Chapter 20

Understanding Strategic Skills of Managers for First-Time Leadership in Industry 4.0

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ABSTRACT

Strategic skills of managers, which are closely interrelated concept with organizations' performance, have effects on organizations' performance. In this context, this study aims to examine the role of strategic leadership skills of managers of manufacturing SMEs operating in Turkey in in perspective of first-time leadership in Industry 4.0 age. Two questionnaires were used to get data on a five-point Likert scale. The data were collected from 225 employees from SMEs. Data was analyzed with the help of SPSS (V.22.0.) program to apply Descriptive Analysis, Correlation Analysis and Regression Analysis. Results of the study revealed that strategic leadership skills of managers have important role in manufacturing SMEs for competitive advantage and sustainability. Finally, strategic leadership skills significantly can improve organization climate and performance of organizations. Therefore, the current study has vital importance for practitioners to enhance organization performance through leadership skills, organizational performance and organizational climate in Industry 4.0.

INTRODUCTION

Recent leadership researches have shown a need for better understanding the process of becoming a strategic leader because it may be qualitatively different to being a leader. In that case, there is likely to be a need for strategic skills deliberately to support first-time experiences and any such skills must be transferred to organizations by the needs of first-time leaders. First-time leaders are capable of inspir-

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ing a common vision because they dream of the future and believe in the possibilities of the future with conviction. Followers believe in a vision because of the capacity of the leader, through expressiveness, comfort, and friendship, to give it life. Via a variety of small wins that lead to big achievements, they will direct the company. Their power is created through their status and legitimacy is acquired by their acts and through the implementation of what they suggestions (Kouzes & Posner, 2006). Developing a successful organization is both strategic skills and organizational climate. Therefore, the strategic skills of an organization to adapt and develop to a changing environment is crucial for survival. A main word in the winning time is the organizational environment which is closely related organizational climate. Leaders, thus, firmly believe it is possible to achieve their mission by creating a positive organizational climate. Since many of the early leaders mentioned their first leadership attempt or were asked to start a program that was not their concept, continuous learning was a central element of leadership. Modelling continuous learning for a team leads to continuous improvement and success (Dalton, 2003; Jedaman et al., 2019).

The rapid process of technology and the digital world is taking place in all areas of organizational authority, because the business world is transformed to industry 4.0. Leaders should learn new management behaviours in this dynamic and changeable environment, with which they can communicate the internal and external environment of their businesses through a strategic approach. They can accomplish through being conscious of environmental changes and being able to handle these changes for the good of the company by establishing a positive organizational climate in their organizations. Unlike the other leaders, the leader who has to decide the ways to achieve the target must have the ability and skills to think creatively and strategically. Therefore, organizations need a leader to achieve their goals, increase their income and benefit, resolve uncertainty. In addition, they need the leader to investigate the quality of organizational climate to sustain existence and provision of competitive advantage in Industry 4.0.

There are many styles of leadership have been identified by different scholars throughout history. In this research, strategic leadership will be discussed in perspective organizational environment in Industry 4.0. With Industry 4.0, dynamism, uncertainty and complexity make strategic leadership almost indispensable. A strategic leader may allow strategic changes for the future and have competitive advantage in industrial 4.0. Because, it is known that in building a successful organization, the strategic leader has a significant role to play (Kerr, 2006; Aragón-Correa et al., 2007; Golensky and Hager, 2020).

Strategic leadership skills and organizational environment within the framework of Industry 4.0 will be related in this chapter. In this context, first, the definition and its characteristics of strategic leadership and organizational climate will be clarified. Then this relationship will be provided by statistically in methodology section. Finally, the results and findings of the study will be discussed in conclusions section.

A certain level of organizational climate is compulsory for every organization to meet the survival requirements in the present competitive environment. As the competition among organizations is growing day by day, therefore, organizations required higher level of organizational climate to compete with their competitors. Therefore, organization climate is a vital part of organizations (Moslehpour et al., 2019) for success and survival.

More specifically, Small and Medium Enterprises (SMEs) have more importance for different countries as SMEs play a vital role in various nations (Jermsittiparsert & Rungsrisawat, 2019) and SMEs are the significant contributor to the economic development (Ayandibu & Houghton, 2017; Lomatey et al., 2020). Particularly, in Turkey, SMEs also has important role in economic development. In the context of Turkey, manufacturing, SMEs are described as firms with less than 250 employees and these SMEs should have fixed capital of 25 million Turkish Lira (KOSGEB, 2019). In the year of 2019, SMEs in

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