

FACTORS DETERMINING THE NEED FOR DEVELOPMENT OF LEADERSHIP COMPETENCES AND STRENGTHENING OF ORGANIZATIONAL RESILIENCE UNDER CONDITIONS OF UNCERTAINTY

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INTRODUCTION

Under conditions of uncertainty new tasks arise for managers. This requires new competences. Leadership competences are usually based on the experience of accumulated knowledge and changes in the organization's strategy initiated by the environment. However, uncertainty and change are becoming more common. In order to accept them as a natural condition of the business environment, organizations need to learn how to survive, adapt and transform. This requires organizational resilience. It aims to strengthen the ability to thrive in times of difficulty, accepting challenges and recognizing opportunities. Thus, uncertainty initiates the development of leadership competencies and, at the same time, the strengthening of organizational resilience.

The problem: it is not clear what common factors determine the need for the development of leadership competencies (LC) and the strengthening of organizational resilience (OR) under conditions of uncertainty.

The aim of research – to identify the factors determining the need for the development of leadership competencies (LC) and strengthening of organizational resilience (OR).

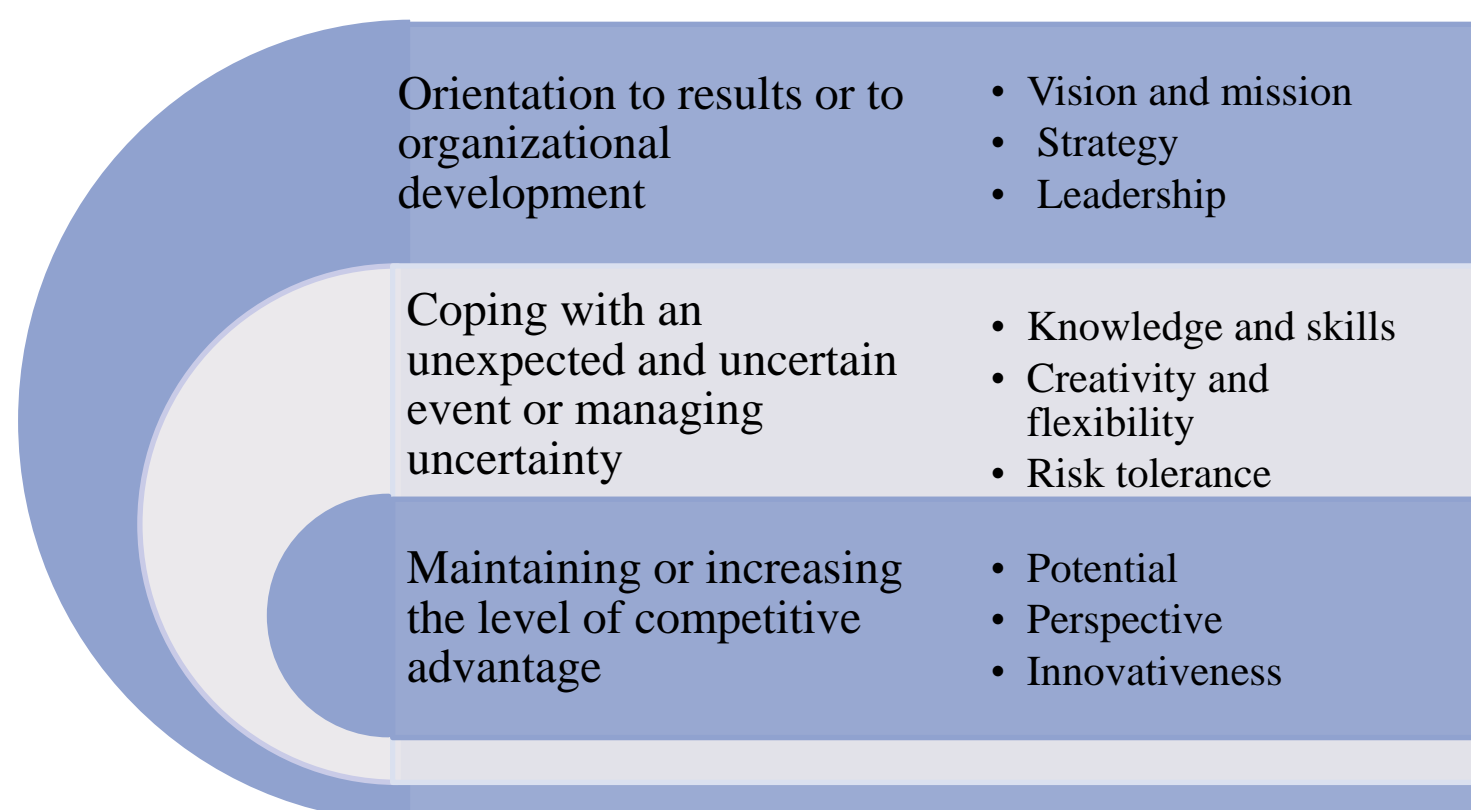
Objectives: to reveal the factors influencing the need for development of LC; to define the factors influencing the demand for strengthening OR; to identify the factors determining the need for development of LC and strengthening OR at the same time under conditions of uncertainty; to provide recommendations to managers regarding the development of LC and strengthening of OR in organizations.

Methods of the research: descriptive, comparative method, analysis of scientific literature, semi-structured interview. The study was conducted in 5 transport organizations. 10 top and middle managers participated in the study.

Theoretical background

The need for development of LC usually arises when the organization is oriented towards high performance results. Meanwhile, the need to strengthen OR is more associated with the orientation towards organizational development. Systematically developed LC will help overcome unexpected events. However, in order to be able to manage uncertainty, it is necessary to strengthen the OR. The need for both the development of LC and the strengthening of OR is usually driven by the desire to maintain or increase the organization's competitive advantage (see Figure 1)

Figure 1. Factors determining the need for development of LC and strengthening of OR



Factors revealing the need for development of LC:

- Orientation to high performance results:
 - making sense of the manager's role and strengthening leadership; reflection of the mission and vision of organization; strategy implementation.
- Management of uncertainty:
 - updating of knowledge and skills; development of creativity and flexibility; expansion of risk limits.
- Maintaining a current competitive advantage:
 - exploitation of existing potential; acquisition and maintenance of unique resources; predicting future prospects; maintaining the current level of innovation.

Factors revealing the need for strengthening of OR:

- Orientation to development of the organization:
 - an expansion of the manager's role, implemented through leadership; realization of the organization's mission and vision by combining long-term goals with short-term ones.
- Management of uncertainty:
 - acquiring knowledge in order to develop new skills; development of creativity and flexibility; increasing risk tolerance.
- Increasing competitive advantage:
 - Exploitation use of existing potential; acquisition and maintenance of unique resources; predicting future prospects; expansion of innovation.

Main findings

Interviews with top and middle managers aimed to reveal: 1) what factors encourage managers to develop their LC; 2) what influences the need to strengthen OR; 3) what are the essential differences between the need to develop LC and the need to strengthen OR. The data is presented below (see Table 2)

Table 2. Factors driving the need for development of LC and strengthening of OR in organizations

| ID No | Development of leadership competencies | | | Strengthening of organizational resilience | | |
|-------|----------------------------------------|---------------------------------|-----------------------------|--------------------------------------------|---------------------------|----------------------------|
| | Orientation to results | Coping with an unexpected event | Maintaining competitiveness | Orientation to development | Management of uncertainty | Increasing competitiveness |
| A | A1 | + | + | + | | |
| | A2 | + | + | + | | |
| B | B1 | | + | + | + | |
| | B2 | | + | + | + | |
| C | C1 | + | | | + | + |
| | C2 | + | | | + | + |
| D | D1 | + | + | + | | |
| | D2 | | + | + | + | |
| E | E1 | + | | | | + |
| | E2 | + | | + | | + |

- In companies C and E**, uncertainty led to an upswing in activity. LC are developed in order to achieve the highest possible performance results (C1, C2, E2) and to enable these results to easily deal with any uncertain event (E1). The motive for strengthening OR is increasing competitiveness and development in order to achieve complex uncertainty management (C1, C2, E2).
- In company B**, the uncertainty led to satisfactory operating conditions: the company manages to maintain stability, although unexpected events disrupt its operations. LC are developed in order to maintain the current level of competitiveness. Strengthening OR helps not to react to every disturbance, but to manage uncertainty systematically. In this case, performance results are not important, as the point is future-oriented development (B1, B2).
- In companies A and D**, uncertainty led to difficult operating conditions: lost markets, lack of income, unclear future perspective. Companies are trying to reorient their activities, therefore the development of management competencies is expected to maintain the current competitiveness and cope with a specific uncertain event. OR is strengthened in order to be able to develop future perspectives by accepting challenges (A1, A2, D1). There is also another opinion, which states that the problems of uncertainty should be solved in a complex way, especially in difficult situations (D2).

MAIN RESULTS AND CONCLUSIONS

Uncertainty causes various operating conditions for companies. Those conditions can be favorable, satisfactory or difficult for growth. It reveals different factors for the development of LC and strengthening of OR (see Table 1)

Table 1. Factors determining the need for development of LC and strengthening of OR under different conditions

| Object | The influence of environmental conditions on the factors | | |
|---------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| | Favorable conditions for growth | Satisfactory conditions for growth | Difficult conditions for growth |
| Development of LC | An aim for high results. (In rare cases – an aim to overcome a specific unexpected and uncertain event). | An aim to maintain current competitiveness. | An aim to maintain current competitiveness. An aim to overcome a specific unexpected and uncertain event. |
| Strengthening of OR | An aim to increase the level of competitiveness. An aim to manage uncertainty comprehensively. | An aim to manage uncertainty comprehensively. An aim for development predicting long-term prospects. | An aim for development predicting long-term prospects. (In rare cases - an aim to manage uncertainty comprehensively). |

Recommendations for managers

- Organizations seeking to increase their performance automatically focus more on short-term performance goals. There is a risk of moving away from vision and mission of the organization. It is emphasized that leadership promoted by LC development should help to achieve long-term strategic goals of the organization.
- Organizations seeking to comprehensively manage uncertainty must learn the lessons of each unexpected and uncertain event. It is necessary not only to use accumulated knowledge and experience, but also to develop new skills. Strengthening OR requires expanding the limits of risk tolerance and acceptance of environmental diversity.
- Organizations that are seeking to maintain the current level of competitiveness usually focus on overcoming of a specific unexpected and uncertain event. The development of LC should help to understand the organization's potential, as well as the areas in which it must be improved and maximally used.