have been presented as key issues that have reflected the need for a for a leader who is not only effective in traditional management skills, but have new skills, knowledge and most importantly, a mindset that can handle the new complexities brought on by moving and thinking beyond one's borders. (Friedman, 2005; Cohen, 2010; Goldman & Walt, 1999). Global critical thinking involves the appreciation and a deep understanding of cultural diversity, flexibility and open mindedness and a correct understanding of the situation in its context. Leaders must understand the not only the strengths and weaknesses of their followers, but they must understand their cultural biases and limitations. Delegating a job to a male in a culture where that job is normally associated with a woman can lead to decreased effectiveness of a leader. Critical thinking which is the application of thinking skills to leadership decision making in differing situations is imperative in the world we find ourselves. Critical thinking helps leaders understand the increased role stakeholders have at every level of decision making in the modern era (Jenkins, 2012; Peterson, 2004). Figure No. 1 shows actions for global critical leadership.
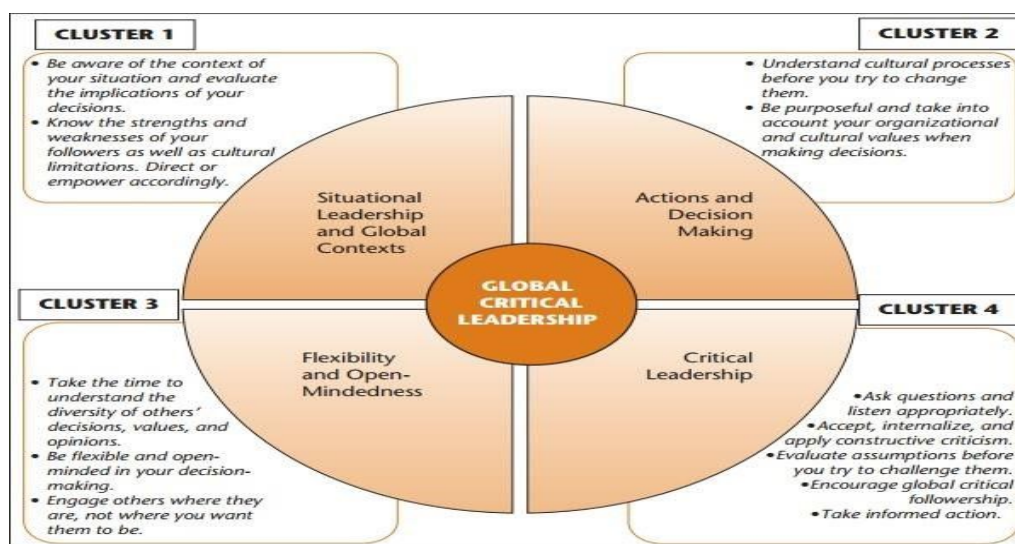

Figure No. 1 (Jenkins, 2012)

3.3 Ethical and Social Responsibility

No longer is it acceptable for organizations to build economic prosperity in isolation. They are required to nowadays, be responsible for the effects of this prosperity on the

environment, the society and the individual agents impacted by its actions. There is also increasing pressure to these organizations to apply "Sustainability" to its overall activities. Sustainability refers to the activities of an organization, most of the time considered voluntary, which demonstrates the incorporation of social and environmental concerns in business operations and its interactions with stakeholders (Van Marrewijk & Verre, 2003). Staying committed to these obligations of sustainability, ethical and social responsibilities have forced organizations to reshape their framework, thinking and decision making models. The importance of the corporate identity (which is shaped by the leader's decisions) and ethics on is relationships with increasingly important stakeholders such as activists, environmentalists and the likes are self-evident (CCL). Leaders can employ two basic relationship models in their interaction with stakeholders. An Inside-Out approach: building ethical and social responsibility across all decision making boundaries in an organization, allowing them to reside in the organization. In this case, communication with stakeholders is to deliver already developed or even implemented social responsible decisions. Another method used is developing these socially responsible decisions with the involvement of the stakeholders. The stakeholders are actively involved in sustainable development for the organization and the environment. (Morsing et al., 2008)

3.4 Partnership building

Developing, negotiating, managing and maintaining increasingly complex alliances have not only become more important but have become a factor in the survival of business today and in the future. Joint Ventures, Strategic Alliances, R&D Consortia, Franchising, Licensing, Equity Investments are types of relationships that have become common place in the business environment today. These relationships are becoming more and more inter-industry aligned, and the lines are getting seriously blurred. Cross over relationships and dependencies are becoming the norm. As organizations realize the importance of these partnerships, spaces have opened up for leaders to become more aware of the partnerships they make. The leader must ensure that these partnerships are beneficial to all, and must not allow potential partnerships escape his grasp (Cohen, 2010). The proper management of these partnerships on the other hand, is a competency that a leader must develop in order to be effective. Mismanagement can result in dire results for the company. The partnership of BP and Haliburton in the Deepwater Spill is an evidence of poor management of a partnership. Quaker's acquisition of Snapple can also be evidence of the overconfidence of a leader in his abilities to manage a partnership (Burns, 1996).

3.5 Learning from Crisis

Even though it is quite possible for an organization to experience a period of relative calm and prosperity in the aftermath of a crisis, it is important for the leader to develop the habit of learning from crisis (e.g. The Global Financial Crisis). Effective leaders nowadays should know how to turn an otherwise negative event into a growth and learning experience for the leader and the organization at large. This learning should be an attempt by the leader to understand the underlying factors, both internal and external, and then using this insight to promote change in organizational systems and procedures. In this age of class action suits, diversity and activist involvement in business; a failure to learn from crisis and effect change in the culture of an organization can lead to disaster. Although focusing on events in the past rather than looking forward to the future is a barrier and placing emphasis on the resolution of crisis rather than the cause of it can be barriers to leadership and organizational learning; it is imperative on leaders to develop the habit of adequate learning and instilling this in the culture of the organization. Instilling a learning culture reduces the chances of making the same

mistakes from the past, influences decision making and makes it more effective, encourages self-initiated activity inside the organization and increases intra company communication (Wooten & James, 2008).

3.6. Shared Leadership

The advent of partnerships has made leading from above a fixed hierarchy obsolete. With more and more cases of global expansion, organizational mergers, organizational restructuring, a broad base of knowledge and expertise have become important. Leading across a fluid and diverse network of shared leadership responsibilities is a new dimension that has been added to effective leadership. Shared Leadership is the maximizing of all the human resources in an organization by delegating leadership positions to individuals and allowing the opportunity to take leadership decisions in their field of proficiency (Marshall, 2010; Cohen, 2010). In many cases nowadays, the challenges companies face are so diverse and complex that the set of skills that are required to tackle them are too broad for one individual to possess (O'Toole, 2002). The diversity of thought in decision making, the utilization of specific strengths across board, and the reduced stress on leaders results in more effective leadership nowadays. The development of new ventures has been said to be positively impacted by shared leadership (Ensley et al, 2006). Although shared leadership can be affected by issues such as implementation, difficulty in decision making, groupthink, shared leadership is an ongoing, fluid process and requires innovation and reevaluation to be able to respond to an ever-changing environment (Scott & Caress, 2005). The concept of knowledge workers – workers who know more about the job they do than the manager; has heightened the need for the leader to share the process of making decisions with these set of workers. As these workers have little or no organizational loyalty, it is important for the leader to be aware that as well as the competition for products and services in the market in which it operates, there is also competition for hiring and retention of important talents as this is a source of competitive advantage for companies nowadays.

3.6.1. Shared Leadership

Due to the global nature of work and diversity, the need for individuals and teams to effectively operate in a multicultural level has been seen increasingly urgent (Spitzberg & Changnon, 2009 as cited in Ramthun & Matkin, 2012). Starting from Follet's (1924 as cited in Ramthun & Matkin 2012) approach recommending team members to follow the person with the best knowledge for each situation rather than the hierarchal leader, shared leadership has been considered as a feasible complement to vertical leadership. By broadly sharing power and influence among a team of individuals, shared leadership differentiates from vertical leadership's process of centralizing power and influence onto a single, dominant person (Pearce et al., 2009 as cited in Ramthun & Matkin, 2012).

Therefore, members are influenced in all directions through the decentralization and distribution of leadership (Locke, 2003 as cited in Ramthun & Matkin, 2012).This model of leadership enables subordinates to not only exhibit leadership behaviours but also act in the role of follower in order to support other leaders' leadership contributions (Ensley, Hmieleski, & Pearce, 2006 as cited in Ramthun & Matkin, 2012). Shared leadership can also emerge due to situational factors such as team member knowledge, skills, abilities, culture and environmental complexity (Pearce & Conger, 2003 as cited in Ramthun& Matkin, 2012). It contributes to adaptability enabling members to lead and follow as the situation dictates. This aspect of shared leadership enables the theory to complement organizations primarily subscribing to the vertical leadership process (Ensley et al., 2006 as cited in Ramthun &Matkin, 2012).

Shared leadership can be regarded as a dynamic interactive influence process among individuals in groups where members lead one another to achieve organizational objectives (Pearce & Conger, 2003 as cited in Hoch, 2013). Thus, instead of focusing on downward influence, team members influence others in all directions through the decentralization and distribution of leadership (Carson, Tesluk, & Marrone, 2007 as cited in Ramthun & Matkin, 2012). In contrast to vertical leadership, which describes formal and hierarchical top-down leadership of external team leaders, relatively little is known regarding antecedents and outcomes of shared leadership (Carson et al., 2007 as cited in Hoch, 2013).

In addition, leadership is normally shared across the various partners or members, making it hard for a single individual of one entity to lead. Furthermore, the new generation of organizations built around alliances and joint ventures require strategic visions shared and shaped by multiple parties, as in such cases, there is rarely a single senior leader shaping the vision of the alliance. Thus, the creation of the vision for the organization is not necessarily the sole prerogative of the top leader (Pearce et al., 2007).

Also, emerging research shows that when vision is created collectively through shared leadership does not only have a powerful influence on team performance (e.g., Pearce &Ensley, 2004 as cited in Pearce et. al., 2007), but also, the involvement of top management team members in the creation of the organizational vision can be more important than the actual vision itself in explaining firm performance (Ensley & Pearce, 2001 as cited in Pearce et al., 2007). Thus, if people are well motivated and possess the necessary knowledge skills and abilities, a vision created collectively by the team is more powerful than one imparted from above. Shared leadership process offers a better overall system that can cope with the shocks and disturbances of this uncertain era, like crisis situations, and also if the top leader departs from the group, there will be a quick and efficient replacement by someone who understands the organization (Pearce et. al., 2007).

In modern organizations, many workers of different backgrounds work together, with women and minorities becoming more significant in the workforce. Thus, diversity is a domain that researchers and practitioners cannot ignore (Loden & Rosener, 1991 as cited in Lee et al., 2014). Hence, as there is an enhanced need for employees of different occupational backgrounds to work together (Dean & Snell, 1991 as cited in Lee et. al, 2014), shared leadership is becoming an important model of leadership in this era. Adler (2002 as cited in Ramthun & Matkin, 2012) argues that cultural differences is an asset that can improve shared leadership in multicultural teams. Thus, as leaders acknowledge and support cultural differences, effectiveness in creative tasks increases in culturally diverse teams as possessing the ability to recognize and operate under multiple identities in a multicultural environment; team members with high intercultural competence meet the challenges of cultural difference and inspire positive multicultural team performance. Thus, by seamlessly surpassing cultural difference in teams, individuals with high intercultural competence eradicate barriers to shared leadership and facilitate distributed influence, which is important in this global era and can lead to the improvement of business.

3.6.2 Benefits of Shared Leadership

Knowledge sharing happens when an individual spreads his or her obtained knowledge to other members within an organization (Ryu, Ho, & Han, 2003 as cited in Lee et al., 2014). Factors that influence an individual's willingness to share knowledge include costs and benefits, incentive systems, extrinsic versus intrinsic motivations and trust. The longer a team has been together and the higher the level of team cohesiveness, the more likely it is that team members will share knowledge, which can be useful in a crises and in diverse organizations (Sawng, Kim, & Han, 2006 as cited in Lee et al., 2014).

While creativity at the individual level is pertinent to a situation, creativity at the social team level results in new scientific findings, invention and movements in art (Sternberg & Lubart, 1999 as cited in Lee et. al, 2014). Thus, team creativity is a comprehensive idea that includes new and useful ideas, and procedures in an interactional working environment, which can lead to innovation and thus the development of the organization. Therefore, diversity, shared leadership, and knowledge sharing influences team creativity, which can be helpful in a crisis situation and promote innovation in the daily workings of the organization (Lee et al., 2014).

Furthermore, as shared leadership appears mainly in team – based work structures, and is suitable for dealing with changes and competitive environments, (Pearce 2004 as cited in Hoch, 2013), a possible outcome can thus be team innovative behaviour which is important as it influences organizational capability to adapt to change and remain competitive in the changing surroundings (West and Farr 1989as cited in Lee et al., 2014).

4. Shared – Leadership, Creativity and Business Development

Organizations need to be aware of the current business environment as change is inevitable and has to occur inside the company as well, if survival or success is to be achieved, regardless of the changing business conditions (Andron, 2013). Leaders are intuitive and emphatic and are always in search of change and new ideas in order to make their organization more effective (Andron, 2013). Accordingly, creativity can be defined as the ability to produce works that are both novel and useful (Lubart, 1994 as cited in Lee et al., 2014) and can be utilised in order to improve decision - making and crisis decision – making. The importance of creativity can also be heightened in shared leadership. Multiple studies have indicated positive links between shared leadership and effectiveness as in comparison to vertical leadership (Ramthun & Matkin, 2012). Generally, leadership displays itself as a single designated individual. Nevertheless, some scholars (Pearce& Conger, 2003 as cited in Lee et al., 2014) have argued that leadership includes shared roles and activities among members of a team. A single leader may not successfully carry out all the required leadership functions because the environment can be inherently complex (Day, Gronn, & Salas, 2004 as cited in Lee et al., 2014). Shared leadership portrays mutual influences among team members, which can overcome the limitation of a leadership style by a single leader and is an important concept in multicultural and diverse teams. Thus, shared leadership can also contribute to team creativity (Lee et al., 2014).

Therefore, with the presence of emergent leaders, leadership may be considered as shared and distributed (Mehra, Smith, Dixon, & Robertson, 2006 as cited in Lee et al., 2014). Hence, shared leadership is portrayed by distributed influence within a team and lateral influence among peers (Pearce & Sims, 2002 as cited in Lee et al., 2014). In addition, shared leadership can be considered as an emergent team property resulting from the distribution of leadership influence across multiple team members (Carson et al., 2007 as cited in Lee et al., 2014). It portrays a condition of mutual influence implanted in the interactions of team members that significantly improve team and organizational performances (Day et al., 2004 as cited in Lee et al., 2014).

Leadership has been regarded as a matter of personality of a person, group and environment. It is defined as a process of persuading others to understand and agree about what needs to be done effectively, and facilitating individual and collective efforts to achieve the shared vision of an organization or nation. Recently, various models including transformational leadership, charismatic leadership, and democratic leadership have been developed as alternative styles to the form of authoritative leadership where command and control has been central (Sen & Eren, 2012). Nevertheless, vertical leadership model can be regarded as a

seductive siren song, which is relative to the real – life enactment of leadership in organizations. Leadership is a far more complex process, which involves a dynamic give – and –take that the shared leadership model tries to address and describe (Pearce et al., 2008).

A new era requires new approaches, therefore, defining the present economical context should consider key – terms such as internationalization, globalization, technological boom, increasing financial, economical and social risk, and instability (Andron, 2013). Consequently, as outer conditions dramatically change, there is an option for management to adapt inner conditions in order to enhance performance of the company and this can be done by searching for new competence of the company and thus, by identifying strategic discrimination and creative instinct. (Friedman, 2006 as cited in Andron, 2013).

Therefore, due to this era of globalization of business and the global economic crisis, organizations are required to face changes in their action. Solutions in crisis situations rest in new ways of enhancing human potential at individual, organizational and societal levels. People are 'creative' by nature, by their very existence in the organizational and social context. Thus, in most cases, the difference between success and failure is determined by how organizations and individuals develop their ability to generate new ideas and apply creativity in work. Essentially, creativity is a key determinant of business success (Popescu, 2010).

4.1. Creativity and Decision – Making

In recent years, much attention has been given to understanding organizational creativity (Cummings& Oldham, 1997; Ford, 1996 as cited in Reiter – Palmon & Illies, 2004).Rapid technological change, economic uncertainty and global competition have all contributed to organizations seeking to improve creativity and innovation. The need for organizations to be more flexible and innovative has influenced the interest in creativity in leaders and employees (Mumford et al., 2002 as cited in Reiter – Palmon & Illies, 2004).

Creativity is a difficult notion to define as it is a multidimensional concept which can appear in different areas as it has been defined and developed from the perspective of various disciplines, such as psychology, economics, management, etc. Thus, there are many definitions of creativity, without there being a generally accepted definition (Popescu, 2010). Still, creativity can be defined as the ability to discern new relationships, examine subjects from new perspectives and to form new ideas from existing philosophies. This can be a personality trait, which can be a dispositional variable characteristic resulting in the production of an act, items and instances of novelty, or an achievement, which results in a product from the process and this can be an innovative new product or service, or a scientific discovery, all of which satisfy some human need. Nevertheless, it has been established that creativity can be learned and improved, and thus, not strongly dependent on individual traits as initially thought. Therefore, tools that enhance creativity can be made available to decision – makers, enhancing the decision – making process and leading to the development of business (Forgionne & Newman, 2007).

Decision –making involves a series of phases and steps, still, creativity is necessary during most of these phases and steps. For instance, creativity can assist in problem design by helping the decision – maker to identify significant alternatives during the design phase of the process. Also, the selection of a suitable evaluation model is a creative process, which involves the matching of problem characteristics with present models or the formation of a model that describes the problem precisely. Thus, creativity can facilitate the choice phase of decision – making. Needless to say, ideas facilitate intelligence, choice, design and implementation in decision – making, implying that the creativity – enhanced model is superior to traditional decision support system approaches in guiding the decision – maker toward an effective policy

or strategy, which can lead to the development of business, especially in this global era (Forgionne & Newman, 2007).

Creative decision can be regarded as a decision that is both a novel contribution and of value to a decision context. A novel decision is not only unusual, but is also unconventional, uncommon or unique from past decisions. Thus, it reflects responses to new or unique choices for solving a problem in a crisis. Novelty and value are complementary but separate characteristics of an effective creative decision and both must be present for creativity to occur in decision – making especially in a crisis context. In addition, creativity is judged relative to the specific domain in which it occurs and so, the context – specific nature of creativity highlights the contribution of examining creativity specific to the domain of crisis decision –making (Sommer & Pearson, 2007).

4.1.1. Emotion Enhancing Creative Decision – Making

Until recently, scholars and practitioners alike agreed that sound decision – making was regarded as to occur under only the most rational conditions (March, 1978; Simon, 1957 as cited in Shagholi et. al, 2010). That is, decisions must come from only rational, cognitive processes and thus, emotions had no place in reasoning. However, as Loewenstein (2000) in Shagholi et. al, (2010) states that, when Jeremy Bentham originally proposed the construct of utility of decision–making, emotions were an important aspect in his theory. However, such a neat and clean conception of human decision – making is admittedly attractive as cognitive process may not seem as disorganized as that which includes emotions as emotions can somehow weigh down the decision – maker especially if not controlled. Thus, accounts of decision – making theories have until very recently, not included emotions in their treatment of decision systems. Thus, decision – making processes are also driven by the emotion, imagination and memories of the decision – maker, hence, the roles of intuition and tacit knowledge are formally assimilated into the decision – making theory of which can enhance creative decision making (Brockman & Anthony, 1998 in Sayegh et al., 2004).

In addition, in regards to crisis conditions, the use of tacit knowledge and intuitive decision processes may be the only viable strategy when the decision – maker is time pressured or when the important elements of the decision situation are difficult to quantify or interpret (Polanyi, 1966 as cited in Sayegh et al.,2004). Furthermore, such can lead to enhanced creativity and consequently, enhanced shared leadership decision making especially under crisis which can effectively lead to the development of business (Sayegh et al., 2004).

4.1.2. Employing Creativity in Crisis Situations

By definition, crisis situations present unanticipated or unmet challenges that can only be addressed by innovative responses. Crises have always been a part of business, however, changes in the work environment, doing business in the global market, can make organizations to be ill equipped to communicate and work with colleagues in other cultures whose styles, and values are different. Such differences are heightened dramatically when responses must be fast and accurate. In addition, instantaneous visibility worldwide makes effective decision – making in such situations very difficult (Pearson & Sommer, 2011).

Crises situations threaten the viability of the organizations within which they occur, thus, they are extraordinary events with great potential to do harm and affect not only those within the organization but also stakeholders at arm's reach and beyond such as the local communities and the media. Thus, once a crisis has passed, details can still linger in public memory and can become notorious because of mismanagement. Nevertheless, organizations face crises more often than one might think, but most are often doused internally before capturing public awareness (Pearson & Sommer, 2011). Organizations require proactive

strategies that lead them to success in crisis. Thus, harsh conditions stimulate imagination and creativity; hence, firms that want to cope well be those who will try to recognize hidden opportunities behind the crisis (Popescu, 2010). As such, for three decades, crisis management experts have requested for creativity to improve crisis decision making, however, theoretical development and empirical testing are scarce (Sommer & Pearson,2007).

Thus, conventional decision-making is no longer sufficient when an organizational crisis occurs as due to the challenges that decision makers face when in crisis, which complicates the decision making, creativity is essential in crisis decision – making of which can be enhanced by a team. In addition, in a crisis, decisions can go beyond conventional bounds to which organizational members are familiar with, thus as novelty and appropriateness are considered in crisis, existing knowledge about creativity in decision-making may prove advantageous (Sommer & Pearson, 2007).

Therefore, for decades, it had been professed that creativity enhances thinking about, planning for and responding to crises. Therefore, leaders are advised to not only deepen and broaden their understanding of the causes and effects of crises by addressing a portfolio of relevant threats, but to also commit to open –minded approaches, such as nurturing their own skepticism as such approaches support creative thinking and action, so that potential warning signals can be recognized and quickly acted upon (Pearson & Sommer, 2011).

4.2 Trust Enhances Creativity and Shared Leadership

Trust is not only important in everyday relationships, but is highly crucial in business as it enables cooperative endeavours (Fukuyama, 1996 as cited in Shagholi et al., 2010) and is significant to inter – organizational relationships (Blomqvist, 2002 as cited in Shagholi et al., 2010). Trust is also considered as an expression of confidence in organizational processes, which result in cooperative behaviours among individuals and groups within and between organizations (Nandhakumar et al., 2006 as cited in Shagholi et al., 2010). Accordingt o Bijlsma & Koopman (2003) as cited in Shagholi et al., 2010), trust is crucial to organizational performance as it enables voluntary cooperation. Research also portrays that as trust increases, strategic flexibility increases (Young-Ybarra & Wiersema, 1999 as cited in Shagholi et al., 2010), and supports greater organizational adaptability (Lorenz, 1988as cited in Shagholi et al., 2010) and reduces social complexity in organizations (Luhmann,1979 as cited in Shagholi et al., 2010), thus leading to more room for creativity.

Therefore, under shared leadership, which comprises of a team, trust is essential especially in order to promote creativity in the decision – making process, as teamwork is frequently regarded as the best way to deliver superior performance (Henkin & Wanat, 1994 as cited in Shagholi et al., 2010). In addition, research on trust in teams suggests that trust increases the ability of group members to function together, thus increasing better team performance and high commitment (Costa, 2003as cited in Shagholi et al., 2010). For an effective team, which delivers high performance that can fulfill demanding and dynamic responsibilities, there has to be high levels of co – operation between team members. However, such co –operation needs to be intensive, continuous and a reflex behavior for team members, and this can only be achieved if trust is the primary value of the team culture. (Edmondson, 2002 as cited in Shagholi et al., 2010).

Trust may also promote creativity, as it is a psychological state, which involves a willingness to be vulnerable based on confidence in the positive expectations of others' intentions or behaviours, as information and new ideas are freely developed and willingly given, especially in a crisis situation. Thus, trust supports the expression of ideas, communication and subsequently, creative problem solving as new ideas can emerge resulting

in decision novelty. In a crisis, trust also underlies cooperation, coordination and adaptation all of which are associated with effective crisis management. And in a multicultural setting or shared leadership team, through trust, an intent to be creative can be realized if diverse views are expressed, differences are respected, assumptions questioned and new ideas are then surfaced in order to promote the novelty of a decision. In addition, the sharing of information and perceptions is promoted, and a supportive climate is fostered to promote creativity, which will encourage decisions that are valuable and lead to the development of business (Sommer& Pearson, 2007).

4.4 Shared Leadership and Emotion in Crisis and Decision – Making

Regarding the dynamic nature of the global economy and the uncertain nature and unpredictability of this era's business environment, quick decisions under crisis circumstances are highly essential in many firms. Furthermore, the speed and the amount of information transfer available through the Internet and other electronic media sources further intensify the scene (Sayegh et al., 2004). Thus, crisis leadership indicates a set of actions undertaken by a leader or a group of leaders to encourage immediate change in the behavior and beliefs of people as well as to achieve required outcomes (Gardner and Laskin, 1995 as cited in Alkharabshe et al. 2014). In crises, a leader provides reassurance, stability, a sense of control and confidence. (Lussier and Achua, 2004 as cited in Alkharabshe et al., 2014). However, they are under severe time pressure, thus, lack the time to efficiently obtain, secure and process information (Hadley, Pittinsky, Sommer and Zhu, 2011 as cited in Alkharabshe et al., 2014).

According to literature (Sayegh et al., 2004), there are six major characteristics of an organizational crisis. These include, high ambiguity with unknown causes and effects, the need for a rapid response, a low probability of occurring, an unusual and unfamiliar event, posing of a serious threat to the survival of the organization and its stakeholders and the presentation of a dilemma which requires a decision that will result in either a positive or negative change. Thus, although crisis is normally connoted with negativity, it can be interpreted in a positive light as an opportunity for change and growth, which leads to the development of the organization as long as effective leadership is employed that will take the stakeholders involved through this tumultuous process Elsbach and Barr (1999) in Sayegh et al., (2004) refer to literature that highlights the uncertainty integral to decision-making and instability in the external environment as factors that contribute to individuals' rejection of structured decision protocols. Thus, decision-making strategies that depart from the time- and energy-intensive rational models traditionally taught and used in most settings must be chosen (Brockman & Anthony, 1998 as cited in Sayegh et al., 2004). Consequently, in decision situations characterized by stress, ambiguity, and time pressure, that is, in crises, successful leaders should adopt strategies that rely on intuitive processes and tacit knowledge, potentially aided by adaptive emotional responses, which then subsequently result in creativity, which can enhance the decision – making process.

Nevertheless, rational decision – making processes should not be simply discarded as they are still required of the leader in order to function effectively in an organization and in a crisis event as it enables the leader to process information clearly and logically, allowing for accurate perception and interpretation of the crisis situation. Thus, such skills prevent the leader from excessively distorting reality, especially under stressful conditions, when employing emotions and creativity in a situation (Sayegh et al., 2004).

5. Conclusion

Due to the dramatic change in outer conditions, there is no option for influencing the business environment. Thus, the only choice for organizations remains searching for solutions in adapting inner conditions to outer conditions in order to provide performance of the company. Such solutions can be found in searching for new competences of the company or in developing latent powers of the organization, by identifying strategic discrimination and creative instinct (Andron, 2013).

It is evident that the effects of the global financial crisis have changed the paradigms by which a leader's decision making is evaluated. Leaders have to take into consideration novel factors which have come into place, develop new competencies to address the issues which arise thereof in order to be effective in decision-making. These factors, Business Conditions, Political Conditions and Cultural Dynamics and the issues they tend to encapsulate are crucial to the stability and success of any modern organization in this age which is still experiencing the effects of the financial crisis. Considering underlying issues of mistrust, the need for greater stakeholder accountability, a careful consideration to the environment in which an organization operates and the development of adequate local and international relationships distinctly shapes and enhances the effectiveness of a leader's decision nowadays (Cooper & Nirenberg, 2012). Amidst all these, it is crucial for the leader to learn from the failures of the past, in order to avoid making the same mistakes leaders in the pre-financial crisis era made. Additionally, the shared leadership model is a highly important theory of leadership which assist in this global diverse business environment nowadays varying multicultural setting which can be further be enhanced by creativity and trust.

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