LEADERSHIP CAPABILITY: A KEY TO STRATEGIC PEOPLE MANAGEMENT AND ORGANISATIONAL PERFORMANCE?

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Abstract: **Leadership is critical to the performance or failure of any organization or business. The question is how can leadership influence organisations and businesses to achieve strategic people management and high organizational performance. Leadership is responsible for people management and performance improvement in both profit making and nonprofit making organizations. It also the responsibility of the leadership to consider which style or model of leadership is relevant to organizations, business sector and the situation within which such models can work.It is very critical for scholars and practitioners alike to understand the theoretical underpinnings of the various styles of leadership and how they can be applied to bring about positive results. A consideration of the relevance and link of the various leadership styles with strategy should always be made in order to achieve the intended short and long term goals of organisations. It is of paramount importance to always pay attention to the main areas of debate on issues of leadership capability, strategic people management and organizational performance. The current research directions on the above issues should always be checked since they play a big role in the evolution of leadership in general. It is for this reason that this paper reviews a number of leadership styles used by various leaders in different organisations.**

Keywords: **Leadership capability, influence organisations and businesses.**

1. INTRODUCTION

Success is pivotal in every business or organization. Of course the key purpose of the establishment of every business or organization is progression and not retrogression. However we should wonder why some organizations or business entities do not make outstanding progression. Effective leadership is a key determinant of success.

1.1 Aspects to be evaluated and reviewed:

The aim of this paper is to review and critically evaluate approaches to leadership and how they impact on the strategic management of people and organizational performance. The author will explore the trait/attribution, behavioral and situation/contingency leadership theories, models and research. Under the trait theory the author will consider the charismatic type of leadership, for the behavioral theory transformational, transactional and action-centered leadership will be covered, whilst under the situational/ contingency theory Fiedler's Model and normative leadership will be explored.

The author will provide an analysis and evaluation of the explored theories/ models and types of leadership , provide a conclusion and suggest a set of recommendations that could develop leadership capability with a view to improve strategies for employee and organizational performance.

The author will also provide an action plan derived from the recommendations he has suggested.

2. CATEGORIZATION OF THE TYPES OF LEADERSHIP (SECTION ONE)

According to European Foundation for Quality Management (EFQM, 1999) model of excellence, it is important to note that leaders are not only those at the top of the organization. With the speed of change facing us today, there is need for effective senior level strategic leaders, who can formulate and execute business strategies to produce desired results. Leadership is critical to the very survival of the business. As stated earlier, the following types of leadership will be evaluated.

2.1. Charismatic Leadership (Attribution theory):

Common sense suggests that some people are born to lead. Such individuals possess high level of ambition coupled with clear visions of precisely where they want to go (Greenberg, 2011). The focus here is on personal traits; "who you are"; i.e. attribution theory. Organisations have such leaders who have self-confidence and have a high concern for others. They are perceived as self-sacrificing and they are unconventional visionaries. These leaders are normally found at operational level where some of them are Shop Stewards. Smith & Cronje (1997) argue that charismatic leaders have the capacity to motivate their supervisees to transcend their expected performance. In other words, they create an atmosphere of change and have an emotional impact on subordinates or followers. Some organizations lack charismatic leaders in the top level management and this affects the performance of individuals and groups since there is no motivation from the top leadership. Most of the top leadership in organizations care about their success and wellbeing and are not really concerned about their supervisee's except that they want them to complete assigned tasks correctly and at a given time using meager resources. This in the end affects production as employees end up faking illness due to lack of motivation. They end up joining unions to defend their rights leading to perennial industrial disputes.

2.2 Transformational Leadership (Behavioral Theory):

Transformational leaders are people who make things happen. They have clear visions about what the future holds. They inspire followers to transcend self-interest. They motivate followers by appealing to their higher order needs. The top level management of most organizations lack transformational leadership and thus stifling the organization of its ability to bring about innovation and change. Major changes suggested by lower levels are resisted by top managers who are strongly committed to traditional approaches and do not understand that the old ways of doing things are no longer appropriate in modern times. F. According to Randall (2006) what top leadership or CEO can do, and must do, is to provide leadership required to get the Board and senior managers to see the need for change, provide needed resources and commitment and champion the results to the organization and its stakeholders. He further argues that the CEO must support the efforts by the organization to plan and execute change. In a nutshell the top leadership of an organization should not be risk averse, reactive and set goals based on history as opposed to desires and dreams. They should not be regulators of the existing order and exhibit linear thinking. According to Richard Ivey School of Business(2001) such leaders relate to people according to their roles in the decision making process, see themselves as conservators and regulators of the existing order, and involve themselves within situations and contexts characteristic of day to day activities.

2.3 Transactional Leadership (Behavioral Theory):

They motivate followers by appealing to their self-interest. This type of leadership is also referred to as servant leadership, giving priority to ensuring that other people's highest priority needs are being served. Integrity in all things precedes everything else. It caters to the self-interest and immediate needs of followers. The problem with this type of leadership is that sometimes these leaders can fail to emphasize managerial and leadership competence. They lose sight of the purpose of the organization and fail to accomplish mission, or insure organizational vitality and set goals for future achievement. This stick and carrot type of leadership has worked well in some organizations since exchanges or agreements with subordinates are developed pointing out what the subordinates will receive if they do something right or wrong. However the transactional leadership approach only lasts as long as the needs of both the leader and the subordinate are satisfied by the continuing exchange process (Smith & Cronje, 1997).

2.4 Action-Centered Leadership (Behavioral Theory):

An action centered leader is primarily concerned with careful supervision and control to ensure that subordinates do their work satisfactorily. This type of leadership puts pressure on subordinates to perform. According to Smith and Cronje (1997) "For task-orientated leaders, subordinates are merely instruments to get the work done". The above type of leadership is very prevalent in organizations where the leadership is more concerned about the task or work to be done and less about the individual or the team's welfare. This attitude obstructs the performance of the organization since employees will feel that they are not valued and may perform poorly and some may even leave the organization taking with them the organizational memory and experience. The only benefit that the above mentioned type of leadership brings to the organization is that it is able to meet timelines which does not guarantee good quality of work done.

2.5 Normative Decision Model (Contingency Theory):

Vroom and Yetton (1973 cited in Yukl 2013, p.120) identified five decision procedures for decisions involving multiple subordinates, including two varieties of autocratic decision (A-I and A-II), two varieties of consultation (C-I and C-II), and one variety of joint decision making by the leader and the subordinates as a group (G-II).

Normative Decision Model predicts the degree of group participation in certain situations and then sets standards for the inclusion of subordinates in the decision making process. It helps leaders to determine how and to what extent subordinates should participate in problem solving. The top leadership acts autonomously in that it gets information then decides alone (A-I). In this case the subordinates do not own the decisions and their implementation. For example the subordinates are not given any chance to contribute to the strategic plan of the organization. The Top management of the organization has a tendency of using the same leadership style regardless of their supervisee's performance level. This approach to leadership demotivates those who perform better as they feel that they are being lumped together with poor performers and their troublesome colleagues. According to BOCODOL (2007) a good leader would not use the same leadership style with an employee that understood how to complete a task as with an employee that did not know how to complete a task. Situational leadership models by Hersey and Blanchard proposes that an effective leader is one who can diagnose the demands of the situation and the level of maturity of followers, and use the leadership style that is most appropriate (Smith & Cronje, 1997).

2.6 Fiedler's Model (Contingency Theory):

According to Smith and Cronje (1997) Fiedler argued that the effectiveness of a leadership style depends on the characteristics of the situation. The leader's influence is an important factor in the model. According to Fiedler, if the leader's influence is weak or strong, then the preferred style is task centered and it is only when the leader has a moderate influence that an employee-centered approach should be adopted. . This theory has been found to be very useful when it comes to suggesting ways of enhancing leader effectiveness. Because the theory assumes that certain kinds of leaders perform best under certain kinds of situations, and that leadership style is fixed, the best way to enhance effectiveness is to fit the right kind of leaders to the situations they face (Greenberg, 2011). Smith & Cronje (1997, p.293) posit that "instead of searching for the best style of leadership, managers should rather learn to establish interfaces with regard to themselves, the situation and the needs of their subordinates". The leadership most organizations is more task oriented than employee oriented. This helps organizations to be able to achieve timelines; however employees remain disgruntled as they may feel that the top management does not care about their welfare but only productivity.

3. RECOMMENDATIONS (SECTION 2)

According to Day (2000 cited in Yukl 2013, p.386) most of the literature on leadership development has been focused on improving the skills and behavior of individuals. This is the case in some organizations; the emphasis is on leader development instead of leadership development. Following are the author's recommendations organizations can use to develop leadership capability and in turn organizational performance.

3.1 Applying Fiedler's Model/Categorization.

The author recommends that organizations apply Fiedler's categorization to their leaders since it would be useful to profile them. This profile could indicate the strengths and weaknesses of the existing leadership pool. This information

could then be used to advise development strategies and corresponding training programs to supplement existing competencies (Smith & Cronje, 1997).The leadership of organizations should ensure that the they are transformed into learning organizations to attain modified operational procedures, more efficient work processes and a motivated workforce.

3.2 Formal Training:

This type of training occurs during a defined time period, usually conducted away from the supervisors' and supervisees' environment. Examples are short workshops at a training center or management course at a university. Leadership training programs should be tailored to the needs of the organization. Most universities offer leadership development programs attended on part time basis. To motivate employees the organization should compensate employees for the cost of attending outside workshops and courses, which is currently not the case in many organizations. The training programs should be based on the application of a particular leadership theory (Greenburg, 2011).

3.3 Developmental Activities or Experiences:

Usually embedded within the operational job assignments or conducted in conjunction with those assignments. Examples of developmental activities include coaching by a supervisor or an outside consultant and special assignments that provide new challenges and opportunities to learn relevant skills. According to Yukl (2013) a research conducted at the Center for Creative Leadership (CCL) found out that learning from experience is affected by the amount of challenges in assignments, the variety of tasks and assignments and the quality of feedback.

Ways that can be used to provide a variety of job challenges include making special developmental assignments, rotating leaders or managers among positions of different business units and functional subunits of the organisation.Assignments should be provided in all areas and levels of the organization and in both foreign and domestic arena. This would help potential and current managers to discover and rediscover themselves so as to know their strengths and weaknesses of their types or styles of leadership and behavior. In a nutshell this would be a learning curve for them. Arrangement should be made to provide proper feedback so as to afford the participants to analyze their experiences and learn from them.

3.4 Self-Help Activities:

This are carried out by individuals on their own initiative. They include reading books, viewing videos, listening to audio tapes, and using interactive computer programs for skill building. This approach can be enhanced by resourcing the organization's library in such a way that employees will be interested in visiting and using the materials to their individual and organization's benefit. Individuals can engage in self-sponsored part-time courses to enhance their leadership capabilities.

3.5 Multisource Feedback Programs (360-degree feedback):

The 360-degree feedback is primarily used to assess the strengths and developmental needs of individual managers. Feedback can be used to improve discovered needs. This program should be implemented in the author's organization in such a way that mangers will receive information about their skills or behavior from standardized questionnaires filled out by other people such as their supervisees, colleagues, supervisors and clients. Questionnaires used to provide feedback should be customized to the organization. Managers or participants should also rate themselves. The above activity will be enhanced by feedback workshops with the facilitator, arrangement of meetings between the rated and the rater and providing individual coaching to mangers for several weeks after feedback workshop (Yukl 2013). Greenberg (2011) posits that 360-degree feedback is a useful means of identifying aspects of one's leadership style that are in need of change. He further argues that different people will have varying perspective on some ones leadership. Feedback gotten from various sources will help build strong leadership for the author's organization.

3.6 Developmental Assessment Centers:

Yukl (2013,p.374) states that "In assessment centers managerial traits and skills are measured with methods such as interviews, aptitude tests, a short autobiographical essay, a speaking exercise, and a writing exercise". Information from diverse sources will be used by the organization to develop an overall evaluation of each participant's management potential. Assessment Centers are useful for developing managers as they use more intensive procedures and more comprehensive set of measures to increase self-understanding, identify strengths and weaknesses and assess developmental needs. Developmental Assessment workshops will be followed by relevant training or development

activities. According to Boehm (1985 cited in Yukl 2013, p.375) benefits of a developmental assessment center are not limited to participants but extend to managers who serve on the staff of these centers who may also experience an increase in their managerial skills.

3.7 Mentoring:

Mentoring refers to a relationship in which a more experienced manager helps a less experienced one. Both formal and informal mentoring program should be used to facilitate leadership development within the organization. Payne & Huffman (2005 cited in Yukl 2013, p.377) suggest that mentoring can be a useful technique for facilitating career advancement, adjustment to change, and the job satisfaction of a protégé. They argue that mentoring also offers advantages such as stronger organizational commitment and lower turnover. Mentoring would assist those who are new in positions of leadership to adapt to the roles of those positions. It can also help the organization to groom future leaders. Through mentoring, mentees would introspect themselves and improve their behavior to suit different situations and therefore being able to implement appropriate leadership styles which will result in a balanced performance of the organization.

3.8 Networking:

Networking is a leadership development tool designed to help people make connections to others to whom they can turn for information and problem solving (Greenberg, 2011). The organization can use this tool to promote peer relationship in work settings and also to break down barriers between it and its strategic partners through cooperation. Networking will help bring together people from different parts of the organization that otherwise would not normally come into contact with one another. For example, Board of Directors of a company may never find it important to meet employees of their organization, safe to say that the majority of them may not even know them.

3.9 Succession Plan:

A succession plan is the process of developing future leaders of an organization. It entails identifying high potentials and nurturing them so that they could live up to the challenges of the organization when time comes. This process strengthens the strategic linkages between selection, promotion, organizational performance and innovation. Within the author's organization, there is need to groom leaders who could master operations at various levels of the organization. This would help the organization to secure a steady supply of competent individuals to take over from the current leadership and avoid any possibilities of leadership vacuum. Succession planning should focus on defining successors for specific positions. For it to be successful there should be an open competition for leadership posts. Organisations may establish and implement procedures of leadership selection through written examination. The selection process should consist of qualification, assessment, examination of skills and knowledge, interviews and performance evaluation. Leadership competencies should be defined on the organization's critical factors values and challenges (Byham, 1999).

4. CONCLUSION

Leadership is management function which influences and directs the behavior of individuals and groups in such a way that they work willingly to pursue the objectives and goals of the organization. It is a dynamic process as evidenced by the different theories and models discussed in this report (Greenberg, 2011).

Leadership theories provide the basis for understanding and applying leadership qualities in the author's work situation. It is also important to re-emphasize that leaders are found at various levels of the organization. The trait, behavioral and situation or contingency theories were considered in this report. The earliest theories on leadership suggested that certain traits influenced whether a leader was good or bad. The behavioral theories focused on the behavior of the leader and the leadership style that the leaders demonstrated. The situational leadership theories identified or proposed that leaders change their behavior depending on the situation (Smith & Cronje, 1997).

The author has made several observations or conclusions on this controversial issue of leadership. Since there is no support for the notion that leaders are born and not made, leaders should not be selected purely on personality traits independent of the behavior and situations. There is apparently no one best way to lead. For example, it cannot be said that relationship oriented leadership is always better than task centered leadership. According to BOCODOL (2007) the most effective leadership behavior appears to depend on the characteristics of the leader and the situation, which includes the nature of the task and the characteristics of the supervisees or subordinates.

This paper identified a number of leadership development initiatives that can be used to improve leadership skills in the author's organization. They include formal training, developmental activities, self-help activities, multisource feedback program, developmental assessment centers, mentoring, networking and succession planning.

All in all organizations can achieve a balance between the individual, group and organizational performance by first producing or attaining strategic leaders who are able to oversee operating and strategic responsibilities (Richard Ivey School of Business,2001).

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