Organizational Success

Running head: PLANNING & LEADERSHIP LEAD TO ORGANIZATION SUCCESS

Long Term Strategic Planning Creates Higher Team and Organizational Success Through Optimistic Leadership and Inclusion of Diversity

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Successful organizations have been linked to long-term strategic planning, transformational leadership, and diversity. This study illustrates the increasing evidence supporting the importance of adapting effective planning and structures that will lead to a higher performance and organizational success. Strategic planning is the most creative aspect of leadership; it has an important impact on organizational performance and it helps leaders run their business effectively and efficiently. Implementing a proper strategic plan will help leaders in any organization to make the right decision in a rapidly changing environment and increase team alignment to achieve common goals. Transformational leadership style is about implementing new ideas and developing others in a diverse team to bring out creativity and innovation and to reduce employee turnover in order to improve productivity of the organization. Following an extensive literature review, the study determines that long-term strategic planning process, leadership performance, and diversity are the key elements in the organization’s success. The methodology of the study indicates the effectiveness of the Organizational Performance and Change Model in outlining the implementation of transformational leadership and its positive effects on the external and internal environments of the organization. Overall, the study contributes a greater understanding of how long term strategic planning and effective decision making, along with positive leadership styles and skills, are key factors in creating higher organizational success comprised of team building and diversity.
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DEDICATION

To all Libyans fighting for freedom, and the martyrs who died for the same cause.
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CHAPTER 1: INTRODUCTION

Organizations begin, grow, flourish, weaken, and ultimately pass on; few last unendingly; none remain unchanged (Cribbin, 1981). Leaders must be aware of their organizational life cycle and identity in order for them to succeed in the competitive environment. Most leaders believe that a successful organization is a combination of several components like the size, goal, culture, technology, and the environment. Moreover, a successful organization is a highly focused group that developed a deep understanding of the structure and culture. Leaders need to recognize the importance of building a diverse work environment based on a variety of backgrounds, experiences, and knowledge, which can in-turn enhance the level of creativity and develop overall effectiveness and productivity. Organizational success today requires effective strategic planning to enable the firm to meet the desired objectives and common goals. Long-term planning has been high on the hit parade at leaders’ meetings and conferences recently, and as a technique it promises to be the next addition to the formula for progressive leaders (Wrapp, 1964, p. 147). The researcher for this study found that long-term strategic planning forces leaders to think about what can be done now to steer the organization towards desired successes in the future.

Statement of the Problem

Many organizational leaders think of their business as a system of short-term profit and they organize it to serve a particular need or purpose, and when the need or purpose is served, the organization will eventually disappear (Ewing, 1998, p. 42). There are many businesses that run on this path. Adapting a short-term strategic plan leads the organization to die early, increases employee turnover, creates a lack of creativity, and wastes resources. The concern of adapting a short-term strategy is that the effort of employees and leaders would slow down and they will
lose their focus on the organization's vision and goals, especially after a year of establishing their business because the vision and objectives are set for a short period of time.

Purpose of the Study

The purpose of this study is to consider the importance of business planning and decision-making to see what kinds of plans and techniques may be applicable in any organization. Based on existing data, this research is done to determine whether long-term strategic planning creates higher team and organizational success through optimistic leadership and inclusion of diversity. The study aims to illustrate how more high-growth companies support long-range planning objectives than do low-growth companies that support short-term planning. Moreover, this study will depict how long-term strategic planning is based on the development of an organizational plan of action to accomplish a common goal or set of goals within a period of years.

This study will demonstrate how leaders who contribute to developing their organization’s profits must plan wisely and on a long-term basis. Thus, planning will provide a clear statement about where the company is going and how to get there. The more vivid and detailed the vision, mission, and goals are, the more likely the organizational participants will understand and commit to them.

This study will illustrate the benefits of leadership styles in enhancing diversity within the team, and how diversity and teamwork are the main ingredients in successful and effective organizational performance. Also, it portrays how teams that are diverse in terms of age, sex, race, national origin, educational background, level area of expertise, and many other dimensions can lead the organization to more creativity, innovation, better decision-making, and effective problem-solving.
This study will examine how diversity is a fundamental fact in today’s organizations. The study will demonstrate the benefits of adapting diversity in the workplace and how diversity can improve the organization’s performance and the effectiveness of decision-making and problem solving. Furthermore, the study will indicate how the differences in experiences and perspectives may lead team members of the organization to approach problems and decisions from different angles and with different attitudes. The study will show how teams composed of people with diverse backgrounds and characteristics are expected to produce creative ideas, alternatives, and effective solutions. This study aims to show leaders how to build an environment where all members of the organization from all backgrounds are respected and able to reach their full potential, and to help them realize the power of diversity as an effective resource.

Objectives of the Study

Every organization is unique in some way or the other. The only common factor among all organizations is that they employ a group of individuals who work towards a common goal. Leaders who adapt a long-term strategic plan will continue to be innovative and foster creative ideas in the competitive environment and lead their organization to success. Long-term planning is concerned with discovering and adapting business operations to strong patterns, enabling organizations to go farther than they would and to take advantage of their strengths (Pennings, 1983, p. 194). This would help leaders understand the notion of “How fast should the company grow,” and prepare leaders to overcome obstacles in order to convert them into growth. Long-range planning is more than organization and analysis of information; it is a decision-making process. This study sought to help leaders see how the discipline of long-term planning and diverse work environment can increase the lifespan of the organization along with its level of achievement.
Questions that many leaders ask are (a) Why should leaders consider long-range planning? (b) What are the requirements to adapt a long-range plan for the organization system? (c) What do leaders have to do today if they want to be some place higher in the future? (d) How can long-range planning be organized? (e) How can a diverse work environment be utilized to bring innovation to the organization? The answers to these questions bring about the main picture of this study.

If leaders understood that long-term planning plays a vital role within the organization’s success, they would be able to improve their leadership performance and increase the organizations’ productivity and reduce risks. Without an effective planning process and a lack of concentration on the leadership style, the organization will lose its vision and identity and faulty decisions will be made.

*Definition of Terms*

The following terms are related to long-term planning, transformational leaders, and successful organizations and are referred to throughout this research paper.

*Culture.* A continuum attitude, behaviors, and thoughts that help individuals and organizations analyze areas where they are competent and areas where they can grow in terms of understanding diverse people and backgrounds (Koen, 2009, p. 17).

*Diversity.* Refers to the concept that all people have differences in the way they were taught, environment, history, culture, ethnic background, beliefs, and behaviors. Although people have these different life experiences one is not better or worse than another. Diversity is the comprehending, understanding, and working with those differences as well as sameness (Koen, 2009, p. 17).
**Decision-making.** A process that includes defining problems, gathering information, generating alternatives, and choosing a course of action (Hellriegel, Jackson & Slocum, 2005, p. 208).

**Diversity climate.** Refers to “employees' shared perceptions of the policies, practices, and procedures that implicitly and explicitly communicate the extent to which fostering and maintaining diversity and eliminating discrimination is a priority in the organization” (Dipboye, Colella, 2005, p. 99).

**Environment.** A framework conceived as an open system composed of external forces in some interconnected spatial arrangement with which the organization must interact in arriving at a satisfying choice in the open decision-making process (Woodruff & Thomas, 1999, p. 11).

**Leadership.** The ability to guide and influence the behavior of others (Leonard & Hilgert, 2004, p. 416).

**Long-range planning.** Requires predicting future changes, recognizing all negative elements, and thinking like a client or customer would (Hopson, 2011).

**Organization.** Refers to any any group structured by managements to carry out designated functions and accomplish certain objectives (Leonard & Hilgert, 2004, p. 243).

**Organizational Climate.** The set of properties of the workplace environment and people’s perceptions and attitudes about the organization that are perceived directly or indirectly by the employees who work there, and that influenced their behavior (Ivancevich, Konopaske, and Matteson, 2007).

**Organizational Goals.** The result that managers and others have selected and are committed to achieving for the long-term survival and growth of the firm (Hellriegel, Jackson & Slocum, 2005, p.181).
Organization Success. It is when employees are truly given top-priority attention by their managers and supervisors (Leonard & Hilgert, 2004, p. 157).

Plan. A process that describe he basic idea that is the foundation for the start-up and outlines how that idea can be turned into reality (Hellriegel, Jackson & Slocum, 2005, p.136).

Team Building. A process that develops the ability of team members to collaborate effectively so they can perform the tasks assigned to them (Hellriegel, Jackson & Slocum, 2005 p. 339).

Transformational leadership. Leaders who motivate, inspire, and guide individuals to do more than they ever thought possible beyond their own self-interest for the good of the organization and convince followers to take action for the collective good of the group; and their vision helps followers satisfy higher order needs (Hughes, Ginnett, & Currhy, 2007, p. 411).

Vision. Where energy may be utilized to create movement toward the organization and articulate the desired future and it is what brings people together (Reardon, 2002, p. 72).

Organization of the Remainder of the Study

This research dissertation is organized in four chapters. Chapter two provides a review of the literature on the influential factors related to organizational success. The literature review identifies each of the individual influential factors including long-term planning, diversity, and leadership. Each of these elements are analyzed and built according to the relationship each contains towards organizational achievement.

Chapter three reviews the methodology for this research study using the organizational performance and change model by Burke and Litwin (2007). In this model, leadership, mission, and organizational culture act as the fundamental roots to transforming the internal and external
environments. Chapter four concludes this research paper. A brief summary of the results is presented first and is followed by a more detailed conclusion.
CHAPTER 2: LITERATURE REVIEW

A successful organization is highly focused and has developed a deep understanding of its customers’ needs, its competitive environment, and its economic realities (Bera, 2009). Long-term strategic planning creates higher organizational success through optimistic leadership attitudes. Optimism is a very important quality that anyone can develop to achieve greater success as a leader. Steiner indicated, “Optimistic leaders are capable to positively impact situations, even ones that appear negative, and able to see the positive aspects of any situation and enable to capitalize on each possibility” (1999, p. 38).

Leaders of an organization are key to the growth and sustainability of their business (Steiner, 1979, p. 4). Effective leaders who set long-range strategic planning and are passionate and enthusiastic can rally employees around common goals. It is easy for employees to get excited about the work to be done when an energetic and optimistic leader is showing the way. Leadership is about creating vision and inspiring and encouraging individuals to change and getting others involved in building and supporting the process.

Strategic planning guides and transforms organizations to reach their objectives. Through effective strategic planning, leaders will be able to develop a process for putting organizational vision, mission, and goals into action. A strategy is a long-term plan of action designed to attain particular goals (Steiner, 1979, p. 12). The strategic plan plays an important role in carrying out the organizational objectives and achieving the desired long-term results. Moreover, leaders and managers must make sure that everyone in the organization is on the same page regarding the future of the organization.
Strategic Planning Process

In today's highly competitive business environment, organizations must adapt to changes in order to survive and succeed. Profit-based and short-term planning methods are not enough for any organization to progress and flourish (Hayes, 2007, p. 59). Organizations yearning for further success should utilize strategic planning that defines their vision and mission in a clear manner. In addition, the internal and external environments should be evaluated in the process of implementing the strategic plan.

Strategic planning is a continuous and systematic process of envisioning a desired future and translating this vision into goals and objectives to achieve (Fairholm, 2010). It is used to help any organization focus its resources and energy to ensure that its members are working toward the same goals, and to assess and adjust the organization’s direction in response to a changing environment. This study aims to demonstrate that strategic planning includes a long-range planning system and a decision-making process.

In setting strategy, leaders and managers need to have an overall vision or overall goal. Reardon (2001) indicated that Alfred Adler illustrated that motivation and human organisms are motivated when there is a set goal. Without a goal, the organism will cease. Therefore, humans have to keep their goals focused and clear and have the motivation to reach them.

The key to success of any organization is having a long-term planning strategy that requires involvement of a number of steps that identify the current status of the organization, including its mission, vision for the future, operating values, needs (strengths, weaknesses, opportunities, and threats), goals, prioritized actions and strategies, and action plans (Ewing, 1998, p. 21). Long range planning is that style of thinking and preparation which first focuses on
what the business should be in the future. This study indicates that having a system of long-term strategic planning would help leaders to evaluate and determine the point where the business is presently at, and then systematically concentrate resources and processes to reach that predefined future.

Long-term planning assumes that an organization must be responsive to a dynamic, changing environment, and stresses the importance of making decisions that will ensure the organization's ability to successfully respond to those changes in the future (Reading, 2002, p.7-9). Long-range planning is a cause and a result of some of the great forces that are transforming businesses today.

This study found that most of American businesses concentrate on a short-term plan where the business is organized to obtain a given need or serve a specific purpose, and the business eventually dies as the need or purpose are met. On the other hand, Rendleman’s (2009) theory indicates that long-range planning in China has certainly helped to maintain and increase its economic growth. Therefore, bringing change to the strategic plan will play a vital role in the long-term development and success of the organization as well as a dramatic increase in its lifespan.

Ewing (1998, p. 31) theorized that long-range planning is the activity in an organization which sets long-term goals for the firm and then proceeds to formulate specific plans for attaining these goals. Long-range planning enables an organization to go farther than it would otherwise hope to in taking advantage of its strengths. Without planning, organizations become dysfunctional and any decision taken will have no meaning as very little planning was done in the process of making that decision.
The purpose of long-range strategic planning is to run the business effectively and efficiently so that businesses know where they are going. It is all about setting directions for the business to which everybody can become committed. Steiner (1979) outlined three benefits of the strategic planning as follows:

- An understanding by all management of the organization, its unique attributes and the opportunities and threats it faces.
- A clear concept of where the business is going and the actions everyone will take to move it there.
- A commitment by the leadership team to make the strategic plan work and to ensure that the company moves in the direction they have decided is the best for its future.

Today, the pace of change in business and technology has increased considerably. Therefore, the conclusion of this study is to recommend that long-range planning should be done annually to help leaders measure their organization’s goals and see how the business operates against their changing environment and their competition. Most businesses which can anticipate and adapt to changes early remain successful, while those that do not or will not foresee and adapt to changes see their sales and market shares dwindle (Morello, 2006).

Planning is more than brainstorming of ideas; it is about analyzing the external factors such as the market, the competition, the customers and trends that may deeply affect the organizational structure and decision-making. Organizations need to identify how the market will change in the next few years and where the business desires to be in that market in order to clarify the organizational vision and common goal. Overall, long-range planning is a crucial element utilized by successful and creative leaders, and it gives them an enormous advantage in flourishing and surpassing their competition over the long run.
**Decision making.** Strategic planning can’t have a strong impact if it doesn’t drive the decision-making process (Mankins & Steele, 2007). Every achieved success is the outcome of a decision that an individual or team made. The decision-making process in any organization entails an effective application of a strategic plan that guides leaders to attain their vision, mission, and the common goals. Winthrop (2007) illustrated that having a fixed decision making plan will help leaders in any organization to make the right choices in a rapidly changing world and increase team alignment behind new initiatives. Winthrop also indicated that decision making is the process of sufficiently reducing uncertainty and doubt about alternatives to allow a reasonable choice to be made from among them. Decision making based on certainty and factual information is essential for a full outlook on all the possible options and a wide array of alternative choices to decide from.

“A decision maker is pushed to make a decision by a higher authority” (Quanyu, Leonard, and Tong, 1997, p.71). One of the most important decision makers in China was Mao Zedong, former leader of the Communist party of China. Zedong once said, “Our principle is that the party directs guns, and never allow guns to direct the party” (Quanyu, Leonard, and Tong, 1997, p. 73). During times of political instability in China when Zedong was discreetly opposed by the people, his policy was to make decisions that would force the people to obey his rule. His way of decision making is reflected by today’s China where the economy and business world is controlled by a strong authoritarian government.

Good decision making depends on assigning clear and specific roles to all team members. The decision making process can be a burden on most organizations because of the variety of perspectives and backgrounds that can make it difficult for them to agree. Rogers & Blenko
Illustrated that RAPID is one of the greatest tools used to analyze decision making that give leaders a method for assigning roles and involving the relevant people.

- **Recommend.** People are responsible for making a proposal, gathering input, and providing the right data and analysis to make a sensible decision in a timely fashion. Recommenders must have analytical skills, common sense, and organizational smarts.

- **Agree.** Individuals in the organization have the veto power yes or no, over the recommendation. If someone can’t agree, those individuals can escalate the issue to the person who has the decision.

- **Perform.** Once the decision is made, a person or group of people will be responsible for executing it. People responsible for implementing the decision into action are the same people who recommended it.

- **Input.** People who provide input are typically involved in implementation; recommenders have a strong interest in taking their advice seriously. If the right people are not involved and motivated, the decision is far more likely to falter during execution.

- **Decide.** The individual with the decision is ultimately accountable for the decision, for better or worse, and has the authority to resolve any gridlock in the decision-making process and to commit the organization to action.

Rogers and Blenko (2007) stated that high-performing organizations have the ability to make good decisions and to make them happen quickly. The companies that succeed tend to follow a few clear principles in making smart decisions. Rogers and Blenko (2007) also indicated that in order for any organization to succeed in making effective decisions, it must be able do the following:
• **Action is the goal.** Good decision-making doesn’t end with a decision; it ends with implementation. The objective shouldn’t be consensus within those in charge, which often becomes an obstacle to action.

• **Decision roles trump the organizational chart.** No decision-making structure will be perfect for every decision. The key to making successful decisions is to involve the right people at the right level in the right part of the organization at the right time.

• **Speed and adaptability are crucial.** A company that makes good decisions quickly has a higher metabolism, which allows it to act on opportunities and overcome obstacles. The best decision makers create an environment where people in the organization can come together quickly and efficiently to make the most important decisions.

  Sociologist Peter Blau’s (2005) decision-making theory is a solid measure of who is involved in the formulation of decision: Leaders should make decisions autocratically when there’s a need to be time-effective, leaders should make decisions in consultation with team members since subordinates are more committed to a decision if they participate in its formulation, and leaders should make decisions with team members fully participating when complex and ambiguous tasks require more information and consultation for reaching high-quality decisions.

**Leadership Performance**

A pivotal element of organizational development is the leadership style. In today’s business environment, most leaders think about the best way to increase revenues, manage employees, or gain market share from the competitors. Leaders must contribute to the organization’s values that encourage the entire organization to operate with integrity (Hughes, Ginnett, & Currhy, 2006, p. 65). Positive professional leadership provides a foundation for the
success of any organization’s services or products. Leaders must clearly understand the mission, goals, and objectives, translate them into team tasks, and influence others to achieve the common goals.

Yaverbaum and Sherman (2008) behavioral leadership theory stated that leaders are made, not born. Instead, leadership is a matter of proper behavior. This theory represents the first time people began to see leading as something that could be acquired or learned, and not as a trait they are born with (Yaverbaum & Sherman, 2008, p. 219).

Positive leadership styles. Leadership performance mainly depends on positive leadership styles and skills. Leadership style is based on the manner decisions are made, guidance is delivered, and followers are engaged. Wertheim’s (2003) idea of leadership style indicated that the most effective managing will depend on the manager's personal preference, the category of work performed by employees, the knowledge, skill, and motivation of the employees. Leadership styles depend on the culture and type of organization. Bushman (2009) illustrated that the style that leaders use should be based on a combination of their beliefs, values, and preference, as well as the organizational culture and norms.

Success leaders possess a combination of authoritarian, participative, delegative, transformational, and transactional leadership styles. Authoritarian leaders are known for being clear and to the point about their expectations for what tasks they want completed, when they should be completed, and how they should be completed. Authoritarian leaders make decisions independently with little or no input from the rest of the group (Cherry, 2009). That means there is little interaction between the leader and followers. However, authoritarian leadership is usually applied when groups lack the time to make decisions together, and when there is little need for the lack of expertise and knowledge of the followers.
Participative or democratic leadership is considered one of the most compelling styles. Democratic leaders offer guidance to group members, but they also participate in the group and allow input from other group members (Cherry, 2009). Participative leaders encourage group members to participate with their ideas and opinions, but retain the final say over the decision-making process (Cherry, 2009). Individuals in the organization will feel engaged and involved in the planning and decision-making process and are more motivated and inspired by the positive leadership style.

Democratic leaders value all perspectives and involve followers in nearly every decision being made by the organization. The participative leader builds flexibility and responsibility and can help identify new ways to do things with bright ideas (Sharlow, 2007). This style relies on participation and teamwork to reach collaborative decisions and increase job satisfaction by including team members in what is going on. Bushman (2009) indicated that the participative leadership style promotes employee commitment and increases employee morale, because employees have an active part in the decision-making process, which gives them a feeling of importance and worth. Overall, participative leaders focus on creating strong relationships between all the different divisions of the organization.

A delegative leader is one who authorizes followers to take on important responsibilities and entrusts their ability in making and implementing decisions. This style is used by leaders who want or need to allow employees to share the responsibility of making the final decision. However, the leader is still responsible for the decisions that are made (Bushman, 2009). Delegative leadership is an effective style where followers are competent and motivated to take full responsibility for their work; in other words, the delegative leader does not enter into the team’s deliberations unless explicitly asked, but behind the scenes plays an important role,
providing needed resources and encouragement (Hellriegel, Jackson, and Slocum, 2005, p. 429). This style shows follower that the leader trusts them, which improves their morale and creates a mutual relationship based on trust.

Transformational leadership is about implementing new ideas. Leaders continually change themselves, stay flexible, adaptable, and continually improve those around them (Johannsen, 2004). Transformational leadership style is based on the fact that people will follow a leader who inspires them. This style of leadership is very powerful in that it entails a large amount of enthusiasm, energy, concern where the leader strives for success and cares about the performance of all employees. Transformational leaders inspire others with their vision and promote this vision over opposition and demonstrate confidence in themselves and their views (Hellriegel, Jackson & Slocum, 2005).

Transformational leaders are energetic, enthusiastic, and passionate individuals who strive horizontally. This type of style is focused on helping the whole group to succeed. Transformational Leadership starts with the development of a vision, a view of the future that will excite and convert potential followers (Cherry, 2009). That means transformational leaders drive followers to positive changes as their focus is on guiding members of the team to succeed and exceed expectations. In contrast, transactional leadership is based on the notion that followers are motivated through a framework of reward and punishment where leaders have the quality of consistent reinforcement of the certain actions the followers take (Transactional leadership, 2007).

Leadership skills. In order for a leader to be successful there are certain qualities that need to be acquired. According to Adair (1997) the most important qualities of leadership are as follows:
- **Integrity.** This is the quality that makes people trust you and trust is essential in both professional and private relationship. Integrity is personal wholeness and adherence to the values outside oneself, especially goodness and truth.

- **Toughness.** Leaders are usually demanding people because their standards are high. They are resilient and aim to be respected.

- **Fairness.** Effective leaders treat individuals differently but equally. They do not have favorites and are impartial in giving rewards and penalties for performance.

- **Confidence.** Developing confidence is always the preliminary to becoming a leader. It displays to the employees that the leader knows exactly what each individual is supposed to be doing.

- **Humility.** It is an odd but characteristic quality of the very best leaders. The signs of a good leader are a willingness to listen and a lack of arrogance.

It is very rare that Adolf Hitler is thought of in a positive way. However, when it comes to leadership, Hitler is a good example. “There is a useful distinction between a good leader and a leader for good,” said Adair (1997). Hitler was definitely not a leader for good but he displayed many of the leadership qualities mentioned above. Leadership is influencing a group of people to move towards a common goal.

Hughes, Ginnett, and Curphy (2006) indicated that leadership skills are based on leadership behavior; skills alone do not make leaders, style and behavior do. Hughes, Ginnett, and Curphy illustrated that the skills and behaviors in every organization fall into these major categories: interpersonal skills, intrapersonal skills, goal orientation, and people development. Interpersonal skills comprise of leaders whose competencies and behaviors have to do with adapting to stress, goal orientation, and adhering. Intrapersonal skills comprise of leaders who
are involved with direct interaction, such as communicating and building relationships with others.

Goal-oriented leaders are very focused on the solution rather than the problem. In other words, they focus on the objectives that need to be achieved and use their energies to develop a plan and strategy to achieve these objectives, rather than agonizing and complaining about the problem (Reading, 2002, p. 233). These leaders are good at prioritizing so that the most important and urgent things are done first. The study indicates that goal oriented leaders are very focused on the important objectives that need to be attained and develop a plan and strategy to achieve the objectives.

One of the main skills of a good leader is the ability to develop others in the team by training, coaching or teaching, as no one can achieve an organization’s goals on their own. Thus good leaders build strong followers in order to create a stronger team and organization. They achieve this by being keen observers of human behavior, so that they learn about the strengths and weaknesses of different members of their team, and gain a deeper understanding of team dynamics. They then use their communication skills to empathize with each of the team members and build relationships with all of them.

Organizational Success

There are many elements that drive organizational success. Success of an organization is perceived differently by different individuals. When an employee sees his achievement as success, his employer might see it as nothing but a mere improvement. Almost everyone can agree that teamwork causes an organization to succeed. Most organizations today do not spend time and effort on building an effective team, something that is very hurtful to any business.
Teamwork, diversity, and diversity management are key ingredients in organizational productivity.

*Team building.* “Coming together is a beginning; keeping together is progress; working together is success.”-*Henry Ford, Founder of Ford Motor Company.*

Successful organizations tend to function with the presence of teams which facilitate the process. Organizations with successful teams have usually developed the same general characteristics. Lee (2010) illustrated that the different characteristics that describe the best teams are indicated by the use of roles, and the displaying of attitudes and behaviors towards their work and towards one another. How the members work together in a group, deal with issues and conflicts, and how they work individually on team assignments are also indicators of a team. Lee (2010) demonstrated several important characteristics of a high-performing team where all members:

1. Share leadership responsibility and rotate other roles as needed.
2. Participate in idea generation, problem solving, and decision-making.
3. Show support, respect, and trust for one another.
4. Take actions and do work that is necessary to reach team goals.
5. Manage conflict by confronting issues and inappropriate behaviors.

Leaders in different organizations talk about building the team, working as a team, but few leaders understand how to create the experience of team work or how to develop an effective team (Heathfield, 2010). Team members need to help each other work and collaborate towards developing a more effective team work process in order to build their work ethic and skills and strive towards the common goal.
Heathfield (2010) indicated that in order for leaders to have a successful team, leaders must clearly communicate the organization’s expectations. Team members have to be able to identify their team identity through understanding their purpose, capabilities, and objectives. Also, leaders have to make sure that each team member understands the commitment level of the organization. That way, members will know what is expected of them from the mission to the goals of the institution. Individual commitment to the team is magnified when the members are excited and challenged for newer opportunities. Most importantly, members will need to be recognized and rewarded for their commitment in order for them to maintain and improve their level of excellence.

Srinivasan (2005) described the sequence of the team evolution, which is the most notable model for understanding and managing teams. Teams have to go through certain processes before they can settle down and work effectively. Understanding the stages of development of the team is key to successful management by the leaders. The stages as illustrated by Srinivasan (2005) are:

- **Forming.** This is the icebreaker stage when the team members assemble and get together. People are very polite, get acquainted with each other and try to assess their own roles in the team. Uppermost in the minds of the new team members at the formation stage is where and how they fit in with the team. This stage is marked by easy acceptance of each other, avoiding controversies and direction and support from team leader in settling down.

- **Storming.** This stage introduces conflicts and competition as each individual begins to start working on the plan. Interpersonal and communication issues dominate this stage leading to a flare up of conflict and confrontation. The leader needs the most maturity at
this stage of team development, like bringing forth all his networking skills, emotional intelligence and people management abilities in creating the right atmosphere, creating winner relationships between team members and bringing their focus back on team vision and goals.

- **Norming.** As conflicts begin to get resolved, people settle down to more harmonious working relationships. The focus now shifts to common team objectives and performance related issues. This is also the stage where the team leader begins to delegate more effectively; giving the team members a certain level of autonomy leads to unleashing the creativity of its members making for a high performing team.

- **Performing.** This is the stage where perfect group identity and peak performances are created. There is independence, interdependence, learning, sharing knowledge, as well as speed and efficiency. A successful team leader continues to manage the team effectively by moderating his team managerial styles according to the stage of development in which the team is passing through.

Organizations must provide much training effort prior to obtaining an efficient and effective team. Team building utilizes self-directed groups to improve the operation and to control the team work. Effective team building can be the most efficient way to heighten member morale, to enhance employee retention, and increase overall company profitability.

**Diversity and diversity management.** Diversity in organizations may refer to any perceived differences among people’s age, race, religion, functional specialty, profession, sexual orientation, geographic origin, lifestyle, and any other major differences between them (Mondy & Noe, 2005). Diversity is a very essential element within any organization as it helps
employees easily engage and interact regardless of their differences. Employee engagement promotes productivity and improvement and leads to success.

Humans are multi-talented beings, each one of them carrying different variations of needs and wants (Smith, 2006). Employees have a need to connect with their co-workers because they are social creatures, and the lack of this motivation can have serious affects on the organizational success. Connecting with the employees and allowing them to understand that they are a valuable part of the company would increase their performance and allow the organization to flourish much faster.

When it comes to diversity, being different does not necessarily mean that one is right and the other is wrong, or that one is qualified and the other is not. Being different only adds another viewpoint to a condition. Diversity is meant to be used to add values of individual differences in a way that would meet the needs of the organization. Diverse individuals must be heard within an organization as their voices will improve problem solving and lead to a more well-rounded organization.

Diversity management is ensuring that factors are in place to provide for and encourage the continued development of a diverse workforce by melding together these actual and perceived differences among workers in order to achieve maximum productivity (Mondy & Noe, 2005, p. 56). Diversity management entails the development of a warm organizational environment that enhances employee performance. However, it is crucial that leaders of the organization promote and preserve workplace diversity and engrain it within the organization’s system.

Diverse organizations foster a culture that values individual differences and their varied skills and contributions. Mondy and Noe (2006, p. 53) indicated that cohesion between diverse
individuals would add on beneficial ways to the organization. A shared vision within any organization helps to keep all team members focused on the common goal and enhance their overall motivation and performance.

Overall, an organization is considered effective only when both quantitative and qualitative means are recognized. Quantitative measures are ones of actions strongly connected to each other to achieve important goals, while qualitative measures are apparent in the organization’s sense of values, purpose, objectives, and vision (Mondy & Noe, 2006, p. 76). Strategic thinking and leadership take place in the qualitative level where it is hard to link the organizational soul to a body that is rightly fit together by organizational managers and planners. Such recognition of different perspectives of strategy is essential for managers who have to deal with managing resources and delivering services.

An understanding of managing diversity is essential to the success of any organization. In order to do so, one must recognize and accept others’ differences as valuable additions to any organizational system. Managers are mainly concerned with achieving high levels of performance, but they must comprehend that generating a cultural power among the employees will enhance performance as well as overall profits. Managing diversity primarily focuses on the abilities of the employees to contribute to the organizational goals.

Summary

The purpose of the literature review was to articulate the importance of long-term strategic planning and effective decision-making. In addition, it outlined how positive leadership styles and skills are key factors in creating a higher organizational success comprised of team building and diversity. As the literature review suggested, implementing an effective team will lead the organization to have a positive performance. This means that leaders have to involve all
team members in creating a strategic framework that begins with a shared vision, mission, and common goals in order to assess new directions and allow the organization to focus its energy and resources on the variety of environmental factors. This chapter illustrated that strategic planning is a creative process that leaders must adapt in their diverse and innovation-driven organization systems in order to make the best decisions not in predicting the future, but in inventing it.
CHAPTER 3: METHODOLOGY

Description of Methodology

This chapter provides an overview of the methodological approach to organizational success. This study decided to use the *Organizational Performance and Change Model* (OPC) as an ideal explanation of how to improve the organizational environment because it provides a clear and simple display of the flow of information between leaders and the whole organizational system, and how leaders play the primary role in spreading their guidance and control over the different elements of the structure of the organization.

The style of leadership is essential to the way an organization is run. Transformational leadership style is based on optimism and openness to ideas of change coming from followers. This type of leader is known for creating a diverse team that works on a shared vision and works towards a common organizational goal. The organizational culture opens the door for further and more profound interactions between members of the organization, which involves them in the decision-making process, brings out their creativity, and leads to an exchange of diverse perspectives. In turn, the climate of the organization becomes warmer as the environment fosters deeper connections between members.

This study aims to present the *Organizational Performance and Change Model* (OPC) as a groundbreaking notion where leaders can identify all the organizational elements and create effective communication loops throughout the organization. Moreover, the OPC model will create a practical guide for leaders to obtain a common goal and improve the overall organizational performance.
The Organizational Performance and Change Model (OPC)

The model to be utilized is the Burke-Litwin model of individual and organizational performance, which is developed by Warner Burke & George Litwin (Hayes, 2007, p. 125). This model shows how an organization’s performance is affected by the internal and external factors of any organization. Moreover, it creates a guideline for leaders to assess the current structure of the organization and create their strategic plan for the future. This model illustrated how all the organizational components should be connected to achieve a positive change within the organization’s environment.

Figure 1: The Burke-Litwin Model of Organizational Performance and Change.

This model illustrates five inter-related elements as an open-system process in which the inputs are represented by the external environment of the organization at the top of the figure, and the outputs by the individual and organizational performance element at the bottom (Hayes, 2007, p.123). This model helps leaders build a clear picture of the organization as a whole, and creates effective feedback loops that go in both directions: the organization's performance affects its external environment and the external environment affects performance. Strategy and culture in this model reflect the aspects of the whole organizational system and identify the relationships between the organizational climate and its culture.

The Burke-Litwin model is a simple and useful tool that the researcher of this study recommended to help leaders focus their attention simultaneously on both the internal and external environment to add values and to achieve a long-term strategic advantage for their firm (Hayes, 2007, p.125). Moreover, this model can help leaders focus most of their attention on what needs to be done internally to ensure that the organization maintains its high performance and be able to adapt to external changes easier. Long-term strategic planning is influenced by the organization’s ability to respond to internal and external changes in the environment and promote effective and positive behavior.

In terms of the Burke-Litwin model, the main focus is on providing a dynamic guide for organizational leaders to plan, develop, analyze, and implement effective organizational strategy and positive performance. Furthermore, it emphasizes a strong communication cycle within all components of the organization.

Transformational Leadership

Transformational leaders are capable of creating an organization of empowered employees whose focus is centered on attaining the common goals and objectives. Hayes (2007,
illustrated that transformational leadership involves identifying and removing obstacles that may stop individuals acting to implement the vision. The role of leadership is to create a shared vision, align relationships around that vision, and inspire others to achieve it. Leaders should encourage individuals to act positively by creating an environment where people feel like they are safe, significant, and that they belong to the organization in which members are confident of their role and ability to maintain coherent performance.

The Organizational Performance and Change Model (OPC) was designed to help leaders develop a greater level of awareness on how their organizational system functions. This model focuses on creating a positive organizational climate that impacts the overall organizational culture and strategy, encourages an effective feedback loop, and involves others in the decision-making process. Transformational leaders are more concerned with motivating, inspiring, and energizing others to overcome the inevitable barriers to the changing environment (Hayes, 2007, p. 169). This means that adapting the organizational OPC model will help leaders articulate the organizational vision and recognize and reward successful performance by their accomplished employees.

The OPC model examines how the internal and external factors are affected by organizational culture, mission and strategy, and leadership. The relationship between the leadership aspect of the model and the internal and external environments is a contentious one. Although strong leaders are responsible and can make a difference in their organizational culture and strategy, they must be responsive to their environments and react appropriately to keep the organization in motion.
Creating a multicultural organization challenges organizations to create effective strategies for a positive approach to managing diversity (Cox, 2001, p. 6). The increasing reliance of organizations on teamwork highlights the importance of understanding the implications of diversity for teamwork functioning and effectiveness. Organizations should acquire the benefits of creating an environment that enables all employees to work successfully together to achieve organizational goals (Thompson & Gooler, 1996, p. 392). That means diversity would have a remarkable impact on the functioning and effectiveness of a team performance in many of today’s organizations. Not only does diversity increase the level of creativity and innovation through the wide array of skills, experiences, and perspectives, but also it enhances the team’s ability to analytically solve any problems the organization may face.

Thompson & Gooler (1996, p. 402) illustrated that the impact of diversity among team members may affect the communication processes and cohesiveness in a positive matter. That means diversity can have a positive effect on people’s behavior in the way they interact with one another, which in turn can impact their performance and development. Leaders who increase diversity of a workforce without developing an organizational climate that supports diversity may be associated with more negative work attitudes, higher absenteeism, and turnover (Thompson & Gooler, 1996, p. 405). Diversity in the workforce reflects on the group’s identities which influence people’s viewpoints and perspectives and shape their expectations and behaviors. Moreover, this would motivate members to learn more about each other’s beliefs and lead to new ideas and approaches to solving problems and making better decisions.

The modern work environment has become more diverse in terms of social categories including age, gender, race, ethnicity, educational levels, and skills. Organizations which refer to
employees’ shared perceptions and ideas foster diversity climate and reduce discrimination within the firm. Strategic planning for any successful organization must recognize the benefit and potential of a diverse workplace. Diversity is about the human being’s role in ultimately moving civilization forward to forge alliances that people find beneficial and profitable in navigating the changing world (Graham, 2006, p. 15). Most organizations become stronger by recognizing the advantages of diversity in their workplace. When individuals with different back-grounds work together toward a common goal, the creativity and productivity of any organization would increase.

Organizations that recognize the power that comes from individuals of diverse backgrounds and experiences would help employees to work together toward a common goal (Dwayne, 2008). Diversity in the work environment helps respond to the different needs and expectations of the various groups of employees who bring different resources and perspectives to the organization. Individuals with different ideas and opinions would lead to creating a new process and encourage people to work together and collaborate to achieve the desired result. Organizations that want to grow and be more productive must diversify themselves to meet the changing and growing environments of their market, clients, and community.

Leaders should motivate their employees to bring multiple skills to the work environment, think cross-culturally, and adapt quickly to new situations (Dwayne, 2008). Human diversity leads to different aspects in the decision-making process, values, and outcomes within the organization. Organizations are looking for educated, flexible, and diverse candidates who can think critically and who have an international perspective and background (Dwayne, 2008). Organizations that develop strategic plans to meet their goals must include diversity in different components of their programs and recognize the importance of diversity in their organization.
This inclusion will encourage employees to learn how to respect and work with the variety of differences between them.

Graham (2006, p.16) illustrated that organizations with constructive diversity realize higher levels of motivation, team work, satisfaction, service quality, and sales growth. This means that diversity has a positive impact on creativity, innovation and performance from individuals or teams to organizations. This would help organizations to be more effective and productive. Diversity fosters creativity and offers opportunity to the organizations to adapt quickly to the changing environment and lead to greater team cohesion and innovation. Also, the increase in innovation helps the organization approach a competitive advantage and lead to an increase in revenue and profit. Organizational culture can have a profound impact on the way both leaders and followers behave and perform.

Organizational climate. Organizational climate is a component of organizational culture that influences and is influenced by members’ feelings and needs (Diamond, 1993, p. 62). Organizational climate is one of the most important elements of a great workplace environment where harmony, uniqueness, security, growth, and achievement are flourished. Several studies have found that there is a strong relationship between organizational success and the positive organizational climate. Climate comprises of the philosophy, purpose, values, life-styles, traditions, manners, norms, attitudes, expectations, policies, and rules that saturate the organization and make it different from all others.

Denison (1990) illustrated that an organizational climate that encourages employee involvement and empowerment in decision-making predicts the financial success of the organization. That means warmer organizational climate is a significant factor in the success of any organization. The warmer the organizational environment is, the closer employees will feel
to each other through deeper social interactions. This will create feelings of engagement, relatedness, belonging, significance, collaboration, and a safe environment where individuals feel accepted and respected.

It is important for leaders to realize that they can play an active role in changing an organization’s culture and not just be influenced by it (Hughes, Ginnett, & Curpy, 2006, p. 347). Specifically, leaders must recognize the importance of their organizational climate and how it will open the door for individuals to collaborate, bring new ideas, and involve them in the decision-making process. The basis of organizational climate is how well the members get along and the interactions between one another.

Vision and Mission

“Vision is where energy may be utilized to create movement toward the organization and articulate the desired future and it is what brings people together” (Reardon, 2002, p. 72). Leaders who develop clear vision and mission will be able to easily communicate with followers. Creating a vision will provide a sense of direction where individuals recognize what kind of behavior will be appropriate, helpful, and constructive (Hayes, 2007, p. 259). Leaders who are able to create an effective vision and mission will guide followers to focus their effort on achieving that common goal. In addition, developing a vision will drive positive organizational change and enhance overall performance. The Organization Performance and Change model focuses on helping leaders launch an effective vision and mission and give purpose, direction, and passion to the organization.

The first step in the process is establishing a vision, mission, and objective which describe the organization’s main goal. Adapting a strategic plan will help leaders and followers identify the organization's main focus and where they want to be in the future. Having a vision
and mission will give employees a purpose for acting together in a positive energy toward a common goal (Hughes, Ginnett, & Curphy, 2006, p. 396). Having a vision and mission will help the organization articulate its purpose and desired goals. The OPC model was designed to focus on the organization’s mission and how to improve and enhance the well-being of individuals and the organization through transformation and change.

The Organizational Performance and Change Model draws an effective line between the organizational vision and mission, leadership, and culture, and their relationship to the external and internal environment. In addition, it illustrates how each element plays an important role in the relationship between the decision-making process and how clear vision and mission affect the overall organizational process. Overall, developing a clear vision and mission is a basic strategy that will guide the employees as they work towards realizing the common goal.

Summary

This chapter illustrated the importance for leaders to utilize the Organizational Performance and Change Model (OPC) and how it can be an effective tool in the process of transformation to a successful organization. Leadership, organizational culture, and strategy made up the core of the OPC model, and they act as the link to the external and internal environments. The methodology here described how the OPC model presents the organizational culture as a bond to both the internal and external environments.
CHAPTER 4: SUMMARY AND CONCLUSION

Summary

This study illustrated the importance of long-term strategic planning, transformational leadership, and diversity in increasing the organizational success and profits. Chapter two and three were designed to display an in depth review of the importance of these elements in helping leaders shape and guide their organization effectively. This research was designed to direct and help organizations to understand the benefits of adapting long-term strategic planning with the inclusion of diversity.

Chapter two demonstrated the main purpose of adapting long-term strategic planning and its effect on the overall organizational system. Moreover, it summarized the relationship between leadership style and organizational success. This study illustrated how the decision-making process helps leaders to make the right choice and increases team alignment to achieve desired goals. This study found that leaders who involved team members in the strategic framework, which includes the elements of shared vision, mission, and defined goals, will establish a strong body of competent decision makers whose interactions are based on mutual trust and collaboration.

This study determined that organizational culture is a very powerful construct. Through transformational leadership, most organizations strive to motivate and access the maximum of their diverse workforce to create a positive atmosphere of trust, respect, and personal responsibility. The researcher found that a successful and diverse organization is built on proactive leadership with a clear vision and innovative planning. The study illustrated that the vision should provide a guide for the future of the organization and the vision must be proactive, refer to the future, and be shared with all employees in the organization. Also, the vision reflects
a desire for prosperity and a long-term view for the organization. For example, based on an existing case study, Starbucks is a great example of a diverse workforce where employees celebrate their similarities and differences. By reflecting the people they serve they achieve their personal, corporate, and community goals.

This study illustrated that decision-making is an integral part of the daily leadership process in the organization. Chapter two demonstrated that decision-making is the most important and significant activity where leaders engaged in at any level of the organization and it is what differentiates leaders from others. The researcher of the study recommended using the Blenko (2007) decision-making tool as a simple way to analyze decisions and give leaders a method for assigning roles and involving employees in the decision-making process. Moreover, this study indicated that a successful strategic plan and transformational leadership lead to a high performance organization that has the ability to make good decisions and implement them quickly.

The researcher recommended the use of the *Organizational Performance and Change Model* which examined the relationship between leadership, organizational cultural, strategy, and their effect on the internal and external environmental factors. Furthermore, the researcher viewed the OPC model as an ideal example of how leaders should influence their organization. This study described that diversity in the workplace promotes creativity and innovation and leads the organization to be more flexibility. This study demonstrated that diversity can be a powerful resource for enhancing organizational performance and critical analysis in the decision-making process.
Conclusion

The purpose of this study was to explain how long-term strategic planning and an optimistic leadership style create higher organizational performance through positive decision-making and the inclusion of diversity. The study illustrated how some leadership styles and traits have a more positive impact on organizational success compared to others. The research provided abundant evidence on how long-term strategic planning and diverse workforce lead the organization to remarkable success.

Based on 20 peer reviewed articles and 13 books, the researcher of the study found a useful framework for understanding the powerful effect of leadership behavior on organizational decision-making, performance, and structure. This study demonstrated how transformational leadership is the most essential component for managing change in an organization. The researcher indicated that successful leaders must be able to decide what is to be done and express the requirement of the organization’s vision along with different guidelines on how to go about it. Organizational success is not solely about the profit growth, it is more about building a strong team, having optimistic leadership, and a diverse work environment.

This study illustrated the importance for leaders to implement the Burke-Litwin model of Organizational Performance and Change and how it affects the process and performance of the whole organization. This study explained how leaders play the primary role in connecting the different elements of the structure of the organization and how organizational communication flows between leaders and the whole organizational division. Moreover, the study showed the importance of the OPC model to the internal and external environment and created a framework to guide and assess leaders to achieve positive organizational performance. The researcher of the
study identified how strategy, culture, and leadership interact together to meet the organization’s desired performance and goals.

The researcher’s hypothesis for organizational success supports use of the *Organizational Performance and Change Model*. This model provided an effective and powerful strategy for managing organizational change. Based on existing data, the researcher found that Starbucks used the OPC model to guide the organization through a successful performance and to help leaders create an effective decision-making plan (Zone, 2009). The study also found that Starbucks’ leadership plays the key element of the development of their effective network of communication where the leaders act as the messengers who assure that their message was clearly heard and understood by their followers.

The internal and external environments are essential elements of the OPC model, because of their relation to the leadership, organization culture, and strategy. This study showed how external environment affects the whole organization system where leaders must pay attention to the outside forces. In Starbucks the external environment includes competition, prices, and the availability of resources. These factors provided a dynamic and an effective influence on the organization’s system where leaders are responsible for taking action toward achieving the organizational goals and creating an on-going process. The study illustrated how the elements of the internal environment, including the policies, events, and factors within the organization that influence the employees’ behavior, require a tremendous amount of energy and information flow.

This study concludes that successful organizations are able to align themselves with the external and internal environment and reposition themselves to take advantage of any environmental changes: such as changes in the market, policies, or technologies. The researcher
found that the *Organizational Performance and Change Model* (OPC) and hypothesizes that use of the model will drive organizational success by presenting the same basic elements of leadership and strategic planning: something that illustrates the importance of those factors to the successful performance of every organization.
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