

# Estimation of the impact of leadership on successful businesses

## Estimarea impactului leadership-ului asupra afacerilor de succes

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### SUMMARY

*Production concerns land, labor, capital and entrepreneurship. Leadership is the major factor that makes everything work together seamlessly; without leadership, all other business resources are ineffective. Switched-on business leaders are aware of the concerns of their employees, and are on top of new developments in leadership theory and practice to create more effective working environments. There are different types of leaders; some are more comfortable dictating to their employees, while other prefer a more collaborative approach. It is always a good idea to tap into the creativity of your staff: if they have a great idea that may increase the revenue of the company, why not take advantage of that? On the other hand, facilitative leaders delegate most tasks to their subordinates, and spend time giving their employees the tools necessary to excel in their positions. Company culture is dependent upon the specific leadership style of the executive in charge.*

**Keywords:** leaders, leadership, entrepreneurship, efficiency, manufacturing and delegation of functions.

### REZUMAT

*Produc ia este str ns legat  de p m nt, munc , capital  i antreprenoriat. Leadership-ul este un factor major care face ca totul s  func ioneze perfect  mpreun ; f r  de conducere, toate celelalte resurse de business sunt ineficiente. Liderii de afaceri sunt con tien i de preocup rile angaja ilor lor  i de unele noi evolu ii  n teoria  i practica de conducere pentru a crea un mediu de lucru mai eficient. Exist  diferite tipuri de lideri; unii  n condi ii confortabile conduc angaja ii lor,  n timp ce al ii prefer  o activitate de colaborare.  ntotdeauna se reg sesc idei bune pentru a valorifica creativitatea personalului:  n cazul  n care aceasta este o idee care ar putea conduce la cre terea veniturilor companiei, de ce nu s-ar profita de ea? Pe de alt  parte, liderii faciliteaz  delegarea celor mai multe sarcini subordona ilor, oferindu-le angaja ilor instrumentele necesare pentru a excela  n pozi iile lor. Cultura companiei depinde de stilul specific de conducere  i de responsabilitatea executivului.*

**Cuvinte-cheie:** lideri, conducere, antreprenoriat, eficien , producere, delegarea func iilor.

**Introduction.** The majority of the people think that achieving business success comes from the implemented business strategy. Strategy it is just a part of the success, so in this context leadership can be considered one of the main reasons for the business success. It is important to consider the style of the bosses, because sometimes military leaders treat the workplace as a battleground. Leaders need to take tough decisions and act quickly, but that should not instil a culture of fear amongst employees. Mistakes are part of an individual's growth, as well as a company's.

The **research purpose** of the present article is to investigate the role of the leader in business.

It must be considered the fact that a great leader is not someone who leads and is not a matter of personal star power, luck or ambition. It is someone that other people want to follow. According to Catherine Cahill [2] from the *Worksense Solutions*, a leadership requires great charisma but is not always enough or even essential in order to sell something. At a very basic level, a great leader clearly articulates what is required and then does what they say they will do. It is so simple, yet so frequently ignored. If you want to lead, if you want people to follow you, they have to see that you will do what you say you will do. Whilst there are many quality traits required to be a good leader, like in studying and modelling, some of the greatest leaders over the past couple of years include four which are most common across the regardless of age, location or company size. Below, we will analyze these four quality traits.

The first one is the *character*. A good leader is honest and has an exemplary character and for this he needs to be trusted. A good leader "walks the talk" and, in doing so, earns the right to have

responsibility for others. True authority is born from respect for the good character and trustworthiness of the person who leads.

**The second trait is the communication.** Likewise, if you want your company to reach new benchmarks of achievement, you must master the art of clear communication. In order to communicate directives, which will drive results, you have to really hear your employees. Leaders respond to questions, address concerns, and above all, listen with empathy.

**The third is the direction.** Having the vision to break out of the norm and aim for great things - then the wherewithal to set the steps necessary to get there - an essential characteristic of good leadership. By seeing what can be and managing the goals on how to get there, a good leader can create impressive change.

**The fourth is the optimistic trait.** The very best leaders are sources of positive energy. They are intrinsically helpful and genuinely concerned for other people's welfare. They always seem to have a solution and always know what to say to inspire and reassure. They avoid personal criticism and pessimistic thinking, and look for ways to gain consensus and get people to work together efficiently and effectively as a team.

**The fifth) is honesty.** Strong leaders treat people as they want to be treated. They are extremely ethical and believe that honesty, effort, and reliability form the foundation of success. They embody these values so overtly that no employee doubts their integrity for a minute. They share information openly and avoid spin control.

Chantel Cleminson [1], *Director of Mentors Insync* argues that good leadership is about mentoring, guiding,

coaching and leading from behind. In doing so you give people the opportunity to develop, innovate and contribute to the success of the overall organisation. Great leadership is where you listen but still give people a chance to have a voice, and by doing so, you will not only make them feel valued, but they may offer ideas that you have never thought of. Of course, there are several other theories about leadership and leadership styles where different skills come into play. But no matter what your approach, if you display the traits listed above, you will be well equipped to lead a team more successfully.

*The leadership significance.* It is known that all successful organisations and businesses need effective leaders. The leadership of effective and well trained leaders is paramount to providing an agreed upon goal for the company's success. Leaders are invaluable when it comes to formulating and communicating new strategic directions, as well as communicating with and motivating employees to increase dedication to organizational goals. Ongoing leadership skills training is essential to make sure that leaders are on the right track.

*Leadership focus.* It used to be that the leadership focus was on speed and flexibility. Leaders have to be agile and resilient in a constantly shifting landscape, where a global focus, digital necessity and social-political shifts are commonplace. In a constantly changing business environment, being able to recover quickly and the course in the face of repeated challenges is crucial. CEOs who can achieve this are emotionally intelligent and can quickly come to grips with complex shifts and assist others in moving forward to achieve the. They stay on top of what is going on within their industry, of what is current in business

leadership, philosophies and ideas. Blooming in spite of adversities is the truest leadership test.

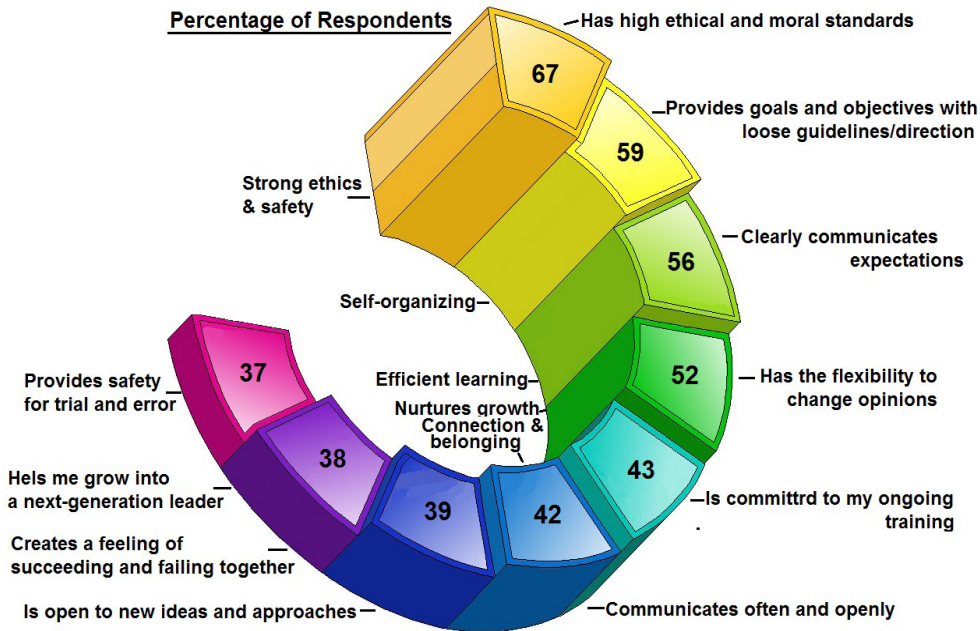
*Leadership and delegation.* Delegation is essential and any successful business leader recognises that. This should lead to building leaders for future enterprises. It is important that leaders are able to spot people who are on the rise to the next career trajectory and let them take the next step to management.

*Business leadership considerations.* Every business could benefit from an overview of its leadership style (e.g. a new CEO in an established company- they may benefit from altering their leadership style to be more in line with the current sensibility of the company (they may find leadership coaching helpful in this situation). When experiencing a decline, top executives may need to be replaced.

*Functions of the leadership.* Leaders need to wear many hats. They are tasked with training staff to fulfil their KPIs, as well as monitoring their progress and completion. An effective leader garners enthusiasm for the company while bringing out the best of his employees. Employees should also feel safe and supported in their environment.

*Analysis and results.* The study covered the analysis of 195 leaders from countries and over global organizations. Participants were asked to choose the 15 most important leadership competencies from a list of 74. The top ones were grouped into five major themes that suggest a set of priorities for leaders and leadership development programs.

All successful organisations and businesses need efficient leaders. An efficient leader will always agree upon the goal for the company's success. Leaders are precious when it comes to formulate and communicate new strategic directions.



**Figure 1.** The top 10 leadership competencies, grouped by themes.

**Source.** Author's investigation and [4].

In the scientific literature, by *leadership* it is understood a process by which a person can influence a group of individuals to achieve a common goal. Managerial authority may exist, but not required. So, joint operational elements of leadership are the following:

- a process;
- involving influence;
- done in a group;
- involves a goal.

The process involves leadership qualities, but not restricted to their existence. The process is non-linear because its results are not commensurate with their efforts. Also, it is interactive and goal-oriented. As result, the essence of the process is the influence.

It is known that leadership is performed in a group. In this context, the group is therefore the operational context and consists of people expressing their confidence in the leadership. Concerning the size of the group, it may be relatively small and may extend to the entire orga-

nization.

The leader is the one who has the vision of the future and proposes more objectives. that should be achieved. A great importance is given to the leadership focus that is based on speed and flexibility. Leaders have to be agile and resilient in a constantly shifting landscape, where a global focus, digital necessity and social-political shifts are commonplace. In a constantly changing business environment, being able to recover quickly and stay on? the course in the face of repeated challenges is crucial.

Within the leadership, delegation is essential and any successful business leader recognises that. This fact should lead to building leaders for future enterprises. It is important that leaders are able to spot people who are on the rise to the next career trajectory and let them take the next step to management. In order to understand the difference between the management and leadership, we will present them below (tab.1).

**Table 1. Management versus leadership.**

<ul style="list-style-type: none"><li>• Rewards and penalizes</li></ul>	<ul style="list-style-type: none"><li>• Develops intrinsic motivation</li></ul>
<ul style="list-style-type: none"><li>• Develops control systems</li></ul>	<ul style="list-style-type: none"><li>• Boosts self-control</li></ul>
<ul style="list-style-type: none"><li>• Is gravitational and coercive</li></ul>	<ul style="list-style-type: none"><li>• Is anti-gravitational and explosive</li></ul>

**Source.** *Author's investigation.*

Regarding leadership and power, it can be stated that they have the following characteristics:

1. the referent power (the power associated with the person who can be a model of thinking);
2. the expert power (the power associated with a person demonstrating deep knowledge in a particular field);
3. the legitimate power (the power associated with a particular institutional position, enabling to take decisions regarding the life of a person);
4. the power to reward (the power associated with a managerial position, which allows rewarding efforts);
5. the power to penalize (the power associated with a managerial position that allows penalizing mistakes).

Below, we will present the types of types of managerial and personal powers and personal power (table 2).

**Table 2. Types of managerial and personal powers.**

Managerial power	Personal power
<ul style="list-style-type: none"><li>• legitimate power</li></ul>	<ul style="list-style-type: none"><li>• referent power</li></ul>
<ul style="list-style-type: none"><li>• the power of rewarding</li></ul>	<ul style="list-style-type: none"><li>• power expert</li></ul>
<ul style="list-style-type: none"><li>• coercive power</li></ul>	

There are different forms of leadership that have a great impact on the organization success. The first one is the *leadership centered on personality traits* which is not an effective leader and how to manage it effectively. The second form is the *leadership centered on behavior* - the behavior of effective leaders fall into antonymic pairs such as: autocratic - democratic; directive - permissive; task-oriented - oriented to people.

This perspective focuses on the leader's

behavior on what and how he does.

The third one is directed to *situational leadership* that shows the influence of situational factors on the characteristics and behavior of the leader, as well as highlighting how the combination of these three major elements determine the achievement of individual performance, group level and the organization. In this context, there may be several types of leaders such as:

1. a leader concerned about relationships;
2. a leader concerned about a task;
3. a socio-independent leader.

Successful leaders in certain social, economic and political contexts might fail. Therefore, contextual perspective is the most complex one.

**Conclusions.** Business opportunities are often created or destroyed by both direct influences of economic, political, societal

and technological forces as well as complex interactions between these forces. So, the leadership is the major factor that makes everything work together seamlessly; without leadership, all other business resources are ineffective.

The knowledge of the basic qualities of the leader helps to increase attachment, trust and subordination to the leader by motivating employees and reducing conflicts in the organization.

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