IMPACT OF OPTIMISM ON LEADERSHIP EFFECTIVENESS: A REVIEW OF LITERATURE

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ABSTRACT

Leadership includes a broad range of area. One can improve the position and trustworthiness of the organization by concentrating on leadership effectiveness. With such leadership skill one can establish the team culture in the organization and enhance the support of everyone in the organization. Most importantly it provides for all the employees of the organization to implement accomplishment in every task they perform. The present study aims to identify the relationship and impact of optimism on leadership effectiveness. The study is based on review of literature which depicts that optimism helps in the decision making, cooperation among employees, citizenship behavior and trust by the leader which obtain leadership effectiveness. The study suggest that organizations which concentrate on long term return should have optimistic leadership because the impact of optimistic leadership is stronger when long term objectives and goals has to be achieved. The study found that (i) optimism is connected with sentimental and behavioral dimension which influence the level of trust among people therefore optimism helps in developing trust among leader and follower. (ii) Optimistic leader will not be affected and troubled in uncertain situations. The optimistic leader has the capability to see the opportunity in the difficult situation because of their approach. Optimism will work as strength in the uncertain situation for the organization. (iii) Optimism helps to create cooperative climate in the organization, it increases the citizenship behavior of the employee for each other. The cooperation and citizenship behavior develop team spirit which brings effectiveness. (iv) Leader can also develop strong self-efficacy among his subordinates with is optimism because optimism will make subordinate think positive about them which will develop self-efficacy and performance will improve. The finding delineate that there is strong relationship between optimism and leadership effectiveness.

Key words: Leadership, Leadership Development, Optimism and Leadership Effectiveness.

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1. INTRODUCTION

The importance of leadership in organization is expressed by various researchers; this has been found that an effective leader can bring success to the organization which is not giving sustainable result. Leader plays a very important role, therefore, the organization chooses very cautiously the leader positions in organization. The companies which do not gauge the long-term benefit of the organization will make mistake in determining the person who is perfect to be the leader. Two decades earlier the development of leadership was focused on very few people in organization, but now, this philosophy has been changed. Organizations look to the potential of maximum people in the organization and then decide the one who is fit for leadership position.

Now, in this scenario, the development of employee is not in making an individual perfect for his role, in-fact it is giving more and more opportunities to the employees so that in depth learning can take place. People will learn from mistake and in future possibility of mistake and errors will be reduced as the people know the ins and outs of their role. Beyond learning, another aspect of an employee is important and that is his behavior, because what type of leadership will bring result, it will vary from organization to organization and situation to situation. Therefore the suitable personality elements should be determined so that which elements are fit for any leadership role can be known and seen while providing the opportunities to the employees. This gives an understanding that in coming time the leader who can motivate and develop better team with coordination among members can only give sustainable results. It is essential for leaders to maintain relationship and is ideally provide appreciation, reward, faith and information with followers to have motivated and committed people under him. Commitment in subordinates can reach the organization at a very high level; transformational leadership develops commitment in people, (Rowold, Borgmann and Bormann, 2014). The model was developed pertaining how leadership impact the performance of people in organization. It has been found that CEO's ethical leadership, with ethical organizational culture and program and practices of organization implemented ethically, has an exemplary impact on performance or organization, (Eisenbeiss. et al, 2015). Research supports the argument that the representation of servant leadership style by managers can generate a suitable culture of organization in which servant leaders develop successful ways among lower-level managers. Research support that in profit organization and in demanding challenging environment leadership style supports a lot in generating results and profits for the organization. Leadership style impacts the performance culture which influences the people and people perform accordingly, thus leadership style is crucial for the effective performance in an organization, (Melchar. D and Bosco. S, 2010). This gave a clear picture that leadership is being impacting the organization and the performance of organizations. There is no perfect style which is suitable for all type and size of organization but it will surely make the difference. A good performing organization may turn to poor performer and poor performing organization may turn to great performing organization because of leadership skills prevailing and experienced by the people in that organization.

2. OBJECTIVE

The objective of the study is-
- To find the impact of optimism on leadership effectiveness.
- To find the various dimensions of optimism and leadership effectiveness.
- To understand the effectiveness of various leadership styles in different context.
- To find the relationship between optimism and leadership effectiveness.

3. CONCEPTUAL FRAMEWORK

Many researches in social science and in Behavioral Science have connected the continuous role of leadership and its influence on people and organization. For the same purpose the Path-Goal theory of Management Science has been applied to test the legislative leadership, which proved that the concepts used in the theory are indeed applied and seen being practically used in legislative leadership, (Hedlund. R 1978). It has been determined that in voluntary organizations, to make people accept the set standards and values through socialization, can only be done through effective leadership. Hierarchy in the organization does not impact to develop value socialization; role of leadership has a momentous impact on developing the same, (Sylvia. R. D and Pindur. W, 1978). Leader behavior is reviewed and recognized that leadership effectiveness is not only the way leader influences the follower but also the achievements of desired results from the followers. Leadership effectiveness requires proper setting of standard performance, smooth implementation evaluation of tasks of followers on every stage and immediate and effective response to the feedback received after evaluation of task and responsibility. To do so communication by leader plays a very crucial role to know the root of the issues and resolve it to get results, (Hollander. E. P., 1979). Organizational structure impact the corporate image, goodwill and assumptions about the organization, it was highly determined that with time the changes in structure must be implemented by the organization but the effectiveness and smooth change implementation is fully dependent on administrative leadership. Administrative leadership can only plan and implement to be fruitful for the organization. Therefore leadership can directly impact the corporate image and goodwill of organization, (Petrie H and Alpert D 1983). Change is inevitable in any organization but if the leader and people who have to implement the change have to be ready and coordinately implement such change to get the desired outcomes. This is where the role of leader is imperative, as the finding suggests behavior and skills of leader impacts the execution of change. The communication, motivation, coaching and team building are the elements needed strongly to be shown by the leader while change is implemented. In case any of the element is weak or absent it is sure to end up with gap in performance of the organization and will result in complications in outcome (Gilley. A et all, 2009). Therefore an effective leader is good communicator and coach for his team, and with team building and motivation, leader bring people together with positive spirit to work for the change.

Research have founded that the leadership effectiveness is strongly affected by the competency of the leader to perform the task. The leader, if highly competent for the role or if not competent to perform the role, influences the trust and reaction of follower. The reward and flexibility of the leader impact the followers to perform better. The leader competency ensures that the mistakes made by subordinates will be rectified and proper guidance will be provided and the true efforts of the subordinate will enhance by the rewards received by the subordinates. This is how the effectiveness is higher if the leader task competency and reward dependency is high Justis. R (1975).

Sahu and Bharti (2009) suggests that leadership is understood by examining its key variables: leader characteristic and its traits, leadership behavior and its style, group member characteristics and internal and external environment, therefore ,effective leadership refers to attaining desirable outcomes such as productivity, quality and satisfaction in a given situation. Many people believe intuitively that personal characteristics strongly determine leadership effectiveness. The belief that certain personal characteristics and skills contribute to leadership effectiveness in many situations is the universal theory of leadership. As per this theory leadership traits are universally important that apply in all situations. Characteristics

associated with leadership can be classified into three broad categories: personality traits, motives and cognitive factors.
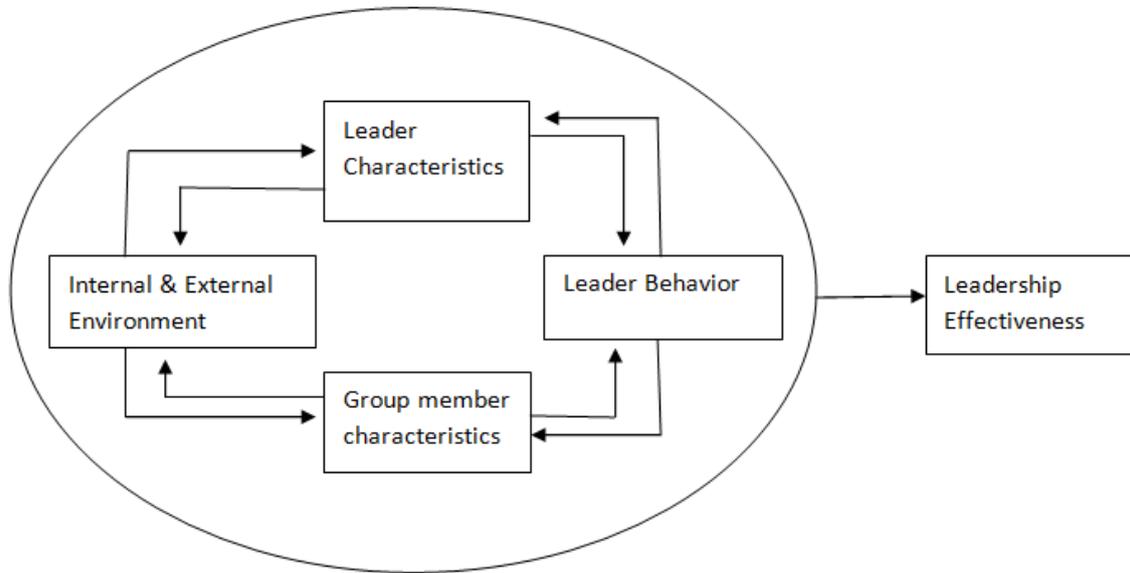
Source: Sahu and Bharti (2009) "Strategic Leadership" Pg 98.

As per this theory, leadership traits are universally important that apply in all situations. Characteristics associated with leadership can be classified into three broad categories: personality traits, motives and cognitive factors.

3. LITERATURE REVIEW

Scheier and Carver (1985), express Optimism as the propensity of an individual to look after the outcome even if the problems are associated. Optimistic individual believes that the end result will be good and pessimistic person believes that end result will not be good for them. Hoy et al (2008) have identified that academic optimism include cognitive, sentimental and behavioral dimensions which impact the trust of the students and parents and faculty trust is the stronger perspective which ensure enactment of efficacy and learning among students. This helps in generating very high positive image and interaction among all for betterment and stronger trust. Gurol. M and Kerimgil. S (2010) determines that a faculty belief that emphasis on the student and efforts by them can ensure the better learning and improvement of knowledge among students. Further the trust of parents and students on the faculty and their methods will strengthen it and bring collective efficacy. White and Shullman (2010), providing competitive advantage is an essential for the leaders now a day, as the environment is changing rapidly in today's scenario, the possibilities of uncertainty are increasing. Therefore, the leader who is comfortable with uncertain situation and is flexible as per the situation is indeed important in an organization to be competitive. Accordingly, a leader who is positive towards the uncertainty and looks towards the uniqueness of organization in continuity will generate better competitive advantage for any of the organization. Isen. Alice (2001), have identified that for positive thinking and positive approach toward problem solving and variety of decision making will result in innovative and creative results for the organization. Positive approach also enhance the employee satisfaction and coordination from people, which in return provide better performance from them which results in satisfaction of customers and positive feedback on service from the outsiders of the organization. Especially, in health care industry in products related to it require positive leadership approach for the

better outcomes of the organization. Suresh and Venkatammal (2010) have explored that climate of an organization delineates the limit of all the employees to cooperate and show citizenship behavior for each other in various roles and responsibilities. The organization climate itself is a complex thing as it is related to people and their behavior, it has been suggested that in any organization, the cooperation, willingness to help co-workers and support towards employer and organization, enhances the capability of the company to have a positive climate. Further, it has been determined that this is not possible to implement without the leadership which has optimistic philosophy. To bring positive climate leadership is the key player to bring positivity. On the contrary, when people fail, they believe external influences are responsible for the failure, generally when any individual fails, he look into the details and tries to gauge the reason of failure and research findings have suggested that certain reasons of failure occurs due to factors like, lack of self-confidence and certain influences from the environment. The study investigated that the sales employees who are failing in performance or showing low performance, when the effective way of interactions are done with them and their self-efficacy are enhanced ,and also they believe in optimism, they tend to perform better and with enthusiasm. Dixon and Schertzer (2005). It has been determined that performance of sales employees is enhanced when they have high self-efficacy and optimistic approach.

Magnano et al (2015) have determined that there are various challenges faced by the leader to finalize a decision because considering many elements and sometimes uncertainties impacts the organization decision making very complex and difficult. It has been identified that optimism plays role in effective decision making by the leaders. The empirical survey has found that optimistic approach of a leader impacts immensely the decision making capabilities and effectiveness of a leader. Optimistic leaders are adaptive and with limited resources they have ability to think and get result. Ashraf et al (2012), building a workforce which is committed toward organization will be lucrative for any organization, here research study delineates that optimism, goal setting and employee engagement are able to generate and increase the organizational commitment. It was being found that these factors should be implemented in a proper process to achieve organizational commitment. Firstly the proper goal setting of task and people have to be done and communicated well, then leader should ensure implementation of employee engagement, work place optimism should be brought in the system, structure and culture of the organization. This process will help organization to achieve the organizational commitment from the employees. Three factors namely goal setting, employee engagement and optimistic approach result in employee's commitment when implemented with systematic process. According to Tombaugh (2005), leader with Optimistic thinking are able to exert thought process to give challenge to difficulties and complexities. They are able to view the positive aspects of the complex and difficult situations and therefore put efforts to come over it and they perform till they resolve the complexity. Jackson et al (2002), found the optimism effects the personality and the behavior of an individual, which in turn impact the performance of people around them, the reason for this impact is 'ability to generate learning atmosphere'. Findings suggest that on the basis of ideology of an individual, the optimistic people can easily be differentiated from pessimistic individuals, as they are not complicated and crucial on various issues. Optimistic people do not take much stress and have mastery in controlling self when faced with difficulties on the other side this is not the case with pessimistic people as they are stressed and disheveled. This is also found that such behavior is related to the performance shown by the people and the optimistic behavior helps in creating better learning among the people in the organization.

Smith et al (2006), found that negative thought and behavior get the attention of the people, if the manager is the one who pin-points the negative aspects of the employee and

helps him or her to come out from negativism, then the performance increases but in long run such behavior does not result in enhancing the sustainability of performance. In certain situations only this approach works. Harter et al (2002) identified that positive emotions and positive feeling develops a comfortable environment because of the bond between people through sense of caring and concern for others. This positivity develops a sense of team spirit to work with cooperation. Employee concern and employee engagement impact highly the retention and satisfaction of employees.

4. CONCLUSIONS

The aim of the study was to identify the impact of optimism on leadership effectiveness. The data delineates following: a) Optimism is connected with sentimental and behavioral dimension which influence the level of trust among people; therefore optimism helps in developing trust among leader and follower. b) Optimistic leader will not be affected and troubled in uncertain situations. The optimistic leader has the capability to see the opportunity in the difficult situation because of their approach. Optimism will work as strength in the uncertain situation for the organization. C) Optimism helps to create cooperative climate in the organization, it increases the citizenship behavior of the employee for each other. The cooperation and citizenship behavior develop team spirit which brings effectiveness. D) Leader can also develop strong self-efficacy among his subordinates with optimism because optimism will make subordinates think positive about them and also about their organization, which will develop their self-efficacy with consequential increase in their own performance and the performance of the organization.

This shows that there is strong relationship between optimism and effectiveness. Further it is being identified that optimism strongly impacts the leadership effectiveness in various ways. However, researches also suggested that sometime pessimism may generate some results, but that result is only for short term, while on the other hand, for long term return and effectiveness, optimism is greater source with the leader to bring effectiveness.

5. LIMITATION

The present study has contributed towards body of knowledge that how the optimism impacts the leadership effectiveness, there are some limitations of the study that should be acknowledged. Firstly, as the study has considered the researches of different researchers the reliability and validity of the outcomes and findings are tested by others. Second, the study lacks the empirical research which could have brought a better picture of the impact of optimism on leadership effectiveness. Finally, the inductive and deductive approach cannot be identified elementarily.

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