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Leadership and Organization Performance: A Review on Theoretical and Empirical Perspectives

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Abstract- Leadership is a skill that motivates groups of people to act to accomplish a common objective. It is a process of encouraging and helping others to work enthusiastically towards objectives. Leadership is essential because it establishes a clear vision and communicates effectively with its subordinates and colleagues. With a clear vision, the organization's direction makes the employees to realize their roles and responsibilities. For the further research areas, I suggest directions for future research areas such as the leadership transformations in the organizations, a combination with the technological changes, and another area is can be able to find out what are the new leadership skills which need to compete successfully in the digital business environment. The purpose of this paper is to describe leadership, leadership qualities, leadership skills, leadership models, the importance of leadership, and its impact on making a change to the organization's performance.

Keywords: leadership, organization performance, leadership-skills, leadership theories.

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Leadership and Organization Performance: A Review on Theoretical and Empirical Perspectives

Gimhani Nandasinghe

Abstract- Leadership is a skill that motivates groups of people to act to accomplish a common objective. It is a process of encouraging and helping others to work enthusiastically towards objectives. Leadership is essential because it establishes a clear vision and communicates effectively with its subordinates and colleagues. With a clear vision, the organization's direction makes the employees to realize their roles and responsibilities. For the further research areas, I suggest directions for future research areas such as the leadership transformations in the organizations, a combination with the technological changes, and another area is can be able to find out what are the new leadership skills which need to compete successfully in the digital business environment. The purpose of this paper is to describe leadership, leadership qualities, leadership skills, leadership models, the importance of leadership, and its impact on making a change to the organization's performance. In this paper, the empirical approach in which the arguments and explanations justify by empirical evidence and associated theoretical frameworks. The essence of leadership as an individual's ability to influence others has an impact on changing the behavior of others, behavior changes to achieve a common goal, has a set of qualities or characteristics with which he or she can influence others. The success of an organization depends on the quality of its leadership. Leadership recognizes as the key to successful leadership. Leadership impacts the behavior and results of organizational performance.

Keywords: leadership, organization performance, leadership-skills, leadership theories.

I. Introduction

Leadership defines by the characteristics of the leader, his qualities and behavior. Leadership describes as a process, but most theories and research on leadership look at people for understanding (Horner, 1997). Leadership is the capability to influence people by giving an inspiring example. An example is one that motivates people to follow objectives that gives an advantage to the organization. In general, leadership involves creating a vision of the future of the organization, designing a strategy to achieve that vision and communicating that vision to all members of the organization (James, Richard & Anthony, 2011). Leadership and performance beyond expectations represent a breakthrough in our understanding of who these leaders are, how they get results, and why their leadership often exceeds all predictable (Bass, 1985). Leadership is the leading element of any organization; however their function and capacity are becoming more complicated with greater (Chuang, 2013). In my view, the leadership is the art of motivating a group of people to act towards achieving a common goal. The ability is to create a vision and communicate that vision to others to share and realize that vision. Leadership is dynamic, and leadership is not a function of level or position. Leaders are the people who lead or command a group or an organization. The majority of the successful leaders have strengths in the following emotional intelligence competencies such as self-awareness, self-regulation, motivation, empathy, and social skill (Goleman, 1998). There are six basic leadership styles and each uses the central component of emotional intelligence in various combinations. The best leaders know more than just a leadership approach. Having multiple skills and the flexibility changes the styles depending on the situation (Goleman, 2000). Another key feature is the ability to take an independent (even unpopular) line and defend it. As could be predicted, interpersonal skills, team orientation, commitment, and motivation were also considered important (Tait, 1996). When communicating the vision, the leader must ensure that it is understandable so that everyone within the organization understands it James, Richard & Anthony et al. (2011). Leaders use their skills and abilities to collaborate and communicate in order to gain the trust of people, and through his actions he or she gains influence. The power to influence others gives the leader his power. It is the leader who creates the vision and assists others to make the vision a reality (Hoyle, 2007). If the leader does not set the course and tests through hits or falls, the organization can collapse. Thus, hard work and talent will only take you and your organization so far. Lack of leadership stifles any further progress.

The success of the organization is inseparable from management practice, just like organized social activity is inseparable from the values, attitudes, skills, and behavior of the leader (Raisiene, 2014). The successful leader will be one that promotes leadership development and encourages workers to assume their leadership role. People who work in the organizations

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must be innovative and creative, practice continuous learning, and have values that, mainly include integrity, have a personal vision, be in charge of their careers, motivate themselves from the within, plan, communicate and seek harmony relations with stakeholders. Different categories of leadership skills requirements arise at separate organizational levels, and jobs at the highest levels of the organization require higher levels of all leadership skills. Also, although specific cognitive skill requirements are necessary at all levels of the organization, exact strategic skill requirements only fully emerge at the highest levels of the organization (Mumfordm, Michael & Frederick, 2007).

a) Purpose of the study

The core objective of this paper is to empirically review the backgrounds of the leadership changes the performance of the organization. Employees are the foundation of any organization, so effective leaders must have the competencies to lead them to high performance (Lynda, Mary & Mertis, 2000). A successful organization is the result of effective leadership. An organization always reflects the values and beliefs of its founder. These are the things that make up an organization. Over time, as the organization evolves, it figures the leader, and influences his actions (Maria, 2012). Leadership belongs to a specific position, and it covers obligatory tasks and functions that businesses have to fulfill to live, develop, and be efficient (Firestone, 1996). After that, this study tries to identify leadership, leadership qualities, leadership skills, leadership models, the importance of leadership, and its impact on making a change to the organization's performance.

b) Methodology

This document studies the empirical approach in which the arguments and explanations justify by empirical evidence and associated theoretical frameworks. For this purpose, the author reviews journal articles, case studies, websites, eBooks, and the books written by professionals in the field to collect existing details on concepts on leadership changes the performance of the organization. Therefore, the literature review uses as the major research tool for the paper. The document organizes as a conceptual document where the arguments were empirically supported. From this concept paper, the author is trying to conceptually find the gap between the leadership and its impact on the organization's performance. Also, this suggests directions for future research areas such as the leadership transformations in the organizations are a combination with the technological changes, and another area is can be able to find out what are the new leadership skills which need to compete successfully in the digital business environment.

II. Literature Review

a) Leadership

Leadership is the most important element of every organization, but its functions and capabilities are becoming increasingly complex Chuang et al. (2013). It describes by the characteristics of the leader, qualities and behavior. The word of leadership explains as a process, but most theories and research on leadership look at people for understanding Horner et al. (1997). Leadership is the ability to influence others with exciting examples. An example, it encourages people to pursue goals that benefit the organization. In general, leadership involves creating a vision of the future of the organization, designing a strategy to achieve that vision, and communicating that vision to all members of the organization James, Richard & Anthony et al. (2011). Leadership and performance beyond expectations represent a breakthrough in our understanding of who these leaders are, how they get results, and why their leadership often exceeds all expected limits Bass et al. (1985). The achievement of an organization depends on the standard of the leadership. Successful leaders anticipate, change, exploit opportunities, and motivate their followers to the high level of performance and productivity. Hence, in the modern world management strategic leadership bears paramount importance towards the success of an organization.

There is a significant organizational change and, in response, a change in leadership style that indicates this dilemma. It is necessary to choose a leadership style that is an indication of the type of change to be implemented. Employees can increase the success of organizational change (James, 2005). The adoption of an appropriate leadership role, and the time change from one task to another as circumstances change, facilitate the ability of executives to mobilize the organization's resources and, in doing so, effectively address challenges facing the organization (Sheard & Kakabadse, 2007). Some tools and methods that find in practice to help senior managers adapt their behavior to the most suitable at a given time and create the organizational infrastructure necessary for successful teams to become the managerial norm, and not an exception, are presented. The networked nature of leadership and cultural change associated with creating effective teams, as we do here (Sheard & Kakabadse, 2004). Leadership considers one of the most important components of the success of organizations. When organizations experience changes, it is imperative that their organizational leadership be adequate to meet the challenge (Eric, Deborah & Maurice, 2014).

b) Discussion on Leadership Theories

There are some theories under leadership to make a change of the employees as well as the organization, for example Trait Theories, Behavioral

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Theories, Contingency Theories, Transactional Theory, Transformational Theory, and Charisma/Charismatic Theory Horner et al. (1997). A new theory for organizational leadership is in which Leadership, Authority, Administration, Power, and Environments (LAMPE) of an organization become coherent and integrated (Mackenzie, 2006). Organizations work best if their LAMPE is consistent, integrated, and operational. The introduction of basic concepts is such as structures, processes, process frameworks, task role matrices, interdependence uncertainty, and virtual organizational arrangements. The LAMPE theory builds on this basis. It defines as the processes of initiating, enabling, implementing, and maintaining change in an organization. Authority classifies as the legal right to avoid the outcome of a decision or process. Management characterizes in terms of its main methods. Power is the control of the uncertainty of interdependence Mackenzie et al. (2006).

Transformative leaders are creating somewhat new from the previous circumstance. While a transaction manager can make adjustments to the organizational tripod of mission, structure, and human resources, a transformative leader goes further and produces fundamental changes in the fundamental political and cultural systems of the organization. It is the latter that differentiates transformational leaders from transactional managers (Noel & David, 2008). Transformational leaders are people who stimulate and inspire followers of both to achieve extraordinary results and, in the process, develop their leadership (Bernard & Ronald, 2006). Transformational leaders help followers grow and become leaders responding to the needs of individual followers through training them and aligning the objectives and goals of the independent followers, the leader, the group, and the largest organization Bernard & Ronald et al. (2006). Being a leader in change is more than just payment, goods, or promotions for completed services. Typically charismatic, powerful role model, and value-driven goals are the characteristics of the transformational leader. They focus on follower's needs and followers inspired to put the needs of the organization above their own needs (Bailey & Axelrod, 2001).

A number of excellent and prominent leaders in history represents as charismatic leaders. In the business world, famous entrepreneurs, and business transformation agents often express themselves as charismatic leaders. Popular stories frequently attribute the quality of myth to charisma, although research sheds light on the attributes that lead to the perception that leaders are charismatic. (Conger, 2015). In order to understand charismatic leadership, it is very important to recognize that it is an attribution based on the perceptions and interpretations of believers in leader behavior. There is a set of leadership behaviors that distinguish charismatic leadership from non-charismatic leadership, and these are presented in a scenario model to lead others Conger et al. (2015). A charismatic leader, often the CEO or the principal of the school, takes over a school in difficulty, setting new goals and expectations and challenging business as usual within the organization. This leader creates new organizational routines and structures that eventually transform the culture of the school, contributing in turn to greater teacher satisfaction, higher teacher expectations for students and better student performance (Spillane, 2008). Also, the behaviors associated with charismatic leadership are constellation. The expression or presence of a single action connected with charismatic leadership is rarely sufficient to cause charismatic attribution. Instead, there must be a critical mass of action, Conger et al. (2015).

A trait-based approach sought to identify physiological, demographic, personality, confidence, aggression, intellectual, task-related, and social traits along with leader appearance and effectiveness. Successful leaders have interests, abilities, and personality traits other than less effective leaders. Among the core traits identified are achievement drive, Leadership motivation, Honesty and integrity, Self-confidence, Cognitive ability, and Knowledge of business (Horace & Ronald, 2001). Researchers commenced to focus their research efforts on the behaviors of leaders in 1960s. By 1968, the investigation led to the creation of the Blake and Mouton Management Grid. The grid groups the work styles to create four main work styles: "Concern for tasks, Concerns for people, Leadership and Participatory leadership" (Scott & Jennifer, 2011). These categories describe how leaders work and interact with followers to take them to complete the tasks in question. Leadership behavior theory classifies because, it focuses on the study of a leader's specific behavior.

Leadership development programs must take into account the need to transform leadership skills to achieve victory for both organizations and society (Gregory, Attoh, Tao, 2017). Moreover, the significant and positive significant impact of the working group climate on the working group's productivity, while both transformational and transactional leadership did not affect the working group's productivity through the working group's atmosphere (McMurray, Mazharul, Sarros & Andrew, 2012). The leadership style (transformational, transactional, or ambiguous), adopted by the group leader, and has an operational impact on the development of training as a strategic resource both within the team and in the organization (Tania, Linda & Prem, 2010). And yet, from a variety of natural scientists, most of the conclusions discover that some among the certain decisions of the listing agent in creativity transformational the guidance of the customer. The mayor of this article, the indirect effect of the focus on transformational leadership. Mediators and moderators

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are from various levels, including individual, team, and organizational levels. The directors middle of a multi-level, including individual, team and organizational level. Additionally, some context variables are also included (HongHu, Qinxuan & Jixiang, 2013).

c) Leadership and Organizational Performance

Leadership transforms potentials into reality. It is not merely using people and their potential for realizing an organization's goals. This is the maximum aspiration of ethical character, and high level of leaders Horner et al. (1997). Leadership and performance beyond expectations represent a breakthrough in our understanding of which these leaders are, how they get results, and why their leadership often exceeds all limits Bass et al. (1985). Despite the ubiquity of leadership influences in the performance of the organizational team and a large amount of literature on leadership and team/group dynamics, we know surprisingly little about how leaders create and manage effective teams. A key point in considering such relationships is the reciprocal influence, whereby both leadership and team processes influence each other (Stephen, Andrea & Michelle, 2002). Teams become more experienced and reach a significant level of experience; other members assume more leadership roles, while designated leaders retain their responsibilities that span the boundaries. Also, teams influence the leader's effectiveness, Stephen, Andrea & Michelle et al. (2002). Further, the leadership facilitates in many ways as managerial function for instance, by creating a shared vision for the organization, by coordinating the people/activities among units, communicating among organization broad, monitoring/controlling activities deviations, and motivating employees for higher performance. The corporate should have stakeholder agency or relationships to result in performance (Kahandawaarachchi, Dissanayake & Maitra, 2016).

In general, effective leadership assumes to be the key to successful change. There is a shortage in research results on the impact of leadership on organizational change. The effect of leadership is on behavior and the results of organizational change. Change leadership is more difficult than predictable, and involves multiple forms of involved in different approaches, actions, and activities, only some of which are effective (Jeffrey & Laurie, 2012). Organizations that need strategic change often look for charismatic leaders to lead change efforts. Creating innovation through culture is always blessed by leaderships that results in higher performances (Dissanayake, Wastantha & Jinadasa, 2017). With the growing popularity of democratization in the workplace, team-based strategic change approaches are emerging. Strategic teams may be a better option than charismatic leaders to change an organization (Landrum, Howell & Lori, 2000). There are seven different approaches to structuring and managing the change that organizations can take to improve the likelihood of driving a successful transform in their organizations (Schell, 2019). Also, the significant influence of organizational values is consistent with the results of employees (Huang, Shiuan & Chou, 2005).

III. Conclusion and Further Research Areas

Leadership is a main factor in today's organizations. This type of pioneering activity is the backbone of total quality management and team operations. It can also replace the experience of middle management lost by staff reduction. It presents a generalized process to define, discover, and develop leadership in current organizations. The detection of guiding in the workforce does through performance evaluations. Leadership development must be comprehensively and systematically integrated into the organizational culture to produce leaders who can adequately face challenges and direct to the organization's performance. Service sector companies need strategic leaderships for service delivery models and cultures for higher acts (Dissanayake, Norsanina & Hamid, 2017). Today's organizational managers need leadership skills to develop massive performance teams and to cover the broader sections of control that remain after the reduction in staff. Support activities link with leadership. The development of leadership is encouraged through rewards, recognition, and reoriented training. Many managers mistakenly believe that leadership style is a strategic choice, not a personality. Instead of choosing one style that suits, they should ask which method is best suited to a particular situation.

In organizations in which middle managers perceive their leaders as collectivists, group decision making, and rapid two-way communication were common in practice, and this contributed to quality, better service, innovation, proposals for new ideas, and employee satisfaction. Unusually, low collective leadership, communication, or decision making did not influence economic performance (Sriya & Yasuo, 2010). Leadership development should encourage workers to take on their leadership roles. The success of an organization depends on the quality of its leadership. Successful leaders expect, change, seize opportunities, and motivate their followers to be more productive and performance. The general pattern of the results in the present study provides support for the effects of leadership and organizational performance styles. The results of regressions indicate that leadership styles influence the performance of the company. The relationship-oriented leadership style has a significantly better effect on firm performance that task-oriented leadership style and style of participatory leadership (Puspanathan, Mangaleswaran & Lin, 2008). Therefore,

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in today's world, strategic leadership management is vital to the success of an organization's performance. In general, effective leadership has been assumed to be the key to successful change. The impact of leadership is on behavior and the results of organizational performance change. It suggests that the directions for future research areas such as the leadership transformations in the organizations are a combination with the technological changes, and another area is can be able to find out what are the new leadership skills which need to compete successfully in the digital business environment.

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