THE INFLUENCE OF LEADERSHIP STYLES ON EMPLOYEE’S PERFORMANCE

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Annotation
The Leadership style is the most prevalent factors that influence employees’ attitudes and behaviors including organizational commitment. Organizations need employees who are committed in their work so that they can contribute to the survival of the organization in the marketplace competition. The emphasis is on how managers in organizations can get effective leadership style to achieve set goals. The study has examined the leadership style and their effect on employee performance. The purpose of this study is to understand the effect of different leadership styles on employee performance in an organization. This paper is intended to identify which leadership style achieves positive influence on employee’s performance. The population of the study were the private enterprise manager (Medium and Large sized enterprise) in Kosovo. Data collection was made through questionnaires, and the constructs used were adapted from prior research and already tested for reliability. For the study we used a structured questionaries’ and the data analyses where made through statistical package for social sciences. Finally analysis will be made to identify which leadership style achieves best in terms of employee’s performance.

Key words: manager; leadership style; employee performance; organization.
JEL classification: M12; M19; P47

Introduction
The concept and definition of leadership style may differ from one person, or situation, to the other. The word “leadership” has been used in various aspects of human endeavour such as politics, businesses, academics, social works, etc. Previous views about leadership show it as personal ability. Messick and Kramer (2004) argued that the degree to which the individual exhibits leadership traits depends not only on his characteristics and personal abilities, but also on the characteristics of the situation and environment in which he finds himself.

In business, there appear to be as many ways to lead organizations as there are leaders. The most successful leaders have integrity, they inspire people with a shared vision of the future, they set clear goals and motivate people towards them, they manage delivery, and they communicate well with their teams. However, leadership is not “one size fits all” thing, and styles vary significantly among the successful leaders. Leadership has a direct impact on effective employee engagement. This matters because engaged employees give a business its competitive edge. Levels of employee engagement can correlate with performance and even more significantly, there is evidence that improving engagement correlates with improving performance. Leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization. Thus, Glantz (2002) emphasizes the need for a manager to find his leadership style. The concept of leadership encompasses a wide range of different interpretations regarding the characteristics of the leader, his behaviour, and his impact on employees and their activities. Leaders are categorized by different criteria and one of them is the style of leadership. Leadership is the ability to increase a group towards the get the vision or set of goals. It is one of the managerial Qualities of the company or the organization which interaction with the workers of the organization and has a large impact on the turnover rate of the organization. Leadership is the very big toll or the weapon of the organization to accomplish its goals and its necessary objectives and without it, it is impracticable for the organization to attain its main target. Without the leadership the implementation of tasks and their achievements are impossible (Quinn Mills, 2005). The concept of leadership has generated lively interest, debate and occasional confusion as management thought has evolved. The concept and definition of leadership and style may differ from one person, or situation, to the other. Leadership is a key component of all organizations (Punnett, 2004). Organizations are set up to achieve some set goals. In order achieve these goals and objectives; the human factor is of utmost importance. Top on the human factor list is the leader. A leader influences organizational members to contribute efforts willingly towards the accomplishment of pre-determined goals and objectives. Thus, leadership is first and foremost the ability to influence people to perform tasks.

According to Lee and Chuang (2009), the excellent manager not only inspires subordinates potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals. Thus, in the “New Leadership” approach, leaders are seen as managers of meaning, rather than in terms of simply an influence process. However, over the last few years –
arguably fuelled by increased fanaticism, the rapid changes in the global world such as rapidly-evolving technologies, and political and social factors have also called for the development of effective leadership skills (Cacioppo, 1998). Leadership is considered crucial for success, and some researchers have argued that it is the most critical ingredient (Lussier and Achua, 2009). According to Hicks and Gullet (1975), a leader is anyone who directs and controls a group of people to achieve a set purpose.

Leadership styles have significant effects not only in small businesses but also in the world’s largest corporations. These styles affect everyone from senior management to the newest intern. They create the corporate culture that influences the organization and its performance. An effective leader influences followers in a desired manner to achieve desired goals. Different leadership styles may affect organizational effectiveness or performance. Literatures have stated that the key elements for a successful organization are leadership style and competency (J. Rodney Turner and Ralf Muller, 2005). Leadership style is the most prevalent factors that influence employees’ attitudes and behaviours including organizational commitment. Leaders have adopted various styles when they lead others in the organization (Brown, 2003; Cheong, 2008; Chiang & Wang, 2012; Clark, Hartline, & Jones, 2009; Cox, 2001). Some are using democratic, people or relationship centred approach and others prefer autocratic, production centred method in order to achieve a similar goal, which is organizational effectiveness. Leadership is very important in order to manage and control employees and organizations. The suitability of leadership styles to be used in an organization is based on the sector of business in which they are operating. An effective leader is someone who knows how to inspire and relate to subordinates, knows how to increase the employees’ motivation and make employees loyal to the organization.

In today’s dynamic global working environment there is growing evidence to suggest that organizations are now recognizing the impact leadership styles has on both employee wellbeing and organizational outcomes (Avolio, Walumbwa & Weber, 2009; McCarthy, Almeida & Ahrens, 2011; Muchiri, 2011, Muchiri, Cooksey, Di Milia & Walumbwa, 2011).

This paper focuses on Leadership styles and how styles of leadership can influence on the employee performance. The nature of the interdependent relationship between leadership styles and employee performance cannot be ignored or underestimated.

Research Purpose

This study investigated the main effects of leadership styles on employee performance at Business Organizations in Kosovo. It specifically sought to determine the impact of autocratic; bureaucratic; charismatic; democratic; laissez-faire; transformational and transactional leadership styles on employee performance at Business Organizations in Kosovo.

Research Questions

The following research questions were used to guide the study:

What is the effect of the: a) autocratic; b) bureaucratic; c) charismatic; d) democratic; e) laissez-faire; f) transformational and g) transactional leadership styles on employee performance at Business Organizations in Kosovo?

Scope of the Study

The scope of this study extended to top, middle and low managers in 50 private enterprises (Medium and Large) in Kosovo.

Literature Review

Leadership

The topic of leadership has been of interest for many hundreds of years for scholars and many scientists have tried to make a definition of leadership. Leadership is a social phenomenon that is found everywhere. For human beings myths and legends always became attractive about what differentiate great leaders’ from followers (Hartog and Koopman, 2011). Leadership is an interpersonal process through which one person is able to influence the activities of individuals or groups (i.e., the followers) towards the attainment of given objectives within a particular situation by means of communication (Covey, 2007; Mullins, 1999). The concept of leadership has generated lively interest, debate and occasional confusion as management thought has evolved. Even today, it is not easy to define leadership, and given the complexity of the subject, there is no general consensus about delimitation of the field of analysis. According to Bass (1999), definition of leadership is related to the purpose associated with the attempt to define it, and so presents a wide range of possibilities. Leadership can be seen as a group process, an attribute of personality, the art of inducing complaisance, an exercise of influence, a particular type of action or behaviour, a form of persuasion, a power relationship, an instrument to achieve goals, the result of an interaction, a differentiated role or initiation of a structure (Bass, 2000). Leadership is one with the most dynamic effects during individual and organizational interaction. In other words, ability of management to execute “collaborated effort” depends on leadership capability. Lee and Chuang (2009), explain that the excellent leader not only inspires subordinate’s potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals. Stogdill (1957), defined leadership as the individual behaviour to guide a group to achieve the common target. Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes (Rost, 1993). Influencing is the process of leader communicating ideas, gaining acceptance of the motivating followers to support and implement the ideas through change (Lussier and Achua, 2009). Griffin (2012) defines leadership as a process that focuses on shaping or influencing people to obtain organizational goals. Hitt, Black & Porter (2009) define
organizational leadership as an interpersonal process that involves attempting to influence other people to attain a goal. As so many different definitions of leadership forming from different perspectives, Yukl (2010) summarizes that leadership is commonly understood as a process of using influence and motivation to encourage participation in achieving group. Leaders now don’t rely upon their legitimate power to persuade individuals to do as they are told but they take an interest in an interaction with their subordinates or they raise and widen the interest of their subordinates (Northouse, 2007).

Leadership Styles

The role of leaders in today’s organizations has changed and the success of any organization relies on the leadership styles practiced by the leaders. According to Mintzberg (2010) true leaders engage others with their consideration and modesty because they involve themselves in what they are actually doing not for individual gains. Mullins (2000) defined leadership style as “the way in which the functions of leadership are carried out and the manner that a manager chooses to behave towards employee”. Leadership style is a form of cross situational behavioural consistency. It refers to the manner in which a leader interacts with his or her subordinates. Leadership styles are the approaches used to motivate followers. Leadership styles should be selected and adapted to fit organizations, situations, groups, and individuals. It is thus useful to possess a thorough understanding of the different styles as such knowledge increases the tools available to lead effectively. While many leadership styles, attributes, traits and philosophies account for the extensive literature surrounding leadership (House et al., 2004; Howell and Costley, 2006; Javidan et al., 2006; Jogulu and Wood, 2006; Jogulu and Wood, 2007; Jogulu and Wood, 2008b; Judge and Piccolo, 2004; Kennedy, 2002; Mandell, 2003; Eagly et al., 2003; Carless, 1998; Hofstede, 1980).

The terminology style is roughly equivalent to the leader’s behaviour. It is the way in which the leader influences the followers (Luthans, 1977). Leadership styles have evolved to become more democratic (Biddle, 2005; Johnson, 1995). Leadership style is viewed as the combination of traits, characteristics, skills and behaviours that leaders use when interacting with their subordinates (Marturano & Gosling, 2008, Jeremy et al., 2011). Tannenbanum and Schmidt (1958) also identify four different types of leaders which have been most widely accepted and used. These leadership styles, which centre around Mc Gregor’s Theory ‘X and Y’ assumptions, are democratic, autocratic, dictatorial, and laissez faire leadership styles. The styles of leadership include bureaucratic, laissez-faire, charismatic, democratic, transactional and transformational (Mohammed and Hossein, 2006). The transactional and transformational leadership styles are the current leadership organisational styles. According to Rees and French (2013), the two leadership styles are associated with a society that no longer accepts the use of authority as a form of command.

An understanding of various leadership styles will let the researcher make the very best recommendation for the case company. Like leadership theories, there are also several leadership styles that are been practiced. Below are the listed styles of leadership:

Autocratic - Adbeakin and Gbadamosi (1996) described an autocratic leader as one who is very conscious of his position and has little trust or faith in the subordinates, he feels that pay is a just reward for work and it is only the reward that can motivate. Authors such as Muczyk and Reimann 1987; Yukl 1989; Bass 1981 agreed that autocratic leadership style is task oriented, is more convincing and manipulator being efficient to communicate a clear vision and conceive strategic objectives (Clark R., Hartline M., Jones K. 2009). Most followers of autocratic leaders can be described as biding their time, waiting for the inevitable failure this leadership produces and the removal of the leader that follows (Michael, 2010).

Bureaucratic - is also useful in organizations where employees do routine tasks (Sheafer, 2005). The drawback of this type of leadership is that it is ineffective in teams and organizations that rely on flexibility, creativity, or innovation (Santrock, 2007). This style of leadership follows a close set of standards. Everything is done in an exact, specific way to ensure safety and/or accuracy.

Charismatic - is a leadership style that is identifiable but may be perceived with less tangibility than other leadership styles (Bell, 2013). A charismatic leader is one who provides an environment full of energy and positive reinforcement. Charismatic leaders inspire others and encourage them to be their best. Employees and group members want to impress a charismatic leader, so they work hard and strive to succeed.

Democratic - is used when group participation is involved (Parker, 2003). Managers involve their subordinates in the decision process taking into account their positive or negatives opinions. Due to this, employees become more loyal and dedicated (Clark R., Hartline M., Jones K. 2009). Mullins (2005) described participative leadership as consulting with subordinates and the evaluation of their opinions and suggestions before the manager makes the decision.

Laissez-Faire - is that style of leadership where the authority and power is given to employees to determine the goals; the manager provides little or no direction to employees (Richard and Robert, 2009). Sometimes considered as no leadership (Aydin et al., 2013; Bass, 1990; Lam & O’Higgins, 2011) or destructive leadership (Skogstad, Einarsen, Torsheim, Aasland, & Hetland 2007). Simply stated, with laissez-faire leadership there is no interface between the leaders and followers. Such leaders avoid responsibilities, do not take care of the needs of the followers, do not provide feedback, and delay decision-making (Bass & Riggio, 2006). Laissez-faire leadership may be the best or the worst of leadership styles (Goodnight, 2011). Laissez-faire leaders usually allow their subordinate the power to make decisions about their work (Chaudhry & Javed, 2012). This type of leadership can also occur when managers do not have sufficient control over their staff (OloUBE, 2013).

Transformational - is a leadership approach defined as “leader behaviours that transform and inspire followers to perform beyond expectations while transcending self-
interest for the good of the organization” (Avolio et al., 2009). Transformational leaders are suggested to promote intellectual development, confidence, team spirit and enthusiasm among the followers, thereby encouraging followers to be more focused on collective wellbeing and achieving organizational goals (Aydin, Sarier, & Uysal, 2013; Cho & Dansereau, 2010). Transformational leadership has been shown to be innovative as well as productive and supportive nature (Bushra et al. 2011). Employees can easily share their knowledge among them when organization used transformational leadership style (Behery, 2008). Chu and Lai (2011) revealed that transformational leaders are those who brought change and innovation and cultivate staff in the organization.

Transactional - is based on the exchange of rewards contingent on performance (Avolio et al., 2009). Transactional leadership in its extreme form may be considered as an autocratic leadership style when a leader has a lot of power over their followers with regards to making staff inputting to management decisions (Lyons & Schneider 2009). This style of leadership focuses on close monitoring, in detecting mistakes and errors and putting in place corrective actions to solve those (Timothy et al., 2011). The transactional leadership strictly follows the bee line, prefer to remains in a stipulated framework for the maximum employees performance (Shah & Kamal, 2015).

Employee performance

Previous studies have indicated that organizational leadership exerts effects on employees’ attitudes and behaviour through empowering employees (e.g., Behling & McFillen, 1996; Bass, 1999, Epitropaki & Martin, 2005). Performance is a relative concept defined in terms of some referent employing a complex set of time-based measurements of generating future results (Corvellec, 1995). Performance is important to us as people and as organisations. Often performance is identified or equated with effectiveness and efficiency (Neely, Gregory and Platts, 1995). As the performance of an organisation is dependent on the quality of the workforce at all levels of the organisation (Temple, 2002), it is essential to discuss the concept of individual performance. According to Hakala (2008), Performance measurement is an on-going activity for all managers and their subordinates, the measurement and its indicators are; Quantity; Quality; Timeliness; Cost-Effectiveness.

Leadership styles and employee performance

A good leader understands the importance of employees in achieving the goals of the organisation, and that motivating the employees is of paramount importance in achieving these goals. Different leadership styles bring about different consequences, which have direct or indirect impact on the attitude and behaviours of the employees.

Leadership is associated with employee performance (Ogbonna & Harris 2000). The relationship between Leadership and performance is established considerable attention (Gadot, 2006). The effectiveness of any set of people is largely dependent on the quality of its leadership – effective leader behaviour facilitates the attainment of the follower’s desires, which then results in effective performance (Fiedler and House, 1988; Maritz, 1995; Ristow, et al., 1999). Leadership is the most investigated organisational variable that has a potential impact on employee performance (Cummings and Schwab, 1973). Kirkpatrick and Locke (1996) identified over 35 studies reporting positive relationships between leadership and performance. Leadership has a positive influence towards employee performance (Shahab and Nisa, 2014) and therefore play important roles to ensure the increase of organisation and individual performance (Gul et al, 2012). Performance, explained as the accomplishment, execution, carrying out, working out of anything ordered or undertaken (Armstrong, 2010), is greatly influenced by leadership style (Walumbwa et al. 2011). Recent leadership studies have continued to affirm the positive relationship between transformational leadership and performance at various levels (e.g., Dumdum et al. 2002; Dvir et al. 2002; Howell et al. 2005). On the other hand, transactional leadership is found to enhance the job satisfaction and organizational identification as compared to transformational leadership (Epitropaki & Martin, 2005; LePine, Zhang, Crawford, & Rich, 2015). Preliminary research undertaken by Booyzen and Van Wyk (1994, in Swanepoel, et al., 2000) in a South African context found that outstanding leaders, in terms of effectiveness, are perceived to show a strong and direct, but democratic and participative leadership style, and are seen as agents of change and visionaries who increase organisational performance. Phillips and Gully (2012) suggested that at its best, leadership inspires and motivates employees to work hard towards organisational objectives and help the organisation succeed.

Conceptual Framework

The following Conceptual framework was developed after review of existing literature to investigate the research questions at hand. The framework shows Leadership styles (autocratic; bureaucratic; charismatic; democratic; laissez-faire; transformational and transactional) as the independent variables used to explain employee performance as the dependent variable.

The research model is illustrated below:

<table>
<thead>
<tr>
<th>Leadership styles</th>
<th>Employee performance:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quantity</td>
</tr>
<tr>
<td></td>
<td>Quality</td>
</tr>
<tr>
<td></td>
<td>Timeliness</td>
</tr>
<tr>
<td></td>
<td>Cost- Effectiveness</td>
</tr>
</tbody>
</table>

Leadership Styles on employee performance

Fig. 1. Research Model showing the influence of Leadership Styles on employee performance
Model Specification

\[ EP = \beta_0 + \beta_1 \times ALS + \beta_2 \times BLS + \beta_3 \times CHLS + \beta_4 \times DLS + \beta_5 \times LFLS + \beta_6 \times TFLS + \beta_7 \times TALS + \epsilon \]  (1)

- \( \beta_0 \) - is the constant term and
- \( \beta_1 - \beta_7 \): is the coefficient of the Leadership Styles; this means that if \( \beta_0 \) coefficient is negative, the predictor or independent variable affects dependent variable negatively,
- \( \epsilon \): - is the error term, EP measures employee performance, ALS measure autocratic leadership style, BLS measure bureaucratic leadership style, CHLS measure charismatic leadership style, DLS measure democratic leadership style, LFLS measure laissez-faire leadership style, TFLS measure transformational leadership style and TALS measure transactional leadership style

Methodology

The major objective of this study was to identify relationship (influence) between leadership style and employee’s performance. To conduct the study it is essential to plan and formulate appropriate study area and period, research design, research methodology includes sampling design, target population, source of data, data collection instrument, data analysis, ethical consideration and reliability and validity test were incorporated.

The research strategy is based on quantitative research. According to Babbie (2010), quantitative research can be described as involving a collection of numerical data and as presenting a view of the relationship between theory and research as a deductive and objectivist conception of social reality, with a preference for a mutual science approach.

An advantage of using quantitative methods is the examination of variables, and the ability to generalize sample results to a larger sample or population (Chintaman, 2014).

Research Instrument and Measures

Research instrument is a kind of measuring instrument use for our research.

This study combined the Leadership Styles Questionnaire of Northhouse (2011), Wang et al. (2010), Laohavichien et al. (2009), Spreitzer et al. (2005), Avolio & Bass (2004), and Viator (2001). Leadership behaviour was divided by its frequency performance into 5 levels, including “never”, “little”, “occasionally”, “often” and “always” as scored by Liker’s five-point scoring. Leadership style had been tested with the Leadership Styles Questionnaire (Northhouse, 2011), (Wang et al. 2010) and (Avolio & Bass 2004). While the performance of the employee who serves as a dependent variable, measured by indicators: quality, quantity, timeliness and cost effectiveness, Iqbal et al. (2015), Bodla and Nawaz (2010), Dvir et al.(2002), Bernardin and Russel (1995).

The questionnaire contains 58 items, with a five point Likers scale, which determined the score of participants related to the styles of leadership - autocratic, bureaucratic, charismatic, democratic, laissez-faire, transformational and transactional.

The questionnaires was designed to get relevant information from the respondents.

The primary instrument used for the collection of data for this study is the questionnaire. The questionnaire were designed in closed ended patterns and administered via e-mail on the managers of business organizations. The online questionnaire was adopted as the technique for data collection due to its advantages of low cost and high speed in sending and returning information (Stacks, 2010).

Target Population and Sample

According to Sekaran (2003), population refers to the group of people that a researcher wants to investigate. Wellman and Kruger (2003), the target population is a number of possible respondents that could be included in the research study. Therefore, results drawn from the sample of the population can be used for generalization of results. The target population for this study included all managers’ ranging from low to top level. The study was conducted among 150 Managers of 50 private enterprises (Medium and Large) in Kosovo, distinguishing between medium companies that employ from 50 to 250 staff and large-sized companies that number of employ is great than to 250 employees. The sample was drawn on 150 managers from 50 private enterprises Company’s. While 150 questionnaires only 110 of them met the conditions for analysis. A convenient sampling technique was used to select the managers. This was based on the manager’s readiness to participate in the study.

Data Analysis

After the data collection, data was analysed by using statistical package of social sciences (SPSS). The raw data was edited to ensure that it was free of errors. Editing was also necessary to allow for easy capturing into the SPSS package. Each questionnaire was evaluated and counted to ensure that all required fields were properly answered by the respondents. Questionnaires were also recounted to verify that the minimum sample size was achieved for the given population. Various analyses were performed from the captured data.

By design, the findings from this quantitative has used to correlation and multiple regression techniques study answered the research questions using the questionnaire to elicit responses from the participants and provide data for analysis of the results. I analysed the data from the two instruments and the demographic questions. The data represented the values for the independent variables and dependent variables. The correlation test is used to check the relationship. The standard regression ANOVA/F-test was used to test the significance of the linear models. The significance of the independent variables partial slope parameters were ascertained using the standard/relevant t-
tests. The reliability of the data was assessed using Cronbach alpha reliability coefficient.

Reliability and Validity

To ensure the reliability and the consistency of the data for the study, reliability test was carried out on the data received from the 110 responses. Measuring the reliability of the scale, the reliability coefficients (Cronbach’s) of the autocratic, bureaucratic, charismatic, democratic, laissez-faire, transformational and the transactional leadership styles were 0.711, 0.708, 0.793, 0.790, 0.804, 0.826 and 0.731 respectively. The Cronbach’s alphas for the scales of employee performance are at an acceptable level of reliability, averaging 0.841. The scales used are therefore considered reliable and valid for this research study. The scales used in this research have been tested and used in other research studies.

Ethical Considerations

Ethical research involves protecting participants from harm that might result from activities and findings associated with the research project (Warrell & Jacobsen, 2014). Respondents were given the choice to either participate in the study or not, and they reserved the right to withdraw from the study at any time they wished to do so. Respondents were also assured that responses would be treated with confidentiality and participants would remain anonymous throughout the research process. The questionnaires administered did not carry names to adhere to confidentiality.

Research Findings and Discussion

Findings shows that from all the managers participated in this survey, 76% were males, 55% were between (36 – 45) years old, 63% were master degree educated, 46% were between (7 – 10) years’ experience, 65% were in the lower level category that is the first line managers and 89% were medium enterprises (see Table 1).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>26</td>
<td>24</td>
</tr>
<tr>
<td>Male</td>
<td>84</td>
<td>76</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>less than 25 years</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>26 – 35</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>36 – 45</td>
<td>61</td>
<td>55</td>
</tr>
<tr>
<td>46 years and above</td>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor</td>
<td>37</td>
<td>34</td>
</tr>
<tr>
<td>Master</td>
<td>69</td>
<td>63</td>
</tr>
<tr>
<td>PhD</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>less than 3 years</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>3 - 6</td>
<td>32</td>
<td>29</td>
</tr>
<tr>
<td>7 - 10</td>
<td>51</td>
<td>46</td>
</tr>
<tr>
<td>11 years or more</td>
<td>23</td>
<td>21</td>
</tr>
<tr>
<td>Management Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First</td>
<td>71</td>
<td>65</td>
</tr>
<tr>
<td>Middle</td>
<td>30</td>
<td>27</td>
</tr>
<tr>
<td>Top</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Size-enterprises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>98</td>
<td>89</td>
</tr>
<tr>
<td>Large</td>
<td>12</td>
<td>11</td>
</tr>
</tbody>
</table>

The results of independent sample t-test for dependent variable are summarized in Table 2.

<table>
<thead>
<tr>
<th>t-test for Equality of Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>T</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>Empoyee Performance</td>
</tr>
<tr>
<td>Performance</td>
</tr>
</tbody>
</table>

According to the table 2, there is a significant difference (p<0.05) between the employees performance and leadership styles.
Table 3. Regression result Leadership Styles and Employee performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.569*</td>
<td>0.325</td>
<td>0.278</td>
<td>0.28116</td>
<td>1.769</td>
</tr>
</tbody>
</table>

Source: own processing

*Predictors: (Constant), autocratic, bureaucratic, charismatic, democratic, laissez-faire, transformational and transactional leadership.

*Dependent Variable: employee performance.

Table 4. ANOVA Leadership Styles and Employee performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>2.165</td>
<td>7</td>
<td>0.548</td>
<td>6.756</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>4.349</td>
<td>52</td>
<td>0.081</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>6.514</td>
<td>59</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: own processing

*Predictors: (Constant), autocratic, bureaucratic, charismatic, democratic, laissez-faire, transformational and transactional leadership.

*Dependent Variable: employee performance.

The regression and ANOVA results of the model are presented in Tables 3 and 4 the $R^2 = 0.325$ show that Leadership Styles account for 32.5% variation in employee performance. The full model containing all predictors was statistically significant at 5% because the p value of 0.000* is less than the significance level of 0.05. According to Field (2009), Durbin-Watson values less than 1 or more than 3 is a course for concern. Thus, Durbin-Watson value of 1.769 suggests that there is no autocorrelation in our model.

Table 5. Coefficients* Leadership Styles and Employee performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>22.027</td>
<td>3.015</td>
<td>7.644</td>
<td>.003</td>
</tr>
<tr>
<td>democratic</td>
<td>.236</td>
<td>.077</td>
<td>.013</td>
<td>.002</td>
</tr>
<tr>
<td>charismatic</td>
<td>-.428</td>
<td>.158</td>
<td>-.347</td>
<td>.467</td>
</tr>
<tr>
<td>bureaucratic</td>
<td>-.384</td>
<td>.251</td>
<td>-.342</td>
<td>.041</td>
</tr>
<tr>
<td>laissez-faire</td>
<td>-.042</td>
<td>.272</td>
<td>-.031</td>
<td>.105</td>
</tr>
<tr>
<td>transactional</td>
<td>-.074</td>
<td>.205</td>
<td>-.069</td>
<td>.638</td>
</tr>
<tr>
<td>autocratic</td>
<td>0.75</td>
<td>.139</td>
<td>.513</td>
<td>.004</td>
</tr>
<tr>
<td>transformational</td>
<td>.225</td>
<td>.069</td>
<td>.359</td>
<td>.002</td>
</tr>
</tbody>
</table>

Source: own processing

*Dependent Variable: Employee performance

Coefficient results presented in table 5, indicate that transformational leadership style with a beta of (0.359), democratic leadership style with a beta of (0.262) and autocratic leadership style with a beta of (0.513) are statistically significant and strong predictors of employee performance in Business Organizations in Kosovo.

Table 6. Correlations result Leadership Styles and Employee performance.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee performance</td>
<td>21.055</td>
<td>1.682</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>charismatic</td>
<td>3.0655</td>
<td>1.384</td>
<td>-0.228*</td>
<td>0.335</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>bureaucratic</td>
<td>2.3481</td>
<td>0.8478</td>
<td>-0.267*</td>
<td>-0.133</td>
<td>0.333</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>laissez-faire</td>
<td>2.4574</td>
<td>0.8921</td>
<td>-0.336**</td>
<td>-0.244</td>
<td>0.192</td>
<td>-0.051</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>transactional</td>
<td>3.7855</td>
<td>1.0745</td>
<td>-0.185**</td>
<td>0.228</td>
<td>-0.133</td>
<td>-0.337</td>
<td>-0.177</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>autocratic</td>
<td>1.9200</td>
<td>1.3174</td>
<td>0.018***</td>
<td>-0.051</td>
<td>-0.412</td>
<td>-0.177</td>
<td>-0.326</td>
<td>0.203</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>transformational</td>
<td>4.6779</td>
<td>6.5521</td>
<td>0.108**</td>
<td>-0.201</td>
<td>0.101</td>
<td>0.063</td>
<td>0.077</td>
<td>-0.056</td>
<td>-0.056</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: **P<.001 * P<.05
The result in table 6 shows that leadership dimensions have both positive and negative influence on employee performance, specifically, charismatic, bureaucratic, laissez-faire and transactional style of leadership have negative effect on employee performance with (r = -0.228, -0.267, -0.336, -0.185; df = 54; P<.001). However, democratic, autocratic and transformational style of leadership have positive effect on employee performance with (r=0.213; 0.018 and 0.108; df = 54; P<.001).

Conclusions

Different styles were needed for different situations and each leader needed to know when to exhibit a particular approach. Leaders must adjust their leadership style to the situation as well as to the people being led. The present study was an attempt to explore the suitable leadership styles with respect to the performance of employees. The findings of this study indicated that democratic, autocratic and transformational leadership styles positively impacted the level of employee performance. The results of the correlation analyses revealed that charismatic, bureaucratic, laissez-faire and transactional leadership style has a negative impact on the level of employee performance but statistically it is not significant.

Leadership is a process of interaction between leaders and followers where the leader attempts to influence followers to achieve a common goal. To implement good leadership style in an organization, the leaders should understand position of supremacy, task structure and expertise and leader member relation generally; having appropriate leadership is importance to be success in employee management and organization because the success or failure of organizations is often attributed to it. It is a widely held belief that leaders do make a difference and a significant impact on the work performance of individuals, group and the overall accomplishment of set goals and objectives.

Managers must know that leadership requires a number of judgments each day that requires sensitivity and understanding of various leadership strategies. The results revealed that democratic, autocratic and transformational leadership positively influence employees’ performance. Each leadership style is a combination of different types of behaviour and characteristics of leaders. If there is the need to make a decision quickly and take urgent action, a leader should rely on the autocratic style. If the group is undisciplined and poorly organized, the autocratic style is more efficient. The democratic leadership style matches with a well-organized and stable group. In the longer term, the democratic style of leadership, which includes giving employees a certain freedom and involving them in decision-making, is more productive.

The transformational leadership style matches with attempts to induce followers to reorder their needs by transcending self-interests and strive for higher order needs. The result clearly indicates that transformational leadership is correlated with employee performance. These results also informed that employee performance is heavily relying on leadership and it can play a vital role in determining the performance of employees, so managers must carefully analyse, what kind of leadership they should adopt if they want to increase employee performance.

References


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Social sciences, The influence of leadership styles on employee’s performance


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