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The Importance of Leadership in Business

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Abstract: This article aims to explain the importance of leadership in business because it can help achieve long-term success. This research uses a type of library research using a qualitative approach. Data sources obtained through literature reviews relevant to the importance of leadership in business. This research discusses several topics including: 1) the concept of leadership; 2) leadership style in management; 3) entrepreneurial leadership, and 4) leaders' efforts to face business challenges. Data collection techniques involve systematic literature searches, analysis and topic searches regarding the importance of leadership in business. Based on the studies conducted, it can be seen that the importance of leadership in business is because it can improve business targets for quality in achieving predetermined goals

Keywords: leadership; leader; business

1. Introduction

Environmental factors and an organization's capacity to adapt and grow require that changes within an organization have a significant influence on the organization. As agents of change, leaders will assess the organization's capacity to adapt to an increasingly unstable environment. This includes leaders with a long-term vision, a strong sense of change, an awareness of their place in a dynamic environment, and a passion and enthusiasm for entrepreneurship. Leaders who lead change themselves besides acting as agents of change. Leadership must also have a strategy that can act proactively, imaginatively and innovatively and have a strong awareness of business and change [1]. Where leadership must be able to influence and motivate other people to achieve common goals.

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In an organization, everyone has a role in realizing the goals they want to achieve. Without exception, a leader manages the organization and all its staff. The role played by a leader greatly influences the organization. So that a leader in carrying out his leadership is required to carry out his leadership not only carrying out his function as a leader but also providing services to each of his staff. So that a staff feels the presence of a leader as a colleague who can respect each other, not a leader who only gives tasks and orders his subordinates to work without thinking about the condition of his subordinates.

Everyone in an organization has a part in achieving the goals they have set for themselves. A leader is always responsible for the company and all its employees. The role of a leader has a big impact on the organization. Therefore, a leader must fulfill his leadership responsibilities by serving each member of his team in addition to carrying out his leadership duties, in such a way that employees view a leader as a friend who respects each other and not as someone who only gives tasks and orders their work to work without considering their welfare [2]. The role of a leader is very influential in the organization or institution he leads.

On the contrary, a leader must dare to think differently to create opportunities and realize the organization's dreams. Almost every aspect of work in an organization is influenced by a leader. This means that leadership really determines the success of an organization on an ongoing basis. Therefore, leaders greatly influence the success achieved in the organization. Apart from that, leadership has an important role in a business organization [3]. Thus, researchers are interested in raising material regarding the importance of leadership in business because it is considered the main determining factor in achieving organizational goals, especially in the company it runs.

2. Results

The importance of leadership in business because it can help achieve long-term success. There are several reasons why leaders are important in business, namely being able to inspire and motivate a team at work, building a positive organizational culture, overcoming critical challenges, building good relationships, building a clear vision to maintain business sustainability, and encouraging innovation to open up space for ideas. new and dare to take risks. Leadership is the practice of guiding the actions of others towards achieving certain goals.

3. Discussion

3.1. Leadership concept

According to one definition, leadership is a process of social influence in which the leader's task is to encourage followers to voluntarily participate in a cause to achieve organizational goals. Moreover, leadership is the practice of guiding the actions of others towards the achievement of certain goals. In this context, directing refers to persuading another person to behave in a certain way or go in a certain direction.

The concept of leadership is a process in which leaders and followers raise themselves to a higher level of morality and motivation. These leaders try to raise awareness among their subordinates by promoting higher ideals and moral values such as freedom, justice and humanity, not based on emotions [1]. Leadership also explores how best to manage people to get the performance and happiness that a person desires.

In an organization, the leadership role has three objectives, namely: first, to inspire, influence and set an example; second, serving and implementing the values agreed upon by the organization to achieve its goals; and third, to make decisions between various options, solve problems, and build a unique organizational culture within the company or organization [4]. So it can be concluded that leadership is an effort to influence other people by providing motivation and guidance for cooperation in achieving mutually agreed goals.

3.2. Leadership styles in Management

Leadership style refers to where a leader performs management or leadership tasks while guiding his subordinates.

The following are leadership styles:

1. Autocratic leadership style
This approach is also known as a directive style or leader-centered leadership. This autocratic style is characterized by leaders who provide a lot of direction and deny subordinates a say in planning and decision making simultaneously.
2. Participative leadership style
Participative leadership style is the ability to convince people to work together to achieve predetermined goals. This leadership is centered on subordinates, equal leadership, or consultative leadership.
3. Delegative leadership style
This leadership style has the characteristics, namely that decision making is handed over to subordinates, leaders rarely provide guidance, and organizational members are expected to handle all problems themselves. Therefore, a leader's personal character will have a big influence on his delegative leadership style. If employees are highly motivated and capable, this delegative leadership style is ideal.
4. Bureaucratic leadership style
Described by the statement "Leading by rules". Strict adherence to protocols that affect leaders and their subordinates is a hallmark of leadership behavior. There is no longer any flexibility when bureaucratic leaders base all their decisions on current regulations.
5. Laissez Faire leadership style
This leadership style requires member initiative to be encouraged. This style is also only effective if followers can demonstrate a fairly high level of competence and self-confidence in achieving goals and objectives because the leader does not only interact or control. In this leadership style, the leader uses little power or completely allows his subordinates to do as they please.
6. Authoritarian/Authoritarian leadership style
A leader who centralizes all policy and decision making wants to be stripped of all authority. A leader with an authoritarian style will oversee all divisions of duties and responsibilities.
7. Charismatic leadership style
This charismatic leadership style has the benefit of attracting other people to apply it. His speaking style will charm them and make them feel better. In addition, this style is able to highlight the leader's personal attractiveness to influence and motivate others. Charismatic leaders usually have many followers and fans.

8. Diplomatic leadership style

The diplomatic leadership style is a leadership style that emphasizes the ability to communicate effectively and respectfully. The advantage of this diplomatic leadership style lies in its perspective placement. Patience and passivity are the weaknesses of leaders who use this diplomatic style.

9. Moralism leadership style

In general, moralism leadership is a person who is kind and polite to everyone. They are patient and like to give, and have great empathy for all the problems of their subordinates. Apart from that, the moralism leadership style is a leadership style that is based on a strong moral view and prioritizes principles and ethics.

10. Administrative leadership style

This type of leadership style seems less creative and too strict about rules. So this leadership style seems to put too much pressure on subordinates to work.

11. Analytical leadership style

In the analytical leadership style, decision making is usually based on an analysis process, especially logical analysis of any information obtained.

12. Assertive leadership style (Assertive)

An assertive leadership style is a leadership style that combines a firm and confident attitude with the ability to respect other people's thoughts and points of view. This type of assertive leadership style is a strong approach that is more aggressive and pays great attention to personal control.

13. Entrepreneurial leadership style

The entrepreneurial leadership style is a leadership style that focuses on innovation, exploiting opportunities and managing risks. This leadership style places great importance on power and final results and places little emphasis on the need for cooperation.

14. Visionary leadership style

A visionary leadership style is a leadership style designed to give meaning to tasks that must be completed collaboratively by organizational team members. By providing direction and meaning to work and business that is run based on a clear vision, goals can be achieved.

15. Situational leadership style

The fundamental idea behind situational leadership theory is that a leader's approach can change based on how prepared his followers are.

16. Militaristic leadership style

This militaristic leadership style has quite similar similarities to the authoritarian type of leadership, which is characterized by a leader who consistently treats his followers as subordinates [5]. It can be concluded that leadership style is one way to define leadership style as a pattern of behavior and methods chosen and often used in leading an organization to achieve predetermined goals. Leaders utilize their style to influence subordinates to achieve organizational goals.

3.3. Leadership in Entrepreneurship

Business changes caused by the global crisis require careful and strategic management, as coping with corporate change requires strong leadership in managing the crisis. In an organization there is a leader who plays a key role in organizing, leading and directing the various activities carried out. A leader has a duty to ensure that organizational goals are achieved successfully and economically. To achieve desired results, leaders play an important role in setting the vision, motivating the group, making strategic choices, and allocating resources [6].

In contrast to leadership that aims to maintain the status quo, entrepreneurial-based leadership includes organizational change initiatives. In general, the development of quality human resources requires the creation of ideal conditions for freedom and courage to express ideas, opinions and research findings as well as the application of superior teaching and training methods. The existence of an organizational education system based on competitiveness is one of the advantages it produces. To implement organizational change, a system is needed that supports the development of organizational education, which will quickly and surely produce superior human resources and the capacity of leaders who have the imagination, determination, skills and courage to implement strategic change. This procedure shows the character, enthusiasm and soul of an entrepreneurial leader [1].

A responsible leader is a leader who can assign trained staff members to do work, give them opportunities to grow in confidence, and motivate them to take on assigned responsibilities. To meet the demands of their members, intelligent leaders can encourage their followers to adopt a logical mentality based on facts and statistics. Because. Leaders hold important positions in the organizational structure, they also need to have certain qualities. A strong leader can solve a number of problems in a company or organization [7]. Likewise, it treats differences of opinion as normal when resolving any problems faced by its members. Even though the leader has the final say, the opinions of subordinates still count. By involving their subordinates in the formulation of current challenges and collaborative discovery of answers, leaders can inspire new ideas and innovative solutions to the difficulties they face. Entrepreneurial followers will feel loyalty, respect, trust, and admiration for their leader, which will motivate them to go beyond what they have anticipated. Creating a sound organizational strategic plan is a challenging effort for leaders to create organizational goals, and many supporting elements are required for goals to be achieved effectively. The factors used include:

1. Quick and accurate in making decisions.
2. Logical and well-defined strategic planning.
3. There is an appropriate organization.
4. There is a good management system.
5. Availability of adequate funding.
6. Availability of human resources that meet quality requirements.
7. Acceptable and strong leadership.
8. Superior goods and services are produced.

3.4. Leaders' Efforts to Face Business Challenges

Transformational leadership plays an important role in overcoming corporate transition difficulties caused by the global crisis. This leadership approach aims to inspire and bring about constructive change in the company in addition to managing change. With an attractive and motivating vision, leaders who use a transformational leadership style can lead teams through challenging circumstances. Transformational leaders can inspire enthusiasm, drive and creativity. Team members are inspired by this leader to think outside the box, seek new approaches, and recognize opportunities in every obstacle. In addition, transformational leaders are able to turn uncertainty into opportunities and use change as an opportunity to develop and progress in times of global disaster [4].

Transformational leaders create a work atmosphere that encourages individual self-confidence and empowerment by providing the support, direction, and training needed by team members to overcome challenges and increase employee capabilities. In addition, transformational leaders make long-term plans and also offer short-term answers when dealing with corporate changes caused by the global crisis. Organizations benefit from this transformational leadership because it helps them create new strategies, adapt to

environmental changes, and lay the foundation for a brighter future. Global crises often bring changes that are very complicated, unclear and unstable [8]. In this situation, the leader in this scenario must be able to set direction, act quickly and appropriately, and convey a clear vision to the team as a whole. In dealing with stress, a successful leader will act as a director, provide direction to team members, and give them goals to be achieved by the company. To effectively guide subordinates so they can work successfully, a leader must be naturally adept at carrying out their duties [9]. A strong leader is based on a number of traits that a good leader has, including the ability to motivate the people he works with. The characteristics of a leader include:

1. Visionary
Successful leaders are able to create an attractive vision of the future and have a long-term vision. Despite obstacles, leaders are able to see possibilities and opportunities and convey their vision effectively to the teams they lead.
2. Inspirational
Effective leaders are able to motivate and inspire teams. By setting a good example and generating positive energy, leaders can inspire enthusiasm and determination in team members to achieve common goals.
3. Creative
An important quality for a leader is the ability to think originally and solve problems effectively. Creative leaders are able to think outside the box and produce solutions to challenges that were previously unthinkable.
4. Be brave
Capable leaders demonstrate courage in the face of obstacles and take calculated risks. To achieve greater goals, leaders do not hesitate to take challenging actions or step out of their comfort zone.
5. Be responsible
Successful leaders take full responsibility and accept full accountability for their choices and actions. Leaders can handle the impact of decisions, both good and bad, and lead in favorable circumstances.

4. Materials and Methods

This research uses qualitative methodology and library research design. This kind of literature study research involves gathering information by reviewing and understanding theories from various research-related publications [10]. This type of library research involves collecting data and information from various sources, including books, journals, magazines and research articles, through literature analysis [11]. The data collection process involves searching books, journals, and previous research, which is then recreated using the findings. Content analysis methodology, namely an analysis technique for finding concepts, topics, words and sentences in various sources, be it books, essays, articles, documents, etc., is the data analysis method used. This content analysis technique is used to obtain descriptive data, where the data collected can provide a picture of the problem to be studied.

5. Conclusions

Leadership is the process of raising oneself to a higher moral and motivating level. To achieve organizational goals, a leadership position in an organization has two goals, namely inspiring, influencing, and setting an example, as well as implementing the values that have been decided by the organization. A leader has influence on almost every aspect of an organization's operations. This means that the success of an organization is consistently determined by its leadership. Therefore, leaders are very influential on the

success achieved in the organization. Apart from that, leadership has an important role in a business organization.

The importance of leadership in business because it can help achieve long-term success. There are several reasons why leaders are important in business, namely being able to inspire and motivate a team at work, building a positive organizational culture, overcoming critical challenges, building good relationships, building a clear vision to maintain business sustainability, and encouraging innovation to open up space for ideas. new and brave to take risks. Therefore, leadership is very important in a business to run the business further forward.

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