

Leadership within the Organization

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Abstract

Leadership and organization are coherently embodied as a complementary component. Leadership in the organization encompasses a greater extent of responsibility than traditional management. Over the years, the concept of organizational leadership has evolved prolifically owing to a massive blast of technology. Additionally, the prevalence of AI technology in recent years repudiated the traditional perception of organizational leadership to a certain extent. Hence, it is imperative to put a new insight by taking account the contemporary cohesive context of leadership within the organization.

Leadership in the organization refers to communication in relation to the mission and vision in a grandiose manner in order to cement the strategic plan and a vivacious leader motivates the employees to galvanize their talents in order to accomplish the goals which are aligned in terms of the strategic plans through the leader's vision. However, typical leadership aptitude is about to decline due to the rise of AI technology. AI technology surfaces new challenges in particular to strategic plans, ethical constraint and moral obligation in the organizational spectrum. Many opportunities are looming in the organizational topology because of AI technology. In this circumstance, leadership in the organization is required to adapt the evolving phenomenon to address the increasing concern with an ingenuous approach.

Keywords: leadership, leadership style, leadership in the organization, effective leadership

Introduction

Inside every organization there is an individual who leads the employees in accordance with the company's strategic plan to achieve a stipulated goal. Organization requires calibrated leadership in order to harness optimum effectiveness. Jessica E et al (2014) opines that leadership role refers to shaping the way to input others combined to capitalize organizational optimal outputs.

Organizational leaders put business philosophy to their roles in a combination with future visions as well as forward thinking to lead extensive initiatives with ethics and integrity. Leadership in the organization focuses on the developing skills and abilities that are inevitable to garner competitive edge in the organization. Developing futuristic business models in line with technological development is crucial for the organizational leaders. As AI technology is booming in the business spectrum, acting on it is urgent. Digital technology was once considered a part of leisure activities however, nowadays it has become every means the way society and business function on a daily basis (Dennison K 2023).

Bass M, (1990) coined out that leadership is merely not a system to influence the employees of an organization but a process of interaction that facilitates being influenced by others in the organization. Leadership to some extent enables the exchange perception among the employees in the organization. Organizational leadership expedites sharing thoughts in relation to the business and seeks to achieve defined objectives enthusiastically.

Organizational performance, worker job satisfaction, and worker emotional commitment are seen to be key factors in a company's success (Bass, Riggio, 2006; Drucker, 2007). According to several studies, leaders may use successful leadership styles to inspire and support their team members' competitiveness (Bass, Riggio, 2006; Luftman, 2004). As a result, the implementation of successful leadership styles by the leader is motivated by the need to uphold the organization's members' professional development requirements (La Rue, Childs, Larson, 2004).

Performance Through Leadership

One way to describe organizational performance is the conversion of inputs into outputs in order to achieve specific goals. Regarding content, performance explains the relationship between realized production and efficiency, between minimal and effective cost and economy, and between output and effectiveness (Chen, Barnes, 2006). The criteria to be utilized in evaluating the organizational performance are not universally agreed upon in the literature (Bolman, Deal 2003; DeClerk, 2008; La Rue et al, 2004; Scott, Davis, 2007). But there are four primary ways that are widely used:

Goal Approach: Organizations are formed by people with a certain goal in mind, which is decided by the stakeholders. The ability of the organization to accomplish its objectives is measured by its performance.

The System Resource Approach: This approach investigates how an organization and its surroundings interact. According to Boman and Deal (2003), an organization is efficient and successful when it leverages its surroundings to get valuable and limited resources to support its activities.

Constituency Approach: Agle et al. (2006) state that an organization is effective when a variety of stakeholders believe it to be so. Performance is more likely to be influenced by the organizations that have greater resource control (Scott, Davis, 2007).

Competing Values Approach: According to Cameron and Quinn's (2006) Competing Values Approach, the expectations of many stakeholders drive the creation of organizational objectives in diverse ways. As a result, businesses may use several metrics to gauge success. Stakeholders want their organizations to be adaptable, stable, and successful, and they support their companies' ability to change, according to Cameron and Quinn (2006). Through work groups, team projects, and management, stakeholders in a performant and effective company demonstrate a high level of dedication and collaboration (Cohen and Bradford, 2005).

According to Scott and Davis (2007), an organization's flexibility and capacity to capitalize on its surroundings when acquiring both internal and external resources are performance indicators. The stock market determines an organization's worth, and this is the primary metric used to assess its performance. Strategic initiatives centered on organizational performance are additional ways to improve the efficacy and efficiency of a company.

Leadership and Organizational Performance

By encouraging a sense of importance for the team's mission, encouraging employees to think creatively about a task or problem, and prioritizing the goals of the group over individual self-interest, a transformational leader seeks to achieve results beyond what is typical and sets higher corporate goals (James, 2005). The actions of transformational leaders have a significant impact on employee motivation. They heighten employees' awareness of the job results, pique their demand for order, and cultivate their self-interest in the success of the company.

Elenkow (2002) looked at the influence of transformational leadership techniques on organizational performance in his research on these practices in Russian businesses. He examined the leadership styles of 253 executives using the Multifactor Leadership Questionnaire. The results of the investigation demonstrated a significant relationship between organizational performance and transformational leadership methods.

Zhu, Chew, and Spanger (2005) found a favorable correlation between transformational leadership and organizational performance in 170 Singaporean organizations as part of their study on the link between these two leadership philosophies. Additionally, they showed how better cognition, greater commitment, and motivation from human resources management mediates the link between leadership and performance.

Furthermore, a study on 94 companies that looked into the effects of transformational leadership practices on the organization's financial performance in terms of profitability, increased sales or revenue, and stock measures showed a positive relationship between transformational leadership and long-term income growth (Roi, 2006). Moore (2007) discovered a strong positive correlation between female transformational leaders and the revenue component of organizational performance while doing research for the United Way of America organization.

The relationship between transformative leadership and organizational performance is favorable and substantial, according to Kieu's (2010) study on 151 IT businesses and leadership styles. Using the Multifactor Leadership Questionnaire (5X), the study found that transformational leadership increases commitment, empowers followers, and demands a higher level of respect and trust for the leader—all of which are stronger predictors of performance, satisfaction, and commitment within organizations.

It has been discovered that inspiring motivation and intellectual stimulation enhance organizational performance (Hancott, 2005). Leaders must integrate transformational behaviors since the sustainability of the business may depend on them, given that today's organizations must be efficient and fulfill the conflicting demands of the stakeholders in a transparent and ethical manner.

Transformational leadership

James MacGregor Burns first introduced transformational leadership in 1978 (Burns, 1978). This style of leadership is defined by emotionally intelligent, upbeat, and trustworthy leaders who also set high standards, foster creativity, and support cooperation. By encouraging new methods of thinking and problem solving and instilling a feeling of mission and purpose regarding the significance of the group's work, transformational leaders transform the culture of their organizations. They motivate everyone in the company to perform at a high level.

According to Bass, Riggio (2006) and Dvir, Kass, Shamir (2004), transformational leadership encompasses the ideas of motivation, objectives that benefit both parties, emotional connection, shared values, and a shared vision.

Four primary components comprise transformative leadership, according to Bass and Riggio (2006): charm, inspiration, intellectual stimulation, and individual concern. Since charisma fosters a sense of unity and a shared goal between leaders and subordinates, it is essential to the transformative process. It entails winning other people's confidence, respect, and trust.

Motivation. Effective leaders communicate the organization's principles with confidence and fluency in a way that is constructive. intellectual engagement. Leaders allow their subordinates to work on their own initiative. The latter accomplish their goals by utilizing their knowledge, imagination, and inventiveness.

personalized attention. Leaders attend to the needs of their subordinates and assign work with direction, coaching, and mentoring.

In order to achieve the desired performance, transformational leaders must, according to Richard and Clifford (2008), actively engage their subordinates' personal value systems and offer ideological explanations that link their identities to the collective identity of their organization. This will increase the subordinates' intrinsic motivation to perform their jobs; articulate a clear organizational vision and mission, which will increase their understanding of the significance and values associated with desired organizational performance; and raise the bar for subordinate performance, which will increase their willingness to put the interests of the collective entity above their own.

According to Walumbwa, Lawler, Avolio, Wang, and Shi (2005), leaders employ a situational approach to practice various leadership patterns and styles based on the level of subordinate maturity. Thus, the leadership style to be employed depends on the subordinate's maturity level (Hersey, Blanchard, Johnson, 2001).

Scott and Peter (2009), says that transformational leaders support their followers' adoption of generative and exploratory thought processes by offering intellectual stimulation. They push their subordinates to question their own values, customs, and beliefs and inspire them to approach challenges in novel ways.

Leadership Challenges in the AI Prevalent

Effective implementation of AI in the organization necessitates cooperation and collaboration among the stakeholders, additionally; in this regard the leadership plays a vital role to assemble all the resources to meet the vision. Leaders are required to act proactively for attractive and developing the appropriate talent and allocating sufficient funding, partnering and collaborating with various organizations by prioritizing the ethical implication. Leaders are considered to be the core source of influence in terms of different organizational variables and productivity (Badran and Khalifa, 2016).

It is imperative for the business leaders to understand the AI application and its risks and benefits in the business organization and how it would fit in the strategic plan. Application of AI is increasing across the globe in all dimensions of business. From the big tech companies to coffee shops, AI is reshaping the business model to a greater extent. customers' requirements, choices and priorities are stored in a data bank which are analyzed by the AI application. Therefore, handling data with proper and professional manner has turned into a comprehensive task for a leader in the organization. During a transitional period, charismatic leadership is sought in order to transform the business model which is required to survive in the industry. Leaders are required to communicate goals and targets to the organizations and garner all square support from the stakeholders. According to Pisano, G. P., (2012), leadership demonstrates and works with methods and it is not about magic.

In the organizational sphere AI has already witnessed its great potentiality in particular to the success of a firm. If AI is implemented correctly, it would be a powerful tool to boost the success rate and efficiency in many roles, including developing products as well as innovative managerial skills. Here lies the leadership skills in the organizational spectrum. Leaders need to demonstrate their soft skills to pick and choose necessary resources to meet the contemporary and the future challenges. New policy and strategic plans are required to develop by keeping eyes on the ethical issue. A charismatic leader can demonstrate combined leadership styles to influence the employees to develop products, service as well as creative ideas (David J. Hughes, 2018). Dynamic leadership skills are the main instrumental element for an organization to introduce a creative atmosphere which ultimately leads to developing innovative

processes, services and products. Therefore, problem solving oriented leadership practices enhance innovation even at the field level in an organization.

AI technology is the next challenge for the business leaders. Transformational leadership would act accordingly in this very situation. The leaders need to focus on its resources and develop these resources to meet the challenge. According to the research of Hay Group (2005), the core reason of the success of the big companies is constant innovation and adaptation. Innovative ideas should be patronized in the organization. Moreover, there would be a sound environment for the competition in relation to the innovation among the employees. Innovative approach and behavior are significant for organizational effectiveness and even for the survival of the organization. Innovative practice is tremendously important to take a competitive edge specifically in this rapidly changing business environment (Pieterse et al. 2010).

Leadership Style in the Organization

Organizational predictability and regularity largely rely on the leader's behavior and attitude with the group members. Leadership style is defined with the consistent pattern of behavior that characterized a leader (DuBrin, 2013). Three leadership styles are mainly exemplified in the literature most Bass (1985), Burns (1978) and Yukl (1989); such as transactional, transformational and laissez-faire leadership styles. According to Pearce et al. (2014), leadership is collective cognitive virtue that is shared and that is to some extent just a matter of degree. These leadership theories describe people, relation, tasks and goal orientation as well as laissez-faire. Transformational leadership is largely related to innovation, additionally; transformational leaders often bring great changes in a positive way in the organization which is accomplished by the moving groups members by putting first the company interest eclipsing the personal interest (DuBrin, 2013).

Transactional leadership on the other hand influences the employees by sharing benefits that can both internal and external motivators. Contingent reward and managerial by extinction are two significant components of the transactional leadership. In many ways, transactional leadership is contrasted by transformational leadership. Laissez-faire leadership is defined as a sort of leader who does not take the responsibility of their leadership. In particular to the laissez-faire leadership, there is a notion that people are unpredictable and uncontrollable, thus; understanding them is a waste of time. These types of leaders normally maintain a low profile and work under every situation without any complaint, suggestion and criticism (Kleefstra, 2019).

Transformational leadership paves the way for developing innovative ideas and people skills which ultimately brings benefits for the organization. In this contemporary context, transformational leadership is largely sought to adapt to the changes in the technological spectrum. If leaders fail to grasp the magnitude of the impact of technology, business would collapse within a short period of time. As an illustration, the M & S business was the most successful retail chain across Europe. However, the leadership of this organization took a long time to understand the impact of e-commerce. Its e-commerce was not developed the way it was required at the earlier stage of e-commerce business. Hence, many outlets of this chain retail business experienced decline. Finally, many retail shops were closed across Europe. Its pimples the leadership of this business could not comply with technological challenges.

Conclusion:

This research is based on leadership in the organizational scale. As AI technology is reshaping the business model and nature, therefore; leadership comes to the focus point once again. AI technology can be used

for the product development, man power development, and moreover; this tool can be used for the expansion of the business. However, if the business leaders do not act on time and accordingly, the business organization may experience a collapse soon. There lies the importance of this research. This research will be done by keeping eyes on the styles of leadership and it will try to find the most effective leadership approach by considering the circumstantial challenges.

Building successful organizations requires an understanding of the relationship between transformative leadership and organizational performance. One of the most significant tasks facing today's CEOs is figuring out how to improve staff performance.

Based on the examination of the research, we can infer that the performance of the companies and the transformational leadership style are positively correlated. Nevertheless, the nature of this relationship and the reasons behind how and why performance is impacted by leadership have not yet been examined. As a result, this problem may be studied in the future.

In addition, management, inspiration, incentive, compensation, and analytical abilities are necessary for effective leadership. When all of these are present, firms report higher employee satisfaction, which has a favorable impact on profitability and productivity. Some study examined the beneficial impact of leadership on organizational performance using financial performance metrics (market share, profit, and return on asset), organizational effectiveness metrics (cost and quality), and human resources metrics (turnover rate and job performance).

In order to boost the performance of a company, a leader needs to be able to encourage innovation and creativity, push their subordinates to question their own belief systems, and boost their own productivity.

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