

# Role of Leadership in Organizational Effectiveness

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**Abstract**—The current world crisis is not a financial crisis but a crisis of decision-making. Making decisions is guided by the values and the question is about the values of the current "leaders". This study aims to examine qualities and leadership features that need to be discussed. One of these aspects is effective leadership which does not suffer in terms of techniques, but in the subject of categorical values. Another aspect is leadership which often relies on the image rather than on responsibility and work. A further concept is the rethink of certain management-management vision. Also, this study shows the Albanian environment by explaining the colors of Albanian leadership between myth and reality. Many organizations have fallen into disrespectful leadership by leaders, according to them, are the leaders who bring growth or decline of effectiveness in the organization. Naturally, the question arises. "What role does the leader play in enhancing the organization's effectiveness?" Does the style of leadership guide the structure and culture of the organization? These and other issues are addressed in the theoretical part and then for case study we have taken in examination the "Plus Communication" company. For the "Plus" organization the sample size is 100 questionnaires that were distributed randomly (all employees have the same probability to complete the questionnaire compiled.

**Index Terms**—Leadership, effective, vision, organization.

## I. INTRODUCTION

An organization is considered to be effective if it finds the balance between the demands of owners, employees, customers, community and the needs of the employees. The leader plays a key role in the orientation and direction of the organization which is the one that sets the vision and mission of the organization and others follow it. So, an appropriate leadership style influence and ensure the prosperity and the economic growth of both organization and employees. This study investigates the importance and role that the leader plays in the organization, how to define the vision, mission and the path to pursuit of the objectives. One important aspect is the way it treats and orients human resources and their involvement in making decisions. According to the numerous researches it has been verified that most of the failures in the organization have come from an incorrect direction that the leaders pursued to achieve the objectives. What is important to study is the adaptation of the leadership style to the structure and composition of the organization. In the Human Side of Enterprise, McGregor (1960) claimed that leaders should choose between two ways of managing human resources - "Theory X" (authoritarian, repressive style, strong control, no development, Cultural depression) and "Theory Y" (liberating and developing, democratic,

focused on achievement and continuous improvement) - concluding that only "theory y" is the right one [1]. But in the book "Eupsychian Management" some years later, Maslow (1962) showed that McGregor was wrong, and that different types of people should be guided in different styles [2]. In Albania, what is more apparent is that leadership approaches "theory X". Given the manager's opinions, workers prefer to avoid work. According to the managers, Albanian employee reach goals just under pressure. There is an obvious emphasis on leadership style based on centralization and hierarchy. Leadership styles are often created by the influence of organizational factors such as the nature of work, organizational values, and national culture. In Albanian reality, organizational values are not known by all members of the organization, especially by the leaders. This is because most of the Albanian organizations do not have a specific mission defined. To conclude, leadership is not a trend, and moreover it is not a charisma. Basically, it is performance (Drucker, 2001). Effective leadership is not related to charisma, or if it is tied, charisma is certainly not the end [3]-[5]. Effective leaders know well that the universe will not be dominated by them. First of all, leadership is work. A good leader sets goals and priorities while maintaining standards. The second condition is that leaders should see leadership as a responsibility rather than a prestige, image and self-advertisement (as in our country). The goal of effective leadership is to gain the trust of others, otherwise the leader will have no followers (in a noble sense).

## II. LEADERSHIP AND ORGANIZATION

Leadership means the process of influencing people, so that their efforts are oriented toward achieving the goals of the organization. Leadership is the process of guiding others' behavior towards achieving the stated objectives [6]. Orientation in this case implies encouraging people to act in a certain way or pursuing a particular course of action. (Academi of Management Review, 2004). The question is "Who is the leader?" and the most acceptable answer can be: "The leader is defined as any person who influences individuals and groups within the organization, helps them in defining objectives and guides them towards achieving these goals" (Nahavandi, 2003). The perception of the leader in many successful companies consists of three elements on which other elements can be raised. These elements are:

For leaders to be visible, the importance of the leader to be visible is based on Lord Sieff's statement: "Being an effective leader should see, and better than ever seeing in action" Leaders offer a clear misunderstanding, who first and foremost trust the people themselves and encourage others to do so.

Leadership thrives where people have clear objectives and resources to reach them. The leader's main source is the

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power they need to use effectively in order to motivate people to make the utmost effort to increase their level of performance (Lord Sieff) Leadership is the process of inspiring others to work hard to accomplish important tasks. It is one of the most popular management issues [7]. Planning sets the direction of the objectives, organizes the pooling of resources to turn the plans into action; Allowing the building of co-operation and the enthusiasm of people to apply their talents to assist in the fulfillment of plans and by making sure that safe things return to the right.

Regarding the vision, there are two important sayings:

- Where there is no vision, people have no place.
- Visional without action is like seeing dreams in the sun.

Unseen actions are anxious.

Visional is a new way of looking at both current circumstances and future opportunities. Visionary leaders can turn a whole set of existing knowledges into something new. Visionary leaders possess great skill and confidence in themselves. The power of vision can serve as a "new paradigm developer" by moving from today to the future [8].

Successful leadership is related to the vision-the future that someone hopes to create or achieve in order to improve the status of current affairs. But simply having a vision for the desired future is not enough. In fact, the great leaders are really good in transforming their vision into achievement. The Vision leadership describes a leader who brings to a situation a clear and complete understanding of the future as well as an understanding of the actions needed to become a successful [9].

#### A. Styles and Qualities of Effective Leaders

The most important qualities of a leader are:

- *Honesty and integrity.*

The word "honesty" comes from Latin which means quality or honesty: while the word integrity comes from the word meaning the whole. These are the terms that are almost always being identified as the most important qualities for the leader. This shows that almost all managers and professionals have great respect for leaders who do not engage in macro gaming and who have professional confidence, integrity and are serious. These leaders do not make promises that they do not keep and do not break them when they have said the word.

- *Competence and credibility.*

These are leadership qualities associated with the right experience in an industry, practical business intelligence, intelligence and dynamism are highly valued. There is almost no doubt that followers do not react positively to leaders who believe they have these qualities and are able to make important and difficult decisions and follow their ideas up to implementation.

- *Inspiration and motivation.*

Shaded as the most important qualities of a good leader by many MBA students are the willingness to tackle their successors as intelligent at a rebellious one who will greatly contribute to each organization if given the encouragement, opportunities, and right reward. To be more precise we would say that this quality is actually a consequence of understanding how to not demote people.

- *Visional / direction direction for the future.*

To be visionary you have to be creative, innovative and adaptable to the combined change with a high capacity to learn. This too, implies the ability to make bold decisions when followers are not safe, swinging or suspicious. People will react to these skills in the same way as they have done for centuries, because they still want to show the way to the future from the leader they trust.

- *Good communication skills.*

These attributes are desirable skills for a leader. This complexity of skills and competences includes the ability to listen actively, knowing to have heart and mind appeal, the ability to build relationships with the boy, communicate with each person directly and personally and with the ability to walk, talk and lead by example.

- *Equality / Parity.*

This is the attribute of leaders who treat their followers with justice, equality and respect and do not create favorite groups. They do not prejudice people from ethnicity, race, gender, sexual orientation, or physical abilities. Where they have to make judgments on other people, they make them based on the character of the people, values, skills, performance at work, and other tangible or visible contributions they make to the organization.

- *The sense of humor.*

Humorous people are generally the best to work together and laughter is one of the best work antistressors. Humor can be used in almost all situations to ease tension and labor conflicts. Humor is also associated with reactive and innovative skills in contrast to this, humorous people often have excessive ego, are able to listen to others and are toxic to some extent.

#### B. Leadership and Organization

Organisation isa set of elements that interact to achieve the goal and carry out their activities to provide people with material goods and services with a view to making profit. Organizations are a vital Element for the existence of modern society. Individual working people can only perform simple tasks, only by working together in the organization they can accomplish complex tasks [10].

When human efforts are effectively organized, it results in high productivity, which would not be possible in an unorganized batch of individuals. In other words, there is a synergy effect created by people working together in an organized manner.

In each organization, its essential parts work to achieve common goals and at the same time the profit target. In general sense, the organization can be defined as an arena where the leaders gather together to perform complex tasks with aim to meet common goals. Efficiency in the organization means achieving qualitatively high results, with minimal use of resources and at the least possible time (to act in such a way as not to misuse the resources). A leader is efficient in his work when investing excessive funds and doesn't leave it without work or with a small interest in the bank when it has almost ready plans to put people into work in any situation or that rationally uses that information for which certain resources have been spent. Effectiveness is the ability to choose the right targets and the means to achieve them. So, it means doing the right things and the right time.

According to the Peter Ducker's, efficiency is doing things right; effectiveness is doing the right things.

### C. Indicators that Measure Organizational Effectiveness

As we mention above, organization produce a balance of leading and lagging indicators for measuring organizational success and forecast a high probability of future success. Let's take as example the relationship that company has with customers which can say a lot about future sales, competitive advantage, and their prospects for future growth [11]. The elements of organizational effectiveness are as follows:

- Communication Effectiveness
- Customer Relationships
- Employee Satisfaction
- Brand Image (*A leading indicator of success regarding how people feel about your organization*)
  - Distraction
  - Trust
  - Customer Frustration
  - Supplier Relationships
  - Project Management
  - Employee Competence

## III. CASES OF STUDY "PLUS COMMUNICATION" ORGANISATION

This research study observes the leadership role in the organization's effectiveness in Albania by taken in examination the "Plus Communication" company. **Plus Communication SH.A. (PLUS)** is an Albanian-owned and operated telecommunications company. It is the 4th mobile operator in Albania by number of subscribers. It was established on June 2009, after AKEP gave the Individual Authorization (license) as the bidder with the highest value, to provide mobile telephony services. Company started its commercial operations on December 6th, 2010 and within a very short time managed to cover 99% of Albania territory with quality signal. The Company aims to become the leading telecom operator in Albania focusing on Customer Satisfaction, Innovation & Quality of Service and bringing added value as well as the best products and services to its clients. This is expressed very significantly in the brand name.

### A. Questionnaires Analysis

This research study derives from the results of survey and the targeted group of people are the employees of Plus Company. The survey also aims to assess the effectiveness of leaders inside the company and the questions covered many areas, from their experience and competencies to their expectations, and much more. There are distributed 100 questionnaires to employees where 40% of the questionnaires were filled by female and 60% by male, the distribution of questionnaires was done at random. The respondents' age groups are classified in three categories where 40% are from the age group of 25-30 years, 35% from the age group of 30-35 years and the last 25% from the age group of 35-40 years. According to the results, the most of the employees are of a young age, which means that the company involved in the study consists of a potential staff.

### B. Study of Leadership

The qualities that characterize a leader are very important both for the organization and for the leader himself. [12], [13]. The rating made to the employee of "Plus Communication" company's qualities owned by their leader are listed as:

- Inspiration and motivation
- Honesty and integrity
- Vision
- Good communication skills
- Sense of humor

The most valued quality it comes with the lowest coefficient since the evaluation has become the 1 most important qualification, with 2 less important and so on up to 5. The most important quality that employees value in their leader is the "vision / future direction" with coefficient 2.07. This is the quality that employees value more in the leader because "Plus" is an organization where the leader have a vision for the future, are creative and constantly undertake changes to adapt to the market. So, creativity and vision are important qualities for Plus's leader.

In the second rank is "Honesty and integrity" with a rating of 3.07, employees mention that this quality is important because they have professional confidence in their leader. In third place, it is "Inspiration and Motivation" the leader has confidence in his staff's skills and encourages them to move forward, motivation is the key part of the organization's success. Then, they have put together "Good Communication Skills" with a rating coefficient of 3.28. It is the ability to communicate and listen effectively. The last one is the "Sense of humor" with a coefficient 3.4, this is a quality that the leader appears less in the workplace, he is qualified by the employee as a serious individual and with high professional skills. If we look at the coefficient, they are close to each other (with interval [2.07; 3.4]) which means that employees have not made a big difference in their estimation.

A leader who is within the rule of law, respects and values employees equally and pursues moral principles is an ethical leader. Many employees would like to work with such a leader. In our case, the employee evaluates the leader in this way: Employees perceive the leader as ethically neutral, they are not sure what the ethical leader thinks of his behavior, 79% of the employees call it a neutral leader and 21% of them as an ethical leader. Being a neutral leader is also indicated by the assessment of the basic principles that the employee has done and the results are as follows:

The principle of "Obedience to Law" is rating at the average level by 20% of the employees and 80% of them assess the achievement and implementation of this principle at a high level. This is the basic principle for a leader who must be within the law and the rules set by the government.

For the principle "Being honest (telling the truth)." 64% of respondents think that this principle is reached at an average level and 36% think this principle is reached at a high level. Then the other principle "Respect for People" is rating the same as the principle of "Obedience to Law" where 20% of respondents consider this principle to reach the average level

by their leader and 80% as a principle that has been achieved at high levels.

According to the employees, the "Content on the Golden Rule" principle is reached equally by the respondents. To conclude, the two principles that have been reached at the highest level are "Obedience to the Law" and "Respect for People", which shows why the workers call their leader a neutral leader against ethics.

Good communication skills are a priority for any leader and organization that he leads, effective leadership communication eliminates many obstacles that may arise. The leader's communication skills are essential to the organization's performance [14]. According to the answers of employees, the average grade that the employees rated is 8.28 so we have average communication skills if the rating will be over 9 then we can call it a leader with excellent communication skills.

According to Weber, a recognized sociologist has three types of legitimate authority in the organization, a-traditional authority, b-rational-legitimate authority, c-charismatic authority. [15]. The "Plus" employees have evaluated the authority of the leader in this way: 7% of the respondents think that the leader enjoys traditional authority where the acceptance of authority is given based on the tradition and the unwritten laws. 43% of the respondents think that the leader enjoys rational-legitimate authority, whose acceptance stems from the position of the person with authority bound by the rules and procedures of the organization. And half of the total respondents think that the leader enjoys charismatic authority, in this case the authority is accepted as such by the belief in the special skills of the superior.

Leadership behaviors within the organization help us identifying leadership styles. Workers have valued the style that is most used by the leader. So, 21% of employees see leader style as an autocratic style, the leader has greater concern over the task, the leader takes more decisions, he or she gives orders and is expected to apply. 43% of respondents think it suits the supportive style, shows great interest to people, evidences conflict and requires harmony in the workplace. And 50% of them think that it fits in with a democratic style, shows great concern for people and duties, supports employees, encourages participation, makes decisions together in the group (most of the employees see the behavior of a democratic-style leader).

### *C. Leadership and Organization Effectiveness*

Communication is essential, especially for the internal functioning of the organization and it realizes the integration of all managerial functions. Communication helps to set targets for their respective departments, organizes human resources and all other resources so effectively and helps employees better understand the decision-making process. The most commonly used communication in the study organization is top-down communication according to 37.5% of respondents, where information passes from the highest levels to the lowest levels of the organization. This communication is used to provide employee job instructions, and is more used by training managers to make affiliation with one another. Top-down communication is used to communicate the policies, procedures, and new offers that

the company provides. Then 31.5% of employees use bottom-to-top communication which is used to communicate subscriber complaints, to present ideas, to communicate the problems faced by the employee at work. 18.5% of respondents have a twin-word communication which is used by employees of different departments who need to exchange information in a short time (example the economist asks the human resources department to list employee names to calculate bonuses related to their performance at work. And only 12.5% of respondents think that less usable communication is horizontal communication which is used by employees who are on the same hierarchical scale in the organization, rarely happens with those employees in the same hierarchy level.

It is difficult for a communication to be effective, as there are different barriers that do not allow the message sent by the sender to go with the recipient's proper meaning, this is due to some of the barriers that appear in the communication. Employees have evaluate these obstacles according to this order:

The main obstacle value is "Change in Perception" voted by 43% of respondents, the interpretation of the information provided is done differently, often the employee selects only that information or part of the information that interests him or her to listen to or keep in mind. 29% of employees think that communication problems arise from "Culture, Backlog and Prejudice", there are times when the culture and prejudice of an employee change the content of the message that goes to him. Then with 14% of respondents notices that problems comes by "Semantic Problems", the same words or symbols have a different meaning for the listener and the recipient of the message. And only 7% of respondents think that problems coming from "Listening Rate and Excessive Information", the recipient of the message is not a good listener and sometimes superiors provide excessive information in which the employees fail to perceive the essence of the information.

Communication is essential to an organization and to its growth. The question of what is the impact of effective communication in the growth of the organization's employees responded as follows: Employees value effective communication in the organization's growth by 60-70%, others evaluate 80-90% and only 2 respondents evaluate 100%, these figures indicate that communication is a key factor in the organization's success. Acceptance and support of the vision appointed by the leader is important in achieving the objectives. 62.5% of the respondents support organization's vision and accepts it on an average level and 37.5% of employees accept the leader's vision at a high level. Planning and implementation of projects are of great importance in achieving organizational effectiveness. Many work processes, strategies and projects may have a perfect planning but more important is to what extent they are realized. Employees have this opinion regarding the implementation of projects planned by the organization: 7% of respondents think that planned projects are implemented at a low level, 71% of them think that the organization's plans are at an average level and 22% of respondents think that planning is carried out at a high level. The result shows that the planning of processes and projects has an acceptable degree of realization. Control and

supervision at work shows confidence and degree of delegation of authority. In some positions it is important to control and supervise. 57% of employees see the oversight and control of their work important, and those who are in positions of work as economist-financier, distribution specialists and reporters and sales supporters. For 43% of employees, oversight and control does not matter in their work, these employees are the artisans, training managers and the legal director. Human resources are the key to the organization's success in the face of the competitive market. Motivating and retaining employees in the organization is a task that the leader has to accomplish successfully without the support of the employees the leader can accomplish nothing. The leader should identify the desires and needs of the employees and meet these needs within the organization's capabilities.

Employees of the organization have put into this report moral incentives against financial incentives. 80% of employees motivate more financial incentives, that is, wage growth and rewards based on achievement at work. This is an incentive that most employees prefer, perhaps because in the Albanian economy people are still in the phase of filling the basic needs according to the hierarchy of Maslo and we are in the second and third phase respectively in the needs for security and social needs. 20% of employees prefer moral incentives these people have passed the first three stages of the Masloe hierarchy, these employees seek achievement, recognition, responsibility, and are in the fourth and fifth stages (needs assessment and needs of self-actualization). Some of the incentives the organization uses are: bonuses and rewards (based on sales), moral incentives and training abroad for the architect and the legal director. The increase in effectiveness shows the organization's performance and the role that the leader has in this performance. 80% of employees claim that there has been an increase in organization effectiveness over the last two years and respectively in the areas listed below:

20% in the financial field, 40% in increasing effectiveness in planning procedures and projects, 30% in human resource management, 10% in training and conceptualization of the scope of the organization's field of activity.

While 20% of employees deny having an increase in organizational effectiveness, they think the organization has the same performance since its inception.

#### IV. CONCLUSION

Leadership of "Plus Communication" has the vision as the strongest point for the future, most employees perceive it as a leader who likes to constantly make changes (transformer leader), most of the employees support the changes in the organization led by the leader. The role of the leader in the organization is a decisive role since any action taken by him

affects all work processes throughout the organization. As a conclusion, we find that there is a weak (negative) link between reward and performance, financial incentives are the ones that motivate most of the employees. For quality leaders, the "sense of humor" is estimated by a few employees and for Plus the most important quality for the leader is "vision / direction for the future, In Plus, the most commonly used form of motivation is the development of employees' worship (by systematically developing training staff).

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