

The Impact of Leadership Styles on Motivating Corporate Employees in Kosovo

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Abstract

Leadership is the most important factor in business development, refers to the perceptions and expectations of group members in achieving the objectives of any private or public organization, organizational culture affects leadership as much as leadership affects organizational culture. In this regard, this study tries to reflect the impact of leadership styles on the motivation of corporate employees in Kosovo. This study attempts to analyze the perception of corporate employees about motivation being influenced by leadership styles, in relation to motivation factors and how it relates to leadership styles.

The study is based on four leadership styles, which reflect their effect on the motivation of corporate employees in Kosovo. The research data collection is primary, conducted through a structured questionnaire, with a sample size of 391 respondents. The research results are based on the highly variable linear econometric model, and based on the research results the 4 leadership styles Classical leadership, Transactional leadership, Visionary leadership, and Organic leadership have had a positive impact on the motivation of corporate employees in Kosovo.

Keywords: Leadership styles, Motivation, Corporate, Kosovo.

Introduction

Leaders have visions, take risks, present dreams, explore opportunities, and generally invite their colleagues to join them on the journey to the unknown. Even when leaders blend in very well with the atmosphere of the organization, there is something that sets them apart from others. Looking at them and analyzing them closely, what distinguishes them is exactly the vision. Whenever individuals turn their attention away from routine issues, they are open to new possibilities. They seek solutions that focus on maximizing potential and not on things that have happened in the past.

The ability to look far, to imagine something new and better, to focus on the end result, to dream can be gained through practice. The vision gives the big picture and the long-term direction and answers the question —what will be the success. In order to articulate a realistic and credible vision, leaders need to know what people want and their vision needs to be widely shared with them.

Based on the situational leadership model developed by Hersey, Blanchard, and Johnson (1996) it is based on the interrelationships between prominent elements of group dynamics: First, the amount of guidance and direction (i.e., commitment) a leader provides to members of the organization; second, the amount of socio-emotional support (i.e. relationship behavior) a leader provides to members of the organization; and third, the levels of readiness (i.e., maturity levels) that followers

display in performing the tasks necessary to achieve organizational goals. This concept provides leaders with some understanding of the relationship between an effective leadership style. Hersey, Blanchard, and Johnson (1996), as well as other leadership theorists such as Fiedler (1967) and Blake and Mouton (1964), argue that no single leadership style is appropriate for all situations. Effective leaders adapt their leadership behaviors based on hierarchical levels. In the situational leadership model, the two dimensions of task and relationships are related to a third dimension: the maturity levels of the group or organization.

Leadership can be defined as the ability of the individual to influence other people so that they collaborate and contribute to the efforts to achieve the goals of the organization (Boatman et al, 2011). To understand leadership as a process, one must know the ideas about authority, behaviors, and motives that affect a man and his complex whole. Challenges in leadership selection and leadership development have become a central issue of organizations in recent years, both for-profit (business) and non-profit organizations (Kubicek, 2011), (Boatman et al, 2011).

Research questions

The research questions are:

Research question 1: Which leadership style does not affect the motivation of corporate employees in Kosovo.

Research question 2: Which leadership style has the greatest impact on the motivation of corporate employees in Kosovo.

Research question 3: Which leadership style has the least impact on the motivation of corporate employees in Kosovo

Research hypotheses

The research hypotheses are:

Hypothesis 1: The classic leadership style has statistically significant impact on employee motivation in Kosovo corporations.

Hypothesis 2: The transactional leadership style has statistically significant impact on employee motivation in Kosovo corporations.

Hypothesis 3: Visionary leadership style has statistically significant impact on employee motivation in Kosovo corporations.

Hypothesis 4: Organic leadership style has statistically significant impact on employee motivation in Kosovo corporations.

Literature review

Most organizational theorists believe that leadership is a central factor in the well-functioning of groups as well as organizations. In the United States and Europe, belief in a central leadership role has been acknowledged and institutionalized, and continued interest in the subject is an "international phenomenon" (Storey, 2005, p. 91). It is generally accepted that, in order to structure, coordinate activities, and guide

others in meeting the goals of the group, the leading factor is necessary. The interest in leadership is related in part to the early desire to identify the means to achieve organizational efficiency through managerial control, but also to a current tendency to assume and consider leadership as responsible for a range of difficult problems. Leader-staff relations were initially addressed in the context of human relations assertions, according to which managers manage to be accepted by employees by promoting interpersonal relationships and by meeting social needs. Later, during the years 1960-1970, the emphasis shifted to the basic theme of human resource development theory according to which the role of leaders is to create the right climate for the development of staff skills and to facilitate that development. In each case, the study of leader-staff relationships, at least from a traditional perspective, has sought to uncover the essence of leadership effectiveness and to understand primarily the impact that leadership has (Storey, 2005; Yulk, 2006). Interpretive studies related to leadership and leader-staff communication also address topics that are similar to traditional studies, but much of the research in recent years has been covered by the field of critical studies. The idea of the organization has to do, in fact, not only with coordinated action, including division of labor and specialization of roles but also with the hierarchy of authority in which those in the highest positions have the highest status, more privileges, and power than those in lower positions. In other chapters, we will describe some new alternatives in terms of traditional hierarchy systems, but it still remains completely real, in the organizational world, and at any of the levels of the organization, that one individual is dependent on another. Given this situation, McKenna (2004) summarizes the critical perspective of the leadership-staff relationship: "Critical management theorists are not fascinated by libertarian theories ... which describe the postmodern organization as an unorganized axis of the system of authority ... in fact power is concentrated in constellations of clearly outlined" (p.22).

Research methodology

To answer the research question, as well as to confirm the hypothesis of the paper, we used the data collected from a questionnaire. The questionnaire was conducted with corporate employees throughout Kosovo. Individual contact with employees was generally considered reasonable for completing the questionnaires. In this way, the pressure that can be exerted by their superiors, or executive managers to distort the responses to protect the interests of the corporation is avoided.

Saunders, Lewis, and Thornhill (2012) define a research population as the total collection of material or elements for which a researcher wants to draw a conclusion and draw conclusions.

This study adopted stratifying and simple random sampling techniques. Stratified sampling is defined as a sampling technique where the study population is placed in different groups based on similar characteristics of group members. Groups are called 'layers' (Denscombe, 2007). Simple random sampling, on the other hand, is defined as a sampling that is conducted randomly within a study population to give each member an equal opportunity to be sampled (Saunders et al., 2012). This study

approved stratified samples as the employee population was not homogeneous. Simple random sampling was performed on each layer to ensure that each member within the layers had an equal chance of being sampled.

$$n = \frac{N}{1 + N * (e)^2}$$

The 391 questionnaires were completed for this study. To determine the number of questionnaires to be completed, the formula of Taro Yamane (1973) was used according to his theory of elementary sample selection, according to this formula, the number of elements of choice can be calculated as follows:

n = Sample

N = Popullation

e = 5% level of significance

Based on the report of the Kosovo Agency of Statistics (KAS, 2018), large businesses or corporations are determined based on the Law on Accounting, Financial Reporting and Auditing (L06 / -032) based on 3 financial criteria, of which these 2 criteria to be met to be classified as a large business or corporation in Kosovo. The work is based on criterion 3 of this law which is to be employed over 250 employees in the enterprise. According to the KAS report (2018), the number of large businesses registered from 2008-2017 is:

Table 1. Total number of registered enterprises by size in Kosovo in the period 2008 – 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total (2008-2017)
Micro enterprises	6,744	8,242	9,798	9,420	9,919	9,331	9,337	9,333	9,422	9,123	90,669
Small enterprises	178	160	215	165	139	179	185	181	167	90	1,659
Medium-sized enterprises	40	43	31	21	19	35	41	37	23	9	299
Total SME	6,962	8,445	10,044	9,606	10,077	9,545	9,563	9,551	9,612	9,222	92,627
Corporate	6	8	7	6	3	7	13	9	8	1	68
Total	9,968	8,453	10,051	9,612	10,080	9,552	9,576	9,560	9,620	9,223	92,695

$$n = \frac{7,000}{1 + 7,000 + (0.05)^2} = 391$$

Cox and Hassard (2010) define the method of data analysis as the process by which a researcher summarizes raw data in a way that makes sense and makes sense. In other words, data analysis methods are a way to make sense of research data. The Social Science Statistical Package (SPSS) version 20 was used to analyze data for descriptive and inferential statistics. Descriptive data were analyzed for percentages and frequencies, while indifferent statistics were analyzed for correlations and regressions. Data were presented using tables and figures.

A multivariate econometric model was used to analyze the working data, where the structure of this model includes (Marhoobi and Attan, 2017):

$$MO_i = C + \beta_1 CL_i + \beta_2 TL_i + \beta_3 VL_i + \beta_4 OL_i + \epsilon$$

MO- employee motivation

CL- Classical leadership

TL- Transactional leadership

VL- Visionary leadership

OL- Organic leadership

C - Finding for variables

E - random error for period t

The table reflects this classification of variables as well as the respective questions which have served as a source for constructing the dependent and independent variables of the study.

Table 2. Construction of dependent and independent variables

VARIABLE TYPE	NAME OF THE VARIABLE	QUESTIONS REPRESENTED BY THE VARIABLE	METHOD OF EVALUATION OF THE VARIABLE
DEPENDENT VARIABLE	Employee motivation	Q.3.1, Q.3.2, Q.3.3, Q.3.4, Q.3.5, Q.3.6, Q.3.7, Q.3.8, Q.3.9, Q.3.10, Q.3.11, Q.3.12, Q.3.13, Q.3.14	Arithmetic mean
INDEPENDENT VARIABLES	Classical leadership	Q2.1, Q2.8, Q2.9, Q2.14, Q2.16	Arithmetic mean
	Transactional leadership	Q2.2, Q2.5, Q2.12, Q2.17, Q2.18	Arithmetic mean
	Visionary leadership	Q2.3, Q2.6, Q2.7, Q2.13, Q2.19	Arithmetic mean
	Organic leadership	Q2.4, Q2.10, Q2.11, Q.2.15, Q2.20	Arithmetic mean

Testing hypotheses and research questions

Research question 1: Which leadership style does not affect the motivation of corporate employees in Kosovo.

Table 20. Coefficients of econometric model

Coefficientsa					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	.362	.016		22.202 .000
	Classical_leadership	.748	.018	.707	41.388 .000
	Transactional_leadership	-.463	.026	-.330	-18.112 .000
	Visionary_leadership	.165	.026	.141	6.466 .000
	Organic_leadership	.480	.019	.450	25.028 .000

a. Dependent Variable: Motivation_of_employee

Source: SPSS v.25

Testing research question 1: Testing of research question 1 is based on Table 20, which shows that none of the leadership styles that have been tested for impact on the motivation of corporate employees in Kosovo, has had a non-influential effect on the motivation of corporate employees in Kosovo.

Research question 2: Which leadership style has the greatest impact on the motivation of corporate employees in Kosovo?

Testing research question 2: The testing is based on Table 20, which shows that all leadership styles set in the econometric model have an impact on the motivation of corporate employees in Kosovo, while if we rely on regression coefficients the greatest impact has the classical leadership, with coefficient CL = 0.748

Research question 3: Which leadership style has the least impact on the motivation of corporate employees in Kosovo?

Testing research question 3: The testing is based on Table 20, which shows that all leadership styles set in the econometric model have an impact on the motivation of corporate employees in Kosovo, while if we rely on regression coefficients the least impact has the Transactional_leadership, with coefficient TL = -0.463.

Hypothesis 1: The classic leadership style has statistically significant impact on employee motivation in Kosovo corporations.

Testing hypothesis 1: Hypothesis 1 testing is based on Table 20, which shows that the level of classical leadership significance is sig = 0.000 and t = 41,388, two indicative parameters that classical leadership has an impact on the motivation of corporate employees in Kosovo.

Hypothesis 2: The transactional leadership style has statistically significant impact on employee motivation in Kosovo corporations.

Testing hypothesis 2: Hypothesis 2 testing is based on Table 20, which shows that the level of transactional leadership significance is sig = 0.000 and t = -18.112, two indicative parameters that transactional leadership has an impact on the motivation of corporate employees in Kosovo.

Hypothesis 3: Visionary leadership style has statistically significant impact on employee motivation in Kosovo corporations.

Testing hypothesis 3: Hypothesis 3 testing is based on Table 20, which shows that the level of visionary leadership significance is sig = 0.000 and t = 6.464, two indicative parameters that visionary leadership has an impact on the motivation of corporate employees in Kosovo.

Hypothesis 4: Organic leadership style has statistically significant impact on employee motivation in Kosovo corporations.

Testing hypothesis 4: Hypothesis 4 testing is based on Table 20, which shows that the level of organic leadership significance is sig = 0.000 and t=25.028, two indicative parameters that organic leadership has an impact on the motivation of corporate employees in Kosovo.

Conclusions

The form of organization of corporations in Kosovo has many problems of their organization and functioning, in most of the surveyed corporations emphasize that the difficulties in terms of economic closure of Kosovo bring you a lot of trouble in their operational organization. The leader in the organization of corporations in Kosovo is almost the manager or recipient of a corporation, which exercises a classical system of leadership, therefore the most dominant form of leadership in the corporate system of Kosovo is the classical style of leadership.

The results of the research conducted with 391 employees in corporations throughout the territory of Kosovo, showed that the 4 forms of leadership styles researched in the doctoral thesis show that they are influential in the motivation of employees in corporations in Kosovo.

The results of the econometric model are a good basis for other researchers in this field, to expand the scope of their research through this research, as leadership styles have never been addressed in Kosovo in their impact on the motivation of corporate employees. The research will be extended to other forms of organization in Kosovo, but 95% of businesses in Kosovo are in the form of SMEs and their form of organization does not leave much to be desired.

The overall conclusion of the research shows that the 4 leadership styles addressed in the research help to motivate employees in Kosovo corporations. The most dominant style in Kosovo corporations is the classic style of leadership, as the largest form of organization and functioning, not only of corporations but also of other businesses in Kosovo.

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