THE INFLUENCE OF LEADERSHIP ON BUSINESS PERFORMANCE

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ABSTRAKT
Vedení lidí představuje v současné době populární téma díky rychlému procesu globalizace a internacionalizace. Vztah mezi vedením lidí a výkonností firmy byl zkoumán mnoha zahraničními vědci, nicméně, v České republice bylo v minulosti toto spojení analyzováno pouze na teoretické úrovni. Cílem tohoto článku je analýza vedení lidí ve vybrané společnosti se zaměřením na komunikaci a následný vliv na výkonnost jedince, která ovlivňuje výkonnost celé organizace. Dále komparace výsledků s teoretickými východisky a návrhy opatření. Analýza byla provedena ve společnosti Intrum, Czech s.r.o. pomocí kvantitativního výzkumu.

ABSTRACT
Leadership is currently a popular topic due to the rapid process of globalization and internationalization. The relationship between leadership and business performance has been researched in practice by many foreign scientists, however, in the Czech Republic, the connection in the past has been analyzed more on a theoretical level. This article aims to analyze leadership in a particular company with a focus on communication and the following connection of performance of individuals with the performance of the whole organization. Furthermore, the comparison of results with theoretical background and suggestions for improvement. Analysis of corporate culture in the company Intrum Czech, Inc. was carried out using quantitative research.

INTRODUCTION

Leadership is a frequently discussed term that cannot be assigned a clear and precise definition. In Czech translation, it means people management or also a way of leading people. Armstrong (2008) defines leadership as inspiration for people, how to use their best strengths and abilities to achieve desirable results, to get their loyalty for this matter, and motivate them to achieve their goals (Procházka et al., 2013). Leadership is deal with by leaders who are focused on vision, business values, innovation, and goals. Leaders are most often lineal managers who are in contact with their subordinates. There is a connection with top management. Here, the leader acts as an intermediary that seeks to apply business strategy and plans to work teams (Armstrong, 2015). The basic roles of leaders include defining, fulfilling tasks, and maintaining relationships (Mládková, 2005).

The leader applies a certain style of leadership in leading people. There are many different styles of leadership, but none of them is ideal. The style of leadership and its application depends on the circumstances and character of the company. Style of leadership are differentiated based on the degree to which formal authority is used and whether other team members are involved in decision-making. Basic leadership styles include democratic, participatory, liberal, passive style and laissez-faire style (Šmejkal, 2010).

In the context of leadership, it is important to differentiate the term of management, although in common practice these two terms are used interchangeably. Management is a very broad concept and can be understood in more than one meaning. Management can be

a management process, a group of managers and a set of management knowledge (Blažek, 2014). Management deals with the manager. It is a person who leads and effectively manages the business system. Depending on their responsibilities and position in the organizational structure, managers can be divided into three groups, namely top managers, midline managers, and first-line managers. The basic managerial functions include planning, organizing, managing and controlling (Wang et al., 2014). The manager's work can be described as fulfilling various „roles". We distinguish three groups of roles, which are further divided. Basic roles include interpersonal roles, information roles, and decision-making roles (Thomas, 1988). Cejthamr (2010) compares the work of manager and leader as follows: the manager manages things, the leader innovates; the manager is a copy, the leader is an original; the manager concentrates on systems and structures, the leader on people, the manager relies on control, the leader on confidence; the manager has a short-term perspective, the leader has a long-term; the manager asks "how and when", the leader asks "what and why"; the manager looks down, the leader on the horizon; the manager imitates, the leader is looking for his own way.

Motivation is another important term, which a connection with leadership. Understanding the process of motivation and its relations to other processes of leadership is one of the basic tasks of leadership (Bush et al., 2019). Motivating people is a management activity where a manager applies his incentives to influence people's motivation and direct their activities in the desired direction (Forsyth, 2009). Communication is also an integral part of leadership. Effective communication is important in the process of leadership by developing cooperation and aiming to achieve a sense of belonging to the organization in which people work (Dvořáková et al., 2012).

No less important in the context of leadership is to mention the term of coaching. Coaching is a technique that leaders lead their subordinate's workers. Through coaching, they increase people's performance. Coaching is, therefore, a personal approach and its main goal is to help people think better, learn, develop their skills and abilities and improve their performance. Coaching brings performance and productivity improvements. Thanks to motivated employees, companies better achieve their goals. The coach tries to help people realize how to work effectively and what needs to be improved and learned (Wood, 2012).

1 METHODOLOGY

The research aimed to map the function of leadership in Intrum Czech, Inc. and its subsequent effect on performance. The company is engaged in the purchase, management, and collection of external receivables in the Czech Republic. The analysis was carried out using quantitative research. The method of questioning was used to collect the data because of the gain of the necessary information that other methods like observation and experiment in this research cannot bring.

For analysis of leadership in Intrum Czech, Inc. quantitative research was used. Based on qualitative analysis of professional literature was designed questionnaire in electronic form. The questionnaire is a way of asking questions in writing, which leads to obtaining multiple written answers. This way of obtaining information is one of the most used research methods, which can be used to get answers from a larger number of respondents in a short time. (Čábalová, 2011). The questionnaire was completely anonymous and contained a total of 11 questions, including 10 closed questions and 1 open question. Once created, the questionnaire was posted on the website www.survio.com and sent to the company's employees in email. Questions were focused on the characteristics and roles of executives, leadership styles used in the company, communication. Furthermore, questions related to individual and team performance and employee motivation in the company. All questionnaires were recoded to MS Excel 2010 after the completion of the questionnaire survey so that their statistical analysis was possible.

2 RESEARCH

Of the 65 employees surveyed, 45 respondents completed the questionnaire. The return on the questionnaire was therefore 63 %. There are four divisions in the company, namely finance, receivables management, sales and IT. Table 1 shows the number of respondents according to the department in which they work.

Table 1: Number of respondents - department

Department	Number of respondents	%
Receivables management	35	77,78
Information technology	4	8,89
Financial department	3	6,67
Top management	2	4,44
Business department	1	2,22

Source: Author, 2019

The following Table 2 shows the number of respondents according to the position in which they work in the company. The questionnaire was filled in total by 23 department specialists, 13 administrative staff, 4 department heads, 3 managers and 2 top management respondents.

Table 2: Number of respondents – position in company

Position	Number of respondents	%
Specialist	23	51,11
Administration worker	13	28,89
Head of department	4	8,89
Manager of department	3	6,67
Top management	2	4,44

Source: Author, 2019

Also, respondents should evaluate eight human nature (Table 3), depending on whether their leader (direct supervisor) meets them and assigns a grade from 1 to 5 to each human nature, with 1 meaning human nature does not have and 5 – human nature has.

Table 3: Human nature of managers

Human nature	Average	Modus	Median
Integrity	3,58	4	4
Ambition	3,67	4	4
Assertiveness	3,36	3	3
Purposefulness	3,67	4	4
Loyalty	3,69	4	4
Reliability	3,67	4	4
Studiousness	3,82	4	4
Perseverance	3,76	5	4

Source: Author, 2019

Each manager has its specific characteristics. At Intrum, Czech s.r.o. are ambitious leaders who are not always able to deal adequately with subordinates. Managers in this company are purposeful, loyal, reliable and persistent.

Graph 1: Evaluation the nature of manager
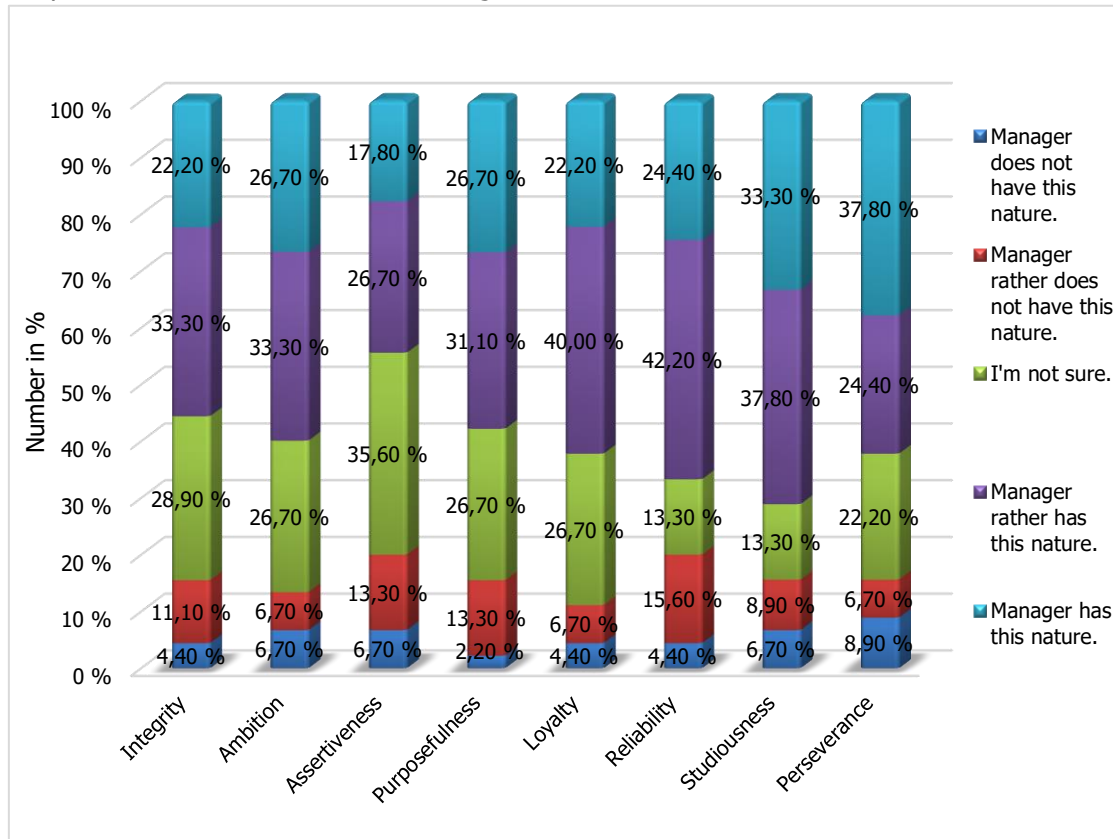
Source: Author, 2019

Respondents of Intrum Czech, Inc. they were questioning what leadership style they were meeting at work. Employees could only select 1 of the 7 offered. From Table 4 we see that the largest number of respondents in their work encounters a democratic style. This leadership style means that executives take into account the opinions and comments of their subordinates, but only they make the final decisions. Participant style, i.e. the fact that subordinate workers are involved in management, was chosen by 6 respondents.

Table 4: Leadership styles

Leadership styles	Number of respondents	%
Democratic style	30	66,67
Participant style	6	13,33
Liberal style	5	11,11
Autocratic style	3	6,67
Passive style	1	2,22

Source: Author, 2019

Another question was focused on the evaluation of the roles do by managers at Intrum, Czech Inc. A total of 8 roles were mentioned in the questionnaire and respondents were asked to assign a value again from 1 to 5, where 1 means – manager does not have the role and 5 – manager has the role (Table 5).

Table 5: Roles by managers

Roles	Average	Modus	Median
Role of the chief	3,53	4	4
Role of the connection person	3,33	4	3
Role of supervisor	3,56	4	4
Role of bearer of information	3,58	3	3
Role of speaker	2,91	3	3
Role of businessman	3,04	3	3
Role of failure corrector	3,53	4	4
Role of divider of resources	3,78	4	4

Source: Author, 2019

Table 5 shows that superiors have a leading role in this company. Leaders in the company look for and receive information, thus also acting as a chief. Leaders act as information disseminators by communicating information within the company and are also able to solve problems quickly, thus acting as a fault repairer. However, they play less as a linker, which means communication. They are also lagging behind as spokespersons.

Graph 2: Evaluation of roles by managers
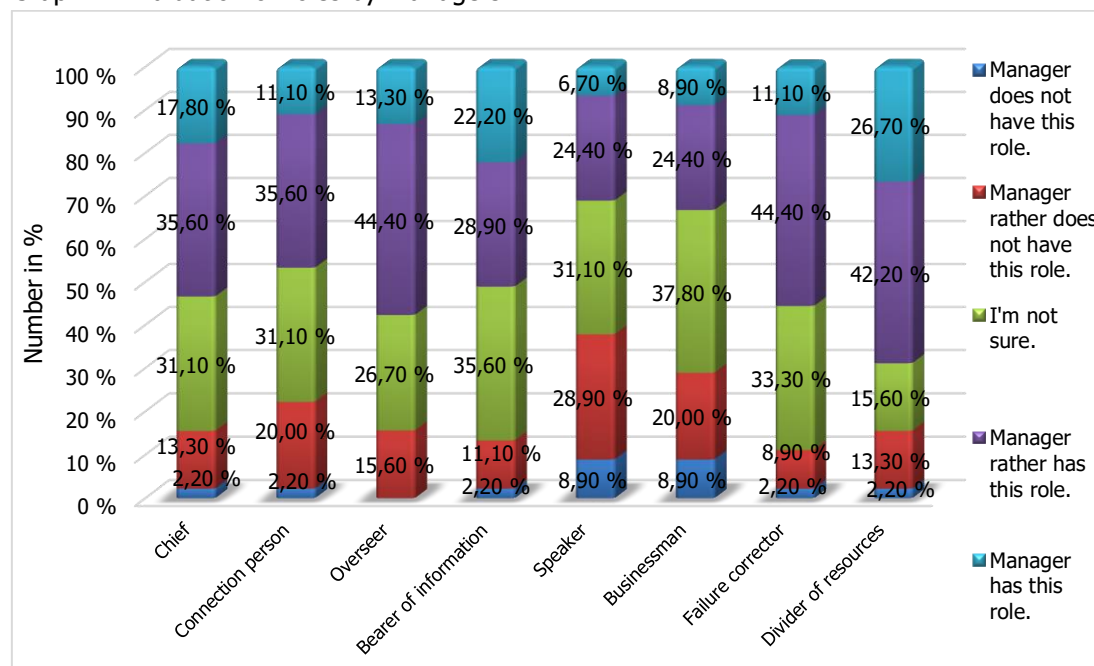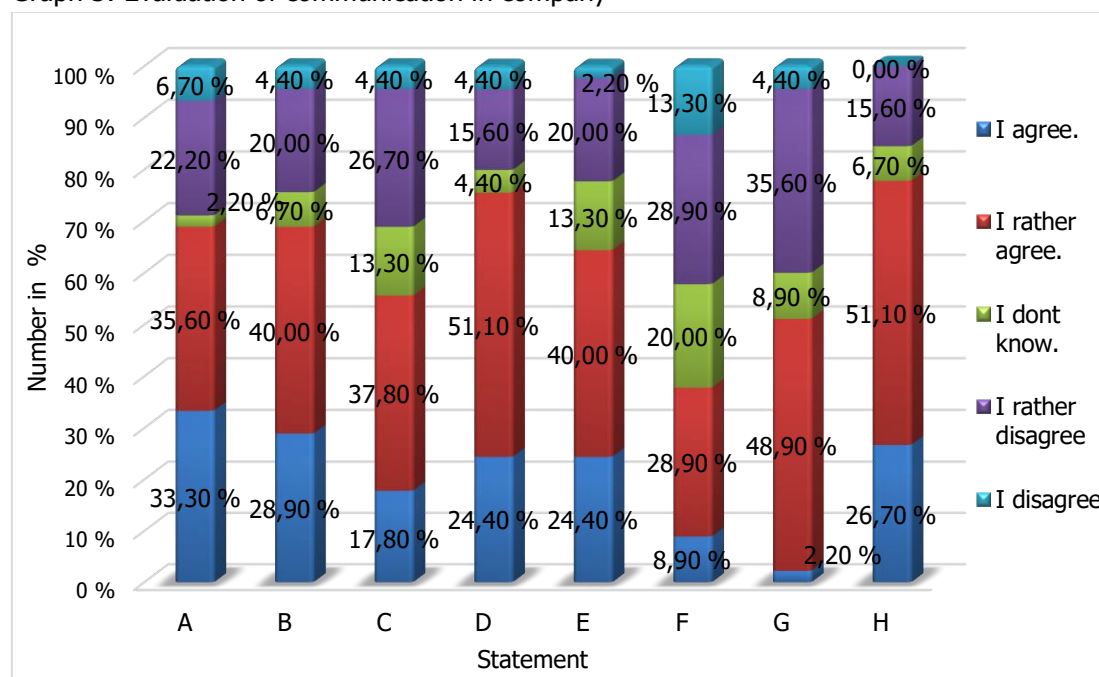

Source: Author, 2019

In the next part of the questionnaire survey, respondents were to evaluate the communication statement (Table 6). This means to what extent he agrees with them, 1 - totally agree and 5 totally disagree. A total of 69 % of respondents consider the way of communication in the company as good, while the remaining 29 % are dissatisfied with the way of communication between superiors and subordinates. A total of 56 % of respondents say they receive important information about the company on time. A total of 78 % of respondents are acquainted with the company's success. Roughly half of the respondents say that formal communication prevails in the company, while the other half say that non-formal communication prevails.

Table 5: Communication in company

Statement	Average	Modus	Median
A. Good communication between chief and subordinate.	2,33	2	2
B. Chief listens the comments of the subordinates.	2,31	2	2
C. You receive information in timely manner.	2,62	2	2
D. You are familiar with the success of company.	2,24	2	2
E. Sufficient information in a timely manner.	2,36	2	2
F. Obtaining unnecessary and redundant information.	3,09	4	3
G. Formal communication	2,91	2	2
H. Feedback from co-workes.	2,11	2	2

Source: Author, 2019

Graph 3: Evaluation of communication in company
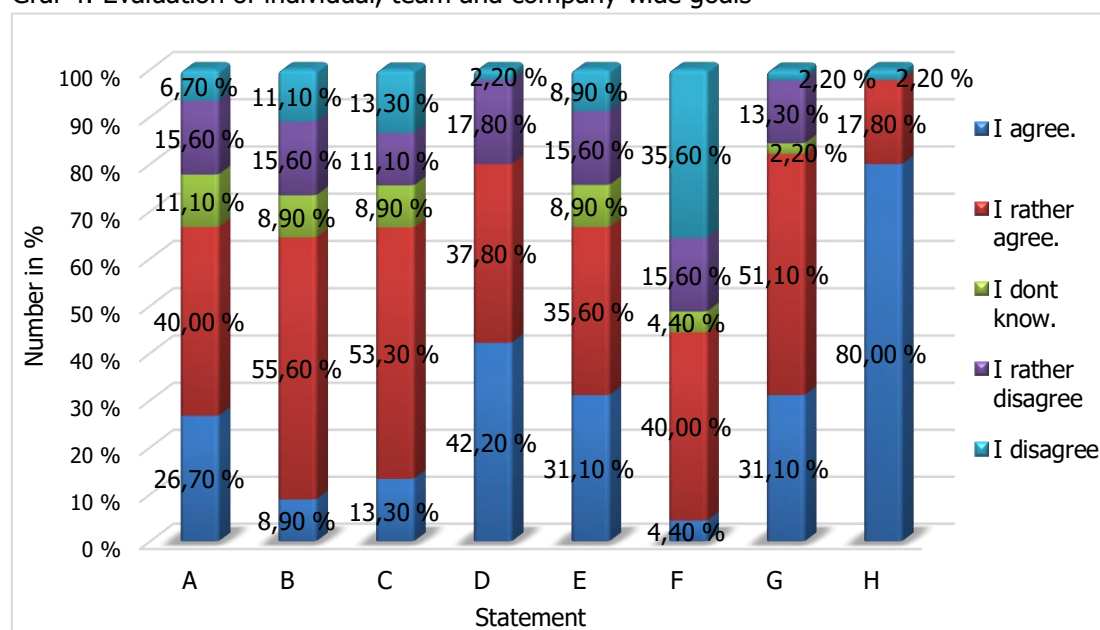

Source: Author, 2019

Other statements that were rated by respondents related to performance. Respondents should again indicate to what extent they agree with the following statements (Table 6). More than half of the employees agree that they know enterprise-wide goals and are involved in setting them. A total of 80 % of respondents know the assessment criteria. Altogether, 67 % of respondents report that teamwork is included in their assessment. A total of 44 % of respondents agree with the statement of whether the wage corresponds to the performance of employees.

Table 6: Employee performance

Statement	Average	Modus	Median
A. You know enterprise-wide goals.	2,36	2	2
B. You are involved in setting your goals.	2,64	2	2
C. Your goals are linked to individual performance.	2,58	2	2
D. You know the evaluation and remuneration criteria.	2	1	2
E. Teamwork is included in the evaluation	2,36	2	2
F. The salary corresponds with your performance.	3,38	2	4
G. You take work as a means of subsistence.	2,04	2	2
H. A good working place affects your performance.	1,27	1	1

Source: Author, 2019

Graf 4: Evaluation of individual, team and company-wide goals

Source: Author, 2019

In the penultimate part of the questionnaires, respondents should indicate how important motivation statements are for them. Table 7 shows that the most important for respondents is good cooperation with colleagues, a good working environment and a corresponding salary. Recognition for well-done work is also very important. They consider it less important to develop new skills and also the benefits that society provides them.

Table 7: Employee motivation

Statement	Average	Modus	Median
A. Good cooperation with colleagues.	4,4	5	5
B. Good working environment.	4,22	5	4
C. Good salary.	4,44	5	5
D. A feeling of job security.	4,22	5	5
E. Recognition of my work.	4,24	5	5
F. Good attitude of supervisor to subordinate.	4,44	5	5
G. Developing new skills and knowledge.	4,07	4	4
H. Benefits provided by the company.	3,89	4	4

Source: Author, 2019

The last question from the questionnaire survey was an open question. Most respondents complain about communication in the company. Respondents suggest regular monthly operational meetings. Respondents would also like to see improved inter-departmental relations. Another suggestion of employees is to organize teambuilding events.

2   RESULTS AND RECOMMENDATIONS

Based on the results of a questionnaire survey conducted in Intrum Czech, Inc. the way of leading people in a company can be described as effective leadership. The company fulfills the following features of effective leadership: employees are identified with the company's vision, mission, and strategy; employees are satisfied with working in the company; the company constantly makes the work environment more pleasant for its employees; the workers have a friendly relationship with each other and are team players; employees exchange important and clear information among themselves; communication between is very good. However, society does not meet some of the characteristics of leadership. These are the following: there is not enough career growth in society; employees are not adequately remunerated; society is facing high turnover; employees do not receive direct and clear information from the management.

Based on the analysis at Intrum Czech, Inc. some measures can be recommended. The company should address the issue of financial remuneration of the work of employees. It is also important to focus on improving communication towards management. It would be appropriate to organize management discussions with ordinary employees. The company should also focus on developing the communication skills of its employees.

CONCLUSION

Based on the quantitative research carried out in Intrum Czech, Inc., leadership can be described as effective and contributing to increasing the company's performance. The company uses a democratic style of leadership in its activities due to the character of the work performed. The company employs ambitious leaders who contribute their work and leadership to better business results and build integrity. Based on the results of the survey, the company should focus on improving communication between superiors and subordinates. The company's executives should focus more on the satisfaction and loyalty of their employees. Equally important is the focus on continually improving the working environment, which also contributes to increasing the performance of workers.

Based on the research we can confirm the fact that if the company carries out an effective way of leading people whose content is in line with the content of the business strategy, then the way of leading people has a positive influence on the value creation of the company (Buil et al., 2019).

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