RESEARCH ON LEADERSHIP AS A KEY FACTOR IN ACHIEVING ENTERPRISE GOALS THROUGH SUCCESSFUL MANAGEMENT

[a]ROMAN MYKYTYUK

Ivan Franko National University of Lviv, Lviv, Ukraine.

email: [a]mykytyuk.roman@gmail.com

Abstract: This scientific paper is dedicated to the study of the concept of leadership and its distinction from the notion of management in the context of enterprise management. The authors argue that, unlike management, leadership focuses more on the emotional aspect of group interaction and the deep connection between the leader and their followers. The paper presents a number of key characteristics that need to be considered for the formation of effective leadership. By exploring the role of leadership in the enterprise management system, the authors conclude that in the dynamic conditions of the modern business environment, a manager has more opportunities to achieve the organization's goals and develop leadership qualities both in themselves and in their team members. Special emphasis is placed on the importance of forming team interaction in enterprise management, which is based not only on joint efforts aimed at achieving a common goal but also on a clear division of responsibilities, coordination of actions, and alignment of efforts among team members. It is noted that team productivity largely depends on the leader (their methods of influence, work planning, coordination, and allocation of resources) and the team members (their dedication, level of education, professional skills, and culture of business communication).

Keywords: leadership, manager, team activity, business management, theoretical foundations of leadership, leadership concepts, leadership theories.

1 Introduction

In the turbulent business environment characterized by rapid changes and unpredictability, the successful functioning of entrepreneurial structures requires managers to be flexible, decisive, and capable of making quick and well-considered decisions. Leaders who possess these qualities demonstrate an extraordinary ability to effectively maneuver in such dynamic business conditions. For managers in the corporate sector, a deep understanding of the fundamental principles of leadership and its impact on achieving organizational goals is critically important.

The phenomenon of leadership attracts significant attention from scholars and practitioners to identify the most effective leadership characteristics necessary for the successful management of enterprises. Experts in this field maintain that a modern manager must combine both managerial and leadership competencies.

The purpose of this article is to deeply study the nature of leadership and analyze its role in ensuring the effectiveness of management processes in an enterprise.

2 Analysis of recent researches and publications

The topic of leadership and its role in enterprise management is actively explored by many contemporary scholars worldwide. Among them are well-known scientists and researchers such as Jim Collins, Daniel Goleman, Amy Griffin, Andrew Pettigrew, John Gotter, Linda Hill, Stephen Covey, and others. In the scientific space of Ukraine, this topic has also not been overlooked. In Ukraine, the issue of leadership in the context of enterprise management is actively investigated by domestic scholars. Significant contributions to the development of theoretical foundations and practical recommendations for effective leadership in organizations have been made by scientists such as Zavadsky J. S., Skibitska L. I., Kuzmin O. E., Shehda A. V., Moshek G. E., Pushkar R. M., Fedulova L. I., Daft R. L., Nestulya O. O., Nestulya S. I., Kalashnyk O. V., Ripa T. V., Brych V. Y., Sergeeva L. M., Kondratyeva V. P. and Khromey M. Y., among others. Their scientific works and monographs cover various aspects of leadership, adapting global theories and practices to the specifics of the Ukrainian business environment. These studies form the theoretical basis for developing leadership competencies of managers in domestic enterprises and contribute to improving the effectiveness of organizational management in the changing market environment.

3 Results

In contemporary scientific discourse, the concepts of "leadership" and "management" are often considered interconnected but not identical categories. Despite both terms referring to the sphere of guidance and influence on people's activities, they have a number of essential differences that should be taken into account when studying the effectiveness of organizational functioning.

Leadership is the process of social influence through which a leader mobilizes and directs the efforts of followers to achieve a common goal (Northouse, 2021, p. 2-5). A leader is a person who, due to their personal qualities, charisma, and authority, is able to inspire, motivate, and lead other people. Leadership is based on trust, respect, and voluntary recognition of the leader by followers, not on formal authority or administrative coercion (Yukl, 2013, p. 367-380).

In contrast, management is the process of planning, organizing, controlling, and coordinating the activities of subordinates to achieve organizational goals (Kotter, 2001, p. 85-96). Management is based on formal authority and the hierarchical structure of an organization, where the manager has legitimate power to give orders and directives. Effective management involves the rational use of resources, optimization of business processes, and ensuring the stable functioning of the organization (Drucker, 2007, p. 23-27). Despite the differences, leadership and management are complementary processes necessary for the successful functioning of any organization. Effective leaders often act as skilled managers, capable of combining emotional influence on followers with rational management of resources and processes. At the same time, successful managers frequently demonstrate leadership qualities, inspiring and motivating subordinates by their own example and charisma (Bass & Riggio, 2006, p. 12-15).

Thus, leadership and management are two different but interrelated concepts that reflect different aspects of guidance and influence in organizations. While leadership emphasizes interpersonal relationships, emotional intelligence, and the ability to lead, management focuses on rational planning, organization, and control of subordinates' activities. A harmonious combination of leadership and management is the key to the effective functioning and sustainable development of modern organizations in a dynamic business environment (Likert, 1967, pp. 45-60).

There are several concepts and theories of leadership that are applied in companies to understand and develop leadership qualities. Here are some of the most well-known:

Trait Theory asserts that leaders are born, not made. It focuses on personal characteristics such as charisma, confidence, intelligence, and initiative that distinguish leaders from followers (Stogdill, 1948, p. 35-71). For example, Apple founder Steve Jobs was considered a charismatic leader with distinctive personal traits that helped him build a successful company.

Behavioral Theories focus on the behavior of leaders rather than their personal traits. They argue that leadership effectiveness is determined by the leader's style of behavior, such as task orientation or people orientation (Blake & Mouton, 1964, p. 45-60). An example could be a sales department manager who applies a people-oriented leadership style to increase the motivation and productivity of their team (Kirkpatrick & Locke, 1991, p. 48-60).

Contingency Theories emphasize that leadership effectiveness depends on situational factors such as follower characteristics, the nature of the task, and the organizational context. Examples include the Hersey-Blanchard Situational Leadership model

(Hersey & Blanchard, 1977, p. 120-135). For instance, a project manager may adapt their leadership style depending on the complexity of the task and the experience of team members.

Transactional Leadership views leadership as a process of exchange between the leader and followers. The leader sets goals, assigns tasks, and rewards or punishes subordinates based on their performance (Bass, 1985, p. 30-45). For example, a department head may use a system of bonuses and penalties to motivate employees to achieve set targets.

Transformational Leadership focuses on the leader's ability to inspire and motivate followers to achieve exceptional results. Transformational leaders appeal to followers' higher needs and values, stimulating their personal and professional development (Burns, 1978, p. 20-35). An example could be a company's CEO who implements an innovative corporate culture and inspires employees to reach ambitious goals.

Servant Leadership, proposed by Robert Greenleaf (Greenleaf, 1970, p. 15-30), emphasizes leadership as service to others. A servant-leader puts the needs and development of followers first, acting as a mentor and facilitator. For instance, a department manager may focus on developing the skills and career growth of their subordinates, creating an atmosphere of trust and collaboration.

Authentic Leadership highlights the importance of self-awareness, transparency, and ethical behavior of leaders. Authentic leaders act in accordance with their values and beliefs, gaining the trust and respect of followers (Avolio & Gardner, 2005, p. 315-338). For example, a company leader may demonstrate high ethical standards and transparency in decision-making, serving as a role model for their subordinates. These leadership concepts and theories are not mutually exclusive and are often used in combination to understand and develop leadership potential in organizations. The choice of an appropriate theory or approach depends on the specifics of the company, its culture, and strategic goals, which are actually the primary task for any company (House, 1971, p. 325). It is effective leadership that plays a key role in this process. Leadership is the ability to influence, inspire, and direct the activities of others to achieve common goals (Northouse, 2021, p. 5).

One of the key aspects of the role of leadership in achieving company goals is establishing a clear vision and mission for the organization. Effective leaders are able to formulate an attractive and inspiring vision of the company's future that unites and motivates employees (Kotter, 2001, p. 87). They ensure that each team member understands their role and contribution to achieving the overall goals. Leaders are also able to translate the company's vision and goals at all levels of the organization, ensuring consistency and purposefulness of actions (Zaccaro & Banks, 2004, p. 368).

Leaders play a crucial role in creating and maintaining a corporate culture that contributes to achieving the company's goals. They establish values, norms, and rules of behavior that shape the work environment and define interpersonal interactions (Schein, 2004, p. 11). Effective leaders create a culture based on trust, collaboration, innovation, and results orientation. They encourage open communication, idea sharing, and learning, allowing the organization to adapt to changing conditions and achieve its goals (Bass & Riggio, 2006, p. 103).

Leaders are also responsible for developing and motivating their followers. They recognize the unique abilities and potential of each employee and create opportunities for their personal and professional growth (Avolio & Gardner, 2005, p. 328). Leaders provide support, coaching, and feedback, enabling employees to develop their skills and competencies. They also use various methods of motivation, such as recognizing achievements, delegating authority, and creating conditions for self-realization to stimulate high productivity and employee engagement (Bass & Riggio, 2006, p. 122).

Effective leaders also demonstrate emotional intelligence and adaptability in their behavior. They understand the emotions and needs of their followers, show empathy, and build strong relationships (Goleman et al., 2002, p. 39). Leaders are able to adapt their leadership style depending on the situation, taking into account the characteristics of followers and the requirements of the task (Hersey & Blanchard, 1977, p. 129). Such flexibility allows leaders to effectively respond to challenges and opportunities that arise on the path to achieving the company's goals.

Moreover, leaders play a key role in making strategic decisions and managing change in the organization. They analyze the company's internal and external environment, identify opportunities and threats, and make decisions that enable the achievement of set goals (Yukl, 2013, p. 367-380). Leaders also initiate and manage change processes to adapt the company to new realities and ensure its competitiveness (Kotter, 2012, p. 28). They overcome resistance to change, inspire and engage employees in the transformation process.

Since in today's dynamic business environment, successful leadership is critically important for ensuring the effectiveness and competitiveness of organizations, identifying and understanding the key factors that determine leadership success allows organizations to develop and support highly effective leaders capable of achieving exceptional results.

Emotional intelligence and self-awareness are key factors in successful leadership. Leaders with high levels of emotional intelligence are able to understand and manage their own emotions, as well as recognize and consider the emotions of others. They demonstrate empathy, are able to build trusting relationships, and communicate effectively with their followers. Self-awareness helps leaders understand their strengths and weaknesses, values, and motives, enabling them to make informed decisions and improve their leadership skills (Gardner et al., 2005, p. 347-349).

Successful leaders pay significant attention to the development and growth of their followers. They act as mentors, providing support, feedback, and opportunities for learning. Leader-mentors help their subordinates develop necessary competencies, realize their potential, and achieve professional goals. They create an environment that encourages continuous learning, experimentation, and innovation (Edmondson, 2018, p. 61-63).

Ethical leadership and social responsibility are important factors in successful leadership in modern organizations. Leaders who demonstrate high ethical standards, honesty, and transparency gain the trust and respect of their followers (Brown & Treviño, 2006, p. 600-602). They make decisions that consider not only the economic interests of the organization but also the social and environmental consequences. Socially responsible leaders contribute to sustainable development, actively participate in solving societal problems, and shape a positive image of their organizations (Waldman & Siegel, 2008, p. 120-122).

In the face of constant change and uncertainty, successful leaders demonstrate a high level of adaptability and resilience. They are able to quickly respond to challenges, make decisions under conditions of limited information, and effectively manage risks. Adaptive leaders encourage experimentation, learning from mistakes, and continuous improvement. They also develop resilience in their teams, helping them overcome difficulties, maintain optimism, and find opportunities in adverse situations.

Successful leadership is the result of a combination of various factors, including the leader's emotional intelligence and self-awareness, mentoring and people development skills, ethical leadership and social responsibility, as well as adaptability and resilience. Organizations that seek to develop effective leaders should focus on creating conditions and opportunities for the development of these key factors of successful leadership.

4 Conclusions

The conducted research allows us to conclude that leadership plays a fundamental role in the effective management of modern enterprises. Leadership is a key factor that determines the ability of organizations to adapt to changing business conditions, achieve strategic goals, and ensure sustainable development in the long term.

The analysis of the theoretical foundations of leadership and practical implications for enterprises suggests that investing in the development of leadership potential at all levels of the organization is imperative for achieving competitive advantages. Forming a corporate culture that encourages leadership, innovation, and continuous learning creates the foundation for unleashing the potential of employees and increasing their engagement in the implementation of the company's strategic initiatives.

The research results indicate that effective leadership is based on a combination of various competencies, such as emotional intelligence, strategic thinking, communication skills, and the ability to inspire and motivate followers. Developing these competencies through training programs, coaching, and mentoring allows enterprises to form a pool of talented leaders capable of leading transformational processes and ensuring the company's adaptability to the challenges of the modern business environment.

Furthermore, implementing leadership performance management systems and creating opportunities for the manifestation of leadership qualities at all levels of the organizational hierarchy are important prerequisites for unlocking the leadership potential of employees. Regular feedback, performance evaluation, and recognition of leaders' achievements stimulate them to continuously improve and achieve high results.

At the same time, the research shows that successful leadership in modern conditions requires flexibility and adaptability. Leaders must be able to quickly respond to changes in the external environment, make decisions under uncertainty, and lead teams through complex transformational processes. Developing adaptive leadership competencies, such as resilience, creativity, and the ability to learn continuously, is a key factor in the success of organizations in a turbulent business environment.

Further scientific research can be directed toward an in-depth study of the synergistic effect of combining different leadership competencies and management styles in the context of ensuring the effectiveness of enterprise activities. The development and empirical validation of integrative leadership models that consider the specifics of the industry, size, and life cycle of the organization will allow for the formation of scientifically grounded recommendations for the development of leadership potential in conditions of turbulence and uncertainty of the business environment.

The obtained research results have practical value for enterprise leaders, human resource management specialists, and organizational development professionals who seek to improve leadership effectiveness and ensure the sustainable growth of their companies. The implementation of the conclusions and recommendations presented in this article will allow enterprises to create a solid foundation for forming competitive advantages and achieving leadership positions in their industries.

Literature:

1. Avolio, B. J., & Gardner, W. L.: Authentic leadership development: Getting to the root of positive forms of leadership. *The Leadership Quarterly,* 2005, 16(3), 315-338. https://doi.org/10.1016/j.leaqua.2005.03.001
2. Bass, B. M.: *Leadership and performance beyond expectations.* New York: Free Press, 1985.
3. Bass, B. M., & Riggio, R. E.: *Transformational leadership.* 2nd ed. Lawrence Erlbaum Associates Publishers, 2006. https://doi.org/10.4324/9781410617095
4. Blake, R. R., & Mouton, J. S.: *The managerial grid.* Houston: Gulf Publishing Company, 1964.
5. Brown, M. E., & Treviño, L. K.: Ethical leadership: A review and future directions. *The Leadership Quarterly,* 2006, 17(6), 595-616. https://doi.org/10.1016/j.leaqua.2006.10.004
6. Burns, J. M.: *Leadership.* New York: Harper & Row, 1978.
7. Drucker, P. F.: *Management challenges for the 21st century.* Routledge, 2007.
8. Edmondson, A. C.: *The fearless organization: Creating psychological safety in the workplace for learning, innovation, and growth.* Hoboken, NJ: John Wiley & Sons, 2018.
9. Gardner, W. L., Avolio, B. J., Luthans, F., May, D. R., & Walumbwa, F.: "Can you see the real me?" A self-based model of authentic leader and follower development. *The Leadership Quarterly,* 2005, 16(3), 343-372. https://doi.org/10.1016/j.leaqua.2005.03.003
10. Goleman, D., Boyatzis, R., & McKee, A.: *Primal leadership: Realizing the power of emotional intelligence.* Boston, MA: Harvard Business School Press, 2002.
11. Greenleaf, R. K.: *The servant as leader.* Newton Centre, MA: Robert K. Greenleaf Center, 1970.
12. Hersey, P., & Blanchard, K. H.: *Management of organizational behavior: Utilizing human resources.* 3rd ed. Englewood Cliffs, NJ: Prentice-Hall, 1977.
13. House, R. J.: A path of leader effectiveness. *Administrative Science Quarterly,* 1971, 16(3), 321-339. https://doi.org/10.2307/2391905
14. Kirkpatrick, S. A., & Locke, E. A.: Leadership: Do traits matter? *Academy of Management Perspectives,* 1991, 5(2), 48-60. https://doi.org/10.5465/ame.1991.4274679
15. Kotter, J. P.: What leaders really do. *Harvard Business Review,* 2001, 79(11), 85-96.
16. Kotter, J. P.: *Leading change.* Boston, MA: Harvard Business Review, 2012. https://doi.org/10.15358/9783800646159
17. Likert, R.: *The human organization: Its management and value.* (pp. 45-60). New York: McGraw-Hill, 1967.
18. Northouse, P. G.: *Leadership: Theory and practice.* 9th ed. (pp. 2-5). SAGE Publications, 2021.
19. Schein, E. H. *Organizational culture and leadership.* 3rd ed. (p. 11). San Francisco, CA: Jossey-Bass, 2004.
20. Stogdill, R. M.: Personal factors associated with leadership: A survey of the literature. *Journal of Psychology,* 1948, 25(1), 35-71. https://doi.org/10.1080/00223980.1948.9917362
21. Waldman, D. A., & Siegel, D.: Defining the socially responsible leader. *The Leadership Quarterly,* 2008, 19(1), 117-131. https://doi.org/10.1016/j.leaqua.2007.12.008
22. Yukl, G. A.: *Leadership in organizations.* 8th ed. Upper Saddle River, NJ: Pearson, 2013.
23. Zaccaro, S. J., & Banks, D. J.: Leader visioning and adaptability: Bridging the gap between research and practice on developing the ability to manage change. *Human Resource Management,* 2004, 43(4), 367-380.