

Leadership as One of the Factors Shaping the Development of an Agile Organization

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ABSTRACT

Contemporary organizations are forced to operate in an extremely competitive and turbulent market environment. The increasing pace of innovation, technological development, and increased customer expectations for custom products lead to turbulent changes in a business environment. The concept of agility has become one of the ways to cope with unpredictable market events. This phenomenon has evolved as a response to new solutions in the field of enterprise management. Organizational agility also requires developing agile attitudes among employees. Undoubtedly, the leader of an organization belongs to such employees. He/she must be endowed with agile attributes. The paper deals with the problem of leadership in an agile organization. To this end, the concept of agile organization was clarified and its attributes were specified. The role of the leader in an agile organization was further outlined. The culmination of considerations is to present a model of leadership in an agile organization.

Keywords: Agility, agile organization, leader, leadership

1. THE ESSENCE OF AGILE ORGANIZATION

Different interpretations of the terms “agility” and “agile organization” appear in the scientific literature. These concepts are defined primarily as the ability to react quickly, as well as the ability to adapt to new conditions as a response to surprising and unpredictable changes in the market environment. Quick response allows flexible and rapid adaptation by an agile organization of all components, which include company goals, technology and employees, to unexpected changes (Kidd, 1994).

Initially, the concept of agility was interpreted in the area of production (Agile, 1991). Then it was found that it is possible to relate its assumptions to other functions of an organization. Such an opinion resulted in the emergence of the term “agile organization” (Goldman, Negel, Preiss, 1995). There are various definitions of the concept of agility. Most often, it is interpreted as the use of developed technologies and production methods.

Another definition of this concept is narrower and more focused, emphasizing the ability to quickly adapt in the business environment and the strategic ability of the organization to adapt to turbulent market changes (Sanchez, Nagi, 2001).

Agility can therefore be understood as the ability to react correctly and rapidly to emerging changes, as well as the ability to survive in turbulent market conditions. Agility means an appropriate response to emerging turbulence and changes in the business environment (Rigby, 2000). It can also be interpreted as “the ability to carry out an efficient change of an operational level” understood as a response to emerging the customer requirements (Narasimhan, Talluri, Mahapatra, 2006).

There are also definitions of agility in the scientific literature as the ability to cope with changes due to the development of survival ability, despite the occurrence of various threats in the market environment (Zhang, Sharifi,2000). Due to this, the agile organization can build its own competitive advantage by using the intelligent and rapid use of emerging opportunities in the business environment (Meredith, Francis,2000).

Therefore, organizational agility can be defined in the category of the organization's ability to react immediately to changes in the internal and external business environment and the use of emerging opportunities.

2. AGILE ORGANIZATION ATTRIBUTES

Agile organization should have specific attributes. Analysis of the concept of "agility" clearly indicates two basic features: speed and flexibility (Gunasekaran,1999). At the same time, it is also important to effectively respond to changes in the conditions of uncertainty in contemporary business environment (Goldman,2000).

Synthesis of the presented agility definitions makes it possible to determine the attributes of an agile organization. These features include (Bełz, Barbasz, 2014):

- ability to quickly identify market opportunities,
- proper interpretation of threats arising from the business environment,
- ability to categorize situations into favorable or unfavorable ones,
- skillful execution of tasks and control of their implementation,
- combining "visionary with operational management", which means spreading ideas and embedding them in the activities of an organization,
- efficient assessment of resource adequacy,
- ability to gain resources from the environment.

Y. Doz and M. Kosonen (2008) describe the attributes of an agile organization as:

- strategic sensitivity - understood as the sharpness of perception, awareness and attention,
- resource fluidity - free flow of resources and the ability to reconfigure business systems,
- collective commitment - total commitment of the team, i.e. the leadership's ability to make key decisions.

H. Sharifi and Z. Zhang (1999) included the attributes of an agile organization in four categories listed in Figure 1. When analyzing Figure 1, it can be concluded that the agile organization can react quickly to turbulent changes in the market environment. It is able to observe competitive markets that have unique resources; it establishes successful relationships with customers, suppliers and competitors.

3. THE ROLE OF A LEADER IN A MODERN ORGANIZATION

Personality of a leader is defined as a set of traits, attributes or other psychological orders that distinguish the individual from the others (Pasięczny, 1981). This personality is shaped by two groups of factors, which include innate and socially shaped ones. The former include intelligence, perceptiveness and temperament. In turn, the features shaped by society are social norms and the perception of law (Stor,2009).

Numerous definitions of the characteristics of a leader, referred to as competences can be found in the scientific literature. The most universal definition of a competence is the ability to perform functions with strictly defined standards, in designated conditions, with great commitment. However, it is impossible to determine the only set of attributes present in each particular leader. The occurrence of different concepts of a leader's personality is usually explained by complexity of the subject, as well as by the fact that it is impossible to

define a universal set of attributes that would suit all situations and at the same time, professional challenges (Chmiel, 2003).

However, it is often emphasized that the acquisition of a range of skills and desired qualities of a leader does not automatically guarantee the formation of his competence. Therefore, competence can be considered as a broader concept than just skills, and their acquisition does not guarantee professional success. For a leader to be competent, he must be qualified to translate his skills into effective action (Listwan, 1993).

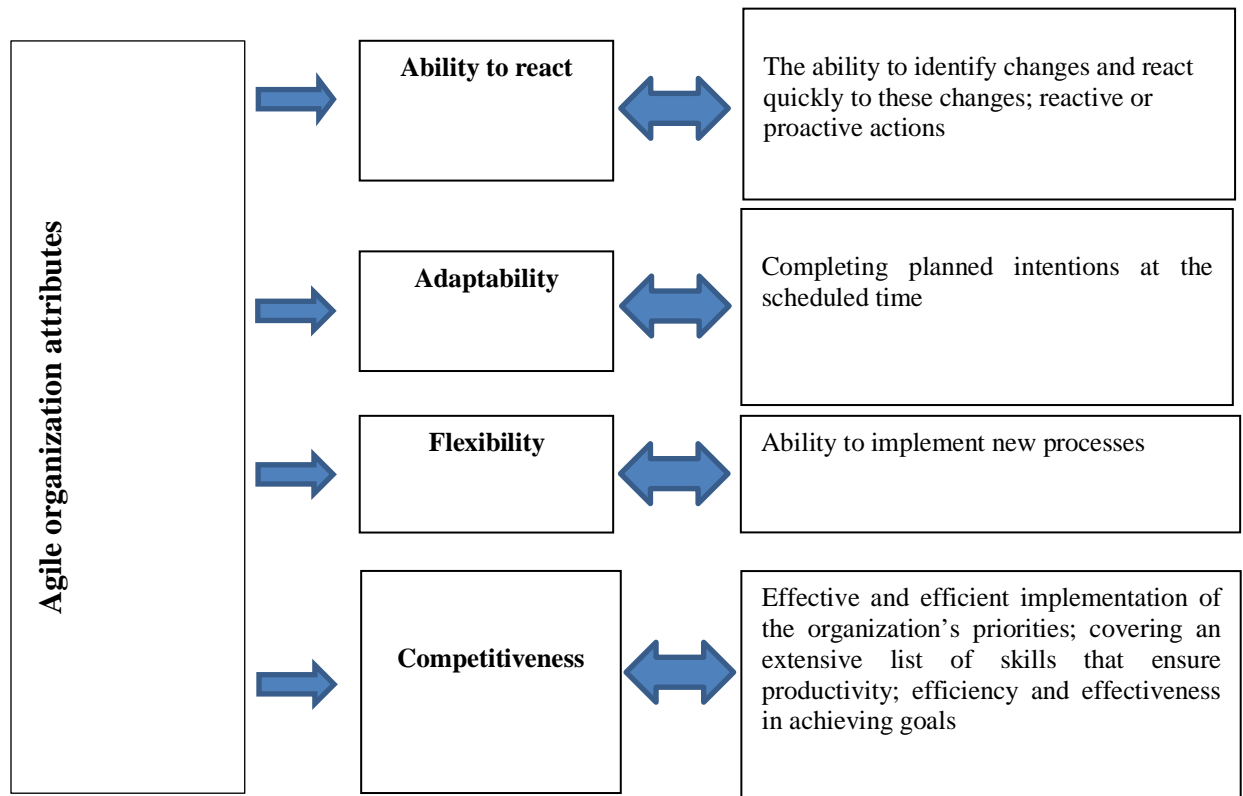


Figure 1. Agile organization attributes according to H. Sharifi and Z. Zhang

Source: H. Sharifi, Z. Zhang, *A methodology for achieving agility in manufacturing organisations: An introduction*, „International Journal of Production Economics” 1999, No. 62, pp. 7-22.

Concept of a leader is a broad term that attempts to identify managers at various levels and units in an organization. An organization leader usually manages the economic resources entrusted to him and subordinate employees, in particular their work. To be effective in his management, he should adequately anticipate the behavior of subordinates, their capabilities, competences and limitations (Chmiel, 2003).

The main determinant of the leader's individuality is ability interpreted as a complex of attributes defined as the ability to achieve goals with little work input and short training. He should have the ability to set real, ambitious and creative tasks. All decisions made by him should comply with the possibilities, motivations, limitations of subordinates. An important attribute of every leader is also learning their own capabilities and weaknesses (Król, 2013).

The moment, in which the leader is born, is associated with situational dynamics and the needs of solving new problems. The leader sees the threats or opportunities arising in the environment, in which he operates and works. Usually, he does not agree with current procedures or has an idea for a new, original solution. With his knowledge and commitment,

sometimes passion and always diligence, he convinces people to join the team being built or already existing (Wendeker, 2017).

The way to become a leader requires three conditions:

1. Firstly - the foundation of a leadership must be a new idea.
2. Secondly - condition for leadership is when it comes to people-managed skills.
3. Thirdly - condition for the success of finding a leader is related to the ability to obtain financing for an innovative idea.

In very turbulent environment, in which organizations currently function and will undoubtedly be functioning in the future, the entrepreneurship remains the only lasting value as a manifestation of creative thinking and action, sensing the future, discovering new opportunities for creative problem solving, and the ability to formulate quick responses to market challenges. „This is due to the fact that in the conditions of rapidly changing environment of the organization, ready recipes are increasingly failing. On the other hand, mental effort, innovative, creative problem solving and commitment to tasks or functions performed become necessary. This must be met by an effective leader of the 21st century” (Nogalski, 2017).

K. Poznańska (2017) emphasizes the role of leaders in shaping the creativity and commitment of teams, readiness to take risks and raising the innovation awareness, as well as the ability to search for ideas from outside.

Combination of willpower, disposition and independence in action become the attributes of a modern leader. Features conditioned by willpower include composure along with internal emotional balance. This in turn translates into harmonious and less labor-intensive cooperation with subordinates. It also becomes one of the foundations of well-functioning authority. In turn, the cause of conflict is the lack of self-control, which in turn leads to feelings of dissatisfaction with work. This lack of self-control and impulsiveness is usually conditioned by incorrect habits. It also remains the most common mistake among leaders with little experience and in relatively young people (Król, 2013).

Lack of self-control is usually caused by a deficit in experience and a spontaneous response to a potential threat. People, who are dependent or struggle with the problem of reduced self-confidence, are usually not suitable for being a leader. They cannot make rational decisions, because their assessment is disturbed and requires acceptance from other people.

4. LEADERSHIP IN AN AGILE ORGANIZATION

It is commonly believed that leadership in an agile organization can bring a range of benefits, such as improving the quality of products and services, strengthening its competitive position, faster acquisition of knowledge by organizations, better organizational culture, and more effective customer service (Hopp, Tekin, 2004). However, the condition for achieving the organizational agility remains the emerge of agile traits in the leader (Sajdak, 2013). Visualization of the agile features of the leader is shown in Figure 2.

Employee agility, including leadership in an agile organization, can therefore be seen as the ability to respond quickly to changes that occur in the internal and external market environment, as well as the ability to properly use these changes, along with gaining new opportunities that arose in the relationship with their occurrence.

Breu et al. have specified leadership agility indicators. These include the speed of response to changes in the market environment, continuous development of own skills and their proper assessment, ability to adapt to new working conditions, rapid implementation of changes, the use of mobile technologies, and knowledge sharing (Breu, Hafner, Weber, 2002).

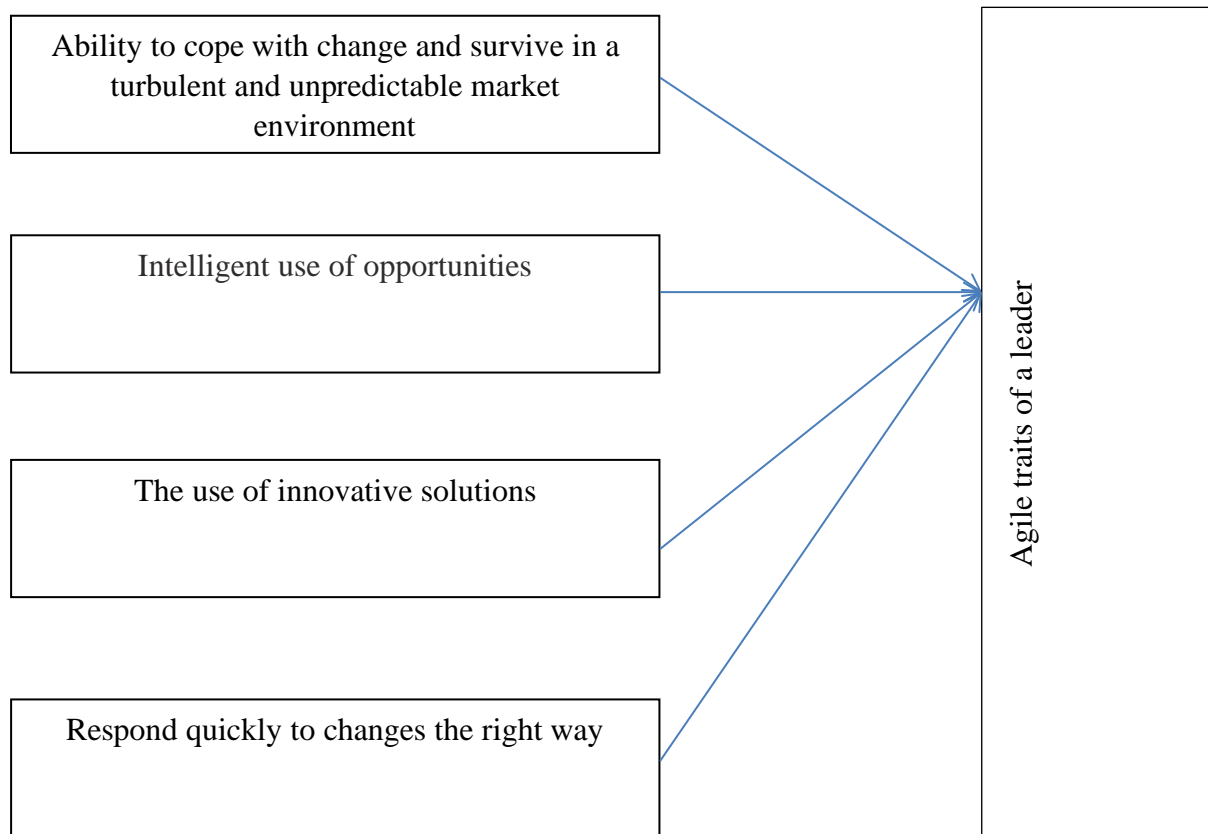


Figure 2. Determinants leading to the level of development appropriate for the KBE

Source: Own study based on H. Sharifi, Z. Zhang, *Methodology for achieving agility in manufacturing organization: An introduction*, „International Journal of Production Economics“ 1999, No. 62, pp. 7-22.

Other authors add the following features (Plonka, 1997):

- rapid adaptation to the requirements of a new equipment,
- ability to lead a team that practices other working methods,
- ability to work on several projects at the same time,
- developing positive relationships with subordinate employees,
- efficiently making decisions important for the organization,
- adaptation to new work procedures,
- ability to categorize situations in the context of opportunities and threats.

According to Wall and Martin's (1897) theory, leadership is also associated with the ability to handle employee conflicts since their inception. In such situations, the leader must exhibit agile qualities, such as rapid reaction to emerging disputes, due to which it is possible to apply flexible solutions that are more favorable than when subordinates are awaiting the opinion of their supervisor.

It is also worth presenting the theory that when the degree of autonomy of individual employees increases, their freedom of action is also expanded. Then employees are able to solve minor operational problems on their own. In addition, without waiting for others, they increase their efficiency and production speed (Wall, Jackson, Davies, 1992). In turn, Parker, Wall and Cordery hold the view that controlling the employee conflict at the source and increasing the autonomy among employees are extremely important in managing a modern agile organization in an unstable business situation.

There are also theories that when a leader guarantees his subordinates a broader autonomy, it will allow the latter to understand the problems of causes and the work process in general. In addition, they are able to skillfully use theoretical knowledge to anticipate

potential problems, and this translates into improved own performance. Parker, Wall and Cordery (1998) have positively verified the hypothesis that work design allows employees to apply their knowledge, promotes knowledge creation, employee learning and development.

5. LEADERSHIP IN AN AGILE ORGANIZATION IN A MODEL APPROACH

Analysis of the problem of leadership in an agile organization carried out in this paper allows to visualize mechanisms that shape an agile organization. The considerations are presented in the author's model (Figure 3) showing that specific leadership practices in an agile organization imply its desired shape.

This author's model generates added value. It is worth emphasizing its universality, that becomes particularly valuable when one wants to present general attributes and practices of a leadership in an agile organization.

6. CONCLUSIONS

Leadership in an agile organization can bring great benefits, provided that agile traits are developed among the leaders. Certainly, the leader should react immediately to changes in the business environment. He should also take care of the continuous development of his own skills and make their proper assessment. Quick adaptation to new working conditions is also necessary. In turn, it is good practice to share power and enable subordinates to participate in making decisions.

Finally, it is worth mentioning that based on the presented model of a leadership in an agile organization, a detailed research can be also conducted, for example, the relationship between job characteristics and employee agility can be examined.

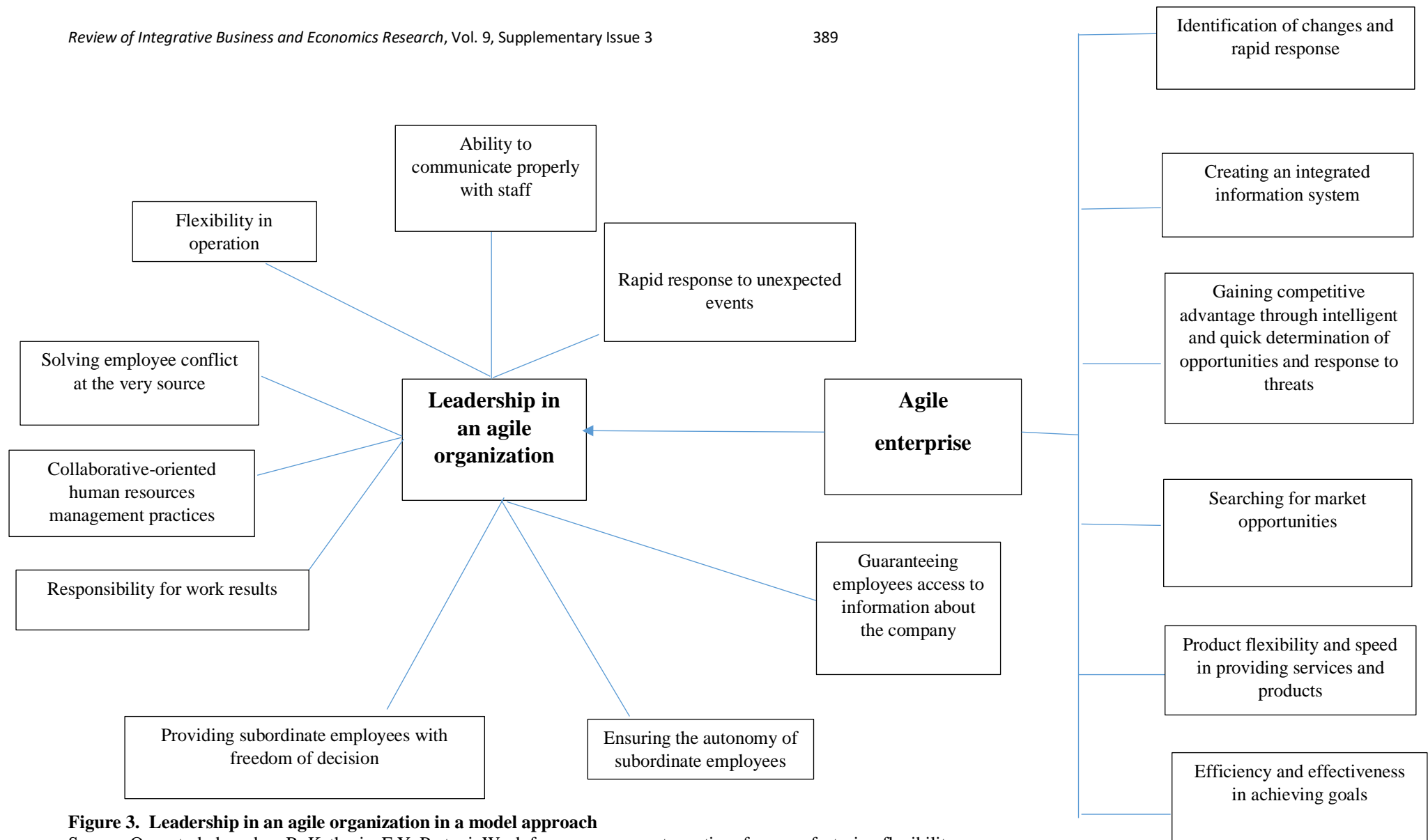


Figure 3. Leadership in an agile organization in a model approach

Source: Own study based on R. Kathuria, F.Y. Partovi, Work force management practices for manufacturing flexibility, „Journal of Operations Management“, 2009, No. 18, pp. 21–39; N. Sumukadas, R. Sawhney, *Workforce agility through employee involvement*, „IIE Transactions”, 2012, No. 36 (10), pp. 101–102.

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