

OVERVIEW AND ANALYSIS OF THE MAIN LEADERSHIP CONCEPTS, DEFINING THE MODERN MANAGEMENT OF THE BUSINESS ORGANIZATIONS

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Abstract: *The new challenges faced by the business organizations required knowledge of the main leadership concepts applied by the management in the management process. The article provides a theoretical overview of the key leadership concepts in business organizations management in the 20th century. An analysis of the multifactorial models of the leadership, defined by the theory in the first quarter of the 21st century has been made. As key factors in the leadership management concepts in the 21st century are synthesized the organizational dynamics, the impact of the environment and the effectiveness of leadership in the management process.*

Keywords: *leadership, concept, business organizations.*

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Introduction

Since the emergence of the first theory of leadership in 1840 - the great man theory, the leadership concepts have changed, built up, based on different specific characteristics of the personality or the situation, but remain an indisputable factor supporting the study and the determination of leadership style applied by the manager. This kind of development and upgrading of the conceptual foundations of the leadership leads to the development of a number of two-, three- and even six-factor models defining the leadership style of management applied in the business organizations.

The variety of concepts defining the leadership requires their research, analysis and assessment of their strengths and weaknesses, advantages and disadvantages affecting their full application in the business environment. The critical analysis of the existing leadership concepts provides a basis for synthesizing their weight and relevance in defining the leadership style of the management in the business organizations.

The essence of the problem

The essence of the problem is related to the fact that the leadership is directed towards the realization of goals in which certain relationships in the business organizations between the leader and the team or teams arise, the basis of which are power, influence and control. At different times, in different circumstances, the leadership includes one or more of the listed elements and seeking answers to this fundamental question leads to the development of many leadership concepts, some of which will be addressed in this article.

By its nature, the leadership is a complex phenomenon and is often referred to as "Directorship". In the business organizations this directorship is generally associated with the existence of formal authority and legitimate governance, including management planning, organization, motivation and control functions.

The topic of this article is actual and significant, as the leadership by its nature is a compound and complex phenomenon and it is one of the mechanisms for influencing the team work in order to achieve synergic organizational results.

The object of the study in this article is the concepts of leadership applicable to the modern business organizations management.

The subject of the study is the main distinctive characteristics of the different leadership theories defining the different leadership styles applied by the managers in the organizational environment.

The main objective of the study is the critical analysis of the different leadership concepts applied in the business organizations in the first quarter of the 21st century.

In the fulfillment of the above stated objective, the following main tasks have been solved in the article:

- ✓ a theoretical overview of the main concepts of the leadership in the business organizations in the 20th century has been made;
- ✓ the multi-factorial leadership concepts specific for the business organizations management at the beginning of the 21st century have been analyzed;
- ✓ a critical analysis of the main advantages and disadvantages of applied conceptual models for leadership in modern business organizations has been made.

Theoretical overview of the main concepts of the leadership in the business organizations in the 20th century

One of the first concepts of the leadership – the trait theory is developed by Gordon Allport. According the theory the leaders possess stable overtime personal traits that make them distinct from other

people. Gordon Allport assumes that personality traits are strictly individual and on this basis determines the uniqueness of the leader.

In 1939 Kurt Lewin, Ronald Lippitt and Ralph White developed the concept for the leader participation. According the theory there is a certain relationship between the leadership style, applied by the manager and the effectiveness, productivity and the results. The concept determines three leadership styles:

- ✓ autocratic – the leaders make decisions themselves;
- ✓ democratic – the leaders and the teams make decisions together;
- ✓ laissez-faire – the leaders leaves the team to make decisions.

In 1947 Max Weber developed the concept of the charismatic leadership. According to this concept the management and the charm of the leader, as well as winning followers, are due to the innate qualities of the leader called charisma.

The two-factor definitions of the leadership style of the manager was founded in the 1940s by scientists at the universities of Michigan and Ohio, and in 1960 D. Katz and R. Khan [Handy, 1999] assume that the leadership is influenced by two orientations – concern for contributors and concern forj tasks in the business organizations.

In 1964, Robert Blake and Jane Mouton [Blake, Mouton, 1964] formulated a grid that identified five leadership styles based on the concern for people and the concern for production:

- ✓ 1,1 – low concern for both people and production;
- ✓ 1,9 – high concern for people and low concern for production;
- ✓ 5,5 – middle concern for both people and production;
- ✓ 9,1 – high concern for production and low concern for people;
- ✓ 9,9 – high concern for both people and production.

The concept of situational leadership assumes that the effectiveness of the management in the business organizations is directly related to the manifestation of a particular situation and its various situational variables.

In the 1970s, the concept of transactional leadership was formulated. It assumes that the position of the leader as a result of his power leads to authority and influence over the collaborators. According to this concept, the leader is empowered to evaluate collaborators through incentives and penalties.

The concept of transformational leadership was developed in the 1970s and assumes that the leader's influence on collaborators leads them to participate in the transformation process of the organization.

The attribution leadership concept was created in 1967 by Harold Kelley. It assumes that the leader's management is a consequence of the collaborators' behavior.

The GRID leadership concept is developed in USA by Rachel McKee and Bruce Carlson in 1990s. This concept builds up the grid of Robert Blake and Jane Mouton to seven styles:

- ✓ 1,1 – low concern for both people and production;
- ✓ 1,9 – high concern for people and low concern for production;
- ✓ 5,5 – middle concern for both people and production;
- ✓ 9,1 – high concern for production and low concern for people;
- ✓ 9,9 – high concern for both people and production
- ✓ Patriarch – combining styles 1,9 и 9,1;
- ✓ Opportunist – combining all leadership styles.

The leadership as formulated by GRID concept is the first step towards personal development, flowing as a result of a synergy that is shared by the entire business organization. GRID leadership concept offers a method by which the quality of relationships, both at a personal level and at a team and organization level, can be investigated and measured. [Temelkova, 2017]

The multi-factorial concepts defining the leadership in the business organizations at the first quarter of 21st century

In 2001 Jim Collins formulated the Level 5 leadership. [Collins, 2001]. According the concept the leader from level 5 has predefined qualities:

- ✓ strong will;
- ✓ modesty;
- ✓ fearlessness;
- ✓ continuity;
- ✓ responsibility.

Anatoly Zankovsky in 2015 developed Synercube leadership concept. The basis of this concept is the leadership theory of Blake and Mouton and the GRID model. According the concept the model of the organizational leadership should include not only the behavioral factors but also dimension for values, i.e. it should be three-dimensional. [Zankovsky, Heiden, 2015] The concept has 10 leadership styles:

- ✓ Indifferent cynic - low concern for production and people, indifference and negative attitude to everything;

- ✓ 1.1+ Inhibited, blocked, unfulfilled - low concern for production and low concern for people, interest hidden behind the mask of indifference, unrealized desire to contribute to the common cause;
- ✓ 1.7- Adulator - low concern for production, high concern for people, indifference towards work and organization, eager to please everyone and enjoy positive attitude;
- ✓ 1.7+ Soft-Hearted Enthusiast - low concern for production, high concern for people, the attitude towards work and the organization, eagerness to create an atmosphere of friendship and trust;
- ✓ 7.1- Dictator - high concern for production, low concern for people, indifferent or negative attitude towards people;
- ✓ 7.1+ Paternalist - high concern for production, low concern for people, positive attitude towards work and the organization, patronizing the treatment of subordinates that are perceived as immature and in need of care;
- ✓ 4.4- Formalist - moderate concern for production and people, indifferent and formal attitude towards work and organization, fear of change and innovation;
- ✓ 4.4+ Patriot - moderate concern for results and people, an emphasis on the work of the organization and the desire to create an atmosphere of stability and reliability;
- ✓ 7.7- Opportunist - high concern for production and people, indifferent pragmatic attitude towards work and organization;
- ✓ 7.7+ Ideal, Visionary - high concern for production and people, don't have indifferent attitude towards work and organization, desire to create an atmosphere of commitment and involvement.

Hogan assessment system of the leadership and the leader's potential of the human resource uses the scientific achievements in the area of impact of the personal development on the business success. Hogan's leadership implies the development of a cultivated leadership team to help business organizations to achieve better financial results. [Hogan, 2017]

In 2017 Miglena Temelkova [Temelkova, 2017], [Temelkova, 2018] published a theory of a new type of leadership – SMART leadership, which:

- ✓ specifically identifiable in the internal and external organizational environment;
- ✓ measurable, according to certain characteristics;
- ✓ consistent with strategic organizational directions;
- ✓ realistically reflecting the changes and the challenges of the environment;
- ✓ time limited by the global economic, social, technological, innovation dynamics, which is accompanied by over-riding for resources and over-competition.

The SMART leadership concept is six-factorial, based on six interrelated dimensions:

- ✓ orientation to the result;
- ✓ orientation to people;
- ✓ orientation to the organizational culture;
- ✓ orientation to the external environment variables;
- ✓ orientation to the internal environment variables;
- ✓ orientation to the identification of the leader with the organization.

As a result of the combination of these orientations, it is concluded that there may be 3,628,800 different leadership styles. [Temelkova, 2017]

Conclusion

As a result of the theoretical overview and the analysis of the different leadership concepts, it could be summarized:

- ✓ the main principles of the different theories of leadership in the 20th century are searching the best and most effective management style by focusing on the personality traits and skills of the leader and the analysis of the situation and defining its key factors;
- ✓ the concepts of the leadership in the business organizations in the 20th century do not pay enough attention to organizational dynamics, different organizations have specific needs and problems in the different phases of their evolution;
- ✓ In the first quarter of the 21st century, the leadership concepts focus on effective leadership in the business organizations, highlighting the elements of the leader's personal and professional qualities;
- ✓ the new approaches to leadership are in essence integrative, multifactorial and focusing on the relationship between the leadership style and management efficiency.

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