

# HIGH POTENTIAL ACUMEN LEADER ON FIRM PERFORMANCE THROUGH MOTIVATION ON COLLECTIVE ORGANIZATIONAL ENGAGEMENT

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**Abstract:** This paper highlights potential conditions as an important structural determinant of firm performance. Bridging leadership behaviors literature and competitive dynamic research, I argue that reference to certain level of leadership potential may enable or disable and organizational engagement to determine firm performance thereby influencing a firm's motivation tendency is essential. High potential acumen leader (H-PAL) is proposed, particularly in work that is based on the framework of evolutionary leadership literature. It contends in argument such research has focused excessively on the latitude characteristics aspect while neglected the longitude (potential level) one. This more refined perspective leads to a set of propositions regarding firm performance.

**Keywords:** High potential acumen leader, design thinking, organizational engagement, motivation, and firm performance

## I. INTRODUCTION

Even extant research provides strong evidence of the leadership play in organization action, ensuring firm performance for long term growth still volatile. Particularly, over the past two decades, a shift in emphasis has occurred in emerging and developing economies towards innovation for sustainable growth. New emphasis puts a priority on organizational architecture through design thinking (Kolko, 2015, Martin, 2009). Recent evidence supports that executives are realizing that it required more creativity in the way to lead the skill set development. Enhancing organizational change through "innovation process via innovation mindset" without well-designed thinking may not effectively cope with today business challenges.

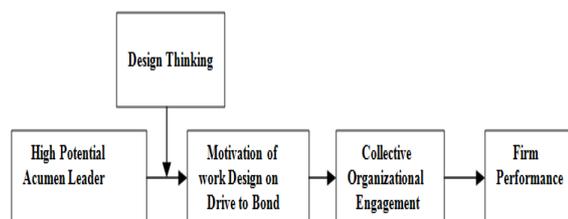
Despite the growing interest in transformational leadership and their characteristics, few have captured the extent to which of the richness and multiple dimensionality of the concept. Moreover, while the majority of studies have focused on the competitiveness of the leadership, executing of design appropriate antecedents have been largely ignored (Lane, Koka, Pathak, 2002). Developing specific leadership that would be able to design the right set of construct variables for optimizing, streamlining, and deploying effective organization that motivating employee on creating growth are highly determined (Shalley & Gilson, 2004). Moving from transformational form of leadership on stable business to acumen leadership to fit with dynamic situation is recommended.

Transformational leadership is characterized by leader's engaging in an involvement a follower to outperform beyond their capabilities (Bass, 1998; Avolio, 1999; Ashkanasy & Tse, 2000). Indeed, even though, transformational leadership behavior is predictive of positive individual and organizational outcomes is somewhat axiomatic (Lowe, Kroeck, &

Sivasubramaniam, 1996). One intention of this paper is primary focus on acumen leadership and its outcomes concerning the underlying basis of collective organizational engagement rather than individual.

Beyond proposing acumen leadership on executing the "state of art" in management execution integrated with motivation and organizational engagement for future opportunities, the focus is on design thinking to architect dynamic motivation process on work design to ensure firm sustainable growth.

## Literature Review Model and Proposition Development



### High Potential Acumen Leader (H-PAL) on Design Thinking to Motivation of Work Design on Drive to Bond

For the past two decades, leadership scholars have strongly influenced a great deal of attention on transformational leadership literatures. Theoretically, transformational leadership influence subordinates by "broadening and elevating followers" goals and providing them with confidence to perform beyond the expectations specified in the implicit or explicit exchange agreement" (Dvir, Eden, Avolio, & Shamir, 2002: 735). This paper extending a transformational leadership from Bass (1985) original concept which theorized that transformational leadership comprises four dimensions: intellectual stimulation, individualized consideration, charisma, and inspirational motivation.

The extent to which existing theory that has focus on the latitude or lateral axes rather than longitude or vertical axes to which define by leadership potential level. One most business challenge is to institute development program aimed to prepare “high potential” personnel that firms believe with trust that will become their future leaders. Setting a clear definition of “high potential personnel or leader” that mean someone will be able to succeed in a significant in bigger impact through their own ability to responsible greater scale and scope (Groysberg & Nohria, 2011).

Current intense competitive market made it difficult for leader to gain sustainable growth. This general truth implies that new strategic leadership paradigm should search for an alternative contemporary leadership where competition are dynamic. The great insight was that firms compete not only with their direct rivals but also with their customer on creating more value (Gavetti, 2011). To complete the mission, the entire value-chain activities must be proactively functional smartly. High potential leader is considered in the context of executing leading superior performance. Acumen leader is proposed. To clarify the establishment of acumen leader, acumen leader indicates that the one that has ability to make a good business judgement and quick decision, specifically for socio-economic benefits of the firm. A basic characteristics for assessing high acumen leadership potential extend from transformational leader are as follow; high power of associate thinking, derives insight, strongly influence collective organizational engagement, and leading congruence organizational direction. Proposing a new psychology of leadership is an attempt to make enormous progress and great strides poverty in order to lift up a quality and a standard of living of mankind through well-designed management in business activities for the next decades (Gavetti, 2011).

Interest in how the application and practice of design might contribute to management and business is increasing exponentially. Empirically, there are variations within the theme, such as how design thinking might enrich strategic thinking, or how using common concepts in design practice can infuses the design of business practice. The link between business leader and design deserves the attention of researcher because thinking like a designer offers a way of framing management that go beyond pursuit of efficiency and help to secure innovation. Indeed, this study described how high potential acumen leader (H-PAL) design thinking would motivate work design on driving employee to bond together through strong organizational culture. This would be recognized as an expected improvement in distribution of bonding employee performance outcomes. Thus, the proposed are as following;

Proposition 1: High potential acumen leader will positively associate with motivation work design on drive organization members bond together.

Proposition 1a: Design thinking of high potential acumen leader mediates the effect of high potential leader acumen leader and motivation work design on drive to bond.

### **Motivation of Work Design on Drive to Bond and Collective Organizational Engagement**

Kahn (1990) introduced engagement concept more than two decade. However, the majority of related research has focused on individual-level of engagement with attention being directed at individual antecedents and performance-related outcomes (e.g., Harrison, Newman, & Roth, 2006). Since engagement become a critical factor to drive firm performance. Motivating employee throughout the organization to share these strong perceptions as one member of the organizational collectively is a big management challenges. Hofmann & Morgeson (1999) suggested that engagement considered as a property of organization. This shared sense of engagement emerging in part through various affective and social processes in the organization. Moreover, routines also have important emotional component. Recent researches show that emotional work done in technical setting are often invisible, Fletcher’s (2001) research focus is study on rational practices and suggest that emotional components are integrated into basic routine associated accomplishing technical work. Therefore, design thinking would implement well-designed individual, processes, structure and their interaction of microfoundations of organizational routines and capabilities (Felin, Foss, Heimeriks, & Madsen, 2012)

Shared member perceptions of engagement are a key determinant of effective outcomes. Encouraging affective-motivational state is one of leadership responsibility which high potential acumen leader would be able to execute effectively, typically under design thinking on motivation work design. In addition to enhance stronger effect, promoting collective organizational engagement is the mission. Building upon Kahn’ (1990) conceptualization of engagement the paper defines collective organizational engagement as a cognitive of organizational members on the best momentum of working hard that high emotionally involved (Barrick, Thurgood, Smith, & Courtright, 2015).

Motivation work design, particularly drive to bond, considered as more appropriate way to establish the conceptual space and to operationalize a high-order form of collective-level construct through strong organizational culture by proposed new leadership style-high potential acumen leader. Seibert, Silver, & Randolph (2004) found that when leader aggregated employee interest and focus across members of organization, these shared perceptions are reflective of shared organization direction. Increase understanding of these core purposes, not only

helping firms to manage complexity, but also assist leaders in tailoring their effort to enhance performance.

Thus, I predict that well-designed motivation work design, specifically by high potential acumen leader (H-PAL) can influence collective organizational engagement.

Proposition 2: The more that leader formulate well-design of motivation work design, particularly on drive to bond, the greater collective organizational engagement.

### Collective Organizational Engagement and Firm Performance

Barney, Wright, and Ketchen (2001) stated that firm's organizational resources and capabilities is a bundled asset, that can amplified to what extent of leadership potential on management skills through well-designed organizational processes and routines. For the past decade, routines and capabilities have emerged as a central constructs in management literature. Its constructs have also been closely linked to the design and modification of all-level jobs to enhance motivation, the application of design thinking on work design motivation practice of high potential acumen leader may considered as organizational resources related to firm performance that can be used to create sustainable growth.

Meaningfulness of collective feeling that organizational members, as one, physically, cognitively, and emotionally invested in their work is making a difference, particularly on value-creation by leveraging resources into capabilities. Seeking upon these insights by looking at leadership ability on influencing motivation across all members through design working, Sirmon & Hitt (2003) stated that maintain value of the firm requires an accumulation, combination, and exploitation of firm's resources and capabilities. Thus, when firm leaders are able to optimize the resource management process through well design thinking on enhancing collective organizational engagement, the strong performance outcomes is expected.

For these reasons, I posit collective organizational engagement as an important organizational routines and capabilities that increases firm value in form of increased firm performance.

Proposition 3: Collective organizational engagement is positively related to firm performance.

### The Conclusion and Practical Implications:

Given the dominant role of leadership in workplace, particularly on high potential acumen on design thinking as a key substantial factor that have an influence on motivation work design processes are critical. The proposed of high potential acumen leader is considered as an attempt to develop a contemporary leadership model to congruence with a dynamic world. The implication of this paper to leadership and engagement literature in complement with design thinking approach convincing that the

value of conceptualizing and operationalizing employee motivation via engagement at organizational level have open up new research interest that cut across traditional "micro versus macro" boundaries. And, rather than focus on the latitude of leadership characteristics, longitudinal of leadership potential capabilities should be put into account in designing matter. Finally, the current study contributes to the resources management model by proposing design thinking approach as a complementary indicator variable on bridging the traditional divide in macro-and micro organizational theories to determine firm performance.

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