

THE VALUE OF LEADERSHIP IN SMALL ENTERPRISES FROM THEIR EMPLOYEES' PERSPECTIVE

A VEZETÉS ÉRTÉKE A KISVÁLLALKOZÁSOKBAN AZ ALKALMAZOTTAK SZEMPONTJÁBÓL

Leadership is a well-studied subject, yet the rich intricacy of relationships between leaders, followers, and their situations continually intrigues researchers. This research aims to fill a need in the literature by using a qualitative approach to identifying the ideal attributes for small independent restaurant owners to develop into successful leaders by soliciting input from the restaurant's employees. To better understand the importance of leadership in small enterprises, this research used a qualitative methodology to inquire into present leaders' thoughts and experiences. Qualitative data was collected via interviews with a small Indian restaurant and its two branches with twelve employees. The interviews were conducted in two separate focus groups. The goal of this case study is to get an understanding of the participants' experiences through their own words. The findings of this paper revealed several relevant qualities of small business leadership, especially restaurants, such as respect, compassion, effective communication, experience, and good organization.

Keywords: employees' perspective, leadership, organizational behavior, small business

A vezetés elmélete és gyakorlata alaposan tanulmányozott téma, de a vezetők és követők közötti kapcsolatok és helyzetek komplexitása továbbra is foglalkoztatja a kutatókat. Jelen kutatás a szakirodalomban meglévő hiányt kívánja kielégíteni azáltal, hogy kvalitatív megközelítéssel azonosítja a független kis éttermek tulajdonosai számára a sikeres vezetővé váláshoz szükséges ideális tulajdonságokat, az étterem alkalmazottainak véleményét kikérve. A kisvállalkozásokat vezető gondolatainak és tapasztalatainak vizsgálatára, a vezetés fontosságának feltárására a kutatás kvalitatív módszertant alkalmaz. Az adatok egy tizenkét alkalmazottat foglalkoztató kis indiai étteremből és annak két fiókjából kerültek feldolgozásra interjúk segítségével. Az interjúk két külön fókuszcsoportban készültek. Az esettanulmány célja az volt, hogy a résztvevők saját szavaikon keresztül értelmezzék és tudatosítsák tapasztalataikat. A tanulmány megállapításai a kisvállalkozások, különösen az éttermek vezetésének számos fontos tulajdonságát tárta fel, mint például a tisztelet, az együttérzés, a hatékony kommunikáció, a tapasztalat és a jólszervezettség.

Kulcsszavak: alkalmazotti perspektíva, vezetés, szervezeti működés, kisvállalkozás

Funding/Finanszírozás:

The author did not receive any grant or institutional support in relation with the preparation of the study. A szerző a tanulmány elkészítésével összefüggésben nem részesült pályázati vagy intézményi támogatásban.

Author/Szerző:

Gavkhar Turaeva^a (gavkhar.turaeva@stud.uni-corvinus.hu) PhD candidate

^aCorvinus University of Budapest (Budapesti Corvinus Egyetem) Hungary (Magyarország)

The article was received: 06. 01. 2023, revised: 06. 03. 2023, and 14. 03. 2023 accepted: 14. 03. 2023.

A cikk beérkezett: 2023. 01. 06-án, javítva: 2023. 03. 06-án és 2023. 03. 14-én, elfogadva: 2023. 03. 14-én.

SMEs are crucial to the modern economy, particularly in terms of job creation and GDP development (Wagener, Gorgievski & Rijdsdijk, 2010). Over the last two decades, traditional employer-employee interactions have shifted to become more informal. According to Statista Research Department, between 2012 and 2020, the total number of Hungarian restaurant businesses remained approximately 25,000 strong. By 2025, it is anticipated that

Hungary's restaurant and mobile food service industries will generate around 2,987.23 million dollars in revenues. "The Restaurants & Takeaway Food Operators sector in Hungary is valued at €3.0 bn and is ranked 16th in Europe in 2021 (of 27 total EU countries). The industry's rank (23rd) has remained unchanged since 2018 (IBIS World, 2021). However, by 2021, there were just 23,700 restaurant businesses. Furthermore, the restaurant industry is one of

the fastest-growing sectors in Hungary's economy, and the restaurant and fast-food service business employed 82,511 people in the year 2022. In the meantime, the COVID-19 pandemic, which had already claimed over 3.7 million lives across the globe as of 8th June 2020 (WHO, 2021), has also had an impact on the global economy, affecting businesses in all industries including the food industry, and therefore posing a threat to the nation's ability to maintain its level of food security (Aw et al., 2021). The Mathias Corvinus Collegium's School of Economics and IFKA Public Non-Profit Ltd. undertook a collaborative study on the effect of the coronavirus pandemic and the crisis on Hungarian small and medium-sized firms between February and May 2021 (Pogácsás & Szepesi, 2022). The study was constructed using a theoretical and empirical framework focused on the role of leaders and perception bias, with specific attention paid to SMEs with a high degree of internationalisation.

However, not all SMEs, especially small restaurants, can continue their business successfully. Leadership has been identified as one of the numerous factors that contribute to this high rate of failure (30%), along with a number of other factors (Parsa et al., 2015).

No matter the situation, effective leadership characteristics and behaviors inspire employees to maximize their work efficiency and achieve their highest objectives. Strong leadership is required for one's professional development. Credible leadership and management are the foundation pillars of a healthy and stable organization. It is crucial for any business to have dependable leaders who can come up with new ideas if necessary and effectively inspire their employees to put their best effort forward and help their organization weather difficult times. That being said, perceptions of effective leadership are also rooted in ideology and shaped by discrepant value systems (Hyatt & de Ciantis, 2012).

The role of a leader has changed throughout time, and not every leader is effective. What kind of leader is needed and how successful they will be as a group's leader depends on the specifics of the scenario. This article will discuss what it takes to be a great business leader and the qualities necessary to lead others. Besides these, we will also discuss the kind of leadership traits that are crucial in the hospitality industry.

Leadership abilities are particularly crucial in the restaurant industry as such companies often hire students who lack sufficient experience, so leaders must be patient and teach them how to manage scheduling conflicts and steer the group in the right direction.

For this case study, I chose one of the successful restaurants providing Indian cuisine. There are several reasons to examine this restaurant. Even though the restaurant was managed by a successful businessman who could be considered a strong leader who always managed to cope with emerging difficulties, the employees changed very frequently. Thus, the analysis of this case proved challenging in terms of gathering interview data.

Additionally, the majority of leadership studies have been done on the staff of big enterprises, like hotels or

franchise restaurants, ignoring the staff of smaller organizations, particularly independently owned restaurants run by a person or people who live on the premises. Less effort and time spent studying leadership strategies in small business settings, including these small independently owned restaurants. The analysis of the development in leadership practices among small restaurant enterprises is also limited, leaving behind a research gap ripe for scientific scrutiny.

The structure of this paper is as follows. First, it briefly introduces the relevant literature on leadership, leadership styles and values. It will then present the methodology of the qualitative research and concludes with the findings thereof and a discussion on the practical implications and limitations of the analysis, as well as the possibilities for future research.

Literature review

Leadership theories

Even though leadership has been extensively researched, new studies continue to be conducted on the subject. The consequences of poor a major cause of corporate failure, for example, has been the subject matter of academic research in this field (Badshah, 2012; Kreitner & Kinicki, 2013; Park & Leeds, 2013). Other aspects, including leadership theories, have been studied in a variety of research, Wren (1994) mentioned that the characteristics of leaders (personal characteristics, culture, and behavior) were factors that affect success or failure in producing results (as cited in Valdiserri & Wilson, 2010).

In the early 20th century, when scientists first began studying leadership traits, they generally believed that great leaders have innate attributes that distinguish them from others (Mann, 1959; Stogdill, 1948).

Strong leadership is essential to the success of a business and its employees. Leadership establishes the tone and the organizational structure that distinguish a company from another. Different types of effective leadership will be discussed, such as strong leaders, results-oriented leaders, servant leaders, charismatic leaders, courageous leaders, leaders who work well with others, inventive leaders, and tribal leaders.

Leadership is most effectively measured by its ability to inspire followers to adopt new perspectives or practices; hence, a charismatic and persuasive leader can influence others to follow their ideas (Reese, 2017). Leadership based on core principles has developed through time and in response to societal demands and unethical practices in the past. As a result, several public and commercial sector leaders have been called out for their own immoral or unethical behavior such as falsifying information, promoting their own self-serving personal vision; censure opposing views; demand their own decisions be accepted without question; engage in one-way communication; show insensitivity to followers' needs (Copeland, 2014).

The actions of leaders have been shown to have a substantial effect on the actions of their employees, which in

turn may boost organizational performance (Cheng, Guo, & Lin, 2020).

Since the early 1980s, researchers have defined fresh concepts such as leader-member exchange theory (LMX), transformational and transactional leadership, and servant leadership to conceptualize leadership styles better. As a result, various empirical leadership studies, including the hospitality industry, have been conducted searching for ideal leadership styles across various sectors (Putra & Cho, 2019a).

Leadership values and behaviours in the hospitality industry

The hospitality industry is known as a “people” industry because, in addition to supplying physical, tangible items, it also delivers intangible services to clients, such as face-to-face contacts that necessitate highly service-oriented staff (Putra et al., 2017; Teng & Barrows, 2009). In addition, the hospitality industry is one of a kind in that it is known for being labor-intensive and having an undesirable work environment with often low wages, long working hours, few opportunities for career advancement, and time pressures. All of these factors provide a fertile ground for discovering problems of human resources management and organizational behaviors related to leadership (Pittaway, Carmouche & Chell, 1998).

The first attempt to identify the most relevant leadership values and attributes in the restaurant sector were conducted thirty-one years ago by Cichy et al. (1992) among 100 leaders from fast food, family, and luxury restaurants. Six key leadership characteristics were identified in this survey: (1) Develop a vision, (2) Trust your subordinates, (3) Encourage risk, (4) Simplify, (5) Keep your cool, and (6) Invite dissent. The authors explored that trust was one of the most complex and critical leadership values.

Reynolds (2002) surveyed to examine managerial behaviors among unit-level managers who worked in the chain-restaurant industry. According to this survey, there are ten different managerial skills: Interpersonal skills, Passion/Enthusiasm, Honesty/Integrity/ Strong Ethics, Organizational Skills, Leadership skills, Ability to handle stress, Restaurant Experience, Knowledge, and Skills, Focus on Customer and Flexibility/ Creativity.

Leadership values in the hospitality sector

Values are a concise way of expressing what matters to us personally or collectively (as an organization, community, or other group) (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 (Žydzūnaitė, 2019). The outward manifestation of our ideals and behaviors is context-dependent (Cubukcu, 2014). Values can be either positive or negative. Friendship, trust, and creativity, for example, are considered as traits that help us connect with people and contribute positively to society (James, 2014).

Leadership in SMEs

Small enterprises are known for contributing 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 troubles managing their enterprises (Dawson, 2000).

According to Avolio et al. (2003), small and medium-sized businesses increasingly have a worldwide presence. It is critical to understand how leaders tackle the difficulty of working in an ethnically multicultural workplace that involves differences in values, cultures, customs, and beliefs in this new situation, as well as what comprises successful leadership.

Testa (2001), the way in which workers in the hospitality sector see their leaders has a beneficial impact not only on the efficiency of the leaders but also on the performance of the employees and, as a result, on the success of the company. Because of the potential influence that employees perceptions of their managers leadership styles can have on organizational performance, many scholars conducted research on the leadership styles of hospitality managers as well as employees’ perceptions of the leadership styles of their managers (Ogbeide, Groves & Cho, 2008).

As mentioned earlier, an individual’s ability to successfully lead and persuade others to follow directions is a crucial component of success in business and the workplace (Mumford et al., 2007; Zaccaro, 2001). Despite numerous leadership studies, particularly in the context of the hotel sector, previous studies have demonstrated that different leaders use different leadership styles in order to accomplish their organizations’ aims and that there is no “one size fits all” leadership model (Valdiserri & Wilson, 2010; Zenger & Folkman, 2009).

Furthermore, the owners of small, independently owned restaurants are typically the business’s leaders, and due to limited resources, they must be familiar with nearly all the business’s job tasks (e.g., cook, cashier, and server). Small independently operated businesses lack managerial abilities when compared to chains or franchised restaurants (Putra & Cho, 2019).

Additionally, business owners are under constant pressure to make crucial decisions with little to no input from their staff. This may have a negative impact on morale and ultimately lead to employees looking for new opportunities elsewhere (Detert & Burris, 2007).

Because of this, there is a high risk of failure among restaurants that are owned and run by individual entrepreneur. It is therefore essential to understand the traits of successful leadership in this role since the operations of each small, independent restaurant impact the management style of its owner (Putra & Cho, 2019a).

Leadership styles in the hospitality industry

Effective leadership plays an important role in the hospitality sector. The success of every organization depends on the right leadership style, which must be able to imple-

ment appropriate changes if necessary (Khuwaja et al., 2020). Consequently, many scientific papers on leadership in the hospitality sector have been written to investigate the most successful leadership styles and how they affect employee satisfaction (Putra & Cho, 2019b). Many researchers have investigated both transactional and transformative leadership styles in the hospitality sector. The term “transactional leadership” refers to a style of management that emphasizes the need for direct supervision, strict structure, and the use of rewards and punishments to motivate employees (Breevaart et al., 2014). Transactional leadership implies a partnership in which a leader and follower shift responsibilities in order to satisfy each party’s own self-interests (Bass, 1999; Limsila & Ogunlana, 2008).

The goal of transformational leadership, on the other hand, is to motivate people to act on their better nature and pursue greater ideals via personal connections (Keskés, 2014; Putra & Cho, 2019b). Hinkin and Tracey (1994) researched large hotel management organization workers to determine whether the transformational leadership style is effective. According to the findings of their study, transformational leadership had a very high and positive relationship with all the results, but transactional leadership did not have any meaningful relationship with the outcome measures.

Moreover, Brownell (2010) investigated studies from the publications of the last twenty-five years, and concluded that transformational leadership has been the model that has been most pertinent to those in charge of hospitality organizations.

In addition to transactional and transformational leadership, a more contemporary leadership strategy claimed to be an appropriate match for the hotel sector is the servant leadership theory established by Greenleaf (2002) and further developed, among others, by (Laub, 1999; Wilson, 1999; & Brownell, 2010). To distinguish itself from other leadership styles, as Greenleaf puts it, servant leadership requires leaders to put the needs of others, particularly workers, before their own. Servant leaders thus prioritize the wants, objectives, and goals of their subordinates above their own. Such leaders exhibit the adaptability necessary for success in a multicultural workplace by embracing the good and acceptable features of various leadership paradigms (Brownell, 2010). According to Ling, Liu and Wu (2017) servant leadership has beneficial effects on group trust environment and employee work outcomes such as organizational commitment, job engagement, and work performance, according to a study of 1132 employee-supervisor pairings from 80 departments at 16 star-level hotels in China.

Most leadership indicators have been created without considering the viewpoint of subordinates, instead focusing on leaders or managers. Given that workers are the most crucial assets in any company, learning about and understand their view of leadership is essential for a well functioning company. Previous studies have shown that most employees leave their workplaces because of organizational leadership problems.

Research questions

This study attempts to address the following research questions about leadership in the context of small, independently managed restaurants:

1. *How do employees comprehend a successful leader at a small, privately-owned restaurants?*
2. *What qualities do they consider essential for leaders of such restaurants to obtain?*
3. *What leadership values should leaders exhibit to run their businesses?*

Research Methodology

Research design

According to Miles (2014) and Putra and Cho (2019a), the main criteria was to use their studies to find people who worked in local small independent restaurants: (a) at least 18 years old, (b) presently or previously worked at a small independent restaurant for over six months. According to Parsa et al. (2015) in terms of independently owned has “mop and pop” business structure, employs less than 500 people, and earns less than 7 billion USD annually. Approximately 93% of restaurants employ less than 50 people.

In a relevant study, Miles (2014) utilized multiple methods to select participants for the various focus groups. A combination of snowball and convenience sampling methods, including email, word of mouth, and flyer distribution were used to recruit participants. In order to send out a recruiting letter to students through email, we first sought approval from a number of hotel management experts. Putra & Cho (2019a) used four focus groups which was 16 participants and one dyadic interview. This study used the same interview structure which was utilized by Miles (2014) and Putra and Cho (2019a).

In relation to the interviews, the reviewed secondary data also serves the purpose of triangulation, that is to establish validity and secure consistency across various data sources in the analysis. Triangulation is also an effort to help explore and explain complex human behaviour using a variety of methods to offer a more balanced explanation to readers (Joppe, 2000).

The interview was conducted in semi-structured and the questions were open-ended, exploratory in nature. The semi-structured interview guide provides a clear set of instructions for interviewers and can provide reliable, comparable qualitative data (Stuckey, 2013).

Two focus groups were chosen for making interviews and data collection approach for this study was allowed participants to share in-depth information about their thoughts on the attitudes of small independent restaurant leaders.

Participants

For this study we drew on the experiences of Onwuegbuzie et al. (2009), according to whom a well-designed focus group usually includes six to twelve participants who take part in interview sessions that last between one and two hours. Accordingly, we selected twelve employees for

our case study that were included in two separate focus groups. One group with four respondents, and another one containing eight interviewees. These participants were: the owner of the restaurant, two managers, two cashiers, four waiters, two bartenders, and a chef. As for the justification of organizing the focus groups we relied on the relevant literature that suggest that certain individuals that are essential to a business, meaning people who have particular job experience in small independent restaurants and have specialized expertise to discuss such experience, could be put in separate focus groups containing three or four individuals to fine-tune the interview results (Greenbaum, 1998; McLafferty, 2004; Morgan et al., 2013). Two managers have been working in mentioned Indian restaurant branch for more than eight months. Only two waiters joined this team a few months ago. The chef was experienced and worked for almost two years in that restaurant. The interview we conducted with the owner lasted for 40 min, 30 min with manager, 60 min with two waiters, only one bartender gave interview, 25 min.

Interview guide

In order to facilitate more fruitful and interactive group discussions, researchers often use interview guides (McLafferty, 2004). Researchers should arrange interview questions from general to specific (Kincry, Tiedje & Friedman, 1990). The first four questions were broad in scope (Kincry, Tiedje, & Friedman, 1990), inquiring as to whether or not the respondents planned to work in the restaurant industry, who oversaw daily operations at their respective establishments, what qualities make a good leader in the restaurant industry, and what qualities are most crucial for those in leadership positions in the hospitality sector. After that, questions aimed directly at eliciting participants' opinions on their respective leaders.

Data validation

Focus group research is recognized within academia as a practical and efficient way to collect people's opinions, values, and beliefs (Wilkinson, 2004; Jayasekara, 2012; Morgan et al., 2013). Research interview questions should be organized from broad topics to narrower ones as per (Wilkinson, 2004). We compiled our questions accordingly. To ensure the validity of the data each interview was recorded with their permission. Interview data were transcribed, and coded manually by the author and then reviewed and revised by two qualitatively trained PhD students.

Data analysis

For qualitative data analysis, meanwhile, data coding and theme analysis were used, with the text being broken into small units (phrase, sentence, or paragraph), each unit is labeled, and then each unit is classified into code categories (O'Cathain, 2019). The codes were then analyzed for similarities and grouped into key themes throughout the various instances, although participants' identities were not utilized to preserve their privacy (Nespor, 2000; Starks & Trinidad, 2007).

Coding analysis strategy

The qualitative coding of interview data was done using a technique known as "inductive analysis." (Lee, 1999; Patton, 2002). Inductive analysis is in harmony with the ground theory approach in that major themes are explored "through an analyst's interactions with information" (Patton, 2002). According to Katz (1983), inductive analysis enables researcher to constantly build and improve categories in order to develop a theory that explains a specific phenomena.

In the first data reduction (Lee, Mitchell, & Sablynski, 1999), the data collection procedure was to discover first-order codes that emerged in the interview data. First-order coding includes classifying naturally emerging themes in data; in the first-order coding, "the researcher generates as many categories as are required to organize, interpret, and allocate empirical evidence to these categories in a logical manner" (Lee, 1999). The transcripts of the interviews were reviewed many times by researcher, and first-order codes were given after a brief summary was compiled. Participants' responses on the traits that make followers more or less successful, for instance, stated that a follower needs to be cheerful, have a good attitude, avoid negativity, and look on the bright side. The first-order theme for the group was labeled "respectful". This process was continued until there were enough first-order labels to adequately account for themes throughout the data.

After summary labels were generated for all categories, these labels were used to code all interview data (see summary labels and definitions for first-order codes in Table 1). The qualities of leadership skills and their definitions are described in the table. Each leadership quality is illustrated with examples taken from participants' interviews.

Table 1
Categories of Leadership Behaviors

Categories	Description	Descriptive statements
Respectful	A sense of appreciation, the expression of regard, and/or respect for all employees.	"Keep away "disrespectful behavior" to workers"
Compassionate	Demonstrating compassion and care for the employees.	"Increasing self-esteem, encouraging employees to care more their jobs"
Effective communicator	The style leaders interact with their subordinates	"To say right words when they have to communicate with their subordinates"
Experienced	Having earned experience, knowledge, and capabilities in a specific field over time	„In the end, it's the one with the most knowledge and experience who emerges as the leader."
Organized	careful, methodical, and self-disciplined, and they have a penchant for tidiness and are well organized	"Had difficulty maintaining a well-organized schedule"

Source: own compilation

In this study was not used any software for coding interview. All data was done manually and checked by two Ph.D. candidates who were experienced in qualitative methodology.

Findings and Discussion

The research questions were designed to identify an effective leader in a small, independently owned restaurant as perceived by employees, as well as the ideal leadership attributes. Six leadership qualities were identified that help leaders in small, independently owned restaurants become more successful, as reported by the interviewees (Table 2). These were: respectfulness, compassion, effective communication, experience, and organizational skills.

Before speaking to the employees, I had an interview with the head of the business of the Indian restaurant in question. This 40-minute-long, unstructured interview was informal. In this setting, the questions revolved around the following themes: What criteria do you focus on when hiring staff? Are you interested in employees' perspectives regarding your controlling the workplace? How do you solve issues when they occur among the staff? Are you interested to learn your employees' opinions about you? If so, do you work on yourself, or how do you handle criticism?

Table 2

Qualitative Research Questions and Themes

	Research questions	Themes
RQ1	How do employees comprehend a successful leader at small, privately-owned restaurants?	Respectful Compassionate
RQ2	What qualities do they consider as essential for leaders of such restaurants to obtain?	Effective communicator Experienced
RQ3	What kind of leadership values should leaders use to run their businesses?	Organized

Source: own compilation

Respectful

Throughout this research, the term “respectful” was used to refer to an attitude in which one admires, shows, or has respect for all workers. This included not treating employees differently based on their gender, race, sexual orientation, or age. Two individuals reported having experienced both polite and rude treatment from their superiors in the workplace. One of the waiters, for instance, said that his management had spoken rudely to a few of the staff. 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 to work in a good mood. It also influences working productivity if his or her mood is down.”

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

The data presented here demonstrate the value of cultivating a respectful work environment and its potential to boost productivity, particularly for businesses in the hospitality sector, which are notorious for their high employee turnover rates (Kusluvan et al., 2010). This result is consistent with the predictions of organizational justice theories, such as the interactional justice theory, which argues that treating workers with fairness and respect would benefit productivity (Costello et al., 2011).

Compassionate

For workers, compassionate leadership is demonstrating empathy and care. Throughout the discussions, there was a lot of talk about the owner of restaurants that really cared about their staff. For example, the chef of the restaurant shared his experience and stated:

“Once, a client was just disrespectful in our restaurant. He was drunk and started to complain about the food that it is too spicy and started to yell at the waiter. At that moment, we tried to calm down the situation, but he did not want to calm down. The situation was getting serious, and it affected other customers as well. We had to inform the owner, and he came and smoothed the situation. The owner of the restaurant asked to apologize from customer”. He just handled it well.

As a workplace known for its vulnerability, restaurant employees depend on their leaders (Ram, 2018). In addition to feeling safe at work, their leaders' responses may have a good impact on their work performance by increasing their self-esteem and pleasant feelings, as well as encouraging them to care more about their jobs, which may lead to increased productivity (Sprecher & Fehr, 2005). As can be seen, being compassionate is very important for leaders in the restaurant industry.

Effective communicator

The third important leadership trait, according to the responses, was being a good communicator. This is in line with findings of other relevant literature that suggests that poor communication is a common managerial problem that raises employee turnover rates (Brownell, 2010). Most interviews agreed that communication in an organization is essential, particularly in the restaurant business. For example, a 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. Sometimes it is hard to find suitable words in right moments and it requests from leaders an effort to say right words when they have to communicate with their subordinates."

Leaders express their vision with consistency and comprehension. The same bartender mentioned that there is a huge difference in the behavior of the manager and the boss of the restaurant. The managers sometimes cannot handle difficult situations and arguments easily, but the boss always tries to speak individually and sort out issues politely. He evaluated the approaches of two leaders in their interactions with employees. Even though the boss's opinion is the most decisive factor, employees value their manager's attitude more. The manager was in a position of authority in the workplace and in the company's daily operations. As these results reveal, a leader's communication style has a direct impact on employee performance. It's clear that effective communication is essential at all levels of a business (Fairhurst, 1993). Therefore, a leader's effectiveness may be enhanced or diminished depending on his or her communication style.

Experienced

For the purposes of this research, "experienced" was defined as having earned experience, knowledge, and capabilities in a specific field over time, specifically a career or position in the hospitality industry. Prior study has identified experienced leaders, demonstrating that experience contributes to the development of leadership skills (McCall, 2004). The owner shared his knowledge 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 eighth business and now I am planning to open one more 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 illustrates how qualified and experienced leaders can respond to a challenging circumstance and positively affect their team's productivity. A different participant also supported this idea and stated that "in the

end, it's the one with the most knowledge and experience who emerges as the leader". In the restaurant industry, low employee appreciation is common (Kusluvan et al., 2010). If a leader has experience in the restaurant business, they will have a decent understanding of the tasks at hand and will express better confidence when it comes to inspiring and motivating their employees.

Organizational skills

The research concluded that leaders in small restaurants need to be well-organized, which was defined as the capacity to plan and carry out tasks in an orderly fashion. Being organized is related to another trait which is called conscientiousness. Conscientious people have a clear sense of purpose and consistently push themselves to succeed. They are careful, methodical, and self-disciplined, and they have a penchant for tidiness and are well-organized (Bono & Judge, 2004). Leaders with a high conscientiousness level are more likely to follow through on commitments, complete tasks on time, and carefully consider the smallest details (Zillig, Hemenover & Dienstbier, 2002). An example of one of the participants, a waiter stated:

"I did not know anybody when I arrived at the restaurant for my first day of work since I had just moved here. My boss took the time to walk me through the workplace policies and introduce me to the other employees. He was courteous, and he clarified everything in depth. He added that our boss appreciates workers that are disciplined, loyal, and have good tidiness. The manager emphasized to me how important it was for me to stick to the work schedule. In the beginning, it was challenging for me because of my studies; I had trouble keeping track of time and was often late. I also struggled with poor time management, had difficulty maintaining a well-organized schedule. Despite this, they assisted and supported me in becoming used to the routine. I am grateful to them for their support and assistance."

From his experience has shown that even in small business sectors, employees need to be organised and diligent in their work.

Previous researches has shown that being organized may have a positive influence on employee performance. This includes things like keeping employees' work schedules in order and having a training plan for new or present employees (Yang, Wan & Fu, 2012; Tse, Huang & Lam, 2013).

Conclusions

While many studies have been conducted on leadership, most of them have focused on large organizations and have neglected small businesses, particularly one- or two-person restaurants. Therefore, the growth of leadership practices among small businesses, such as modest independent restaurants, is restricted since much less time has been spent discussing leadership strategies in a proper context. Since little is known about what makes a great leader and what qualities make a good one in small, independent restaurants, this study set out to rectify that. Findings indicated

that respect, compassion, communication skills, and experience were a leader's four most important qualities. It was also found that owners in the restaurant business need to have some prior work experience since it is a "people industry". This work experience may help leaders understand the field, which is vital for effectively allocating tasks and rewarding employees, the following two crucial considerations for any manager. In addition to these qualities, owners of small, independent restaurants also need to be sociable, have a steady emotional state, and be well-organized.

Implications for practices

One of the primary goals of this research was to identify the characteristics of successful leaders in small, independent dining establishments. Academics and professionals may learn from this study about the perspectives of workers in small, independent restaurants. Earlier research has supported that workers are a firm's most valuable resource (Cho et al., 2006). Consequently, the findings of this research show that leaders of small restaurants should fully understand how, for example, being more polite to workers and assisting them would minimize the rate of staff turnover. Given the industry's notoriously high turnover rate, such managerial understanding could help the restaurant cut training expenses and improve its services. Because of this, it's important for leaders to communicate respectfully with their staff members, be present, and pitch in during both slow and busy periods to show their appreciation. Employers may workforces fluctuation by using strategies such as giving staff more praise for their good work rather than pointing out flaws.

Implications for theory

Regardless of the numerous leadership theories that have been developed, this study assists researchers in better understanding the ideal characteristics required for leaders to become effective leaders of small, independently owned businesses in the hospitality industry based on employee perceptions. These distinct traits may be discovered in the references for leader characteristics when compared to the most mentioned leadership theories. According to the findings of this study, being polite was the most crucial quality that a leader needed to possess, as opposed to transformational leaders, who are renowned for their charm, inspiring motivation, intellectual stimulation, and customised consideration (Garca-Morales, Jiménez-Barriouneo, & Gutiérrez-Gutiérrez, 2012).

Limitations and suggestions for future research

In this research, we had some limitations and difficulties related to time, comfort zone, assertiveness, and international backgrounds. Getting interviews from employees and the leadership alike was difficult and time-consuming, as they gave different time slots, and sometimes they cancelled an agrread upon appointment. Besides this, there was a genuine reluctance to talk about their superiors as they were afraid getting fired. Employees who worked in this restaurant had different backgrounds and almost all of them, except the chef, consisted of students, who worked

part-time jobs. Despite these aforementioned limitations, future research can be conducted through a similar study using a different method of data collection to decrease challenges in finding the right time and place for the focus groups, which commonly occur in a focus group study.

References:

- Acheampong, T. Y. & Osaerame Ogbebor, P. (2021). COVID-19 and the food industry in Hungary. *International Journal of Contemporary Business and Entrepreneurship*, 2(1), 1-13. <https://hrcak.srce.hr/file/392229>
- Avolio, B. J., Sosik, J. J., Jung, D. I., & Berson, Y. (2003). Leadership models, methods, and applications. In *Handbook of Psychology* (pp.367-389). Chichester, UK: John Wiley & Sons. https://www.booksfree.org/wp-content/uploads/2022/04/Handbook-of-Psychology-Volume-12-by-Irving-B-Weiner-booksfree.org_.pdf#page=387
- Bass, B. M. (1999). Two decades of research and development in transformational leadership. *European Journal of Work and Organizational Psychology*, 8(1), 9-32. <https://doi.org/10.1080/135943299398410>
- Bono, J. E. & Judge, T. A. (2004). Personality and transformational and transactional leadership: a meta-analysis. *Journal of Applied Psychology*, 89(5), 901-910. <https://doi.org/10.1037/0021-9010.89.5.901>
- Breevaart, K., Bakker, A., Hetland, J., Demerouti, E., Olsen, O.K., & Espevik, R. (2014). Daily transactional and transformational leadership and daily employee engagement. *Journal of Occupational and Organizational Psychology*, 87(1), 138-157. <https://doi.org/10.1111/joop.12041>
- Brownell, J. (2010). Leadership in the service of hospitality. *Cornell Hospitality Quarterly*, 51(3), 363-378. <https://doi.org/10.1177/1938965510368651>
- Cheng, L., Guo, H. & Lin, H. (2020). The influence of leadership behavior on miners' work safety behavior. *Safety Science*, 132, 104986. <https://doi.org/10.1016/j.ssci.2020.104986>
- Cichy, R. F., Sciarini, M. P., & Patton, M. E. (1992). Food-service leadership: could Atilla run a restaurant? *The Cornell Hotel & Restaurant Administration Quarterly*, 33(February), 46-55.
- Copeland, M. K. (2014). The emerging significance of values based leadership: a literature review. *International Journal of Leadership Studies*, 8(2), 105-135. https://fisherpub.sjf.edu/cgi/viewcontent.cgi?article=1004&context=business_facpub
- Costello, J. Clarke, C., Gravely, G., D'Agostino-Rose, D., & Puopolo, R. (2011). Working together to build a respectful workplace: Transforming OR culture. *AORN Journal*, 93(1), 115-126. <https://doi.org/10.1016/j.aorn.2010.05.030>
- Cubukcu, F. (2014). Values education through literature in English classes. *Procedia - Social and Behavioral Sciences*, 116, 265-269. <https://doi.org/10.1016/j.sbspro.2014.01.206>

- Dawson, R. (2000). Knowledge capabilities as the focus of organisational development and strategy. *Journal of Knowledge Management*, 4(4), 320-327. <https://doi.org/10.1108/13673270010379876>
- Detert, J. R. & Burris, E. R. (2007). Leadership behavior and employee voice: Is the door really open? *Academy of Management Journal*, 50(4), 869-884. <https://doi.org/10.5465/AMJ.2007.26279183>
- Hinkin, T. R. & Tracey, J. B. (1994). Transformational leadership in the hospitality industry. *Journal of Hospitality & Tourism Research*, 18(1), 49-63. <https://doi.org/10.1177/109634809401800105>
- IBIS World (2021). <https://www.ibisworld.com/hungary/industry-statistics/restaurants-takeaway-food-operators/3420/>
- James, P. S. (2014). Aligning and propagating organizational values. *Procedia Economics and Finance*, 11, 95-109. [https://doi.org/10.1016/s2212-5671\(14\)00180-4](https://doi.org/10.1016/s2212-5671(14)00180-4)
- Jayasekara, R. S. (2012). Focus groups in nursing research: Methodological perspectives. *Nursing Outlook*, 60(6), 411-416. <https://doi.org/10.1016/j.outlook.2012.02.001>
- Katz, J. (1983). A theory of qualitative methodology. In R. M. Emerson (Ed.), *Contemporary field research: A collection of readings* (pp. 127-148). Prospect Heights, Ill.: Waveland.
- Keskes, I. (2014). Relationship between leadership styles and dimensions of employee organizational commitment: A critical review and discussion of future directions. *Intangible Capital*, 10(1), 26-51. <https://doi.org/10.3926/ic.476>
- Khuwaja, U., Kaleem, A., Ghulam, A., & Ahmad, A. (2020). Leadership and employee attitudes: The mediating role of perception of organizational politics. *Cogent Business and Management*, 7(1). <https://doi.org/10.1080/23311975.2020.1720066>
- Kingry, M. J., Tiedje, L. B., & Friedman, L. L. (1990). Focus groups: A research technique for nursing. *Nursing Research*, 39(2), 124-125. <https://doi.org/10.1097/00006199-199003000-00020>
- Kuslivan, S., Kuslivan, Z., Ilhan, I., & Buyruk, L. (2010). The human dimension: A review of human resources management issues in the tourism and hospitality industry. *Cornell Hospitality Quarterly*, 51(2), 171-214. <https://doi.org/10.1177/1938965510362871>
- Laub, J. A. (1999). Assessing the servant organization: Development of the organizational leadership assessment (OLA) model. *Dissertation Abstracts International*, 60(2). <https://olagroup.com/Images/mmDocument/Laub%20Dissertation%20Brief.pdf>
- Legohérel, P., Callot, P., Gallopel, K., & Peters, M. (2004). Personality characteristics, attitude toward risk, and decisional orientation of the small business entrepreneur: a study of hospitality managers. *Journal of Hospitality & Tourism Research*, 28(1), 109-120. <https://doi.org/10.1177/1096348003257330>
- Lee, T. W. (1999). *Using qualitative methods in organizational research*. Thousand Oaks, CA: Sage.
- Lee, T. W., Mitchell, T. R., & Sablynski, C. J. (1999). Qualitative research in organizational and vocational psychology, 1979-1999. *Journal of Vocational Behavior*, 55(2), 161-187. <https://doi.org/10.1006/jvbe.1999.1707>
- Limsila, K. & Ogunlana, S. O. (2008). Performance and leadership outcome correlates of leadership styles and subordinate commitment. *Engineering, Construction and Architectural Management*, 15(2), 164-184. <https://doi.org/10.1108/09699980810852682>
- Ling, Q., Liu, F., & Wu, X. (2017). Servant versus authentic leadership: assessing effectiveness in China's hospitality industry. *Cornell Hospitality Quarterly*, 58(1), 53-68. <https://doi.org/10.1177/1938965516641515>
- Miles, M.B. & Huberman, A. M. (2014). *Qualitative data analysis: an expanded sourcebook* (2nd ed.). Thousand Oaks, CA: SAGE.
- McCall, M. W. (2004). Leadership development through experience. *Academy of Management Executive*, 18(3), 127-130. <https://doi.org/10.5465/AME.2004.14776183>
- McLafferty, I. (2004). Focus group interviews as a data collecting strategy. *Journal of Advanced Nursing*, 48(2), 187-194. <https://doi.org/10.1111/j.1365-2648.2004.03186.x>
- Morgan, D. L., Ataie, J., Carder, P., & Hoffman, K. (2013). Introducing dyadic interviews as a method for collecting qualitative data. *Qualitative Health Research*, 23(9), 1276-1284. <https://doi.org/10.1177/1049732313501889>
- Nespor, J. (2000). Anonymity and place in qualitative inquiry. *Qualitative Inquiry*, 6(4), 546-569. <https://doi.org/10.1177/107780040000600408>
- O'Cathain, A. (2019). Mixed methods research. In Pope, C., & Mays, N. (Eds.), *Qualitative Research in Health Care* (pp. 169-180). Chichester: John Wiley & Sons. <https://doi.org/10.1002/9781119410867.ch12>
- Ogbeide, G. C. A., Groves, J. L., & Cho, S. (2008). Leadership styles of foodservice managers' and subordinates' perceptions. *Journal of Quality Assurance in Hospitality and Tourism*, 9(4), 317-336. <https://doi.org/10.1080/15280080802520529>
- Parsa, H. G., van der Rest, J-P.I., Smith, S.R., Parsa, R.A., & Bujisic, M. (2015). Why restaurants fail? part iv: the relationship between restaurant failures and demographic factors. *Cornell Hospitality Quarterly*, 56(1), 80-90. <https://doi.org/10.1177/1938965514551959>
- Patton, M. Q. (2002). *Qualitative research and evaluation methods* (3rd ed.). Thousand Oaks, CA: Sage.
- Pittaway, L., Carmouche, R., & Chell, E. (1998). The way forward: Leadership research in the hospitality industry. *International Journal of Hospitality Management*, 17(4), 407-426. [https://doi.org/10.1016/S0278-4319\(98\)00035-8](https://doi.org/10.1016/S0278-4319(98)00035-8)
- Putra, E. D., & Cho, S. (2019a). Characteristics of small business leadership from employees' perspective: A

- qualitative study. *International Journal of Hospitality Management*, 78, 36-46.
<https://doi.org/10.1016/j.ijhm.2018.11.011>
- Putra, E. D., & Cho, S. (2019b). Characteristics of small business leadership from employees' perspective: A qualitative study. *International Journal of Hospitality Management*, 78(November), 36-46.
<https://doi.org/10.1016/j.ijhm.2018.11.011>
- Putra, E. D., Cho, S., & Liu, J. (2017). Extrinsic and intrinsic motivation on work engagement in the hospitality industry: Test of motivation crowding theory. *Tourism and Hospitality Research*, 17(2), 228-241.
<https://doi.org/10.1177/1467358415613393>
- Ram, Y. (2018). Hostility or hospitality? A review on violence, bullying and sexual harassment in the tourism and hospitality industry. *Current Issues in Tourism*, 21(7), 760-774.
<https://doi.org/10.1080/13683500.2015.1064364>
- Reese, S. R. (2017). *Leadership core values and beliefs are keys to greatness. center for management and organization effectiveness.* <https://cmoe.com/blog/great-leaders-have-specific-beliefs-and-core-values/>
- Sprecher, S., & Fehr, B. (2005). Compassionate love for close others and humanity. *Journal of Social and Personal Relationships*, 22(5), 629-651.
<https://doi.org/10.1177/0265407505056439>
- Starks, H., & Trinidad, S. B. (2007). Choose your method: A comparison of phenomenology, discourse analysis, and grounded theory. *Qualitative Health Research*, 17(10), 1372-1380.
<https://doi.org/10.1177/1049732307307031>
- Stuckey, H. (2013). Three types of interviews: Qualitative research methods in social health. *Journal of Social Health and Diabetes*, 1(02), 056-059.
<https://doi.org/10.4103/2321-0656.115294>
- Teng, C. C., & Barrows, C. W. (2009). Service orientation: Antecedents, outcomes, and implications for hospitality research and practice. *Service Industries Journal*, 29(10), 1413-1435.
<https://doi.org/10.1080/02642060903026247>
- Tse, H. H. M., Huang, X., & Lam, W. (2013). Why does transformational leadership matter for employee turnover? A multi-foci social exchange perspective. *Leadership Quarterly*, 24(5), 763-776.
<https://doi.org/10.1016/j.leaqua.2013.07.005>
- Wagener, S., Gorgievski, M., & Rijdsdijk, S. (2010). Businessman or host? Individual differences between entrepreneurs and small business owners in the hospitality industry. *Service Industries Journal*, 30(9), 1513-1527.
<https://doi.org/10.1080/02642060802624324>
- Wilkinson, S. (2004). Focus groups. In Breakwell, G.M. (Eds.), *Doing Social Psychology Research* (pp. 344-376). Oxford: BPS Blackwell.
- Wilson, R. T. (1999). Servant leadership. *International Journal of Care Pathways*, 3(2), 100-107.
<https://doi.org/10.1177/146245679900300207>
- Yang, J. Te, Wan, C. S., & Fu, Y. J. (2012). Qualitative examination of employee turnover and retention strategies in international tourist hotels in Taiwan. *International Journal of Hospitality Management*, 31(3), 837-848.
<https://doi.org/10.1016/j.ijhm.2011.10.001>
- Zillig, L. M. P., Hemenover, S. H., & Dienstbier, R. A. (2002). What do we assess when we assess a Big 5 trait? A content analysis of the affective, behavioral, and cognitive processes represented in Big 5 personality inventories. *Personality and Social Psychology Bulletin*, 28(6), 847-858.
<https://doi.org/10.1177/0146167202289013>
- Žydzūnaitė, V. (2019). Leadership values and values based leadership: what is the main focus? *Applied Research in Health and Social Sciences: Interface And Interaction*, 15(1), 43-58.
<https://doi.org/10.2478/arihss-2018-0005>