

**Czech University of Life Sciences Prague**  
**Faculty of Economics and Management**  
**Department of Management**



**Diploma Thesis**

**Impact of Leadership on Organizational Performance**

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# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

## DIPLOMA THESIS ASSIGNMENT

ANNA SAVCHENKO

Economics Policy and Administration  
Business Administration

Thesis title

**Impact of Leadership on Organizational Performance**

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### Objectives of thesis

The diploma thesis aims to analyze relevant secondary data on managerial leadership and organizational performance. Relevant secondary data will be combined with original primary reconnaissance aiming to concrete improving suggestions leading to organizational performance increase.

### Methodology

“Literature Review” part will be elaborated based on relevant secondary data analysis and synthesis.

“Analysis” part will result from relevant secondary data and original primary reconnaissance combination.

Recommended structure:

1. Introduction
2. Goals and Methodology
3. Literature Review
4. Analysis
5. Results and Discussion
6. Conclusions
7. References
8. Appendices

**The proposed extent of the thesis**

60 – 80 pages

**Keywords**

leadership, performance, organization, management

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**Recommended information sources**

ARMSTRONG, M. – STEPHENS, T. *Management a leadership*. Praha: Grada, 2008. ISBN 978-80-247-2177-4.

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## **Declaration**

I affirm that I have worked on my diploma dissertation titled "Impact of Leadership on Organizational Performance" by myself, and only the sources listed at the end of the thesis were used for this thesis. As the author of this diploma thesis, I announce that the thesis does not breach any person's copyrights.

In Prague on 31.03.2021

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Anna Savchenko

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Thank you very much everyone!

# **Impact of Leadership on Organizational Performance**

## **Abstract**

This thesis focuses on the impact of leadership on organizational performance. For the practical part, the Czech Republic was chosen as the main research country. The thesis is divided into two parts, the first is theoretical, in which theories and scientific articles concerning the research topic are considered, the second part of the research is practical, where, on the basis of a literary review, the main problems and features of the topic are identified, which were further reflected in the questionnaire and analyzed to confirm or refute the objectives of the thesis. The literature review is based on the analysis of secondary data on the topic of managerial leadership and organizational performance. After that, a survey was conducted among men and women living and working in the Czech Republic, 83 people who work in large, medium and small companies took part in the survey. Analysis of the survey responses was done to identify leadership trends affecting organizational performance. Also, recommendations were given for identifying a decrease in organizational performance and for improving organizational performance.

**Keywords:** Leadership, Managerial leadership, Motivation, Leadership strategies, Psychological aspects of leadership, Organizational performance, Management

# **Dopad vedení na výkonnost organizace**

## **Abstrakt**

Tato práce se zaměřuje na dopad vedení na výkon organizace. Pro praktickou část byla jako hlavní výzkumná země vybrána Česká republika. Práce je rozdělena na dvě části, první je teoretická, v níž jsou uvažovány teorie a vědecké články týkající se výzkumného tématu, druhá část výzkumu je praktická, kde na základě literárního přehledu jsou uvedeny hlavní problémy a rysy identifikovány, které byly dále zohledněny v dotazníku a analyzovány za účelem potvrzení či vyvrácení cílů diplomové práce. Přehled literatury je založen na analýze sekundárních údajů o tématu manažerského vedení a výkonnosti organizace. Poté byl proveden průzkum mezi muži a ženami žijícími a pracujícími v České republice, průzkumu se zúčastnilo 83 lidí, kteří pracují ve velkých, středních a malých společnostech. Po analýze odpovědí účastníků průzkumu byly vytvořeny kontingenční tabulky pro přesnější analýzu dat. Rovněž byla vydána doporučení pro identifikaci snížení výkonnosti organizace a doporučení pro zlepšení výkonnosti organizace.

**Klíčová slova:** Vedení, Manažerské vedení, Motivace, Strategie vedení, Psychologické aspekty vedení, Organizační výkon, Řízení

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# **Impact of Leadership on Organizational Performance**

## **1. Introduction:**

In the modern business world, the influence of leadership on team performance plays a huge role in the life of every company. Numerous books and research articles address the topic of leadership and employee behavioral psychology.

A leader is a person who voluntarily takes responsibility for achieving the overall goals of his team. The leader is divided into two groups, the formal leader and the informal leader. A formal leader is selected or appointed to perform specific tasks. An informal leader is usually a person who motivates the group to follow his ideas with his moral principles and values.

Leadership was not perceived as a subject for scientific research until the early 20th century. In the first works on the topic of leadership, the psychological characteristics and personal qualities of a person were considered. Later, K. Byrd released a list of qualities that a leader should have, such as a sense of humor, self-confidence, initiative, kindness and sociability.

Today, leadership has long been transformed into a whole science of how to effectively and efficiently manage a team.

Companies provide special trainings, leadership has grown into a situational approach. The ideal leader should not only change his behavior and management model in different situations, but also find an individual approach to team members.

The main functions of leadership is planning the work of the group, maintaining group spirit and good relationships within the team, taking responsibility for the results of teamwork, managing conflicts, and motivating employees.

It is also worth noting that many companies are still adopting legacy team management models. In such teams, as a rule, there is a low level of motivation, a high level of mistrust in the leader, which directly affects the productivity of work. Company executives, ignoring problems in the team or management model, loose profits, reduce the quality of work, etc.

Many companies are trying to move away from the leader's image as a dictator and shape a new vision of the leader. This vision includes many management styles, but all of them are aimed at creating a trusting, friendly relationship between the leader and employees. But does this model work effectively in companies of different sizes?

More and more companies ask potential candidates to pass a psychological test during interviews. These tests can show the type of personality and detailed characteristics such as:

- Behavior in a team;
- Attitude and behavior in stressful situations;
- Compatibility with colleagues;
- Initiative at work;
- Level of responsibility and self-discipline;

Also, each company offers bonuses and additional motivational incentives. There is also the concept that a leader is a born authority. However, is it so?

In this paper, I will touch upon the types of leadership, study the psychological side of leadership and conduct a study to see what types of leadership exist in the labor market.

## **2. Goals and Methodology**

### **2.1 Objectives**

The prime objective of the study is to understand and identify the Impact of Leadership on organizational performance:

1. Analyze relevant secondary data on managerial leadership and organizational performance
2. The influence of social factors on organizational performance
3. The relationship between different leadership styles and their impact on organizational performance
4. Involvement of the leader in the work of the team and influence of this factor on organizational performance
5. Incentive and disincentive model of motivation
6. The impact of a leader's long-term thinking and decision making

### **2.3 Methodology**

The research is based on primary and secondary information. The research will use both already conducted research and newly created questionnaire to identify future research needs. An empirical method will be used. The main methods of empirical sciences are observation, measurement and experimentation. Science, which is at the empirical level collects facts, their initial generalization and subsequent classification. The methodological basis of the research was made by general logical methods and techniques of research and methods of empirical research such like: analysis, comparison, description, etc.

Due to the pandemic, personal interviews were not possible. An online survey was created that included a number of psychosocial, personal and theoretical questions that pointed to leadership problems and leadership problems at different levels of company development. Women and men living and working in the Czech Republic took part in the survey, only 83 people took part in the survey.

After receiving the survey data, pivot tables were created to analyze the data to obtain a more detailed result. Three measurement factors were chosen such as motivation, employee turnover and empowerment.

The questions that have the greatest impact on leadership and organizational performance were selected and the average values of the results of these questions were identified. After that,

these average scores were summarized in a pivot table with the selected measurement factors, and the results obtained showed the influence of these factors on organizational performance and leadership.

### **3. Literature Review:**

#### **Relationship between leadership and organizational performance**

The leadership is directly related to the performance of the organization. A well-chosen leadership model can affect the success of an organization. This thesis will examine the concept of leadership and its impact on the motivation of employees and the effectiveness of their work in the company. I would like to note that in this thesis, the concept of managerial leadership will be replaced by the general concept of leadership (in order to help improve the efficiency of the organization, not only for profit-making companies, but also for charitable organizations of different sizes). In this paper, the concept of leadership will be considered both from a psychological and scientific point of view.

The motivation of employees, their desire to complete tasks on time, emotional well-being, etc., depends on the work of the leader (manager). That is why I will consider different leadership styles and their impact on the team's work, as well as the psychological aspects of both a leader and an employee (Germano, 2010).

The task of a good leader includes reflecting the goals and values of the company, the ability to be flexible in approaching each employee, resolving conflicts in the team (company), maintaining a good atmosphere in the team, taking care of the social side of the life of employees, etc. All these aspects directly affect the efficiency of the organization.

#### **3.1 Theory X,Y,Z**

Douglas McGregor is a scientist known for his work in the field of leadership. He developed the famous theories X and Y, later also the theory Z appeared. Theory X claims that all people are by nature lazy and irresponsible, and they can do their job well because of money or because of fear of their leader. However, later McGregor realized that such a leadership model did not meet the requirements of the modern world, and thus theory Y appeared. This theory is absolutely the opposite of theory X. This theory claims that people are not lazy and irresponsible, that with the right approach, style of management and management, people can be motivated to work and give free rein to self-expression (McGregor, 1960).

People can also take the initiative by offering the best solution to a particular problem in the company. However, one should not exclude theory X, this theory is possibly outdated, every leader should remember theory X and strive for a management model Y.

Also, in some cases and with specific people, sometimes the Y model does not work and the leader has to resort to using the X model.

What is Theory Z? This groundbreaking theory originated in 1981 by Japanese American William Ouchi. This theory unites the American and Japanese management systems. This theory was posed as a continuation of theories X and Y, the author urged Americans to adopt some of the features of the Japanese management and leadership system. In Japan, leaders are not focused on innovation and technology, but on corporate culture, collaborative decision-making, and lifelong hiring (Ouchi, 1993).

Theory X describes the principle of management at General Motors Corporation laid down by Alfred Stone.

Theory Y is based on management methods created by Henry Ford at Ford Motors Corporation.

And Theory Z tries to uncover the phenomenon of the Japanese miracle created by Taiichi Ohno at the Toyota Corporation.

Subsequently, these theories grew into concepts:

- American management
- German management
- Japanese management

The American model operates with capital, concentration on financial management, numerous mergers and acquisitions.

Most of the profits are used to pay dividends to shareholders. If we consider the micro level, then the income of the company goes into the pocket of the founder, and people are offered a salary and no deductions for bad behavior.

The German model invests more in personnel, their development, and social guarantees. People are responsible for their work.

The Japanese management model adheres to the principle that everyone is one family. Focusing on team spirit, the Japanese are so loyal to their company that they are more likely to change everything in their lives without changing employers (Yooyanyong & Muenjohn, 2010).

What is the basis of the theory X:

- People are lazy by nature and they don't like to work
- People avoid responsibility at all costs and need a tough leader
- An employee can show results only under constant pressure
- The employee strives for a sense of safety and security



The theoretical substantiation of the authoritarian type of management is the consideration of a person as a biological being with limited needs and the following personality characteristics: laziness, passivity, lack of desire to work, evasion of responsibility (McGregor, 1960).

Basis of the theory Y:

- The employee has ambition and aspiration, loves to work
- Work is a natural process for him, the same as other processes in life (rest, entertainment, etc.)
- The employee is creative and loves to take the initiative
- The employee accepts responsibility
- The employee knows how to plan his time and can independently plan his work process

Theory Y is based on a democratic management style (informal management), which implies delegation of authority, enrichment of the content of work, and improvement of relationships (McGregor, 1960).

The theoretical justification for the democratic style of management is the consideration of a person as a rational being with great needs and the following personality characteristics: hard work, activity, striving for: responsibility, self-education, self-control, self-government, creative growth, satisfaction from a job well done (Gastil, 1994).

Therefore, the employee should be given more rights, responsibilities and freedoms (for example, giving the employee freedom to at any time, anywhere in the office or at home, subject to the completion of the assigned task). As well as entrusting the employee in solving creative tasks and motivating by providing opportunities for self-improvement.

Basis of the theory Z:

- The company is committed to a lifelong work of an employee (trying to reduce turnover)
- The company, including the leader, is interested not only in the professional life of the employee, but also in the social
- Slow career advancement
- Employer dedication

Reliance on informal management (Y) does not replace the need for formal management (X), i.e. maintaining order and discipline.

Models such as theory X and theory Y are also called paradigms, or initial conceptual schemes, models for posing problems and solving them.

Theory Z is a more mature developed version of the theory of XY. It uses the features of the Japanese management style.

The Z - theory approach to management assumes that participation (involvement in the management process) is the basis of productivity growth. It is characterized by the philosophy of "trust, tact, proximity", life-long employment, group decision-making methods (Ouchi, 1993).

Table 1 Comparison of theories X, Y, Z

	Theory X	Theory Y	Theory Z
<b>Employee potential utilization</b>	Ineffective use of the employee's potential. Often, an employee works to the emotional limit under constant pressure.	The focus is on the professional growth of the employee.	The leader uses a flexible approach to employees. Taking into account the individual characteristics of the employee. Often, the leader focuses on the employee's strengths and gives them projects in line with this.
<b>Team management techniques</b>	Control, pressure from the leader, punishment in the form of personal sanctions	Self-management and self-control	Informal control, the leader also takes care of the social life of employees
<b>Motivation</b>	The leader use the punishment as a motivating tool	Leader gives opportunity for self-realization of employees, the method of encouragement is used	The leader is focused on each employee individually, the focus is on the employee's long-term work in the company, therefore bonuses and incentives are applied, the leader also cares about the social life of employees
<b>Responsibility for results</b>	Employees are always responsible for the result, the leader does not admit mistakes	In this type of leadership, employees themselves show initiative and are ready to take responsibility for the result	Individual responsibility, however, when problems or difficulties arise, the team takes part in solving the problem

Source: (McGregor, 1957)

### 3.1.1 Theories X, Y, Z as strategies for leading position in a competitive market

There are three situations:

$\$ < W$  - Remuneration is less than labor costs.

$\$ = W$  - Remuneration exactly to labor costs.

$\$ > W$  - Remuneration is greater than labor costs.

#### Rewards are less than labor

This situation seems quite rare, but it still occurs even on the labor market in the Czech Republic. There is little money in the company, the management wants additional profit from small salaries of employees. In this company, the leader is a person who constantly reminds the employees that there are many who want to take his position even with such a volume of work and a small salary. The employee develops a fear of losing his job and uncertainty about the future. With this management style, after a while the quality of employees falls.

The management, realizing that they are not ready to pay more salaries, but someone has to work. The company develops HR departments, and the task of HR is to tell inside the company that money is not the main thing in life, “we have interesting tasks and the prospect of gaining invaluable experience”, and thus HR is trying to lead the employee to the idea that his remuneration is equal to his work.

- The strategy is effective for generating initial capital.
- This is the state of the modern law enforcement practice of theory X.

#### The remuneration is greater than labor

This is a situation when there is more money than a person's competence.

People here are often incompetent in their position, and if they were paid according to their work, they would not receive even half of their current earnings. They move in their careers according to seniority and do not really like people who bypass the system and overtake their colleagues in their careers.

This is how the Japanese system and the Z theory work.

In the Japanese management system, the employee has many obligations to the firm, but also has many material incentives. It is quite difficult for the Japanese to quit. They also cannot reduce their labor productivity, as they are afraid of competition.

The entire success of the Japanese system was laid in the 70s by young managers who did not hesitate to steal American patents. These managers have long been outcasts in their traditional society. Having deviated slightly from Japan, one can notice that the industrial impulse to steal patents and sell copies, because there is nothing to lose, has moved to the South Korean economy, and then to the Chinese economy.

Here I have a clear conviction that early Japan and present-day China is a continuation of the Ford traditions and theory Y, which has not yet settled down and has not turned into theory Z.

Japanese management is the management of avoiding the responsibility of the elders by shifting it onto the younger ones. Clannishness, personal devotion, self-sacrifice for the sake of preserving the face of the senior in the hierarchy. Modern Keiretsu is in spirit also a continuation of the Japanese clan structure of the samurai era.

Theory Z is the old age of the company, most large corporations in the post-Soviet space live according to the same Z principle. Clannishness, isolation, personal loyalty is more important than professional competence.

Remuneration is equal to labor

This is a situation where any increase in salary in a company goes along with an increase in the workload.

Henry Ford hired those who wanted to work without asking for their background and promoted those who expressed a desire to take more responsibility for the production process. After John Lee from Ford's human resources department noticed that workers can produce less output while under the burden of family concerns, a department of up to 150 people was organized, which, in fact, was engaged in social protection of the employee and tried to solve personnel problems in order to more fully return the employee to work.

Theory Y is possible in established companies, and comes to the fore when theory X cannot provide an increase in profits, and further growth is possible due to the creativity of the staff and their dedication to the common cause. To a greater extent, this is manifested in the IT sphere, startups, where the profitability from a successful project in conditions of freedom of creativity is dozens of times higher than the company's expenses for paying for a telephone connection for a gym and comfortable chairs for staff.

Therefore, the employee should be coerced, controlled, directed and motivated by vital needs for him.

This is a fairly common managerial view of employee behavior.

## 3.2 Types of leadership

### 3.2.1 Lewin's Three Leadership Styles:

Kurt Lewin conducted an experiment in 1939 to study the influence of leadership on group behavior. When carrying out this to the experts, he identified three types that will be described in this section.

Figure 1 Lewin's Three Leadership Styles



Source: (City College, 2019)

#### Authoritarian Leadership (Autocratic)

With this management style, a leader always clearly explains the problem and wants to get a high-quality result. When making decisions, such a leader does not take into account the views of the group, as a rule, the leader himself decides what the team should do, and any suggestions for improvement from the employee are ignored (sometimes harshly suppressed).

Levin noted that with this leadership style, employees often have no room for self-expression and creativity. Employees are often stressed and afraid to deviate from the established work style. The leader often abuses power and employees begin to perceive him as a dictator and a person who loves to give commands.

This management style is suitable only if the leader has a lot of experience and knowledge and if there is not enough time for the whole team to make decisions.

However, often from a temporary measure, this leadership style turns into a permanent one and the leader loses the ability to use other management styles.

Also, with this management style, employees are constantly under stress. The leader, on the other hand, likes to keep the team under strict control, focusing solely on the result. The leader ignores all socio-psychological factors (Lewin & Lippitt, 1938).

#### Participative Leadership (Democratic)

According to Levin's theory, this management style is the most effective. This style is based on trust, collegiality, initiative, and creativity. These leaders take a huge part in the life of the team, they willingly listen to the opinions of all employees.

A leader allows employees to self-expression and offers leadership assistance and support. It is noted that the efficiency of work compared with the previous management style is lower, but the quality of this work is higher. The leader makes a decision based on the opinions of the employees. Employees with this management style feel involved and motivated to work.

The leader focuses not only on the result, but also on the ways to achieve it. This style is dominated by responsibility, creativity, encouragement (White & Lippitt, 1960).

#### Delegative or free rein (laissez-faire) leaders:

The leader behaves passively in this style, mostly shifts all responsibility to the team. Levin considered this style to be the least effective. However, this style can work if employees are highly motivated and qualified.

This leader can lose full control over the team, as well as reduce work efficiency. Employees with this style may not understand their responsibilities or lose motivation (Lippitt & White, 1958).

Table 2 Comparison of Levin's leadership types

<b>Interactions leader with employees</b>	<b>Autocratic</b>	<b>Democratic</b>	<b>Delegative</b>
<b>Receptions adopting decisions</b>	The leader makes all decisions independently	The leader makes decisions together with the team	The leader waits for instructions from his management or shifts the decision to the team
<b>Ways of bringing decisions to the performers</b>	Gives commands	The leader proposes, asks the employee	The leader begs the employee to complete the task
<b>Distribution of</b>	Completely in the hands	Responsibility is	Completely in the hands

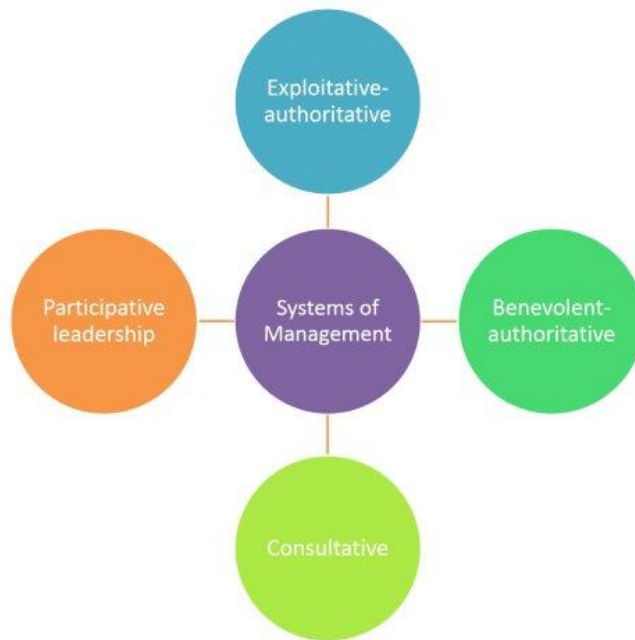
<b>responsibility</b>	<b>of the leader</b>	<b>allocated in accordance with the duties of the employee</b>	<b>of employees</b>
<b>Attitude to Initiative</b>	The leader completely suppresses the initiative	The leader encourages initiative and uses it to achieve common goals	The leader puts all the initiative in the hands of the employees
<b>Employee selection principles</b>	The leader is afraid of the appearance of a highly qualified employee in the team. Tries to get rid of such employees if they are already present in the team	The leader selects competent employees. He tries to find good employees with experience and knowledge.	Does not search for employees (shifts the responsibility to the team)
<b>Attitude to knowledge</b>	The leader is confident that his knowledge is sufficient for the successful work of the team	The leader is constantly learning, striving for new knowledge, expecting the same approach from employees	Enhances his knowledge and encourages employees to do so
<b>Communication style</b>	Strictly formal, uncommunicative	The leader is friendly, loves to communicate, positively goes to contacts with employees	Communicates with employees only on their initiative
<b>Features of the relationship between the leader and employees</b>	The type of relationship between the leader and the employees is determined by the mood of the leader	The relationship is friendly, but the leader is picky about completing the assigned tasks	The relationship between the leader and employees does not have any rules, the leader is undemanding
<b>Attitude to discipline</b>	The leader expects strict adherence to discipline from employees, adheres to all the rules	This leader adheres to the basic rules, but uses a flexible approach to team members	The leader does not control the observance of discipline among employees, but the leader is not against formal rules
<b>Attitude to Moral impact on employees</b>	Counts the punishment the main method of motivation, encourages the elite only by holidays	Constantly uses different methods of motivating employees	Uses encouragement more often, than punishment

Source: (Lewin, 2014)

### 3.2.2 Likert's theory:

Likert is a famous American scientist who founded the Institute for Social Research at the University of Michigan. He has made major contributions to the study of management and organizational behavior. This section will describe four leadership styles of Likert theory.

Figure 2 Likert's Leadership Styles



Source: iedunote.com, 2021

#### Exploitative **Authoritative**

The manager has clear rules and expects employees to follow them unquestioningly. Often times, the leader does not trust the employees, which is why employees are under constant pressure from the management. The leader uses punishment as a permanent measure. The leader is not interested in the social life of the employees, as well as in maintaining the team spirit. In this model, mistrust prevails on both sides (Likert, 1972).

#### **Benevolent Authoritative.**

In this model, the leader confers partial trust on his employees. The illusion of team participation in decision making is created. However, this model uses both reward and punishment. Employees are wary of their leader (Likert, 1972).

#### **Consultative.**

The leader shows significant, but not complete, trust in the team. Also, communication in this model moves in both directions, however, if information from management reaches employees in full, then information from employees reaches partially to management (information is often filtered according to the principle "what our boss wants to hear"). Employees are involved in the decision-making process, but with limitations. In this model, confidential and open communication prevails, but with elements of fear (Likert, 1972).



### **Participative.**

This model is the most effective. The leader fully trusts his employees. There is a joint decision-making with the team. Communication takes place not only vertically, but also horizontally. Employees feel involved in the processes within the team, which motivates them. The leader maintains friendly relations with employees. In this model, the individual participation of each team member is important (Likert, 1972).

## **3.3 Big 5 personality traits**

### **3.3.1 Why the big 5?**

The big 5 personality traits are the core aspects of a personality. While psychology researchers rarely agree on anything and personality factors are extremely difficult to study, most agree on the 5 personality traits. The big 5 personality traits are extroversion, conscientiousness, neuroticism, agreeableness and openness. Today, many companies even give personality test to their prospects during the interview process. In this section I will explore how each of this personality traits impacts on leadership.

### **3.3.2 Extroversion**

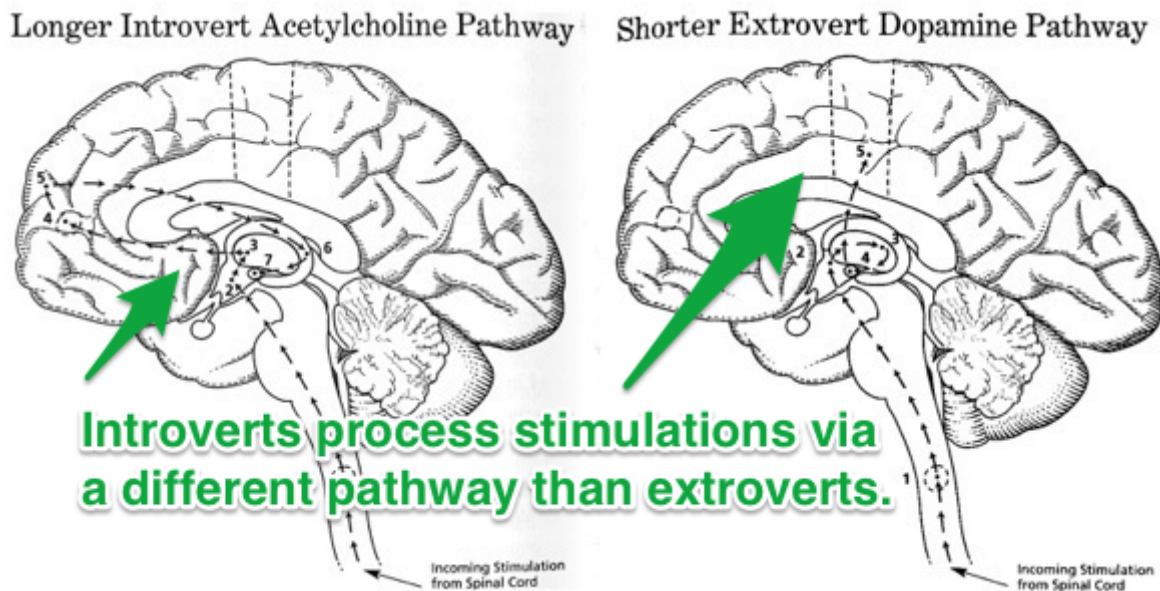
Extroverts are people who are interested in exploring the world. Extroverts meet their needs through social contact. It is easy for them to make new acquaintances, and generally communicate in various situations. For an extrovert, any external stimulus serves as a recharge. Exchange of ideas, everyday conversation for an extrovert, pleasant moments of the day. Extroverts love noisy companies, parties.

Introverts are people who love solitude and cannot satisfy their needs through communication with the outside world. Introverts value time with themselves. They avoid large crowds and often do not participate in everyday dialogues unless the person directly starts a conversation with them.

How does it literally happen? There is a formation in the cranium - the reticular formation. It is responsible for stimulating the cerebral cortex. Some people have a developed reticular formation from birth. In this case, in order to be aware of internal and external processes, such people do not feel the need for constant interaction with the environment and external stimuli, for example, in communication. In other people, this formation develops differently and stimulates the cortex less. For such people for a comfortable existence (in order to excite the cerebral cortex and through this to be aware of themselves and the environment), a closer and constant contact with the outside world and other people in particular is necessary.

These physiological characteristics do not say anything about the intellectual development of a person, they lie within the boundaries of the norm and are nothing more than individual characteristics (Goldberg, 1990).

Figure 3 The difference between extraversion and introversion



Source: (reddit.com, 2014)

How do these tendencies affect the work of the introvert and extrovert in a team, where you need to constantly communicate, and sometimes direct the actions of other people? My research has shown that a lot depends on which personality types fit the team.

Extroverts become highly effective team leaders whose members want to obediently follow the leader. Extroverts have vision, confidence, energy, and connections - enough to set a general direction.

But if team members are active and do not mind taking the initiative, they strive to express their point of view and introduce new ideas - an introverted leader is ideal for such a team. The extrovert leader in this team will not feel comfortable, most likely this initiative will scare him. When a subordinate offers them new strategies, new goals or work processes, the leader feels that his fame is being taken away from him, his authority, his status is encroached upon. The extroverted leader feels threatened by the employee taking the initiative. In this situation, the leader will not be friendly with these employees and will try to suppress the employee's desire to contribute to the team. An introverted leader is the opposite, he actively

listens to suggestions and wishes, he is open to initiative from employees. These findings are supported by a variety of studies in the field of "dominant complementarity": groups are stronger and more effective when they have both dominant and submissive members.

The extrovert leader will feel comfortable with passive employees. The introvert leader can perfectly lead ‘active team’ (Goldberg, 1990).

Table 3 Comparison of extraversion and introversion

Extroversion	Introversion
• Tuned in to the external environment.	• They are attracted to the inner world.
• Prefer verbal communication.	• Prefer to communicate in writing.
• Develop ideas by speaking them out.	• Generate ideas by pondering them.
• They learn best by acting or discussing a problem.	• Learned best through reflection and imagination.
• Have broad interests.	• Deeply self-centered.
• Are sociable and expressive.	• Restrained and laconic.
• Show initiative in work and relationships.	• Take initiative when a situation or problem is extremely important to them.

Source: (Myers & Briggs, 1995)

### 3.3.3 Conscientiousness

Conscientious people with a high level of conscientiousness. These people have a well-known approach to tasks and always complete them on time. These people manage their time correctly and show great productivity in their work and team. Conscientiousness could be distilled into caution, determination and great attention to detail. As well conscientiousness could be summarized as an internal drive to do things correctly.

As a manager of a highly conscientious people it is important to motivate them the right way. For example, one must not overload a conscientious person with bureaucratic tasks such as reporting time spend or tracking progress on the task. A conscientious employee must be given the freedom to make their own decisions and work on they enjoy then they will show maximum of productivity.

On the other hand a conscientious leader could perfectly organize the team work and all the internal processes but at the same time in the unpredictable situations this leader need more time to make a decision. Overall this leader will expect other people to take their job seriously as the leader does. Most people however report that they would prefer to work under a conscientious leader. This is why conscientiousness is one of the main factors in career success and therefore most companies prefer to hire conscientious leader.

### **3.3.4 Neuroticism**

People with high level of neuroticism are subject to negative thinking and negative emotions. Also, neurotic people are prone to depression and generally perceives themselves and others negatively. These people are critical of themselves and others, and any situation is perceived as negative. Stress is an unfavorable environment for neurotics, they try in every possible way to avoid assigned and difficult tasks for fear of failure.

Neurotics need to be managed very closely and carefully. It is important to create right atmosphere for them to succeed. They don't like their work to be criticized because they are likely to perceive it as a personal attack on them. It is also important to manage colleagues who work with neurotics and educate them on how best to approach these people. However there is a benefit to hire a neurotic as a employee in the right situation they can use their uncertainty to empower critical thinking.

In general it is not a good idea to a neurotic as a leader because they are likely to perceive the situations negatively and react badly in the high stress situations. Most companies do not look to hire a neurotic as a leader. The preferred option is to hire someone who is low on the neuroticism. The reason behind this is that this people are easier to work with, accept criticism better and are more likely to remain composed when the situation requires it.

### **3.3.5 Agreeableness**

Agreeableness is how much a person is willing to make compromises and concessions in difficult situations. These people do not like conflicts and therefore often avoid them by agreeing with the opinions of other people. Agreeable people love harmony around them and it is important for them to please everyone. Often they play around with their interests in order to make the person next to them happy.

In the team this link of people are usually friends with everyone. They try to build good relationship with the leader and team members. For them it is difficult to be in conflicts at the work place. They often don't accept negative feedback well. To get the maximum out if

agreeable employees it is important to keep being friendly and provide positive feedback and reinforcement. They more likely will support new ideas if you are on the “good” side. On the other hand disagreeable employees not likely to be friend with everyone and can often make enemies, but they are also more likely to tell the truth in the difficult situation. This is because they do not mind some conflict as long as their progress.

In general companies prefer to hire disagreeable leaders. The problem with leaders who are too agreeable is that they will try to please everyone. This is often not possible and therefore agreeable leaders will not be able to make hard decisions. For example, if a company is not performing it might be necessary to fire a few unproductive employees. If the agreeable leader cannot make this hard decision, he might risk the entire company going bankrupt and in this case all other employees will lose their job as well. On the other hand disagreeable leaders must be careful not to alienate their employees. They must work to increase their empathy and understanding for their subordinates. This is how you can get maximum benefits from a disagreeable leader.

### **3.3.6 Openness**

Openness often refer to as “openness to new experience”. Openness shows how much a person is ready for change and adaptation to something new. Often these people have a wide range of interests, they are creative and have many ideas. Such people are willing to take risks and responsibilities. They are always hungry for something new in life, and routine is a nightmare for them.

As an employee they are ready for unpredictable stressful situations. They have a lot of creative ideas and they are ready for the moment to represent them all. More likely they will support innovations and new technologies in the company. Therefore not every company want to hire open to new experience people because they will move pretty fast in the career.

### **3.4 Myers-Briggs personality types:**

The Myers-Briggs typology is a system for diagnosing individual differences that arose on the basis of Jung's ideas. The famous psychiatrist and founder of analytical psychology suggested that four basic psychological functions help a person's perception. These include: thinking, feeling, intuition and sensation. American Catherine Briggs and her daughter Isabelle Briggs-Myers, based on Jung's research, created in the 1940s an indicator of psychotypes - MBTI (Myers-Briggs Type Indicator). The testing was carried out for women who were forced to go to work to replace men in wartime. MBTI helped identify individual personal preferences

at work. Later, the Myers-Briggs typology found support among many scientists (Briggs & Myers, 1995).

Table 4 The Significance of Abbreviations in Myers-Briggs Theory

E – Extroversion	I – Introversion
S – Sensing	N – Intuition
T – Thinking	F – Feeling
J – Judging	P – Perceiving

Source: (Myers&Briggs, 1995)

### 3.4.1 INTJ

People belonging to this personality type prefer solitary time with themselves. They do not like daily promises and in every possible way avoid talking about everyday things. These people have self-discipline and a high level of responsibility. They perfectly combine rational thinking with intuition.

When working with these people, you should avoid long conversations, for them the best communication is correspondence. They like to make free decisions, sometimes neglecting the advice of a colleague or a leader. That is why the leader must control the work of this employee. They can often stick to deadlines, focusing on time rather than quality.

This personality type cannot be a good leader. In this case, the leader will not have good communication with the team. The leader will have good analytical skills and will have no problem generating ideas.

### 3.4.2 ISTJ

This personality type is characterized by a high level of responsibility. These people love order in everything, they are socially active but restrained. Rather, they will not show their emotions in a crowded place, but they will not avoid communication either.

Having such an employee on the team is the best scenario for a leader. The leader does not need to control this employee, only to clearly set the task and wait for the perfect result. Employees of this personality type love routine work, they like to organize things, and accordingly, it will not be difficult for them to sort out documents or a task manager.

This type of leader will never give unclear tasks. An organized and responsible leader will expect the same approach from their employees. They do not like excuses instead they

prefer honesty and cohesion reign in the team. Also, such a leader will gladly help with difficulties and problems during work.

### **3.4.3 INFJ**

A person belonging to this type of personality is straightforward, he does not like liars and is not such. This person defends his point of view until the last moment, rarely agreeing with anyone. At the same time, this type of personality is sensitive to love and has high empathy, which allows them to build strong relationships in society.

They love philosophy and long discussions about the meaning of life.

These employees are observant. They can work great in HR. It will not be difficult for them to determine whether it is worth hiring an employee or not. They are creative and curious. However, they do not like to be in the spotlight.

This leader will take good care of the social life of employees, he will be friendly and responsive. However, when dealing with important issues, this leader will feel distracted. Also, control is not inherent in the leader, everything in the team works on trust, and when this trust is violated, the leader takes it personally.

### **3.4.4 ISFJ**

This personality type is the most sociable among introverts. They are highly professional and ethical. They respect the people around them and expect the same from them.

This employee is attentive to detail. They honestly carry out their tasks and do not neglect to help colleagues in projects. They actively participate in the life of the team and support new ideas and beginnings.

This personality type is the ideal leader. They adhere to the rules and love structure in everything. They are successful in planning and control. This leader actively supports the team spirit and helps employees in everything. They are also successful in tasks such as improving team efficiency.

### **3.4.5 ISTP**

This personality type is the most ambiguous. They are focused on solving problems and strive to meet the world around them. They love details and pay attention to them often. They easily deal with unforeseen situations. They love to express their opinions but respect personal space. These people love excitement and risk, adventure. They don't like being in a routine.

This employee prefers live communication with colleagues, this is important for him. Therefore they lose motivation when working remotely. They are great communicators, so meetings are their strength. They love everything new, which is why they do a good job of testing products and creating new products. However, this type needs constant control and motivation.

This leader has an excellent relationship with the team. He is friendly and sociable. Such a leader perfectly adapts to stressful situations, and it will not be difficult for him to find a solution to any problem. However, a leader's routine work such as control, division of tasks and planning irritate them.

### **3.4.6 ISFP**

These people are vulnerable and sensitive. They cannot stand criticism and do not like conflicts, avoiding them in every possible way. They love to maintain friendships with everyone and are ready to support a friend in difficult times. They often have low self-esteem and are very critical of everything they do. Very often this type of person lives here and now without clear goals and plans for the future. They are talented and charismatic. We are often ready to support spontaneous decisions to go somewhere. Often succumbing to immediate desires, they postpone long-term goals for later.

This employee is friendly and sociable. With the right motivation, he will work hard and hard, but if he is not motivated, he will soon get bored with work. They love to suggest new creative ideas and solutions, but react negatively to criticism.

This leader is always ready to listen and help the employee. They are great at managing projects to help people. They base themselves on their moral principles and intuition when making difficult decisions.

### **3.4.7 INFP**

People of this personality type are focused on ideas about the future. They want to improve the world in every possible way. Representatives of this type are sensitive, independent,



freedom-loving. They look for ways to creatively express themselves, but they often give up without reaching their goals. They try to understand other people in every possible way and are interested in psychology.

If this employee does routine work, he will soon become overworked and lose interest. However, if this employee loves his job and his work coincides with his personal values, then he will be of great benefit to the company. As a matter of fact, the employee perceives the company's goals as his own and makes every effort to achieve this. This type of people can be successful in the creative work they adore.

This leader makes every effort to create a pleasant environment in the team. They avoid conflicts, which in turn provokes employees to start them. After all, this leader is not used to taking on a lot of responsibility. They don't always meet deadlines and often miss important details in their work.

### **3.4.8 INTP**

These people love logic. They love complex problems and spend an enormous amount of time looking for answers. They look for answers to everything in their life by constantly analyzing people, situations or tasks. As a rule, such people do not like to be led, they are confident that their solution could be better.

It is best for this employee to give freedom of action and then they will show the best result of their work. During the discussions, this employee will most likely suggest the best solution. However, it is difficult for them to respect people whom they consider insufficiently competent. It is important for them to have a leader with whose ideas they agree.

A leader of this type is competent and striving for continuous development. He expects the same from employees. This leader always respects the opinion of employees and gives them the right to make decisions. The leader encourages independence and organization. However, this leader needs flexibility in the team, sometimes he needs to get away from routine work and completely immerse himself in the creative process.

### **3.4.9 ESTP**

Lovers of extreme and active lifestyles. They respond well to extreme circumstances. These people know how to set goals and achieve them, even if it takes 10 years to achieve the goal, they will still enjoy the process. They are practitioners, not theoreticians, they are in the moment and do not like talking about the future.

This employee is always in the spotlight. They are very focused on social life within the team, this gives them strength and motivation to work. Most likely, they will not show productive work in an unfriendly team. They are bright and extraordinary, they do the job efficiently. They can easily make decisions in difficult situations, but it is important for them to have a good leader in the team.

Natural born leaders are optimistic and purposeful. They easily solve any issues within the team; employees are ready to listen to their speeches for hours, they are motivators, teachers and inspirers for their team. However, such a leader is not very good at foreseeing long-term risks.

#### **3.4.10 ENFP**

Open and friendly people. They like to make new acquaintances, purposeful and full of creative ideas. Often exposed to emotional outbursts forgetting about logic. They radiate a positive attitude and rarely interact with negative people. A great charge of energy emits from them, which inspires the people around them.

An employee in need of constant communication and motivation. They work great as a team, complementing their colleagues perfectly. They charge everyone around with their ideas, but sometimes they can go too far into idealistic thoughts and forget about everyday responsibilities at work. The leader must constantly monitor such an employee.

The leader is able to constantly motivate the team with new interesting ideas and approaches. Even in the most routine work, they will find something interesting. Full will of self-expression is the slogan of this leader. There are no restrictions or prohibitions in the team. However, a leader can get carried away with his own ideas and not complete projects that are important but less interesting to him.

#### **3.4.11 ESFP**

These people are purposeful and ready to pursue their goals no matter what. They love their family and try to provide them with a comfortable life. Such a person is extremely difficult to offend, they can easily stand up for themselves. Often this type of people does everything at once, which leads to stress and overwork.

This employee most likely does not complete the work. Losing interest, he starts a new task forgetting the old one. They do not like to wait long for the result, including in career

advancement. They often criticize and underestimate the work of other people on the team. Presentation and communication with people are the strengths of this employee.

This leader is charismatic, kind and positive. They know how to motivate the team for a certain result, provided that this project inspires them. They are always ready to help in a difficult situation and come to a compromise with the employee.

### **3.4.12 ENTP**

This personality type represents organized people who love to solve complex problems. They easily adapt to new situations and offer interesting solutions. However, these people do not like monotony, and when they have to implement their idea, they often miss many details. They love non-standard people with a similar type of thinking. People perceive them as good conversationalists, as they are full of interesting ideas.

This employee is an excellent generator of ideas. They love to participate in brainstorming sessions. They often dislike old approaches and strive for everything new and unknown. They love to be innovative and receive praise for their excellent work. However, for such an employee it is important to be in the right team of the same creative and extraordinary people, otherwise, most likely, he will be an outcast and "that strange colleague." They are open and responsive, love to help others.

The leader of this style is innovators who often use manipulation. They can perfectly handle conflicts in a team. A leader capable of giving speeches and motivating employees with interesting and unusual ideas. However, this leader is lost in the routine, since it is boring and uninteresting for him, most likely through manipulations they entrust all the routine work to a person in the team.

### **3.4.13 ESTJ**

People of this type are born leaders. They are purposeful, organized and persistent. They are critical of themselves and they can often also hurt the feelings of others. For them, people are made either successful or lazy. This type ignores all the personal characteristics of people around them, expecting results as theirs or better. They are not theoreticians, but practitioners. These people love to set goals and achieve them. Among their friends, there are no people weaker than them, which is why their friends are constantly changing.

This person is not replaceable in the team. He always does everything on time, while doing high-quality work, thereby encouraging colleagues to work better and faster. This employee loves to independently organize their work and often they are not the center of the

team. An employee of this type creates rules that make work easier and they do not mind sharing their findings.

This leader can perfectly organize the work of the team. His hard work and dedication gives motivation to the entire team. However, these leaders are not very good at communication and often avoid personal contact, however, when working remotely, they will use technology to make the team work more comfortable.

#### **3.4.14 ESFJ**

People of this type like to take care of others, their care often goes against what is best for them. They love communication, they have many friends. Often they depend on the praise and opinions of people around. In difficult situations, they cannot make a decision on their own relying on family and friends. This type of person is respectful of other people's time.

This employee is dedicated to work and team. Most likely, even if there is a bad leader, the employee will not change jobs if the team treats him well. They are responsive and ready to help anyone in the team. This employee always strives to establish contact with a new person in the team. For them, the most important motivation is the people around. They are ready to do everything for the well-being of the team.

Leaders of this type can lead a team perfectly. This leader is friendly and strives to create the image of a friend on the team. His high motivation and dedication to work delights everyone. This leader is a motivator and inspirer. He easily establishes contacts, solves problems and conflicts in a team. The leader is patient and focused on the success of the team.

#### **3.4.15 ENFJ**

Possessors of bright charisma and altruism. They will always come to the rescue and support in difficult times. They aim to build long lasting and strong relationships with people. With all their might, they will try to maintain a relationship with a loved one. They like to be in the spotlight, they are organized and harmonious. With big ambitions, they will never go to success through people.

This employee is a team player. For him, connections and communication with people are important. They take on complex projects without fear of responsibility. It is important for them to comply with the deadlines, while they always show a high result. They can easily bring people together to work together and help implement ideas.

A leader who cares about everything that happens in his team. He is completely motivated by his work, sometimes forgetting about himself and his emotional state. While worrying about and helping his team, the leader is often under the stress of accepting the failure of the team as his personal responsibility. This leader has high demands on himself and he expects the same from his collaborators. This leader loves to plan and discuss projects in detail.

#### **3.4.16 ENTJ**

People with strong leadership qualities. Self-confident and charismatic. This type of people is not afraid of difficulties and trials. People with an analytical mind can easily find a solution to any problem. They are opinion leaders, people want to communicate with them, be friends. They like to make plans, set goals and achieve by choosing the best strategy. They love discussions with smart people like them, they constantly move forward without seeing obstacles.

This employee is highly productive. They like to work hard and efficiently while seeing the result. They are highly motivated and move fast in their careers. They can easily communicate with people on the team and maintain a position of authority for their colleagues. It is important for them to have a professional leader in the team, however, as soon as the appeal to the leader is promoted, they plan to "seize power."

A leader who is professional and hardworking. They do not see obstacles and boundaries in their work. They are great negotiators and motivators for their team. Usually, a given leader takes a position over his employees, not because he wants to, but because the team admires his intelligence and charisma.

Figure 4 Description of the characteristics of personal styles

<b>ISTJ</b> <b>Traditionalists 13.7%</b> Dutiful Practical Logical Methodical	<b>ISFJ</b> <b>Protectors 12.7%</b> Dutiful Practical Supportive Meticulous	<b>INFJ</b> <b>Guides 1.7%</b> Devoted Innovative Idealistic Compassionate	<b>INTJ</b> <b>Visionaries 1.4%</b> Independent Innovative Analytical Purposeful
<b>ISTP</b> <b>Problem-solvers 6.4%</b> Expedient Practical Objective Adaptable	<b>ISFP</b> <b>Harmonizers 6.1%</b> Tolerant Realistic Harmonious Adaptable	<b>INFP</b> <b>Humanists 3.2%</b> Insightful Innovative Idealistic Adaptable	<b>INTP</b> <b>Conceptualizers 2.4%</b> Questioning Innovative Objective Abstract
<b>ESTP</b> <b>Activists 5.8%</b> Energetic Practical Pragmatic Spontaneous	<b>ESFP</b> <b>Fun-lovers 8.7%</b> Spontaneous Practical Friendly Harmonious	<b>ENFP</b> <b>Enthusiasts 6.3%</b> Optimistic Innovative Compassionate Versatile	<b>ENTP</b> <b>Entrepreneurs 2.8%</b> Risk-taking Innovative Outgoing Adaptable
<b>ESTJ</b> <b>Coordinators 10.4%</b> Organized Practical Logical Outgoing	<b>ESFJ</b> <b>Supporters 12.6%</b> Friendly Practical Loyal Organized	<b>ENFJ</b> <b>Developers 2.8%</b> Friendly Innovative Supportive Idealistic	<b>ENTJ</b> <b>Reformers 2.9%</b> Determined Innovative Strategic Outgoing

Source: (tfff.org, 2014)

### 3.5 Personnel management system at different stages of company development

The level of development of the company is the effectiveness of the division of tasks in relation to the agreement of employees to perform this work in order to achieve the overall goals of the company. At the same time, at different levels of development of the company, the tasks as well as the management style can change depending on external factors affecting the work of the company and the achievement of goals (Smith, K., & Grimm, C. (1987). Environmental variation, strategic change and firm performance).

The level of work in personnel management depends on the following factors:

- the number of personnel management staff and their competence
- number of leaders in departments
- availability of corporate standards and documentation for personnel management
- the presence of a single system within the company
- availability of training opportunities and motivational events

### **3.5.1 New company at the stage of opening and starting work**

At the stage of opening and starting a business, all positions exist conditionally and do not have a clear division of responsibilities. Often, employees can perform work that is not part of their responsibilities, and the leader can personally control every process within the company. The leader often plays the role of a friend and tries to surround himself with people who believe in his project. The level of labor may not be equal to the level of reward, which is why people within the company are motivated by thoughts of future success.

The leader knows each employee personally and is perfectly able to choose an approach to each of the employees, the leader also clearly understands the strengths and weaknesses of the employees and, in accordance with this, he distributes tasks within the team.

At this stage, recruiters are not required, but if the recruiters are part of the team in a small company, then they will have to do chaotic work. Such as organizing events, as well as other tasks likely tasks not related to recruiting work. When moving to a medium-sized company, as well as increasing the number of employees, the company will face the problem of standardizing processes and setting rules, including corporate ones.

At this stage, problems may begin in the team, because people working in the company from the moment of foundation will be against the introduction of corporate rules. These employees are accustomed to the absence of a leader in the company (after all, the leader often performs the same work as the rest of the team and because of the limited resources and lack of people in the team). Also, these employees will insist on special treatment as they were in the team from the first day (Smith & Grimm, 1987).

The selection of employees is carried out by a leader who, as a rule, does not have any knowledge in this area. Everything in the company is done intuitively. Training of employees begins with the practical part and often the employee does not receive any theoretical knowledge or explanations (either someone knows how this process works and will show it to the new employee, or the new employee must engage in self-training).

### **3.5.2 Companies at the stage of transformation from a small company to a medium company**

With the successful development of the company and an increase in the number of employees, standardization and setting of rules occurs within the company. At this stage, a personnel management department is being formed. Each employee clearly knows his tasks and responsibilities. Employees focus exclusively on specific tasks, without completing additional

projects. The level of work efficiency is increasing. However, this does not last long. Employees at this stage need personal motivation. That is why, after a certain period of time, the work efficiency may decrease. In order to avoid this, it is important to create a motivation system for employees (bonuses, salary increases, the possibility of a raise, etc.).

It is also important to pay attention to training employees and also creating a list of requirements for HR, so they could be guided while selecting employees.

The problem lies in the fact that at this stage the HR manager can receive a set of “overwhelming” tasks for him (in the event that the transformations do not occur systematically).

In an medium-size company, after a reorganization of processes, work begins to turn into structured actions. The leader at this stage can still perform additional work, but more and more employees with experience in certain areas appear and the leader can entrust them with the work (Smith & Grimm, 1987).

### **3.5.3 Transformation from medium to large company**

At this stage, multiple departments are formed for the company (financial, information technology, logistics, consulting, legal, etc.). The company comes to minimal use of external employee and services.

Instead of managing all areas in the company, there is management by divisions. Communication between departments is declining. If in the previous model communication occurs mainly within your department, but at the same time there are regular meetings of all employees, then in a large company these events are extremely rare. Often, an employee may never personally meet the head of the company.

At this stage of the company's development, it is important to generate documentation with a detailed description of all processes within the company (including personnel management). A single structure should be the basis for further development, all departments carry out their work in a single program, which speeds up the movement of data between departments and reduces manual work.

This company also has departments for assessing employee motivation. Psychological factors are taken into account when working with employees. That is why great attention is paid to corporate events both within the team and at the company level. In a large company, employees treat the head of the company as an authority who has achieved goals and often employees can be motivated by lectures or summing up meetings where the head of the company is the speaker (Smith & Grimm 1987).



Table 5 The Features in the development of the company at different stages

The number of employees	Management levels	Documents	Description of documentation
<b>up to 50 people (small company)</b>	one-tier, informally agreed	Not needed	
<b>50-500 people (medium company)</b>	two-tier board , formally agreed	<ul style="list-style-type: none"> <li>• Regulations on subdivisions</li> <li>• Duties descriptions</li> </ul>	
<b>500+ people (large company)</b>	Process, the whole range of management	<ol style="list-style-type: none"> <li>1. Corporate Code</li> <li>2. Provisions</li> <li>3. Instructions for personnel management</li> <li>4. Job descriptions</li> <li>5. Regulations of business processes</li> </ol>	<p>2: "On the certification of managers and specialists"</p> <p>"On bonuses for managers and employees"</p> <p>"About special and guiding instructions"</p> <p>3:"Planning and control of the implementation of activities for work with personnel"</p> <p>"Analysis of the workplace (position)"</p> <p>"Registration and adaptation of new employees"</p> <p>"Evaluation of results work of employees "</p> <p>"Certification of specialists and managers"</p> <p>"Organization of training and development of employees"</p> <p>"Diagnostics and correction of the socio-psychological climate"</p>

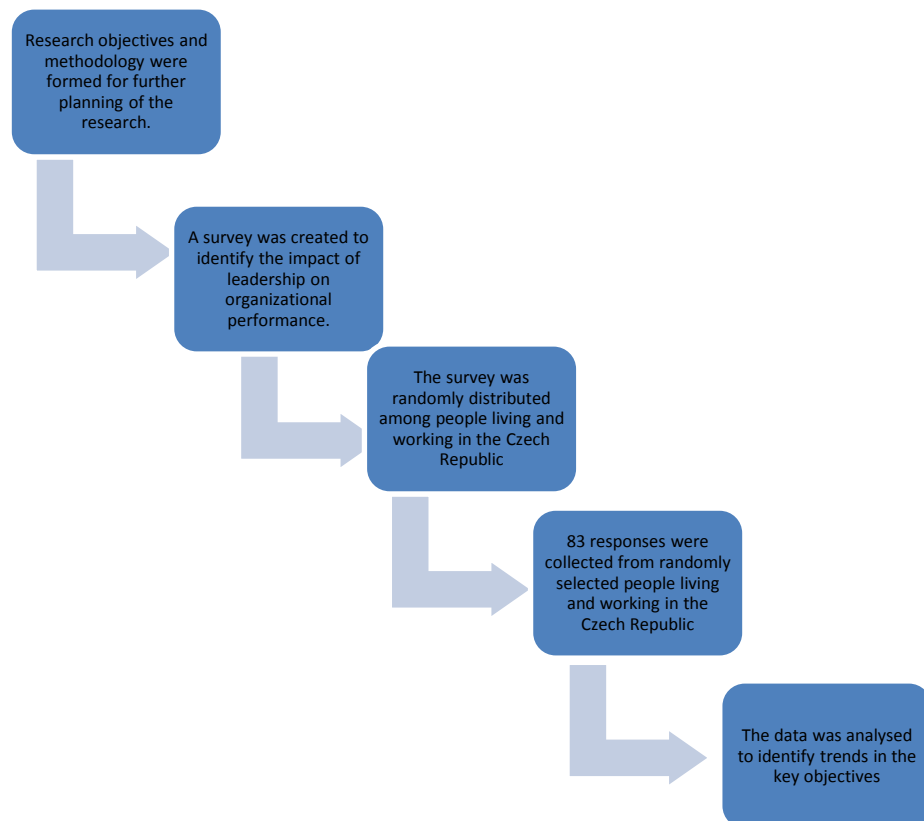
Source: (Carpenter, 2002)

## 4. Analysis

This chapter will analyze the collected data in order to confirm or disprove the research hypothesis. The Czech Republic was chosen as the country for the study. Also, the questionnaire was divided into employees of large, small and medium-sized companies in order to identify the difference in leadership styles.

The analysis of the data will be subdivided into the confirmation of the selected objectives.

Figure 5 Analysis plan



Source: Chart prepared by the researcher

## **4.1 Scope of the study**

The research includes theoretical, comparative and practical approaches. As well as in-depth analysis of the concepts of leadership and personnel management. Various theories and approaches to leadership have been explored. The study provides explanations and comparisons of various theories and behavioral situations. The differences between the types of leadership and personal characteristics of both the leader and the employee and their impact on the work of the company were considered.

The study also examined the features of team management and work efficiency at different levels of the company's development. Which helped to identify the problems of leadership and employee motivation.

After the survey, recommendations were made and the main factors influencing the effectiveness of the team's work were identified.

After completing the theoretical analysis, a literature review revealed the direct influence of leadership on the company's performance. That is why the questions in the survey were created in order to identify the connection between the concept of leadership and work efficiency.

The survey was designed in such a way that the participants could objectively express their opinion without affecting the confidential data of the companies. Also in the survey there was no line of the name of the company, such a decision was made in connection with the fears of participants working in a small company of publishing survey data. To create contact with the target audience of the survey, the concept of leader was changed to boss. To measure the results and confirm or disprove the hypothesis, factors were chosen such as:

- Turnover
- Employee motivation
- Decision making process

### **4.1.1 Research Hypothesis:**

Null hypothesis (H0): There is no relationship between leadership and efficiency of organizational performance.

Hypothesis (H1): There is a relationship between leadership and efficiency of organizational performance.

#### **4.1.2 Limitations**

- Due to the pandemic and limited time and budget, the primary data was collected by an online basis; no personal interviews or visits are made due the government restrictions.
- While collecting data, it was difficult to obtain accurate results due to the non-disclosure agreement of some facts about the company where the respondents work.
- Due to the random data collection process, it was not possible to collect the same number of responses from representatives of small, medium and large companies.
- Since leadership involves many psychological approaches, it was difficult to conduct a complete research, as it required conducting personality tests with each participant of the survey.
- Many responses to assess the effectiveness and impact of leadership in a company may include the personal relationship of the participant to the leader.
- The pandemic could affect the effectiveness of the survey due to online work many people experience a loss of motivation and a lack of corporate communication.

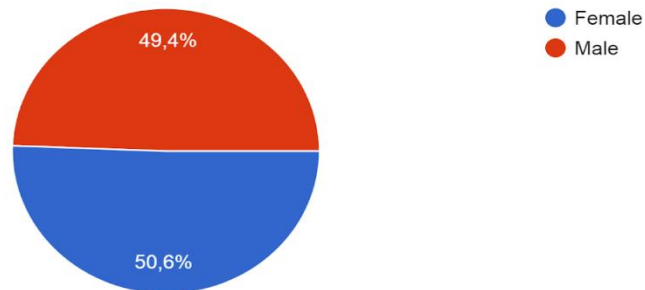
## 4.2 Data Analysis and Interpretation

### 4.2.1 Demographics factors

This diagram show the percentage of men and women who took part in the survey. According to the data indicated in the diagram, more women than men took part in the survey, but the difference between these two values is minimal.

Figure 6 Gender of survey participants

Your gender:  
83&nbsp;ответа



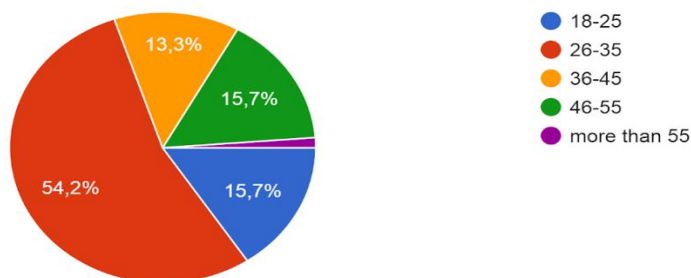
Source: Chart prepared by the researcher

However, this demographic question only shows a statistical relationship and does not have much influence on the main objectives of the study.

The following diagram is also statistical in nature and does not affect leadership and its attitude to the performance of the organization.

Figure 7 Age of survey participants

Your age:  
83&nbsp;ответа



Source: Chart prepared by the researcher

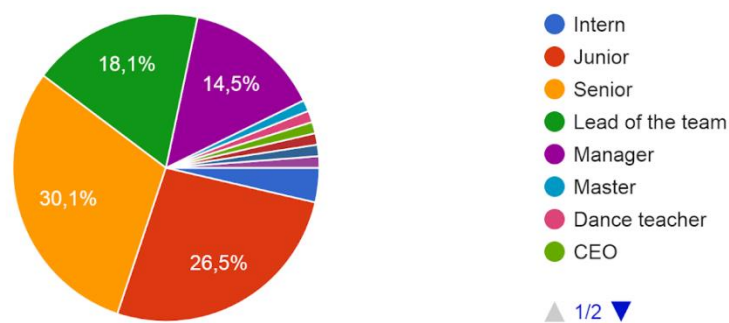
However, this diagram indicates that the majority of the people who participated in the survey belong to the age group from 26 to 35.

This chart shows the positions in the company of the survey participants. According to this survey, about 30% are senior, the second by percentage is junior, the third is the team leader and the fourth is the manager.

Figure 8 Position in the company of survey participants

2. Your position in the company:

83&nbsp;ответа



Source: Chart prepared by the researcher

These positions are ideally suited for the purposes of this work, namely, identifying the relationship between leadership and organizational performance.

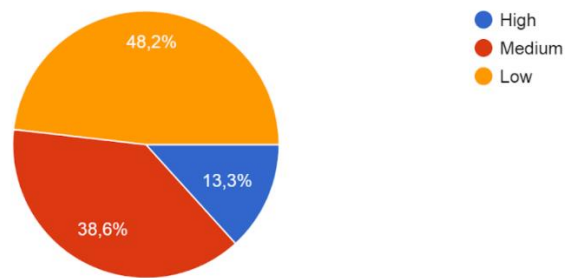
#### 4.2.2 Data analysis measures

Three measures have been selected to conduct a more accurate analysis of the data. Measures of employee motivation, turnover of the company and employee decision making process (also called empowerment). The first chart shows the percentage of employee turnover in the company. This diagram is important for the analysis, as it is directly related to the organizational performance of the organization. This diagram shows the effectiveness of the management system, the level of employee motivation, etc. If the leadership model works effectively, this indicator will be low, since employees feel motivated and do not think about changing jobs.

For further data analysis, the text information was converted to a numerical version. Thus, a high level of employee turnover is 3, an average level of employee turnover is 2, and a low level of employee turnover is 1.

Figure 9 Turnover in the company

13. Turnover in my company  
83&nbsp;ответа

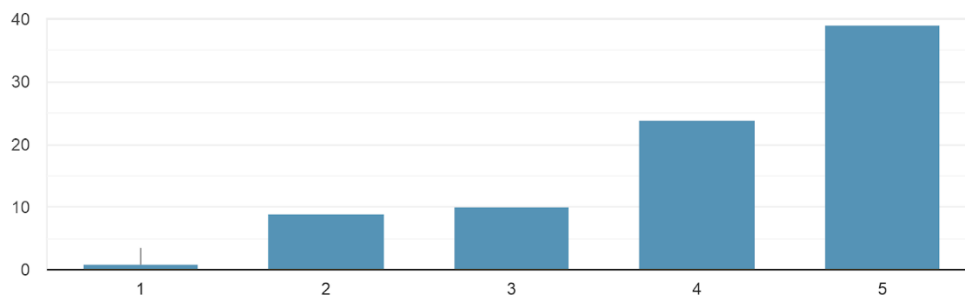


Source: Chart prepared by the researcher

Chart 10 shows the employee's level of motivation. A value of 1 is the lowest and reflects the lack of motivation to do the job, a value of 5 shows that the employee is motivated to do his job in the best way.

Figure 10 Motivation to perform tasks of survey participants

32. I am motivated to do my job  
83&nbsp;ответа



Source: Chart prepared by the researcher

Diagram 11 shows the decision-making process of a survey participant. The situation and options for actions are presented. The option to do your job as an employee sees fit reflects freedom of action in the leadership system. The second option reflects a good team and well-coordinated work. The third option shows the lack of autonomy in the actions of the employee, since most likely the leadership system in the organization does not allow taking full responsibility for the work done, or the leader's mistrust in making decisions by employees.

Figure 11 Decision making process of survey participants

16. If your boss is on vacation and you urgently need to make a decision, you:  
83&nbsп;ответа



Source: Chart prepared by the researcher

For analysis, this diagram has also been converted to a numerical version.

- Without a doubt, you will do as you see, since this is your job - 3
- You will make decisions with colleagues - 2
- You will try to contact the boss - 1

Based on these three measures, an analysis of various scenarios in Excel was carried out by creating pivot tables.



## Objective - 1

### The influence of social factors on organizational performance

To check the first objective of this study, the following three questions from the questionnaire were taken as well as the measures indicated above.

The diagram (figure 12) shows the relationship of survey participants with their leader. Where 1 - the relationship is not personal, but rather professional, the team has an exclusively working atmosphere (referring to the autocratic style of leadership), while 5 - reflects friendly relations with the boss, where the boss helps employees, monitors the atmosphere in the team, etc.

The survey showed that the majority of survey participants are on friendly terms with the leader, which has a beneficial effect on the employee's work in the company.

18. I have a friendly relationship with the boss

83&nbsp;ответа

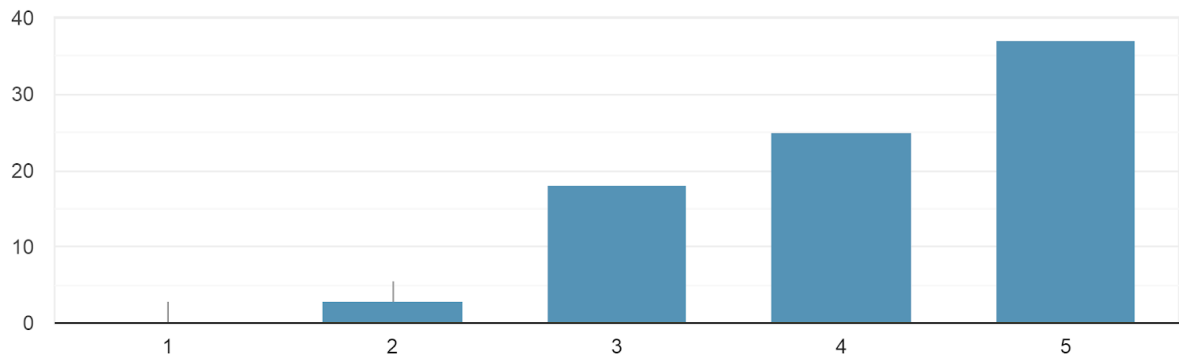


Figure 12 Relationship between employee and leader of survey participants

Source: Chart prepared by the researcher

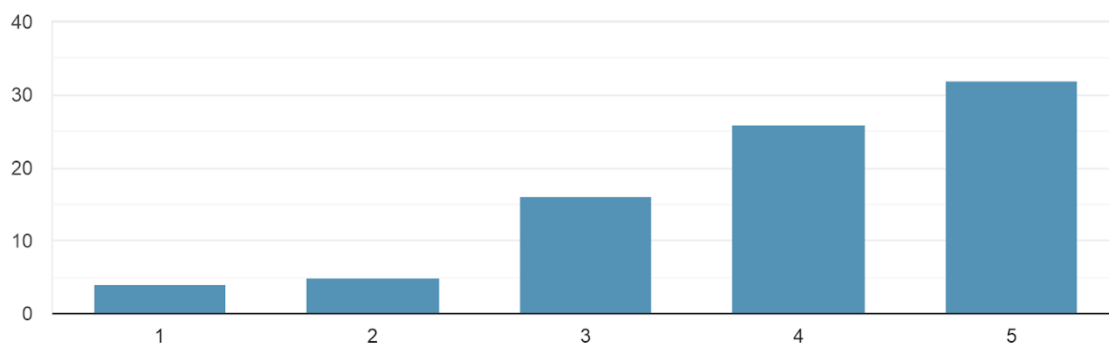
The following diagram (Figure 13) shows the boss's involvement and his individual approach to employees. Where 5 - reflects the leader's knowledge of the strengths of his employees and their personal characteristics, and 1 - shows the leader's absolute lack of knowledge about employees.

According to the survey results, the majority of people work in a company where the leader clearly identifies the personal characteristics of each of employee.

Figure 13 Individual qualities of employee

22. Your boss knows your personal and professional qualities

83&nbsp;ответа



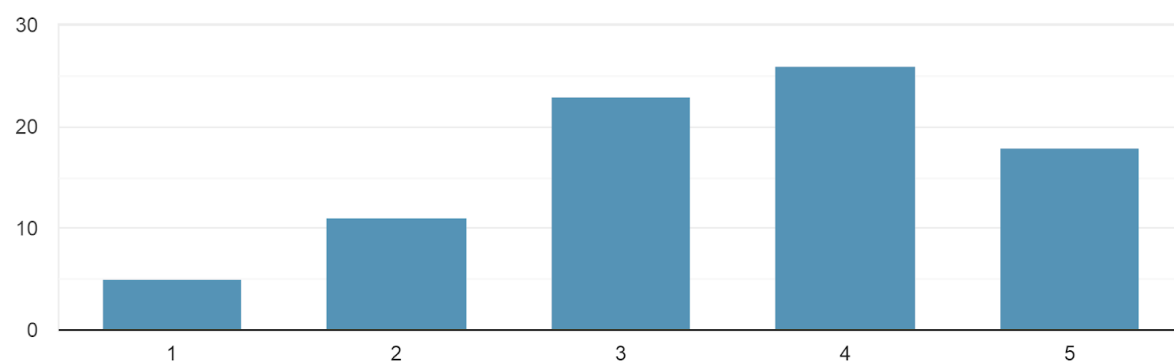
Source: Chart prepared by the researcher

Figure 14 shows the leader's interest in the social life of his employees. Where 1 - the leader is not at all interested in the social life of employees, and 5 - reflects the leader's interest in the social aspects of the life of employees.

Figure 14 Social life of employee

23. Your social life matters to your boss

83&nbsp;ответа



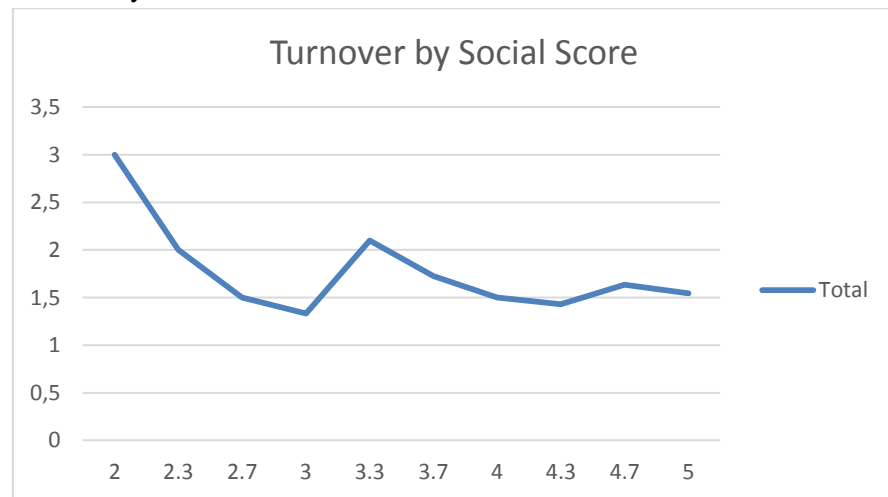
Source: Chart prepared by the researcher

This question showed that many employees are not sure whether their leader is interested in their social life, since opinions were significantly divided between the indicators. However,

the majority of those who took part in the survey voted for option 4, which reflects the leader's interest in the social life of employees.

The above questions were taken for analysis (figure 12, 13, 14). The average value of these characteristics was revealed and was named as a social score. Depending on the measurements, the results were obtained.

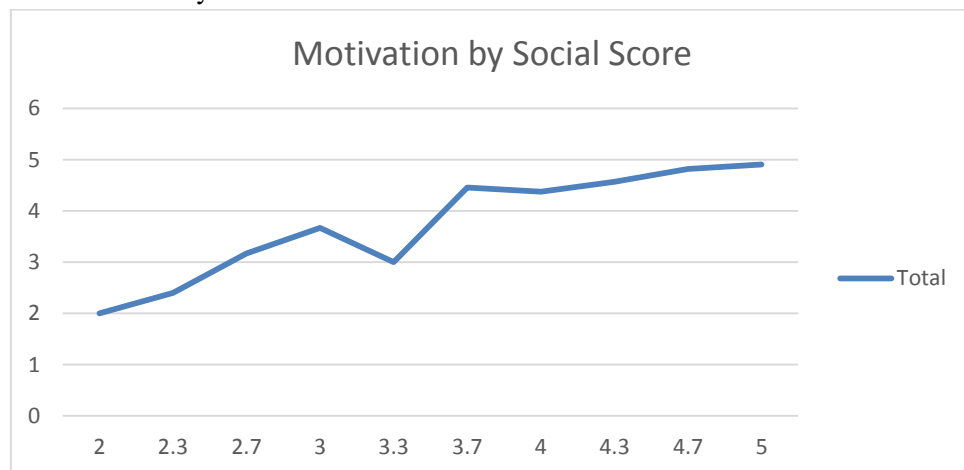
Figure 15 Turnover by Social score



Source: Chart prepared by the researcher

The figure 15 displays the average value of the indicators (figure 12, 13, 14) and takes the measurement of turnover. This figure shows the turnover on the y-axis and x-axis represents the average social score. As we can see on the figure 15 that turnover decreases when leadership pays attention to the social well-being of the workers.

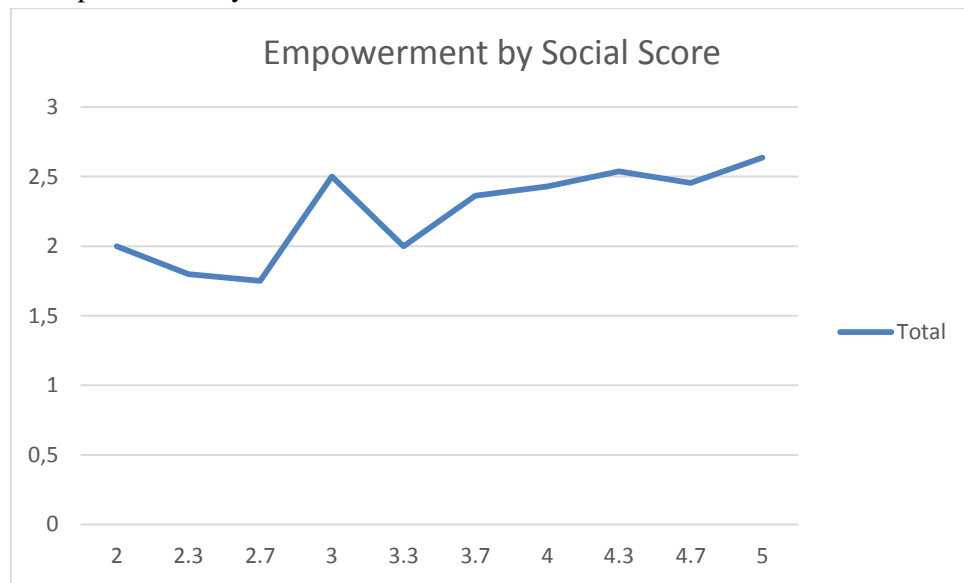
Figure 16 Motivation by Social score



Source: Chart prepared by the researcher

For the calculation of this diagram (figure 16), the motivation measure was used. The x-axis represents the average social score and y-axis shows motivation of the employee in this scenario. From this analysis it is clear that motivation is increasing with the social score. This means if leader use individual approach with the employees the motivation goes up.

Figure 17 Empowerment by Social score



Source: Chart prepared by the researcher

For the calculation of the figure 17 were taken employee empowerment as a measurement and average social score. On the x-axis represented the social score and on the y-axis employee empowerment measurement. This figure shows that there is a weak connection between social score and empowerment, but still the number goes up in case showing that people feel more empowered if their boss is more interested in their social life.

This analysis show that social condition have a positive impact on organizational performance. Therefore it is important for leader to focus on the social factors of employees life. This analysis proves objective – 1. There is a positive correlation of the influence of social factors on organizational performance.

## Objective – 2

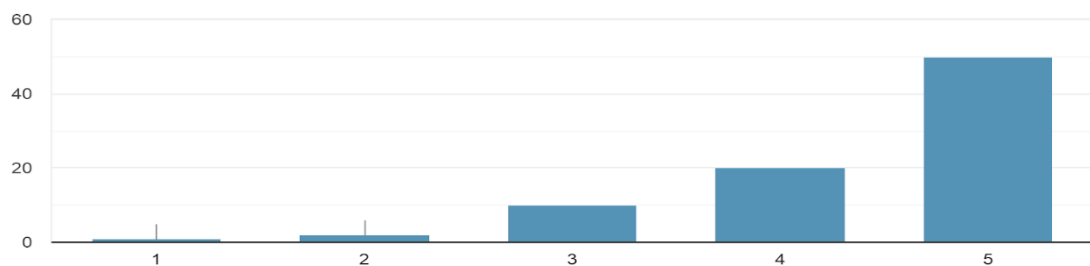
### The relationship between different leadership styles and their impact on organizational performance

Figure 18 represents the boss's involvement in helping to solve employee problems. How much the leader is ready to provide help and support in difficult professional situations or in a situation when an employee cannot make a decision on his own. According to the theory X,Y, Z (McGregor, 1960), the leader of theory x will not help the employee, and even if he offers his help, he will either consider the employee incompetent, or will remember the moment of the employee's "weakness" throughout his career. While the leaders of theories Y and Z helps the employee as the main task is to achieve organizational goals.

Most of the respondents are confident that their leader will help them in a difficult professional situation.

Figure 18 Difficulties at work and leaders support

30. If I have difficulties at work, I can consult or ask the boss for help  
83&nbsp;ответа



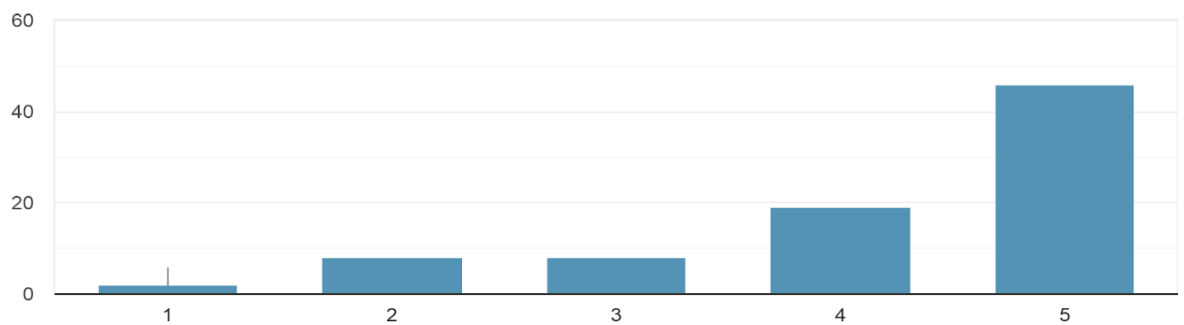
Source: Chart prepared by the researcher

Figure 19 reflects the interest of the company's management in showing initiative by its employees. Since different points of view and approaches can find the most effective method for solving the problem. The majority of those who have completed the survey believe that in their company, management supports the initiative in solving problems independently.

Figure 19 Encouraging employees to take initiative

28. Your company encourages personal initiative and independence in solving problems

83 ответа



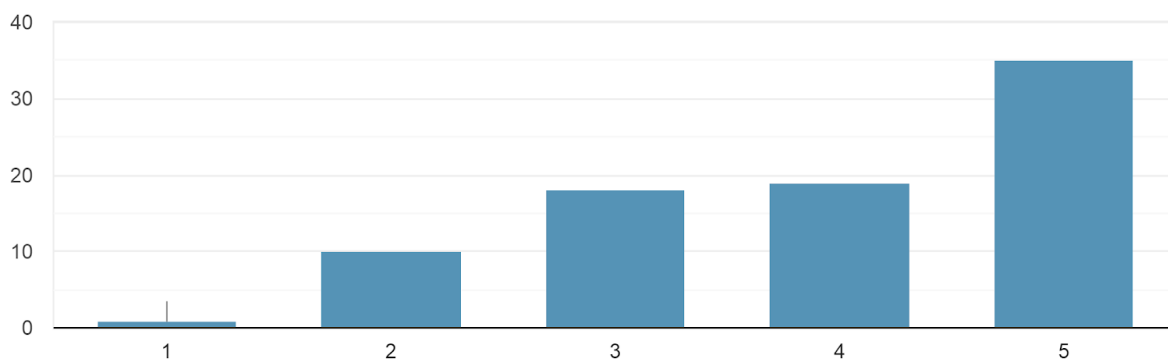
Source: Chart prepared by the researcher

Figure 20 shows the freedom of decision-making for employees and the level of control from the leader. It is not important for the leader to control the process of completing the task; he gives full control to the employee, but expects that the task will be completed on time. Most of the survey participants voted that the leader gives them complete freedom to complete tasks.

Figure 20 Freedom of decision making

27. Your boss does not control the work process, the main thing is that the work is done on time

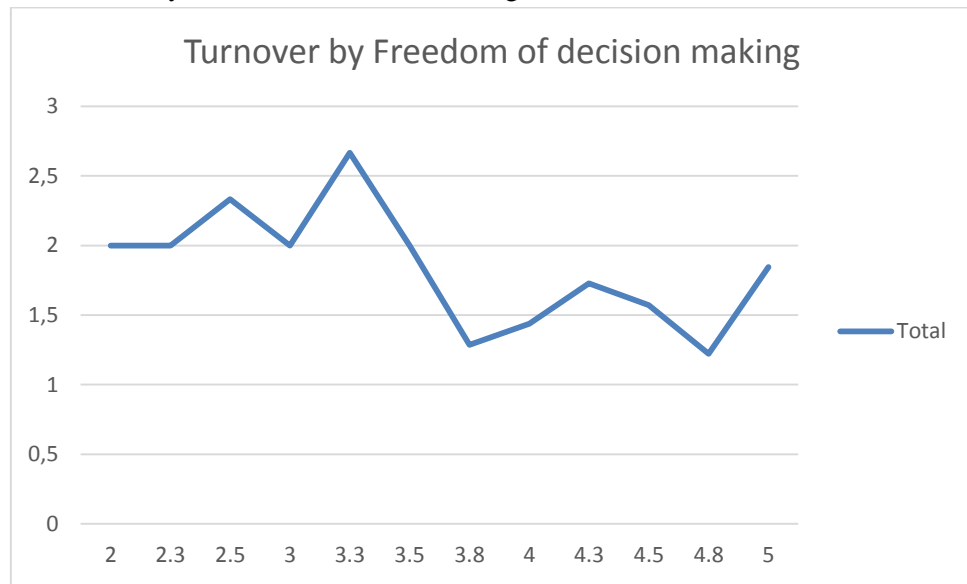
83 ответа



Source: Chart prepared by the researcher

The above questions were taken for analysis (figure 18, 19, 20). The average value of these characteristics was revealed and was named as a freedom of decision making (as this criteria can perfectly shows how trust of the leader to his employees can influence on the organizational performance). Depending on the measurements, the results were obtained.

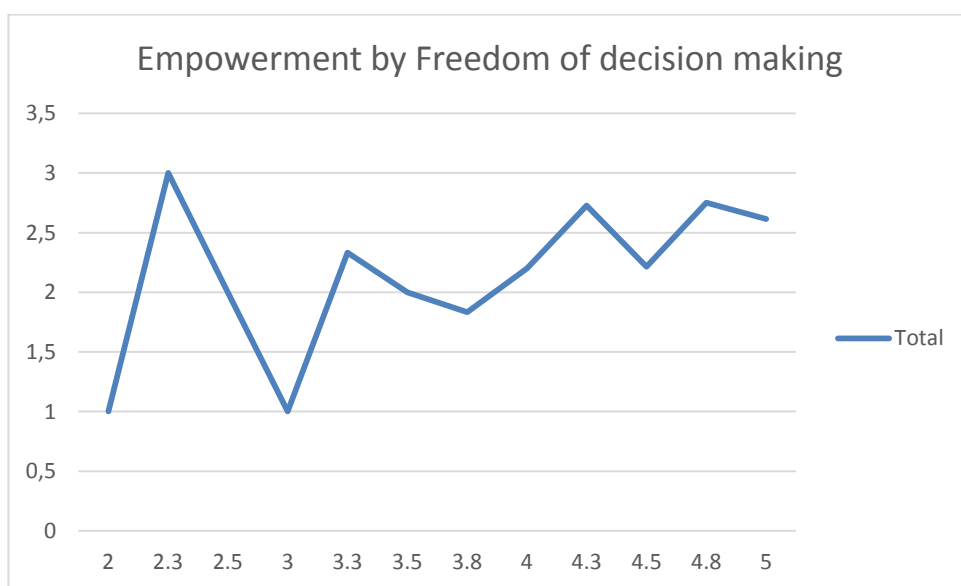
Figure 21 Turnover by freedom of decision making



Source: Chart prepared by the researcher

On the x-axis represented (figure 21) the freedom of decision making and on the y-axis turnover measurement. You can see that the value of employee turnover is higher if the freedom to make decisions is lower. Accordingly, in a company where the leader controls all processes, preventing employees from making their own decisions (as in an autocracy), it is likely to have a high turnover.

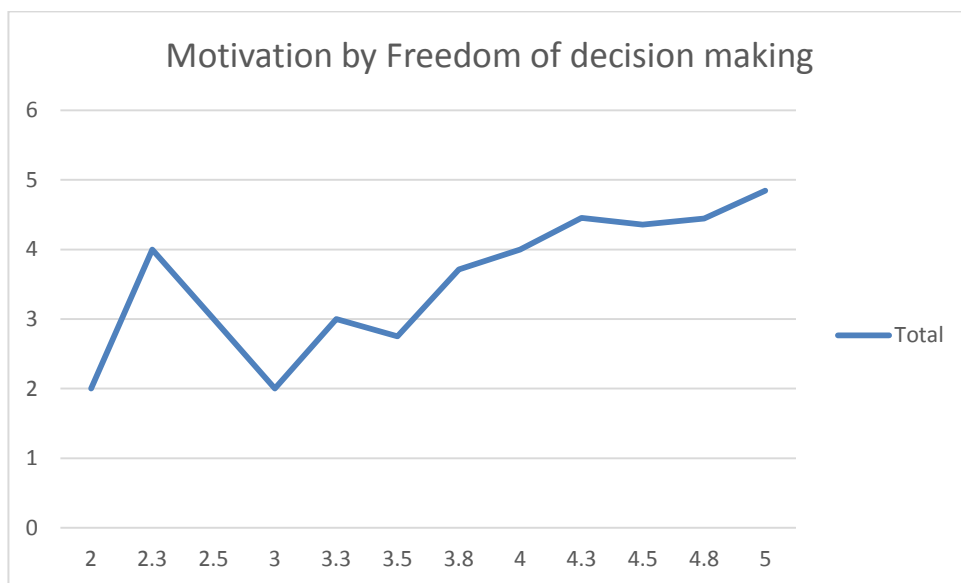
Figure 22 Empowerment by freedom of decision making



Source: Chart prepared by the researcher

Figure 22 shows that the level of empower is minimally dependent on the freedom of decision-making in the company. On the x-axis represented the freedom of decision making and on the y-axis empowerment measurement. This factor may be related to the employee's sense of being led by a leader. Sometimes, even with a high level of freedom to make decisions, not all employees will feel that they are empowered. However, it can be noted that under the condition of freedom of decision-making, the indicator of empowerment becomes more stable and has a positive effect, but is insignificant compared to the rest of the charts in this section.

Figure 23 Motivation by freedom of decision making



Source: Chart prepared by the researcher

On the x-axis represented (figure 23) the freedom of decision making and on the y-axis motivation measurement. Motivation indicator is a clear example of the influence of freedom of decision making on the level of employee motivation, which directly affects the leadership model (democracy or delegative leadership style). Where the leader gives the freedom to make decisions to employees in order to increase their professional confidence and motivation (Lewin, 2014).

This diagram reflects the strong influence of freedom of decision-making on motivation, respectively, the more a leader allows his employee to take initiative, the more motivated they are.

Since it was mentioned earlier, the decision-making process in the team is directly related to the chosen leadership styles, which, according to the leader's management strategy, can either increase the motivation of employees to perform their tasks well, or reduce motivation and thereby reduce the organizational performance. This analysis showed a strong relationship



between these two factors, which in turn shows the more a leader trusts his employees, the more motivation they get and take more responsibility for completing tasks.

### Objective – 3

#### **Involvement of the leader in the work of the team and influence of this factor on organizational performance**

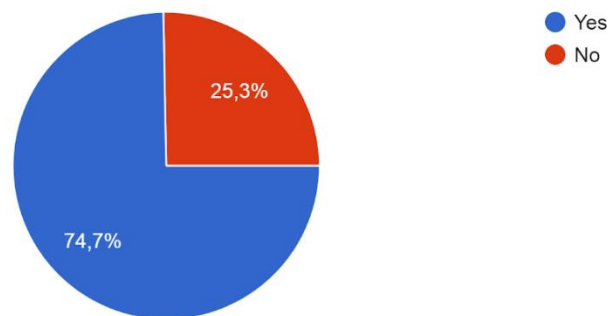
Figure 24 is a graph showing leader engagement in team life. This indicator is extremely important for the effective work of the organization. Leaders who actively participate in the life of the team usually have a trusting relationship with employees and a high performance indicator. Such a leader gives employees the freedom to make decisions, but at any time he is ready to come to the rescue and solve a difficult problem.

The survey showed that the majority of participants noted that their leader is actively involved in the life of the team. Further, when conducting a detailed analysis, we will see the influence of this factor on different scenarios.

Figure 24 Leaders involvements in the team life

6. Your boss is constantly involved in the life of the team

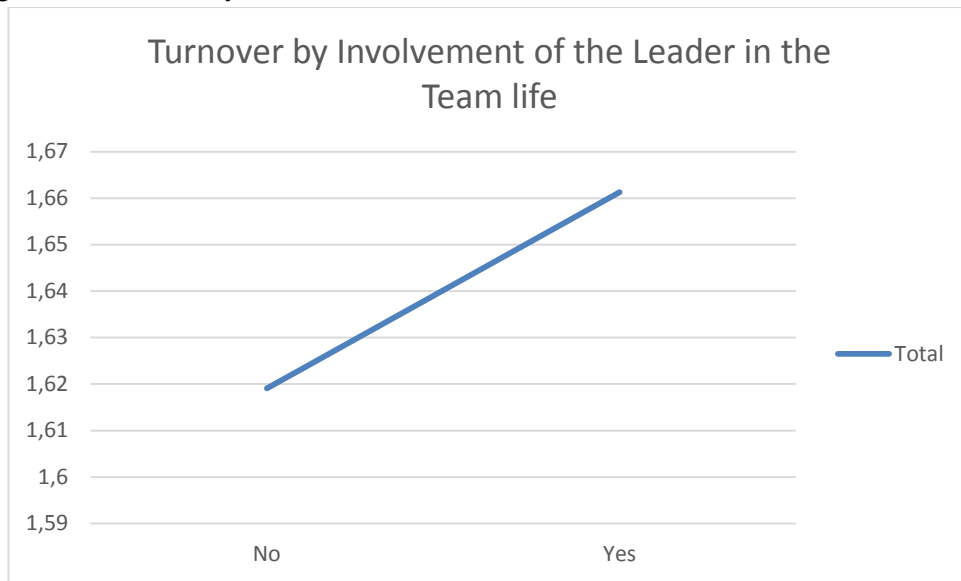
83&nbsp;ответа



Source: Chart prepared by the researcher

The above question was taken for analysis (figure 24). The average value of these characteristics was revealed and was named as a Involvement of the leader in the Team life. Depending on the measurements, the following results were obtained.

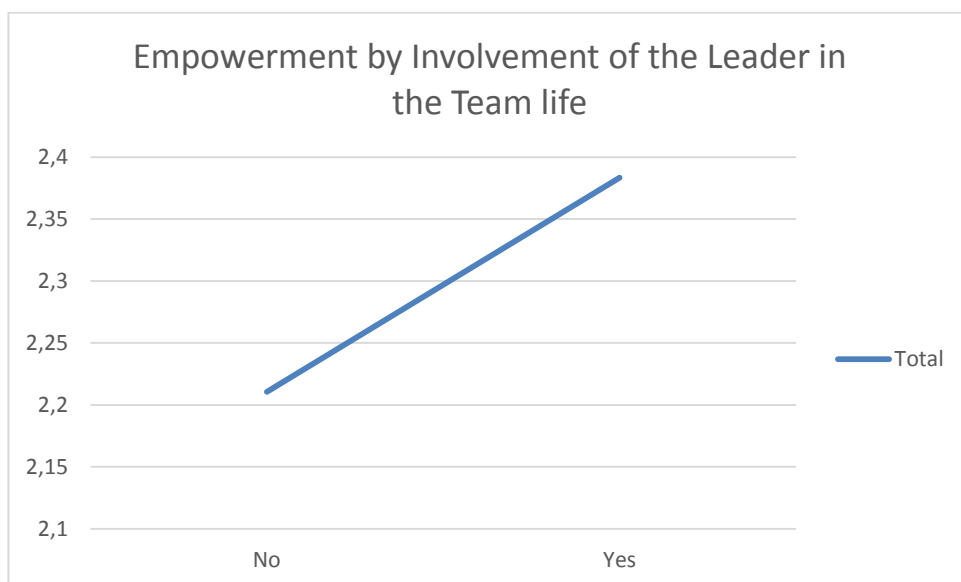
Figure 25 Turnover by Involvement of the Leader in the Team life



Source: Chart prepared by the researcher

Figure 25 shows the influence of the leader's involvement in the life of the team and the influence of this factor on the turnover of employees. On the x-axis represented the involvement of the Leader in the Team life and on the y-axis turnover measurement. You can see that values are extremely close, which is why I can conclude that there is practically has no influence.

Figure 26 Empowerment by Involvement of the Leader in the Team life

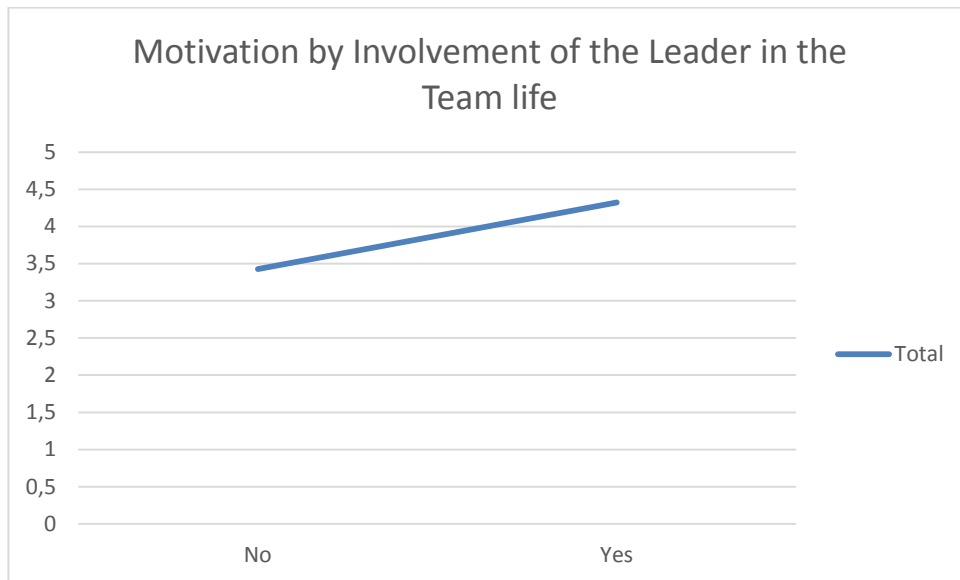


Source: Chart prepared by the researcher

The empowerment grows if the leader participates in the life of the team (figure 26). On the x-axis represented the involvement of the Leader in the Team life and on the y-axis

empowerment measurement. If the leader participates in the life of the team and uses an individual approach to employees, this increases the team spirit, and the professional confidence of each employee also increases.

Figure 27 Motivation by Involvement of the Leader in the Team life



Source: Chart prepared by the researcher

The last figure 27 reflects the relationship between motivation and leader participation in the life of the team. On the x-axis represented the involvement of the Leader in the Team life and on the y-axis motivation measurement. This graph confirms the relationship between two factors. If the leader actively participates in team meetings, teamwork, then employees feel involved in the process of working with authority (leader) and due to this motivation increases. Each employee wants to show himself in teamwork and impress the leader.

This analysis showed a weak relationship between leader engagement and employee turnover in the company, however, other factors confirmed that there is a relationship between leader engagement and organizational performance.

#### **Objective – 4**

##### **Incentive and disincentive model of motivation**

Figure 28 represent the leader's attitude to employee success. Where 5 - the leader notices the good work of the employees and encourages them and 1 - the leader ignores the good work of the employees and does not apply the reward system.

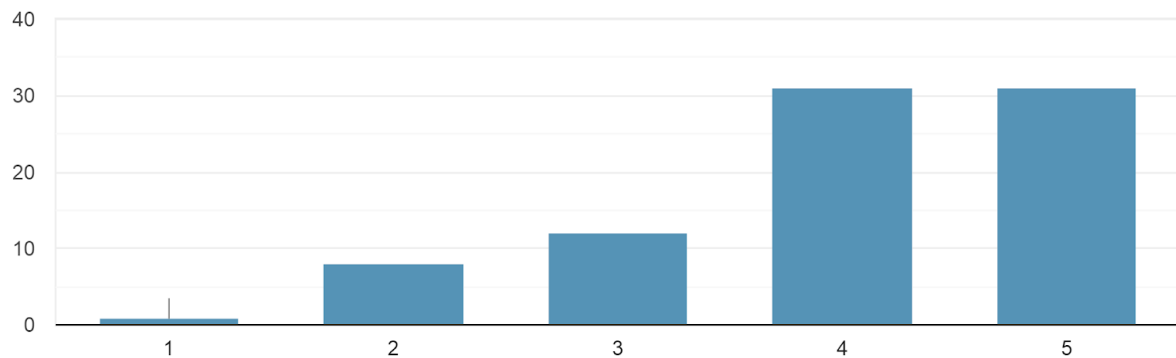
In this diagram 1 - it reflects autocracy, where the leader only accepts the punishment system, and good work is a competitive manifestation towards the leader. 5 - displays the leadership model of a delegative style, or a democratic style by Lewin (Kurt Lewin's Leadership Studies, 2014).

This diagram (Figure 28) showed that the majority of those who took part in the survey believe that the leader notices good work and encourages employees.

Figure 28 Rewards of employees

26. Your boss notices and rewards successful work

83&nbsp;ответа

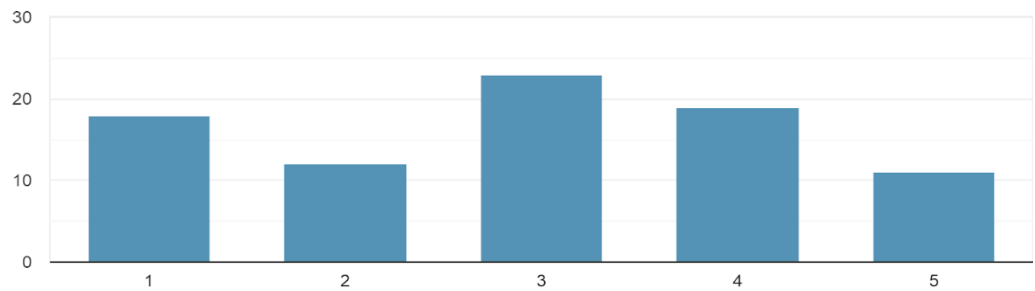


Source: Chart prepared by the researcher

Figure 29 shows the leader's attitude towards poor performance on assignments. Where 1 - the leader does not apply punishment in case of poor performance of tasks, and 5 - the leader applies the punishment system in case of poor performance of tasks.

Figure 29 Leadership approach for poor performance

25. Your boss may deny bonuses or even fire an employee for poor performance  
83&nbsp;ответа



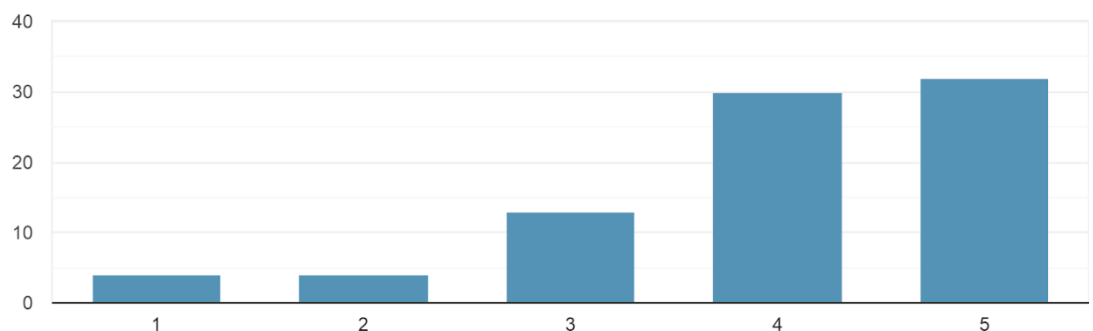
Source: Chart prepared by the researcher

In this figure, 29 opinions of those who took the survey were divided. The majority chose 3 - which means uncertainty or a neutral point of view in this matter. Punishment is most likely to be used in a leadership system, but it can be a temporary measure.

Figure 30 displays the leader's desire to invest in his employees through trainings, insurance and a bonus system. Where 1 - the leader does not invest in his employees and is not interested in this, in 5 - the leader invests in his employees. This chart showed that the majority of those surveyed believe that their leader invests in them through training and a reward system.

Figure 30 Investment in employees

37. My boss is interested in investing in employees (training, insurance, bonuses, etc.)  
83&nbsp;ответа

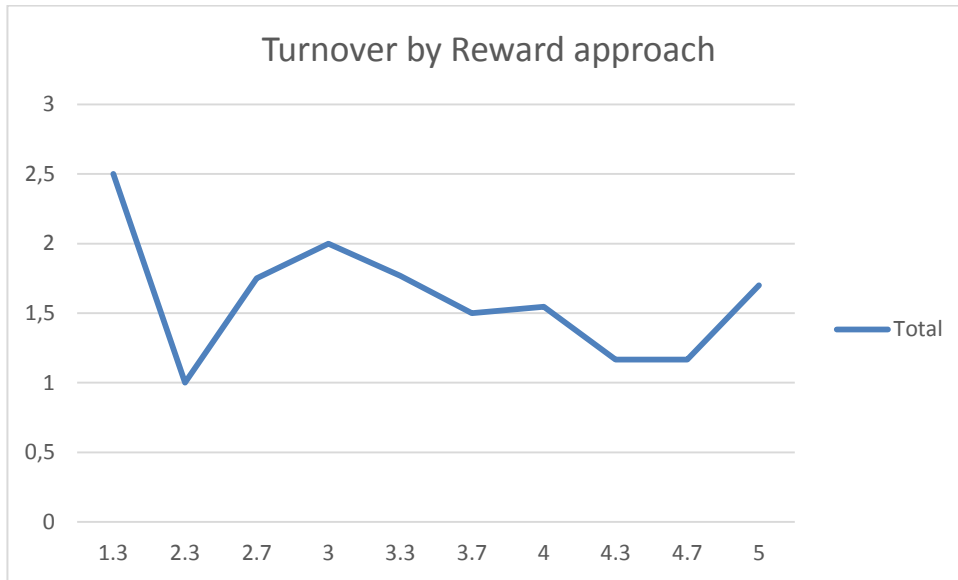


Source: Chart prepared by the researcher

The above questions were taken for analysis (figure 28, 29, 30). The average value of these characteristics (inverse values from figure 29) was identified and named as a reward

approach, where 1 would be a highly disincentivizing strategy and 5 would be a highly incentivizing strategy. Depending on the measurements, the results were obtained.

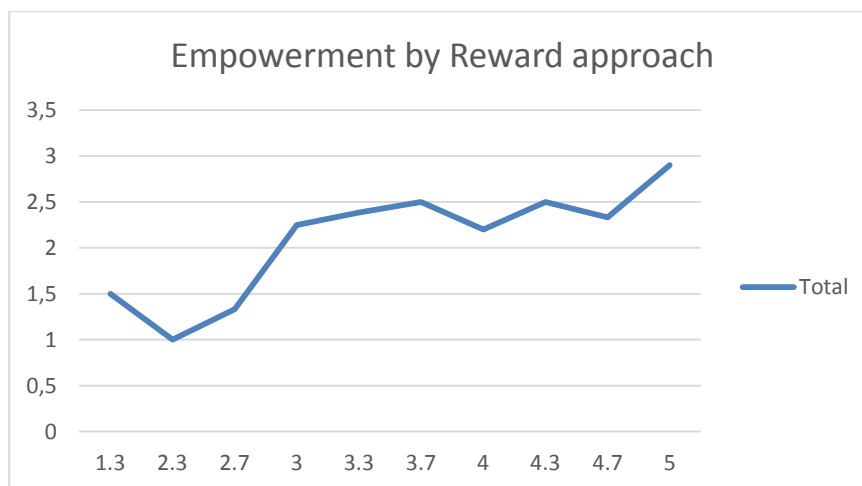
Figure 31 Turnover by reward approach



Source: Chart prepared by the researcher

Figure 31 shows the relations of employee turnover to the employee incentive system. On the x-axis represented the rewards approach and on the y-axis turnover measurement. You can see that with a good incentive system, the level of employee turnover is dividing down. You can also see at the beginning of the graph that when the punishment system is applied, the level of employee turnover increases significantly.

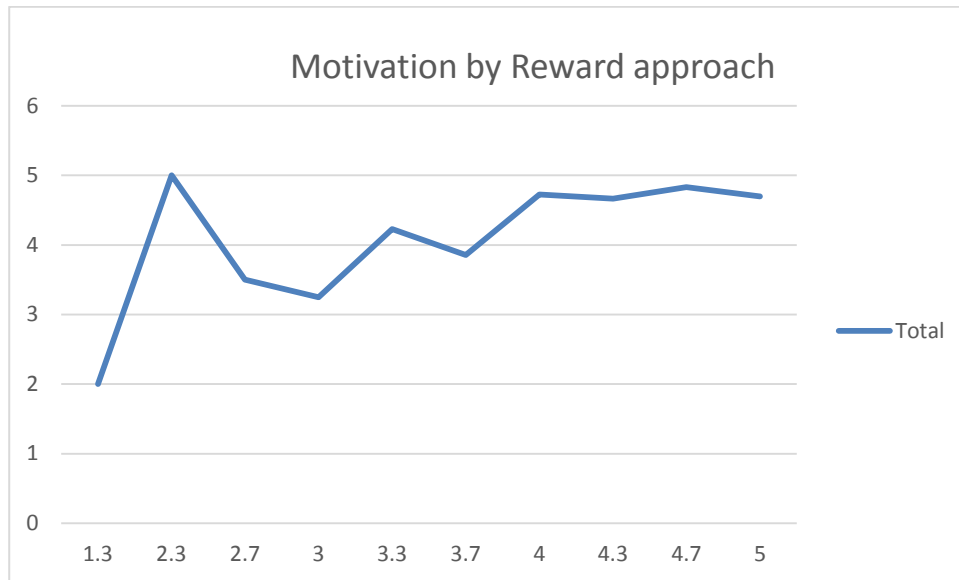
Figure 32 Empowerment by reward approach



Source: Chart prepared by the researcher

The graph (figure 32) shows the dependence of the level of empowerment in relation to the reward system. On the x-axis represented the rewards approach and on the y-axis empowerment measurement. As you can see there is a strong relationship between the two factors. If the leader encourages good and effective work, the level of empowerment rises.

Figure 33 Motivation by reward approach



Source: Chart prepared by the researcher

Figure 33 shows the relationship of the level of motivation to the reward system. On the x-axis represented the rewards approach and on the y-axis motivation measurement. You can see the positive growth in the chart. The better the incentive system in the company, the stronger and more stable the motivation of employees. This diagram perfectly reflects the system of punishment at the beginning of the diagram, the employee's motivation to do a good job grows due to fear of punishment, but after that it drops dramatically.

Based on the analysis carried out, one can see a strong relationship between the incentive system and motivation, the level of employee turnover, and empowerment level. All of these factors affect the level of an organization's performance. You can also track that the punishment system can work for a short period of time, but in the long term it only carries a loss of motivation and a high turnover of employees.

## Objective – 5

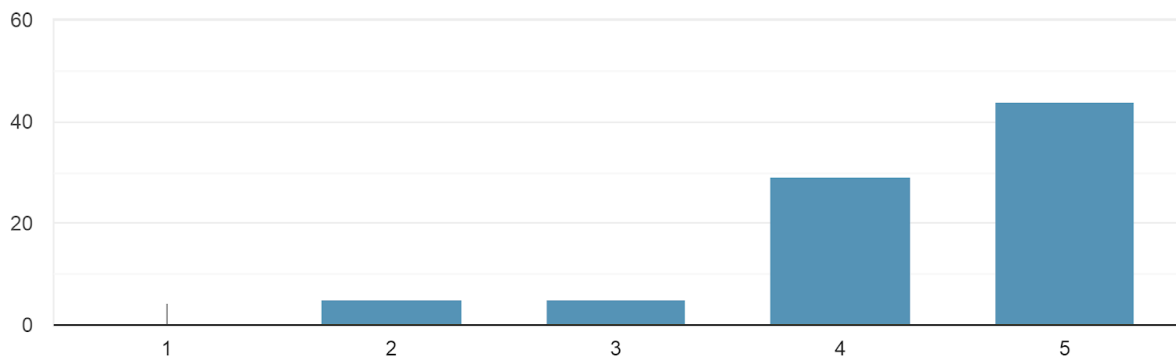
### The impact of a leader's long-term thinking and decision making

Figure 34 shows the leader's interest in recruiting employees for long-term work. The graph shows that the majority of those who passed the survey believe that the boss is interested in long-term recruitment of employees, which shows the effectiveness of leadership work and reduces the level of employee turnover in the company.

Figure 34 Motivation by reward approach

24. My boss is interested in long-term work of employees

83&nbsp;ответа

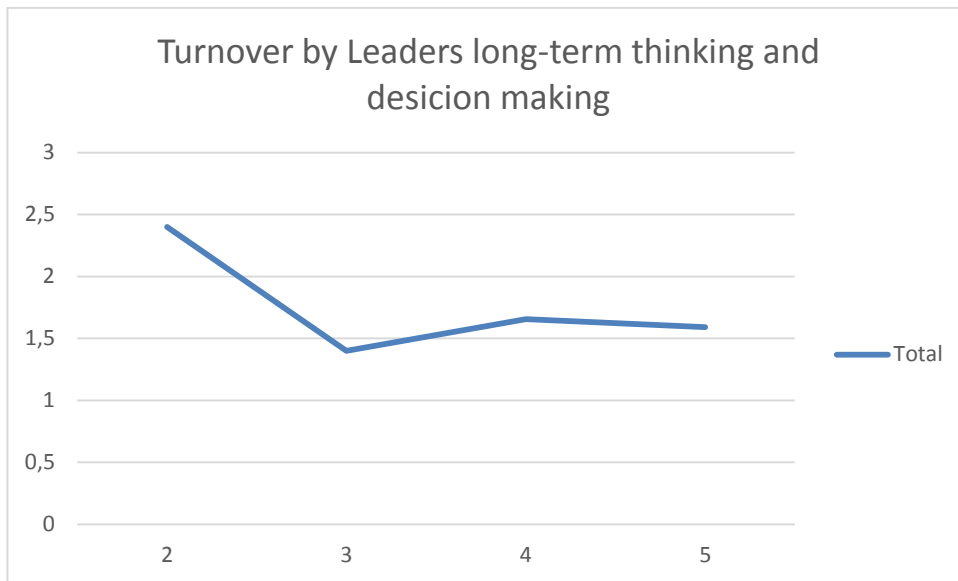


Source: Chart prepared by the researcher

The above question was taken for analysis (figure 34). The average value of these characteristics was revealed and was named as a long-term thinking and decision making. Depending on the measurements, the results were obtained.



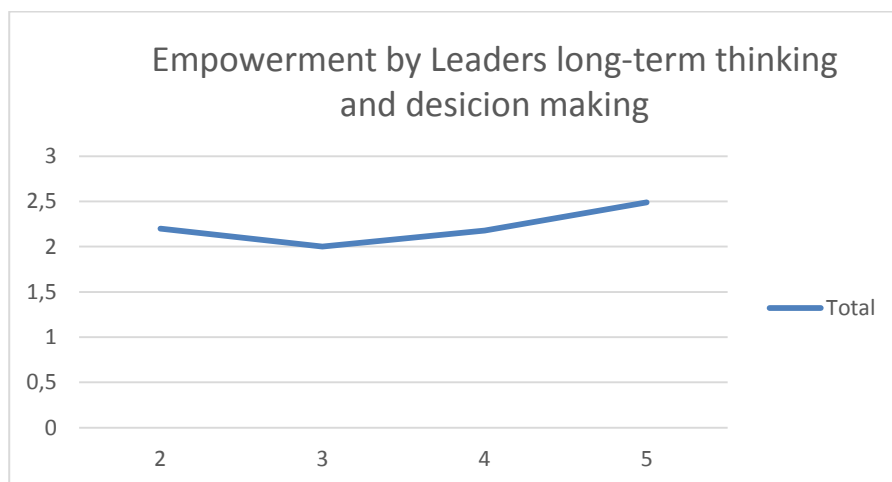
Figure 35 Turnover by long-term thinking and decision making



Source: Chart prepared by the researcher

Figure 35 shows the result of the analysis of the ratio of the employee turnover level and the leader's long-term thinking. On the x-axis represented the long-term thinking and decision making by the leader and on the y-axis turnover measurement. The result showed that if the leader prioritizes long-term hiring of employees, then the turnover of employees in the company is significantly reduced. What has a beneficial effect on the level of efficiency of the organization. Since with a quick change of employees, it is difficult to establish all the processes within the company.

Figure 36 Empowerment by long-term thinking and decision making

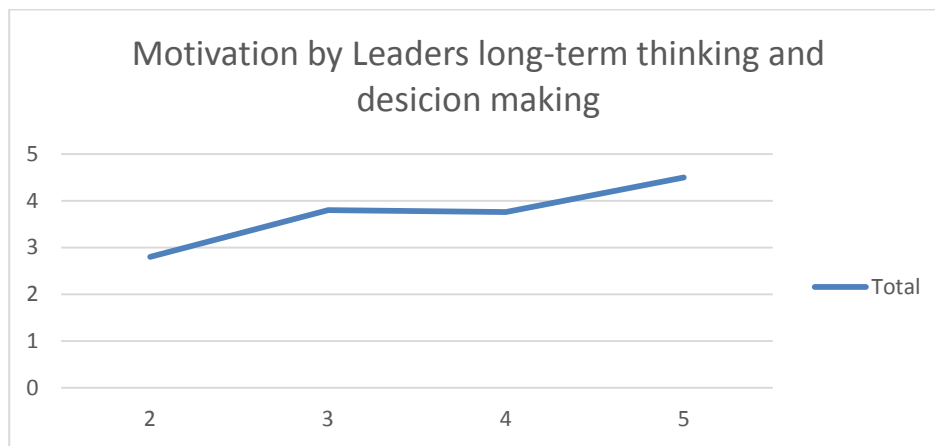


Source: Chart prepared by the researcher

The diagram (Figure 36) shows the influence of a leader's long-term thinking on the level of empowerment. The diagram shows a slight positive relationship between these two factors. On the x-axis represented the long-term thinking and decision making of leader of and on the y-axis empowerment measurement.

The diagram (Figure 37) reflects the relationship between motivation and long-term thinking of a leader. The result of the analysis showed that the level of employee motivation increases if the leader focuses on long-term selection of employees.

Figure 37 Motivation by long-term thinking and decision making



Source: Chart prepared by the researcher

This analysis showed a strong relationship between the leader's long-term thinking and factors such as turnover, motivation and empowerment. Employees feel safe if they are confident in their work and their value to the company. These characteristics are directly related to organizational performance and directly affect the level of employee satisfaction and their desire to complete high quality tasks on time.

## **5. Results and discussion**

Based on the practical and secondary data analysis, it can be revealed that all research objectives affect organizational performance. Also, based on the received data, recommendations were identified for companies that want to improve their organizational performance.

A leader who wants to improve organizational performance should take into account the main factors affecting the work of employees, such as:

- Social factors
- Leadership styles
- Involvement of the leader in the work of the team
- Incentive and disincentive model
- Long-term thinking and decision making

Also, in order to identify whether the company needs to work on improving organizational performance, attention should be paid to the following factors:

- Employee turnover in the company (the higher the indicator, the more urgent it leader should take measures to improve organizational performance);
- The ability of the employee to make decisions on his own (if the employee cannot make even a simple decision without the approval of the leader, this is talking about the ineffective work of the organization and the leadership model);
- The level of motivation of employees (to determine the level of motivation of employees, it is worth paying attention to the quality of the work performed, as well as whether the work was completed on time. If an employee regularly does not complete tasks on time, or performs poorly, this may indicate a lack of motivation, which means ineffective leadership model);

### **Recommendations for improving organizational performance:**

- The leader should take an active part in the life of the team, it is also important to note that the leader should give employees to take initiative and express their opinion. In this case, the employee feels involved in the life of the team, accepting the values and goals of the organization.

- The leader must control the work performed, but the process of implementation is best left to the employee. Often the leader believes that his competence will be enough for the entire team and that all processes in the company are carried out according to the leader's instructions. In some processes, the leader's instructions are necessary, but in some processes, a new approach to solving the problem can increase the time and efficiency of employees.

- The system of rewards and punishments. The leader must clearly understand that the effectiveness of the punishment method has a short-term effect. At some point, the employee's motivation will increase due to the fear of punishment, but after completing the task, the motivation decreases significantly, as well as the employee's thoughts about changing jobs and the competence of the leader. Sometimes a punishment system must be present, but this measure should be used rarely and only in cases of incompetence of the employee and committing a mistake that has consequences for the work of the company or team. The incentive system should be permanent in the company. With the right motivation and competition in the team, the level of task completion can be significantly increased.

- Also, the leader should focus on employees suitable for long-term work in the company, of course, sometimes an employee leaves for his own reasons, however, in order to maintain the most effective organization model with a minimum turnover of employees, it is important to take into account both the professional qualities of the candidate and the social and personal qualities of the employee for the most productive work in a team. With long-term work in a company, the employee will be more likely to take initiative in solving problems and the company will have a good working atmosphere in the team that is conducive to the work of employees.

## 6. Conclusion

The purpose of this work was to identify the impact of leadership on the organizational performance of the company. The main objectives of the study were identified and the analysis of the data collected through the survey was carried out. The survey participants were men and women living and working in the Czech Republic. The survey participants were representatives of large, medium and small companies for the accuracy of the study.

During the analysis of the literature and the data obtained in the course of the survey, the hypothesis h1 was confirmed. There is a relationship between leadership and efficiency of organizational performance.

The influence of social factors on organizational performance. The study revealed the relationship between social factors and their impact on organizational performance. Social factors have a significant impact on the employee's motivation and his adaptation to the work process and the team. In turn, these factors affect the perception of the value and goals of the company by the employee and his motivation to perform work efficiently and bring the company closer to achieving goals.

The relationship between different leadership styles and their impact on organizational performance. Even in the process of literature review, it was revealed that the autocratic leadership model is not as effective as other models. This model can be applied on a short-term basis, however, a leader who applies such a strategy on an ongoing basis will face consequences in the form of a decrease in employee productivity, loss of motivation, refusal to accept company values and also dismissal of employees, which leads to high turnover of employees in the company and reduces organizational performance. This analysis also confirmed this, the system of total control and the application of punishments as a permanent measure leads to a loss of motivation, poor performance of tasks, as well as to constant stress among employees, which also affects the productivity of work. In the case of total control, employees do not assume all responsibility for completing the task, and also entrust all decisions to the manager, which slows down the work process and reduces the employee's freedom of decision-making.

Involvement of the leader in the work of the team. The analysis confirmed that the participation of the leader in the life of the team also increases the efficiency and motivation of the employees. Also, a leader who has friendly relations with employees is likely to be able to

recognize signals of decreased productivity, conflicts in the team, which can directly affect the performance of tasks and communication between employees.

Incentive and disincentive model of motivation. As mentioned above, the autocratic leadership model is the most ineffective. Attempts to raise an employee's motivation by applying punishment are ineffective, but a good system of remuneration and bonuses in the company significantly reduces the risk of poor performance of tasks and completion of tasks late. Many companies use a system of annual bonuses that keep employees motivated all year round. When paying these bonuses, the company collects feedback about the employee from various colleagues in order to identify the effectiveness of the employee's work and track the atmosphere in the team.

The impact of a leader's long-term thinking and decision making. As the analysis has shown, an important factor is the leader's ability to think long-term and also to choose employees for long-term work. Companies that care and invest in their employees often have low employee turnover rates. That means employees are satisfied with the leadership system in the company and they are trying to maintain their position in this company. Companies with a low level of employee turnover usually employ competent people who know their strengths and perform their work efficiently and on time.

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## 8. Appendices

### Survey

30.03.2021

Impact of Leadership on Organizational Performance

## Impact of Leadership on Organizational Performance

My name is Anna Savchenko. I am Master student at CULS. I am currently writing my thesis on the topic "Impact of Leadership on Organizational Performance". I will be very grateful for your responses to this survey. This survey does not include personal information and in order to obtain a more accurate result, I ask you to answer honestly and openly. Thank you for your answers!

\* **Обязательно**

1. Your gender: \*

*Отметьте только один овал.*

Female

Male

2. Your age: \*

*Отметьте только один овал.*

18-25

26-35

36-45

46-55

more than 55

3. 1. I work in a \*

*Отметьте только один овал.*

Small company

Medium company

Large company

## 4. 2. Your position in the company: \*

*Отметьте только один овал.*

- Intern
- Junior
- Senior
- Lead of the team
- Manager
- Другое: \_\_\_\_\_

## 5. 3. Duration of work in this organization: \*

*Отметьте только один овал.*

- less than one year
- 1 to 3 years
- 3 to 5 years
- 5 to 10 years
- more than 10 years

## 6. 4. During the time that you work in the organization, have you get a promotion? \*

*Отметьте только один овал.*

- Yes
- No

## 7. 5. Your salary \*

*Отметьте только один овал.*

- Corresponds to the scope of my work
- Less than the amount of work I have done
- More than the amount of work I have done

8. 6. Your boss is constantly involved in the life of the team \*

*Отметьте только один овал.*

Yes

No

9. 7. Your boss control every task you complete \*

*Отметьте только один овал.*

Yes

No

10. 8. I have meetings with the team \*

*Отметьте только один овал.*

Every day

Every week

Every month

Другое: \_\_\_\_\_

11. 9. I did a personality test during the recruitment process \*

*Отметьте только один овал.*

Yes

No

12. 10. You know the work plan for the next month \*

*Отметьте только один овал.*

Yes

No

13. 11. Do the values that are important to you coincide with the values of your company? \*

*Отметьте только один овал.*

Yes

No

14. 12. I think about changing job \*

*Отметьте только один овал.*

Yes

No

15. 13. Turnover in my company \*

*Отметьте только один овал.*

High

Medium

Low

16. 14. The company regularly undergoes trainings (once every six months at least) \*

\*

Отметьте только один овал.

Yes

No

17. 15. My company regularly hosts events to increase team spirit and motivation \*

Отметьте только один овал.

Yes

No

18. 16. If your boss is on vacation and you urgently need to make a decision, you: \*

Отметьте только один овал.

Without a doubt, you will do as you see, since this is your job

You will make decisions with colleagues

You will try to contact the boss

Другое: \_\_\_\_\_

19. 17. My team has a friendly atmosphere \*

Отметьте только один овал.

1      2      3      4      5

Strongly disagree      Strongly agree

20. 18. I have a friendly relationship with the boss \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

21. 19. In my company, the leader gives the freedom to plan and perform tasks in the order that is most convenient for me \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

22. 20. In your company management monitors the latest technological innovations and implements them into the workflow in order to improve the work of employees \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

23. 21. Unforeseen situations happen very often at work \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

24. 22. Your boss knows your personal and professional qualities \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

25. 23. Your social life matters to your boss \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

26. 24. My boss is interested in long-term work of employees \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

27. 25. Your boss may deny bonuses or even fire an employee for poor performance \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

28. 26. Your boss notices and rewards successful work \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

29. 27. Your boss does not control the work process, the main thing is that the work is done on time \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

30. 28. Your company encourages personal initiative and independence in solving problems \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

31. 29. The organization where you work practices team projects, group work, etc. \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree



32. 30. If I have difficulties at work, I can consult or ask the boss for help \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

33. 31. I respect my boss and consider him/her competent at work \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

34. 32. I am motivated to do my job \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

35. 33. My boss is actively involved in solving conflicts in the team \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

36. 34. I feel stability and confidence in the future \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

37. 35. I don't feel comfortable during the meetings with my boss \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

38. 36. I'm afraid of losing my job \*

Отметьте только один овал.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

39. 37. My boss is interested in investing in employees (training, insurance, bonuses, etc.) \*

Отметьте только один овал.

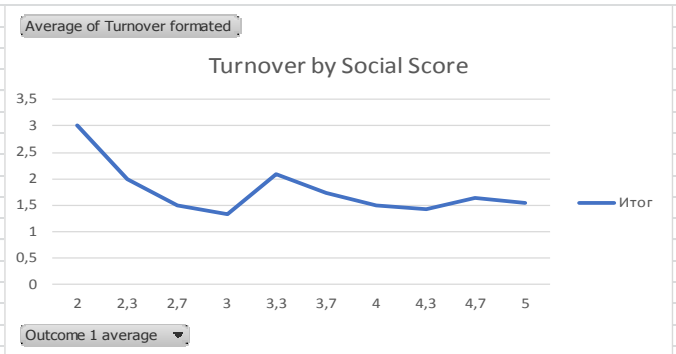
	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

Компания Google не имеет никакого отношения к этому контенту.

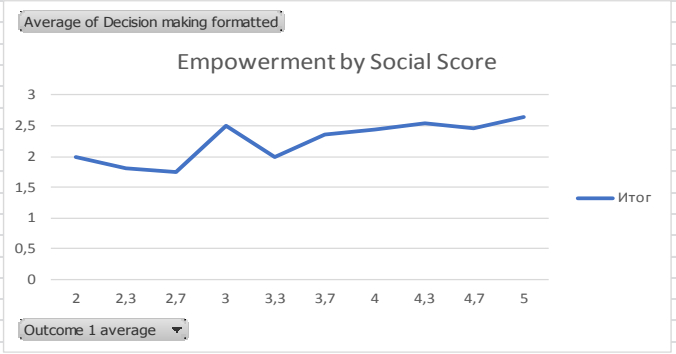


## Analysis of the data (a)

Row Labels	Average of Turnover formatted
2	3
2,3	2
2,7	1,5
3	1,333333333
3,3	2,1
3,7	1,727272727
4	1,5
4,3	1,428571429
4,7	1,636363636
5	1,545454545
<b>Grand Total</b>	<b>1,65060241</b>



Row Labels	Average of Decision making formatted
2	2
2,3	1,8
2,7	1,75
3	2,5
3,3	2
3,7	2,363636364
4	2,428571429
4,3	2,538461538
4,7	2,454545455
5	2,636363636
<b>Grand Total</b>	<b>2,341772152</b>



Row Labels	Average of 32. I am motivated to do my
2	2
2,3	2,4
2,7	3,166666667
3	3,666666667
3,3	3
3,7	4,454545455
4	4,375
4,3	4,571428571
4,7	4,818181818
5	4,909090909
<b>Grand Total</b>	<b>4,096385542</b>

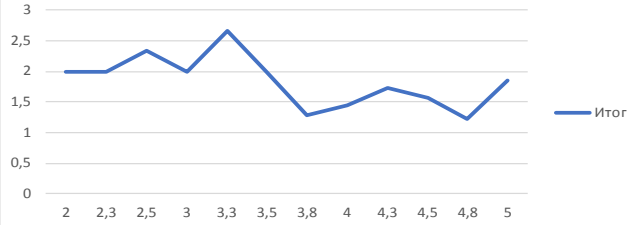


## Analysis of the data (b)

Row Labels	Average of Turnover formatted
2	2
2,3	2
2,5	2,333333333
3	2
3,3	2,666666667
3,5	2
3,8	1,285714286
4	1,4375
4,3	1,727272727
4,5	1,571428571
4,8	1,222222222
5	1,846153846
<b>Grand Total</b>	<b>1,65060241</b>

Average of Turnover formatted

Turnover by Freedom of decision making

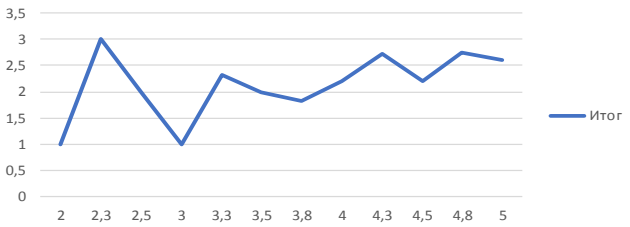


Degree of freedom Average

Row Labels	Average of Decision making formatted
2	1
2,3	3
2,5	2
3	1
3,3	2,333333333
3,5	2
3,8	1,833333333
4	2,2
4,3	2,727272727
4,5	2,214285714
4,8	2,75
5	2,615384615
<b>Grand Total</b>	<b>2,341772152</b>

Average of Decision making formatted

Empowerment by Freedom of decision making

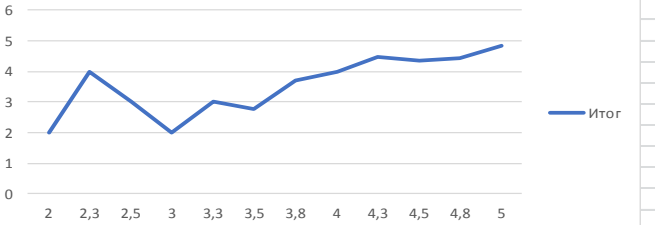


Degree of freedom Average

Row Labels	Average of 32. I am motivated to do my job
2	2
2,3	4
2,5	3
3	2
3,3	3
3,5	2,75
3,8	3,714285714
4	4
4,3	4,454545455
4,5	4,357142857
4,8	4,444444444
5	4,846153846

Average of 32. I am motivated to do my job

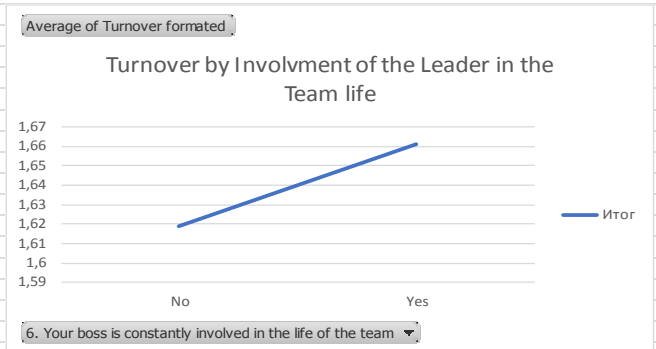
Motivation by Freedom of decision making



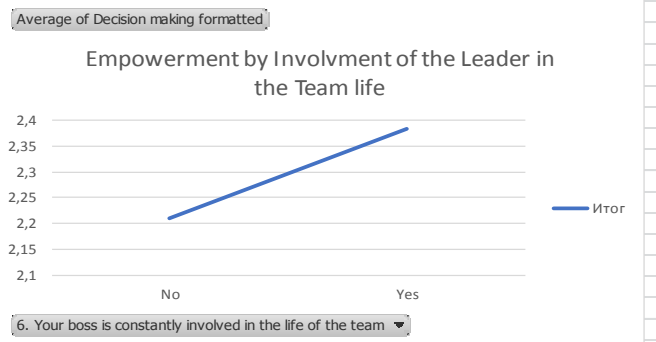
Degree of freedom Average

## Analysis of the data (c)

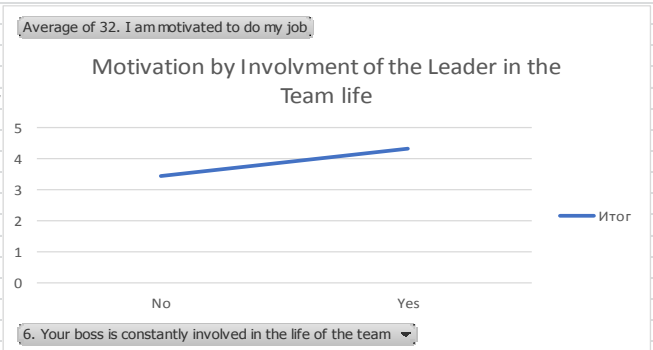
Row Labels	Average of Turnover formatted
No	1,619047619
Yes	1,661290323
<b>Grand Total</b>	<b>1,65060241</b>



Row Labels	Average of Decision making formatted
No	2,210526316
Yes	2,383333333
<b>Grand Total</b>	<b>2,341772152</b>

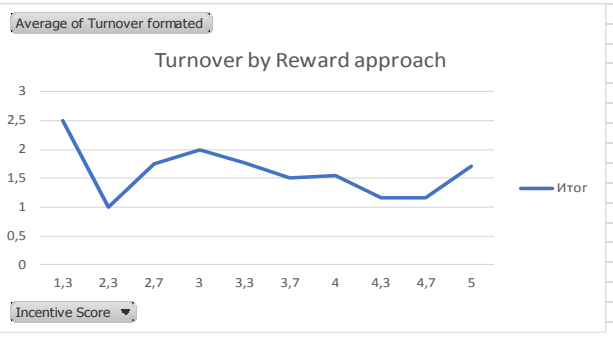


Row Labels	Average of 32. I am motivated to do my
No	3,428571429
Yes	4,322580645
<b>Grand Total</b>	<b>4,096385542</b>

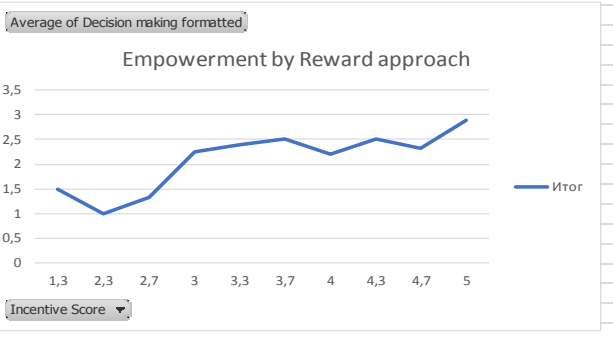


## Analysis of the data (d)

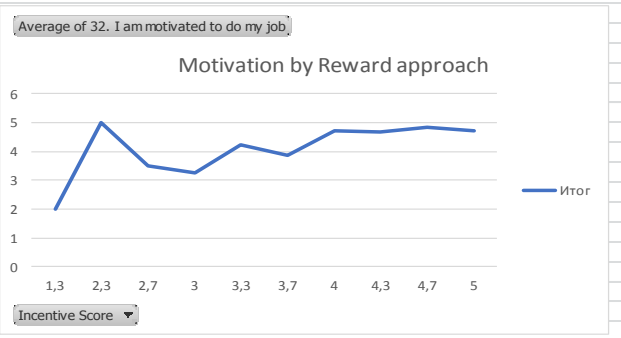
Row Labels	Average of Turnover formatted
1,3	2,5
2,3	1
2,7	1,75
3	2
3,3	1,769230769
3,7	1,5
4	1,545454545
4,3	1,166666667
4,7	1,166666667
5	1,7
<b>Grand Total</b>	<b>1,65060241</b>



Row Labels	Average of Decision making formatted
1,3	1,5
2,3	1
2,7	1,333333333
3	2,25
3,3	2,384615385
3,7	2,5
4	2,2
4,3	2,5
4,7	2,333333333
5	2,9
<b>Grand Total</b>	<b>2,341772152</b>



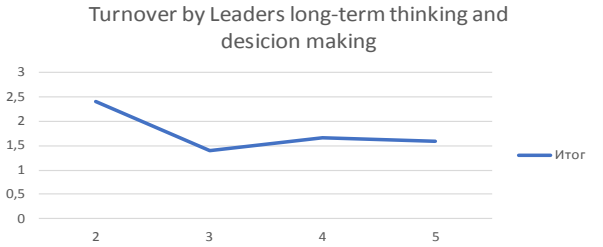
Row Labels	Average of 32. I am motivated to do my job
1,3	2
2,3	5
2,7	3,5
3	3,25
3,3	4,230769231
3,7	3,857142857
4	4,727272727
4,3	4,666666667
4,7	4,833333333
5	4,7
<b>Grand Total</b>	<b>4,096385542</b>



## Analysis of the data (e)

Row Labels	Average of Turnover formatted
2	2,4
3	1,4
4	1,655172414
5	1,590909091
<b>Grand Total</b>	<b>1,65060241</b>

Average of Turnover formatted



24. My boss is interested in long-term work of employees

Row Labels	Average of Decision making formatted
2	2,2
3	2
4	2,178571429
5	2,488372093
<b>Grand Total</b>	<b>2,341772152</b>

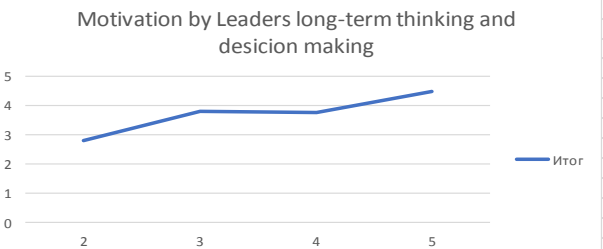
Average of Decision making formatted



24. My boss is interested in long-term work of employees

Row Labels	Average of 32. I am motivated to do my job
2	2,8
3	3,8
4	3,75862069
5	4,5
<b>Grand Total</b>	<b>4,096385542</b>

Average of 32. I am motivated to do my job



24. My boss is interested in long-term work of employees