



Leadership And Management of Start-Up's, SMEs, And Family Business

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Abstract

There have been various studies regarding the factors that influence the overall performance of medium enterprises. An organization's overall success depends on its employees. Leadership, employee motivation, and management are some important factors that affect an organization. This research deals with the importance of leadership in motivating employees during the pandemic of Covid-19 in medium enterprises within Australia. This study tries to figure out the commonly used leadership style for employee motivation during the crisis of Covid-19 within an organization. The hypothesis discusses leadership theories and their impact on motivating employees in medium enterprises.

This research study is planning to use a qualitative method to find an answer to its research problems. Qualitative method is used for collecting and analysing data that is required for the research study. The qualitative method deals with data collection, capturing themes, analysis, recommendations, and obtaining a conclusion based on people's group.

Keywords: Qualitative, Leadership, Covid-19, economy

Introduction

To cope with the increasing competition in the global market, companies are forced to focus on improving their efficiency and effectiveness (Buble, et al., 2014). Organizations focus on improving their productivity for the future benefit of the organization. Because of growing competition, every organization needs to improve its overall performance (Ladzani, 2010). Leadership plays a vital role in improving the overall productivity of organizations (Tucker & Russell, 2004). Based on literature reviews, there are different opinions regarding leadership and the organization's overall performance. According to Lussier (2013), leadership is a process where a leader communicates ideas, gain acceptance of the vision and motivate their followers. So this study focuses on leadership and employee motivation that affects the overall performance of an organization. Employee motivation is very important for all organizations to gain success (Chintallo & Mahadeo, 2013). Organizations need to work with their employees to achieve their goals and objectives.

Considering the importance of employee motivation in an organization's overall performance, this study deals with the commonly used leadership styles in employee motivation in medium enterprises during the pandemic situation of Covid-19. Under the crisis of Covid-19, leadership makes a difference in the performance and outcome of a company. According to Halverson (2004), leadership style and employee commitment have great effects in crises. According to Avolio et al. (2003), leadership plays a vital role in improving the performance and productivity of an organization and it also acts as a driving force for achieving company goals. Leadership is a process of leading and guiding a group of people on the right path to achieve the goals and objectives of an organization (Robbins & Coulter, 2005). It is the

characteristics of a good leader to motivate, inspire, and guide their employee' to increase the organization's efficiency and effectiveness to achieve the goals. Small and Medium Enterprises are closely related to every societal and economical aspect and it is considered as the backbone of the economy of every nation. According to Madanchian et al. (2016b), leadership is considered as the key element behind the success of companies. Whereas if a company lacks a good leader, it might result in a poor working atmosphere and employees might feel a lack of motivation. This will adversely affect the company's overall productivity. Good leadership behaviour is essential in medium enterprises for their proper functioning. This study focuses on leadership and employee motivation during Covid-19 crisis in the retail sector. Crisis management focuses on activities to overcome risks that affect a business or an organization (Hasan, 2017). Crisis management is the procedure by which an organisation manages a significant occasion that undermines to affect the organisation (Tsuchiya, 2015). Leadership does make a difference in organizations under crisis conditions. Based on the above arguments, it is clear that leadership contributes to the overall performance of an organization, especially under a crisis. This research is focused to understand the commonly used leadership style in SMEs during the Covid-19 crisis. This study also examines the dominating leadership style which copes up with the Covid-19 crisis.

Justification for the Research

A crisis is an unpredictable situation that negatively affects normal functioning and basic structures of business (Canhoto, et al., 2015). Leadership with effective crisis management is required to overcome the crisis condition. The economic crisis of Greece is the best example of effective leadership in motivation during a crisis (Xanthakis, 2019). Leadership styles and their impact on employee motivation, job satisfaction, and morale are very crucial to overcome crises (Xanthakis, 2019). The global financial crisis in 2008 is another example which highlights the contribution of leadership under crises (Shiller, 2008). According to Shiller (2008), organizations performed transformational leadership to overcome the 2008 financial crisis. Employees are the backbone of any organization and it is very important to motivate employees by top management to increase their productivity (Harms & Creda, 2010). Depending on sectors, motivational factors vary. Leaders implement different leadership styles to motivate their employees (Buble, et al., 2014). As the overall performance of an organization depends on the performance of its employees, it is very important to analyze the relationship between leadership and employee motivation in this pandemic situation. How leadership styles contribute to employee motivation in SMEs during the Covid-19 situation? This proposal is trying to find how leadership is performed to motivate employees during the covid-19 crisis? This study aims to serve as a bridge between leadership, employee motivation, and crisis.

Review of Literature

A leader is effective when they try to understand their employees and act based on situations, guide their employees on the right path towards the company goals, provide the motivation, inspiration, and feedback (Buble, et al., 2014). Leadership plays a crucial role in achieving the goals and objectives of the organization (Harms & Creda, 2010). According to (Bipath, 2012), leadership guides and motivates employees to work enthusiastically towards achieving goals. A successful leadership style intends to determine the future of an organisation and also assists in bringing together individual with the leader's vision to achieve the organisational vision (Jordan, et al., 2016). Good leadership style is essential for organization and team performance (Tucker & Russell, 2004). There are different types of leadership styles and the impact on employees is also different. According to Blanchard (2009), a leadership style that is friendly and quick approachable is more favourable in attaining the company goals and objectives. The transformational leadership style mainly focuses on the overall performance of the organization. Transformational leadership inspires employees by showing and directing them to the correct path, demonstrating duties of employees, and also inspiring them with positive attitudes (Martin, 2015). The transformational leadership style exhibits characteristics of employee motivation. According to Robbins (2005), transactional leadership is when leaders use social exchanges for transactions including a contingent reward for target accomplishment and management by actions for corrective actions. Insufficient and weak leadership are considered as some of the factors behind the failure of medium enterprises. According to Madanchian et al. (2016), to avoid failure within the organization, the right leadership practice is a significant element.

Motivation is a process that takes into consideration an individual's behaviour, their intensity, the direction of work, capabilities, and efforts (Buble, et al., 2014). Motivation is a driving force that guides an individual to act in the direction of a particular objective (Grant, 2008). A good relationship between leaders and employees significantly contributes to fulfilling the mission and vision of the organization. According to Williams (2009), motivation refers to a set of forces that determines the direction of an individual's behaviour, effort level, and persistence level. Employee motivation is the most important element for all

organisations to attain achievement in all sectors (Chintallo & Mahadeo, 2013). Motivational factors vary according to human needs, social conditions, lifestyle, internal and external environment of the organisation (Hitka & Balazova, 2014).

According to (Canhoto, et al., 2015), the crisis is a situation in which basic structures, facilities, and norms are negatively affected due to unexpected changes. A leader's role becomes very important to lead a company during a crisis. If leaders cannot handle a crisis properly, it could cause short or long-term damages to the company (Wooten & James, 2005). There are examples of leaders who handled the crisis. This includes Franklin Delano Roosevelt who could successfully overcome a crisis during his regime by changing leadership styles (Bass, 1990). Good relations with subordinates and better working atmosphere are ranked in high positions along with other motivational factors like appreciation, interaction, and communication during the global economic crisis between 2010-2015 (Hitka & Balazova, 2015). There is only a limited study regarding leadership and employee motivation during the crisis (Wooten v& James, 2008).

Medium enterprises are linked with every aspect of society and play a crucial role in the overall development of the economy (Ariyo, 2005). According to a survey conducted by the National Institute of Statistics (2009), SMEs are the main drivers of the Cameroon economy. Medium enterprises are considered as the growth engine and catalysts for the social and economic transformation of a country and all these transformations are the results of efficient as well as effective leadership (Madanchian, Hussein, Noordin & Taherdoost, 2016b). This is because of the effective styles of leaders. Medium enterprises require leaders with the appropriate skills to explore and adopt strategies for the survival of business (Bohlooli & Ghahari, 2014). Medium-sized enterprises provide an interesting example on the survival of small industries to overcome the impact of the financial crisis in 2007 (Al-Zoubi,etal, 2018, Bronner & de Hoog, 2014). Medium Enterprises are facing numerous challenges in the present world. Now the global market faces a crisis because of Covid-19. This thesis deals with the relationship between leadership and employee motivation in the situation of Covid-19 in medium enterprises. It also answers how leaders handled the Covid-19 crisis. This study is to figure out the commonly used leadership style for employee motivation during the Covid-19 crisis. At last, this study serves as a bridge between leadership, motivation, and crisis management.

Identification and definition of key terms

Leadership: Leadership is a process where a leader influences and guides his subordinates towards achieving the goals and objectives of the organization (Harms & Creda, 2010).

Employee Motivation: Motivation is granting the driving force that creates work excitement on an individual so that he is willing to work together effectively and integrated with all its resources to gain satisfaction (Chintallo & Mahadeo, 2013)

Intrinsic Motivation: Intrinsic motivation is the motivation that comes from within the individual. It comes from the personal enjoyment and educational achievement. Intrinsic motivation is a key factor in performance and innovation (Ganta, 2014).

Extrinsic Motivation: It comes from factors that are outside the individual. Extrinsic motivational factors include social recognition, wages, salary, the relation between leaders and subordinates, work environment, and so on (Ganta, 2014).

Medium Enterprises: They are considered as the growth engine and catalysts for the social and economic transformation of a country and all these transformations are the results of efficient as well as effective leadership (Madanchian, Hussein, Noordin & Taherdoost, 2016b).

Evaluation of current theory and practice:

According to Matzler et al. (2008), leadership is related to employee motivation. This is attained by the proper implementation of different leadership styles with various intrinsic and extrinsic motivational factors. Employee motivation can be generated by adopting better leadership styles (Harms & Creda, 2010). According to Barton (1993), a crisis is an unpredictable event that may significantly damage products, services, financial conditions, employees, and productivity of an organization. The financial crisis during 2008 is an example of how leaders managed the crisis in terms of leadership styles (Tucker & Russell, 2004). Strategies followed by efficiency is a successful key element to implement during a crisis (Ismail & Ghazali, 2015).

Research Objectives

The main purpose of this study is to examine the importance of leadership styles in employee motivation in Australian SMEs during the Covid-19 period. The study analyses the most favourable leadership style for motivating employees in the retail sector. This study will be conducting in SMEs that come under the retail sector. This study also examines the dominating leadership style in the retail sector of small and medium enterprises. In addition to that, the influences of extrinsic and intrinsic motivational factors in SMEs are also examined.

The primary objective of the study is to identify the commonly used leadership style in motivating employees during this pandemic situation of Covid-19.

Research Questions

1. How can intrinsic and extrinsic motivational factors influence employees to overcome the impacts of Covid-19?
2. How different leadership practices influence employees in the pandemic of Covid-19?
3. Which leadership style is more favourable in motivating employees in the retail and consumer sector during the Covid-19 situation in Australia?
4. The main question to be answered by this research is “Which is the commonly used leadership style for motivating employees in the Australian retail sector during the Covid-19 crisis”?

Statement of the Research Problem

Employee motivation is a major factor that influences an organization’s overall performance. There are already studies about leadership and organizational performance (Buble, et al., 2014), whereas this study is focusing on employee motivation among medium enterprises in Australia during the pandemic situation of Covid-19. Australia is one among the more successful developed countries in the world, in slowing the spread of the coronavirus disease (COVID-19) virus because of its stable political system, national wealth and geographic isolation (Ritchie & Roser, 2020). But the social and economic impacts of COVID-19 are still there. These impacts include travel restrictions, changes in the workplace, increased unemployment rate, family violence, and border closures are still there (Cranston, 2020). Due to Covid-19 restrictions, companies put forward the option of working remotely from home. Leadership styles play a vital role when employees are working remotely to guide them as a team (Cranston, 2020). Australian government announces loans for small and medium enterprises to support in this pandemic situation (Guardian Australia, 2019).

This research aims to find the importance of leadership in motivating employees in Medium Enterprises during the Covid-19 situation. In other words, how leadership is related to employee motivation during Covid-19 pandemic? Leadership styles and their effect on employees affect the performance of an organization directly and indirectly (Hater & Bass, 1988). So this study is focusing on various leadership styles and their impacts on employee motivation. By analyzing this we can also know the dominating leadership style in motivating employees in SMEs. This study also analyses the intrinsic motivational factors recognition, career growth and so on which are closely related to individuals, their tasks and responsibilities, and also employee’s productivity as well as extrinsic factors for motivation which are working atmosphere, rewards for work, wages, and money (Herzberg et al., 1959).

Statement of proposed Research Methodology

Research Paradigm

Epistemology is about acquiring knowledge. Here Epistemology is about acquiring information about leadership and motivation in the situation of Covid-19. Epistemology is chosen in this study as it gathers information about the functioning of medium enterprises during this COVID-19 situation. Epistemology deals with the collection of knowledge and information (Lincoln & Guba, 1989). Proper investigation is required to figure out the commonly used leadership style to motivate employees during the Covid-19 crisis.

Research Design

A qualitative method will be used in this study to find answers to its research questions. The qualitative method involves understanding a phenomenon in the context of the participant with a focus on the research

setting and the observation of processes and transactions (Creswell & Poth, 2016). This study intends to analyze the importance of leadership in employee motivation during this pandemic situation by focusing on leadership styles, employee motivation, intrinsic and extrinsic factors, and SMEs.

Research Strategy

It is suitable to use the qualitative method as the data collected by this method will be more appropriate to achieve the objectives of the study (Yang, 2008). In qualitative research, a deeper understanding of the topic is attained, along with the researcher's interpretation of detailed information and data (Mason, 2017). This method of collecting information is widely used in business-related research studies. The interview method is used in this study to gather information from managers about their leadership styles and motivation during Covid-19 pandemic.

Sampling Design

From the population, a sample of medium enterprises in the retail sector will be chosen for the study. Participants for the research study are chosen based on their size, category, and characteristics depending on the study (Creswell & Poth, 2016). Information required for determining sample size is gathered from the Australian Bureau of Statistics and Retail Market Reports 2020. In this study, participants are designed to be 20 managers from medium enterprises in retail sector operating within Australia. Conducting the study with fewer participants helps in better understanding of emotions and feelings of participants (Suwuh, 2015). In the case of sample selection, convenience sampling is used in this research design to obtain the data required for the study. Convenience sampling is a type of non-probability sampling method. Here the sample is drawn from a group of people which is easy to contact and reach. The convenience sampling method is cost-effective, easy to carry out compared with other sampling methods and is readily available. Due to various limitations of the present situation, convenience sampling is appropriate for this study.

Statement of data sources and data collection methods

In this research study, the interview method is used for collecting information. A structured questionnaire is a tool used for collecting information from the respondents. Questions are formulated in the questionnaire based on research objectives and research problems. The questionnaire tries to find a solution for research problems through well-structured questions. The questions differ depending on the flow of the conversation (Saunders, Lewis, & Thornhill, 2007). Data analysis and interpretation are important aspects of any research. There are various methods for doing data analysis. Content and narrative analysis methods are used here for analysing qualitative data. A content analysis which analyses documented information in the form of texts or media and narrative analysis which analyse contents from surveys by observing the experiences and emotions of people are most commonly used data analysis methods for qualitative data.

Evaluation of all Ethical considerations

Ethics is an important area of research study that must be taken into consideration. According to Ryen (2016), Ethics refers to moral values that need to be considered in the research plan and development. The research allows people to trust the findings of the research. Mutual respect is maintained throughout the work. Research work is based on laws, norms, and regulations. It also obeys the intellectual property right or copyright (Ryen, 2016). Confidentiality, unity, and collaboration are also of prime consideration in the research work.

- Confidentiality needs to be considered
- Respondents must be informed about the research purpose and objectives
- No forceful actions
- Respondents privacy will be of high importance
- Any types of harm or risks won't be there
- Mutual trust between researcher and respondent
- Seeking consent whenever needed

Statement of Expected Research contribution

This study intends to analyze the importance of leadership in employee motivation in Small and Medium Enterprises in Australia during the Covid-19 pandemic situation. Although there are various studies related to leadership and organizational performance, this study is focusing on the influence of leadership styles during the period of Covid-19 to motivate employees in medium enterprises by taking into consideration the impacts of intrinsic and extrinsic motivational factors. The research analyses how leaders can support their employees when they are working remotely in this pandemic situation. By implementing better strategies to motivate employees, productivity increases gradually. Leaders flexibility and capability to get the maximum outcome from their employees is studied in this research work. This proposal explains clearly the intention of conducting this research study.

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