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Effective Leadership and its Impact on an Organisation's Success

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“The task of leadership is not to put greatness into people,
but to elicit it, for the greatness is there already”

John Buchan¹

Abstract: The aim of this literature review paper is to show the most important differences between a manager and a leader and to present various definitions of leadership in the context of an organisation's market success. The author intends to highlight the most popular approaches to leadership, together with the concept of positive leadership, present selected factors influencing leadership effectiveness, including principles of a personal contract, and give ‘food for thought’ for present and future leaders willing to succeed in more and more demanding environment. Finally, a case study of Henri Strzelecki, a charismatic British leader and manager of Polish extraction is described. The findings of the case study are based on the author's observations and interviews constituting the ethnographic research carried out both in the Polish and the English premises of Mr. Strzelecki's company.

Keywords: leadership, managerial functions, roles and skills, approach, organisation's success, personal contract.

¹ John Buchan (26 August 1875–11 February 1940) was a Scottish novelist, historian and Unionist politician who served as Governor General of Canada.

1. Introduction

A few years ago when Michael Wellin was writing his book about managing a personal contract, he found almost twenty-eight thousand book titles concerning leadership. This was only the tip of the iceberg as many more new titles have been launched since then, confirming the view that the issue of leadership is one of primary importance for organisations. The question thus arises why leadership is so important. Donnelly, Gibson and Ivacevich (1992, p. 407) give such an explanation: “leadership is the ability to persuade others to seek defined objectives enthusiastically”. Another question then arises why do organisations attach greater importance to leadership and not to management itself when it comes to an organisation’s success. Poczowski (2003, p. 258) points to a difference between a manager and a leader and emphasizes how important for the organisation’s success is the manager who is the leader at the same time. In his opinion, a manager is a person who “does the things right”, i.e. is a professional in what he or she does, whereas a leader is a person who “does the right things”, i.e. knows exactly what he or she should do. ‘An effective manager’ is as a result a combination of a manager and a leader, i.e. a person who does the right things right and is able to lead his or her subordinates and thus the organisation, to market success.

Wellin (2013, p. 146) enumerated the most basic principles of leadership: direction, relations, and engagement of both brain hemispheres. ‘Direction’ is the most important for leadership and means following a given direction to achieve the goal. ‘Relations’ are another important element of leadership and mean influencing other people and establishing relationships which allows to achieve the goals. ‘Engaging both hemispheres’ means extensive use of the brain leading to reasonable and intuitive problem solving. Wellin (2013) translates the above principles into three basic components of effective leadership: establishing the course of action and communicating it to an organisational unit (team or individuals), establishing effective relationships between leaders and their subordinates (in order to encourage the subordinates to engage in the actions), and finally, using both brain hemispheres simultaneously in order to stimulate logical thinking as well as intuition, emotions, and creativity.

Therefore, bearing in mind how important for an organisation is to have an effective leader, the author of the paper will attempt to present

a review of the literature on leadership and provide some background information on issues pertaining to it. Approaches to leadership with their pros and cons will be discussed. The paper will also give some information about selected factors influencing leadership effectiveness with special attention paid to a personal contract which, although not formally signed, is as important as a formal contract signed by an organisation and its members and has a high impact on employees' performance if successfully used by an effective leader.

The paper is divided into four parts. The first part defines and describes a manager and a leader and offers some ideas how to combine them both into effective and charismatic leadership thus helping an organisation succeed on the market. The second part outlines the most important approaches to leadership whilst the third part of the paper describes selected factors influencing leadership effectiveness relating to an organisation's market success. The paper ends with a case study of Henri Strzelecki MBE, a charismatic British leader and visionary of the Polish extraction whose company succeeded on the world market thanks to outstanding qualities and skills Mr. Strzelecki possessed as a leader.

2. Management vs. leadership

Management and leadership are present in almost all fields and aspects of organisational life, however, the functions and roles of a manager and a leader differ. Managers fulfil specific roles resulting from their managerial functions and their main job is to direct and evaluate the work of their subordinates (Shockley-Zalaback, 2006, p. 223). Leaders help guide their people (both individuals and groups and entire organisations as well) in establishing goals and support them in actions taken to achieve the goals. Organisations expect managers to be leaders, but not all managers exhibit leadership behaviours, although as research shows (Shockley-Zalaback, 2006, p. 223), leadership communication can be produced by every member of an organisation and combined with management communication and managerial skills, may lead to an organisation's success.

One of the definitions of management says that managing people means a "specific interpersonal relationship between members of an organisation which entitles some of them (called "managers") to

influence others' behaviours intentionally in order to fulfil organisational goals" (Pocztowski, 2003, p. 203). Therefore, human resource management resulting from the above definition aims at maintaining expected work efficiency level through shaping employees' behaviours. In other words, the manager holds a formal managerial post and legitimate power with various duties, liabilities and responsibilities authorizing him or her to influence subordinates' behaviours (Pocztowski, 2003, p. 203; Shockley-Zalaback, 2006, p. 224). As a result, managerial communication is based on formal relationships between the superior and his or her subordinates and relates to work assignments, work evaluation, needed changes, and organisational actions taken to achieve an organisation's goals (Shockley-Zalaback, 2006, p. 224).

Scientists in the field of management present various classifications of managerial functions. One group of functions called 'universal functions' includes: planning, organising, leading and controlling. Another group includes functions found in such managerial fields as: general management, finances, marketing, sales, productions, human resource, and logistics. One more classification divides managerial functions into: internal ones (connected with the 'inside' of an organisation) and external ones (connected with organisation environment).

It is necessary here to draw attention to the difference between managerial functions and managerial roles. Whereas functions are responsibilities of a manager including some key duties listed in the manager's job description (adapted from Johnson, 2014), roles are actions managers take to fulfil the duties. It is also worth pointing out that while managerial functions are usually the same in most organisations, managerial roles tend to be different depending on the organisation's size and field of activity.

The ten best-known managerial roles given by Henry Mintzberg (Griffin, 1996, p. 53) fall under one of three main categories: interpersonal, informational and decisional. Interpersonal roles include representing, leading, and connecting. Informational roles include observing, disseminating, and representing. Finally, decisional roles include such roles as: entrepreneurship, counteracting disruptions, resource allocating, and negotiating (Pugh, 1997, pp. 303–311).

In order to fulfil the above-mentioned functions and roles, managers have to possess suitable managerial skills, which according to the traditional approach (Griffin, 1996, p. 57) are divided into three categories: technical, social, and conceptual and diagnostic. However,

as a result of research on managerial effectiveness, 'the concept of six key managerial skills (or behaviours)' came into being (Robbins, 1997, p. 39) and these include being able to follow environmental changes, organising and coordinating relations connected with a given task, communicating, creating a climate of learning and development, motivating and problem solving, and finally, taking responsibility for one's own actions as well as actions taken by one's subordinates.

However, management effectiveness and successful achievement of an organisation's goals are largely dependent on whether managers have the ability to engage members of the organisation in the commonality of their shared mission. Therefore, the issue of leadership has been the subject of various research and discussion which led to a number of theories and approaches, but the great importance of leadership for an organisation's success remains unquestioned. Fixed assets, high-tech equipment, great financial resources and well-qualified staff can count only if combined with effective leaders who are able to take the most of the potential that dwells in their resources. What is more, effective leadership assists in achieving goals and reaching success even if financial, material and human resources are minimal (Blake and McCause, 1991, p. 24).

According to Poczowski (2003, p. 214), leading or leadership is a process of influencing others in such a way that they voluntarily engage in achieving an organisation's goals. Furthermore, Shockley-Zalaback (2006, p. 224) emphasizes that leadership takes place through communication. She points to the fact that leaders communicate about what changes are needed, explain their intentions and "translate them into reality", and together with proposing new strategies, suggest actions to be taken to implement the strategies. The leader, similarly to the manager, can be assigned to the position, but leadership results not from the assignment itself, but from leadership communication behaviours and ability to influence other people.

Kostera, Kownacki and Szumski (2002, p. 336) claim that the leader's main duty is to show a long-term and ambitious goal and to encourage their subordinates to follow the direction given, whereas the manager's duty is to manage the processes involved. The leader sets the goal and the effective manager leads the team to realising the goal using the best possible way. Outstanding and charismatic leaders tend to break rules and often "do what they want to" instead of "what they should do" or "what is accepted" (Kostera et al., 2002, p. 337). And

although they do not abide by the rules, they succeed due to the fact that they are visionaries who like innovations and do not mind changing rules. Leaders coach, generate enthusiasm, use the pronoun 'we' instead of 'I', show how things should be done, enhance people's abilities and, last but not least, ask their subordinates to do things instead of giving them commands (Nogalski, Apanowicz, Rutka, Czermiński and Czerska, 2002, p. 114).

And last but not least, Glińska-Neweś (2007) presents a very interesting outline of modern leadership claiming among others that the key to modern leadership is the sharing of power. Due to changes in organisational structures (from hierarchical to horizontal), cooperation is becoming more important than power. A modern leader is more like a coordinator who gets the information, facilitates communications, and integrates people and their knowledge (Glińska-Neweś, 2007, p. 120). Moreover, people at various organisational levels can take over leadership functions if they possess suitable skills to perform the task. Glińska-Neweś call them knowledge practitioners. She defines a leader of the future as an agent of culture change who works with people, thinks together with people, and is an active participant in analysing and solving problems. Such a leader will help an organisation succeed.

3. Theories and approaches to leadership and management

As stated in the previous part, concepts of power and authority and issues of leadership and management have been the subject of various research and discussion which in turn has led to the espousal of a number of theories. As a result of this scientific research, four most major approaches describing leaders and managers in terms of personal traits or characteristics, leadership styles, and responsiveness to leadership in specific situations (Shockley-Zalaback, 2006, p. 225) have been defined. These are: trait approaches, style approaches, situational approaches, and transformational theories of leadership. Other authors call these approaches as theories. For instance, Donnelly et al. (1992) identify the following theories of leadership: trait theories of leadership, personal-behavioural theories, situational theories of leadership, and transformational leadership.

For the first forty years of the 20th century scientists undertook a multitude of research aimed at defining what traits of leaders such as

intelligence, physical stature, and self-confidence would lead to managerial and organisational success. They were trying to assess which leaders' qualities are exceptional but also effective. And although there was little agreement between studies, settings and industries, after conducting a study of 90 outstanding leaders and their subordinates, Warren Bennis (an American scholar, psychologist, organisational consultant and author, a pioneer of the contemporary field of leadership studies) identified four common traits and competencies leaders of the 20th and 21st centuries must possess or develop (Donnelly et al., 1992, p. 391). Thus, '*the trait theories of leadership*' were defined and included the following traits: management of attention, management of meaning, management of trust, and management of self. Bennis came to the conclusion that positive, dynamic, and stimulating work environment is vital in encouraging employees to perform better. He noticed that when people feel good about work, trust their leaders, and understand what leaders expect from them, they show more commitment, dedication and engagement, which results in higher performance and leads to the achievement of an organisation's goals (Donnelly et al., 1992, p. 391).

Unfortunately, the trait theories failed to explain which specific qualities leaders had to possess, and as a result other researchers tried to find out whether it would be possible to classify leaders by personal qualities or behavioural patterns or styles. Thus, other approaches, called '*the P-B theories*' or '*style approaches*' concentrate on what the leader does while carrying out his or her managerial tasks (Donnelly et al., 1992, p. 391). As opposed to the trait theories saying that "one is born a leader", according to the P-B theories, "one must learn leadership behaviour" and thus it is possible through teaching and training to create a lot of leaders (Kostera et al., 2002, p. 340). Style approaches are based on leader's assumptions about what motivates people to accomplish their goals. These approaches reflect the relationships between personal characteristics of the leader, the situation with its requirements, and the resources the leader and the team possess to achieve their goal (Shockley-Zalaback, 2006, p. 228).

Within the style theories there is one called 'the autocratic-to-democratic continuum', proposed by Ralph White and Ronald Lippitt in 1960 and suggesting that leadership can be understood as ranging in behaviour from autocratic to democratic (Shockley-Zalaback, 2006, p. 228). This theory identifies the three primary leadership styles, including: *laissez-faire*, autocratic, participative or democratic.

The probably best known of the style theories is The Blake and Mouton Managerial Grid proposed by Robert Blake and Jane Mouton in 1964 (and later updated in 1985 and 1991) suggesting that leadership styles are based on two most important dimensions: concentration on people and concentration on tasks (each ranging from 1 to 9) (Stoner, Freeman and Gilbert, 2001, p. 461). Basing on the balances leaders and managers make between the two dimensions, Blake and Mouton defined the five leadership styles: impoverished management, middle-of-the-road (organisation man), country club, task (authority-obedience), and team management. The team management (located 9,9 in the managerial grid) is the dream management and the theoretical ideal. It exhibits the highest concern for both the people and the task and leads to work accomplishment by committed people whose commitment is built by trust and respect for a supportive leader.

However, as various studies and research shows, no style is universally accepted and used because each organisation has its own unique culture and goals which determine which style is best. It may even happen that within a big organisation, a few different styles are used depending on department needs or tasks. Nevertheless, the P-B approach can be credited to drafting a list of leadership behaviours and highlighting the importance of interpersonal communication, which in turn led to other concepts and approaches to leadership (Kostera et al., 2002, p. 343).

Following the idea that if there is no 'fit' between characteristics of managers and characteristics of situations, something should be done about it (Aldag and Stearns, 1987, p. 520), and a correlation between managerial styles and situations should be found, other approaches called *situational approaches* (called also contingency approaches) were developed. These theories aimed at understanding how leaders interact with their subordinates (addressed also as 'followers') and the requirements of a particular situation, and as a result of the research in the field of situational factors, four sub-theories were listed: contingency theory, path-goal theory, leadership-style theory, and tridimensional theory.

According to contingency model of leadership suggested by Fred Fiedler in 1965, three important dimensions influence the leader's effectiveness: leader-member relations, task structure, and position power (Nieckarz, 2011, p. 136) and if there is no possibility to change the leader's behaviour, then the situation should be changed to fit the

leader (Donnelly et al., 1992, p. 398), or as Aldag and Stearns (1987, p. 520) suggest: "the job should be engineered to fit the manager". And although Fiedler's suggestions may not be feasible in every organisational environment, the potential of the theories was acknowledged and became a starting point for other research in the field of situational leadership approach.

Another theory of leadership called the path-goal theory of leader effectiveness was developed by Robert House in 1971 and is based on the expectancy theory of motivation. The theory proposes that the leader is a key individual who brings about improved subordinate motivation, satisfaction, and performance (Donnelly et al., 1992, p. 400). The theory also suggests that there are four kinds of leader behaviours: directive leadership, supportive leadership, participative leadership, and achievement-oriented leadership. It must be noted that these four styles may be used by the same leader in different situations. And it is the leader's job to help his or her subordinates find the best path, to set challenging goals, and to remove stressful barriers on the way to the goal (Donnelly et al., 1992, p. 400). Like Fiedler's theory, this theory has received its fair share of criticism mostly because of its complexity and lack of precision in specifying how variables interact (Aldag and Stearns, 1987, p. 529). However, it has also been pointed that the theory does provide certain guidelines for important situational variables and points to the need for flexibility in every leader's behaviour (Aldag and Stearns, 1987).

One more theory, called leader-style theory was proposed by Victor Vroom and Phillip Yetton. This theory attempts to identify the proper leadership style for a given set of circumstances or situations but dealing solely with one dimension of a leader's behaviour – the degree of subordinate participation (Donnelly et al., 1992, p. 401; Aldag and Stearns, 1987, p. 538). Within the theory Vroom and Yetton developed a so-called 'decision tree' which enables the leader to determine the best leadership style for a situation. By asking questions included in the tree and getting 'yes' and 'no' answers from the subordinates, the leader is able to identify the situation and the appropriate leadership style to use. And again, the theory has been the subject of criticism as well as praising with naysayers claiming that giving only 'yes' and 'no' answers limits the number of variables whilst others claimed that it is not a good idea to treat the situation as fixed and to adapt leadership styles accordingly. They argued that it is the situation that should be

changed, not the leadership style. Advocates pointed out that the model could be useful guide for the manager and a good training device, enabling learning from past mistakes to take place.

The fourth situational leadership theory (tridimensional theory) developed by Paul Hersey and Kenneth Blanchard in 1977 suggested that the appropriateness and effectiveness of leadership behaviours could not be determined by the specific behaviour of the leader but instead by the appropriateness of the behaviour in a particular situation (Shockley-Zalaback, 2006, p. 232; Nieckarz, 2011, p. 138). This theory includes one situational variable as a moderator of the relationship between the leader behaviours and the leader effectiveness: the follower's "maturity" (both: job and psychological maturity) (Aldag and Stearns, 1987, p. 525). The theory postulated that the effectiveness of a particular leader was related to the leader's selection of behaviours appropriate to the maturity level of the follower group, whose maturity was based on achievement motivation, ability, education, experience, and the willingness to participate in goal-oriented activity (Shockley-Zalaback, 2006, p. 233). Hersey and Blanchard claimed that situational leadership depended on concern for relationships, concern for task, and concern for maturity of followers, and they listed four styles of situational leadership: telling, selling, participating, and delegating. And while there is some criticism about the lack of logical and theoretical foundation of the approach, it has quite a number of followers and practitioners in many companies all over the world (Donnelly et al., 1992, p. 405).

As it was shown in the discussion above, the three approaches to leadership, i.e. the trait, style, and situational approaches are based on the leader's interactions with his or her followers or subordinates. But although the leader's ability to motivate followers through situational understanding is emphasized, none of the three theories points to the importance of the leader's charisma and charismatic leadership. It was a German sociologist Max Weber² who introduced the concept of charisma into discussions of leadership. In his opinion some people who possessed a divine grace could easily complete the task thanks to their special magnetic behaviour. And as leaders they have a significant

² Karl Emil Maximilian "Max" Weber (1864–1920), a German sociologist, philosopher, jurist, and political economist, whose sociological and political ideas influenced social research and social theory.

influence over their followers due to their magnetism, divine grace, powers, and exceptional ability to respond to crisis (Donnelly et al., 1992, p. 405; Enkelmann, 2002, p. 22–25). As a result, in the late 1970s *the transformational approach* emerged with its author James MacGregor Burns comparing traditional leadership (called ‘transactional leadership’) with a more complex and powerful transformational leadership. The most important difference between the two types of leadership is that the first one tries to satisfy basic human needs, and the other one goes beyond and tries to satisfy followers’ high-level needs (Shockley-Zalaback, 2006, p. 235). Moreover, the transactional leader aims to achieve highest effectiveness using formal and informal power, recognizes, modifies and meets changing needs and expectations of followers, whilst the transformational one is more successful (Kostera et al., 2002, p. 351). While transactional leaders respond to needs and expectations of their followers immediately, transformational leaders are much more effective thanks to their ability to motivate their followers by personal example, appeals to higher-level needs, and by the establishment of vision (Shockley-Zalaback, 2006, p. 235). According to Bernard Bass (after Donnelly et al., 1992), a transformational leader is a person who displays and creates charisma, inspiration, intellectual stimulation, and a feeling that each individual subordinate counts. Burns and Bass emphasize that charismatic leaders communicate easily inside and outside the organisation and through stimulation, shifting, using the values, beliefs, and needs of their followers, are able to accomplish tasks and, as a result, achieve an organisation’s goals. It is worth mentioning here that Kopperund, Martinsen and Humborstad (2014) carried out a study supporting the idea that transformational leadership may contribute to both work engagement and valuable work outcomes. They proved that work engagement also contributes to service climate, which results in positive outcomes for employees and for organisations (Kopperund et al., 2014, p. 39).

Kostera et al. (2002) further elaborate on the distinction between transactional and transformational leaders, defining the latter one as a ‘sub-type’ of the first one. The only difference between the two is the kind of transaction they set up. Transformational leaders operate in the organisation during difficult times when changes are needed, and offer their subordinates their visions and provide them with opportunities to influence changes. Through their actions and behaviours, these leaders engender in their subordinates a sense of belonging to the organisation.

However, in return, they expect their subordinates to show engagement, devotion and effort. These leaders manifest a strong identification with the organisation and expect their followers to act the same way. And this is possible due to the fact that when changes are implemented, leaders' power is not only based on their visions, but also on their charisma (which is the most important source of power and influence). In contrast, transactional leaders set up transactions, but they do not engage so much as transformational leaders, and they do not expect engagement from their followers. They just maximize the effects and profits by meeting their subordinates' expectations.

And finally, it is necessary to draw attention to one more type of leadership: positive leadership. In their works Cameron (2012) and Lewis (2011) define a positive leader as a person who helps individuals and organisations attain extraordinary levels of achievement instead of achieving ordinary success. Such a leader incorporates his or her charisma, trustworthiness and reliability in strategies creating positive energy in individuals. Cameron (2012) offers four positive leadership strategies including: cultivating positive climate, positive relationships, positive communication, and positive meaning, all of which lead to extraordinary positive performance (Cameron, 2012, p. xii). The concept of positive leadership emphasizes three different orientations connected with positive workplaces leading to an organization's extraordinary performance: 'positive deviance', 'virtuous actions', and 'affirmative bias' (Lewis, 2011, pp. 15–17). The first orientation that honours people and their contributions, stresses an emphasis on growing towards excellence, i.e. towards extraordinary outcomes exceeding common or expected performance. The second orientation that emphasizes a focus on virtuousness, proves that the high level of virtuousness (trust, optimism, integrity, etc.) is positively correlated with the high performance of an organisation (turnover, quality, customer retention, etc.) (Lewis, 2011, p. 16). And the third orientation emphasizes a focus on strengths and capabilities of human potential rather than on threats, weaknesses and problems (Cameron, 2012, pp. 2–4). However, it is vital to point to a fact that positive leadership does not discount or ignore negative events. What is more, positive leaders and organisations recognize the importance of both positive and negative events and have a way of incorporating both of them basing on a principle that the negative may also lead to extraordinary performance (Lewis, 2011, p. 17).

To sum up, it is worth emphasizing that the above-mentioned approaches to leadership emerged from the authors' research on the subject, but they do not offer a precise explanation why some people succeed as leaders whilst others do not. However, what is certain that to succeed, every organisation needs leaders, and leaders must have followers. And followers appear when leaders attract them by their charisma, interesting visions they set, opportunities they create for the followers to participate actively in achieving an organisation's goals.

4. Selected factors influencing leadership effectiveness

The previous parts of this paper have already highlighted some ideas of effective leadership, however, it is essential to delve further into some issues raised. As stated before, various scholars and researchers have proposed different theories of leadership, but clearly each author will emphasize theories which support his or her opinions. It is impossible in a short paper like this to enumerate all existing factors which have an impact on leadership effectiveness, so what follows below are only some ideas chosen by the author.

According to Donnelly et al. (1992) there are six most important factors that influence leadership effectiveness and these include a leader's perceptual accuracy, leader's background, experience and personality, superior's expectations and style, follower's background, maturity and personality, task understanding, and peer expectations. Donnelly et al. (1992) claim that it is vital that leaders are able to diagnose both: themselves, and the total leadership environment before they take action. And not only it is necessary for effective leaders to become skilled at diagnosing and flexible at adapting leadership styles to the situation at hand, they also must be patient.

Kostera et al. (2002) recognize the importance of a leader's ability to adapt to new circumstances as an important factor influencing leadership effectiveness, but they also emphasize the importance of a leader's continuous development and knowledge, his or her firm and valuable cooperation with the followers (including the ability to create a team, integrating it, and leading it), and the ability to co-work and cooperate with other leaders and superiors. The concept of stewardship or mission is described as well in terms of leadership and its effectiveness. The main principle of the concept is that a leader does not have

to be a frontperson and example but depending on the task or situation, should remain in the background and support their followers and help them develop.

Another approach to factors influencing leadership effectiveness is presented by Shockley-Zalaback (2006), who emphasizes the importance of communication competency saying that: “nowhere is communication competency (with all its aspects) more important than when individuals are attempting to lead and establish visions and directions for organisations” (Shockley-Zalaback, 2006, p. 244). She supports her opinions by citing the results of various research carried by Chris Argyris, Peter Drucker, and Bennis and Nanus, where communication effectiveness is proved to be vital for organisational success. Shockley-Zalaback (2006) also lists some principles team leaders should follow (within so-called ‘principled leadership’) and identifies constructive communication behaviours for leaders including: task, procedural, and interpersonal responsibilities, all of which may lead to the achievement of organisational goals.

Lowenhaupt (2014) presents the results of very interesting research which aimed to describe the importance of the language of leadership, especially the language school principals use in communication with their employees during reforms and negotiations. The research showed that the language with its *logos*, *ethos* and *pathos*, is fundamental in the construction of organisations and in the leadership of those organisations. And again, in other words, the way leaders communicate is essential and often vital to achieve the goal or to succeed, especially during difficult times (Lowenhaupt, 2014, pp. 447–449).

Finally, the concept of personal contract is vital for leadership effectiveness. Wellin (2013, p. 151) describes principles of personal contract as firstly, identifying and discussing mutual expectations by leaders and their subordinates, followed by communicating individual needs, and finally, finding the best ways to meet and fulfil the needs in circumstances given. Personal contact is so important for leadership effectiveness because it draws direct attention to the issue of what both sides (the leader and the follower) need and want to give each other. Such a sharing of information about mutual expectations and proposals leads to a reasonable discussion resulting in higher engagement and, finally, higher effectiveness boosting profits for an organisation (Wellin, 2013, p. 151; Wołowska, 2013, p. 54).

5. Case study of Henri Strzelecki

A good leader cares about his followers and shows them appreciation. In other words, good leaders value their people. And as a lot of research has showed, the benefits of people feeling valued for their contributions can be easily seen in their performance, less conflict, positive interactions, and improved results in achieving an organisation's goals (White, 2014, p. 19).

The case study below describes a part of the life story of Henryk Strzelecki, a great Pole and Englishman, the founder of Henri-Lloyd, an outstanding manager, innovator, visionary, philanthropist, Honoris Causa PhD of Manchester Metropolitan University, a soldier of the 2. Polish Corps, a Polish Army captain, an Ambassador of the Town of Brodnica and a great man awarded with a number of honours in Poland and abroad. The case shows how charisma combined with excellent managerial and leadership skills can lead to an outstanding market success.

When the Second World War threw less than seventeen-years-old Henryk to Italy, he joined the 2. Polish Corps (constituting a part of the British 8. Army) under General Władysław Anders command. After the Battle of Monte Cassino and the Battle of Ancona, it was the Polish bombardier Henryk Strzelecki who aimed the cannonball at the church tower and killed the German observer who was commanding the enemy troops, thus contributing to freeing the City of Bologna.

But when in 1946 the British Prime Minister Clement Attlee decided to demobilize the Polished Armed Forces in the West, Polish soldiers could not come back to their homeland occupied by the Communist Government. Strzelecki chose Great Britain, because it was closest to his home, Poland and hoped to start his life there. Unfortunately, hope was killed by the post-war reality and there was no work for demobilized Polish soldiers. And if they happened to find a job, it was always very hard: in mines, quarries, and the textile industry.

Henryk "Henri" Strzelecki did not give up. During the War he had been fighting with the German enemy, and now he was fighting for fair working conditions. He kept working, learning English, studying and constantly thinking of innovations and improving production processes. And when he realized that as a hired worker he would not be able to fulfil his dreams and visions, together with an Englishman Angus Lloyd, in Manchester in 1963 he founded Henri-Lloyd Ltd, the name

of which was created of his first name 'Henri' and the surname 'Lloyd' joined by the Polish Piast Dynasty crown surrounded by a victory laurel (as a symbol of a successful business). Strzelecki, together with his employees, for whom he was more like a father than a boss, immediately implemented his visions and Henri-Lloyd started manufacturing, unknown before, 100% waterproof garments for sailors. He used the 'wonder-fabric' Bri-Nylon (later Gore-Tex and various kinds of fabric of the company's own design), non-corrosive zips, Velcro fastenings, and hand-taped seams. And it was in 1967 when Sir Francis Chichester chose HL garments for his single-handed circumnavigation of the globe. Then, the explorer Sir Ranulph Fiennes dressed the members of his Transglobe Expedition via the poles, exclusively in HL gear. And then came other sailors and explorers and a 'thank-you' from the Buckingham Palace. Her Majesty Queen Elizabeth II appreciated Henryk Strzelecki's achievements and in 1985 Strzelecki was given the Member of the Order of the British Empire, which was followed in 1986 and 1987 by two Queen's Awards for Export Achievement for his company Henri-Lloyd (adapted from Schuetz, 2014). Why did Henri Strzelecki succeed? Because he was an outstanding leader who valued and appreciated his employees. Not only did he always follow the motto: "treat other people the way you would like them to treat you", but he also mastered the management by walking around and was always there when his people needed his help or advice. He was a positive leader who was always able to create positive climate, relations and communication. And all these incorporated with his charisma and trustworthiness have led to his extraordinary success on the market³.

6. Conclusions

Summing up, the author of the paper assumes that the aim of the paper has been attained. Firstly, the difference between management and leadership has been explained and the issue of leadership has been approached in the context of an organisation's success. Secondly, four

³ More examples of excellent leadership are provided by Drzewiecki, Chełmiński and Kubica (2011) who describe twenty outstanding Polish leaders, whose optimism, ambitiousness, courage, and persistence incorporated with trust in people, belief in humans' great abilities and natural willingness to engage and take responsibility, have led to extraordinary performance and outcome in their organisations.

most popular theories of leadership have been outlined. Thirdly, selected important factors influencing effective leadership have been described. And finally, a case study of a charismatic and effective Polish-British leader and manager, Henri Strzelecki, has been presented.

It has been proved that while managers manage processes necessary to complete the tasks, it is leaders who encourage their subordinates to follow the path to the goal and complete the task willingly and enthusiastically. And although a lot of research have been carried out, none of them has given a precise answer what makes a leader. Over years, various offers have been presented including: trait, style, situational, and transformational approaches to leadership, but each of them has its followers together with its opponents. Nevertheless, all the authors agree that leaders are outstanding people who thanks to their qualities of character, interpersonal skills, and ability to adapt to changing environment, can help their organisations succeed. Moreover, through thoughtful and sensible use of communication and principles of personal contract, they are able to enhance their effectiveness.

Finally, it should be emphasized that the issue of effective leadership and its impact on an organisation's success needs to be discussed in more detail due to its complexity. It evolves together with culture development, advancement and globalisation and organisations have higher and higher demands towards their leaders giving them more and more difficult tasks to complete. There is no doubt, however, that leaders have to possess outstanding skills and abilities such as knowledge, sensitivity, credibility, values, and charisma which combined with enthusiastic followers will lead each organisation to a market success.

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