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THEORY AND IMPORTANCE OF EFFECTIVE LEADERSHIP IN AN ORGANIZATION

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Abstract

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This article reviews and evaluates major theories of leadership and summarizes findings from empirical research on leadership. The main topics of this article include the concept of leadership and the power and influence of leaders, literature on leadership, findings from key factors, situational theories about leadership effectiveness, transformational and charismatic leadership, and the importance of leadership for organizational effectiveness. This article reviews and evaluates major theories of leadership and summarizes findings from empirical research on leadership. The main topics of this article include the concept of leadership and the power and influence of leaders, literature on leadership, findings from key factors, situational theories about leadership effectiveness, transformational and charismatic leadership, and the importance of leadership for organizational effectiveness.

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INTRODUCTION

The study of leadership has been an important and central part of the management and organizational behavior literature for decades. This article aims to provide a general overview of the literature regarding leadership in an organization. This article also briefly discusses the literature findings on effective leadership in an organization and summarizes them in easy-to-understand language. The role of leadership in organizational success has been hotly debated in recent research, with effective leadership being considered as one of the determining factors that contribute to healthy progress and success in an organization. Many opinions have been generated regarding the characteristics of successful leaders. Leadership characteristics that are effective in one type of organization and situation may not be appropriate for another type of organization and situation. Therefore, several studies have been conducted in the field of leadership, to explore the relationship between leadership quality and organizational effectiveness. The author reviews the discussion regarding the characteristics of effective leaders to identify the characteristics of effective leaders. One of them is the trait theory leadership study which shows that the effectiveness of a particular trait is determined by the situation, type of follower, and external environment. The behavioral leadership approach finds that situation and context play a major role in making a leader effective or ineffective. Articles about leadership have been carried out by several authors among various authors who have discussed leadership, (Bertocci 2009), (Harrison n.d.), (David V.

Day and Antonakis 2012), (Northouse 2021), (House and Baetz 1978), (Jago 1982), and (Van Fleet and Yukl 1988). Books that discuss theory and research on leadership include *Leadership in Organizations* by (G. A. Yukl 1981) and *Handbook of Leadership* (Bass 1981).

Leadership is considered as one of the determining factors of organizational effectiveness. However, there is an ongoing debate regarding what leadership qualities are more helpful for improving organizational performance. Early studies examined the characteristics of effective leaders, to identify the dominant components of effective leadership. Early leadership researchers believed that comparing effective and ineffective leaders could identify traits important to leadership effectiveness. Trait theory leadership studies show that the effectiveness of a particular trait depends on the situation, type of follower, and external environment. Trait approach research findings suggest that leader behavior is more important for determining organizational effectiveness than traits. This prompted research on leadership in the following decades to shift to a more behavioral approach. The behavioral approach in leadership studies investigated the behavior of successful leaders during the 1940s. Research findings revealed that the effectiveness of democratic and autocratic styles depended on the type of followers. Later studies focused on a leader's behavior and revealed that the effectiveness of democratic vs. autocratic styles, and task-oriented vs. employee-oriented leadership behavior varies greatly depending on the organizational context and situation.





Therefore, in the 1960s, most researchers abandoned the search for universal leadership traits and behaviors suitable for all situations. Leadership theories each have their own strengths and limitations. A particular leadership theory cannot capture different leadership characteristics and behaviors, and a study cannot combine all leadership theories to understand the characteristics of leaders in high, medium, and low performing organizations. The various leadership theories discussed show that patterns of behavior considered acceptable in leaders vary over time and from one culture to another, but there are surprising similarities across different leadership theories. Ideal leader characteristics such as taking initiative, motivation, self-confidence, integrity, ethical qualities, and serving society are evident to varying degrees in every society, culture, and in all organizations. However, a trait that is effective in one situation or context may not be effective in another situation or context. The characteristics and behaviors of effective leaders determined by Western researchers may not be applicable in Eastern societies, because successful leadership is also the result of a particular situation and/or socio-cultural context. Therefore, the effectiveness of a leader's characteristics, and the relationship between these qualities Leadership and organizational effectiveness depend on the type of followers, situation, culture, and society. The field of leadership is currently in a confusing state. The confusing state of the field is largely due to differences in approaches, the narrow focus of most researchers, and the absence of a broad theory that integrates the findings of different approaches.

Most research that falls under the power-influence approach attempts to explain leadership effectiveness in terms of the amount of power a leader has, the types of power, and how power is exercised. Power is not only important for influencing subordinates, but also for influencing coworkers, superiors, and people outside the organization, such as clients and suppliers. The behavioral approach emphasizes what leaders and managers actually do in their work, and the relationship of behavior to managerial effectiveness. The trait approach emphasizes the personal attributes of leaders. Early leadership theories linked success to the possession of extraordinary abilities such as indefatigable energy, keen intuition, extraordinary foresight, and irresistible persuasive power.

Approach situational emphasizes the importance of contextual factors such as the leader's authority and discretion, the nature of the work performed by the leader's unit, the attributes of subordinates, and the nature of the external environment. This article describes nine situational theories of leader effectiveness, reviewing the empirical support for each theory. Path-Goal Theory (Evans 1970; House and Robert J 1971, 1975) proposes that leaders motivate higher performance by acting in ways that influence subordinates to believe that valued outcomes can be achieved by exerting serious effort. Path-goal theory focuses on subordinate motivation as the explanatory process for leadership effects, and it ignores other explanatory processes such as the leader's influence on task organization, resource levels, and levels of (G. A. Yukl 1981). The Situational Leadership Theory of (Hersey and

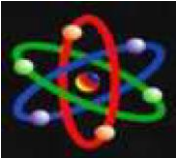




Blanchard 1969; Hersey P and Blanchard K 1988)proposes that the optimal amount of task and relationship behavior depends on the maturity of the subordinate. This theory establishes different patterns of both behaviors, depending on the subordinate's self-confidence and skills in relation to the task. Only a few studies have tested this theory (Blank et al. 1988; Hambleton and Gumpert 1982; Thompson and Vecchio 2009), and they have found only partial and weak support for it. A number of authors have pointed out conceptual weaknesses in this theory, including ambiguous constructs, oversimplification, and a lack of intervening explanatory processes e.g.(Blake and Mouton 1982; Graeff 1997; G. A. Yukl 1981). According to Leader Substitution Theory (Kerr and Jermier 1978), supportive and instrumental leadership by a designated hierarchical leader becomes redundant or irrelevant in some situations. Various subordinate, task, and organizational characteristics serve as substitutes for hierarchical leadership or neutralize its effects. Normative Decision Theory (Hollander, Vroom, and Yetton 1973)identifies the decision procedures that are most likely to produce effective decisions in a given situation. This model is perhaps the best of the situational theories, focusing on specific aspects of behavior rather than broad behavior, however, it only addresses a small part of leadership and has a number of conceptual weaknesses such as lack of parsimony, oversimplification of the process. decisions, and the implicit assumption that managers have the expertise to use each decision procedure (Crouch and Yetton 1987; Fred E Fiedler and Mahar 1979; G. Yukl 1989). Contingency Theory (F.E

Fiedler 1967; Fred E Fiedler 1978)is concerned with the moderating influence of position power, task structure, and leader-member relationships on the relationship between leader traits called the Least Preferred Collaborator Scale (LPC) and leader effectiveness. This model establishes that leaders with a high LPC are more effective in some situations and leaders with a low LPC are more effective in other situations. LPC has the ability to control various situations which are used to ensure a leader's belief that what is hoped for will actually happen. There are three situation management factors: (1) the relationship between the leader and his subordinates, (2) work structure, and (3) position of power. It can be concluded that an effective leadership style depends on the level of control over situations and conditions. Vertical Dyad Relationship Theory, now called Leader-Member Exchange Theory, explains how leaders develop different exchange relationships over time with different subordinates (Dansereau, Graen, and Haga 1975; G. Graen and Cashman 1975). Some subordinates are given greater influence, autonomy, and tangible benefits in exchange for greater loyalty, commitment, and assistance in carry out administrative tasks. This theory is situational in the sense that leaders treat subordinates differently depending on whether they are part of the in-group or out-group. A leader who has a good exchange relationship with his superiors has greater potential to build special exchange relationships with his subordinates (G. B. Graen and Uhl-Bien 1995). This theory examines the conditions under which a leader's cognitive resources (e.g., intelligence, experience, and technical expertise) are





related to group performance (Fiedler 1986; Fred E Fiedler, Garcia, and Strube 1988). This theory states that a leader's cognitive resources influence group performance only when the leader is directive and the task is unstructured. According to this theory, leader intelligence is related to group performance only when stress is low, because high stress interferes with the use of intelligence to solve problems and make decisions. Leader experience will be related to group performance under high pressure but not under low pressure, perhaps because experienced leaders rely more on experience to solve problems when under high pressure, whereas they rely more on intelligence when under low pressure. The Multiple Linkage Model (G. Yukl 1989; G. A. Yukl 1981) was developed to help advance theory and research on effective managerial behavior in different situations. This version of the model begins with the assumption that work unit performance depends primarily on six intervening variables: member effort, member ability, work organization, teamwork and cooperation, availability of critical resources, and (for middle to lower managers) external coordination with departments. others in the organization. Subordinate performance depends on four intervening variables: ability to do the job, task motivation, clear and appropriate role perception, and the presence or absence of environmental constraints. A leader can influence the performance of subordinates by influencing intervening variables. In each case there are diagnostic behaviors to assess deficiencies in the intervening variables, and corrective behaviors to address discovered deficiencies. Effective leaders avoid deficiencies in subordinate

abilities by using better selection procedures, improving training, or redesigning jobs to match subordinate abilities. Transformational leadership is the most popular and widely researched leadership style to date (Gardner et al. 2010). Transformational leadership refers to the process of influencing major changes in the attitudes and assumptions of organizational members and building commitment to the organization's mission, goals, and strategies. This concept describes a leadership process that is recognized primarily by outcomes such as major changes in the culture and strategy of an organization or social system. Transformational leadership involves the influence of a leader on subordinates, but the effect of this influence is to empower subordinates to participate in the organizational transformation process. Thus, transformational leadership is usually viewed as a shared process, involving the actions of leaders at multiple levels and across multiple organizational subunits, not just the actions of the chief executive. (Burns 1978).

RESEARCH METHODS

This research is included in systematic literature review research, where to obtain sources of information, the author collected several theoretical references and documentation from several articles, journals, any type of position. Transformational leadership can involve people influencing coworkers or superiors as well as subordinates. Bass views transformational leadership as more than just another term for charisma. Charisma is defined as a process in which a leader influences his followers by evoking strong





emotions and identification with the leader. Bass considers charisma a necessary but not sufficient condition for transformational leadership. Bass defines transformational leadership in terms of the leader's influence on followers. Leaders change followers by making them more aware of the importance and value of task outcomes, by activating their higher-order needs, and by encouraging them to transcend personal interests for the benefit of the organization. books and the internet related to the topic discussed. After combining several theories obtained, the author then discusses them clearly and concisely and then concludes from the various literature that has been obtained

CONCLUSION

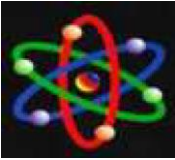
Leadership is present when there is a process of influence between leaders and subordinates (Bertocci 2009; Kouzes and Posner 2007; rothausen and Christenson 2015; G. Yukl and Mahsud 2010), such as directing behavior in achieving goals (Rothausen & Christenson, 2015). Discussing effective leadership in an organization is an interesting study that continues to develop in achieving a goal. Every organization definitely needs a leader. An organization will not be able to run well if there is no effective leadership within it. In the sense of the word, effective leadership has a strong influence on the success of an organization and of course this is a serious concern for both profit and non-profit oriented organizations. Because most existing theories are simple unidirectional causality models and focus on what a leader does towards his subordinates, new theories are needed to describe interactive leadership processes that take place from time to time

in social systems. It is interesting to note that much of the "new" wisdom found in the literature on transformational leadership repeats the themes of the 1960s. Social scientists interpret practitioners, just as leaders interpret events for their followers, and that interpretation is itself a reflection of culture and applicable values . It can be concluded that a role model is the first quality of an effective leader. Exemplary leaders set a good example in the organization and motivate team members to achieve organizational goals effectively. The characteristics of role models include being selfless, energetic, obedient to rules, moral and ethical, visionary, etc., both of which are related to empowering subordinates. Without full support from team members, leaders alone cannot achieve organizational goals, therefore effective leaders empower team members and provide adequate attention and invest in the development of the organization's human resources. The third characteristic of an effective leader is that he builds a culture of justice and meritocracy by establishing a transparent system of rewards and punishments. Finally, the fourth characteristic of an effective leader is that he or she needs skills, knowledge and conceptual clarity in his or her sector to lead an organization successfully.

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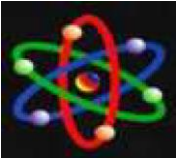
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