

# **Choosing an optimal leadership style at different stages of the organization's life cycle: I.Adizes' theory**

**Narimanova Olga Vladimirovna**

*Candidate of Economical Sciences, Associate Professor, Head of the Department  
Ryazan State Medical University*

**Annotation.** The article analyzes the concept of one of the most authoritative modern representatives of the theory and practice of management, Yitzhak Calderon Adizes, on the choice of the optimal management style of an organization at various stages of its life cycle. This analysis acquires particular relevance in the context of a sharp increase in the dynamism, uncertainty and unpredictability of the external environment of organizations in the 21st century. The main attention is paid to I.Adizes's research in the field of the structure of the emotional intelligence of a leader, which is necessary for the correct management of an organization at different stages of its life cycle. This intelligence integrates four character dominants or four leadership styles. According to the conclusions of I. Adizes, the top management team must necessarily combine the carriers of four complementary leadership styles, which are conventionally designated " Producer ", "Administrator", "Entrepreneur", "Integrator".

**Keywords:** management, organization, top manager, organization life sycle, stage of organization life sycle, leadership style, integralleadership style PAEI.

## **Introduction**

Against the background of a sharp increase in the instability and unpredictability of the global economy in the context of the coronavirus pandemic, as well as the dynamic changes in the technological environment caused by the fourth industrial revolution, competent management of organizations is becoming an increasingly difficult task. In this regard, it is very important to implement in management practice the I.Adizes' concept of an optimal leadership style at different stages of the organization's life cycle.

**The purpose** of the study is to analyze I.Adizes' concept on the choice of the optimal leadership style at different stages of the organization's life cycle and show its practical significance.

## **Materials and methods**

The research is based on the study of the works by I. Adizes. General scientific methods were used: analysis and synthesis, induction and deduction, systems approach, comparative analysis, economic and statistical analysis.

## **Results and discussion**

One of the management axioms is the correct choice of an effective leadership style, or leadership, for the successful development of an organization at different stages of its life cycle.

The study of the life cycles of commercial organizations began in the West relatively recently - from the 50s of the XX century. The impetus for these developments was the new social sciences, primarily psychology. The authors of the first works devoted to the use of the life cycle concept in business were American scientists E. Penros, who studied the analogies of firms and biological organisms; D. Chain, who analyzed the stages of development of corporations; L. Steinlitz, who observed the dynamics of growth and survival of firms. An article by L. Greiner entitled "Models of Organizational Change" (1970), in which the author identified five stages in the development of firms, was of key importance for the popularization of research on the life cycles of business organizations.

In the 1980s and early 1990s. there have been many works devoted to various problems of the life cycles of organizations. So, D.Boulding and E.Wetten considered the stage of "decline", J.Meiner wrote about "types of entrepreneurs" and "bureaucratic stages", R. Berenheim - "about natural selection and survival", P. Mirvis and W. Dyer - "about changes in family firms". Several longitudinal studies of the "efficiency" and "predictability" of life cycle stages have been carried out by such scientists as D. Miller, K. Cameron, R. Quin, R. Friesen, R. Draizing, R. Kazanjan and others. D. Miller and R. Friesen analyzed the five stages of growth and decline of organizations using 54 variables with a predominance of "complementary variables" at each stage. R. Draizin and R. Kazanjan used a business procedure for predictive analysis of three-stage models of "life cycle imperatives" [1].

The most authoritative scientist in the field of research on the life cycle of organizations is the American scientist Yitzhak Calderon Adizes, a well-known "guru" of management theory, who generalized and successfully promoted the scientific developments of his predecessors. Adizes is the founder and director of the Adizes Institute in Los Angeles, California, and the director and director of the Adizes Graduate School for the Study of Change and Leadership, which operates at the institute. Since 1975, he has been developing a diagnostic and therapeutic methodology for implementing organizational change, now known throughout the world as the "Adizes methodology". Itzhak Adizes applies his methodology in a variety of organizations with the number of employees from 30 to 150 thousand people. His organizational therapy methods have helped commercial and non-profit organizations in the USA, Canada, Sweden, Denmark, Iceland, Norway, Finland, France, Germany, Switzerland, Russia, Yugoslavia, Holland, Belgium, Austria, India, China, Israel (all in this list are companies from more than 50 countries) to achieve high results and take leading positions in a variety of industries. Currently, more than 1,000 companies around the world apply the Adizes methodology and more than 200 certified graduates of the Adizes Institute serve organizations around the world. Adizes owns more than twenty

monographs, translated into 30 languages, which summarize his long-term practical experience of working with various companies [2].

According to the Adizes methodology, the life cycle of an organization is in many ways similar to the life of a person. The organization is born in creative and entrepreneurial agony, experiences the difficulties and joys of adolescence and youth, and finally reaches maturity. Then many organizations begin to age, and old age can be followed by organizational death. But here the fundamental difference between the organization as a socio-economic system and a biological organism is revealed. After all, the life cycle of an organization is not strictly limited by some time period. There are many examples of organizations that have thrived for decades, some of which are a hundred or more years old. Their leaders managed not only to raise their business to the top of success, but also to stay on it for a long time.

One of the main tasks of management is precisely to find a recipe for the health of a business at different stages of its evolution and to ensure its overall longevity. To solve it, it is necessary to clearly understand the features of each stage of the life cycle of organizations, objectively arising at each of them, as well as the optimal leadership style in these conditions.

The uniqueness of the methodology proposed by I. Adizes for researching the life cycle of organizations is that it allows you to analyze the objective (normal) and abnormal problems of organizations on the typical path of their life cycle, as well as to formulate effective principles for managing organizations on the optimal, that is, faster and safer path. development. The optimal path of evolution, of course, does not exclude problems, but quickly brings organizations to the stage of flowering and ensures their longer stay in this state. It should be noted that it is at the stage of flourishing that the organization will face the most difficult tests. This is where the test of her will to win begins. After all, success is relaxing. And the test of success, fame, recognition that comes to the company and its management at the stage of flowering and maturity are its test of strength. This is a period when it becomes clear to what extent the previously achieved successes were associated with the strength of the personality of their leader, his strategic vision, his ability to create a cohesive team and lead it, and in what extent - simply with favorable market conditions. At the same time, it is often necessary to overestimate past values and look for new guidelines.

When the euphoria of success gives way to a kind of managerial hangover, the development of the company suddenly slows down. The collective, which until recently seemed like a team of like-minded people, are beginning to shake open and hidden conflicts. This means the destruction of the synergistic effect, which until recently has multiplied the capabilities and overall potential of the company. Internal and external problems are growing, and yesterday clear development prospects disappear. The heyday of a company is replaced by inevitable aging and

decline, if its management does not realize that it is impossible to stay “at the top” without making regular and fundamental changes [3].

According to I. Adizes, the choice of the correct leadership style at different stages of the organization's life cycle is a key condition for its movement along the optimal path of development. The special type of intelligence that successful leaders and managers must possess is extremely important. This type of intelligence is called emotional. Emotional intelligence requires the ability to convince, inspire, and lead people. This is a special talent that has become the subject of special research in management theory in recent years. The development of emotional intelligence is interpreted today as perhaps the most important thing in business. Often, brilliant scientists have weak emotional intelligence. Conversely, people with an intellect not sufficient to master complex fundamental science sometimes (although not always) find themselves endowed with remarkable emotional intelligence by nature.

The scientific merit of I. Adizes is the analysis of the structure of the emotional intelligence of the leader, which is necessary for the correct management of the organization at different stages of its life cycle. Such intelligence integrates four dominants of character or four leadership styles (Adizes calls them “vitamins of success”) [4,5]. Business management presents top management with a seemingly insoluble problem. The fact is that in order to successfully manage a company, its leader must simultaneously possess many qualities. He needs to constantly take care of the interests of clients and the image of the company; to be an excellent administrator, that is, to be able to rationally organize, streamline, systematize the work of subordinates, establish strict and timely financial reporting and control; have a strategic vision, which means the ability to correctly determine development prospects, be creative and enterprising, ready for risk, for extraordinary decisions; be able to create a strong corporate culture, act as an integrator, inspire teamwork in the name of corporate goals, and experienced crisis management. In other words, top management of any organization must fulfill four functions: production of results, administration, entrepreneurship, and integration.

It is easy to see that managers with all the necessary skills do not exist in nature and cannot exist. After all, these qualities are often mutually exclusive and cannot be equally present in the character and intelligence of one person. It follows from this that a leader should not strive to be the best at everything, but should form a team of the company's management staff in such a way that the owners of all the necessary qualities and talents are simultaneously represented in it. In other words, the leadership team must unite the carriers of four complementary management styles. I. Adizes is convinced that it is their synergistic unity that feeds the growing company, like vitamins that stimulate the healthy functioning of a living organism. The qualities required for a

manager are thus combined into the following four leadership styles, or four types of leaders: "Producer", "Administrator", "Entrepreneur", "Integrator" [6,7].

Let's consider the features of these styles. The first of them - "Producer" - I. Adizes designated the Latin letter "P" (from the English "Producer"). A leader with this style is responsible for the production of goods and services. It is focused on results, that is, on high-quality customer satisfaction. If the company's products meet the needs of customers, then they constantly turn to it for goods and services, recommend them to their relatives, friends, acquaintances. Thus, they help to promote the company's products and increase its market share. Consequently, the role of the P-style leader is to work tirelessly to ensure the production of quality products that meet the needs of customers. Note that the importance of such a function for the success of companies was also noted by another well-known management theorist - Peter Drucker. One of the conditions for business success, he formulated as "the ability to do the right things" ("doingtherightthings"). This skill just means the ability to correctly identify and often anticipate the needs of customers, to guess what kind of goods and services will be in demand. However, consumer needs should be met with an optimal cost-benefit ratio. Peter Drucker called it "doing thethingsright". This refers to the provision of economic efficiency, which requires the maximization of profit per unit of cost while maintaining the required quality of products [8].

The problem of economic efficiency and optimal use of the organization's resources should be dealt with by the second type of manager - "Administrator", whose style is conventionally designated by the letter "A" (from the English Administrator). Such a leader ensures the correct organization of activities, the optimal combination and interaction of all elements of its internal environment, including economic, informational and human resources. He oversees the distribution of powers and responsibilities of officials, compliance with rules and procedures, implementation of the planned strategies, tactics and policies of the company.

Successful development of a company is impossible without competent strategic planning that allows you to see the future, adapt to the rapidly changing economic, technological, political, socio-cultural environment. The development of a strategy, a strategic vision requires a special intuitive gift from the manager, creativity, and entrepreneurial spirit. All these traits should be possessed by the third type of leader - "Entrepreneur" with style "E" (from the English "Enterpreneur"). A leader with such a style is called upon to be the initiator, inventor of new ideas and solutions in various areas of the company. It is his innovation that helps keep the company in its prime and postpone its decline.

Finally, the fourth type of manager is called the "Integrator" and is designated by the letter "I" (from the English "Integrator"). This is a leader-leader, whose function is to create and maintain the corporate culture of the organization, taking into account its mission and strategy.

Corporate culture includes the general philosophy, or concept, of the organization's activities, its policy in relation to personnel and customers, a system of values, traditions, norms, attitudes, unwritten rules, rituals, and "rules of the game" common to the employees of this organization. Studies by American scientists T. Peters, R. Waterman and others have shown a stable relationship between the content of corporate culture and the effectiveness of companies. This determines the importance and complexity of the functional role of the "Integrator". Such a leader must be a bright, charismatic leader who provides a synergistic effect in the team [9].

Ideally, all four types of leaders should be represented in the management of the company at any moment. Taking into account the letter designations used by Adizes, the integral management style can be conventionally designated as the PAEI code. Depending on the stage of the organization's life cycle, at any given moment, some leadership styles should be dominant, while others should be complementary, secondary. The logic of the combination and alternation of these roles is dictated by the priority tasks of a particular stage of the organization's development. At the same time, Adizes denotes "capital", key leadership styles in capital letters, and supplementary ones in small letters. For example, if top management is convinced that it is necessary to adjust the company's development strategy (that is, to strengthen the role of the "Entrepreneur") and make the necessary changes in the production of goods and services (to activate the "Producer" function), then the management code can be expressed as a combination of styles: "PaEi ". If you need to focus on improving the organization of activities ("Administrator" style) and strengthening the corporate culture ("Integrator" style), then the general leadership style is designated "pAeI".

The choice of the optimal combination of management styles depends on the ability of top management to correctly "diagnose" the company, that is, to accurately determine the needs and characteristics of a given stage of its life cycle. This approach to company management allows avoiding many managerial pathologies, that is, serious mistakes.

The complexity of managing a company, taking into account the stages of its life cycle, is also associated with the fact that various structural divisions of organizations "age" at different rates and may at the same time be at different stages of the life cycle. For example, the marketing department is in its prime and the manufacturing department is aging. It follows from this that the management of any structural unit of the company requires an individual approach and the formation of a special management code that corresponds to its state. However, this is still not enough for competent leadership of the organization. After all, it is still necessary to correctly and convincingly bring to the managers orders about which of them comes to the fore and who goes into the shadows, and help them realize the need for such a "castling" [10].

## **Conclusion**

The PAEI model proposed by Adizes is a unique management technology that allows you to fully implement a situational approach to managing organizations. It is no secret that one of the most difficult problems of practical management is change management in organizations. Changes in organizations should be a reaction to changes in the external environment. In the context of today's technological revolution, it is especially important to consider technological changes. Unlike living organisms, companies do not have systems of internal automatic self-regulation, they are deprived of any "built-in stabilizers" and shock absorbers. Everything that happens to them in the course of their evolution is the product and result of the conscious efforts of top management. Knowledge of the specifics of each stage of the life cycle, the trends and patterns of change inherent in this stage, and typical managerial pathologies save the organization from "groping" by trial and error. Application of Adizes' recommendations on the choice of the optimal integrated management style allows to mitigate the threats and risks arising from an unstable and uncertain economic and technological environment as much as possible.

## **References**

1. Adizes I. Managing Corporate Lifecycles / Ichak Kalderon Adizes. – SPb: Piter, 2007. 672 p. (in Russian)
2. Narimanova O.V. Optimal leadership style at different stages of the organization's life cycle // Personality in a changing world: health, adaptation, development: network journal. 2017 vol. 5 no. 2 (17). URL: <http://humjournal.rzgmu.ru/art&id=260> DOI: 10.23888 / humJ20172169-179.
3. Adizes I. Mastering Change. The Power of Mutual Trust and Respect in Personal Life, Family Life, Business and Society . – SPb: Piter, 2008. 224 p. (in Russian)
4. Adizes I. Food for thought / Ichak Kalderon Adizes. M: Eksmo, 2017. 144 p. (in Russian)
5. Adizes I. Insights on Management / Ichak Kalderon Adizes. – M: Mann, Ivanov and Ferber, 2017. 150 p. (in Russian)
6. Adizes I. The Ideal Executive: Why You Cannot Be One and What To Do About It / Ichak Kalderon Adizes– M: Alpina Pablisher, 2014. 360 p. (in Russian)
7. Adizes I. Leading The Leaders: How To Enrich Your Style of Management and Handle People Whose Style Is Different From Yours / Ichak Kalderon Adizes – M: Alpina Bizness Buks, 2008. 259 p. (in Russian)
8. Michael H. Meskon, Michael Albert, Franklin Khedoury. Management, Third edition. – M: OOO «I.D. Wilyams», 2007. 672 p. (in Russian)
9. Adizes I. Management/Mismanagement Styles: How to Identify a Style and What to Do about It / Ichak Kalderon Adizes. – M: Alpina Bizness Buks, 2009. 199 p. (in Russian)
10. Adizes I. Pursuit of Prime: Maximize Your Company's Success with the Adizes Program / Ichak Kalderon Adizes. – M: Mann, Ivanov and Ferber, 2017. 256 p. (in Russian)