

THE DETERMINATES OF TRANSFORMATIONAL LEADERSHIP IN KOSOVO SMEs

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Abstract: In this paper will be conducted a closer look at leadership styles that affect transformations of different organizations to focus on transformational leadership that will play a key role in determining determinants that directly influence transformations in small and medium enterprises (SMEs), in Kosovo. This research aims to identify all those factors that are of great importance to the changes that affect the organization, including the structure, people, culture, and various processes that are of great importance to local companies in identifying these key elements which are essential. This research will also be extended to the different leadership styles of leadership in organizations, looking closely at different governance models that our managers apply to. This research will be organized through a research methodology and redundant instruments to evaluate indicators that point to transformations and towards a fair and loyal competitor. Transformations that are highlighted in this paper are mostly focusing on people and culture, where through employee changes we see new horizons in improving skills and developing new experiences by expanding the organization's benchmarking, as well as changes in culture are essential because through it we create a good image of the company, prestige and representativeness. Therefore through these elements we will see transformation as a process and how organizations are flexible in the adaptability of this process as a positive and progressive change.

Keywords: Transformation, structure and culture.

INTRODUCTION

In this seminar paper we will be able to see more closely how the procedures are regulated which are determining factors and influencing the economic development of the country. These factors are a kind of promoter that helps the country based on the overall development of the economy system as well as the overall growth of small and medium-sized businesses in Kosovo. The factors that will be addressed in this paper are the key indicators of how they then, through their relevance, have the potential to influence the positioning of SMEs in Kosovo and their development towards expropriation, business management practices, and so on. Researchers who have studied small and medium enterprises (SMEs) point out that in both developed and developing countries, SMEs represent a key factor for economic growth, employment growth, the creation of a competitive market, technical innovation and technological as well as other social aspects and economic development (Acs and Audretsch, 1990; Johnson and Loveman, 1995). Due to the need to adapt to the new economic situation created by the transformation process from the former socialist system towards a competitive market system, SME growth is a challenge for less developed countries and countries in transition. The importance of small and medium-sized enterprises after the 1980s stems from the fact that 98 percent of enterprises worldwide are considered generators of economic growth (Audretsch, 2007, World Bank Group, 2005, McMillan and Woodruff, 2002). The growth of SMEs is not similar in all countries. In transition countries, various contextual barriers hamper the growth of firms; these factors include business environment factors, among which the most important are the institutional ones. These obstacles are present as a result of a hostile and unpredictable environment for doing business; an environment characterized by weak institutions and poor enforcement of laws, regulations and property rights, and these are particularly present in vulnerable post-war Kosovo (Hoxha, 2009).

LITERATURE REVIEW

Burns (1978, p. 20) illustrated TL as a process in which ‘leaders and followers raise one another to higher levels of morality and motivation’ and mentioned that this leadership style seeks to enhance followers’ motivation and morality. Robbins (2003, p. 343) defined transformational leaders as ‘leaders who inspire followers to transcend their own self-interests and who are capable of having a profound and extraordinary effect on followers’. According to Bass and Avolio (2000), TL is all about motivating to do more and establishing goals and objectives to develop others into leaders. According to Duluga (1992) transformational leaders are interested in developing connections and awareness of some shared destiny with all workers to encourage a mutual leadership behavior

network of support and motivation between themselves and workers. Tichy and Devanna (1986) elaborated on this point and explained TL as something ‘systematic, consisting of purposeful and organized search for changes, systematic analysis, and the capacity to move resources from areas of lesser to great productivity to produce strategic transformation’. In the same vein, Northouse (2004, p. 169) defined TL as ‘a process that changes and transforms individuals. It is concerned with values, ethics, standards, and long-term goals and includes assessing followers’ motives, satisfying their needs, and treating them as full human beings’. Hadden (2003) employed TL as an indicator of an individual’s leadership ability and suggested that an effective leader is Asian Journal of Technology Innovation 175. For those who have experience in organizational transformation, they undoubtedly see the benefit of having leaders in that organization able to engage in transformational leadership. “As its name implies, transformational leadership is a process that changes and transforms people.” (Northouse, 2016, p. 161) Through transforming people, indeed organizations can transform as well. There are also many similarities and supporting factors between change management methodologies and transformational leadership. “Although the transformational leader plays a pivotal role in precipitating change, followers and leaders are inextricably bound together in the transformation process.” (Northouse, 2016). First, the differentiation between transformational leadership and transactional leadership parallel the differences between static organizational behavior and organizational change. Transactional leadership is defined as “leaders develop exchanges or agreements with followers, pointing out what the followers will receive if they do something right as well as wrong.” (Bass & Avolio, 1993, p. 112) If I do X and Y happens today, if I do X tomorrow then I have reasonable intuition that Y will also happen tomorrow. This is how behavior is maintained in a static fashion and norms are perpetuated over time. “they work within the existing culture, framing their decisions and action based on the operative norms” (Bass & Avolio, 1993, p. 112-113).

METHODOLOGY

The methodology and data used contain the theoretical and empirical component and aim at achieving the objectives of the work. The questionnaire was specifically designed for this scientific research with 50 Kosovo active SMEs in international trade, and includes 4 main sections. The instrument used for collecting empirical and primary data in this research is a structured questionnaire addressed mainly to the owners or managers of the surveyed companies. The structured questionnaire, which is used in this case, presents different options for each question and the interviewee simply needs to pick the right answer. The questionnaire questions are simple and straightforward in order to get accurate and relevant answers. In our study, most of the questions are multi-choice questions, while closed and open questions form very little. In general, using this form of questionnaire has been the most effective way to gather the data needed for our study. The survey was conducted face to face with the owners or key representatives of these companies, where each question was read and all the answers are listed in the questionnaire. The main responsibilities of companies are trying to get information about the organizational structure they use and the forms of leadership and decision making they use. The data obtained from the realization of field questionnaires were entered into the database and the analysis of these data was realized with the program Statistical Sets for Social Sciences. Organizing and structuring this data with the SPSS program collects and aggregates all structural variables and factors in the organization, as well as the dependence of these factors and variables on the managerial success of firms. During the observation, we tried to obtain additional information through unplanned interviews with the executives of these companies, following the most important conversation points. A summary of these data is presented below.

RESULTS

Pearson Correlation	Rez.firmave	1.000	.795
	Trans.struktur	.795	1.000
Sig. (1-tailed)	Rez.firmave	.	.001
	Trans.struktur	.001	.
N	Rez.firmave	13	13

Table 1. Structural transformation on SMEs

From the analysis of other variables which are: The result of the firms with the transformations in the structure and the "Output of the firms" entered high profitability compared to the other variable that is "Transformation in structure" to enter them in the organogram, add department , production lines and structural differentials where its value is. Based on the values that are presented in the table we can say that the firm's result depends on the transformation in the structure, its fact is that it has a positive figure and it is shown that the firms have a good result based on the transformations in the structure, and the connection is positive among themselves.

		Trans. punonjes	Trans.struktur
Pearson Correlation	Trans.punonjes	1.000	.917
	Trans.struktur	.917	1.000
Sig. (1-tailed)	Trans.punonjes	.	.000
	Trans.struktur	.000	.
N	Trans.punonjes	13	13
	Trans.struktur	13	13

Table 2. Transforming employees as structural transformation

The transformations that are happening in the Kosovo SMEs are direct factors that have also been sent to the changes in the structure as well as to the organization. Because for themselves the fact that workers are affected by changes in their careers, the personality and the creation of new experiences has directly influenced the transformation of the organization itself.

		Perpa.konku	Inten.konku
Pearson Correlation	Perpa.konku	1.000	.507
	Inten.konku	.507	1.000
Sig. (1-tailed)	Perpa.konku	.	.002
	Inten.konku	.002	.
N	Perpa.konku	30	30
	Inten.konku	30	30

Table 3. Competitive advantages and competitive intensity

From the next analysis that is of competitive advantage and competitive intensity, where competitive competencies entail technological powers, company image, adequate financial assets and transformations, such as the image of the company, however high competition can be its image, then transformations as long as you are with strong capital if you did not present a transformation then the competition grows and becomes even more fierce, so we can say that there is a positive link.

CONCLUSION

In conclusion we can say that the changes as a transformation term that occurs in the SME in Kosovo are large variations mainly attributed to all countries that pass after the trancial phase which are not only distinguished by changes in structure, culture but also in employees as crucial assets for the organization. The biggest variations noted in this paper are those of the structure and employees but with a little nuance they have also been observed in organizational culture. The main focus has been on the structure, especially in the creation of new departments, the addition of new jobs, the creation of flexible ogranograms conforming to the environment where the organization operates. Job alliances have focused on creating new practices known as benchmarking, side transfers, rotations of various works and design. These are some of the determinants that have pushed these SME transformations into Kosovo as a country with a more flexible and dynamic environment in development.

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