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IMPROVING ORGANIZATIONAL LEADERSHIP PERFORMANCE

Thesis

CENTRIA UNIVERSITY OF APPLIED SCIENCES

Business Management

December 2020

ABSTRACT

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Degree programme Business Management		
Name of thesis IMPROVING ORGANIZATION WITH EFFECTIVE LEADERSHIP		
Language Instructor Eija Torkinlampi	Pages 37 + 1	
Supervisor Ann-Christine Johnsson		
<p>The purpose of this thesis was to identify the importance of effective leadership towards improving organizational performance. The main objectives were to determine the behaviors, characteristics and skills of effective leadership to establish the foundation for organizational performance. The support from Mr. Sami Teittinen who has led the sales office operations at UPM Voikkaa Paper Mill and had a long history of leadership in various departments contributed a lot to this thesis. In the beginning of the research leadership theories, various leadership qualities and leadership behaviors were discussed.</p> <p>The research also described various dimensions of leadership styles that help build relationship within employees and their impact on organization. Furthermore, training programs that help leadership development and improve organizational performance were discussed. A qualitative research method was used as a research method for this study and a questionnaire was sent to Mr. Sami Teittinen and a short ZOOM discussion was held as well. One of the major reasons for the UPM Voikkaa Paper Mill's success at the supply chain department was the effective leadership impact of the Head of sales operation.</p> <p>The outcomes from the research revealed that with good leadership, the organization can collectively handle difficulties in challenging times, promote profit and create value for the organization. Certainly, an organization must develop their leaders and have effective leadership if they want to improve performance and sustain for a longer period.</p>		
Key words Behaviour, Capability, Development, Leadership, Organizational, Transformational		

CONCEPT DEFINITIONS

GE- General Motors

LHR- London Heathrow airport

P&G- Proctor & Gamble

SDWT- Self-directed walk team

ABSTRACT

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1 INTRODUCTION

The aim of any organization does not depend only on its mission, vision and objectives but also on maintaining their value by improving their performances. Therefore, the organization must continually increase performance in order to content the needs of the highly competitive markets (Arslan & Staub 2013, 102-111). According to Kouzes & Posner (2002, 17-18) the effective role of a leader can create organizational value to survive at the long run. Other scholars explain with the perspective that leadership effectiveness determines an organization performance and group (Hogan et al 1994, 493–504; Bennis and Nanus 1997, 74). Leaders are interested in motivating people to achieve organization goals that sustain their performance on a long period. As a result of all these findings, leadership is needed during the challenges organization and group faces in order to maintain the value and success of the organization. Leadership effectiveness is essential to success.

Despite this viewpoint, some researchers disagree with the practical support affirm link between organization performance and leadership and do not support these theories for example Andersen (2002, 16). In order to gain a better understanding into improving organizational performance with an effective leadership, further research is required to build a thorough framework which includes leadership behaviors, self-regulatory mechanism, antecedents of leadership and processes. When an organization aim to enhance their company performance, it is crucial to note that leadership style and behaviour of the top-management affect the operational success. Thus, the relationship between leadership style and organizational performance is positive (Bryman 1992,21).

Higgs (2003, 273) suggest that leadership effective behavior has a positive impact on improving the performance of organization when experiencing new challenges. Leadership is just not one individual and management is different. Leadership is a process of influence between followers and leaders who decide to make real changes which affect their collective objectives. The goal of this study is to gain an understanding of leadership effectiveness within organization, the relationship between organization performance and leadership development, and if leadership development can be achieved in group, organization and society level. I realized that leadership development is not a priority of most organizations which is why my hypothesis of the study is that leadership development is a crucial objective that should be practiced by all organizations.

1.1 Research questions, and objectives

The primary objective of this study is to determine the effective leadership behaviors, characteristics, skills that create the base for organization performance thus, giving the answer to most management questions “Why are some leaders better than the other”.

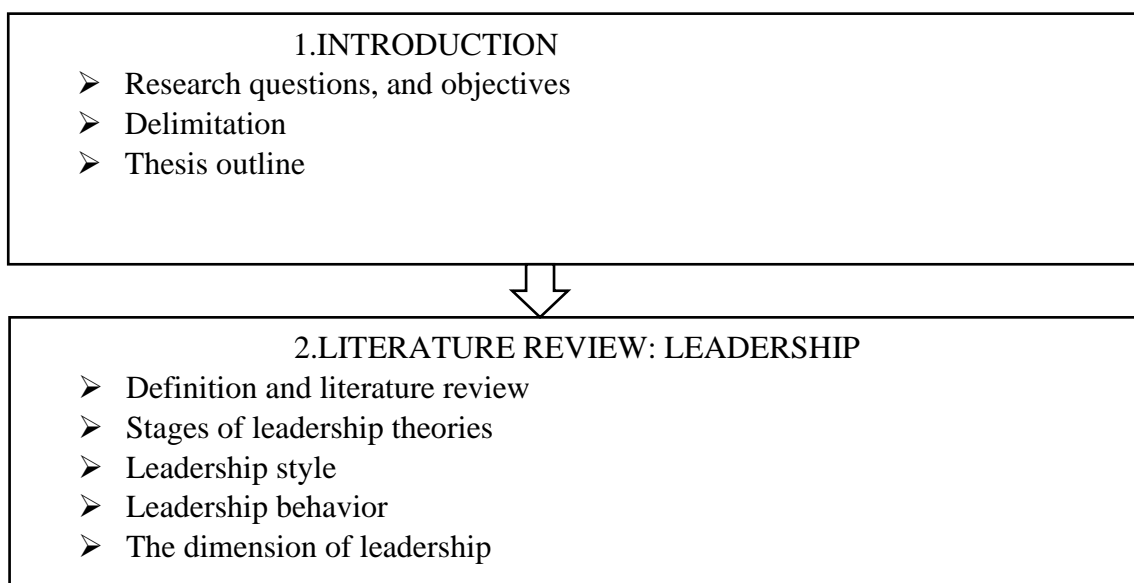
The main research question and objective to this study is as follow:

- What effect does leadership style have on organization performance and success?
- What is the relation between organization performance and leadership development?
- What can an organization do to develop an effective leadership?
- What are the concept behavior and leadership skills?

1.2 Delimitation

According to Bennis (2007, 12) management is about doing the things right while leadership is about doing the right things, and based on this fact the study is focused on improving organizational performance with an effective leader. The survey interview will target company’s leaders since their knowledge and experiences hold the answer to the study’s questions.

1.3 Thesis outline



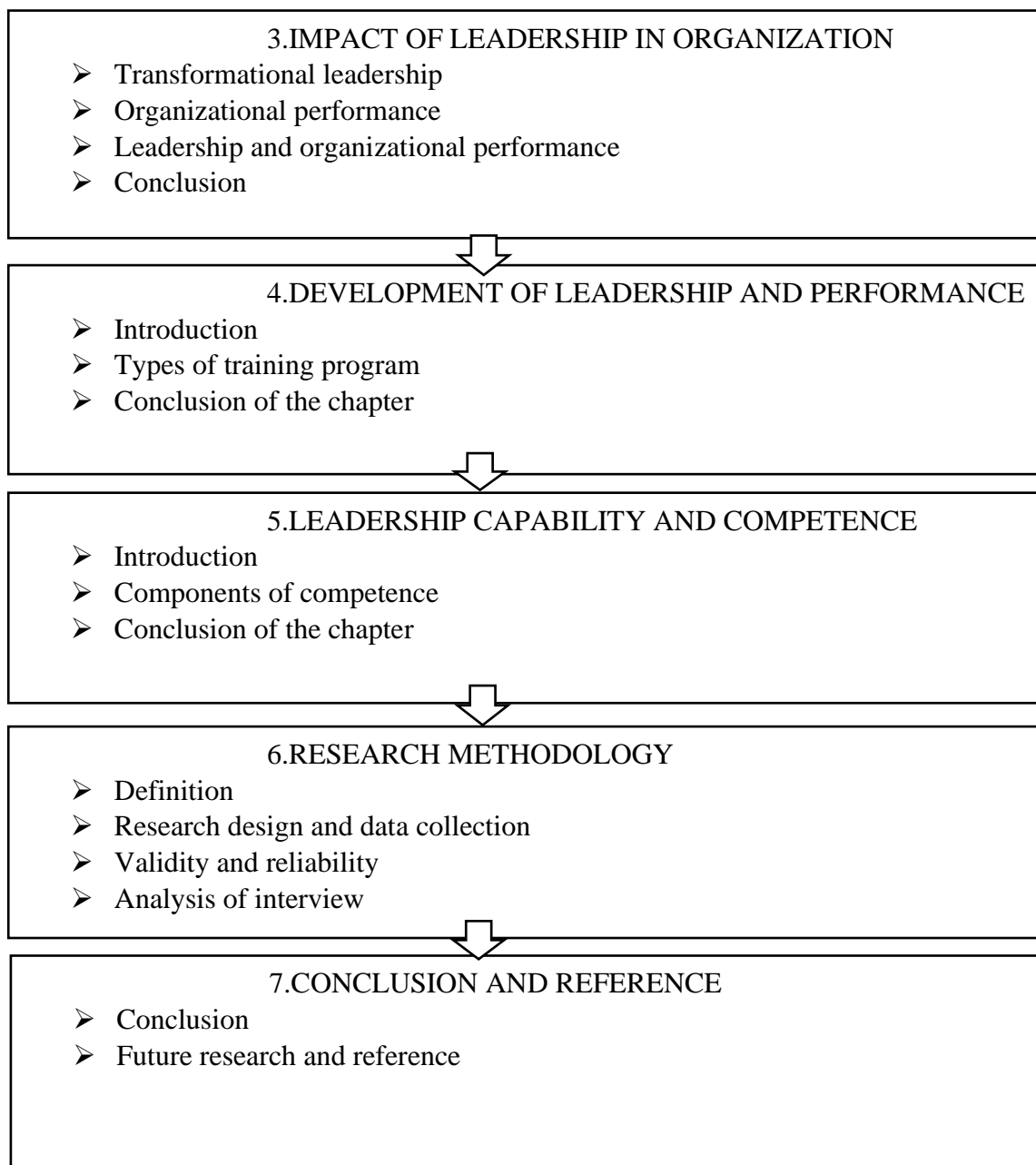


FIGURE 1. Structure of the study.

2 LEADERSHIP

2.1 Literature review

It appears that the concept of leadership has been defined in various ways. In fact, the effort of defining leadership means a lot to different people. For example, in one society a person in a higher position is looked upon as a leader while in different organization leaders are often the top three levels of management (top-level, middle-level, and lower-level management). However, leadership is not about a person or a person who possesses a higher authority. Leadership is sometimes an individual characteristics or traits such as knowledge, behaviour, skill, emotion. Determination is what a leader must have. Others define leadership as a process of relationship and social communication. Even though the concept is defined in different ways, it is crucial to give a clear meaning of leadership so others can learn in order to be a better leader. Leadership can be defined as a leader that develop a person or group of people to work effectively to achieve a goal. According to Vance Packard (1962, 170) leadership is way of convincing others to do what is supposed to be done.

2.1.1 Leadership as an influence on others

According to Ken Blanchard (1966,16), the occurring of leadership is when the behaviour of an individual or group is influenced by someone else. The role of leadership in any organization is to see all members of organization has a clear mission and vision of what must be done and motivate them as a team to achieve that result. An effective leader is a person with the ability to influence others by communication. Although not everyone will be influenced by their leader because they might be thinking differently. However, leadership uses communication to direct members and influence their potential effectively towards organization goal (Northouse 1997, 2.)

2.1.2 Leadership as an opportunity

Leadership is about finding means to direct others to become developed by actively seeking the opportunity to make individuals to work as a team. A leader who provide meaningful opportunities to a person or group so they can perform well. It is the quest for opportunities that both individual or group can

show, test and find themselves. The most effective leader is someone who give people the opportunity to be develop, success, creative and makes sure the entire team work towards the same goal. (Center for creative leadership 2013.)

2.1.3 Inspirational leader

A great leader does know how to inspire other if they want people to follow them. This means leaders must show their commitment, desire in every conversation and how they deal with difficult situation. This manner of behaviour will inspire others to act the same. The leader must have a goal which others are willingly desirable to follow. Therefore, communication and integrity are very important for a successful inspirational leadership because your action and behaviour should be aligned with the organization goals. (Balance careers 2019.)

2.2 Stages of leadership theories

Understanding leadership has been an effort to establish theory and model that apprehend certain basis of leadership. In the mist of the scientific community, there are debate on the theory of leadership but nevertheless the idea of leadership theory is to be an effective leader. Despite this, the principle of leadership is endless while the theory that explore it might change. Leadership is one of the most interrelated subject matters with various perspectives that have been studied under psychological and organizational research. Since ancient times, the principles of leadership, behavior, traits, responsibilities, ethics and morals have been studied and analyzed but it was not until the 20th century when the scientific research topic did begin (Bass 1981, 358.) However, since then the subject on leadership has been research intensively. With thousands of books accessible on Amazon and links on Google, it is obvious that the concept of leadership is still widely known (Bass 2009). The diagram of evolutionary stages in leadership theory development occurs chronologically and there is no date record here only their relative development order. The state of leadership thought process evolved from one era to another. In Table 1, the stages of leadership periods and era are shown while figure 2 represents the tree of leadership theory. Furthermore, table 1 gives a clearer historical picture of how leadership thought evolved.

TABLE 1. The evolutionary stages of leadership theory (Adapted from King 1990)

1) Personality Era: great man theory Trait period: trait theory	6) Transactional Era: exchange period, role development
2) Influence Era: power relation period, persuasion period	7) Anti-Leadership Era: ambiguity period, substitute period,
3) Behaviour Era	8) Culture Era
4) Situational Era: environment period, social status period, social technical period	9) Transformational Era: charismatic theory, self-fulfilling prophecy theory
5) Contingency Era: contingency period, path-goal theory, normative theory	

As shown in table 1 above, the first formal leadership thought theories begin at Personality era where it includes:

2.2.1 The great man theory and the trait period

In this study, focus was put on personal characteristics of ideal leaders and the implied idea was that leaders are not made but born. Researchers suggested in the Great man period that great men or women leaders came from behavior and personalities copied (Galton 1869, 37-49; Bales & Borgotta 1954, 755-59). Even some theorists further explain that leadership can be inherit (Jennings 1960,3). The aim is to measure and identify traits differences between non effective from effective leader or non- leader from a leader. So how can we describe a good leadership trait? This is a question among other questions regarding leadership which requires more studies as well. Furthermore, researchers in the past have explain certain traits that determine leadership effectiveness such as motivation: Passion to influence others

to work effectively. Creativity: Having attitude of innovation and creativity. Intelligence: Having a mental ability of reasoning and integrate among members. Self-confidence: To be confident and trust in oneself ability. Flexibility: To be open minded and allow others to speak. Drive: Ability to bring an energetic drive and motive others to work better. Task relevance: Ability to keep the value of organization in line while making others aware too. Credibility: Dependable, trustworthy, honesty and making it a win-win for everybody. Leadership traits can be challenging as well due to the following: Culture: All nationalities have their tradition which means whatever behavioral style in Finland is not necessarily same in Spain. Circumstance: Some traits depends on the circumstance one finds themselves. E.g. a leader working with new employees is always different working with familiar member. Notwithstanding, the debate question behind the leadership traits seems to be understandable because the personality traits of leadership varies from one person to another.

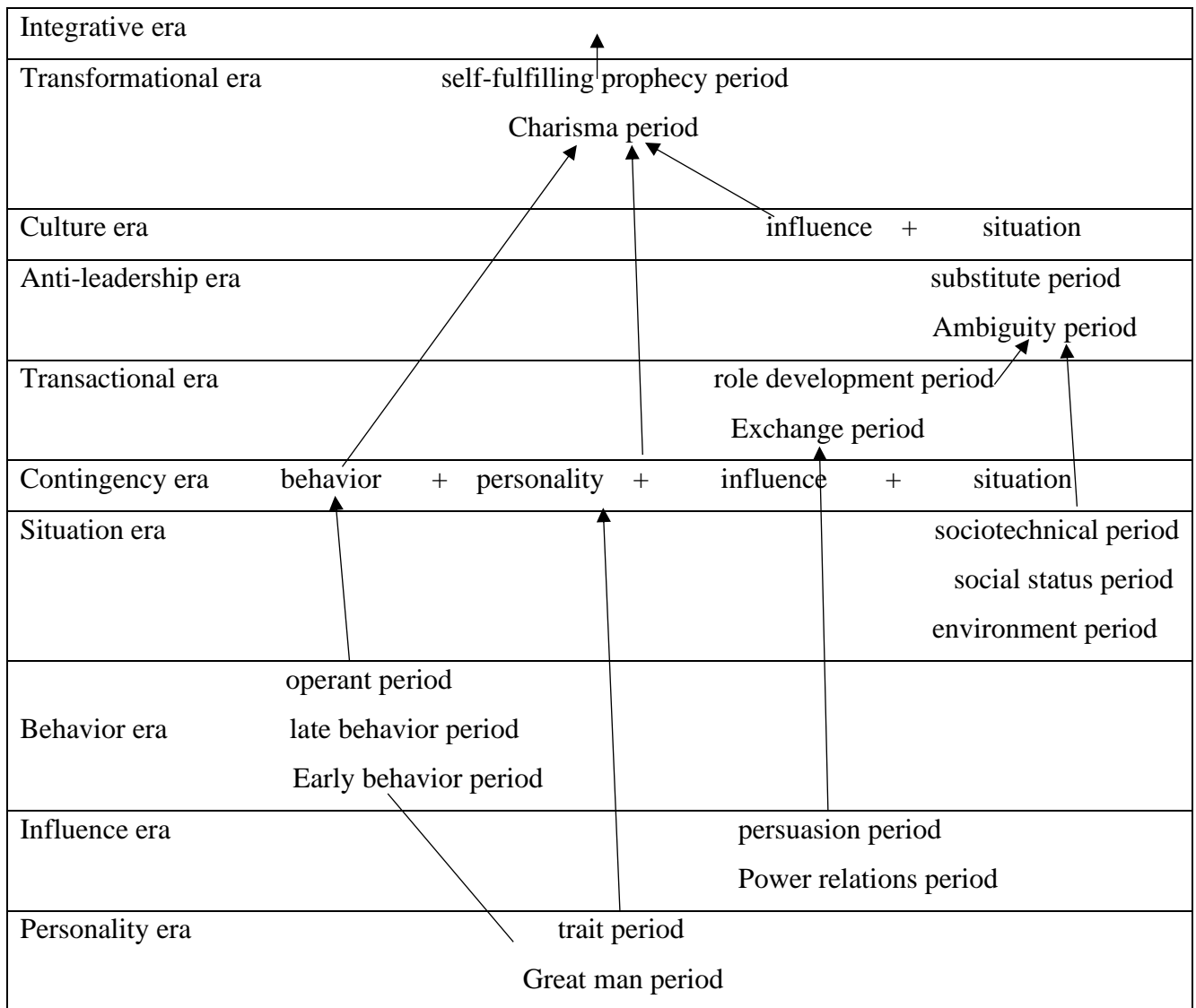


FIGURE 2. The evolutionary tree of leadership theory. (Adapted from King 1990)

2.2.2 Influence Era

During 1940 – 1950 Trait theory was introduced with the purpose to develop a general trait and cut the link between specific individuals. In addition, during this personality era, the influence era was introduced to help leadership understand the importance of relationship with individuals which consist the act of persuasion and power relation Period. During 1950-1960, the leadership theory took a different direction known as the Behavior theory. Hunt and Larson (1977, 189-207) define leadership as a subdivision of human behavior.

2.2.3 Situational & Contingency and Transformation Era

Furthermore, during 1960-1970 the theory of situational and contingency theory was introduced with the aim to recognize various leadership effectiveness such as their skills, traits, behaviors, and influences. Towards the end of the 70s another era emerges known as Transformation Era the main purpose of which is to focus mainly on leadership extreme characteristics. The thinking of a leader must be cognitive rather than the opposite, to be creative and adhere to new suggestion (Bass 1985, 20.)

Even though, empirical studies support the notion that leadership effectiveness is impacted by behaviors, skills and traits, it is still unclear how these components can be organized into unified leadership effectiveness framework.

Long time ago, researchers focused mainly on specific factors of leadership without considering of a big picture but most recently, several leadership researchers has admitted that leadership theory still lack the unification framework. In this review, evolutionary development stages and trees are used on purpose to categorize leadership theories into orders. It gives guidance to new leaders in the practice of leadership and focus on the important qualities to accomplish effectively. But for leadership theory to develop a unified framework is needed to accomplish such effort. Furthermore, these leadership theories reveal the linear, practical, hierarchical context.

Nadler and Tushman (1988, 261-62) state that while a strong and persuasive leader is important at the top level, it is very necessary to have institutional and functional leadership at the low level as well.

New leader as defined by Bennis and Nanus (1985,21) is one who motivates people to act, transform followers into leadership, and change other members in the organization completely.

2.3 Leadership style

In this chapter, we will be discussing the major features of leadership which involve leadership behavior. The role of a good leader is to direct and lead the team to success while building a good relationship at the same time. This means considering them on personal level. The leadership style reveals the behavior of the leader as a result of experience learnt from previous leader. This style of leadership is influenced and affected by the motives of leader. In addition, leadership style can be influenced by their personalities (their ability to lead), capabilities (the abilities to follow) and situation (place and condition). The degree at which a leader respond to situations depends on their personalities and action, this shows that personality do have a great effect in leadership style. Effective leadership influence its organization in a positive way by having a behavior style that understand and nurture what other members needs to move forward. With these explanations, it shows there are various way to lead successfully.

2.3.1 Authoritarian vs. Democratic leadership

An authoritarian leadership style can be defined as a leader who focus mainly on specific task to be done while democratic leadership style is a leader who is more concern on the interpersonal relationship. Although both attributes style can be adopted into a leader behavior, but it all depends on the situation. Leadership styles are gradually developed from training programs, experience and studies. Authoritarian leadership style is more about control and vivid authority to get the task done. They tend to use power and decision making is more autocratic which means no room for suggestion until decision is executed. This often results to disaster because of lack of creativity, and idea from others which at the end will affect the organization performance (Lazar 2006, 9.)

Although, the effectiveness of authoritarian leadership can be seen in a situation where there is huge trust among member of the organization, assignment is clear, and decision needs to be quicker.

Democratic leadership style is leadership that presume leaders are given power or authority base on the group they led. It is believed that people can be self-creative and self-directed if been motivated. The leadership style is more of a style where members in group or organization make decision together unlike authoritative. These styles of allowing shared decision making will increase individual self-confident and make good use of other members full potentials. Although a leader must be careful here not to allow too much decision from other, but it is good have a support and listen to others as well. Therefore, an

organization with a democratic leadership develop and cultivate an inter relationship across members by improving communication, behavior of members, and improve self.

2.3.2 Power and leadership

Power in terms of leadership means the ability to influence others to achieve their set goal. Leaders are people in power and display power. Even if a person might exercise power while he or she is not a leader, a person cannot reach a position of a leader with a level of power. Power can also be defined as the ability to act or create an outcome. But what most research has reveal is that power means capacity. Leadership power is said to be the amount of capacity use to influence, encourage and strength members to get the task done

2.4 Leadership behaviors

According to CEO Monolithic Memories, Irwin Federman states you get authority from your job, you get respect from your behavior. The literature behind a successful leader stands between the behavior and characteristics demonstrated. Leaders must be ready to adjust their attitude by having a thorough thinking. Daniel Goleman (2002,92) states, that 70% of the emotional environment in organization is determined by the leadership behavior whereby improving the business performances by 20-30% for the organization.

Leadership should not be about understanding the practices but rather implementing the understanding in their day to day activities. Most successful leader agrees that leadership behavior plays a vital role in groups or organization. Therefore, for one to be an outstanding leader. They must adopt a behavior style either from observing a successful leader or copying what makes them productive.

2.5 The dimension of leadership

The relationship between leadership and personality has been a historical argument as related to trait theory of leadership (Cowley 1931, 304–313; Bowden 1927, 149-160; Kohs & Irle, 1920, 73–87), leadership researchers rely their thought mainly on leadership quality rather the traits effect of leadership depends on certain circumstances. Critics such as Stogdill (1948,59) stated, situation related can affect leadership. According to new approach on leadership, the understanding of leadership in a business environment is highly necessary (Van Maanen 2010) and there are many definitions of leadership (Bass 2009, 23.) Leadership is the act of inspiring, guiding other co-workers to bring their effectiveness to organization success. Yet the energetic flow from leadership strategies remain critical as new organizational system evolved.

The role of a leader in an organization is to promote organization value that survives in the long run. (Kouzes & Posner 2002, 17-18). With this definition, the term leadership gives the rise to these three conceptual dimensions: Visionary – Leaders use effective vision to guide and reassure other members their importance in the organization, reflective – leaders consider lesson learn from little setback and victories. In order to create a collaborative surrounding, influential – leaders systematically influence others to arrive at organization goal. In this paragraph, the dimension leadership represent various skills and characteristics of a leader and how their strength can be used to capitalize their weakness. It also serves as a form of evaluation for leaders in an organization and a helpful self-assessment.

Visionary Leadership: A visionary leader uses effective skill to lead their team mate, for example Gerstner (2002, 68) describes the needs of IBM is a market driven, hardboiled, and effective approach to its businesses. This is a statement from Gerstner at the starts of his mission and vision for IBM. When a leader undergoes challenges about people, markets, and products, it is very important to take an effective action. The concept of Gerstner's approach for IBM is to acknowledge and create a drastic change in their vision. Without this effective approach in changing their direction, IBM would have been part of other technology garbage dump. Therefore, leadership responsibility is to have a clear vision and effective action to achieve a common goal. It includes having meetings and meetings objectives, keeping meetings on schedule from beginning till end, and guide the member tasks whether large or small.

- a) **Reflective leadership:** Leadership strong and persuasive action is not enough to bring a long-term change to the organization. It is the commitment to plans, emotions, generosity intensity that can makes leadership performance survive at the end. Some researcher defines reflective

leadership as a human experience, the act of leading others with presence and personal experiences. Showing act of awareness, attentive to experiences around us (Goker & Bozkus 2017, 2). Every long-distance runner understands that to finish a race you need to be prepared, make mid-course correction, monitor signals, and constantly switch pace. Reflective leaders spend time to observe small success and disappointment, their lesson learned, and the actions involved. Tichy & Cohen, (1997,42) further explain that all successful leaders must have values, ideas, energy to express their viewpoints but only through stories that they can bring them together and show and motivate others to success.

- b) **Influential leadership:** According to John Maxwell (1999, 12-13), laborer accomplishment is knowing how to do a job, teacher's accomplishment is to show others, making sure the work is done by others is the accomplishment of a manager but leader's accomplishment is to inspire others to do a better work. Influential can be defined as the art of influencing others to achieve a desire outcome. Here are few attributes of influential leader; They inspire, motivate and influence others. They listen to others and give room for open conversation. They produce an emotion and eagerness to make others accomplish the unthinkable. These characteristics further shows that leadership influencing is to have an impact on the attitudes, choices, behavior, and opinion of others but it does not mean to control or having a power or having a sense of manipulation. Influencing is just a way of motivating others to an effective performance and achieve set goals.

3 IMPACT OF LEADERSHIP IN ORGANIZATION

It has been acknowledged that the collective effort from organization performance such as employee's positive commitment, and job satisfaction leads to organizations success. (Bass & Riggio 2006, 6-9.) There are no general studies directly reflecting the impact of leadership on organization. However, some researchers argued the significance of a leader is important while others disagree (Bass 2009; Kotter 2007; Nohria & Khurana 2010) Some researchers have suggested that good leader drive their members to be competitive and motivate them by implying effective leadership style (Nohria & Khurana 2010, 3-25; Luftman 2009; Finkelstein 2009, 72; Bass & Riggio 2006, 6).

Let us see for example the two changes that occurred from the automobile industry. On 7th May 1998, Chrysler corporation in USA merged with Daimler-Benz in Germany both companies are known for their outstanding market performance and profitability. After carefully examining the outcome of merge, it is obvious that the alleged decision from Chrysler and Daimler-Benz was a poor move since the merging did not produce a positive outcome at the end (Badrtalei & Bates 2007,303-307). On the contrary, it was a success for Nissan automobile under Carlos Goshn leadership (2002) the complete change help Nissan see an increase in profit. Organizational performances reveal the difference between quality leadership (Yukl & Chavez 2002,139-165.)

Therefore, the use of leadership styles assists leaders to promote a quality standard in the development of other members in organization (LaRue, Childs, Larson 2004). Effective leadership in an organization also includes inspiration, management, analytical skills, motivation, and management. The presence of all these characteristics help an organization to record an increase employee satisfaction that generates an effective productivity and profitability. Sila & Ebrahimpour (2005, 1123-1154) suggested that organizational performance is measured by leadership effectiveness through cost and qualities, human resource (job performance and turn over), profit, market share (financial performances)

Therefore, leadership ability to bring innovation and creativity, develop individual capability, and motivate others to challenge their own worth in the company will increase organization performance. Some studies for example (Yukl 2009, 49–53; Kouzes & Posner 2007, 20; Bass & Riggio 2006,6-9) suggest that transformational leadership approach do have a positive impact on organizational performances.

3.1 Transformational leadership

The origin of transformational leadership started in 1978 with James MacGregor Burns and it is defined as a leadership with optimistic, positive, trustworthy, emotional intelligent, teamwork, innovative and promote high quality expectations. Transformation leadership brings changes to the organization by inspiring vision and mission among employees on how important group works effect the company. Also, they motivate individual to problem solving and positive thinking in order to achieve better performance. Dvir, Kass, Shamir (2004, 126-143) and Bass & Riggio (2006,6-9) stated, transformational leadership can be defined as an act of achieving beneficial goals, motivational, common vision and values, emotional bond.

According to Bass (1990,19-31) transformation leadership consists of four factors: Intellectual, Charisma, Individual Consideration, and Inspiration, Intellectual leadership: Shows their clear value and vision for the organization. They stimulate others to their great potential by allow them to do their work effective and making them a part of the organization, Charismatic leadership: Are the fundamental process of transformational leadership because it builds the relation between leaders and their members in order to accomplish common goal. It includes confidence on others, respect, and trust, Individualized consideration leadership: The scale at which leaders listened to their members carefully by meeting their needs, coaching, mentoring, and guiding, Inspirational leadership: leaders are about creating an environment with a way forward and energizing members to complete task they feel impossible. It involves communication and shared values of the organization.

According to Walumbwa, Lawler, Avolio, Wang & Shi, (2005, 2-16) suggested that various leadership styles and pattern were adopted from situational approach base on the level of their members. Thus, the leadership style depends on the level to be implement. The following are the situational leadership styles that may be implemented: Telling leaders – leader uses a direct pattern of communication and decision making, selling and coaching – leader uses a double approach pattern by explaining the objectives and roles for members likewise open to opinion and suggestions, participating - leader allow others to work effective by giving support and allow members makes decisions, delegating – Leader gives room to member to work independently. Although, they may seek for assistance when needed.

Clifford and Richard (2008, 65-68) stated, for the performance of transformational leaders to be accomplished: they must seriously involve other members personal value system by providing logical reason

that connect members identities to the organization. By this means, the members are motivated to perform their work effectively, understand the importance of organization mission and vision. Scott and Peter (2009, 16-18) suggested that by using intellectual leadership approach, transformational leader motivates member to use their creativity and innovation skills. They encourage other members to think positively and challenge their beliefs, traditions, and values.

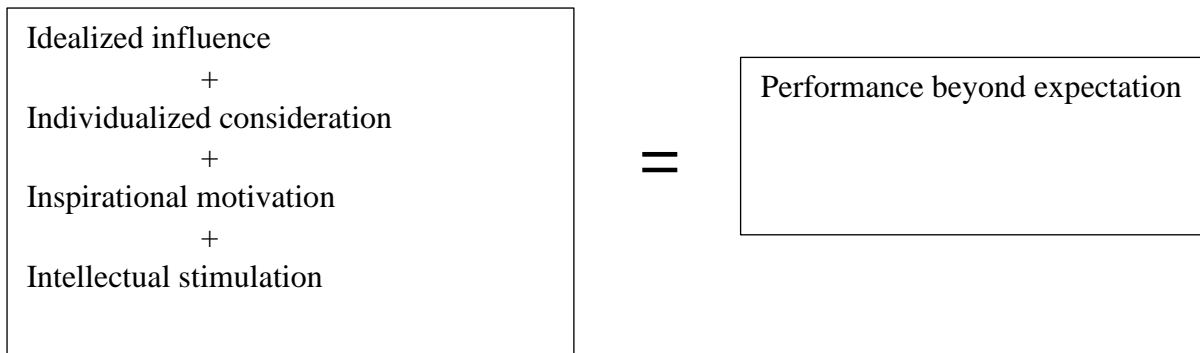


FIGURE 3. Transformational Leadership Components (Adapted from Northouse 1997.)

3.2 Organizational performance

Organizational performance can be defined as the analysis or transformation of organization performance from inputs to outs in order to achieve a certain outcome. With this definition, there are three basic outcomes analyses within an organization: Shareholder value performance, financial market performance and market performance. In addition, production capacity performance (only in some cases). Chen & Barnes (2006, 51-70) states that the information about performance relating between cost-effective and minimal, between achieved outcome and output. There is no common literature agreement on the principle to be adopted in evaluating organizational performance (DeClerk 2008; Scott & Davis 2015; La Rue et al 2004; Bolman and Deal 2003,16). However, organizational performance can be approached with four main principles: Goal approach- The aim of any organization is to achieve their set desire goals which is also decided by their stakeholders. The organization effectiveness is the ability to achieve a certain profit objective, quality outcomes and increase market share, system approach- This approach focuses more on the long- term survival of the organization. Thus, it can be said the relation between the organization and its environment. In addition, the system approach considers such as maintain a stable organization (social organization) and connect with its environment successfully, constituency approach - suggested that any organization that is effective is one who meets the demands of their

stakeholders. Scott & Davis (2007) states the ability to control more resources can influence organizational performance, competing approach - this approach was developed by Cameron and Quinn (2006,33) which states the organizational goals are determined by various important constituencies from different direction. There may be various approach to measure organization performance. The constituencies want to support the flexibility, adaptability, and effectiveness of the organization. According to Cohen and Bradford, (2005) an effective and performant organization has a high level of commitment and collaboration with their stakeholder by means of team project and management, group works.

3.3 Leadership and organizational performance

Longenecker (2010, 32-42) defined performance at an individual degree as support, ability, and motivation. Support is making sure the appropriate tools and resources available for workers. Ability is the talent, and skills of a worker to perform their duty. Motivation is the behaviour that inspire an individual to act effectively on their duty. The motive of transformational leader is achieve success in all area of expectation and reaching organization goals by stimulating team members to be creative and innovative, acknowledge the importance of organization mission and setting co-operate goals over self-interest of an individual (James 2005).

Transformational leaders motivate others by using their behaviour to influence them, create self-interest on behalf of the organization, making workers aware of the result of their accomplishment. According to Elenkov (2002, 467-480) examined the effect of transformational leadership in Russian companies on organizational performances. By means of multifactor leadership assessment questionnaire, the analysis stresses a correlation between organization performance and the practices of transformational leadership. Furthermore, Zhu, Chew, & Spangler (2005, 39-52) studies on organizational performance and transformational leadership style examined with Singaporean companies. Analysis shows a strong relationship between organization performance and transformational leadership. Thus, identify the importance of human resources management (HRM) in correlation between performance and leadership through intellectual motivation, commitment, and increased motivation. In the study between organizational performance and leadership style, Kieu (2010) identified with the IT companies that transformational leadership correlate undoubtedly to the organizational performance.

The analysis adopts Multifactor Leadership Questionnaire (5X) which explain transformational leadership can influence the performance, commitment, and satisfaction among organizations by creating empowerment, commitment, a level of trust and respect for their leaders. Presently, organization must be effective in their performance in order to reach the expectation of stakeholders in such an ethical and transparent approach. Therefore, it is highly important to adopt transformational behaviour within an organization if they were to survive.

3.4 Conclusions

The study between organizational performance and transformational leadership is very essential for the development and success of an organization. Today's leaders need to find various way to influence employee performance so they can work effective. From this review, we can come to conclusion that there is a significant correlation between the performance of organization and the transformational leadership style. Although, the analysis of this relation has not been done as well as why and how performances are affected by leadership. However, this issue must be conducted as a study in the future. (Hurduzeu 2015.)

4 DEVELOPMENT OF LEADERSHIP AND PERFORMANCE

In today's economy, leadership development is seen as an important subject for company in order to have a competitive advantage in the business environment. The most important role performance management needs are to develop a leadership as system are progressing from assessing to developing successful framework. Leadership capabilities in an organization are identified by the input from performance evaluation, competence framework and personal development plans. According to Day & Connor (2001,11-28) states leadership development can be defined as a process by which organization collectively expand the capacity of leader's role within employees, to achieve a common goal. A survey conducted on Ninth House Company, (2006) reveals that 90% of top leading companies merge their leadership development plans with performance management. The survey shows that 95% of external coaches were brought to oversee the organization development plans and about 85% of them gave their feedback using 360degree. The outcome of this survey shows that organizations implement several tools toward leadership development by deploying various learning techniques achieved from different levels of management.

4.1 Leadership development is a process and integrative framework

According to Raelin (2004,131-135) the process of leadership development must be merge with organizational vital processes, culture, sub processes and strategies. In today's organization, the focus on investment return has been the most important objectives for companies rather than building leadership development plans for the purpose of long-term stability and profit (Kincaid and Gordick 2003,47-57). Companies such as Coca Cola, Nestle and lots of others have created modern leadership development framework that reveals the positive effect of implementing the program.

4.2 Leadership development can be used by availability of various tools

The competency tools have been identified to be the most effective model to develop and identify individual talents pool because it adopts 360-degree feedback, promotability matrix, and performance matrix for collecting data on the organization. According to survey done on top leading companies from fortune (2007) majority of the organization gives leadership development training to their top executives so they

can prepare future leaders. Below is the result from Fortune survey: 1. Companies such as Natura Cosmetics and Whirlpool suffer from assistance in coaching and mentoring in the leadership development plans and feedbacks. 2. Organizations such as Nokia and General Electric (GE) focus on group development instead of an individual. Company such Nokia uses their culture system development where leadership is important rather than leaders. Same as the Procter & Gamble Company (P&G) adopted an inspiring leadership development plans to inspire the top executive leaders. 3. Well known organization aim at investing their money and time on leadership development programs in order to achieve an edge over their competitor. At General Electric (GE), the CEO reviews the top managers' performance likewise the CEO of McDonald's reviews their top managers' performances. The process of leadership development has changed drastically into a crucial and facilitative process with the purpose of developing both individuals and organization performance by merging the leadership developing programs into organization plans.

4.3 Introduction

According to Bass (2009,9-13), Drucker (2008,28) and Goleman (1998,7) leadership can be learned and taught. Conversation, action learning, reflection and models are some of the process of developing an individual to become a leader. Despite the difficulty of having a clearer understanding if the leadership development process is important, companies still invest their finances into the learning development process. Kempster (2009) evaluates United States (US) organization, how \$60 billion is spent on leadership development talent in the year 1999 as well as Avolio et al. (2010) discovered that the issue of leadership development plans is less considered. Both researchers identified that, over the past decade authors has focused their articles more on leadership effect of making profit rather to develop leadership. Below are some of the reason, Day & O'Connor (2001) explain why they lack the insight: Not enough support to identify a systematical method can bring profit to the Organization, limited time to make a proper investigation, majority of the observation is made on individual instead of a group or organization. And many organizations encounter several leadership difficulties (for example. Herzog 2007; Floyd & Wooldridge 2004; Cogliser & Scandura 2001) such as: The act of focusing on individual instead of groups, lack of planning ahead (executive succession) , the growing practice of self-directed work teams (SDWT) , excessive retirement, Inadequate support to leadership development processes, limited reviews or surveys. According to the survey finding from Herzog (2007) almost 50% of organizations were in support for leadership development processes. Cogliser and Scandura (2001, 149-160) discov-

ered that in many scenario, executive succession failed due to lack of implementing leadership development programs. In addition, a survey done on 1,500 managers at UK instituted of management (James 2001) reveals: about 46% reported, the organization has no leadership development plans in their budget, about 25% claimed, the organization understood the leadership development programs, while about 51% of the managers, believe employers refuse to show more concern on the use of leadership development. Lots of organization implement different method for leadership development. Hambrick (2009) contend to the fact that organization that invested in development of leadership has a better chance to survive in time of crisis.

Herzog (2007) reveals, lack of developing the senior executives in organization can affect the strength and vision of the company. He further noted organization that encourages leadership development from within has a lower leadership failure than hiring leaders from outside. The difficulties are, lack of professional training from the top-level leaders, lack of continual support and rewards, new CEO, new idea Constantly, shifting the importance of leadership training), inadequate resources allocated to leadership development programs. Conger (2007, 199-215) states, development of leadership is beneficial to any organizations if only the role of a leader can be further explained to their managers. Conger notes also that development of leadership should be used a way of spreading culture and vision in the entire organization. The dearth of leadership training appears to be throughout organizations.

But some scholars decided to use other means of leadership to tackle the problem, for example, leadership weakness and strategies to improve them (Howell and Vecchio 2007, 363-376). Substitutes for leadership; explicit rules, and procedures. This means the doubt about the definition of leadership to be learned and taught needed to be further examine again. Burke & Russell (1986, 232-245) some studies shows leadership training produces a smaller effect in the organization while other studies proved leadership development can be successful. Burt and Ronchi (2007, 1157-1183) discovered that senior executive development training has huge effect in the organization as the approach assist the executive to be more efficient and understand their organization better.

4.4 Types of training program

Over the past century, developing of leadership in an organization has constantly witness changes. According to Conger (2010) in the early 1960-70s training was offered between frontline manager and

middle level manager from within organization or external professionals. For instance, some of the highest rank institution were offering leadership development programs to the top executives.

TABLE 2. Leadership development programs (Adapted from Kempster 2009,439).

	Training	
	Job training, coaching, 360 feedback, role modeling Short courses	
Functional skills	Action learning	Interpersonal behavior
	MBA organizational development programs executives' courses, self-learning	

Nowadays, most organizations adopt the system of leadership training from within whereby the process could be followed continually and sometimes top tier institution could be invited. Such training will be organized with the purpose of targeting the specific situation the company required (Conger 2010,281-311). Conger categories this leadership development program into four section: Using feedback for leadership development, skill building programs (targeting leadership specific skills) for leadership development, a conceptual and structural understanding for leadership development, personal growth and leadership skills training.

Adair (2005) defines seven leadership development frameworks as leading with opportunities, mentoring as a leader, implementing training, Engaging CEO, selection, education for leaders, leadership development strategies. Other books also presented best practices for leadership development. For example Fulmer and Goldsmith (2001); Wellins and Byham, (2001, 98-102) describe the best six companies with the idea of leadership development practices: World Bank, Johnson and Johnson, General Electric, Royal Dutch shell, Arthur Andersen, Hewlett Packard. There were various practices found by these authors but they were all correlated to culture of the organization.

4.4.1 Onboard Leadership training program

This process should not be confused with the orientation training because dealing with onboarding learning involves a longer and on-going process for the organization. Onboarding can be defined as the behaviors and skills acquired by new employee to work effectively in their new environment. Advantages of Onboard training are that this process assists leaders identify methods to be productive and committed at workplace. This process assists leaders adapt to team and work culture, with the idea of this training, new leaders become effective than if no training, this training assist executive leaders to have more free time because most questions are answered within the training program.

4.4.2 In-house Leadership training

Kempster (2009,439-56) provided a glimpse in earlier table 2 above, at the training leadership development. They are job training, coaching, 360 feedback, short courses, action learning, networking. Even though there were skepticism based on the value of it among authors, yet these practices are adopted widely. Atwater, Brett & Waldman (2001,89-106) identify some negative outcomes involving the 360 feedback. These outcomes consist: leaders' inadequate engagement to their subordinates, discontent with appraisal, decrease efforts. Although the training is for appraisal purposes, it can still be a disadvantage.

4.4.3 Leadership skills training

This is a training process that educate leaders to motivate others to lead. This type of training offers both top and executive leaders an opportunity to improve their motivational and inspirational skills that help influence organizational subordinates to work effectively and achieve company's goal. The advantages of leadership Skills includes, leaders improve their influential abilities, leadership self-confidence becomes better to lead team, leadership styles becomes improved, leadership learn how to build a united and solid team, it helps to raise organization leadership succession, it helps leaders to able to interact better within organization. Another leadership development program is action learning. The founder of action learning, Revans (1980, 1982, 1998), has stated that instead of passively listening to lectures or audio tapes or watching video presentations, people learn more and better when things are put into action. Hicks and Peterson (1999, 30-33) contribute to the developmental program known as the Pipeline development which elaborate more the importance of action learning to development of leadership.

These writers describe in their own terms the most important element sustained and learning development required such as responsibility, actual experiences, motivation, and skill formation.

4.5 Conclusion of the chapter

In conclusion, it is very important for the transformation of organization process that top leaders must have interest in the development of their employees. More also, leaders should spend more time to observe and mentor others and helping them extend their capabilities to reach a greater height. However, putting leaders into training programs is not enough if their knowledge and experience are to be used to support the organization. The phrase has often been heard I have invested a lot of energy and time in this leadership training program, but I have no clue what to do about it. Following up on all this development trainings and program itself is as important as learning them. The goal is to decide how to involve these leaders in the organization by merging them the most successful way. To support and assist them in their accomplishment of personal and organization goals, it is also necessary to provide follow up meeting with staff.

5 LEADERSHIP CAPABILITY AND COMPETENCE

The term capability and competence can be interchangeable and management literature used the words quite often. Capabilities is said to be the capacity of achieving an accomplishment, but not yet accomplished. For example, let us say a person is qualified to be a leader but do not have the necessary competency to lead. Although capabilities are good especially when hired for a new job because capability skill is need but to effectively perform a competency skill is required. Capability is the integration of personal qualities and knowledge skills used effectively when demanded. Leadership capabilities are the attribute to be developed such as potential, qualities, ability and capacity.

Capability is aim at developing these characteristics for the purposes of generating new idea, adapting to new environment and improving performance continually. A leader with capability can be creative, self-efficacy, good at teamwork, and able to deal with difficult situation. According to John Stephenson (1994) capability is one of human nature that can be tailored and easily identify without the responsibility of not understanding the principle. For example Barney (1991, 305-319) states, capability is an intellectual and human capital. Pfeffer (1994) also states, it improves people's idea, knowledge and information.

Competence is one term used by organization to describe the behavioral traits of an individual. Behavior is said to be the action of an individual which another person experience or encounter. Competence are the skills and knowledge influencing the style and behavior of a leader. For leadership skills and knowledge to be examined, they must be demonstrated in order to evaluate them toward organization objective. Even though, sometimes there could be failure due to circumstance at hand. Leader can learn from the situation and improve themselves from it. Today, there are various electronical gadgets called self-assessment tools that can be used as a self-evaluation or analysis.

The core competence checklist is a good tool for leaders because they can carry it around and analyses when they notice others made an error or succeed. Therefore, to remain an effective leadership, the individual must maintain a constant competency growth, strength and positive behavior. Leadership effectiveness can be assessed by how successful and developed their behavior affect current situations. John Maxwell (1999,29) states, only a good leader can navigate their team to reach their set destination. He further advised that if a leader is fully prepared people put their trust and confidence in you. An effective leader must maintain such perspective in their journey to lead in times of planning and changes in the future. This is true nobody wants a leader without directions. That means a clear direction is not

enough rather an effective communication that can reach throughout all organizational levels. With all this, a leader must have a clear plan, set out the idea and make the move to achieve the organization desire outcome. Furthermore, given a thorough literature research, there are still extensive key factors necessary for leadership competency.

5.1 Components of competence

The components of competences include maintaining a clear direction: Leadership sense of direction assist members to achieve consciousness and understand the future of the organization. When member grabs the clear image of the organization plan, it helps them to move forward. Thus, an organization without a clear purpose that motivate their member, it can affect the performance of the company. A good leader must think beforehand and improve the present to achieve a better future. Inspire others to better performance: The goal of every leader is to accomplish their task successful whereby energizing members to reach that set goal. According to John Quincy Adams quotes you are leader, if you can inspire others by actions, perform, and develop more. Leaders influence people to be motivated and energized by helping them to learn, develop and be confidence in any area they find themselves. Listen and communicate appropriately: The single most effective approach to a leadership competency is the ability to communicate properly. Problem solving and decision making ends up being difficult if an organization lack an effective communicating leader. Even though the leader might have a clear vision, and direction but without communications skills the mission will become null.

Therefore, communication should be a clear two-way process between the sender and receiver. That means that leaders who lead should communicate carefully with clear intention and believing the message is heard. Studies reveal on communication within organization 70% of employees communicate verbally during their working hours. This means. (i)Listening - 45%, (ii)Speaking - 30%, (iii)Reading - 16%, (iv)Writing - 9%. This shows that listening is a vital communication competence, but most people rather concentrate on others verbal communication skills. Thinking creativity: The ability of been competent and willing to think creatively is the innovative behaviour of a good leader. Creative thinking is a process of developing, connecting and redefining existing plan. Creativity includes connecting the missing link with found, in search of new ideas and changing the perspective of peoples thought towards a situation. Expectation with a clear motive: The most misunderstanding in every relationship is a lack of clear expectation as result of undermined trust and communication. This uncleared issue must be resolved as soon as possible if the relationship need to move forward and especially at the professional

level. Sometimes it is important to remember that work with people from various background and people's thought cannot be read. Therefore, the more clearly a leader take into action an expectation, the more satisfied the leader will become towards member's relationship and performance. Here are three questions that might improve an effective leader to understand the management expectations and their members. Does an employee know what is expected of them?

Most people think they know what needs to be done within an organization but often misunderstanding what is expected of them. For examples, a person works in the sales department, knowing fully well that sales demanded a high performance if the organization needs to succeed. How can a leader know what is expected from them? It is necessary for a leader to be available and give the necessary support needed to move ahead. Defining presence might be different from what others thinks. In some cases, a leader can be a coach while in another scenario supplier of resources and a hero. How can both party (Leader and employee) understand what is expected? A leader might be giving an instruction to the employee of what needs to be done while the employee focuses on getting the task done. The most necessary information here is that everyone is playing a collaborative role to get the job at the appropriate time. For example, in an organization expectation cannot be achieve without having a clear discussion between the management and member of staff. The table below illustrates how expectation is understood when discussing in various cases.

TABLE 3. Understanding Expectation (Adapted from state civil service 2020)

Situation like this	Address in this discussion
The organization put out information about important meeting outcome or an adjustment in direction.	Discuss responsibilities adjusted or if priorities are moved.
When movement of work changes	Discuss all the person's involved and their various responsibilities
A new employee in the environment	Discuss their roles, duties, and responsibilities. Who is their supervisor, give a clear organization value, various steps to achieve success and expectation.
If the person, ask for a clear outcomes and goals	Aim at addressing at the top, responsibilities and shifts involved
When the person performs beyond expectation and seek for a new quest.	Reassess the responsibilities involved and shifts

When the management board are not giving a clear view of organization goals to employees and their expectations, it is certain that everyone will be confused with expectation. This will eventually lead to lose of resources, time must be rescheduled and can affect flow of organization performance.

5.2 Conclusion of the chapter

In all this, an effective leader requires various steps of competencies. The competency I presented in this chapter consists of the basic factors a successful leadership can attain, and no certain competency is enough to be an effective leader. Furthermore, it is necessary to develop and adopt these categories of competencies accordingly, or gently. Generally, not all circumstance is the same as some competencies are important especially at the top leadership such as senior managers, for example when hiring, the organization need to find the right person at the right possible position. This means possessing the technical skills required to make decisions. Although acquiring all the important competencies is not easy at

the same time but those who are willing to become an effective leader should adopt at least a competence required at the particular period and improve on those skills by practicing and learning time after time.

6 RESEARCH METHODOLOGY

Research is an approach, strategies, or method use to collect evidence or information for analysis purposes in order to develop better understanding of a subject. The research subject which is conducted reveals how effective leadership improves organizational performance in order to achieve growth and survive longer. There are two types of method needed when collecting and analyzing a data, primary data and secondary data. Primary data is a kind of data collected by researcher directly from firsthand. They include surveys, experiment, interviews, questionnaire needed for a specific research. The collection of data can be very difficult due to resources and time consuming, even though not all the information acquired is needed but immediately when information is received, primary data is available.

Secondary data is typically an existing data or public information which is used by researcher instead of collecting and creating a new one. This process is inexpensive or free to collect if knowing the actual place to obtain it and how to criticize its importance and pertinence. The source of secondary data is government record, figures from social trends, trade announcement. Secondary data can be used by researcher's depending on the researchers' purpose.

6.1 What is qualitative research?

Qualitative research is a method of research focusing on data acquisition through informal and open-end communication. This method does not focus only about what people think but also why do they think such a way. Qualitative research is designed for researchers to understand the social and people and cultural background where they are staying in. Qualitative research method assists in revealing the perception and behaviour of specific audience to a specific subject.

Therefore, qualitative research gives an in-depth, questioning and thorough examine of people interviewed based on their response where the researcher / interviewer attempt to understand their feelings and motivations (Bhat Qualitative Methods 2019b).

6.2 Qualitative research methodologies

Qualitative research methodologies commonly use data collection such as interview, observation, focus group or chart reviews. Interviews: The interview provides the ability to gain insight into the life of the interviewee, and a greater comprehension of the essence or significance of the everyday activities of the interviewee. It can also be used for examining a hypothesis. There are three potential methods structured, semi-structured and unstructured Interviews. In a structured interview, the same questions are presented to the interviewees at the exact same way and structured interview is more like a survey, no way for exploration or deviation of issues outside the questions. Unstructured interview though is free flowing conversation that can push both the interviewee and interviewer to deviate from the topic being discuss.

6.3 Research design and data collection

This research is gathered using a primary data by conducting an interview with the head of sales operation at the supply chain department in UPM Voikkaa Paper Mill. Some scholars do apply various approach while doing their research, depending on the type of information and motive of research needed. (Porter & Coggin 1995, 7.) This research study will use a qualitative method. The qualitative method is applied as result of revealing the meaning that inform the outcomes or actions. It also happens as the head of sales operation is being interviewed.

6.4 Validity and reliability

Validity is also defined as to what degree an instrument measures what it claims to be measuring (Blumberg, Cooper & Schindler 2005). Validity is the accuracy of the result, (Robson 2011). It is the point at which the result outcome must be true. Thus, needs research tools such as questionnaire to test the concept under review correctly (Pallant 2011,106). When a researcher performs in-depth studies on people, small groups or circumstances, validity is essential. Qualitative research is focused on the assumption that validity is a matter of reliability, trustworthiness, and utility. When the researchers knows that the research is reliable then they can be sure about the results that indicates some significance in the topic

under review. If the researcher lacks validity it means the results lacked truth (Churton & Brown 2010, 211)

Reliability refers to how something is reliably evaluated through a system. If, in the same conditions, the same result can be obtained reliably by using the same methods, the measurement would be considered desirable. When researchers realize that their research is accurate then there will be less threat of taking chances occurrence or trend shown by sample and use it to make conclusions about the entire population (Churton & Brown 2010, 209). The validity of this research is done by conducting an interview (questionnaire) with head of sales operation at the supply chain department in UPM paper mills. The results needed to conclude the research can be found through the response from the interview. He led personnel consisting of 18 persons (15 females +3 males) in the company. The research is, hence, considered to be valid. The research's reliability is also said to have been verified if the author has the interviewed (questionnaire) pre-tests. In this research, questionnaire was sent out to validate the reliability of the research and the purpose is to examine if the information is important to the research.

6.5 Analysis of interview

On the 5th of May 2020, an online discussion via ZOOM took place between me and Mr. Sami Teittinen who is the head of sales in supply chain department at UPM Voikkaa Paper Mill. He has 15years of experience in leadership role and his thoughts with experiences were included in this thesis.

In the interview, Mr. Sami Teittinen stated their company was developing rapidly, what were the reason for it, how did the development take place, some behaviors within team members, and how he influence them to get things done. After the discussion, five questionnaires were sent via email which the first question was about his position and how long he worked as a leader. The second question was about the leadership skills he implemented during his time at UPM. The third question was about what leadership style or techniques used to motivate his team. The fourth question was how his task and project were accomplished on time and the fifth question was about leadership challenges he encounters and how he dealt with the situation. Even though a questionnaire were set. I still seek assistance from Mr. Sami Teittinen whenever necessary, and it makes this interview a benefit.

Firstly, a question about his position and how long he worked as a leader was asked and Mr. Sami Teittinen replied: "I have worked in various leadership positions during my 25+ year career at UPM. The longest and largest direct leadership position was the 4-year period when I was leading the sales

office operations at UPM Voikkaa Paper Mill. The sales office had a full responsibility concerning the supply chain operations including the order handling, production planning, shipping and invoicing functions. The personnel consisted of 18 persons (15 females +3 males). The way of working was in 3-4 persons teams five (5) days in week, 7.5 hours per day". Further on, there was a question about what most effective leadership skills did he demonstrate to keep his team reaching organizational goal. Mr. Sami Teittien said, communication skill is very important in any leadership position because it is the best way to develop openness, trust and initiatives meaning that one need to be open to express he's or her opinions, especially during difficulties. Leader needs to trust and be trusted in returned on what is said and done and it should take initiative to make things work whenever there is a desire to do something. Sami further explained that decision making is very important for a person in a leadership position. Even the hard choices must be taken and executed. It should be remembered that the leader still has responsibility for the decisions that were taken. Mistakes can occur but one needs to learn from them. Clearly, without communications skills it is difficult to achieve successful decision-making and problem-solving within an organization. It is also one of the most important leadership traits that most companies use today and which was discussed also in this research.

The question was asked about keeping task and staying on schedule in order to promote productivity in the organization which Mr. Sami Teittinen replied, if a company will develop then a good leader must at least understand the importance of expectation. He stated, one needs to see his work desk which explain a lot and gives an answer to this question. He explained; his desk is always almost empty – do the things, do not pile them. In many (He refer to those old days in paper offices = before digital time) offices there were a lot of different papers delivered from left, right and center and it was very crucial to understand to make a quick decision about “Does he need this one? Does someone else need this one? Does anybody need this one?”. After these analyses do something for the paper yourself immediately, give to the person who you think needs it or throw to the paper bin – do not pile them. And now the learning; do the same in this digital life, too.

In a business where there is a supply chain it is very important to follow the schedules. And it is very important to react fast if something goes wrong. Quick reaction makes things easier to be corrected. Just as an example of travelling, one has a flight from London Heathrow to Barcelona. When it is time to go London Heathrow airport (LHR) goes in strike – no flights. Make a quick decision to change your flight to be from London Gatwick before all the others do so as it is the only option to get to Barcelona since LHR is no option. Again, open information to all those who need it.” Further on, as questions were asked about the motivation of the subordinates, he stated, does not every leader like to learn how people can

be energized? Straight-forward but friendly, topic-oriented way to lead and manage. Supporting, motivating and challenging. Good results always rewarded.

This reveals that the most important aspect of any company expectation must derive from what stakeholders, client, and customer expected to deliver by the company. Also, that leaders of the company had achieved their utmost to keep their employees happy and dedicated to their work. This leadership behaviour used in UPM Voikkaa Paper Mill can be described as a charismatic leadership style and transformational leadership which were both discussed in the research. Finally, the question was asked about any major challenges that could affect the performance and employees in the company. Mr. Sami Teittinen replied that in the paper mill sales office, there were honestly multiple challenges. This is something which should not be read as any sort of chauvinism but the fact is that there were a lot of problems with the women; jealousy towards other women, un-estimated comments on the others' work, reluctance to do something else what they have done for years (idea was to grow the organization to be multi-taskers). In such situations, Mr. Sami Teittinen argued the facts from the work / task point of view, not touching necessarily to the question of person / personality. Sticking on the topic helps more rather than explaining or listening or arguing who has said, who has done, who has not done. At the end, it is the decision of a leader which determines the success or failure of an organization. This shows that a leader must have an impressive key competency in order to develop and reach organizational goal which has been discussed in this research.

7 CONCLUSION AND FURTHER RESEARCH

The main aim of this study was to identify the effective leadership role in organizational growth, success and stability. My conclusion is that leadership should be focused on improving performance and achieving result instead of concentrating on self-gratification or egoism. Therefore, in order to achieve result a leader must spend lots of time and energy to correlate the relationship that is within their organization to reach the strategies and goals set. A good leadership is more about creating a positive impact into the organization so that it can generate a positive change to serve the environment in which it belongs. Also, an effective leadership often requires more developing character rather than learning techniques. Today, an organization cannot operate by a single leader it is highly necessary for the top manager to ensure the organization is developing the necessary standard within the organization.

Leadership development programs should be adopted in order to improve and build the capabilities of leadership. As the author has documented, leadership development programs are less practiced in most organization and the reason are that majority of the organizations lack the understanding and relevant importance of the programs. In the introduction to organizational performance and development programs two analysis studies were researched based on articles of companies adopting the leadership development programs. However, amount of the impact remains unclear. The organization that adopt the leadership programs use the learning program to deal with a short-term and long-term demands. In-house training programs, 360-degree feedback, action learning, coaching these are the practices.

UPM Paper Mill is one of Finland's fast-growing industries in the paper making sector. After the interview with Mr. Sami Teittinen the head of sales at the supply chain department in Voikka. He stated, having a transformational and charismatic leadership behaviour style is the secret behind company's success and growth during his tenure. Transformation leadership brings changes to the organization by inspiring vision and mission among employees. Hereby, one should motivate individual to think positively and develop a problem-solving skill to achieve better performance. When the question was asked that what leadership skill is used to keep the organization together in moving forward he said, communication is the most essential leadership skill any leader must not lack because without it, no one knows where to go, what to do and the environment will stand still. Communication gives room to openness, and trust.

When the question was asked about the issue of any challenges that could affect the performance and employees in the company he stated, in the paper mill industries there are multiple challenges as a leader one just need to deal with one problem after the other and carefully analyse the situation. A good leader must argue the facts from the work or task point of view not necessarily touching the questions of who's fault or not. In the long run, the decision is made by the leadership competency which determines the success or failure of the organization. Strong leaders will have to be a visionary, with a perception that he or she will impact the result and performance of the organization. And by talking the talk, they will act upon those principles.

This study shows that the impact of effective leadership is important to any organization and organization that practise a leadership development has better edge over their competitors. The leadership role from the sales department in UPM was explained to show how the company achieve growth and success. In this study, the dimension of leadership and leadership behaviour style were discussed to show the impact on organizational success. But how do you know the characteristic of successful leaders? This is study that needs a further research. The study would also help motivate employees to work efficiently and improve their performances to achieve their objectives.

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APPENDIX 1

INTERVIEW QUESTIONS

1. What is your position and how long you worked as a leader?
2. What leadership skills do you exercise? If communication, then how?
3. What is your leadership style or techniques use to motivate your team?
4. How do you keep your tasks and projects stay on schedule?
5. Can you please tell what leadership challenge have you faced and what have you done to overcome it?