

# Leadership and Organizational Development

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## **Abstract**

*Leadership has a decisive impact on the development of organizations in an increasingly complex and dynamic business environment. The paper presents relevant aspects from the sphere of the addressed issues and is structured on three analysis coordinates: leadership, strategic leadership and organizational development. Effective leadership consists in the ability to create a vision, motivate human resources and generate the momentum needed to implement organizational development projects.*

*The paper highlights the three levels at which leadership in organizations is manifested, with special reference to strategic leadership, explaining its general and specific functions. The final section presents some approaches to organizational development, highlighting that leadership is a vector of change processes and, implicitly, an engine of organizational development.*

**Keywords:** *organization, leadership, strategic leadership, organizational development.*

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## **1. Introduction**

In order to stay within the sphere of operational excellence, organizations need to develop and, respectively, to constantly and systematically improve their processes and activities. The process of developing an organization involves designing and implementing organizational changes, which take into account the evolution of the main impact variables in the intra- and extra-organizational environment.

Moreover, in a turbulent business environment, development strategies should be constantly complemented and correlated with planned strategic change programs.

Change is the very essence of developing a business. The approach to change has become a key element of the competitive advantage, because it is only by means of coordinating its employees in order to adopt the change as quickly as possible that

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the organization can react to market pressures before the change of context (Clarke, 2002).

Leadership is an activity with a strong creative, interpersonal dimension and almost always involves the initiation and propagation of change. Leaders, as key players in change processes, must constantly develop the companies they run (Landsberg, 2008).

Therefore, the leadership activity is focused on initiating, developing and implementing organizational change projects.

Leadership, manifested in organizations at three levels – team, operational and strategic – is essential in building and developing an evolutionary cultural model which, in its turn, is an important vector of the organizational change processes within modern companies (Ionescu, 2014).

Leadership and organizational culture are key factors that determine, to a large extent, the potential for adaptation of organizations (Seah, Hsieh and Huang, 2014).

Leaders must initiate and coordinate processes of change in organizations. It is a fact that, in many companies, the change is not regarded as a natural process of organizational and individual development, but as an event which must occur at a time, under the pressure of influential factors from the business environment. In this context, we consider that leaders must have strategic vision and show a proactive attitude as regards the organizational development projects.

## **2. Literature review**

In order to understand the concept of leadership, an essential issue is its approach as an attribute and/or as a process. As an attribute, leadership brings together a set of characteristics – behavioral patterns and personality traits – that make the members of an organization more efficient and achieve the expected goals. As a process, leadership is based on different sources of power and a set of specific skills, being an action oriented to influence the members of a group to meet common goals (Kets de Vries, 2007).

In the specialized literature there are two approaches from the perspective of the “attribute – process” binomial. “Personalists” appreciate that the effectiveness of a leader is decisively conditioned by certain personality variables, in their view leadership being an attribute and/or a process. At the opposite end, there are the “situationists”, who consider that the effectiveness of a leader is decisively influenced by the environmental constraints of the organization, namely by economic, managerial, demographic, technical and technological factors, socio-cultural, educational, political, legislative factors, etc. The practice of organizations has demonstrated, over time, that leadership represents a balanced combination of the two approaches, being a function of two aggregate variables. The first variable is defined by the personal qualities of the leader, and the second aggregate variable is defined by the specific elements of intra- and extra-organizational context. Moreover, the art of a leader lies in his ability to use the arsenal of methods,

techniques, models, etc., depending on the specific coordinates of the environment, the moment in which the organization is located on the scale of its evolution, etc.

Max Landsberg, who has gained international recognition as an authority in coaching and professional development, finds that the essence of leadership is the ability to create a vision, motivation and momentum in a group of people. Therefore, the leaders of organizations have to create and maintain this triad (Landsberg, 2008).

Vision is a positive image of what the organization could become and it shows, at the same time, the path that it has to follow in order to achieve the objectives arising from the mission and, implicitly, the desired performance. The leader has to crystallize a vision that is also shared by the members of the organization. For this purpose, it is important for the leaders to be creative, innovative and to translate their ideas into exciting, logical and achievable images and actions.

Motivation is an essential component of leadership. It is important that the managers and leaders of organizations take into account aspects such as customizing motivational elements, ensuring a stable balance relationship between tasks, competences and responsibilities, so that the employees successfully carry out the objectives incumbent upon them, combining adequately the material rewards with the moral and spiritual rewards, and also granting such rewards in a progressive system, so as to maintain an organizational climate conducive to the achievement of operational excellence.

The momentum necessary for the implementation of organizational development projects is another important component of leadership. A leader has to be able to convey his vision to others, to be a good communicator and to convince the human resources that his proposals are viable and can improve the processes and activities of the organization.

The importance of leadership in increasing the competitiveness of organizations is given by its functions (Figure 1). In J. Adair's view, these functions can be structured on the following coordinates (Adair, 2014), (Burduş, 2007):

- planning (collection of available information, defining groups, objectives and tasks, establishing a feasible plan);
- initiation (informing team, distribution of tasks, defining team standards);
- control (maintaining team standards, achieving the goals, orientation toward adopting decisions and toward actions to implement them);
- support (expressing approval of individual contributions, creating team spirit, settling disputes);
- information (presentation of the plan and of the tasks assigned to the human resources, summarizing ideas and suggestions);
- assessment (checking the feasibility of ideas, knowledge testing, group performance analysis and providing support for self-evaluation).



**Figure 1. Leadership functions**

### **3. Strategic leadership**

In organizations, leadership activity manifests itself at different levels.

Thus, there is team leadership, operational leadership and strategic leadership, highlighted suggestively in Figure 2. Team leadership refers to a primary group of 10-20 employees with clearly defined tasks and specific objectives to be met. Operational leadership refers to a significant part of an organization (department, division), the operational leader coordinating the activity of several team leaders. Strategic leadership is manifested at the level of the organization as a whole, and the strategic leader leads several operational leaders, thus being “a leader of the leaders”.



**Figure 2. Leadership levels in organizations**

The role of a strategic leader within an organization is essential. In order to fulfill this role, the strategic leader must acquire “practical wisdom”, a combination of kindness, intelligence and experience (Adair, 2007).

Strategic leadership fulfills three general functions, namely:

- team building and maintaining;
- continuous motivation and development of human resources;
- achievement of common goals.

These general functions are complemented by seven specific functions of strategic leadership (Adair, 2014), (Adair, 2015):

- ✓ designing a development trajectory for the organization (outlining a medium- and long-term vision on the evolution of the organization, understanding its purpose and its strategic goals);
- ✓ substantiating the organizational strategy and policy (establishing the fundamental objectives and the modalities to achieve them, through strategic thinking and strategic planning);
- ✓ implementation of the organizational strategy and policy (leaving the office to coordinate current activities and to evaluate the progress made, by comparing the results with the objectives set out in the strategies and policies previously established);
- ✓ organization and reorganization of the company (creating and maintaining a balance between the organization as a whole and the composing subsystems, by approaching the organization as a synergistic system);
- ✓ development of the corporate spirit (encouraging and stimulating human resources in order to enhance latent skills and values);
- ✓ perfecting key partnerships and cultivating social relationships (identifying business partners, creating an organizational climate based on collaboration and team spirit, better positioning the organization at local, regional, national and international level);
- ✓ choosing today's leaders and developing leaders for the future (choosing the best team leaders, operational and strategic, improving communication and working relationships between them in order to strategically integrate the organization into the business environment by obtaining sustainable competitive advantages).

#### **4. Organizational development**

As we have shown in the second section of the paper, leadership consists in the ability to create a vision, to motivate human resources and to generate the momentum needed to implement organizational development projects. Effective leadership is reflected in the improvement of organizational processes and activities and, implicitly, in the development of the organization. Therefore, leadership has a decisive impact on the development of organizations, as it is, in our opinion, a

genuine driver of organizational development. But what does organizational development really mean?

W. Burke believes that "organizational development is a planned process of change in the culture of the organization, using behavioral theory and practice" (Burke, 1982). In R. Beckhard's conception, "organizational development is a planned effort, coordinated by top-level management, that targets the whole organization and is aimed at increasing efficiency, improving working conditions by means of intervening in processes, using the knowledge of behavioral science" (Beckhard & Harris, 1987).

M. Beer outlines a more comprehensive approach to organizational development, structured on three coordinates (Beer, 1980):

- improving the consistency between the procedural and structural components of the organizational system, strategy, human resources and organizational culture;
- designing and implementing creative solutions that will increase the efficiency of organizational activities;
- developing the organization's capacity to renew through change projects.

Professor Eugen Burdus considers that organizational development brings together a set of actions to design and implement measures to improve the components of the management system (strategy, structure, information system, decision-making system, methodological system) aimed at increasing the performance and competitiveness of the organization (Burdus, Căprărescu & Androniceanu, 2008).

Organizational development is a long-term process, initiated and carried out by the organization's leadership, focusing on "organizational learning" and problem-solving aspects, integrating all organizational dimensions and having as its "engine" the group efforts of the members of the organization (Tripon, Dodu & Raboca, 2013).

In our view, organizational development is a complex process that takes place throughout a company's lifespan, has as a fundamental objective the increase of competitiveness and is structured on three main dimensions:

- a powerful management system (functional, flexible and efficient);
- competitive strategy (ensuring the sustainable integration of the organization in the business environment);
- evolutionary (change-oriented) organizational culture.

The presented approaches lead to a few important conclusions regarding the organizational development, namely:

- it is an integrated and continuous process, aimed at increasing the performance of a company;
- involves planning and coordination from the company's senior management;

- is focused on the "management system - strategy - organizational culture" trinomial;
- has leadership as an important vector, manifested at team, operational and strategic level;
- it has to permanently streamline the managerial and executive processes of the organization;
- puts a major focus on organizational learning;
- involves creative solutions to solve the problems faced by the organization;
- aims at increasing the company's renewal capacity through successive projects of change.

## 5. Conclusions

Leadership is an activity with a strong creative, interpersonal dimension and almost always involves the initiation and propagation of change. Leadership is the ability to create a vision, to motivate human resources and to generate the momentum needed to implement organizational development projects. Effective leadership is reflected in the improvement of organizational processes and activities and, implicitly, in the development of the organization.

Organizational practice has shown that leadership is a function of two aggregate variables. The first variable is defined by the personal qualities of the leader, and the second aggregate variable is defined by the specific elements of intra- and extra-organizational context. The art of a leader is the ability to use the arsenal of methods, techniques, models, etc depending on the specific coordinates of the environment and the phase in which the organization is on the scale of its evolution.

The leadership activity manifests itself at different levels. Team leadership refers to a primary group of 10-20 employees with clearly defined tasks and specific objectives. Operational leadership refers to a significant part of an organization (division, department), the operational leader coordinating the activity of several team leaders. Strategic leadership is manifested at the level of the organization as a whole, and the strategic leader leads several operational leaders, thus being "a leader of the leaders".

Organizational development has some defining features: it is an integrated and continuous process, aimed at increasing the performance of a company; involves planning and coordination from the company's senior management; is focused on the "management system - strategy - organizational culture" trinomial; it has to permanently streamline the managerial and executive processes of the organization; puts a major focus on organizational learning; involves creative solutions to solve the problems faced by the organization; aims at increasing the company's renewal capacity through successive projects of change.

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