

# ISSN (print): 3047-3470 & ISSN (online): 3047-1982

Vol. 1 • No. 2 • September 2024

Pege (Hal.): 200 - 207

ISSN (online): 3047-1982 ISSN (print) : 3047-3470

website.:

https://ojs.ideanusa.com/index.php/JIDEA

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# The Important of Planning and Step for Prospective Leadership **Proper Planning**

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#### **ARTICLE INFO**

#### Research Paper

# Article history:

Received: July 2024 Revised: August 2024 Accepted: September 2024

**Keywords:** Leaders: Planning, Prospective.

#### **ABSTRACT**

This paper seeks to to analyze how important planning is for prospective leaders in an organization and to analyze the appropriate planning steps for prospective organizations.

The method used is research on succession planning in companies which is qualitative research.

It was found that . the speaker planned several stages of the company's sustainable development based on the theory of Susanto et al (2019).

Strength and discipline are the main things that a prospective successor must have. In the company, men and women are equal, and candidates for professional succession are not the main choice in this company

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ISSN (print): 3047-3470 & ISSN (online): 3047-1982

#### INTRODUCTION

Today, family businesses make up the majority of companies in the country. According to Simanjuntak (2010, p. 113), a family business is a business owned by one or more family members who are actively involved in the company's performance, which is often influenced by the company's vision and family duties. Additionally, a company that has at least 50% equity and employs more than one family member can be called a family business. It is known that in ten market regions in Asia, family businesses employ about 50% of all registered businesses, family businesses also have 32% of total market capitalization resources, and employees account for 57% of total registered business personnel in 2010. important pillars of business family Open business economy is a family business, and management follow-up is considered one of the company's priorities. If you look at the regional distribution of family businesses in Asia, you will see that South Asia has the largest number of family businesses. namely 65% of all registered businesses, while North Asia only has 37% of all registered businesses. and is the lowest in Asia. If we look at Asian countries, we see that India has the highest number of family businesses, with a total of 67 percent of registered businesses, and China has 13 percent of family businesses, making China the country with the least number of businesses. According to a study by Price Waterhouse and Coopers (PWC), (2014), more than 95 percent of businesses in Indonesia are family-owned, which contributes 25 percent of Indonesia's GDP and total assets of USD 134 trillion. owned by more than 40,000 people, the richest people in Indonesia. This family business is divided into various sectors, the largest 50% in manufacturing and the remaining 13% in transportation, general 13%, construction 7% and others 5% or less. Of these family businesses, as many as 23% are still in the first generation, 37% in the second generation, 33% in the third generation, and 0% in the fourth generation. If we compare Indonesian data with family business data in several other countries, we find that 30% of businesses are still in the first generation, 40% in the second generation, 19% in the second generation, and 11% in the second generation. company. in the fourth generation and above. From this information it can be concluded that Indonesia has the potential for family businesses to successfully reach the fourth generation, because there are already international companies that have successfully demonstrated that family businesses are able to reach the fourth generation and beyond.

Research focus: How important is planning for potential leaders in an organization? What are the steps for planning potential leaders in an organization?

Research purposes: To analyze how important planning is for prospective leaders in an organization. To analyze the appropriate planning steps for prospective organizations.

## LITERATURE REVIEW

# Leadership

According to William G. Scott (2019) The definition of leadership is the process of influencing activities carried out in a group, in their efforts to achieve set goals. According to Weschler and Massarik (2020) Weschler and Massarik define leadership as interpersonal influence, exercised in certain situations, and directed through the communication process, to achieve certain goals.

So leadership is the ability to influence and inspire others to achieve certain goals. More than just giving instructions, a leader is able to drive his team with a clear vision, values and direction. Good leaders are also able to listen, motivate and provide support to their team members. According to Ngambi, Cant and Van Heerden (2010) and Ngambi (2011), cited in Jeremy, Melinde and Ciller (2011), leadership is a process of influencing others' commitment towards realizing their full potential in achieving a value added shared vision with passion and integrity. The nature of this influence is such that the members of the team cooperate voluntarily with each other in order to achieve the objectives which the leader has set for each member, as well as for the group. The relationship between the leader and employees as well as the quality of employees' performance, are significantly influenced by the leadership style adopted by the leader (Jeremy et al, 2011). Leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization, (Obiwuru, Okwu, Akpa and Nwankere, 2011). A literature review drives the research (Berg. 2004) and is an essential first step when undertaking a research work. Yukl (1994) defined leadership as the process of influence on the subordinate, in which the subordinate is inspired to achieve the target, the group maintains cooperation, and the established mission is accomplished, with support from external groups obtained. Also, Fry (2003) pointed out leadership means the use of a leading strategy to offer inspiring motives and to enhance the staff's potential for growth and development. Northouse (2004) again described leadership as a process whereby an individual influences a group of people to achieve a common goal.

Maxwell (2002) says that 21st century leader is one who empowers others to be leaders. Managers and supervisors must know the techniques, challenges and benefits of facilitative leadership. According to him, "the old world was composed of bosses who told you what to do and think and made all the decisions. In the new world, no manager can know everything or make every decision now to be successful; a manager has to work in partnership and in collaboration with everyone, in other to tap everyone's ideas and intelligence. Managers now are coach, counselors and team builders. Their job is to find people with talent and skill, and help them work together towards common goals.

Leadership can be defined as the ability to influence, guide, and inspire others towards achieving a common goal or objective. It involves taking charge, providing direction, and making decisions that motivate and empower individuals or groups to work collaboratively and effectively. Leadership encompasses a range of skills, traits, and behaviors that enable individuals to guide and manage others towards the attainment of shared objectives.

Leadership is not limited to formal positions or titles but can be exhibited by individuals at all levels of an organization or within various contexts, such as community groups, educational institutions, or social movements. Effective leadership involves establishing a clear vision, setting goals, communicating expectations, and providing support and guidance to those being led.

Leadership is often associated with qualities such as integrity, empathy, resilience, and the ability to inspire trust and confidence. It involves effective communication, active listening, and the capacity to understand and respond to the needs and motivations of others. A successful leader not only achieves desired outcomes but also develops and empowers others, fostering a collaborative and inclusive environment.

Leadership can take various forms, ranging from charismatic and transformational leadership styles that inspire and motivate others through vision and inspiration, to servant leadership that prioritizes the needs of others and focuses on serving the greater good. Ultimately, leadership is about mobilizing others towards a common purpose, influencing behavior, and creating positive change.

A leadership style is a method by which a leader achieves their team's purpose. This is accomplishedthrough inspiring team members to strive toward a shared objective and concentrating on the welfare of those team members. A team needs to have a good understanding of leadership styles for them to be able to work together, continue to improve, and adapt to changes.

Leadership styles have diverse effects on variables such as flexibility, standards, rewards, clarity and commitment and in some cases on organizational climates as the behavior of the leader produce motivation mechanisms which have effect on the conduct of individual's performance in the organization, (Shamir, House and Authur, 2006). Thus the essence of leadership is followership. Effective leadership is the extent to which a leader constantly and progressively leads and directs his or her followers towards employees' performance.



# ISSN (print): 3047-3470 & ISSN (online): 3047-1982

Leadership styles can either motivate or discourage employees, which in return can cause employee's increase or decrease in their level of performance. According to Schyns & Sanders (2007), the sources of employee job dissatisfaction include inadequate salary, conflicting job demands (from the leadership) and absence of promotion prospects. For efficiency purposes, an effective leadership style, one that positively affects employees' satisfaction and results in better performances, effectiveness and productivity is clearly desirable (Turner & Muller, 2005).

# Planning steps

Pre-Business Stage

In this Pre-Business stage, parents will introduce their children or successors to the family business. This first stage is carried out to create a foundation for the subsequent stages.

Introduction Stage

This introduction stage is when parents introduce their children to certain people who have a role, either directly or indirectly, related to the company and other business aspects, such as creditors or banks who act as capital providers.

**Function Introduction Stage** 

At the introduction stage of this function, the children of the founder have the opportunity to develop their experience with the people or employees who work within the company.

Function Implementation Stage

The function implementation stage begins when a potential successor has become a permanent employee in the company.

Function Return Stage

This stage will involve directing or mentoring other people about work, but not managing the company as a whole and more often acting as an observer.

Initial Substitution Stage

This stage begins with the potential successor being referred to as the president or general manager of the business. In this company, the prospective successor will act as head or leader of the company, but the predecessor still plays a role behind the scenes and supports the company.

Several attributes separate good leadership from great leadership, including the following: Strong, realistic visions, Clear and effective communication, Adaptability, flexibility and creativity, Honesty, Patience, Resiliency, Emotional intelligence and empathy, Integrity, Collaboration, Passion, Fairness, Cultural awareness, Intelligence and expertise, Strategic and visionary decision-making, Persuade, motivate, empower and inspire.

Great leaders inspire people, motivating them to do what it takes to achieve the leader's and organization's goals. Former U.S. President Dwight D. Eisenhower articulated this idea when he said, "Leadership is the art of getting someone else to do something you want done because he wants to do it." According to McKinsey analysis of academic literature as well as a survey of nearly 200,000 people in 81 organizations all over the world, there are four types of behavior that account for 89 percent of leadership effectiveness: being supportive, operating with a strong results orientation, seeking different perspectives, solving problems effectively.

Effective leaders know that what works in one situation will not necessarily work every time. Leadership strategies must reflect each organization's context and stage of evolution. One important lens is organizational health, a holistic set of factors that enable organizations to grow and succeed over time.

# **Leadership Style**

Charismatic leadership style

By far the most successful trait-driven leadership style is charismatic. Charismatic leaders have a vision, as well as a personality that motivates followers to execute that vision. As a result, this leadership type has traditionally been one of the most valued. Charismatic leadership provides fertile ground for creativity and innovation, and is often highly motivational.

With charismatic leaders at the helm, the organization's members simply want to follow. It sounds like a best case scenario. There is however, one significant problem that potentially undercuts the value of charismatic leaders: they can leave. Once gone, an organization can appear rudderless and without direction. The floundering can last for years, because charismatic leaders rarely develop replacements. Their leadership is based upon strength of personality. As a result, charismatic leadership usually eliminates other competing, strong personalities. The result of weeding out the competition is a legion of happy followers, but few future leaders (Michael, 2010).

Transactional leadership style

The wheeler-dealers of leadership styles, transactional leaders are always willing to give you something in return for following them. It can be any number of things including a good performance review, a raise, a promotion, new responsibilities or a desired change in duties. The problem with transactional leaders is expectations. Transactional leadership style is defined as the exchange of rewards and targets between employees and management (Howell & Avolio, 1993).

Transformational leadership style

Transformational leadership style focuses on the development of followers and their needs. Managers exercising transformational leadership style focus on the development of value system of employees, their motivational level and moralities with the development of their skills. Transformational leadership acts as a bridge between leaders and followers to develop clear understanding of followers' interests, values and motivational level. It basically helps followers achieve their goals working in the organizational setting; it encourages followers to be expressive and adaptive to new and improved practices and changes in the environment (Bass, 1987).

Autocratic leadership style

Autocratic leaders are classic "do as I say" types. Typically, these leaders are inexperienced with leadership thrust upon them in the form of a new position or assignment that involves people management. Autocratic leaders retain for themselves the decisionmaking rights. They can damage an organization irreparably as they force their 'followers' to execute strategies and services in a very narrow way, based upon a subjective idea of what success looks like. There is no shared vision and little motivation beyond coercion. Commitment, creativity and innovation are typically eliminated by autocratic leadership. In fact, most followers of autocratic leaders can be described as biding their time, waiting for the inevitable failure this leadership produces and the removal of the leader that follows (Michael, 2010).

Bureaucratic leadership style

Bureaucratic leaders create, and rely on, policy to meet organizational goals. Policies drive execution, strategy, objectives and outcomes. Bureaucratic leaders are most comfortable relying on a stated policy in order to convince followers to get on board. In doing so they send a very direct message that policy dictates direction. Bureaucratic leaders are usually strongly committed to procedures and processes instead of people, and as a result they may appear aloof and highly change adverse. The specific problem or problems associated with using policies to lead are not always obvious until the damage is done. The danger here is that leadership's greatest benefits, motivating and developing people, are ignored by bureaucratic leaders (Michael, 2010).

Democratic leadership style

Tannenbanum and Schmidt, (1958) describe democratic leadership as one where decision-making is decentralized and shared by subordinates. The potential for poor decisionmaking and weak execution is, however, significant here. The biggest problem with democratic leadership is its underlying assumption that everyone has an equal stake in an outcome as well as shared levels of expertise with regard to decisions. That is rarely the case. While democratic leadership sounds good in theory, it often is bogged down in its own slow process, and workable results usually require an enormous amount of effort.



# ISSN (print): 3047-3470 & ISSN (online): 3047-1982

Laissez-Faire Leadership Style

The laissez-faire leadership style is also known as the "hands-off" style. Here, the leader provides little or no direction and gives staff as much freedom as possible. All authority or power given to the staff and they determine goals, make decisions, and resolve problems on their own.

## **METHOD**

In analyzing, the method used is research on succession planning in companies which is qualitative research. According to Sugiyono (2020, p.35), qualitative research is research that can function to describe and understand the meaning behind visible data such as interview results, written data, or observation results. According to Pawito (2012) descriptive qualitative research is research in a form of presenting a description or understanding of how and why a phenomenon or communication reality occurs. This research is descriptive qualitative research because this research uses a data analysis process by describing or illustrating the data that has been collected (Sugiyono, 2020, p.13).

The type of data used is library data. According to Rahmadi (2011) "Library data is data obtained from various written sources or reading materials in the form of books (textbooks, dictionaries, encyclopedias and others), journals, magazines or in the form of research reports (thesis, thesis and dissertation), whether stored in the library or not."

Data source.

The data source used is secondary data. According to Sidik & Denok (2021:46) "Secondary data is data obtained indirectly from other people, offices in the form of reports, profiles, guidebooks, or libraries."

Data collection technique

Data collection is carried out by studying documents or texts, using online media, scientific works and other literature that is related to research.

Data analysis technique:

According to Syafrida (2021:47-48), data analysis was carried out in the following way:

- 1. Data Reduction, namely summarizing information based on things that are important to discuss or draw a conclusion.
- 2. Data presentation is an organized collection of information that provides the possibility of drawing conclusions.
- 3. Conclusion or verification. Conclusions can be drawn by comparing the suitability of the statements of the research object with the meaning contained in the basic concepts in the research.

## **RESULT AND DISCUSSION**

The management planning process anticipates when the previous generation of founders, estimated to be 55-60 years old, will enter retirement. We hope that he can be a potential successor, strength and discipline are the main things that a prospective successor must have. In the company, men and women are equal, and candidates for professional succession are not the main choice in this company. The resource person hopes that potential followers can come from within the company, so that there are no outside parties or external professionals who interfere with the company's internal planning. This is also caused by the experience of the informant's relations who experienced disputes due to interference with the property of non-corporate parties. In planning company succession, the speaker planned several stages of the company's sustainable development based on the theory of Susanto et al (2019).

The ability of leaders to develop psychological resilience in both themselves and their followers will be critical to the survival of organizations in the future. Psychological resilience, which not only guards against burnout but also reduces suffering, improves overall well-being, and increases engagement, is developed via sustained leadership effectiveness and competency. Leadership plays a crucial role in promoting environmental sustainability by driving change, inspiring action, and guiding individuals and organizations towards sustainable practices. Inspiring and motivating others is a crucial aspect of leadership in promoting environmental sustainability. By effectively inspiring and motivating individuals and teams, leaders can foster a collective commitment to sustainable practices and drive action towards a more environmentally conscious future.

One of the most important aspects of leadership in promoting environmental sustainability is inspiring and motivating others. Leaders have the ability to inspire and motivate individuals and teams to adopt sustainable practices and take action towards a future with more environmental consciousness

## **CONCLUSION**

Addressing the complex issues we confront in building a more resilient and sustainable future requires leadership in environmental sustainability. In this attempt, leaders are guided by ethical and collaborative leadership principles that prioritize integrity, diversity, stakeholder participation, and responsible decision-making. The company's succession planning process is already in the pre-commercial stage and moving towards the beginning of the implementation stage. The ongoing pre-business phase is still introducing the company to potential followers by inviting them to the office and getting to know the working atmosphere in the office. The stakeholder relations and socialization phase also occurs indirectly when a prospective successor takes office. The process of selecting and developing followers is now at the basic stage, which determines that prospective followers are selected leaders who meet the criteria. In preparing potential followers, resource persons have criteria such as discipline, hard work, self-confidence, respect for employees, good communication and so on. These criteria were developed when Jesselyne was still small with simple things.

The succession planning and successive development stages that were applied were the introduction and implementation of leadership and mentoring activities, where the introduction and implementation of these activities involved candidates receiving the main tasks, tasks according to their abilities, which are divided into several stages so that they can carry out more complex tasks within the company. Previous managers or senior staff are responsible for the mentoring themselves. However, who exactly will be the mentor has not yet been decided. Planning in the succession planning stage as well as the identification and development of potential successors is formalized, although not in writing, and the authorities already have an idea of how the succession process will work and what steps taken be. The company's succession planning process is already at the pre-commercial stage and moving towards the beginning of the implementation stage. The ongoing pre-business phase is still introducing the company to potential followers by inviting them to the office and getting to know the working atmosphere in the office. The stakeholder relations and socialization phase also occurs indirectly when a prospective successor takes office. The process of selecting and developing followers is now at the basic stage, which determines that prospective followers are selected leaders who meet the criteria. In preparing potential followers, resource persons have criteria such as discipline, hard work, self-confidence, respect for employees, good communication and so on.

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ISSN (print): 3047-3470 & ISSN (online): 3047-1982

# **ACKNOWLEDGMENT**

A big thank you to Mr. Hadi Supratikta as a lecturer who helped me in writing this research journal. I really hope that all parties who read my and Mr. Hadi's journal can help in theory and practice

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