LEADERSHIP IN POINT OF VIEW OF EFFECTIVITY

Katarzyna PUSZKO
General Tadeusz Kościuszko Military University of Land Forces, Department of Management, Poland; Katarzyna.Puszko@awl.edu.pl, ORCID: 0000-0002-7126-5140

Purpose: Exemplification of the possibility of achieving effective leadership in theoretical terms.
Design/methodology/approach: The article presents contemporary trends in leadership development with an emphasis on its (leadership) effectivity. Then, an original concept of leadership efficiency was proposed, the basis of which is value for the client. The proposed concept was developed using the deductive method, i.e. inferring from what is general about what is special.
Findings: An original concept and model of business leadership effectivity.
Practical implications: Ability to choose the leadership cap. It allows leadership to be placed at an effective level.
Originality/value It can be a kind of a signpost for orientation as to the direction of actions aimed at improving the efficiency of leadership.
Keywords: leadership, effectivity, value, customer.
Category of the paper: Research paper.

1. Introduction

The global crisis of leadership that we are dealing with in almost all areas is now a spectacular sign of the times. To make matters worse, there is a proliferation of bad leadership, the effects of which are severely affecting both people and companies (Lachowski, 2013). The challenge of contemporary leadership is therefore its (leadership) effectiveness. The aim of the article is exemplification of the possibility of achieving effective leadership in theoretical terms.
2. Literature review

A recent review of current theories and future directions in the leadership literature noted the emergence of research that attempts to reach beyond the “heroic” or “romantic” view of unitary leadership (Denis, Langley, Sergi, 2012). Some research examines leadership not as a property of individuals and their behaviors, but as a collective phenomenon that is distributed or shared among different people, potentially fluid, and constructed in interaction (Avolio, Walumbwa, Weber, 2009). Specifically, the first stream, “Sharing leadership for team effectiveness”, focuses on a body of research largely based in the organizational behavior tradition that considers leadership as “... a dynamic, interactive influence process among individuals in groups for which the objective is to lead one another to the achievement of group or organizational goals or both” (Pearce, Conger, 2003). The empirical emphasis is on mutual leadership within the context of groups (Denis, Langley, Sergi, 2012). The first stream of research takes a functionalist approach to plural forms of leadership. The main objective is to better understand and find alternate sources of leadership that will impact positively on organizational performance. The studies mainly focus on the identification of antecedents and consequences of “shared leadership”, and they inform variance theories rather than process theories of leadership (Denis, Langley, Sergi, 2012). Organizational behavior is the main source of disciplinary inspiration and empirical work involves hypothesis testing using quantitative methods (Avolio, Walumbwa, Weber, 2009). Scholars generally focus on shared leadership within the context of teams, defined here as “a simultaneous, ongoing, mutual influence process within a team that is characterized by ‘serial emergence’ of official as well as unofficial leaders” (Pearce, 2004). The second stream, “Pooling leadership capacities at the top to direct others”, focuses on empirical situations in which two, three, or more people jointly work together as co-leaders of others outside the group (Alvarez, Svejenova, 2005). This stream is perhaps best associated with the label “collective” leadership and has attracted scholars with a more managerial or sociological orientation. While for many authors, plurality in leadership seems to be associated with conceptions of democracy, empowerment, and participation among members of a team who mutually lead each other, in some situations, plurality in leadership is clearly more structurally embedded (Denis, Langley, Sergi, 2012). Moreover, a structurally plural group can become a collective source of leadership for people outside it. Indeed, by institutionalized mandate or sometimes by common consent, in some organizations, top leadership roles may be formally structured so that no single individual is invested with the power to lead unilaterally. Despite some authors’ resistance to the idea that such a division of roles could be sustainable in the real world (Locke, 2003; Schumpeter, 2010), it remains that in many contexts, including professional organizations, the arts, education, and health care and even in entrepreneurial ventures and large enterprises, not only leadership, but authority may also sometimes be formally divided. The third stream, “Spreading leadership within and across
levels over time”, refers to work that has examined how leadership may be handed over between people from one hierarchical level to another over time as well as across intra-organizational and inter-organizational boundaries. This is the stream that is most associated with the term “distributed leadership” and that has been developed extensively by researchers in education (Spillane, 2006) and those interested in interorganizational collaboration (Huxham, Vangen, 2000). Gronn (Gronn, 2002) traced the distinction between “focused” and “distributed” leadership to Gibb (Gibb, 1954), who argued that it is not the specific traits of individuals that define leadership, but rather the degree to which people assume “leadership functions”. Leadership can, therefore, be seen as a “group phenomenon” distributed among individuals. The body of literature described extends the notion of leadership in the plural beyond teams and beyond small groups at the top to a broad array of people who jointly exert influence. Often, this literature focuses on particular projects or incidents of major change where different individuals may bring to bear their contributions. This literature focuses, in particular, on how people collectively achieve influence by taking turns, although several authors here are beginning to move toward a more relational view where leadership is embedded not so much in people but in relations and situations (Huxham, Vangen, 2000; Spillane, 2006). Most leadership studies, including the streams presented up to now, tend to equate leadership with what specific individuals identified as leaders do, starting with the existence of these distinct individuals and considering various elements such as their qualities, their behaviors, or their effectiveness. These studies extend reflections on the sharing of leadership and power: resolutely anchored in a socioconstructionist epistemology, these studies conceptualize leadership as a social phenomenon, as a collective process in which formally designated individuals may play a role, but from which it is impossible to ignore other actors. The place of individuals is thus reduced: actors are present in leadership—enacting it, influencing it, and creating it—but they are not “containers” of leadership. As many of these studies underline, leadership concepts that attribute leadership to individuals create heroic definitions of leadership; these studies aim to move away from such a heroic view (hence the oft-used label “postheroic leadership”). Because leadership is always collectively enacted in situation, it becomes a consequence of actors’ relations, an effect processually generated by a group of people, a product of their local interactions. Thus, the contributions in this stream can be summarized as proposing a relational or an interactional conceptualization of leadership. Their social constructionist assumptions favor commitments to qualitative analysis. These studies view leadership as a situated activity that takes shape through and emanates from actions and interactions and accordingly focuses on the in situ “performance” of leadership. It is because leadership is conceived as elaborated through social processes and emerging via interactions that it is fundamentally plural. Her view of leadership is also based on the concept of circularity, where “power and authority continually shift and morph to match the situation as it evolves” (Bathurst, Monin, 2010). Paradoxically, leadership occurs when leaders abandon the need to control and dominate, and emerges within the dynamic interactions of daily
organizational existence. But there are times when orders must be given and commands must be followed. In order to contextualize these Follett argues that it is the situation itself that provokes this need. Therefore, it is not the command itself that is important but the social relationships that facilitate the group’s identity in the first place. Another influence is Hollander’s work, which put forward the idea that leadership may be the property of a group (Hollander, Julian, 1969). By paying close attention to followers, Hollander and Julian’s leadership conception can be seen as an antecedent to numerous leadership studies; however, it is by talking of leadership as an interactive and transactional process evolving over time that we can discern an influence on the studies in this category. Finally, Feyerherm (Feyerherm, 1994) can also be seen as a precursor of the relational and interactional studies. In the same line of thinking as Hollander, she suggested that leadership may be seen as a group characteristic and a web of influence covering the groups under study. The fourth stream, “Producing leadership through interaction”, moves furthest toward decentering the notion of leadership from individuals entirely, adopting “a view of leadership and organization as human social constructions that emanate from the rich connections and interdependencies of organizations and their members” (Uhl-Bien, 2006). This perspective is most associated with the term “relational leadership”. Gibb noted in his treatise on leadership theories of the time that “Leadership is probably best conceived as a group quality, as a set of functions which must be carried out by the group” (Gibb, 1954). The question is, what does leadership efficiency mean? Based on the literature, the following approaches to defining effectiveness can be distinguished (Barlożewski, 2017; Bielski, 2004; Pawłowski, 2007):

1. Theological: it assumes that an organization exists to pursue a specific purpose for which it was established. The implementation of the goal should be carried out in accordance with the praxeological principle of thriftiness, according to which, while striving to achieve goals, one should minimize costs (efficiency formula) or increase results (savings formula). The third possibility is the simultaneous pursuit of maximizing results and minimizing inputs (non-alternative formula). It should therefore be noted that the assessment of the company’s effectiveness is based not on one, but on several criteria. In this case, it refers to the categories of effectiveness, economy and benefit.

2. Systemic is based on the following assumptions:
   - the company is perceived as an open system that strives for internal balance, survival and development,
   - organizations are not isolated from the environment, but are integrated with it through numerous connections of various types, including not only the exchange of physical goods, services, labor and capital, but also energy, information and signals,
   - the organization must compete with other entities for resources that it obtains from the environment and which are not unlimited,
• the basis for long-term maximization of an organization's income is its internal efficiency,
• the organization must also have the ability to learn and improve its performance in order to maintain the ability to adapt to external conditions, which is the basis for its survival.

3. According to the concept of interest groups: this approach emphasizes that due to the existence of a number of different groups of stakeholders, more or less interested in the functioning of a given organization, the assessment of effectiveness must be a multidimensional issue. Each group will evaluate the effectiveness of a given company differently. Therefore, it involves the need to reconcile many different and often conflicting interests, needs, values and time perspectives represented by individual stakeholder groups, as well as the need to take into account the relationships and processes between them.

4. According to the competitive value model: it combines four different, competing models of performance assessment, which are guided by different values.

In the literature on the subject, there are 5 main trends in leadership efficiency (Hogan, 1994; Austen, 2010; Puszko, 2021a). First, leaders can be judged on the actual performance of their teams or organizational units. And so, in the first case, the efficiency of leadership can be measured by determining the attitude of followers, the level of commitment or motivation to work. In the latter case, leaders are seen as effective when the organization achieves positive results (Eagly, Karau, Makhijani, 1995 Howell, Costley, 2006; Austen, 2010). When reviewing the literature on leadership effectiveness, one can find ambiguous views on the relationship between leadership and organizational performance. The following measures of results are used: profitability, productivity, cost per unit of production. On the one hand, researchers such as Yukl and Van Fleet (Yukl, Van Fleet, 1992) write that leadership is key to organizational performance and profitability, on the other hand, there are also different positions. For example, Thomas (Thomas, 1993) believes that while he believes leadership is related to performance, it is difficult to find convincing evidence. Waldman, Ramirez, House, and Puranam (Waldman, et al., 2001) even state that there is no relationship between leadership and organizational performance. Instead of relating the leader's actions to the organisation's performance, leadership efficiency can be viewed in relation to the success of their projects. In this perspective, however, most researchers evaluate the efficiency of leaders in terms of the consequences of their actions in relation to their followers and other stakeholders. The results of effective leadership may be the development of leaders, groups or organizations, their preparation to deal with a change or crisis, the satisfaction of followers with the leader, employee involvement in the implementation of the organization's goals, high leadership position. Most often, leadership effectiveness is measured by the extent to which its group/individual achieves its goals (Dhar, Preshant, 2001). Secondly, the leadership efficiency can be assessed by their superiors, subordinates or colleagues of the leaders. Hughes, Ginnett,
K. Puszko and Curphy (Hughes, Ginnett, Curphy, 1999), stated that in order to assess the success of leaders, one should ask subordinates about their level of satisfaction or the perceived effectiveness of the leader. Therefore, determining whether a given leader can be considered effective is often based on the opinion of those working with him (McCauley, 2004). An important indicator is the attitude of followers towards the leader, which refers to the ability to meet the needs and expectations of subordinates, their commitment and respect for the leader. This can be measured by the level of retention, absenteeism, complaints, performance degradation. Sometimes the leader's performance is measured by the leader's contribution to the quality of group processes, group cohesion, increased cooperation and motivation, lowering the level of conflicts between group members, and improving the speed and quality of decisions (McCauley, 2004; Austen, 2010). The third category of studies assesses the potential of leaders on the basis of interviews, simulations, and assessment center. Much of the discussion on leadership effectiveness is devoted to the person of the leader and his characteristics. Among the factors that determine effective leadership, the most important are competences (characteristics of a person resulting in high results), weaknesses (often treated as a lack of competences), behavior (observable actions), knowledge (concerning leadership and the specific context of leadership), experience, level of maturity (understanding oneself and the environment), and the style of leadership. Fourth, it is also possible for leaders to self-evaluate. While this way of judging says little about actual leadership performance, for leaders who tend to overestimate their performance, Hogan and Curphy (Hogan, Curphy, 1994) and Austen (Austen, 2010) consider themselves to be a symptom of leadership deficiencies and show that the lack of competence is usually equated with such factors as lack of trust, reluctance to maintain discipline, inability to make decisions, excessive control. Thus, efficiency can be measured in two ways: objective (process-oriented) measurement is made using financial indicators or the degree of achievement of goals, such as, for example, profit margin, market share, profitability, and subjective (result-oriented) measurement using measures based on the assessments of subordinates, superiors or colleagues (Hartman, 1999; Austen, 2010). The efficiency of a leader may take a direct or an indirect dimension. Direct efficiency refers to the leader's decisions and actions that have a direct impact on what is done and how it is done. Indirect efficiency refers to the leader's decisions and actions that are mediated by other variables (Dhar, Prashant, 2001). Leadership effectivity can be studied in the political, social and business domains. Detailed effectiveness studies are described in: (Puszko, 2021a, 2021b, 2021c, 2021d; Puszko, Ostasiewicz, 2021). The article is a continuation of the author's interests in the field of shaping the effectiveness of leadership.
3. Original concept of business leadership effectiveness

Based on the approach to defining effectiveness according to the concept of interest groups and the competitive value model, modern trends in leadership development, a process approach in management the author proposes the concept of effective business leadership. Leadership effectiveness means having an impact on achieving (the highest) value for the customer in favorable and unfavorable conditions of the company's operation. Favorable operating conditions - occur when the result measured by the difference between effects and inputs is greater than 0. Unfavorable operating conditions - occur when the result measured by the difference between effects and inputs is less than or equal to 0 (Adamczyk, 1995).

P.F. Drucker often emphasized that the enterprise is its customers. Without customers, no business entity can function, and companies that cannot meet customer expectations collapse or are taken over by other entities (Drucker, 1976). External customers who consciously buy products or services offered to them. They are clearly identified, companies have learned to recognize them, reach them with the right offer, support them in using the delivered products, react to their comments and demands (Łunarski, 2008). In the process approach, internal and external customers decide what constitutes the value of a given product (Grajewski, 2007).

In the literature, there are many attempts to define the essence of value in business, often distinguishing its different types, such as enterprise value, customer value, value for the customer, and then value management (Łunarski, 2008). There are three basic concepts of value in economics: classical (value as the amount of labor necessary to produce a good), subjective (the ability of the goods to satisfy subjective needs) and neoclassical (the process of equilibrium resulting from the relations taking place between supply and demand) (Rajzer, 2009). In economic sciences, and more specifically in management sciences, customer value is a marketing category. Although the concept of "customer value" is used today by researchers associated with many different scientific disciplines in the field of economics and management sciences, it should be remembered that the concept of value for the customer was introduced in 1954 to the literature in the field of management sciences by P. Drucker - precursor of marketing theory and marketing management (Drucker, 1954). At the end of the 1960s, this category appeared in the theory of consumer behavior and in the theory of marketing, referring to the concepts of utility (benefits) and satisfaction known from the theory of consumer choice. Later, however, its use in this sense was abandoned, and the concept of "value" appeared only in studies on consumer behavior, understood mainly as values professed, valued or otherwise - preferred by buyers (customer values) (Szymura-Tyc, 2005). It is assumed that value is one of the basic categories of axiology (the science of values), which defines everything that is desirable, worthy and valuable for an individual; what constitutes the goal of human endeavors (Encyklopedia zarządzania, 4.02.2023). T. Falencikowski lists emotional values, technical values, economic values and social and ethical values (Falencikowski, 2013). The listed values and their characteristics are presented in table 1.
Table 1. Types and features characterizing values for the customer

<table>
<thead>
<tr>
<th>Item</th>
<th>Type of customer value</th>
<th>Characteristics</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>emotional values</td>
<td>beauty, pleasure, desire, love</td>
</tr>
<tr>
<td>2.</td>
<td>technical values</td>
<td>durability, efficiency, usefulness, ease</td>
</tr>
<tr>
<td>3.</td>
<td>economic values</td>
<td>cheapness, availability, convenient payment terms, delivery time</td>
</tr>
<tr>
<td>4.</td>
<td>socio-ethical values</td>
<td>impact on the environment, quality of life, corporate responsibility for the product, marketing manipulation of customers</td>
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Source: (Falencikowski, 2013; Falencikowski, 2017).

On the other hand, the values important for internal customers include: values based on economic mechanisms (wages, employee shares, transfer of ownership rights to employees, which is the key to achieving operational efficiency) and values based on relational mechanisms (they are related to the elements that build trust-based relationships with employees, and thus motivate them to engage in the functioning and development of the company (Wang, He, Mahoney, 2009, pp. 1265-1285). The concept of business leadership effectiveness in the model approach is presented in Figure 1.

![Business leadership effectiveness model](image)

Figure 1. Business leadership effectiveness model.

Source: Own study based one: (Puszko, 2021a; Falencikowski, 2013; Wang, He, Mahoney, 2009).

The effectiveness of leadership is measured by the value for the client indicator, i.e. a measure which is calculated using the ratings according to the criteria and the weights assigned to the criteria and is calculated according to the formula (Bozarth, Hanfield, 2007):

$$ V = \sum_{n=1}^{N} I_n \cdot P_n $$

where:

- $V$ - value index,
- $I_n$ - weight of $n$ criterion,
- $P_n$ - evaluation according to the criterion (Bozarth, Hanfield, 2007).

The proposed concept and model were developed using the deductive method (i.e. based on inferring from what is general about what is specific) (Słownik filozoficzny, 2020).

The developed model gives the possibility to choose the ceiling of leadership. On the basis of the client's assessment, it allows you to locate leadership at an effective level. It can be
a kind of signpost used to orientate oneself as to the direction of actions ensuring the improvement of leadership effectiveness.

4. Discussion

Efficiency is one of the most important economic categories, being a manifestation of management rationality. In this context, both economics and management sciences developed for their own needs, separate, but mutually complementary ways of looking at the essence and substantive sense of the efficiency category (Jaki, 2013). The article presents contemporary trends in leadership development with particular emphasis on its (leadership) effectiveness. Then, the author’s concept and model of business leadership are described. Effective leadership is based on values that are important to the client, such as: emotional, technical, economic, social and ethical values, values based on economic mechanisms and values based on relational mechanisms. The developed model gives the possibility to choose the ceiling of leadership. On the basis of assessment by the client (external, internal) it allows for locating leadership at an effective level. It can be a kind of signpost used to orientate oneself as to the direction of actions ensuring the improvement of leadership effectiveness. The proposed concept and model were developed using the deductive method (i.e. based on inferring from what is general about what is special) (Słownik filozoficzny, 2020).

References


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