THE ROLES OF LEADERS FOR SUSTAINABLE DEVELOPMENT OF ORGANIZATION

Pol. Col. Dr. Tanarwad Wisamitanan¹, Asst.Prof.Dr. Sukhumpong Channuwong², Assoc. Prof. Dr. Thuchapon Yodthong³ and Assoc. Prof. Dr. Ornpapha Chutikorntaweesin³.

1. Part Time Lecturer at Pathumthani University, Thailand
2. Faculty of Social Sciences and Humanities, Mahidol University, Thailand
3. California University (CUFCE), USA

Abstract

This article aims at studying the roles of leaders for sustainable development of organization, which include sustainable business development, quality development, merit development, cultural change development, and strategic development. The current paper finds that in order to create sustainable growth of business, profit and benefit of organization must be achieved ethically and legally. Sustainable business development depends on its response to the need of all stakeholders. Quality development is one of the most important factors which can guarantee a sustainable growth of an organization. Leaders should be adherent to merit and ethics, and be a good example of their followers. As change is constant and nothing is going without change, leaders must be able to manage cultural change appropriately with priority on services responded to the needs of customers, consumers, or public. Success of an organization is based on the good understanding of organizational environment and culture, marketing strategy, assessment of market trends, and analysis of competitors as well as social responsibility and social reward.

Introduction:

Leaders play a key role in the success of an organization. Good leaders are those who are knowledgeable, visionary, strategic, courageous, generous, and adherent to good ethics and virtue. William, James and Keith (1994) described that leaders are authority figures and role models in their companies. By setting a personal example of high ethical behavior, they can influence the others around them. Repeated studies over the years have arrived at the same conclusion that the behavior and ethical attitudes of an employees’ boss are seen as the most important factors determining whether the employee will behave ethically or unethically on the job. Peter (2000) described that leaders have power and wield it to affect change in others. Leadership is an instrument of goal achievement in helping group members achieve their goals and meet their needs. This view includes leadership that transforms followers through vision setting, role modeling, and individualized attention. Nakai and Schultz (2003) identified the characteristics of a good leader that may consist of the following: (a) a good leader is visionary, (b) a good leader is courageous, (c) a good leader leads, follows, or gets out of the way, (d) a good leader is results-oriented, (e) a good leader has perspective, (f) a good leader is strategic, and (g) a good leader respects his or her people.
According to Buddhism, a good leader should consist of the following characteristics: (a) Endurance to physical and mental suffering, (b) Tolerance when being criticized, (c) Knowledge updater, (d) Being aware of things, (e) Having great endeavor and strong determination, (f) Being able to analyze situations, (g) Being able to put the right man on the right job, (h) Having kindness, compassion and fairness, (i) Be a problem shooter, (j) Be a friendship builder, and (k) Be a good communicator (Chakka. Ang., Chatuka. Ang., Pati. Dhi., & Dham. Khut; cited in Payutto, 2003).

Leaders must have a strong motivation and take full responsibility for both negative and positive outcome. They give credit for the success to followers and blame themselves when things go poorly. In this regard, Collins (2001) mentioned that level 5 leaders who have a strong motivation and dedicate themselves for the organization’s success are necessary for organizational change in the age of competition. “Level 5” refers to a five-level hierarchy of executive capabilities, with level 5 at the top. Level 5 leaders embody a paradoxical mix of personal humility and professional will. They are ambitious, to be sure, but ambitious first and foremost for the company, not themselves. Level 5 leaders set up their successors for even greater success in the next generation; they look out the window to attribute success to factors other than themselves. When things go poorly, however, they look in the mirror and blame themselves, taking full responsibility. The comparison CEOs often did just the opposite - they looked in the mirror to take credit for success, but out the window to assign blame for disappointing results.

Leaders must have a leadership that is the power relationship existing between leaders and followers. Peter (2000) asserted that corporations want individuals who have “leadership abilities” because they believe these individuals provide special assets to their organizations. Fleishman (1991) views leadership as the focus of group processes; the leader is at the center of group change and activity and embodies the will of the group. Bass (1990) conceptualizes leadership from a personality perspective, which suggests that leadership is a combination of special traits or characteristics that individuals possess and that enables them to induce others to accomplish tasks.

Since leaders are the most important persons in organizations; success and failure of organizations mainly depend on the roles of leaders. This article focuses on the roles of leaders in various aspects such as the roles of leaders for sustainable business development, quality development, merit development, cultural change development, and strategic development.

**Purposes of research:**
To study the roles of leaders for sustainable development of organization.

**Results:**
**Sustainable Business Development:**
The main purpose of business is to gain profit. However, in order to create sustainable growth of business, profit and benefit of organization must be achieved ethically and legally. Creating sustainability of business becomes the important goal of all businesses, starting from community business corporations to public business corporations. As business cannot be operated over the community objection, the interests of all stakeholders need to be given consideration by the company’s managers. If their concerns are disregarded, stakeholders may damage the company’s reputation or halt the company’s operations. Yodthong, et al. (2012) mentioned that the sustainability of community business comes from the roles of leaders. Leaders must govern the business corporations with fairness and justice. Leaders must have good leadership characteristics, sacrifice and dedicate time and energy for organization, understand the ways of life, and be able to analyze the weakness and strength of the community. Moreover, they must be able to build collaboration with other people and create loyalty, unity and harmony of people in the community by applying good ethical principle in running business. Cheoravanon (2012) described that the sustainable growth of business depends on its response to the living organism. Business is alive, and must be operated to respond to the need of all stakeholders i.e. employees, business partners, and stockholders. Business should consider virtue and ethics as the most important factor leading to the sustainable development of the community and the country at large. According to Chutikornrataweesin, et al. (2016) described that the old businesses have to adapt themselves to develop, to grow, and to survive by generating the most wealth and profit, which is not an important thing to indicate the overall success; and Kaplan and Norton (1992; cited in Chutikornrataweesin, et al., 2016) mentioned that when the time of technology comes, it is very necessary for businesses to create value in the future through the investment about stakeholders. Channuwong (2014) found that in the current world of high competition, finding and retaining human talent has become a competitive battleground. Attracting, developing, and retaining individual with talent, skills, knowledge, and experiences sufficient to drive global business and solve social problems become the key strategies for creating sustainable growth of business.
Sustainable business comes from a well balance of benefits among each stakeholder. When the fit is good, it leads to create employee satisfaction and customer satisfaction and loyalty over the long run. Moreover, leaders must be able to help employees solve their physical and mental sufferings as these problems may lead to low productivity, inability to compete in the global markets, employees’ morale deterioration, employees’ strike, and job absenteeism. Leaders must figure out how to attract employees; how to train less educated and poorly skilled employees; and how to keep experienced employees when they have fewer opportunities for advancement. In addition, a well balance between physical and mental health of employees is a key strategy for sustainable business. This is because when employees are happy and satisfied with their jobs, they will help increase productivity to organization.

Brown (2005) described that business organization gaining advantage over competitors should not evaluate its performance by profit alone, but the evaluation should also cover a good relationship with customers, customer satisfaction and loyalty, new innovation, internal operation process, employees’ knowledge and skill, and the ability of its human resources to work for sustainable profit. The concept of Balance Score Card (BSC) should be implemented to evaluate the efficiency, quality, innovation, and responsiveness to customer. In this regard, Samuel (2006) suggested that in order to create sustainable business, organization should be responsible for society in the following four aspects: (a) Economic responsibility, which includes production activity, service that responds to the need of consumers, job employment, fair payment of salary, and maintenance of staff security; (b) Life quality, which means that an organization should place great emphasis on life quality of society, for examples, producing high quality of products, fair treatment of employees and customers, and environmental protection; (c) Social capital, which means that an organization should consider the cost and human resources that organization uses to solve problems in society such as in education, merit activity, and art; and (d) Problem solving, which means that an organization should pay attention to social responsibility and improve its ability to solve social problem such as social participation in planning for community development over the long run, investigating the sources and origins of social problems and seeking for resolutions to those problems.

**Quality Development:-**

In recent decades, there has been an intense debate regarding the role of leader in managerial work. Leaders must focus on quality development. Development with high quality is one of the most important factors which can guarantee a sustainable growth of organization. In the world of high competition, quality becomes a symbol of good reputation and credibility of organization. Channuwong (2010) found that the sustainability of organization is the result of high quality development. The important factor leading to the quality in development is the role of leaders.

Leaders must have dreams and be able to make the dreams come true. Moreover, leaders must have clear vision and strategy. They must be able to manage their resources effectively and take into account of product quality, service quality and work quality closely. Warren Bennis, Guru in leadership (cited in Brown, 2005), has set up the standard of social leaders in the future, which can be described as follows: Modern leaders are those who have their own stand points and tangible vision; persuade others to participate in the activities with practical, interesting and clear vision; and encourage the others to works on the assigned jobs with high quality standard. Achinsamajaraj (2008) defined leaders with quality development as those who are able to increase moral of their followers, empower their groups, know how to improve creative ideas, pull out the talents of all group members to support their jobs, and practice in the principle of good governance. Good governance is the universal principle placing great emphasis on accountability, participation, law and legitimacy, transparency, morality, responsibility, effectiveness and efficiency which plays a key role for sustainable success and development of an organization.

In order to clarify the meanings of good governance, William, James, and Keith (1994) defined good governance as the development principles of the country, society, organization, institution and business with great emphasis on honesty, transparency, accountability, fairness, quality and efficiency as well as having general ethical and moral standard in order to increase the strength and sustainable growth of an organization. These definitions are relevant to the idea of Channuwong, (2010) which defined good governance as the principles of managing business effectively and ethically. It must be in accordance with philosophy of sufficiency economy in which organizational structure and code of ethics must be integrated in business operation. Good governance also includes a good relationship between board of directors, development team and stockholders with responsibility to all stakeholders.

**Merit Development:-**

Merit is a symbol of human value. Those who are adherent to merit have more value than those who do not. Leaders must really know what is right and wrong, and what is appropriate and inappropriate. Leaders who practice in good
merit and ethics can be able to maintain their good reputation and become a good example of their subordinates. In Buddhism, merit is considered as righteousness. Everyone should sacrifice his wealth, organ and life in order to protect and maintain the righteousness. In this regard, there were Buddhist proverbs which stated that “Let a man sacrifice his wealth for the sake of his organ, let him sacrifice his organ for the sake of his life, but with respect to merit or righteousness, let him sacrifice his wealth, organ, life and all” (Khuddakanikaya, Jataka 28/147 cited in Thammasapa and Bunluetham Institution, 1989).

Limsakdakul (2010) described that the sustainability of organizations depends on the characteristics of leaders; leaders must adhere to merit and ethics, be honest and apply ethics in development in the same way as His Majesty the King Bhumibol Adulyadej of Thailand expressed his first royal statement that “I will rule the land by virtue for the benefits and happiness of the Siamese people.” This statement should be considered as the model for administrators in private sector, public sector, and people at large. This virtue principle should be practiced and implemented by all Thai people. Channuwong (2014) described that there are six senses in human life i.e. eye, ear, nose, tongue, body and mind, which are needed to be developed by administrators. To be a good leader, he or she needs to use his or her own sense to screen, analyze, synthesize, distinguish each situation, and be able to apply his or her own wisdom in development appropriately. Leaders must be able to analyze which action is moral or immoral, ethical or unethical, and perform only the moral and ethical activities. Doing merits is a way leading to eternal happiness and peace.

Leaders should understand the principle of the four noble truths, which is the process of using wisdom to solve problem according to its causes and factors. In this principle, the wisdom of a person should be implemented to solve his or her problems. The principle of the four noble truths consists of the following: (a) the fact that there is suffering; (b) the fact that there is the cause of suffering, or origin of suffering; (c) the fact that there is the cessation of suffering, or extinction of suffering; and (d) the fact that there is the path leading to the cessation of suffering. The aforementioned principle can be implemented as development strategy for the success of organization with great emphasis on considering the cause and result of each problem (Anguttaranikaya Catukanipatha cited in Payutto, 2003). Phradhammapidhok (2005) mentioned that in order to create a peaceful society, a leader must be a good example of followers, and must adhere to the following merit principles: (a) loving kindness, and friendliness, a leader should be gentle, kind and generous; (b) compassion, a leader should consider followers’ suffering as his or her own, and try to help them liberate from all kinds of physical and mental suffering; (c) sympathetic joy, a leader should be free from jealousy, and be delighted when followers are successful, or receive popularity or promotion; and (d) equanimity, poise and fairness, a leader should be free from bias and prejudice, be calm and be adhered to the justness and fairness. Buddhadhasa Bikkhu (1957) described that the merit principles leading to success in all activities consist of the following four components: (a) will and aspiration; (b) effort and exertion; (c) thoughtfulness and active thought; and (d) consideration and reasoning.

Cultural Change Development:-
Leaders should understand the work culture of followers and be able to change it to increase more effectiveness in terms of product quality and service quality. Culture is the way we do things around here; it is the collection of overt and covert rules, values, and principles that guide organizational behavior and that have been strongly influenced by history, custom, and practice (Burke, 2001). Corporate culture is a blend of ideas, customs, traditional practices, a company’s values, and shared meanings that help define normal behavior for everyone who works in the company. There are five types of corporate culture which can be presented as follows: a caring climate, a law-and-code climate, a rule climate, and instrumental climate, and an independence climate (William, James and Keith, 1994). A caring climate concerns the good of all the people in the company as a whole. A law-and-code-climate expects people to comply with the law and professional standards over other considerations. A rule climate emphasizes on the rules and regulations of the company. An instrumental climate expects people to do anything to further the company’s interests, regardless of the consequences. An independence climate gives people freedom to be guided by their own personal ethics.

In the age of globalization, accelerating social and technological change requires leaders who do not merely manage change, but use it to gain competitive advantage. When things change, the structure and strategy of organization must be changed to conform to external changes. However, changing things that people in the organization get used to it for long is not an easy way, managers may confront with many resistances from inside and outside. Managers must be able to explain about change that it will lead to betterment and prosperity of organization. If managers do not have sufficient reasons to explain about change, change will be a tough and difficult task to do. Managers should
have enough leadership, clear vision and objective to motivate their people that only change can bring success, growth and prosperity to their organization; without change organization cannot survive and prosper. Philip and Robert (2000) asserted that the organizational change means servicing better and faster the needs of the customer, consumer, or public. Individuals can be trained to move toward a culture of continuous change, but the organization’s way of doing things must also continuously reaffirm this norm of human behavior.

Sirisunhiran, et al. (2012) described that to better manage organizational energies, a strong culture offers a consistent set of implicit understandings that help in dealing with ambiguities of business politics and relationships. It is not only plant and equipment that can rust and deteriorate. Within human systems, values and norms, policies and practices, leadership and technologies can also lag or become obsolete. They may call for planned renewal when the people and their productivity are being undermined by outdated or archaic approaches or processes.

Corporate culture is dynamic, and leaders should not underestimate the adaptive changes necessary for survival. They should understand that the new organizational culture should enable people to spend their lives on something worthwhile that will outlast them, live a life of consequence without stress and undue cultural restraints, preserve for tomorrow what we can use up today, value the work as much as we did the work ethic and accept difference and appreciate similarities. The way people believe, think and behave in organization affects the productivity of organization. People in organization will explicitly represent the mission and strategies of the organization. As success of an organization mainly depends on corporate culture, thus, changing corporate culture should come together with changing organizational strategies (Michael, Courtland and John, 1999).

In the past, organizations had a close relationship with customers through face to face and personal touch. But, in the present, things change very quickly, the organizations use new technologies to communicate and disseminate the information to customers quickly and efficiently without personal touch. A decision making to do a business among each other is mainly based on a good reputation of each side. An online communication through internet and website plays an important role in business transaction of all organizations. The leaders of the organization and employees must learn how to use these new advance technologies to gain the advantages over competitors. The organizations may spend much money for training employees in technical skill and communicative skill.

Work culture must be changed to respond to current situations that customers hope for high quality products and rush service. The paradox of change is that it is inevitable and constant. It seems to have only two choices in the matter of change. We can direct the change or we can let change direct us. When change directs us, we are resistant, mad, not open to new ideas; we block our own growth, but probably out of innocence. We honestly do not know how to use change effectively. But, when we direct change, we will be able to be well prepared, and make a good plan to make change gradually. So, let change yourself at your discretion for your own prosperity and growth before the unavoidable situation forces you to change (Michael, Courtland and John, 1999). Organizations of the future will be excellent to the extent that maximize their human energy assets, and minimize their human energy losses. They must be able to capitalize on ad hoc, unstructured relationships among people, to cope effectively with uncertainty and accelerating change, and to cooperate in multicultural environments (Hessenbein, Goldsmith and Beckhard, 2001). New technologies are one of the most important factors for the success of each organization. The organization that neglects using these new technologies cannot compete in the global market (Pringpuangkaew, 1999).

**Strategic Development:**

Strategic development is a positioning of the organization in its competitive environment and then formulating and implementing strategy. Managers must develop and maintain a keen understanding of the environment, in which their organization operates, from general economic conditions to the specific actions of competitors. If managers ignore or misjudge an important component of the organizational environment, any number of problems can result. Managing an organization’s strategies includes analyzing environment, setting goals and objectives, and formulating and implementing strategies. When these multiple strategic processes are effectively integrated and managed, an organization is well positioned for long-term survival and prosperous operations.

In order to survive and to prosper, organizations need to manage their strategies, structure, and behavior carefully. Channuwong (2014) described that success of an organization is based on the good understanding of organizational environment and culture, marketing strategy, assessment of market trends, and analysis of competitors as well as social responsibility and social reward.
Leaders should understand the current environments surrounding their business situations. They should be able to think outside the box, predict the future outcomes precisely, and be able to develop appropriate strategies that are responsive to the situational changes. Strategy is about choice, which affects outcomes. In situation of the world today, the leaders must find the ways of success that fit their organizations. Although there is no one best strategy for using in all organizations, but finding the fit one is the leaders’ duty and responsibility. Phillip and Robert (2000) stated that there must be a fit between people and their organizational culture if synergy is to occur, effective global leaders will direct more effort toward promoting that match.

Since change is constant and unavoidable, coping with change appropriately becomes the most important role of modern leaders. Leaders can cope with change effectively by means of farsightedness, strategic planning and development. One strategy is to carefully recruit and select knowledgeable and skillful personnel who are comfortable to work in the company, and then acculturate them to a strong culture. Another strategy is to adapt the organization to its people, especially in terms of a particular place or time.

Effective leaders must be able to anticipate resistance, diagnose it, and then manage it, or incorporate it into the system. The global managers should be sources of innovation, and skillful in managing change. Their revision might include a goal of learning to be knowledgeable and comfortable as possible wherever they are located. Within an organization, the initial concern would be to examine the change possibilities in ten categories:
1. Structure: the system of authority, communication, roles, and work flow.
2. Vision: clear direction, leading to go through for the same purposes.
3. Strategy: a plan of action designed to reach a particular goal.
4. Leadership: ability to motivate and lead people in organization
5. Technology: problem solving mechanisms, tools, and computers.
6. Tasks: activities accomplished, such as manufacturing, research, and service.
7. Processes: techniques, simulations, methods, such as development information systems.
8. Environment: internal or external atmosphere.
9. People: personnel or human resources involved; put the right man on the right job.
10. Culture: the way we do, act, and perform to offer better service and quality (William, James and Susan, 2001).

By practicing skill in planned change, leaders not only facilitate people’s preparation and acceptance of change, but also reduce stress and energy waste. Maximum two-way communications about the proposed change can create the necessary readiness for its eventual implementation and defuse the negative impact of sudden changes. While proposing innovations, leaders can endeavor to reduce the uncomfortable threat of those involved. Thus, negative reactions like apathy or sabotage, protest or revolt can be minimized. Helping people become open to change and realize its benefits will facilitate change to become a much easier, more graceful process. And finally, change doesn’t have to be painful (Louis and David, 1993).

**Discussions and Conclusions:**
Leaders need to understand and analyze the impact of culture on organizations. Furthermore, they should lead in influencing cultural change within their institutions. When a group of people formulates an organization, its culture reflects that of the larger community, and impacts behavior both within and without enterprise (William, James and Susan, 2001). The human and material energy exchanged through the organization is affected by culture, which may foster or undermine productivity and profits. Organizational culture may motivate or obstruct high performance (Burke, 2001).

The sustainability of organizations depends on the characteristics of leaders; leaders must adhere to the virtue and ethics, be honest and apply ethics in development. Leaders must have good leadership characteristics, sacrifice and dedicate time for organization; they should understand the ways of life, and be able to analyze the weakness and strength of community.

Quality development is one of the most important factors which can guarantee the sustainable growth of an organization. Quality becomes a symbol of good reputation and credibility of an organization. Customers are satisfied with the high quality products and services. Thus, quality is one of the most influencing indicators of customer satisfaction and loyalty. Merit is a symbol of human value. Leaders should be adherent to merit, virtue and ethics. In Buddhism, merit is considered as righteousness, which everyone should sacrifice his or her wealth, organ
and even life for the sake of maintaining the righteousness. Leaders should focus on the principle of the four noble truths which places great emphasis on investigating the causes and factors of situations, and using reasoning wisdom to solve each problem according to its causes and factors. Leaders should be able to analyze the current situations, think outside the box and be able to predict the future outcomes. Additionally, they need to develop appropriate strategies that are responsive to the situational changes.

Today’s managers operate in a global environment that has changed more rapidly and extensively than any other period in human history. In order to survive and prosper, leaders so not only need new skills for coping with change, but must learn to build an environment that is open to dynamic change within their systems, as well as within the life-styles of their colleagues and themselves. Although the outlooks on change and the roles of leaders are culturally conditioned, leaders should realize that the new work culture worldwide requires them not only to be open to change, but also to build it into work environments and social systems. Thus, we must stay relevant in meeting human needs by creating new markets, processes, products, and services as well as maintaining employee satisfaction and loyalty (Bass, 1985).

Change is constant; nothing is going without change. Therefore, learning how to cope with change effectively is what the Buddha taught. The benefit of change is that we have an opportunity to make situations better, rather than to adhere to the old tradition which may be obsolete and out of date any time in this competitive age. Therefore, the global managers should be a source of innovation, and be skillful in managing change.

Leaders need to understand the general systems theory, which explains that all living organisms or systems interact with, and are affected by other forces in their host environments. The key to survival is the ability to adapt to be responsive to the changing conditions in the environment. For modern business corporation, systematic thinking provides a powerful tool to help managers appreciate the relationships between their companies and the rest of the world (William, James and Keith, 1994).

In the Buddhist concept, nothing can last forever; everything happens, exists at one moment and comes to an end. Change is constant and is expected to happen anytime and anywhere. It is the same as corporate culture and strategies that need to be changed from time to time. When the world and situations change quickly, organizational cultures and strategies need to be changed in order to cope with changing situations for the success, survival and prosperity of organizations in the age of competition. In this regard, leaders play a key role in changing organizational cultures and strategies for sustainable development of organization.

References: