Chapter 14
The Role of the Leader in Increasing the Performance of the Entity

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ABSTRACT

Business excellence models represent the entity's framework for synchronizing vision with action decisions in a more systematic and structured manner, which results in an entity's performance increase. This chapter aims to open new research and deepen directions at the intersection of accounting and management, between science and practice, with the role of potentiating performance as a result of managerial accounting and leadership vision.

INTRODUCTION

The new approaches to the concept of performance outweigh the barriers to profitability, and the sustainability factor becomes paramount (Alstete & Beutell, 2018). For the leadership of new economic entities, performance is directly related to Resource Scarcity - resource reduction and Stewardship with a capital S - the new Stewardship concept that includes understanding the cost opportunity. Adaptability to the influence of these trends may not be possible without the direct involvement of theoreticians and practitioners whose concerns are directed towards clarifying the concept of performance in all its aspects, starting from economic, legal, technical and continuing social and environmental issues, thus supporting a multidisciplinary approach by modern entities under the conditions of an "Interconnected Global Economy" (Arsenault & Faerman, 2014).

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2030 represents the new time horizon that has led entities to shape their Vision, Strategy and Performance Objectives as clearly and convincingly as possible. Although it seems remote as a time horizon, an in-depth knowledge of the resources of each entity with performance potential, including the management system as a whole, methods and techniques implemented to define KPI's Performance Indicators, only build a bridge between Accounting and Management, with a vital role in the evolution of the entity (Lin, Peng & Kao, 2008).

This new global context and the entities' prospect to achieve and maintain Sustainability Performance impose and force the entity's leadership to synchronize managerial decisions with financial-accounting situations as well as industry-specific predictability reports (Tajeddini, 2015). In this way, one can envisage an escalation from a global level to the individual one, towards increasing the competitive advantage, global development, counteraction of the external environment threats, and capitalization of the opportunities through the adoption of pertinent managerial decisions based on economic and financial indicators (Brown & Harvey, 2006; Satell, 2017).

From a conceptual point of view, performance has seen multiple interpretations and approaches from theoreticians and practitioners whose concerns have focused on studying it (Denison, 1990; Akgün, Keskin & Byrne, 2009; Davila, 2012). Specialized practice reveals the interference of the organizational performance concept with other concepts such as management, leadership, profitability, predictability, economic-financial indicators and metrics (Becker & Huselid, 1998). All of these interferences have led to an interdisciplinary approach and a deepening of the concept of performance, depending on the specificity of the field in order to extend its spectrum of applicability (Yadav & Sagar, 2013).

The term "performance" has appeared in literature around the middle of the nineteenth century and has been associated with the start of sports competitions as a result of the participation and winning of such a competition (Bourguignon, 2000). With the twentieth century, the concept begins to deepen, and new approaches are attributed to it by theorists and practitioners of the time, for today, in the digital age, performance is identified with the true measure of value for any business leader and manager (Hartnell, Ou & Kinicki, 2011). Those indicators that are directly related to performance and that affect its level are measurable, can be compared to pre-established benchmarks and can provide solutions for future corrections, added value and competitive advantage (Henczel, 2002).

Moreover, the performance and metric performance indicators have been ranked by industry practitioners in business intelligence techniques, but they are different (Rowland & Hall, 2014). Performance indicators are specific, refer to the expected results in the future, answering the question: Where are we going? - contributing to stakeholder decision-making and sending a signal if there is a variable that could produce inappropriate results. Metrics are generic, focusing strictly on performance results and on the current situation, responding to the question: Where are we today? - focusing on delivering work packages, achieving milestones and achieving performance goals.

The economic era of the Digital Age, characterized by an acceleration of technology innovation, fierce competition in gaining competitive advantage, increasing consumer expectations and emerging market pressure, drives leadership to adapt Vision and Entity Strategy to new performance standards (Adegoke, Walumbwa & Myers, 2012). The challenge is all the more so since the influence of the endogenous and exogenous factors of the entities is continuous, hard to control and in which the concept of Performance brings together under this umbrella other characteristics beyond the economic and financial ones that modern entities must incorporate and develop in their own strategy, such as: adaptability, flexibility, customer orientation, and the recruitment and retention of talent, ability to disrupt (Andriole, 2010).

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