# СЕКЦІЯ 2 СВІТОВЕ ГОСПОДАРСТВО І МІЖНАРОДНІ ЕКОНОМІЧНІ ВІДНОСИНИ

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## ORGANIZATIONAL LEADERSHIP ON THE INTERNATIONAL MARKET

## ОРГАНІЗАЦІЙНЕ ЛІДЕРСТВО НА МІЖНАРОДНОМУ РИНКУ

#### **ANNOTATION**

The article deals with the problem of organizational leadership in the enterprise, which implement foreign economic activities. To review this issue in the article was determined the social function of the leader, the difference between leader and manager, the personal qualities of leader for effectively solving of organizational problems and was analyzed the features of organizational leadership at the company that operates internationally.

**Keywords:** leader, organizational leadership, management, international market, foreign activity, globalization.

#### **АНОТАЦІЯ**

У статті розглядається проблема формування організаційного лідерства на підприємстві, яке здійснює зовнішьоекономічну діяльність. Для висвітлення цього питання визначаються соціальна функція лідера, відмінність лідера від менеджера, персональні якості лідера для ефективного вирішення організаційних завдань, а також аналізуються особливості організаційного лідерства на підприємстві, що функціонує на міжнародному ринку.

**Ключові слова:** лідер, організаційне лідерство, управління, міжнародний ринок, зовнішньоекономічна діяльність, глобалізація.

### **РИЗИВНИЕ**

В статье рассматривается проблема формирования организационного лидерства на предприятии, которое осуществляет внешнеэкономическую деятельность. Для освещения этого вопроса определяются социальная функция лидера, отличие лидера от менеджера, личные качества лидера для эффективного решения организационных задач, а также анализируются особенности организационного лидерства на предприятии, которое функционирует на международном рынке.

**Ключевые слова:** лидер, организационное лидерство, управление, международный рынок, внешнеэкономическая деятельность, глобализация.

Relevance of the problem. The international market has created needs for corporations which perform foreign economic activity. How to perform organizational leadership efficiently in the increasingly tough international market is vital to international business and workforce management.

Leadership is a key component of all organizations but its function and essence are getting more complicated with increased involvement in globalization and technology development. Tech-

nological advances extend the possibility of global economy which has changed the way people do business and communicate. On international level managers must look at the world change as a challenge and an opportunity for organizational growth and individual development. In addition, to cope with the changes, international business operators need to respond swiftly to the impacts of demographics, technology, and globalization in order to offer specific job skill development on international leadership, work ethic, and continuous learning [7].

Literature research. Analysis of recent research and publications show that the subject of leadership is sufficiently considered in psychological, pedagogical and administrative areas.

Organizational leadership effectiveness has been a major issue in literature of world business, social issues, human resource management and development, just to name a few (A. G. Romanovsky, T. V. Bendas, V. A. Gajewski, V. P. Pugachev, V. G. Zazykina, E. A. Smirnova, B. D. Paryhina, L. P. Shyhapovoyi, O. K. Makovsky and N. P. Babkova-Pylypenko). But a common understanding of the content of this phenomenon and the mechanisms of its formation still doesn't exist.

The main purpose. The purpose of the research is to determine the role of leadership and leadership skills in the context of the company that operates on international markets. Accordance with the purpose of the research was established the following objectives:

- to determine the social function of leadership;
- to distinguish the basic qualities of the leader;
- to justify the importance of leadership skills for managers on international markets.

Research results presentment. The plan implementation is the most difficult stage in any pro-

cess. The key role here belongs to the leadership of the organization which should clearly see the direction in which the organization will develop. Thus, the most important task of leadership isn't only to know what and how to change, but try to make the necessary changes to minimize the number of conflicts that arise in connection with the plan introduction.

But in practice, the situation in the organization is that managers which participate in the implementation of strategies perform functions in different ways. For example, they can play an active or not active role, delegate authority to subordinates or be interested in all details of strategy implementation, instruct subordinates, take a certain degree of the risk and so on.

The practice of many successful companies shows that these firms had a dynamic and effective leadership. Managers in these companies also perform function of leader, carrying a large number of tasks from administration and allocation of resources, training other employees and obtain the desired result.

There are some differences between manager and leader. If the manager directs the work of subordinates and builds his interaction with them on specific normative documents and within the defined objectives, the leader inspires and builds its relations with employees on trust and partnership. An effective manager is not always an effective leader. The main characteristics of an effective leader include: vision, flexibility, trust and communication skills [2].

The term "leadership" is derived from the English verb "lead". So, the leadership is skill, regarding the ability of an individual or organization to "lead" or guide other individuals, teams, or entire organizations [3].

To understand the leadership role, it is necessary to understand the variety of tasks that get carried out in successful organizations. As depicted in Figure 1 that is presented below, Robert E. Quinn has categorized these tasks in a model known as the "Competing Values Framework." The tasks are divided along two dimensions: an internal-external focus and a flexibility-control focus.

The internal-external dimension refers to the extent that the focus is either inwards (toward employee issues and/or production processes) or outwards (toward the marketplace, government regulations, and the changing social, environmental, and technological conditions of the future).

The flexibility-control dimension refers to the competing demands of staying focused on doing what has been done in the past versus being more flexible in orientation and outlook. This model also outlines the variety of roles (i.e., innovator, broker, producer, director, coordinator, monitor, facilitator, and mentor) that a leader must adopt.

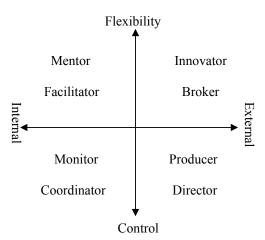


Fig. 1. Competing Values Framework Source: [4]

For better understanding the essence of leader in different situation below are presented characteristics for each role:

- the facilitator encourages teamwork and cohesiveness, and manages interpersonal conflict;
- the mentor is helpful and approachable, caring, empathetic orientation;
- the innovator is creative and facilitates adaptation and change;
- the broker is politically astute, persuasive, influential, and powerful;
- the producer is task-oriented and work-focused, motivates members to accomplish goals;
- the director engages in planning and goal setting, sets objectives and establishes clear expectations;
- the coordinator maintains structure, schedules, organizes, coordinates efforts, and attends to administration;
- the monitor checks on performance and handles paper work [4].

Globalization, technologic innovation, demographic changes bring a tremendous transformation into human life and work. For organizations to remain competitive in the global market, a close emotional interdependent link and an ongoing development of trust and loyalty between leaders and followers must be established. A greater manager-employee relationship can significantly influence members' behaviors and increase the degree of their commitment to the leader and the organization [6].

Given the increased globalization of industrial organizations and increased interdependencies among nations, the need for better understanding of cultural influences on leadership and organizational practices has never been greater. More than ever before, managers of international firms face fierce and rapidly changing international competition. The trend toward the global economic village is clear, and the 21st century may very well become known as the century of the "global world" [5].

To keep pace with the rapidly changing environment, leaders need more interpersonal skills

to meet current and future challenges. The following are essential leadership skills that global leaders should possess:

- Avoid stereotyping and personal biases. It is important for leaders to be objective in leadership practice without making assumptions.
- Close the cultural gap by looking at similarities. Looking at similarities (also commonalities) rather than differences in people can be a good approach in assisting leaders to communicate and lead more effectively
- Gain ongoing support from all levels of the organization. Leaders must develop a support system a network tactic for developing teamwork and leadership successions
- Identify self-strengths and -weakness. It is important for the leaders to understand their individual reactions to situations and approaches to decision-making.
- Stay one step ahead of the game and be enthusiastic to challenges. Leaders must have the ability to quickly respond to problems and make proper decisions from divergent aspects
- Appreciate individual differences. To better understand cross-cultural issues, international leaders should learn each employee's demographics and appreciate the diversely valuable inputs they bring into the workplace
- Lead people with respect. A key for employees to achieve their full potential is to treat them with respect.
- Create a vision and be able to sell it. Leaders must be able to create a vision for how to effect positive changes that fit organizational goals and international trends.
  - Build effective communication skills [7].

In practice, there are a big amount of approaches to improve the leadership competencies of managers. And one of the proven tools to ensure acquisition of effective leadership skills is the correct setting goals as part of the planning function. This tool is known to all professional managers, and it is called as the principle of SMART. According to this approach the objective should be S- specifically formulated, M- measurable, A- achievable, R- realistic, T- time-bound.

However, under present conditions scientists use new decoding of SMART, which extends the capabilities of this approach and allows turn manager into the leader. They think that objective should also be attractive and leader should inspire subordinates to achieve this goal [1].

Conclusions and prospects for research. Given the specificity of foreign economic activity of enterprise, especially the current state of this field, we consider that the role of leadership in professional activities is highly considerable, it provides professional success. Moreover, because of increased numbers of multinational companies and increased interdependences of nations, there is no generally accepted theory of cross-culture leadership. International leaders must carefully use the available leadership theories or models because what is applicable and successful in one country may not necessarily deliver the same results in another country.

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