THE VALUE OF LEADERSHIP IN ORGANIZATIONAL BEHAVIOUR IN SMALL BUSINESS FROM EMPLOYEES' PERSPECTIVE

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Abstract

The purpose of this paper is to emphasize the importance of having greater leadership qualities in the corporate world and to fill the gap by investigating the ideal characteristics for small independent restaurant owners to become effective leaders using a qualitative approach from their employee's perspectives. The study used a qualitative approach to explore leaders' perceptions and experiences, to eventually develop a theoretical model in connection to the role of leadership value in small businesses. The study aimed to obtain insight into the experiences of the participants in their own words and discussed that in small businesses, especially restaurant business leaders, the value of leadership and revealed several qualities of leadership, for example, respect, compassion, effective communicator, experienced, sociable, organized.

Keywords: Value of leadership, restaurant, small business

Introduction

'I alone cannot change the world, but I can cast a stone across the water to create many ripples-

Mother Teresa

No matter what the circumstances, good leadership characteristics, and behavior drive all followers to give their all and reach their highest ambitions. One's professional development must be under the guidance of strong leadership.

The foundation pillars of a healthy and stable organization are credible leadership and management. When things are tough, having dependable leaders who can effectively motivate everyone to put their entire foot forward and assist their organization sail through storms is even more important. Strong leaders, results-oriented leaders, servant leaders, charismatic leaders, heroic leaders, collaborative leaders, innovative leaders, tribal leaders, and more are frequently mentioned. But what we notice about those requests for leadership is that they all come from an ideologically driven environment, and they all imply that every other type of leader, except the one being sought, is ineffectual, inappropriate, or just plain wrong (Hyatt & de Ciantis, 2012). Here values play an important role.

This paper is examined leadership value in business, especially the restaurant business. In the restaurant field, leadership skills are essential, to manage employees' schedule conflicts between them, and guide them right direction because mostly in restaurant work students do not have enough experience in that case leaders should be patient and teach them.

For the research, I chose one of the successful restaurants which are called Indian cuisine. As it is known Indian cuisine is more popular than other cuisines.

Leadership is an essential component of business dynamics and the workplace environment, and leadership skills are essential for effectively leading and persuading others to follow orders. (Mumford et al., 2007, Zaccaro, 2001) Despite numerous leadership studies, particularly in the context of the hotel sector, past research has shown that no single leadership style can be applied to all situations and that not all leaders use the same leadership style to achieve organizational goals (Valdiserri and Wilson, 2010; Zenger and Folkman, 2009).

In addition, most leadership studies have been conducted using the employees of large companies such as hotels or chain restaurants, neglecting the employees of small businesses, especially of small independently owned restaurants owned by an individual(s) who work at the property daily. As a result, the development of leadership practices among small restaurant businesses is limited because considerably less time has been spent discussing leadership approaches within a small business setting, including these small independently owned restaurants. According to Statista Research Department, Sep 30, 2021, the revenue of the industry "restaurants and mobile food service activities" in Hungary from 2012 to 2018, with a forecast to 2025. It is projected that the revenue of restaurants and mobile food service activities in Hungary will amount to approximately 2,987.23 million U.S. Dollars by 2025. The Restaurants & Takeaway Food Operators in Hungary industry is valued at €1.9bn and is ranked 16th in Europe in 2021 (of 26 total EU countries). The industry's rank (16th) has remained the same since 2016. (IBIS World, 2021)

As a result, the failure rate of small independently operated restaurants is considerable. Because each small independent restaurant's operations affect each owner's management style, it's critical to understand the qualities of effective leadership in this capacity (Putra and Cho, 2019).

Therefore, leadership in the context of small independently owned restaurants needs to be explored and this study aims to answer the following research questions: first, how do employees perceive an effective leader in small independently owned restaurants; and second, what ideal characteristics for leaders of small independently owned restaurants do employees perceive; and third, what kind of leadership values should leaders use to run their business?

The structure of this paper is as follows. First, provide a brief introduction to the leadership and value of leadership literature. In a literature review theoretical statements regarding leadership skills and value, the characteristics for small independent restaurant leaders to become effective leaders using a qualitative approach. Then share the details of our findings. After a discussion of the findings of the qualitative study, present implications for theory and practice. In conclusion part with study limitations and suggestions for further research.

Literature review

Leadership is a much-studied topic, and yet, the topic still attracts researchers. As an essential factor in every organization, however, leadership contributes significantly to a business failure (Badshah, 2012; Kreitner and Kinicki, 2013; Park and Leeds, 2013)

Leadership is what keeps a company and its personnel moving forward. Leaders set the tone and keep things running since they are the ones who define a company's or organization's defining features and bind all of its parts together. Their actions as a leader affect the tone of the company and the direction it will take in society. Strong leaders, results-oriented leaders, servant leaders, charismatic leaders, heroic leaders, collaborative leaders, innovative leaders, tribal leaders, and more are frequently mentioned. But what we notice about those demands for leadership is that they all come from an ideologically driven environment, and they all imply that every other type of leader, except the one being sought, is ineffective, inappropriate, or just plain wrong (Hyatt & de Ciantis, 2012). Values are crucial in this situation.

Values are a concise way of expressing what matters to us personally or collectively (as an organization, community, or nation) (Turkkahraman, 2014). Values are called "shorthand" because the concepts they reflect can frequently be expressed in a single word or a short phrase. Honesty, transparency, compassion, long-term vision, and human rights are only a few examples of values. (Žydžiūnaitė, 2019). Values can be either positive or negative. Friendship, trust, and creativity are all excellent traits that help us connect with people and contribute positively to society(James, 2014).

Leadership aims to bring value to others, and influence is the actual measure of leadership, therefore a great leader must be able to change others' attitudes or behaviors (Reese, 2017) As a result of time and society, values-based leadership emerged.

Small enterprises are well-known for their contribution to job creation and economic growth in most countries (Legohérel *et al.*, 2004) Because of limited resources, such as capital and human assets, small business management systems are known to be unstructured and poorly established, which means that small business executives may have trouble managing their enterprises(Dawson, 2000)

Research methodology

A purposive sample population (Matthew B. Miles, 2014) was sought using the following criteria to locate employees who worked at small independent restaurants: (a) at least 18 years old and (b) currently or previously employed at a small independent restaurant for at least six months. For this study was participated only seven employees to give interview who the owner of restaurant, manager, cashier, two waiters, two bartenders. The interview was conducted with owner 40 min, with manager 30 min, with two waiters 60 min, only one bartender gave interview second one was supposed to give but he was not able to come that day for interview due to his illness.

The group which interviewed was used as a data collection approach for this study since it allowed participants to share in-depth information about their thoughts on the characteristics of small independent restaurant leaders(Chan, 2010;Ritchie *et al.*, 2013)

Interview guide

The purpose of an interview guide is to help the researchers direct participants towards being more productive and engaging in group discussions(McLafferty, 2004). Researchers should arrange interview questions from general to specific (Kincry, Tiedje and Friedman, 1990) The first four questions were general(Kincry, Tiedje and Friedman, 1990), asking about the participants' intention to work in the restaurant industry, who was in charge (the leader) of the daily operations at the restaurants where they worked, their perceptions of a good leader for the restaurant industry, and the most important element that leaders in the restaurant industry need to have. Next, participants were asked specific questions regarding their perceptions of their leaders.

Data analysis was intended to answer the research questions concerning an effective leader and the characteristics of small independent restaurant leaders.

Findings and discussions

The research questions were designed to identify an effective leader in small independently owned restaurants as perceived by employees, as well as the ideal leadership attributes for a small independent restaurant as perceived by the participants. The finding showed specific leadership qualities to help leaders in small independently owned restaurants become more effective, as reported by the participants, through nine leadership values themes (respectful, compassionate,

effective communicator, experienced, effective delegator, trustworthy, sociable, emotionally controlled, organized). Before getting interview from participants, I got interview with boss who rules this small Indian cuisine. This interview was an informal chat and lasted 40 minutes. The research questions were designed with general questions and specific questions related to research, such as what kind of criteria do you focus on when you hire staffs, second, are you interested in employees' perspectives regarding your controlling the workplace, third, how do you solve issue when happens among staffs, forth, is it interesting for you employees' opinions about you? If yes, how do you accept criticizing or do you work on yourself?

Respectful

For this study, "respectful" was defined as a feeling of admiration, showing, or having respect for all employees, including not talking down to employees, not looking down on employees, and treating employees fairly and of equal worth on a professional level. Two participants shared their experiences of being treated both respectfully and disrespectfully at work by their leaders. For example, the one of the waiters shared his manager's disrespectful behavior toward to some employees. He stated:

He thinks he's a leader because he's the boss. And obviously we do what he tells us to do, but sometimes his behavior is so strange with staffs and too bossy sometimes rude with dish washer or waiters. It is important that your staff is happy and come work with good mood. It influences working productivity as well if his or her mood is down.

The second waiter also shared his experience the same idea and stated:" *I have had the same experience that was got disrespectful behavior by manager. At that moment I did not inform to owner and kept inside. When you lose your respect, you cannot work in this atmosphere*"

The examples shows that creating a respectful culture in an organization is important and can help improve a company's performance, especially companies in the hospitality industry, which are known for their high levels of employee turnover(Kusluvan *et al.*, 2010)

Effective communicator

Being an effective communicator was the study's third focus, and it stressed the importance of how leaders interact with their staff, particularly in the hospitality business, where lack of

communication is a prevalent managerial issue that leads to higher employee turnover rates(Brownell, 2010). Most participants agreed that communication style in an organization is crucial, especially in the restaurant business, which is known for its fast-paced work environment. For example, Bartender who works for long term shared his experiences, the owner has different ways of communicating with employees and stated:

Once between manager and chef happened serious fight and the owner found out about it from employees later. He called first manager and asked about issue and talked almost thirty minutes with him. Then he called chef and talked with him. After talking with owner both changed, stayed more friendly each other, we kept asked from them what he said but they did not want to share with us. One thing I really appreciate owner's one behavior, he always listens first then tries to sort out problem.

Being a good communicator is undoubtedly crucial to every organization, especially for leadership, and these findings show that a leader's style of communication directly affected employee performances (Fairhurst, 1993)

Experienced

The study found that being experienced was the next beneficial characteristic for small restaurant owners. For the purposes of this study, "experienced" was defined as having gained experience, knowledge, and skills in a specific field, particularly a profession or job in the restaurant industry, over a period. Leaders with experience have been identified in prior research that shows that experience contributes to the development of leadership qualities(McCall, 2004) The owner shared his experience and stated:

I started my business when I was 20 years old. I came here for study and tried to open my first restaurant, but it was unsuccessfully. After that I left country and went to London there, I learnt restaurant business one year. Coming back Hungary I opened my cooking school and run one year. Unfortunately, it was also failed. Then I tried hotel business and opened my own hotel due to pandemic situation this business did not work as well. People used to tell me stop it do not do anymore business it is not for you, try to do other things but I did not give up and kept going on my way. I learnt one thing in my life never listen people do not give up your dreams. From my experiences I realized you will get lesson from your mistakes and learn everyday new experiences.

It is my eight business and now I am planning to open one new restaurant in the city center. I learnt how to deal with people, how to hire staffs, how to sort out problems among employees. I try to be more polite but meantime strict with them. Sometimes I help newcomers how to work, to show them how to deal with customers. It gives me pleasure and I really like my job. It is hard to be good leader, you should listen and feel their problems.

This example highlights that an experienced leader can handle a situation in a way that will have a significant impact on employee performance. A different participant also supported this idea and stated that "the amount of knowledge and experience definitely makes the leader in the end." In the restaurant industry, low employee appreciation is common(Kusluvan *et al.*, 2010), having work experience in the restaurant industry could help someone be a better leader because he or she understands the nature of the work, and the experience would help the leader be more confident in leading and motivating employees.

Conclusion

Numerous studies have been conducted on leadership, yet most of these studies have used large companies and have neglected small businesses, especially small independent restaurants owned by an individual(s) who works at the property daily. Consequently, the development of leadership practices among small businesses, such as small independent restaurants, is limited because considerably less time has been spent discussing leadership approaches within an appropriate setting. Hence, this paper has attempted to address the gap in knowledge by attempting to understand effective leaders and the ideal characteristics for the leadership of small independent restaurants as portrayed by their employees.

The major aims of this project were to find out what qualities small independent restaurant owners need to have to be effective leaders in the eyes of their staff. This research will help academics and practitioners in comprehending certain characteristics of small independent restaurant owners as expressed by their employees. Previous studies have argued that employees are indeed an important asset to any company(Cho *et al.*, 2006). Therefore, since the restaurant industry is known for its high turnover rate, the results of this study suggest that the leaders of small restaurants need to fully understand how, for example, being more respectful to employees and providing them with support will reduce the rate of employee turnover, which in turn will help the restaurant lower training costs and increase services.

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