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## **ANALYSIS OF THE INFLUENCE OF LEADERSHIP ON THE MOTIVATION OF EMPLOYEES IN THE TOURISM SECTOR OF THE REPUBLIC OF SERBIA**

**Ace Milenkovski<sup>1</sup>**  
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### **Abstract**

Motivation is a complex and dynamic factor that contributes to business success. Many factors influence the motivation of employees. The paper examines the influence of leadership on the motivation of employees in the tourism sector. The empirical research was conducted in September 2023. using an e-questionnaire on a sample of 270 employees in the tourism sector of the Republic of Serbia. The results obtained from empirical-statistical research were processed using mathematical-statistical methods such as descriptive statistics, correlation analysis, regression analysis and ANOVA test. The research results indicate that the correlation between leadership and motivation is strong and positive (0.7998). Also, the results show that the coefficient of determination is 0.6396, which means that with 63.96% the dependent variable motivation (Q) can be explained by the independent variable leadership (P). The work is important from the aspect of providing guidelines to policy makers, owners and management of organizations in the tourism sector in order to increase the level of motivation among employees, which implies better performance and achieving business success.

Keywords: motivation, leadership, performance, tourism sector.

*JEL classification: M12, O15, Z32*

### **INTRODUCTION**

Researchers and practitioners have always been interested in what drives human activity, that is, what influences motivation (Tietjen & Myers, 1998). The answer to this question is important from the aspect of increasing performance and better productivity of employees. Motivation represents the process of starting and directing human behavior in a certain direction, towards achieving a certain goal. According to Meyer et al. (2004) motivation is a complex psychological process of internal feeling or incentive. Bearing in mind that the diversity of employee needs requires the application of different motivation methods and approaches, it is necessary for managers, leaders, as well as

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policy makers to know how they can manage the qualities of employees in order to increase employee productivity and effectiveness. (Janovac, 2020:163).

Factors that influence employee motivation are evidenced by many studies in different industries (Hidi, 2000; Mitchell, 2017; Gupta & Subramanian, 2014; Akram & Bokhari, 2011; Wang, et al., 2010; Perry & Porter, 1982; Khoshnevis & Tahmasebi, 2016). There are studies that indicate the influence of leadership style, especially transformational, on motivation in the field of tourism (Vinh et al., 2022; Ali, 2023). However, there are insufficient studies focused on researching the influence of leadership, as a phenomenon, on the motivation of employees in the tourism sector of the Republic of Serbia, bearing in mind the "vulnerability" of this sector to changes coming from the external environment.

The pandemic had a significant impact on the decline in tourist traffic everywhere in the world, including in the Republic of Serbia, especially in 2020. which also affected the business of tourist organizations. Before the start of the pandemic, the Republic of Serbia achieved an average annual growth of foreign exchange inflow from tourism of 6.9% (UNWTO, 2020). In 2020. the tourism sector contributed to the total GDP of the Republic of Serbia with 3.7%, i.e. 3.6% for 2021. (World Travel Tourism Council, 2022). Bearing in mind these facts, as well as the contribution of tourism to the national economy, the conclusion that arises is that the question of the sustainability of tourism organizations does not only apply to the owners and management of tourism organizations, but also to policy makers.

The problem in the tourism sector also relates to the lack of human resources (Vinh et al., 2022). At the same time, it should be borne in mind that the business of tourist organizations takes place in conditions of strong competition and that only proper management of human resources and a high level of service quality (Rajković & Arsovski, 2009) can ensure sustainability and business success.

Otherwise, unrelated to crisis periods, the problem faced by managers in practice is the "occasional" loss of motivation among employees. There are several reasons for the low level, as well as the "falling" level of motivation among employees. First of all, the reason can be focused on the application of inadequate motivation methods and techniques by leaders and managers, bad choice of leadership style, lack of communication between managers or leaders and employees, bad interpersonal relations, unfounded organizational values, lack of conformity. For this reason, the paper aims to prove the influence of leadership on the motivation of employees in the tourism sector of the Republic of Serbia.

## 1. THEORETICAL BACKGROUND

Leadership as a concept and phenomenon can be viewed from different aspects and accordingly, there are several different models of approach to the concept of leadership. Starting from the approach to leadership as a set of traits, through the understanding of leadership as a set of skills, to the approach to leadership from the aspect of behavior, to the approach to the style of leadership through which the focus shifts to the study of the nature of the leadership process as an interaction between the leader and followers, as well as the effectiveness of that process (Northouse , 2008:2). Leadership can also be seen as a set of activities that cause changes in which the leader is the center, i.e. the

initiator of changes and group processes. Also, leadership can be analyzed in the context of power relations, because leaders have power and influence followers to follow them in achieving goals and realizing a vision.

Leaders and managers influence the motivation of employees directly, by enabling the realization of goals by applying adequate motivators, and indirectly by providing the necessary conditions for work. Indirect influence implies a good organizational climate, which is reflected through an appropriate management style, an established system of evaluating and rewarding employees, good interpersonal relations (Janovac, et al., 2021).

Leadership style is one of the most important factors in motivating employees. A properly chosen style is almost always a predictor of a leader's success, unlike an inadequately chosen style that can block employee motivation, lead to reduced productivity, turnover, negative image and business failure (Janovac, 2020:112).

The "Path-goal" theory by Robert House best explains how leaders motivate employees. According to "Path-goal theory", the choice of leadership style depends on the characteristics of the employees, their experience and abilities, as well as the characteristics of the environment. Taken together, all three characteristics (leadership style, employee characteristics, and environmental characteristics) ensure employee motivation and satisfaction and influence the achievement of defined goals (House & Mitchell, 1975).

In order for a leader to choose an adequate style, he must have a good understanding of human nature, as well as the needs of employees. For example, an autocratic leadership style will have a negative effect, demotivation and dissatisfaction in cases where employees have a need for independence, a high degree of expertise and experience in performing tasks (Buble et al., 204). While in situations where the employees are poorly competent, but very dedicated, this style will give a good effect. (Stojanović et al., 2010) Involving employees in the decision-making process or a participatory style will improve motivation and work performance (Nader, 1988). It is similar with the democratic style. In situations where employees are not motivated by material rewards, but by the desire to contribute to the improvement and development of the organization, the charismatic leadership style will have the best effect (House, 1976). Conversely, a transactional style will be most effective in situations where employees are solely motivated by material rewards (Bass, 1990; Chaudhry & Javed, 2012, Burns, 1978). The leadership style that most influences the motivation of employees is the transformational style. This style is related to the process of change. Transformational leadership involves taking care of employees, their needs and development and enables them to reach their full potential (Bass & Riggio, 2006). Transformational leaders inspire and motivate employees by making work meaningful and inspiring. They help employees to realize their needs through work, to develop and progress in their careers (Givens, 2008).

Research conducted by researchers Basford et al. (2012) examines the relationship between two levels of leadership support – immediate supervisors and senior management on employee motivation. Although positively related, support from each level had an independent, positive effect on employee motivation, with support from senior management showing a greater effect.

When it comes to the leadership style that has a dominant effect on the motivation of employees, the results of a study conducted in Saudi Arabia indicate that leaders and managers who apply a participative and transformational style have greater success when it comes to raising the level of motivation among employees (Alghazo & Al-Anazi, 2016). Researchers Vinh et al reached similar results when it comes to the influence of transformational style on motivation. (2022), as well as Ali (2023).

## 2. THEORETICAL MODEL OF RESEARCH

For the purposes of research in this work, a theoretical system model (Figure 1) was formed, which consists of:

- independent variables leadership (P), i
- dependent variables of motivation (Q).

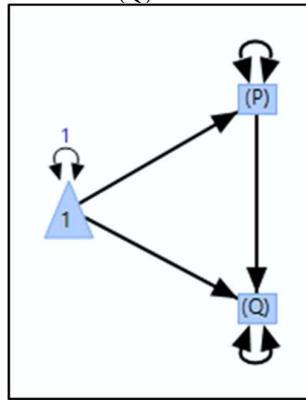


Figure 1. Theoretical research model

## 3. RESEARCH METHODOLOGY

In the empirical part of the research, the survey method was used through e-questionnaire technology. Results obtained from empirical-statistical research conducted in September 2023. were processed by the following mathematical and statistical methods:

- descriptive statistics,
- correlation analysis,
- regression analysis, i
- ANOVA test.

The collected data were processed and displayed:

- textual,
- tabular and
- graphically.

The statistical software used in this research is: SAS JMP v.17.

The purpose of the research is to determine, using mathematical and statistical methods, whether the level of leadership (P) affects the level of employee motivation (Q)?

Research hypothesis

H0: The level of leadership does not affect the level of motivation.

H1: The level of leadership affects the level of motivation.

#### 4. RESULTS AND DISCUSSION

Basic analysis of the respondents' profile - In the research, an e-questionnaire was used in which statements were made and positions expressed (1 - completely disagree, 2 - disagree, 3 - undecided, 4 - agree and 5 - completely agree). Basic statistical indicators for the structure of the observed 270 samples, frequency and percentage representation of respondents according to different levels:

- according to Basic activities of company (Hotel industry, Restaurant industry and ICT in tourism),

- according to The respondent's position in the company (Business owner and Company director / manager), are shown in (Table 1).

The research sample is 270 respondents employed in the tourism sector of the Republic of Serbia. The majority of respondents were from the Hotel industry, 140 or 51.85% of the total number of respondents, followed by the Restaurant industry, 72 or 26.67%, and the least from ICT in tourism, 58 or 21.48%. More respondents were in the position of Business owner 152 or 56.29% of the total number, and fewer respondents were Company director / manager 118 or 43.70%.

**Table 1.** Frequency and percentage representation of respondents at different levels

	Level	size	probability	total
Basic activities of company	Hotel industry	140	0.51852	
	Restaurant industry	72	0.26667	
	ICT in tourism	58	0.21481	270
The respondent's position in the company	Business owner	152	0.56296	
	Company director / manager	118	0.43704	

For ease of analysis and presentation, the level (P) is given with the following statements (Table 2):

- P1 – leadership is important in the hotel industry
- P2 – leadership is important in the restaurant industry
- P3 – leadership is significant ICT in tourism.

**Table 2.** Names and values of confidence level statements

	Mean	Standard deviation
P <sub>1</sub>	3.73	1.02
P <sub>2</sub>	4.03	0.89
P <sub>3</sub>	3.94	1.07

The level (Q) is given with the following statements (Table 3):

- Q1 – motivation is important in the hotel industry
- Q2 – motivation is important in the restaurant industry
- Q3 – motivation is significant in ICT tourism.

**Table 3.** Names and values of confidence level statements

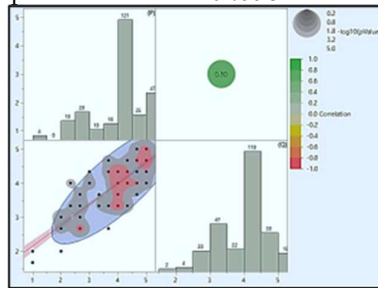
	Mean	Standard deviation
Q <sub>1</sub>	4.04	0.93
Q <sub>2</sub>	3.80	1.01

**Table 3.** Names and values of confidence level statements

	Mean	Standard deviation
Q <sub>3</sub>	3.93	1.18

#### 4.1. Correlation analysis

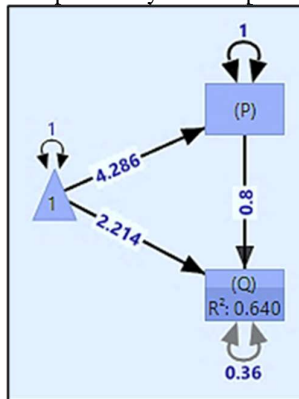
In (Figure 2) the magnitudes of the correlation coefficients are given, where we can see that the correlation between the independent variable (P) and the dependent variable (Q), that is, between leadership and motivation is 0.7998 and that it is strong and positive.



**Figure 2.** Correlation coefficients of the system model

#### 4.2. Regression analysis for variables

In (Figure 3) the basic standard evaluation of the system model was performed. The coefficient of determination is 0.6396, which means that with 63.96% the dependent variable motivation (Q) can be explained by the independent variable leadership (P).



**Figure 3.** Standard contribution sizes of the system model

The contribution values are shown in Table 5.

**Table 5.** Contribution values

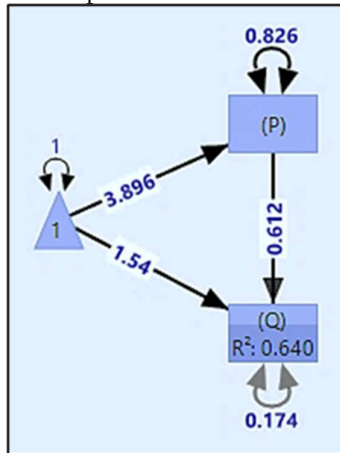
Mean/intercept	size	standard error	Wald Z	Prob> Z
Constant → (P)	3.8962963	0.05532	70.431925	<.0001
Constant → (Q)	1.5403856	0.1118903	13.766924	<.0001
<b>Regression</b>	<b>size</b>	<b>standard error</b>	<b>Wald Z</b>	<b>Prob&gt; Z </b>
(P) → (Q)	0.6122585	0.0279661	21.892872	<.0001
<b>Variance</b>	<b>size</b>	<b>standard error</b>	<b>Wald Z</b>	<b>Prob&gt; Z </b>
(P) ↔ (P)	0.8262826	0.0711151	11.61895	<.0001
(Q) ↔ (Q)	0.1744843	0.0150172	11.61895	<.0001

The statistical significance score is given in Table 6. ANOVA and it amounts to [F(1,268)=475.7475, p<0.0001].

**Table 6.** ANOVA

Source	DF	sum of squares	mean square value	F Ratio
model	1	83.62997	83.6300	475.7475
error	268	47.11077	0.1758	<b>Prob &gt; F</b>
<b>C. Total</b>	<b>269</b>	<b>130.74074</b>		<b>&lt;.0001</b>

In (Figure 4) non-standard contribution sizes for the established system model are given. The mean score for the independent variable leadership (P) is 3.89.



**Figure 4.** Non-standard contribution sizes of the system model

Based on these data, the alternative hypothesis H1 can be confirmed: The level of leadership (P) affects the level of motivation (Q). By increasing the level of leadership (P), the level of motivation (Q) also increases.

Based on the data shown, a regression equation (formula 1 and 2) can be formed, which reads:

$$y = 1.5403856 + 0.6122585 \cdot x \quad (1)$$

or

$$Q = 1.5403856 + 0.6122585 \cdot P \quad (2)$$



(Figure 4) shows the diagram of the regression equation for the variables (P) and (Q).

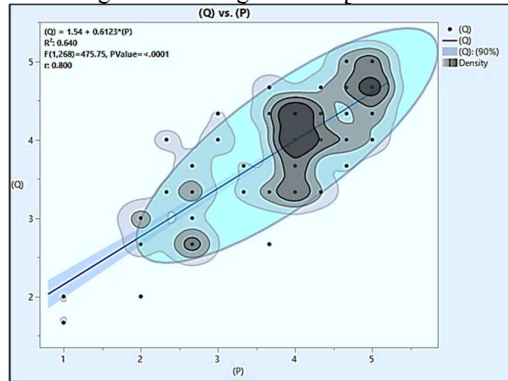


Figure 5. Diagram of regression equation for variables (P) and (Q)

## CONCLUSION

The role of the leader in the process of motivation is complex and complex. Leaders and managers have at their disposal various tangible and intangible incentives that contribute to performance and better productivity. As material and non-material incentives can contribute to business success, bad interpersonal relations, inadequate leadership style and the absence of effective communication between the leader and employees can also have consequences for performance and business success. In addition to direct motivators, the leader must also provide adequate conditions in order for employee motivation to be realized.

The research results indicate that the correlation between leadership and motivation is strong and positive, that is, that the influence of leadership on employee motivation is positive and significant.

The work is important from the aspect of providing guidelines to policy makers, owners and management of organizations in the tourism industry in order to increase the level of motivation among employees, which implies better performance, retaining the workforce in the tourism sector, as well as achieving business success. Future research will focus on investigating effective motivational techniques and methods used by leaders and managers in the tourism industry.

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