



# PERFECTUS

## AC



2021/1

## Kontakti revije

### Poštni naslov

Uredništvo revije Perfectus AC  
Svetovanje in izobraževanje, dr. Andrej Raspor, s. p.  
Dolga Poljana 57  
5271 Vipava  
Slovenija

### Glavni kontakt

E-pošta: [zalozba.perfectus@gmail.com](mailto:zalozba.perfectus@gmail.com)

Glavni urednik

**Darko Lacmanović**, Črna gora

### Odgovorna urednika

Bojan Macuh  
Pedja Ašanin Gole

### Uredniški odbor revije (ABC)

Admir I. Beganović, Bosna in Hercegovina  
Andrej Raspor, Slovenija  
Bill Nichols, Velika Britanija  
Bojan Macuh, Slovenija  
Darko Lacmanović, Črna gora  
Milica Slijepčević, Srbija  
Pedja Ašanin Gole, Slovenija  
Sašo Murtič, Slovenija  
Žaneta Trajkoska, Severna Makedonija  
Svitlana Pryshchenko, Ukrajina  
Iva Bulatović, Emirati

### Jezikovni pregled (ABC)

Bojan Macuh, slovenski jezik  
Darko Lacmanović, bosanski, črnogorski, hrvaški jezik  
Lejla Kolman Batagelj, angleški, slovenski jezik  
Pedja Ašanin Gole, srbski jezik

### Naslovnica

<https://www.hloom.com/resources/templates/cover-pages/creative-design>

### Arhiv revij

[http://www.andrejaspor.com/perfectus\\_zalozba](http://www.andrejaspor.com/perfectus_zalozba)  
Since 2018 -

Mednarodna standardna serijska številka  
(on line) **ISSN 2738-4586**.

## Področje in opis revije

Revija Perfectus AC je interdisciplinarna znanstvena revija, ki objavlja prispevke s področja kadrov, turizma, odprtih inovacij, organizacije in menedžmenta v povezavi z industrijo 4.0. Vsebina ni omejena zgolj na navedene tematske sklope, ampak smo za vaše predloge odprti. Še posebej želimo objavljati prispevke, ki obravnavajo nove in aktualne teme in predstavljajo znanstvene dosežke v razvoju ter njihovo uvajanje in uporabo v praksi. Vsled tega objavljamo tudi tematske številke. Zato vas vabimo, da se nam pridružite.

## Pogostost izhajanja

Revija Perfectus AC izhaja dvakrat letno. Tematske revije pa izhajajo po potrebi.

## Politika za prosti dostop

Revija Perfectus AC omogoča odprt dostop do svojih vsebin, ki temelji na načelu odprtih inovacij, po katerem bi prosto dostopni rezultati javnosti omogočile večjo globalno izmenjavo znanja.

## Navodila avtorjem

V reviji Perfectus AC objavljamo znanstvene članke, rezultate raziskovalnega dela avtorjev. Prispevki so lahko napisani v slovenskem, angleškem, hrvaškem, bosanskem, srbskem (latinica), črnogorskem jeziku. Objavljamo izključno dela, ki še niso bila objavljena v znanstveni obliki v kakšni drugi reviji ali zborniku. Avtorji so odgovorni za vse morebitne kršitve avtorskih pravic. Prispevki niso honorirani. Objava prispevkov se ne zaračunava.

Besedilo naj bo oblikovano po navodilih (interesenti nam pišite, da vam posredujemo predlogo z bolj podrobnimi navodili). Na začetku prispevka, takoj za naslovom v originalnem in angleškem jeziku naj bo povzetek dolžine do 10 vrstic z do 5 ključnimi besedami. Članek naj obsega do 10 strani brez povzetkov, virov in prilog. Predložite tudi sliko in kratek strokovni življenjepis vsakega od avtorjev (do 10 vrstic). Članki morajo biti pred objavo lektorirani. Avtorji so odgovorni za jezikovno ustreznost. Ne uporabljajte opomb v besedilu. Eventualne opombe, ki naj bodo kratke, navedite na dnu besedila skupaj z literaturo. Seznam citirane literature oblikujte po APA-standardu. Na koncu prispevka so navedeni po abecednem redu. V kolikor je možno navedite DOI številko.

Predložene prispevke pregledata in ocenita najmanj dva neodvisna recenzenta. Na osnovi mnenj in predlogov recenzentov uredniški odbor ali urednik sprejmeta prispevek, zahtevata manjše ali večje popravke in dopolnitve ali ga zavrneta. Če urednik oz. recenzenti predlagajo večje popravke, se dopolnjeni prispevek praviloma pošlje v ponovno recenzijo. Podrobna navodila najdete na:

[http://www.andrejaspor.com/perfectus\\_zalozba](http://www.andrejaspor.com/perfectus_zalozba)

## VLOGA VODSTVA PRI TRANSFORMACIJI PODJETJA

Žaklina Janović  <https://orcid.org/0000-0002-9249-521X><sup>1</sup>

Nikola Vukčević  <https://orcid.org/0000-0002-5971-5129><sup>2</sup>

Vinko Nikić  <https://orcid.org/0000-0002-8086-5359><sup>3</sup>

**Povzetek:** *Sodobno dinamično okolje sili podjetja, da nenehno vrednotijo, izboljšujejo in nadgrajujejo svoje poslovanje, z izbiro poslovnih praks, prilagojenih njihovi transformaciji. Imperativ sodobnega poslovanja so pobude za preoblikovanje podjetij, ki postajajo nujna za ohranjanje konkurenčne prednosti z nenehnimi spremembami in prilagajanjem tržnemu gospodarstvu. Danes večina avtorjev poudarja timski in kolektivni pristop k vodenju v primerjavi s prejšnjim tradicionalnim, organizacijskim in transformacijskim pristopom k vodenju. Glavni raziskovalni problem v prispevku se nanaša na specifičnost različnih tipov vodenja in njihove vloge pri preoblikovanju podjetij, natančneje na način realizacije porazdeljenega vodenja v pobudah za preoblikovanje podjetij. Raziskovalna predpostavka je, da je pristop k vodenju in lastnosti voditeljev sredstvo za natančno in učinkovito izvajanje teh pobud za njegovo preobrazbo. Namen prispevka je bil poglobiti razumevanje vloge in pomena vodenja pri transformaciji podjetja, raziskati učinkovitejše modele procesov sprememb v podjetju, preučiti najpomembnejše značilnosti transformacijskih vodij in vpliv organizacijske kulture na proces sprememb. V prispevku smo raziskali in predlagali možnosti optimalne izbire konceptualnega modela izbire sloga vodenja v podjetju, vse z namenom njegove enostavne in učinkovite transformacije. Predlagani teoretični model omogoča dojetje fenomena organizacijske transformacije, opazovanega z vidika sposobnosti in vloge vodje. Gre za poskus povezovanja teorije porazdeljenega vodenja in teorije transformacije podjetja pri doseganju učinkovitejših in optimalnih rezultatov pri izvajanju velikih transformacijskih pobud v podjetju.*

**Ključne besede:** *vodenje, transformacija podjetja, spremembe, značilnosti vodstva, transformacijsko vodstvo.*

## THE ROLE OF LEADERSHIP IN ENTERPRISE TRANSFORMATION

**Expanded Abstract:** *The main research problem in this paper refers to the specificity of different types of leadership and their roles in the transformation of enterprises, and more specifically, the way of realization of distributed leadership in initiatives for enterprise transformation. The subject of this paper is the role of leadership in enterprise transformation. The transformation of a company takes many forms, however, leadership style and leadership qualities are continuously the main point of discussion of most authors in the available leadership literature. Some authors advocate classical methods while others believe in modern leadership methods.*

**Purpose:** *The purpose of this paper was to deepen the understanding of the role and importance of leadership in enterprise transformation, researching models of enterprise change processes that are more efficient, examining the most important characteristics of transformation leaders and the impact of organizational culture on the change process.*

**Design/Methodology/Approach:** *The research assumption is that the approach to leadership and the characteristics of leaders is a means for precise and efficient implementation of these initiatives for its transformation.*

**Findings/Results and Conclusions:** *This paper explored and proposed the possibilities of optimal choice of the conceptual model of choosing a leadership style in the company, all with the aim to facilitate its simple and efficient transformation.*

**Research limitations/Implications:** *The modern dynamic environment forces companies to continuously evaluate, improve and upgrade their business, with the choice of business practices adapted to their transformation. The imperative of modern business are initiatives for the transformation of companies that are becoming a necessity in order to maintain a competitive advantage through continuous change and adaptation to the market economy. Today, most authors emphasize the team and collective approach to leadership compared to the former traditional, organizational and transformational approach to leadership.*

**Practical and/or social implications:** *This is an attempt to connect the theory of distributed leadership and the theory of enterprise transformation in achieving more efficient and optimal results in the implementation of large transformation initiatives in the enterprise.*

**Originality/Value.** *The proposed theoretical model enables the perception of the phenomenon of organizational transformation observed from the aspect of the ability and role of the leader.*

**Keywords:** *leadership, enterprise transformation, changes, leadership characteristics, transformational leadership.*

**DOI:** 10.5281/zenodo.7249953

<sup>1</sup> Msc, Faculty for Mediterranean business studies Tivat, Luke Tomanovića br.1, 85320 Tivat, Montenegro, zaklinamijailovic@gmail.com

<sup>2</sup> Assist. Prof., Faculty for Mediterranean business studies Tivat, Luke Tomanovića br.1, 85320 Tivat, Montenegro, nikolafms@gmail.com

<sup>3</sup> Asoc. Prof., Maritime and Tourism Faculty, Potkovića D1, Marina Bar, 85000 Bar, Montenegro, nikicv@t-com.me

## *Distributed leadership and enterprise transformation*

Organizational or managerial leadership is another name under which transactional leadership is known. Transactional leaders focus on leaders of supervisory roles, team performance, organizational hierarchy, respect for followers, and full adherence to leaders' instructions and guidelines. This leadership style is governed by a strict reward/punishment system and is authoritarian in nature. This system of rewarding/punishing is built on the foundations of mutual consensus between leaders and followers (House, Shamir, 1993). Transactional leadership is also known as vertical leadership, because transactional leaders operate in an authoritarian approach where information flows vertically from the top down and from the bottom up. This approach to leadership is understood as an effective leadership style that helps companies achieve their goals to the greatest extent possible (Bass, Riggio, 2006). The modern business environment pays attention to the team or collective approach to leadership in relation to the traditional, organizational and transformational type of leadership. Unlike the conventional approach to leadership, the collective leadership approach is collective, distributed, shared, collaborative, participatory, and facilitating in its approach. In the current rapidly changing global economic environment, organizational transformation initiatives are becoming a necessity for companies to maintain their competitive advantage and survive the ever-changing market economy. A genuine enterprise transformation initiative should be implemented through a leadership approach that is appropriate and effective in implementing these organizational changes. The assumption is that change agents are leaders who work together to change the institutional needs of a company. This research examines distributed leadership as an effective approach to leadership in companies undergoing or planning to implement major transformation initiatives examining the concept of network leadership proposing overlapping social network leadership theory as a fundamental theory based on distributed leadership as an extension of a study conducted by some authors (Al Ghanem, Braganza, Aldhean, 2020), while social media theory is based on the relationship, interdependence and exchange of information and their interest. Therefore, this paper assumes that network leadership is a distributed leadership practice in the context of enterprise transformation initiatives. The relationship between transformational leaders and followers is closer, where the leader understands the needs of the followers and their personal interests, builds trust, and enables followers to influence and have a say in decisions. On the other hand, the theory of transformational leader, as opposed to transactional leader, is reflected in the fact that transformational leaders follow the motivation of their followers by feeling and understanding their needs, interests and personal desires align with overall organizational goals (Bass, Riggio, 2006).

The main characteristic of a transformational leader is their ability to influence followers through leadership by example by setting a role model for followers who gain their trust. During enterprise transformation initiatives, transformation leaders follow the motivation of their followers by emphasizing the importance of enterprise transformation, change for the growth and prosperity of the organization which will result in progress and employee benefits (Hamstra, Yperen, Wisse, Sassenberg, 2014). Leaders encourage their followers to view their businesses as a window to learning, gaining experience, personal competencies, and career growth. Transformational leaders are charismatic, influential, inspiring, motivating, intellectually stimulated and focused on attention. Some authors point out that in the post-heroic, behavioral, transactional, and transformational approach to leadership, scholars have emphasized the execution of organizational changes or initiatives by a single leader (Pearce and Conger, 2003). Team/collective leadership is a natural extension of transformational leadership. Models of team or collective leadership suggest that there are formal and informal leaders who emerge at different times based on the needs of those leaders in different situations (Friedrich, Elias, 2014). Team leadership is accepted as a new modern approach to institutional leadership, constructed on the basis of the evolution of the scientific leadership perspective. The team approach to leadership is known to practitioners as joint leadership, and to academia as network leadership (Carter, De Church, Braun, Contractor, 2015).

This theory of leadership is collective, collaborative, shared, participatory, facilitative, functional, and distributed in its approach to leadership. Team/collective leadership or what the academic community calls leadership as networks, i.e., it can be said to be realized in a network environment and consists of one or more different network participants, where it is important to emphasize that their role or division depends on the context (Wind, 2017). Distributed leadership theory is one form of team approach to leadership. This theory of leadership has been thoroughly studied by Gronn and discussed at the same time as shared leadership. This approach to leadership is conceived as a joint attempt conducted by a network of individual groups gathered in a team (Gronn, 2008). Distributed leadership has become a well-known post-heroic approach to leadership, as it is identified as a measurement tool by which leadership can be fully viewed and understood in a holistic macro perspective. Gronn demonstrated the link between distributed leadership and organizational studies. Distributed leadership is the transition from traditional authoritarian leadership that is conceptualized by command and dominance to a more flexible team collective, collaborative, shared, and participatory leadership style (Currie, Grubnic, Hodges, 2011). Distributed leadership deals with the practice of leadership and is based on division of labor and may mean that leadership is scattered among some or all people in the company. Alternatively, it can be constructed as a concrete action where people work closely together and interact because of organizational and structural relationships. A review of the literature on distributed leadership revealed that the application of the characteristics of distributed leadership in the company positively contributes to the overall organizational effects.

The process of enterprise transformation involves the transformation of management of technological innovation processes through planning, organizing and directing human and capital resources towards the successful creation of new knowledge, ideas aimed at creating new or improved products, processes and services, development of these ideas and transfer of ideas to production, distribution and development. The process of enterprise transformation is immanent, and resistance to enterprise transformation is understandable if it is known that transformation/change can lead to organizational change, especially in the part related to the loss of certain privileges for resistance providers as individuals and groups, loss of their positions, power and authority. Businesses go through life through changes from minor to major changes, depending on the need for change. These transformations are carried out in order for companies to remain competitive and efficient in their work. Enterprise transformation is a continuous process that should be continuously provoked by conventional models of management and governance in a fast economic environment in which every element is changing rapidly. Enterprise transformation can involve radical change, incremental, continuous change, reengineering, and profound structural change, and in many cases enterprise transformation can be a combination of different types of transformation processes. These planned changes require change agents to work together to continually succeed in achieving goals. The process of transformation initiatives is actually an instrument that ensures that organizational change targets different layers of the enterprise. These planned transformation initiatives are being implemented so that the company can achieve its goals. Due to the complexity of organizational structures in today's highly competitive environment, it is necessary to study and thoroughly examine the process of organizational transformation in order to identify and explore appropriate ways to implement change initiatives. This theoretical examination insight into the company is conducted by identifying approaches to leadership that would lead to the implementation of the process of change in the company. The literature on enterprise transformation continuously focuses on individual approaches to leadership guided by practice, rather than a new approach to team collective leadership. Thus, the process of transformation refers to the change of organizational norms in a way that improves the business of the company. It is noticed that the transformation of the company is seen as inevitable and strives to help achieve the goals of the company, more efficient business, increasing the satisfaction of the workforce, which results in increasing their organizational productivity and competitiveness of the sector in which the company operates. The importance of enterprise transformation initiatives stems from the need for the enterprise to upgrade its organizational behavior through these initiatives. Based on a systematic analysis conducted according to the existing literature review, this research aims to propose a specific, in this paper conceptual model and leadership style, comparing transactional, transformational and other leadership models and the effects of these models in enterprise transformation.

### *Characteristics of a leader and his role in the stages of enterprise transformation*

Today's business world is highly competitive, so change must be a natural activity in a growing organization. The way of survival is a transformation according to the needs of a rapidly changing world. Resistance to change is a dead end for both employees and the organization. Customers demand not only excellent service, but more. If they do not get what they want from one company, they will get it from their competitors. Organizations are being reshaped to become more agile and efficient to meet the needs of their customers. The top leaders of the organization know that they cannot waste money on every problem and that they need highly dedicated and flexible employees. Leaders must emphasize action to make change/transformation of companies as fast and smooth as possible, and resistance to them, as a futile job to overcome as soon as possible. In order to prevent the organization from falling to the bottom due to outdated ideology, it is necessary to become a champion of change/transformation of the company.

Organizations during their growth usually go through four main changes, namely the formative period, the period of rapid growth, the mature period and the period of decline (Klepper, 1997). The first period is characteristic because the organization is just starting its work. Although there is a founding vision (purpose of the organization), there is no formal definition of its achievement. Mastering change requires experimentation and innovation, creativity overcoming obstacles and making discoveries. The second period involves directing and coordinating in the organization in order to maintain growth and consolidate profits. Change i.e. the transformation is aimed at defining the purpose of the organization and the business. In the third period, there is a strong growth that is aligned with the line that represents the total and maximum capacity of the company. The company needs changes to maintain established markets and ensure maximum profits. Finally, in the fourth phase, the size of most companies is reduced and reorganized. To survive, change and enterprise transformation must include setting higher goals and compassion in implementing change, with the goal of transforming the old way of working into new and innovated ones. The four mentioned phases are repeated cyclically. For some companies, the previously listed stages of business development can be quick and easy, while in other companies the same processes can take decades. Failure to make the necessary changes in any of the four periods of growth can mean disappearance, i.e. the end of the company. Through periods of change, which is about all the time for good organization, leaders need to concentrate on making their employees accept the "accepting change" attitude from avoiding change. According to certain research, there are five steps that accompany every change, i.e. transformation, namely: rejection, anger or repulsion, negotiation, depression and finally acceptance (Conner, 1993).

Therefore, the first reaction of workers to change is often resistance. People are comfortable doing tasks and processes in a certain way. This comfort allows employees to feel confident in managing their environment. Leaders have the task of helping the process of

change by changing the attitude of their employees by changing their attitude from avoidance to acceptance. Leaders show, not speak, since talking can provide explanations, compassion, and encourage the team to ask questions and answer them. In addition, leaders need to be involved in implementing change, helping employees become part of the answer, not the problem. They should be focused on the challenges that must be overcome, and at the same time seek the help of other departments and colleagues in the company.

Changes in the company represent an additional complication of the work process, because they do not always bring direct adjustment. The attitude of each employee gives a different response that is conditioned by feelings of change. According to modern approaches, managers are primarily administrators: they devise business plans, analyze and determine budgets, control the way in which work tasks are met and the parameters of the development program. The status of administrator is contrary to the wishes of employees who do not want to manage them, but to lead them. On the other hand, leaders determine change within organizations and at the level of human individuals. There is a subtle difference between management and leadership: if management is a necessary function of any organization or company, leadership establishes a relationship between the leader and the follower, which can stimulate the smooth running of the company. Effective management includes daily monitoring and achievement of business goals, solving problems at the right time, managing sectors within the limits imposed by their budgets, working meetings, negotiations. Management has a business perspective, creates ideas, motivates employees and becomes imperative when changes in the internal or external environment threaten the stability of the organization. Effective management includes daily monitoring and achieving business goals, solving problems at the right time, managing sectors within their budgets, working meetings, negotiations. Management has a business perspective, creates ideas, motivates employees and becomes imperative when changes in the internal or external environment threaten the stability of the organization. Therefore, management can be considered an executive function (planning, budgeting, evaluation, mediation), while leadership is a special type of interpersonal relationships that chooses values, motivates, trains, builds like ideal models or typologies.

Leadership can be studied, improved, but it cannot and must not neglect the innate characteristics of the people involved in the process of change in the company. Success is ensured by talent, complemented by training, practice, perseverance and continuous development, so leadership is not an option, it cannot be delegated or acquired by titles. A leader is a respected person and ready from the environment, which should be trusted, beyond the title awarded in the position or exercise of authority. In addition to these psychological considerations, the need for true leaders is an important topic of a particular moment in the economy and society. Often in today's organizations, rigid leadership style and rigidity are driven in turbulent conditions and in a complex external business environment. Leaders, however, should provoke and motivate employees to give up the zones of personal comfort and rebellion of boredom and apathy that very often reigns in companies. Managers in companies are also, out of personal fear, often great opponents of leadership. However, management and leadership should complement each other. Training, including practice, is focused on people who train in order to solve everyday practical problems. In this way, it inhibits the development of the leadership scale. At the same time, the presence of a leader with a strong personality opposes managerial development, as a confrontation between pragmatism and disorder, between mechanisms and inspiration. An easy way to see the unique role of a leader is to confront the responsibilities of management. The roughest summary describes the leader as a driver of change, preparing the ground for management who then designs ways to implement change and revive the company's vision. In a sense, change is an essential component of leadership, as the leader leads people to new places and across new areas, setting the direction while leaving management to plan the logistics of enterprise development.

One of the main purposes of senior company management is to understand the broad picture of the company, to create a narrative that allows others to quickly understand the vision or desired outcome. By creating a narrative about what is happening in the company, the leader also creates meaning, giving people a sense of their place in the company and its story, a sense of purpose. The leader can use storytelling to illustrate some new behaviors and activities that will be needed after the change process. This quickly revives what might otherwise be a difficult and abstract concept. The role of a leader is to provoke a change of company and mobilize people to action, revive abstract concepts, make them meaningful and relevant to people, which gives the company a better chance of success. Vision must be communicated to employees, and a common mistake is to underestimate the understanding of how much communication is needed for people to understand and internalize the vision. When a company operates in balance, common ways of communicating such as email and regular employee meetings may be enough to deliver small messages and reinforce well-understood principles. In times of change, communication should be strengthened by several speeds, using new methods and maintaining communication longer than can be expected. For a leader, communication must be adequate in words and deeds. Employees observe leaders and judge by what leaders say, confirming that actions are much more powerful than words. Action that is not in line with the vision and values that leaders speak of is considered leadership hypocrisy. This inconsistency is a leader's mistake that undermines many processes of change. Another mistake is that the company's management believes that the changes were successfully implemented long before they actually were. Many companies neglect to embed change in culture, as most people's experience of what needs to be done comes from listening to and observing what their immediate directors say and do. Therefore, new behaviors and attitudes must be rooted in the common values of the company, and they will be strengthened daily by line managers. Transformation and changes in the company include eight steps, of which the first four steps relate to preparing the ground for changes in the company. These four phases are:

establishing a sense of urgency; creating a leading coalition; developing a vision and strategy and conveying a vision of change. The next three phases relate to the introduction of new vision realization practices. These three steps are: empowering broad-based action; generating short-term gains and consolidating gains, creating and provoking more change.

### *Elements of choosing a leadership model in the successful transformation of a company*

The transformational leadership that is needed today has the potential to encourage employees in the company to do their best, develop their skills to bring subordinates to advanced intellectual levels. A transformational leader is able to encourage his followers to achieve more than expected. Transformational leadership implies leadership that transcends incentives to work, intellectually and creatively develops and encourages workers, and transforms employee care into parts of the company's mission (Conger, 2002). Transformational leadership is also defined as a type of leadership that sets a clear vision in which transformational leaders operate (Trofino, 2000).

On the other hand, transformational leadership can be seen as a leadership pattern used by leaders to change the current situation by identifying those who follow organizational problems with inspiration, persuasion and excitement to achieve a high level of clear vision to identify common goals (Kirkan, 2011). Transformational leadership includes four sub-dimensions, i.e. idealized influence, inspirational motivation, intellectual stimulation and empowerment (Ghadi, Fernando, Caputi, 2013). Certain authors believe that the above can be achieved by giving subordinates the authority to make decisions (Aymn, 2018). Intelligent leaders are those who have a wealth of skills and knowledge gained through experience that allows them to effectively manage everyday life tasks. Effective leadership is always needed to bring about effective change (Deal, Kennedy, 2000). The management in the company must deal with the problems of accepting changes and transformations of the company, and manage them. Although the process of change generally faces a certain level of resistance, an effective leader is one who can manage resistance and implement successful change. Recognizing, addressing, and overcoming resistance is always a lengthy and by no means easy process (Heifetz and Laurie, 1997). Incremental changes often do not require formal initiation, as they are introduced in small doses. They are usually easy to handle and easy to adopt, because employees do not offer resistance, but they are usually limited in time. Radical changes, on the other hand, are difficult to accept and adopt, employees offer greater resistance, which requires more than just the competencies of leaders in the company. Radical change requires private acceptance, and the role of senior leaders is to take certain actions to make employees consciously understand and accept the need for change and therefore create a willingness to give up the old style of work in favor of the new ones (Reardon, Rowe, 1998). Initiating radical change involves different processes than their maintenance, and they require different leadership style orientations. Unlike gradual change, radical change always requires a high level of creative leadership with risky attitudes. The role of a leader is also very important for the development and management of change in any company by creating the right atmosphere for the adoption of change. Organizational culture also has a role in developing change in any company, and the leader is the one who adopts new strategies for the development or management of culture. Top management can create strategies to interconnect people working in the organization and its process (Applebaum, St-Pierre, Glaves, 1998). The culture of an organization can include beliefs and values, it can lead an organization from conservative to innovative. Company culture consists of unwritten rules, discipline and external orientation, and the role of a leader can be instructive, advisory or supportive. The most important role of a leader in the process of managing and developing a company culture is the support given to it by employees (Reardon, Rowe, 1998). A leader can also prove to be very effective in managing technologies. There are two dimensions to technology leadership, and they are transactional and transformational. Transactional leadership focuses on technological change and the possession of technical skills, with less attention to people, and a lower degree of personal commitment in problem solving. On the other hand, transformational leadership focuses on the need for technological change and also considers aspects of relationships with people. This type of leadership shows the leader in the role of a seeker for new paths, better communication with employees, and especially in presenting the vision of the company and practicing certain skills in employees. Appelbaum states that this type of leader is more effective for the organization in embracing change using innovation and innovative mixing (Applebaum, St-Pierre, Glaves, 1998).

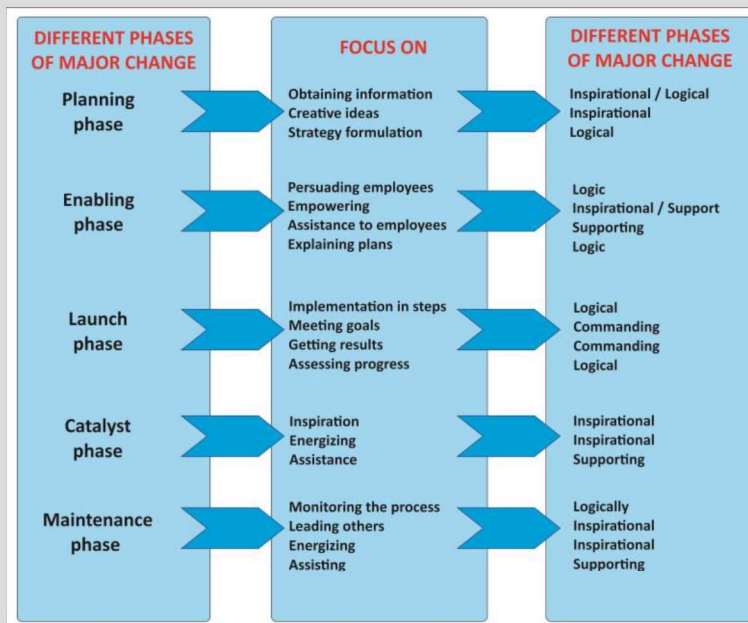


Figure 1. Interdependence of radical change and leadership style (Reardon & Rowe, 1998)

Table 1: Interdependence of leadership style, focus, type of change and way of learning leaders (Reardon, Rowe, 1998)

Leadership styles	Main focus on	Make changes	Learns
Command	Results	Fast	Working by
Logically	Innovation	Careful	Learning by
Inspirational	Opportunities	Radical	Examining by
Support	Work facilitation	Slow	Listening

Effective leaders have a clear vision of the future, and successful change must have a clear picture of the future. Without a vision, successful changes are very difficult. It is very important that employee leaders clearly communicate the vision in the company (Kotter, 1995). The previous table, for example, confirms that logical leaders are focused on innovation and communicate their vision by explaining it to employees. A leader can also motivate employees by creating different strategies, and the best way to motivate employees is a reward system. An organization’s ability to motivate individuals toward top levels of performance is closely linked to their reward systems. Effective leaders have a clear vision of the future, and successful change must have a clear picture of the future. Without a vision, successful changes are very difficult. It is very important that employee leaders clearly communicate the vision in the company (Kotter, 1995). The previous table, for example, confirms that logical leaders are focused on innovation and communicate their vision by explaining it to employees. A leader can also motivate employees by creating different strategies, and the best way to motivate employees is a reward system. An organization’s ability to motivate individuals toward top levels of performance is closely linked to their reward systems. As already pointed out, organizational culture is important in companies and can influence the process of enterprise transformation. It is believed that the role of the leader is limited in creating an organizational culture, where the area of work of the company, the geographical region in which the company is located, employees and their nature of work are also important. Likewise, changing political, social and technological situations can also affect the operation of a company and its transformation. The role of the leader is very limited while controlling and managing such factors. Encouraging the creation and training of leaders is one of the basic problems of the economy, marked by strong changes. In any case, the manager must be able to lead a group of individuals, but also to adopt a different leadership style based on the personalities of the team entities. Leadership efficiency consists of a combination of qualities, such as intelligence, self-confidence, initiative, excellent communication, the ability to abstract and generalize situations and events, the ability to correctly perceive the essence of various phenomena. Generally speaking, leaders are synonymous with setting an example to follow, as subordinate individuals are tempted to follow step by step that person who is considered a model of professionalism and existence in the company. In the early 1960s and 1970s, researchers formulated two main coordinates of leader behavior, based on managerial behavior, explained by Blake's network of models (Blake, Mouton, 1964), or on the three-dimensional model of managerial behavior (3-D): Leader acts to achieve initial control tasks, to encourage the employee to accept the minimum level of performance of such tasks; once it reaches this minimum level of performance, the manager rewards performance by emphasizing human relationships by providing attention, support, and direct encouragement in human resources. By maturing to take on tasks and improve work performance, the manager offers greater autonomy by delegating and trusting employees. This management model is dynamic, providing a guide for different behaviors, both for the diversity of employees' personalities and for the complex levels of responsibility in fulfilling work tasks. According to certain authors, a perfect leader would be someone who is able

to use intuition or training, but who also knows how to control his environment. It could be added that he is able to effectively control his environment in accordance with the management style and the best methods of leadership, related to his personality (Fiedler, London, Nemo, 1961). The leader is called to strengthen the whole mechanism of interests, hopes, motivations and organizational energies in a unique incredible direction, to differ from other similar companies, but also to get the long-awaited benefits. The managerial vision of the company, originally designed by its leader, will live step by step, as an integrator and accelerator of a fully participatory climate predisposed to high performance due to managerial pragmatism and leadership inspiration. The type of leader technician will especially ensure the efficiency of organizational activities with a specific approach to his mission, the charismatic leader will prove to be a key factor in encouraging creative energies in challenging commitment. The two patterns of leadership can be combined, with original methods, in accordance with the management style, taking into account the characteristics and abilities of each individual involved. Despite all the difficulties of any typology of leadership (lack of precise definition of institutional organizational framework, control practice, certain shortcomings in achieving real participatory management, etc.), experienced and talented managers will always be able to demand nuanced behaviors, which develop harmoniously in both leaders. Certain authors who have addressed the issue of leadership in the past have suggested that any change or innovation can be understood through three consecutive phases: the freezing phase, the changing or shifting phase, and finally the freezing phase again (Lewin, Lippit, White, 1939). Lewin believed that firms are basically stable structures, and change is a process in which firms move between different stable phases. At that time, the proposed model was criticized because it was considered to emphasize the static vision of the organization. If the goal changes, but the effect of the change goal is on the group (daily performance, activity in the workplace, absenteeism rates and abandonment of employment income), the strategy is focused on collective change of a significant number of people. Change management and the role of managers/leaders in change management refers to the adoption of such mutations in a planned, structured and organized environment. The most important topic of change management is issues related to innovation, competition, productivity, type of change, various measures or needs for creativity.

An important issue regarding the transformation of a company is why there are changes in the company. The answer may be: because of the poor performance they have; adapt to changes in the external environment; achieving or maintaining a competitive advantage (such as better prices, high quality) over market competitors; apply innovation in practice. According to most of the available literature, usually, changes in a company can be continuous (progressive development, accurate adjustments, gradual adaptations) or discontinuous (cracks or radical changes), depending on the development of the environment. It can also be said that two sources determine the transformation of the company, namely external sources – change is initiated or imposed by actors and stakeholders outside the company and internal sources – change begins with individuals and groups such as shareholders, managers, employees. The next basic question of change is related to the object of change. The most common changes are: goals and strategies, technologies, human resources, organizational structures and the environment. Change was considered to be work in dynamic equilibrium, where different forces are encouraged to change parameters committed within the organization, but at the same time provide strong resistance to any change in the system, treated as a whole or in its components (Lewin, Lippit, White, 1939). Among the most important determinants of organizational change could be considered: technological changes, high obsolescence of products, improved working conditions and an avalanche of new information. Resistance to inducing changes can be a variety of factors in terms of attitudes, mental patterns of action or thinking, disinterest, fears of the unknown, new, failure or destructive workforce. Defining a working team as a group of people working independently to achieve common goals, with its members responsible for achieving goals, it can be concluded that, through certain collective efforts, teams can go beyond the sum of individual performance and more private goals of members. Effective teams develop useful mechanisms to maximize their performance. Some characteristics of team building are: team members must share a sense of power and have a high rating of self-confidence. As for autonomy in work teams, it refers to the freedom, discretion and control that their members can give and can experience. Execution teams are free to use their resources to seize opportunities and make quick decisions without the need for approval from a supervisor or boss.

### *Transformation understanding model and enterprise transformation model*

In order to manage change, it is important to understand the probable stages and processes that a company will go through in the process of change. The transition from state A to state B means that some old ways and priorities will be left behind and some new ways and priorities of work and business of the company will be adopted. The literature singles out three models that are often used in change management and are very useful in illustrating some of the difficulties of transition, i.e. transformations of the company, and emphasize what leaders and managers must pay attention to when planning a change in the company (Conger, 2002). These are: the three-step change model, the transition model, and the change curve developed by Elizabeth Kubler Ross (Lewin, 2012). Certain authors propose a three-step model: thawing, movement, and re-freezing (Senior, Fleming, 2006). The first step is to unfreeze the existing enterprise, which means understanding the status quo, clarifying the desired end position, identifying the forces that promote change and the forces that resist change. Thawing is a change in the attitudes and behavior of employees and the work environment. This is a very important type of change, because while a company is going through any type of change, it is important to create the need for change among all participants. The role of the leader is also very important in thawing, as it requires a well-structured way to implement

change by managing the behavior and attitudes of people working together. It also requires a strong commitment from all people to work together on this shared vision. Movement is the next phase in which the top management of the organization identifies, plans and implements appropriate strategies. At this stage, it is also determined that any company must undergo gradual or radical changes. The vision of a leader is also very important for planning and implementing strategies. All strategies are shaped in the movement phase. The next step is to re-freeze the situation of change in which the leader helps to stabilize change so that it becomes integrated into the status quo. The most important thing is for leaders to understand how to re-freeze change, because if reassessment is incomplete or if transformation does not happen properly, change will be ineffective and inappropriate behaviors before change will continue.

Freezing always encourages the possibility of further change. The quality of leaders and leadership is very important for organizational change, because the most important thing is to address the resistance, confusion, research and commitment of management. There are some predictable behaviors associated with the stages of change and effective leaders always perceive these changes in an effective way and respond appropriately to achieve team commitment. The leader of change is always associated with planned change and deals constructively with human feelings. At the core of this model is the assumption that firms tend to remain as they are, that an active effort is needed to drive change. It also means that a re-freeze phase is needed to prevent the organization from returning to its original status quo.

Certain authors make a difference between a change that is an external change of the situation and a transitional one that is internal, that is the psychological process of understanding and adapting to these sophisticated changes. The individual must process the external change, that is, consider what it means to him. Psychologically, there is a kind of old way of working and the birth of new work in the company (Bridges, 2019). The mentioned author believes that the transition of a company has three elements: an end, a neutral zone and a new beginning. One of the key findings that connects the two extreme areas is the neutral zone, as an area of uncertainty, employee confusion and anxiety. If we look at the company that is transforming, we can see five basic phases: the existing way of doing things – the status quo, the end of these existing ways, the neutral zone, a new beginning and finally a new status quo. Internal transition has three elements, while the process of external change really has five. In order for a change of company to be successful, space should be left for the completion to be accepted and for individuals to be supported in accepting them (Ibidem). It will certainly be useful to raise awareness among managers that some people will go through this type of psychological transition and that they may be affected more than they expect. Completion can affect the whole team, simple restructuring can have a profound effect on all team members.

### A model of optimal choice of leadership style in enterprise transformation

Leadership style in a company refers to the characteristic behaviors of leaders in guiding, motivating, leading and managing groups of people. Great leaders can motivate others to perform, create and innovate processes in the company. This thesis is based on various research studies, because the aim of the research is to analyze the relationship between successful organizational change, enterprise transformation and leadership based on some of the characteristics and choices of leadership style. Based on the analyzed literature, the optimal model of leadership style in enterprise transformation is proposed below.

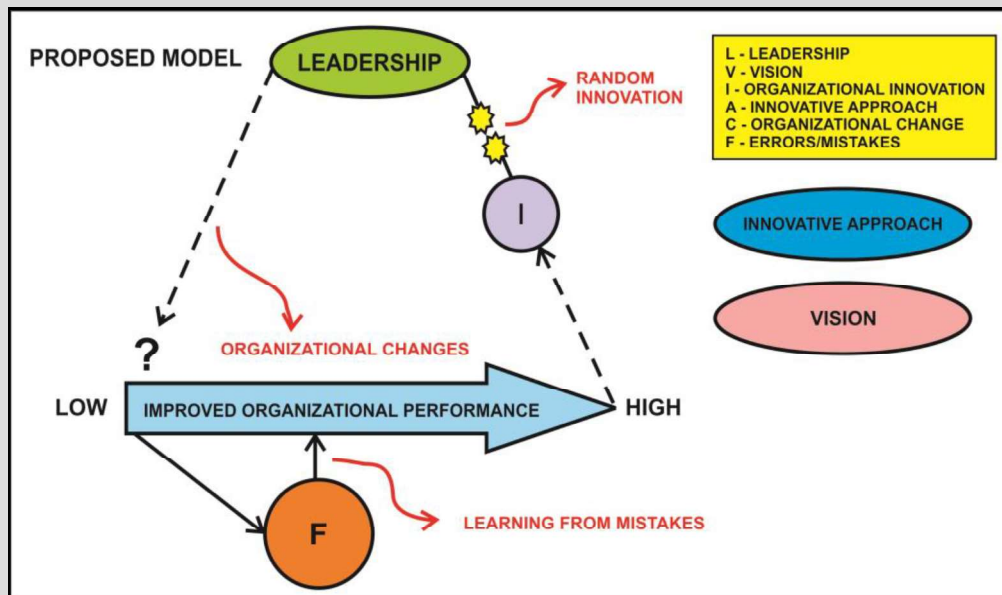


Figure 1. Optimal leadership model

The proposed model shown in Figure 1 is the result of an analysis of the available literature in the field of leadership. The schematic representation of the model is based mainly on perceptions, together with logical inference, created by study and inspired by the analysis of scientific literature and journals. This model points to the phenomenon of organizational transformation from the point of view of leadership ability and their role. Model design assumes that the organization seeks change for success, development, and sustainability. Believing in the proposed model, and considering leadership and its role in the company as a starting point (L), and the destination as a successfully transformed company or its change with a high level of organizational performance, applying organizational innovation (I). Between these two end points, there is a possibility of failure of the chosen leadership style, application of innovations and successful, simple and efficient transformation of the company (F). This is the general format of the proposed model as a result of how the process of organizational change/transformation of the company is observed after reviewing the related literature. The success of the proposed model can be analyzed on the basis of two characteristics: "vision" (V) and "innovative approach" (A). The proposed model is flexible and open to further research. We hope that researchers and scientists can make this model more interesting and fruitful by adding and introducing other features through which the relationship between leadership and successful organizational transformation of a company can be explored.

### *Conclusion and future research*

The focus of the research was on connecting leadership and business transformation. It can be concluded that the successful and efficient transformation of the company is conditioned by the choice of a certain model of leadership, and that the company would remain competitive and efficient in its work requires continuous transformation. Based on the analyzed literature, it is concluded that the transformation of the company may involve radical, incremental, continuous changes, reengineering or profound structural changes, although in most cases the changes are of a combined type of the above forms. The process of enterprise transformation takes place under the influence of the environment, and very often provides the best opportunities for the growth and development of the company. The planned transformation of the company requires that leaders as agents of the change process, by applying a certain leadership style, work in teams with employees with continuous adjustment. The leadership approach to change management reflects the way a leader thinks and his ability to lead transformation and manage resistance to change in the company by becoming more aware of the dynamics of transformation at the human and process level. The leader must also be competent in the process of transforming the company, facilitating adaptation to processes, teaching employees, consolidating short-term winning achievements to ensure that individuals within the company accept change and progress towards long-term goals. Distributed leadership and the transformation of change management in the enterprise are studied by researchers and practitioners. However, the proposed model explores the way in which distributed leadership initiatives and enterprise transformations intersect and interact, where the outcomes of this intersection can lead to an understanding of what is called network leadership. Distributed leadership leads to the conclusion that different leaders take leadership roles in teams by forming a network of leaders in different situations and circumstances, depending on the status of the enterprise transformation initiative. Thus, distributed leadership emphasizes the importance of having an appropriate leader in a situation that that leader could fulfill regardless of his order and organizational chain of command, where organizational transformation emphasizes the importance of leadership in general. This intersection between distributed leadership and enterprise transformation involves a number of leaders involved in the enterprise transformation initiative. As these leaders have different leadership roles and positions, together they form a network of leaders. The research results support the available literature on the benefits and importance of networks within organizations, especially when those networks were built before a business problem. This theoretical research finds sources that suggest that individuals, especially those with influential positions, are able to influence the architecture of the networks that surround them, manage the matrix and use it, instead of leaving it to the process. The theory of leadership, the theory of enterprise transformation as well as the intersection of these two theories were analyzed. The golden mean between the theory of leadership and the theory of enterprise transformation is observed from a socio-scientific point of view in order to establish a connection within the enterprise and transformation initiatives. The analysis of the available literature on company transformations and leadership theory confirmed the diversity and the most important elements of these areas. Future research could focus on analyzing the performance of the proposed conceptual model of leadership style and its analysis based on actual data that could subsequently confirm the solid findings of this research. Researchers can build on the proposed conceptual model by including different types of leadership theories. In the following, it would be interesting to explore the model based on other and more numerous scenarios, together with case studies and observations from the literature review.

### **References:**

1. Aldhaen, E.S. (2017): Study of the strategic decision-making process in higher education institutions (Doctoral dissertation, Brunel University London)
2. AlGhanem, N., Braganza, A., Aldhean, E. (2020): Distributed Leadership: An Effective Leadership Approach for Organisations Undergoing Radical Organisational Transformational Initiatives, Talent Development & Excellence Vol.12, No.2s, 2265-2279.
3. Applebaum, S.H., St-Pierre, N., Glaves, W. (1998): Strategic organisational change: the role of leadership, learning, motivation and productivity, Management Decision, Vol. 35 No.5, 289- 301.

4. Aymn, S.A. (2018): Transformational leadership style and its relationship with change management, *Verslas: Teorija ir praktika / Business: theory and practice*, ISSN 1648-0627 / eISSN 1822-4202, 19: 17–24. <http://btp.press.vgtu.lt>
5. Bass, B.M., Riggio, R. E. (2006): *Transformational leadership*, Psychology press.
6. Blake, R.R., Mouton, J.S. (1964): *The managerial grid*. Houston, TX: Gulf.
7. Bridges, W., & Bridges, S. (2019). *Transitions: Making sense of life's changes*. Hachette UK.
8. Carter, D.R., DeChurch, L.A., Braun, M.T., Contractor, N.S. (2015): Social network approaches to leadership: An integrative conceptual review. *Journal of Applied Psychology*, 100(3), 597.
9. Conner, D. (1993): *Managing at the Speed of Change*, New York: Random House, Note: He based his model on Death and Dying by Dr. Elisabeth Kubler-Ross.
10. Currie, G., Grubnic, S., Hodges, R. (2011): Leadership in public services networks: Antecedents, process and outcome. *Public administration*, 89(2), 242-264.
11. Cirre, C.M., Berenguel, M., Valenzuela, L., Klempous, R. (2009): Reference governor optimization and control of a distributed solar collector field. *European Journal of Operational Research*, 193(3), 709-717.
12. Conger, M. (2002): Leadership learning to share the vision, *Organizational Dynamics* 19 (3): 45-52.
13. Deal, T., Kennedy, A (2000): *Corporate Cultures, The Rites and Rituals of Corporate Life*, Perseus Publishing.
14. Fiedler, F.E., London, P., Nemo, R.S. (1961): Hypnotically induced leader attitudes and group creativity. Rep. No. 11, Urbana, Ill.: Group Effectiveness Laboratory, University of Illinois.
15. Fitzsimons, D., James, K.T., Denyer, D. (2011): Alternative approaches for studying shared and distributed leadership, *International Journal of Management Reviews*, 13(3), 313-328.
16. Friedrich, T E., Elias, L. J. (2014): Behavioural asymmetries on the greyscales task: The influence of native reading direction. *Culture and brain*, 2(2), 161-172.
17. Ghadi, M., Fernando, M., Caputi, P. (2013): Transformational leadership and work engagement: the mediating effect of meaning in work. *Leadership & Organization Development Journal* 34 (6): 532-550. <https://doi.org/10.1108/LODJ-10-2011-0110>.
18. Gronn, P. (2008): The state of Denmark, *Journal of educational administration and history*, 40(2), 173-185.
19. Hamstra, M.R.W., Yperen, N.W.V., Wisse, B., Sassenberg, K. (2014): Transformational and Transactional Leadership and Follower's Achievement Goals, *Springer Science+Business Media New York, J Bus Psychol*, 29:413–425. DOI 10.1007/s10869-013-9322-9.
20. Heifetz, R.A., Laurie, D.L (1997): The work of leadership, *Harvard Business Review*, Vol. 75., 124–134.
21. House, R. J., Shamir, B. (1993): Toward the integration of transformational, charismatic, and visionary theories. In M. M. Chemers & R. Ayman (Eds.), *Leadership theory and research: Perspectives and direction*, Academic Press, 81–107.
22. Klepper, S. (1997): Industry life cycles, *Industrial and Corporate Change*, 6(1), 145-182.
23. Kirkan, K. (2011): The effect of emotional intelligence on emotional intelligence on emotional competence and transformational leadership, *Pr Quest UME Dissertation Publishing*.
24. Kotter, J (1995): *Leading Change: Why Transformation Efforts Fail*: Harvard Business Review, 59-67.
25. Lewin, K., Lippit, R., White, R.K. (1939): Patterns of aggressive behaviour in experimentally created social climates. *Journal of Social Psychology* 10, 271-301.
26. Lewin, K. (2012): The Impact of Autocratic and Democratic Leadership Style on Job Performance, *International Business Research: Volum 5, No. 2*, 193-201.
27. Pearce, C.L., Conger, J. A. (2003): All those years ago, *Shared leadership: Reframing the hows and whys of leadership*, 1-18.
28. Reardon, K.K., Rowe, A.J. (1998): Identifying strategic leaders, Unpublished manuscript. University of Southern California, Marshall School of Business, 132.
29. Senior, B., Fleming, J. (2006): *Organizational Change*. London: Prentice Hall.
30. Trofino, A. (2000): Transformational leadership or effective managerial practices? *Group and Organizational Management*, 23 (3): 220-237.
31. Wind, M E.D. (2017): *Network leadership: Defining its continuum* (Master's thesis, University of Twente).