

The Impact That the Application of a Certain Leadership Style Has on the Performance of Employees in the Catering Sector



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ABSTRACT: Management is both art and science. There is no best way as to which management style is perfect or better. There is no exact formula that this business or that type of company has a certain management style. Also in the framework of leadership style there is no perfect style for a certain company. Each leadership style has its advantages and disadvantages. Finding the right leadership style for one certain company is art in itself. But it must be said that the impact of a certain leadership style has different impacts on different individuals. This is the purpose of the study to highlight the impact of leadership style on employee performance. But if we include as a variable the industry or sector where a certain company operates, then the impact that a certain leadership style has on a sector changes. The purpose of the study is to identify the leadership style in the catering sector and how this leadership style affects the performance of employees.

KEYWORDS: autocratic leadership, democratic leadership, laissez faire leadership, catering sector

LITERATURE

Leadership style affects employee motivation

One of the characteristics of transformational leadership is communication in function of increasing expectations and the best possible perception of the future by employees Nugroho (2020) [1]. One of the main approaches to motivation is inspiration, this approach also affects the increase in demand from the workforce Hashim (2019) [2]. This constitutes an element of the transformational leadership style, what characterizes this leadership style is the use of emotional intelligence in order to motivate employees in function to fulfill the organization's objectives Alrowwad (2017) [3]. Motivation with an inspiring approach increases the energy level of employees, an aspect that affects the vision with a motivational and emotional direction. Leaders with a transformational style focus on empowering employees to achieve goals Buil (2019) [4]. This leadership style increases the level of confidence in employees that they can achieve results. According to Prayuda (2019) [5], Singgih (2020) [6], Suprapti (2020) [7], Purwanto (2021) [8], and Sunarsi (2021) [9], it turned out that employees feel very comfortable and are willing to learn more about their work, which would affect their performance. This fact is related to the transformational style of leadership, where at the center of this style is strengthening, improving the qualities of employees to achieve the goals of the organization. Increasing the efficiency of motivation in the transformational leadership style is related to the form of assigning tasks, objectives, opportunities that the organization creates, solving problems and making decisions, these are elements that affect the performance of the organization and employees. The change that comes to each employee from the influence of the transformational leadership style is different in different individuals, depending on the needs and aspirations of each employee to some extent these elements are personalized because when it comes to an employee the psychological element that is affected is included from personality, behavior and perception. The role of the transformational leader is to motivate and encourage employees to achieve tasks. According to Mwaisaka, K'Aol & Ouma (2019) [10] leadership styles guide and support employee satisfaction in the banking system. The conclusions of the study were that the directive leadership style has a positive effect on employee satisfaction and will therefore increase employee motivation, the study was focused on the middle managerial level where performance is based on specific tasks, which reduces the application to similar positions do other industries.

This leadership style is related to the fact that leaders set well-defined standards and indicators, where the instructions are well designed in terms of roles and expectations for the accomplishment of tasks. (Jones & George, 2011) [11]. According to Hadi & Tola (2019) the employee is unfashionable by the care of the transformational leadership because this constitutes inspiration that directly affects the motivation of the employee which would bring the impact on the performance of the employees, this fact highlights that the style of transformational leadership and this characteristic, inspiration, an element that increases innovation and creativity in the workplace. Charismatic leaders are those leaders who influence the motivation of employees the most, which affects the solution of problems, where the individualization of employees is at the center.

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The influence of leadership style on employee performance

The performance of an organization is concerned with the efficiency with which an organization manages to generate as much profit as possible. Some of the indicators that directly or indirectly affect the performance of an organization are: product quality, market share that the company has, financial statements Kurilova and Antipov (2020) [12]. Key performance measurement indicators, approach and type of leadership have become the main aspect in a company Haran (2020) [13].

Based on numerous studies, the transformational leadership style creates an emotional connection between the employee and the leader. Measuring the effectiveness of this leadership style is based on the degree of influence the leader has on employees Tajasom (2015) [14]. According to Khan, Anjam, Faiz and Khan (2020) [15] many leadership styles are related to increasing the performance of an organization. The level of job satisfaction is one of the key elements to measure performance in an organization. According to Magasi, (2021) [16] role of transformational leadership in performance is based on empowering employees, empowering employees and intellectually stimulating employees, this has resulted in a positive relationship with employee performance. The strength of this bond is enhanced by the application of innovation and creativity, elements that are characteristic of this type of leadership style.

Those leaders who are employee-oriented are mainly reliable, friendly, tend to create warm relationships with employees, help employees with personal issues, these leaders present themselves as equal to the employee Feranita, Nugraha and Sukoco (2020) [17]. According to Adams (2017) [18] the change in participative leadership styles was more leader-focused than based on the good of the employees and the organization. This is also related to the disagreement of many stakeholders for the participatory democratic approach in the workplace, such an example was the trade unions that based their argument that participatory processes and according to them "harm" the employee Wiesenthal (2015) [19]. Accordint to Ariussanto, (2020) [20] leadership style is closely related to employee participation level. Leadership style affects employee engagement and work environment, both of which are very important elements for measuring employee performance. In a study by Ojelade Ajayi, and Sikiru, (2020) [21] result that the combination of leadership styles increases the probability of accomplishing the tasks as well as possible. A study by Al Khajeh, (2018) [22] where the focus was on the six main leadership styles - transformational, transactional, autocratic, charismatic, bureaucratic and democratic, it turned out that leadership styles positively affect the performance of an organization, however, charismatic and transactional styles have a negative impact on the performance of the organization.

METHODOLOGY

The methodology of the study is divided into several elements. The study was conducted in a catering company operating in Albania. The purpose of the research was to highlight what the leadership style is in this company based on the perception of employees and how this style affects the performance of employees. Regarding the data processed in the study, they belong to the ordinal and nominal category. Data analysis is based on statistical correlation tests and cluster methods. These tests were applied to suit the purpose of the study. But they are also applied because they better measure the cause-and-effect relationship between variables. The coefficient applied to measure the relationship between the variables under study is the Pearson coefficient.

DATA ANALYSIS

Hypothesis 1: employee involvement in decision-making affects the increase in employee effort

Correlations

	From 1 to 5 how much does your manager involve you in decision-making?	How much influence do you think management style has on increasing your effort at work from up to 5?
From 1 to 5 how much does your manager involve you in decision-making? N	Pearson Correlation Sig. (2-tailed) 82	.498** .001 82
Sa mendoni se ka ndikim stili i manaxhimit në rritjen e përpjekjeve tuaja në punë nga deri në 5? N	Pearson Correlation Sig. (2-tailed) 82	1 .001 82

** . Correlation is significant at the 0.01 level (2-tailed).

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Table 1 Correlation between the variables involvement in decision-making and increased effort

It results from table 1 that the Pearson coefficient is 0.498, an element that shows that the more the involvement of employees in decision-making increases, the more employees will increase their efforts at work. Involvement in decision-making is an element that belongs to the democratic style of leadership, while “increasing the efforts of employees” belongs to the performance of the employee, this fact shows that the style of leadership affects the performance of employees. Based on the results of the table, if employees are involved in decision-making, they will increase their efforts at work, so the application of this element that belongs to the democratic style affects the increase of efforts, which will improve the performance of employees.

Hypothesis 2: employee counseling by leadership affects employee motivation

Correlations

	From 1 to 5 how consultative is your manager about work activity?	How much influence do you think the management style has on your motivation at work from 1 to 5?
From 1 to 5 how consultative is your manager about work activity? Pearson Correlation Sig. (2-tailed) N	1 82	.078 .626 82
How much influence do you think the management style has on your motivation at work from 1 to 5? Pearson Correlation Sig. (2-tailed) N	.078 .626 82	1 82

Table 2 Correlation between counseling variables and employee motivation

It results from table 2 that the Pearson coefficient is 0.078, this shows that the more the counseling of employees by the management increases, the more their motivation will increase. Advising employees is an element that belongs to the democratic style of leadership, while motivation is an element that belongs to employee performance, this fact shows that leadership style affects employee performance, the influence on motivation increases the probability that employees increase their productivity. Based on the results of the table, employee counseling as an element of a democratic leadership style has no impact on employee performance.

Hypothesis 3: the commanding approach affects the performance of the work and if the leadership style is changed

Correlations

	From 1 to 5 how much of a commanding approach does your manager have?	How much better do you think you would work if your manager had a different management style from 1 to 5?
From 1 to 5 how much of a commanding approach does your manager have? Pearson Correlation Sig. (2-tailed) N	1 82	-.101 .529 82
How much better do you think you would work if your manager had a different management style from 1 to 5? Pearson Correlation Sig. (2-tailed) N	-.101 .529 82	1 82

Table 3 Correlation of prescriptive approach variables and better work by changing management style

It results from table 3 that the Pearson coefficient is -0.101, this shows that the more the commanding approach increases, the less an employee would perform the job better even if the leadership style is changed. The commanding approach to employees is an element that belongs to the autocratic leadership style, while the best performance of the work belongs to the employee's performance. Based on the results of the table, the commanding approach as an element of an autocratic leadership style has no impact on employee performance even if the leadership style is changed by applying this approach.

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Hypothesis 4: the more freedom an employee is given, the lower is the level of stress caused by the leadership style

Correlations

	How much freedom does your manager give you in your work activities from 1 to 5?	How much do you think the management style has an impact on the stress level at your job from 1 to 5?
How much freedom does your manager give you in your work activities from 1 to 5?	Pearson Correlation Sig. (2-tailed) N	.025 .877 82
How much do you think the management style has an impact on the stress level at your job from 1 to 5?	Pearson Correlation Sig. (2-tailed) N	.025 .877 82

Table 4 Correlation of freedom-giving variables and stress level

It results from table 4 that the Pearson coefficient is 0.025. This shows that the more the freedom given to employees by the leadership increases, the more it will affect the reduction of the stress level. Employee freedom is an element that belongs to the laissez-faire leadership style, while the level of stress is an element that has an impact on employee performance. Management style has an impact on stress level, but stress level is a complex element. Based on the results of the table, increasing the level of freedom of employees does not affect the reduction of stress level and indirectly on the performance of employees.

Hypothesis 5: Democratic leadership style affects employee performance

Model Summary

Algorithm	TwoStep
Inputs	4
Clusters	2

Cluster Quality

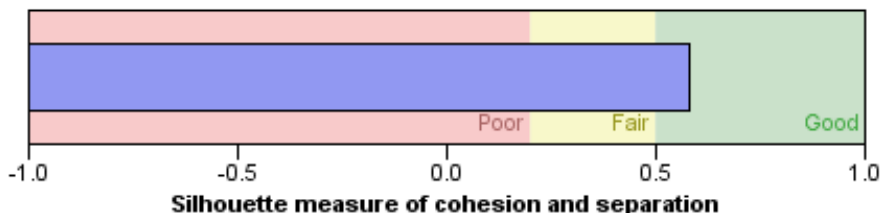


Table 5 Correlation of counseling variables, involvement in decision-making, consultation and other work influenced by leadership style

It turns out that the Pearson coefficient is above 0.5. This shows that the more these elements belonging to the demographic style are applied, the more the employees would work better if the leadership style were changed to this leadership style, so the application of this leadership style to the employees of the catering company will affect positively in their performance

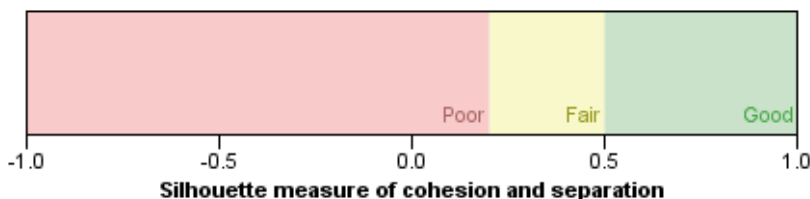
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Hypothesis 6: Autocratic leadership style affects employee performance

Model Summary

Algorithm	TwoStep
Inputs	6
Clusters	1

Cluster Quality



Cluster quality cannot be computed for a single-cluster solution.

Table 6 Correlation of the variables decision-making alone, commanding approach, punishment, rejection of opinions, involvement and work differently influenced by leadership style

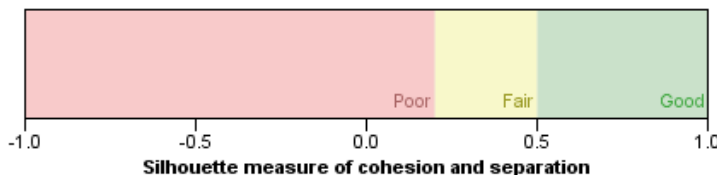
It turns out that we have a null relationship, which shows that the application of this leadership style has no possibility of having an impact on improving the performance of employees. This shows that in this company the application of this leadership style will not have any impact on employee performance.

Hypothesis 7: Laise-faire leadership style affects employee performance

Model Summary

Algorithm	TwoStep
Inputs	5
Clusters	1

Cluster Quality



Cluster quality cannot be computed for a single-cluster solution.

Table 7 Correlation of variables freedom, barriers, non-obtrusiveness, distance and different work influenced by leadership style. A null relationship has resulted, which indicates that the application of this leadership style has no possibility of having an impact on improving employee performance. This shows that the more these elements belonging to the Lais faire style are applied, the more employees would not work better, so the application of this leadership style has no impact on employee performance.

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FINDINGS

The involvement of employees in decision-making as an element of the democratic style of leadership affects the increase of efforts, this finding also coincides with the conclusions of studies such as: Effect of Employee Involvement in Decision Making and Organization Productivity Mambula I Charles J., Felix Francis, Zirra Clifford Tizhe Oaya and Employee Involvement in Decision-Making: Lawrence A Case at One University of Technology in South Africa Kok Malefane Johannes Lebusa, Pierre Joubert.

Employee counseling does not affect employee performance, this finding contradicts studies: Effect of Career Counseling on Employee Performance in Murang'a Water and Sanitation Company Limited by Christine Syombua Kathukya, Caroline Igoki Mwangi, Clifford Machogu, where it turns out that counseling has a positive effect to the performance of employees and with the study: Employee counseling and performance of employees in commercial banks in Kenya by Weldon K. Ng'eno, Hannah Bula and David Minja it results that employee counseling affects their performance.

The commanding approach does not affect employee performance, this contradicts the findings: Authoritarian leadership and task performance: the effects of leader-member exchange and dependence on leader by Zhen Wang, Yuan Liu & Songbo Liu and Leadership style and its impact on employee performance by Joyce Chua, Abdul Basit, Zubair Hassan where autocratic leadership style positively affects employee performance.

The freedom of employees does not affect the reduction of the stress level of employees contradicts the studies: Impact of leadership styles on employees' performance with moderating role of positive psychological capital by Sajjad Ahmad Baig, Saher Iqbal, Muhammad Abrar, Irfan Ahmad Baig, Fiza Amjad, Muhammad Zia-ur-Rehman & Muhammad Usman Awan and Impact of Authoritative and Laissez-Faire Leadership on Thriving at Work: The Moderating Role of Conscientiousness by Zulfiqar Ahmed Iqbal, Ghulam Abid, Muhammad Arshad, Fouzia Ashfaq, Muhammad Ahsan Athar and Qandeel Hassan.

The democratic style of leadership has an impact on the performance of employees in the Catering sector, while the autocratic style and laissez faire have no impact on the performance of employees in the Catering sector.

FUTURE RESEARCH

The democratic style is related to the catering sector or to the individuals who work in this sector.

The application of a leadership style is related to individuals in an organization or to the sector in which the organization operates. The impact of the leadership style is on the individual performance of the employees or on the performance of the company including the employees as a whole.

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