

Conference Paper

Leadership in Supporting Organizational Performance in the Business Sector

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Abstract.

Leadership is a person's ability to influence others to work together according to a plan to achieve predetermined goals. Therefore, this study explores the leadership style that supports organizational performance in the business sector. The study employed exploratory research with secondary research methods in the form of a literature review where the data was collected from pre-existing primary research. This study recommends that a leader's leadership should be able to create change and create a new atmosphere where people turn challenging opportunities into extraordinary success. Leadership requires experience and involvement in the work and even in leading that can be a guarantee to reach success. In dealing with business challenges, it is necessary to have professional leaders and leadership qualities that are expected to compete with other companies.

Keywords: leadership, organizational performance, business, provision

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Published 3 January 2024

Publishing services provided by Knowledge E

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Selection and Peer-review under the responsibility of the ICHELSS Conference Committee.

1. Introduction

Currently, there have been changes in all aspects due to the demands of globalization and the information age. These changes will continue, especially changes in the business world. This also requires changes in the field of organization and business, including leadership [1][2]–[5]. The presence of foreign companies is challenging the business world in Indonesia [6]. The company competes not only in the domestic market but also with local managers and professionals. Since the monetary crisis in our country, many small, medium to high-scale companies are no longer able to run [7]. One of the causes for this is their inappropriate leadership and unwillingness to change to adapt to highly competitive conditions.

Indonesia's upcoming business leaders should not only cultivate work experience that is rich in culture, language, and business functions. Leaders also need to have the main requirements in the form of enthusiasm [8] [1]–[3], the ability to work in a team, values that are time and ageless, and the ability to look ahead rather than catch up with

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the present. Upcoming business leaders must have good managerial skills and be able to bring the company to be more ethical and focus on long-term goals in the economic, social, and environmental realms.

Upcoming leaders must like the social pressures present in the company [9], including intervention from the government. If they do not like it, the leader will be cornered in a defensive condition, which is considered unhealthy for the upcoming business climate. This is where knowledge and skills are needed to develop effective frameworks and methodologies to minimize these social pressures. Today, companies are not only faced with mere technical pressures. Non-technical pressures are also considered to have a big influence on business sustainability. What is happening now is that many companies or businesses are downsizing while at the same time, they can even double their sales. Companies prefer agile staff, freelancers, and outsourced employees. This happens, of course, for reasons of efficiency alone.

In dealing with these business challenges, it is necessary to develop human resources to become professional leaders who are expected to compete with other companies [10]. The role of a leader in a business organization is especially important, sometimes more valued than other assets. To get the right leader expected by the company, of course, must go through a proper recruitment process as well. The problem that arises is how leadership is to face the upcoming and how to prepare these leaders in the face of intense competition.

Leadership is an attempt to influence followers' activities through communication to achieve certain goals [11]. Leadership involves the use and influence; therefore, all relationships can make up a leadership endeavor. Leadership concerns the importance of the communication process, which is clear and exact that can affect follower behavior and achievement. Effective leaders may deal with individual, group, and organizational goals. The leader's effectiveness is especially seen as a measure of the level of achievement of one or a combination of these goals. Individuals may view a leader as effective or ineffective from the satisfaction they derive from the overall work experience.

Leadership is the ability of a person to influence other people to work together according to a plan to achieve predetermined goals [12]. Thus, leadership plays a particularly important role in management. It can even be stated leadership is the essence of management. Not all people who occupy leadership positions could lead or have 'leadership'. On the contrary, many people with leadership talents have never had the opportunity to become leaders in the true sense of the word. While the notion of 'head' only shows the formal aspect of the leadership position, meaning that in a formal-judicial manner, everyone can be appointed to head a business or section (based on

a decree or letter of appointment). However, not necessarily the person concerned can move, influence, and guide his subordinates and (leading) can carry out tasks to achieve goals. Therefore, this study aims to find leadership in supporting organizational performance in the Business sector.

2. Method

This study employed exploratory research, which is often used when the data collection process is challenging for some reasons. In exploratory research, data collection is often divided into primary and secondary research methods [13], [14]. This study used secondary research in the form of a literature review where the data was collected from pre-existing primary research. Pre-existing research about leadership that supports organizational performance in the business sector. This study explored the international publication about problems in leadership that impact organizational performance in running the business sector. A literature review in this study aims to prove knowledge, understand the academic literature, and implement critical evaluation on leadership that supports organizational performance in the business sector.

3. Results and Discussion

This study reviewed fifty references and after conducting Focus Group Discussion with the research team, the authors decided to use thirty sources due to topic accuracy. After conducting a literature review, the authors mapped the leadership in supporting organizational performance in the business sector as follows:

3.1. Effective leadership

The characteristics of an effective leader include intelligence, personality, physical characteristics, and supervision [4]. Bass and Stogdill (1990) found a general tendency to show that leaders are smarter than their followers. One of the important findings is that the marked difference in intelligence between the leader and his followers may not be functional, and such a leader may find it difficult to communicate his ideas and wisdom. The related traits are considerateness, assertiveness, knowledge, and eloquence. This study also found that personality traits such as tenacity, originality, personal integrity, and self-confidence are associated with effective leadership. The related traits are adaptability, alertness, creativity, personal integrity, self-confidence, emotional

balance and control, and independence. Studies on the relationship between effective leadership and physical characteristics such as age, height, weight, and appearance reveal conflicting results. Finally, there is a positive relationship between a person's supervisory ability (utilization) and the level in the organizational hierarchy [6]. The related traits are the ability to obtain cooperation, popularity, prestige, sociability, social participation, wisdom, and diplomacy.

The leadership effectiveness criteria used in most studies include productivity per hour worked or another similar measure of the organization's success in achieving its production objectives [7]. The effectiveness of leadership also includes job satisfaction of members of the organization, the rate of employee turnover (turnover), absenteeism, level of complaints, cost, the leftovers, which are wasted, and motivation of employees and leaders. The leader should practice strict supervision so that subordinates carry out their duties using clearly defined procedures. This type of leader relies on their leadership for coercive power, rewards, and legitimacy to influence follower behavior and performance. In addition, leadership is also employee-centered and believes in the need for delegation of decision-making and efforts to assist employees in meeting their needs by creating an encouraging work environment. Leaders with this style are also concerned with personal progress, growth, and employee achievement.

In general, companies that are born and grow up and then succeed in Indonesia are because they are owned and managed by families [8]–[12]. They emerge when competition is not fierce, protected by the government, and built on the strength of relationships. They are also very opportunistic and cannot say “no” to every business opportunity. Due to a lack of competition, these companies only operate in low-tech industries. Leadership skills at that time were different from those needed today. They were the founders, entrepreneurs, and first managers of the company. Their business is built through relations (with the government), so the company gets special rights.

The world trade system has been opened in the current era of globalization and information [13]. Many foreign companies have invaded the domestic market. Competition is intense, not only competition in the market but also with management capabilities. For now, and in the upcoming, there are general things that leaders need to have in their leadership, including:

1. A leader is a person who can see and take advantage of opportunities during constantly changing parameters so that they are naturally in transformation.
2. Leaders must know how to build strong relationships quickly, help people quit their jobs with honor, and negotiate with business partners.

3. Leaders must know how to drive relationships with business partners and competitors, collaborate closely with suppliers, competitors, and clients in strategic partnerships, and see the way forward.

Because a leader is in charge of moving the people she/he leads, she/he must have more qualities than those she/he leads. The number of ideal qualities needed for a leader varies according to the field of activity, type or type of leadership, level, and even cultural and educational background.

3.1.1. Provision standard of leadership

Becoming a leader who carelessly does not require certain/minimum requirements. A leader should have some provisions. Being a leader is not easy. Not as easy as people imagine. She/he must be prepared intellectually and morally [14]. Because she/he will be a figure that many people/subordinates expect. His behavior must be exemplary. A leader has the ability above the average ability of his subordinates. In short, a leader must have charisma [15]. The characteristics of a charismatic leader are commendable, honest and trustworthy, committed, consistent, and having religious morals. Many argue that morality is a measure of the quality or not of a person's life. Moreover, a leader is a role model. A leader is a morally accountable role model that leading by example [16]. The signs of a leader with high morals: do not hurt others, respecting anyone, being polite, not liking conflict, do not be rash, do not want to have what is not right, and words being controlled and calculating. Her/His behavior can be used as an example.

Another requirement is courage to make team work well [17]. It is not funny when a leader does not have the courage. At least the courage to speak, express opinions, argue, and dare to defend the truth. More specifically, that courage is shown in the commitment to daring to defend what is right, hold firm to the right stance, not be afraid to fail, take risks, and take responsibility. Also, it is expected that a leader can influence others. One characteristic of a person with a leadership spirit is his ability to influence someone to achieve a certain goal. The ways to influence others include Making others feel important, helping other people's difficulties, expressing insights with a positive perspective, not demeaning others, and having advantages or expertise. Influencing others may change the progress of the company with a designed strategy. The success or failure of an organization is largely determined by the strategy designed by the company's leadership or organizational leadership. The criteria for a leader who can formulate strategies are mastering the field, having broad insight, thinking intelligently, creatively, and innovatively, seeing problems comprehensively, and setting priorities.

A leader also should have the ability to be a mediator and motivator with a sense of humor [18]. A wise leader can act fairly and think objectively. These two things will support the leadership's task to become a mediator. The requirements for a mediator include several criteria: positive thinking, every time there is a problem, he is always in the middle, can lobby, can position problems proportionally, and can distinguish personal interests and public interests. The mediator could work well if it goes along with motivation. The relationship between a leader and motivation is that a leader is simultaneously a motivator. That is how it should be. The leader is the central point and the starting point for a step to begin. Motivation will be born if the leader realizes his function as a motivator. Signs of a leader realizing his function as a motivator, namely: having concern for others, being able to be a good listener, inviting kindness, being able to convince others, and trying to understand the wishes of others. Finally, the mediator and motivation become complete by having a sense of humor. It will be easier for a leader to carry out his leadership duties if supported by the humorous nature of the leader - having a high sense of humor. People say humor is more important than a raise. The categories of leaders who have a sense of humor include the following: smiling, able to break the ice of the atmosphere, able to create refreshing sentences, rich in stories and funny stories, and able to put humor in the right situation.

A strong leader is highly intelligent, disciplined, hardworking, self-confident, driven by a dream, drives others, and has business sense [19]. A leader must have sufficient intelligence qualities to compete and experiment with new inventions to maintain the continuity of his business. A leader determines the course of the business, the targets to be achieved internally and externally, the assets and skills needed, and the opportunities and risks faced. Company leaders are strategists who ensure that the organization's goals will be achieved. A good leader is a leader who has a high level of discipline; a leader must also be able to keep all adhere to discipline. Leaders who cannot hold and enforce discipline in a company or organization will be judged weak and cause a sense of sanction and anxiety in their followers. Good leaders are leaders who like to work hard and do not give up easily. He always tries hard to get what he wants and will not stop until his wish comes true. A good leader must have high self-confidence. He must believe that what he does is the right step to take his company to the gates of success. Another factor that should be integrated into a good leader is driven by a dream that clearly shows to all parties, especially their followers, what they want to achieve together. A good leader should also be able to drive others or move the organization toward a certain vision. Good leaders must understand science and technology development and use it for their leadership. However, business sense is crucial to a good leader,

such as a willingness to take risks, calculate profits and losses quickly, and have a high saving and cost-conscious nature.

A leader should have strength or energy. A leader must have physical and spiritual strength to work hard and think a lot to solve problems [20]. A leader must be able to control his feelings and not easily get angry and discouraged to establish human relations with his subordinates and other people so that it is easy to get help in every difficulty he faces. Also, a leader should have personal motivation and encouragement to generate enthusiasm, passion, and perseverance in work with good communication skills. It is the ability to convey ideas, opinions, and desires well to others and can easily take the essence of the conversation. However, it should be noted that a leader should master teaching skills to teach and provide examples and instructions, explain what is not yet clear, and correct what is wrong. Finally, a leader with sociability is also essential to understand the nature and character of others through association so that they can easily gain loyalty and trust [21]. Subordinates should also be willing to work willingly and voluntarily to achieve goals. In addition, technical leadership ability is also required for understanding the principles and goals of the organization to plan, organize, delegate authority, make decisions, supervise, and others to achieve goals. A leader must master both managerial and technical abilities in business.

3.2. Solid leadership spirit

Leadership attitudes are important, especially in the company's business activities. From the company's internal policies, the training will certainly provide output for employee attitudes. A world-class business leader needs to be equipped with the following four main requirements: the ultimate weapon to always appear at the forefront of every business he pursues.

1. **Passion.** A smart person without passion will mean nothing to the company compared to someone with standard abilities who has a high spirit of success [22]. There are many things that a passionate person can do, and high enthusiasm for progress can correct mistakes, turn failure into victory, and assist in identifying opportunities under threat. So, it is important to ensure that a leader must have a high spirit in the field of work that is occupied now.
2. **Team Players.** It is much easier for a leader to achieve success with the support of many people rather than having to do it alone [23]. For that, he needs to cultivate the same skills in a team. How do you get team support? To get the support of

many people, first, the leader needs to support many people (e.g., team members or outside the team) to be successful. Thus, positive emotions toward the leader can grow. If positive emotions have grown, automatically, mutual trust will also grow. Mutual trust and mutual support is the main capital in working with team members.

3. Values. Vision and mission may change (even need to change) over time. Business goals and technology can also change (even have to change) [24]. However, there is one thing that must not change: values. If the value that is firmly held is humanity, then this value will underlie all changes, decisions, or regulations and procedures undertaken.

A hospital leader who adheres to human values will always try to make his hospital services more “humane.” He will try to provide health services with better service quality, more affordable prices, more timely completion of work, and more appropriate technology.

1. Upcoming Outlook. Ordinary people will try to understand, imitate, and then pursue the market’s changes [25]. However, a leader needs to go beyond what is happening in the marketplace. He needs to have the ability to see into the upcoming so she/he does not need to be tired of chasing market progress. On the contrary, he needs to always stay ahead of the market by anticipating changes and rolling out changes in the market they are engaged in. He does not need to be afraid of being imitated because once other people or companies are busy trying to imitate him, he makes sure that he or the company he leads is already a few steps ahead of the market. Inventing and reinventing the upcoming need to be the motto of international world leaders.

4. Conclusion

Companies must have sufficient human resources (HR) to face the upcoming and need to develop HR to be more accomplished, especially by considering the strength of relationship skills to reach the highest potential and remain in continuous personal growth and openness. Judging from the leadership style, it is best if a leader is employee-oriented. It is proper for companies to think that employees are the most important company assets, so it is necessary to pay attention to their needs by creating a work atmosphere, employee performance, and personal progress. In preparing for upcoming leadership, it is necessary to pay attention to the criteria for superior seeds, including

being able to work hard, having high achievements, being responsible, challenging, and learning.

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