

THE PROMINENCE OF LEADERSHIP COMPETENCE AND ORGANIZATIONAL CULTURE IN SPORTS INDUSTRY: REVIEW OF RELATED LITERATURE

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ABSTRACT

This research intends to identify the prominence of Leadership competence and organizational culture in sports industry and how it can bring positive change that helps the organization to improve and be innovative in the current business environment in sports industry. By developing leadership competencies, organisation culture can better identify and develop their next generation of leaders in sports industry. Leadership competencies can be developed by mastering multiple intelligences which are essential to all leaders in the organization. Effective leadership competence and organizational change will be discussed in this article. Leadership is one of the main factors in bringing positive change to the organization; if there is no leadership in the sports organization they will not be able to change in the direction they desire and could experience negative change instead. The study is significant to an individual who is a leader of an organization or anyone for improving the leadership skills by mastering multiple intelligences. It will also give feedback to the top management of the organisation the extent of their awareness of the impacts of leadership competencies towards the organisational culture performance.

Keywords: Leadership Competence, organizational Culture and Sports Industry.

INTRODUCTION

Leadership Competence is manifested through concrete actions, in the ability to act effectively in a certain situation. To put your competence into action is important. There is a big difference between knowing, understanding and applying. Only when you are able to apply something in practice, you do own a certain competence (Bass & Avolio, 1994). Leadership Competence is the output of a learning process. Competence is not a part of your personality or personal trait. Leadership Competence is something that humans can train and develop. Some of the competencies can be unconscious. The person doesn't necessary always know that she possesses a certain competence. In practice Leadership competence is seen as an ability to act and apply knowledge, skills, attitudes and experiences by using Visioning, Achieving Goals, Empowerment, Network building, Communication. A good competence leads to high performance which leads to excellent outcomes. Competence must always be seen in relation to outputs of organizational culture like Team Leadership, managing Change, Coordinating Teamwork, Cultural Strength (Bass & Avolio, 1994). Leadership continues to draw interest of academics and practitioners in many fields, including sport management. As the world of sport has expanded, various approaches to leadership have been significant factors in the performance of sport organizational culture. One of the current approaches to leadership that has been the focus of much research since the 1980s is the organizational approach.

Many leadership scholars have debated that leadership is a critical component to organizational effectiveness, performance, trust, and commitment (Bass & Avolio, 1994). Fiedler & Garcia (1987) noted that *“the quality of leadership competence is one of the most important factors in determining the success and survival of organizational culture”*. Weese (1995) said that *“the successful organization has one major attribute that sets it apart from unsuccessful organizations: dynamic and effective leadership”*.

Organizational culture is wide-spread in an organization. Ogbonna & Harris, (2000) explained *“culture affects people, their beliefs, their relationships in and outside the organization, their views of the organization’s product or service, their views of competitors, and much more”*.

The implicitness dimension is about how veteran employees often take the core values of the organization’s culture for granted. Sometimes veteran employees assume that everyone knows the core values; therefore they do not think it necessary to explain those core values to newcomers. The imprinting dimension is about culture having deep roots in the organizational history, so the values and beliefs are imprinted on the members of the culture so strongly, making it hard to change. The political dimension views culture as closely related to systems of power in an organization. The plurality dimension describes how subcultures exist in most organizations. When managers try to change an organization’s culture, power struggles can occur among those subcultures. The interdependency dimension explains that complex connections can exist between subcultures, beliefs, and symbols. Cultures also are connected to external environment of the organization culture.

Organizational culture is a defining factor in the success and failure of organizations it influences by affecting leadership competence (behaviour). Coyler’s study demonstrated that there exist cultural dimensions in a sport organization. He mentioned there are differences in the values held by employees and volunteers and this can lead to conflict. Despite the promising results obtained with studies conducted in business settings, the few studies conducted in sport settings by authors such as Pruijn & Boucher (1995) have obtained conflicting results and showed little support of the influence of leadership competence on subordinates outcomes such as Visioning, Achieving Goals, Empowerment, Network building, Communication.

Another area gaining momentum in the organizational behaviour literature is organizational culture which is present throughout an organization at all times. Organizational culture can be defined as the deep-rooted beliefs, values, and assumptions widely shared by the members of organization and strongly shape the identity and behavioural norms for the group (Lim & Cromartie, 2001). Organizational culture provides insight into the inner workings and belief system of the unit and offers behaviour codes for employees. Organizational culture is wide-spread in an organization. Ogbonna & Harris, (2000) explained *“culture affects people, their beliefs, their relationships in and outside the organization, their views of the organization’s product or service, their views of competitors, and much more”*.

Schein (1985) wrote extensively on organizational leadership and culture nearly twenty years ago, and the words he stated then hold true perhaps even more today than at that time. A deeper understanding of cultural issues in organizations is necessary not only to decipher what goes on in them but, even more important, to identify what may be the priority issues for leaders and leadership. Organizational cultures are created by leaders, and one of the most decisive functions of leadership may well be the creation, the management, and if and when that may become necessary the destruction of culture. Culture and leadership, when one examines them closely, are two sides of the same coin, and neither can really be understood by itself. In fact,

there is a possibility--underemphasized in leadership research--that the only thing of real importance that leaders do is to create and manage culture and that the unique talent of leaders is their ability to work with culture. Schein (1985) the focus on culture in organizations has broadened to include a variety of topics: the global nature of the economy (Montesino, 2003); the issues surrounding large, multi-group organizations and the impact of leadership and leadership development on culture (Sharkey, 1999). While this is not an all-inclusive list, it shows that there is a strong recognition of the importance of culture in managing and leading an effective organization. The recognition of culture's importance, however, is not easily translated into the necessary practice of leadership development

According to their needs, Organizations for survival, are encouraged to change the behaviour of Intl. j. Sport Std. Vol., 3 (11), 1237-1245, 2013 1238 individuals and effective change in organizations, it seems that this change is rapidly increasing, the emergence of new and useful ideas. Many experts are of the opinion that if there is a change in the effective and sustainable organizational culture must be changed. Tesluk (1997) believes that organizational culture may be involved as a factor in the level of creativity and innovation in organizations. One of the main challenges in modern management is developing an organizational culture, which would value the innovation, change and creativity.

There for, the main purpose of this literature to identify and explain the prominence of Leadership competence and organizational culture in sports industry.

OBJECTIVES OF THE STUDY

To identify the prominence of Leadership competence and organizational culture in sports industry.

REVIEW OF RELATED LITERATURE

Concepts and Definition of Competence

- *"Leadership is a process whereby an individual influence a group of individuals to achieve a common goal"* (Northouse 2001, 3).
- *"Leadership is the reciprocal process of mobilizing by persons with certain motives and values, various economic, political and other resources, in context of competition and conflict, in order to realize goals independently or mutually held by both leaders and followers"* (Burns 1978).
- *"Leadership has been defined in many ways. The most consistent element noted is that leadership involves the process of influence between a leader and followers to attain group, organizational or societal goals"*.
- *"Leadership is a process and a property. The process of leadership is the use of non-coercive influence to direct and coordinate the activities of the members of an organized group toward the accomplishment of group objectives. As a property, leadership is a set of qualities or characteristics attributed to those who are perceived to successfully employ such influence"*. (Jago 1982)
- *"Leadership is a process of influencing one or more people in a positive way so that the tasks determined by the goals and objectives of an organization are accomplished"*.
- *"Leadership refers to interpersonal processes in social groups, through which some individuals assist and direct the group toward the completion of group goals"* (Segal 1981).
- *"Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes"* (Rost 1993).
- *"Leadership is an activity or set of activities, observable to others, that occurs in group, organization, or institution and which involves a leader and followers who willingly subscribe to common purposes and work together to achieve them"*.

- *“Leadership behavior is purposeful interaction among humans that takes place in a certain group. Leadership behaviour is based on the personal potential of a leader and its efficiency is affected by the operational environment, situational factors and the goals set for activities.”*

Boyatzis (1991) defined that *“A job competency is an underlying characteristic of a person which results in effective and/or superior performance in a job”*. *“A Leadership competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation”*. Competencies are underlying characteristics of people and indicate ways of behaving or thinking in different situations. There are five types of competency characteristics: motives, traits, self-concept, knowledge and skill.

Hamel and Prahalad published 1995 their book *“Competing for the future”*, in which they introduced the core Leadership competence concept. Core competence is something that the organization owns: it is in fact the cumulative competence of the organization.

Quinn & Spreitzer (1991) have defined their competency concept as follows. A Leadership competency suggests both the possession of knowledge and the behavioural capacity to act appropriately. So to develop competencies you must be both introduced to knowledge and have the opportunity to practice your skills. They also have introduced an interesting concept behavioral complexity. Knowledge, skills, attitudes, experiences and contacts are elements of a competence. Knowledge is only one element of competence. Earlier we commonly talked about leadership skills, but it is important to notice that this competence concept is much wider.

Effective performance of a job is the attainment of specific results (i.e. outcomes) required by the job through specific actions while maintaining or being consistent with policies, procedures and conditions of the organizational culture like team Leadership, managing Change, Coordinating Teamwork, and Cultural Strength. Effective job performance depends on three components. There must be good fit with individual competencies, the job’s demands and the organizational culture. With this model it is easy to explain, why a certain leader is not necessarily competent in another organizational environment.

Attitude is an important element of competence including e.g. the motivation to use one’s skills. Also, experience is crucial. Many competencies need a wide experience-background before they can really develop. This is especially true when it concerns leadership competencies. Also, contacts are important elements of our competencies. Building networks is important for a leader.

The Earlier Attempts to Define Leadership Competencies

The skill tree of life is one starting point in the search for important competencies of a leader. There were 11 actual skills which were important to all of us. The following list of 21 characteristics which are important for a manager. They are listed here in alphabetical order: (1) accurate self-assessment; (2) conceptualization; (3) concern with close relationships; (4) concern with impact; (5) developing others; (6), diagnostic use of concepts; (7) efficiency orientation; (8) logical thought; (9) managing group process; (10) memory; (11) perceptual objectivity; (12) positive regard; (13) pro-activity; (14) self-confidence; (15) self-control; (16) specialized knowledge; (17) spontaneity; (18) stamina and adaptability (19) use of oral presentations; (20) use of socialized power; and (21) use of unilateral power. Boyatzis (1991) has developed an integrated competency model.

Leadership Competence parameters

Visioning: This competence means the ability to formulate impressive visions, communicate and implement them.

Achievement: This competence means the ability to work effectively and always try your best. Person has a high achievement orientation and tries always to improve the results. Other similar terms are result orientation, efficiency orientation, focus on improvement and entrepreneurship.

Empowerment: This competence means the ability to delegate power and responsibility, build trust and inspire others. It means motivating and coaching to take individual responsibility.

Networking (Relationship building): This competence means the ability to continuously build and maintain friendly contacts and networks with people which can someday be useful in your work.

Communication: This competence means that you are able to communicate efficiently (including body language); you can communicate clearly, precisely, consistently and with many channels.

Concept of Organizational Culture

There exist cultures within organizations. Organizational culture has been regarded as one of the most significant areas in sport management studies (Scott, 1999). Many organizational culture theorists define organizational culture as the deep-rooted values and beliefs held and practiced by members of an organization.

Organizational culture is a system of the shared understandings of the members of an organization and this characteristic causes the differentiation of the two organizations from each other. Denison et al. (2006) states that although environmental culture affects organizational culture, in a social environment different organization may have various cultures. According to several study results there is a significant correlation between organizational culture and Leadership competence, and organizational effectiveness and productivity. One of the issues that have been focused on in organizational behaviour management in the recent years is organizational effectiveness therefore; more organizations are focusing on increasing the capabilities of their employees and managers to have better performance in a dynamic environment.

Denison et al. (2006) noted that organizational culture is a strong predictor of organizational effectiveness for the effective organizational criteria such as quality, employee satisfaction and performance. It should also be noted that effective communications between the managers and the employees in all the levels is essential to the effectiveness and the efficiency of organizations. Since the leadership competence of the managers in fact represents their manner of communication with their employees, having the communication skills is clearly necessary for their success in management. Thus, identifying the relationship between the managers' leadership style and their communication skills and the role of communication skills and management styles in organizational culture and eventually organizational effectiveness can facilitate the movement from the existing situation to the desired position. A particularistic system of symbols shaped by ambient society.

The term used to describe the set of beliefs, norms, and values that are shared by the members of an organization. These beliefs, norms, and values have to do with the way the organization operates and what is important in that organization shared values and interpretations Set of assumptions about how we do things and who we are Newman & Carpenter (1991) Have both formal and informal structures what it's like to work around here. A system of shared

meaning held by members that distinguishes the organization from other organizations Scott (1999) Organizational culture is not readily observable through external analysis, consists of widely shared values and assumptions that exist at deeper levels of the organization.

Organizational climate enables the industrial/organizational psychologist to identify how the organization is a psychologically meaningful environment for individual organization members. On the other hand, culture researchers have not only asserted the importance of a deep understanding of underlying assumptions (Schein, 2010), but also have suggested that sport organizations operated with stable cultures develop their own thick culture rather than adapt to the external environment.

Managing Organization's Culture

Managing organization's culture is as important as shaping it. In managing organization's culture, the role of leader is very significant. Schein (2010) suggested five elements to sustain and reinforce the organization's culture. The first element is what managers pay attention to. Schein (2010) noted that paying attention means "anything from what is noticed and commented on, to what is measured, controlled, rewarded, and in other ways systematically dealt with". If leaders are consistent in what they pay attention to, measure, and control, employees get clear ideas about what should be regarded important in the organization. If leaders are inconsistent, employees waste much time trying to understand meaning of their leaders. Leaders may not be able to figure out incongruence between organizational values and practices if they simply depend on the dominant narrative.

The second element is how leaders react to crises. How leaders deal with crises suggests a powerful message about culture. Schein (2010) asserted that crises help spread culture because *"the heightened emotional involvement during such periods increases the intensity of learning (and) if people share intense emotional experiences, they are more likely to remember what they have learned"*. Employees may realize the true colour of their organization in crises, so pay close attention to how leaders react to the crises. The third element is how leaders behave. Leaders can stress the values they are seeking through role modelling, teaching, and coaching. By demonstrating model behavior, leaders can encourage their employees to be more entrepreneurial. The fourth element is how leaders allocate rewards and status. Rewarding what is valued is important in sustaining the organization's values. Schein (2010) noted *"an organization's leaders can quickly get across their own priorities, values, and assumptions by consistently linking rewards and punishments to the behavior they are concerned with"*. The fifth element is how leaders hire and fire individuals. How leaders hire and fire is a powerful way to reinforce an organizational culture. Leaders tend to look for individuals who share similar values with current organization members. Pointed out that while a homogenous group of people may reinforce a sport organization's culture, managers must be aware of the fact that if a manager keeps on reproducing a certain culture in a group, it can keep the group out from the upper levels of management.

Organizational Culture Parameters

Team leadership: This competence means the ability to work in teams and lead team members so that they will achieve their results efficiently.

Change management: This competence means the ability to enable, involve, lead and manage people in change situations and get good results in change programs.

Strong culture: is “an organizational culture with a consensus on the values that drive the company and with an intensity that is recognizable even to outsiders. Thus, strong culture is deeply held and widely shared. It is highly resistant to change” (Kotter, 1990).

Effect of organizational Culture

Nelson & Low (1980) summarized four basic functions of organizational culture. First, culture enables the members to have a sense of identity which encourages them to be more committed to the organization. Second, culture helps employees better interpret what the events of the organization mean. Third, culture strengthens the values in the organization. Lastly, culture helps in shaping the behaviour of the organization members.

The first one is the strong culture perspective. A strong culture is “*an organizational culture with a consensus on the values that drive the company and with an intensity that is recognizable even to outsiders. Thus, strong culture is deeply held and widely shared. It is highly resistant to change*”. Kotter (1990) asserted that strong cultures facilitate performance because, first, all employees share common goals, second, strong cultures generate high motivation, and third, strong cultures can control organization with no oppression of bureaucracy. The second perspective is the fit perspective. The fit perspective means that a culture is good only when it fits the organization’s strategy. The fit perspective is useful in explaining short-term performance but is inappropriate for long-term performance. The third one is the adaptation perspective. Once culture is established in an organization, it tends to perpetuate and be stable.

Leadership Competence and Organizational Culture

Culture is a dynamic phenomenon and influenced by leader behaviour. Leaders are those who help shape the culture. Leadership and organizational culture are two sides of the same coin. Cultural norms define how an organization will define leadership and leaders create and manage culture. Leadership and organizational culture are conceptually intertwined with each other (Schein, 2010). Schein (2010) explained that culture begins with leaders by imposing their own values and assumptions on a group. If the assumptions imposed come to be taken for granted in a group where the leadership is regarded as acceptable, and then it will be defined as a culture. When certain assumptions do not work any longer facing some difficulties, leadership comes into play once more perceiving the limitations of one’s own culture and the culture is evolved adaptively. He argued that organizational culture starts with the founders of the organization and filters down throughout the hierarchy, and organizational leaders will likely continue to try to shape culture so that it is consistent with the organization’s goals.

However, by definition, organizational culture is shared understanding and acceptance among staff members of what is valued and expected in an organization, thus “it may be directed, but it is not ultimately determined, from above”. Therefore, cultural understanding is essential for all of the organization members, especially for the leaders (Schein, 2010).

Asserted the intimate relationship between organizational culture and leadership by mentioning leaders build paradigms. He said “*How the leaders of an organization believe things should be done drives the kind of culture that is established*”. According to Kuhn (1970), model is defined as a “*constellation of concepts, values, perceptions, and practices shared by a community which forms a particular vision of reality that is the basis of the way a community organizes itself*”.

In order to have organizational effectiveness in sport organizations, it is necessary for leadership competence to possess a stronger organizational culture and to carry out culture-

building activities. By the virtue of their formal role in sport organizations, sport administrators are responsible for empowering subordinates to establish goals and the vision, and for motivating members toward achieving these goals and vision (Lim & Cromartie, 2001).

Team Leadership

Team leadership is a new area of leadership theory and research. According to teams are organizational groups composed of members, who are interdependent, who share common goals and who must coordinate their activities to accomplish these goals. Examples of such groups might include management teams, task forces, and work units, standing committees, quality teams and improvement teams.

The organizational structure of excellent companies has changed from a functional and matrix organization into a process and team organization. Teams are important performance and learning units in organizations today. Team work should enable the company to offer better customer service, improve the efficiency of internal processes and improve the motivation of personnel. Moving over to team work is a lengthy development process itself, which needs a lot of training. A working group needs time to develop through different phases of being a pseudo-team, potential team and real team. Nevertheless, the use of organizational teams has been found to lead to greater productivity, more effective use of resources, better decisions and problem solving, better quality product and services and increased innovation and creativity. A team is a small group of people with complementary skills, who have committed themselves to a common goal, to common, measurable performance objectives and a common operational model. There are the following aspects of this definition, which should be underlined: -

- Team members have a common goal and clear objectives, to which everyone is committed.
- Common objectives are measurable and achievement is monitored together.
- Team has a common operational model, which is continuously developed.
- Everyone feels belonging to a team and accept joint responsibility.

CONCLUSION

Leadership competence and organizational culture have been studied and examined by many scholars to solidify the relationship between these two constructs. Some scholars believe that leadership competence and organizational culture are intertwined and are best examined as if they were two sides of one coin. Founders of organizations and/or leaders create and shape the cultural characteristics of the organization. At the same time, as the organization develops and time passes, the created culture of the organization exerts an influence on the leader and shapes his or her actions and style. A good competence leads to high performance which leads to excellent outcomes. Competence must always be seen in relation to outputs of organizational culture like Team Leadership, managing Change, Coordinating Teamwork, and Cultural Strength. Leadership continues to draw interest of academics and practitioners in many fields, including sport management. As the world of sport has expanded, various approaches to leadership have been significant factors in the performance of sport organizational culture.

The implicitness dimension is about how veteran employees often take the core values of the organization's culture for granted. Sometimes veteran employees assume that everyone knows the core values; therefore they do not think it necessary to explain those core values to newcomers. The imprinting dimension is about culture having deep roots in the organizational history, so the values and beliefs are imprinted on the members of the culture so strongly, making it hard to change. The political dimension views culture as closely related to systems of

power in an organization. The plurality dimension describes how subcultures exist in most organizations. When managers try to change an organization's culture, power struggles can occur among those subcultures. The interdependency dimension explains that complex connections can exist between subcultures, beliefs, and symbols. Cultures also are connected to external environment of the organization culture.

Leadership can directly or indirectly impacts organizational culture depends on the competencies mastered by the leader. A good leader should have all needed leadership in order to direct the organization towards the goals so that the organization can become successful. The development of leadership competence can be done by mastering Visioning, Achieving Goals, Empowerment, Network building, Communication. The traits of each competence can help to build good leadership skills and competencies. Once the leadership competence being mastered, it is assumed that the organization will be run well under the management of good leader that can impact the organization positively in future.

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Received: 06-Apr-2023, Manuscript No. JOCCC-23-13445; **Editor assigned:** 08-Apr-2023, Pre QC No. JOCCC-23-13445(PQ); **Reviewed:** 22-Apr -2023, QC No. JOCCC-23-13445; **Published:** 29-Apr-2023