ABSTRACT

Leadership is one of the most researched topics in the contemporary business organisations. Over the decades, leadership and various leadership styles have proven to be key to successful organisations. As the world is currently experiencing many transformations and new generations of employees take over, the leadership styles evolve and leaders seek for new approaches to motivate and inspire employees in achieving growth both on individual and organisational level. Accordingly, this paper explores two distinctive leadership styles, more specifically, democratic or transformational and autocratic or transactional. The research is based on the McGregors’ Theory X and Theory Y of leadership. As such, X Theory argues that employees avoid tasks and responsibility, desire to be controlled and lack ambition, while Y Theory assumes that employees are creative and positive about their work, and take actions to accomplish the organisational goals.

Furthermore, the paper builds upon the theoretical concept of the previous research body on leadership styles and the importance of intrinsic motivation. The concept of intrinsic motivation is further enriched with the gender perspective.

The analysis anticipates quantitative research based on a previously validated instrument that was implemented among 187 employees in the biggest Macedonian electrical appliances retail company.

Findings suggest that there is positive relationship between Y leadership styles and intrinsic motivation. In addition, it was identified the both male and female demonstrate similar behavior relative to Intrinsic motivation.

This research endeavour, shall contribute towards understanding the current practices and desired leadership styles in a dynamic organizational setting that seeks physical interaction with the customers in a highly competitive setting such as the electric appliances retail industry in the Republic of North Macedonia.

It offers grounds for further research to overcome the limitations of this paper such as the sample size, male gender prevalence and generalisation for retail industry of electrical appliances as a whole given the administration of the instrument in a single company.

Keywords: Motivation, Gender, X/Y Theory, North Macedonia, Retail sector

1. INTRODUCTION

In the organizational context of managing people, most leaders build environment of understanding and satisfying employees’ needs. All organizations have both self-motivated and externally motivated employees, so motivation is crucial to organi-
izational success, loyalty, productivity and self-realization. Yet, keeping employees motivated and inspired is a big challenge for the contemporary organization given the latest developments in the business operations as well as the new generations of employees and their novel expectations. More specifically, business leaders face many challenges in managing, motivating and retaining their employees in highly competitive industries such as the electronic appliances retail sector.

This paper aims to determine the relationship between the desired leadership styles and intrinsic motivation from a gender perspective. The research has been conducted in one of the largest retail companies, with demonstrated sustainable growth in the past decade.

2. LITERATURE REVIEW

2.1 THE X THEORY VERSUS THE Y THEORY

In general, various managerial styles in the literature or in practice can be oriented towards the autocratic (traditional) or towards the democratic (modern) leadership style (Mohamed and Nor, 2013). In this context, there are studies that identify autocratic leadership style as commanding, comforting, transactional, directing, punitive-controlling (Richer and Vallerand, 1995) and exploitative-authoritative (Carson, 2005). On the contrary, the democratic style is recognized as transformational (Bass, 1985), charismatic (Conger and Kanungo, 1987), participating (Mohamed and Nor, 2013), visionary, autonomy-supportive (Richer and Vallerand, 1995) and flexible (Yukl, 2008). Yet, in the organizational context, many leadership styles are determined by the spirit of the corporate national culture (McLaurin, 2008) or international culture (Hofstede, 1994) while Bobic and Davis (2003) believe that the leadership styles are further shaped in accordance with the type of the organization.

McGregor (1957) in his The Human side of the enterprises offered a provocative theoretical foundation for X/Y leadership styles that is frequently applied and tested by the researchers and academicians. Managers that practice Theory X assume that employees are lazy, tend to avoid work and responsibility, lack ambition and need to be directed and controlled. So, McGregor’s Theory X relates to direction, authority, and structure (Carson, 2005) under the assumption that people are not ambitious, yet seek for security (Bass and Avolio, 1994).

In contrast, the Theory Y applies to managers who believe that people have self-control and self-direction, work independently, demonstrate responsibility, along with creativeness in accomplishing the organisational goals. Therefore, Theory Y refers to change, adaptation, mutuality and commitment (Bobic and Davis, 2003), assuming that workers are self-starters, self-motivated, enjoy taking ownership of their work, seek and accept responsibility, and need little direction (McGregor, 1957). The transformational leadership style, associated with the Theory Y, implies motivational and people-oriented approach as well (Bass, 1985; Bass and Avolio, 1994). Transformational leaders motivate and engage the followers by building a shared organisational vision and goals, challenge their followers’ abilities, and effectively listen to them (Bass, 1985; Bass and Avolio, 1994; Judge and Piccolo, 2004). According to Mohamed and Nor (2013), X leadership style generates less productivity, poor performance as well as less work effort, while Y leadership style generates high productivity as well as simultaneous fulfilment of personal and organizational goals. However, other authors have found that in some circumstances leadership style X prevails in the sense that some employees possess closer preferences to X rather than Y leadership style (Bobic and Davis, 2003). Some studies also claim that X leadership style is more appropriate in hierarchical (banks, governmental) organizations rather than in innovative organizations (high-tech industries), therefore, the adaptive management styles might be more appropriate in many organizations rather than the mere democratic or autocratic style (Bobic and Davis, 2003; Baesu and Bejinaru, 2015).

2.2 INTRINSIC MOTIVATION AND X/Y LEADERSHIP STYLES

In the literature, many studies examine the relationship between intrinsic motivation and employee’s outputs. It has been proven that intrinsic motivation influences the employee’s performance (Cerasoli et al, 2014; Menges et al., 2017),
creativity (Zhang and Bartol, 2010) as well as competence and self-determination (Deci and Ryan, 1980). Therefore, organisational leaders should support employees in their needs, interests and goals. Kulkarni (2015) claims that some environmental factors could provoke the intrinsic motivation, one of them being leadership style, also challenging work, opportunities to develop, resources for professional development, and etc. Larsson et al. (2007) suggests that Y oriented leaders are more effective compared to the X oriented leaders as they contribute to better health and less absences, long tenures, and stronger organisational culture. Y oriented organizations were identified to stimulate the employees’ intrinsic factors that later contribute to increased organizational identity and self-accomplishment (Ryan and Deci, 2000). Other authors, claim that demonstrated leader’s passion stimulates achievement of personal and organizational goals via the notion of intrinsic motivation of the employees (Kulkarni, 2015). The demonstrated passion as inner energy influences others to achieve goals and followers are intrinsically inspired to follow their leader and commit to task accomplishment. As such, motivation occurs as result of external motives such as money, rewards, punishment or internal motives such as self-worth or joy. In addition, Bono and Judge (2003) argue that intrinsic motivation is generated by the self-concordance, that reflect in employee proactiveness. On the contrary, when environmental and organizational values are just words, they are being ignored in the practice (Kulkarni, 2015), and the employees’ inner value system generates dissatisfaction and generates no results. Barbuto (2005) further concludes that if the type of work produces fun, enjoy, self-worth, embodies emotions and challenges work behaviour then employees’ intrinsic motivation stimulates them to perform even better.

Number of studies explore the relation between the leadership styles oriented to Y Theory and employee motivation (Keegan and Hartog 2004; Buble et al., 2014; Aunjum et al., 2017). Thus, Fiman (1973) found that the employees of a large retail company are more satisfied and motivated with a manager whose orientation inclines towards the Y leadership style rather than X leadership style.

Regarding the intrinsic motivation, Buble (2014) found out that there is a relationship between leadership styles and managers’ motivation where leadership style significantly determines manager’s intrinsic motivation more than the extrinsic motivation. In addition, managers’ leadership styles at the higher levels are softer authoritarian then the lower levels where the pure autocratic leadership style is more dominated. Richer and Vallerand (1995) have researched that subordinates’ intrinsic motivation, self-determination and competence is significantly influenced by autonomy-supportive and non-punitive controlling management styles (Y oriented). In addition, autonomy-supportive generates more effects that are positive while the punitive-controlling style (X oriented) has more negative effects on subordinate’s motivational feelings. In this regard, leaders should tend to create working environment that intrinsically motivates employees and their followers (Kulkarni, 2015).

In addition, there are studies that indicate gender differences in personality and motivation, in general. Some studies for example indicate that female employees scored higher than males in internal and external motivation but have lower values in motivation (Vallerand et al., 1992; Orsini et al., 2015; Can, 2015; Barkoukis et al., 2008). In conclusion, in comparison with the other two areas of interest of this paper; there is significant lack of data explaining mechanisms of gender differences and disparities in relation to intrinsic motivation.

3. METHODOLOGY

The research anticipated both theoretical analysis of academic articles from relevant scientific journals, related to intrinsic motivation, X/Y Theory, gender perspective and a quantitative methods used to collect data by a convenience sampling. The research was conducted in the largest Macedonian retail company of electrical appliances for domestic use. The anonymous questionnaire was distributed among 427 employees, through the Human Resources Department, with prior approval by the management. 184 questionnaires were collected. The distribution of the questionnaire was in hard copy to employees from the head office and branches in Skopje and 10 loca-
tions throughout the Republic of North Macedonia. The employees included in the survey were informed of the scientific and research purposes of the study and the anonymous character of the questionnaire. The gathering of the data was completed in 10 days in March 2019.

The structured questionnaire consisted of 49 items divided into six groups, 43 statements and 6 demographic questions. Thirty-two out of 49 items were selected for the purposes of this paper. The statements included five-point Likert scale, whereas 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, and 5-strongly agree. The 32 items were developed and organized in three parts. The first construct consists of 26 questions linked to the preferences of X or Y leadership styles, adopted from Kopelman et al. (2009). In particular, the statements with odd numbers from 1-26, were reverse coded as follows: 1-5, 2-4, 4-2 and 5-1. The constructs’ Cronbach Alpha test was 0.71, considered as reliable consistency and acceptable for further research. We have used referent values from DeVellis (2012) for internal consistency of previous similar researches. The second part of the questionnaire (questions from 27-32) aimed at measuring employee’s intrinsic motivation, validated instrument adopted from Kuvaas and Dysvik (2009). The Cronbach Alpha score of the internal consistency of the construct was 0.86, also indicating high reliability of the sample. The last part was designed to collect demographic data of the respondents within the company, such as gender, age, education, time in the company, position and department.

The collected data from the questionnaire was processed both Excel and IBM SPSS. Three composite variables were constructed, two separate for the employees of X and respectively Y leadership style preferences and Intrinsic Motivation. A correlation analysis was performed.

The demographic profile of the sample indicates that the typical respondent is male (74%), younger than 20 years (47%), along with an associate-level of education (36%), 1-3 years (46%) work experience in the sales department (60%). It’s important to stress that a significant number of the respondents belongs to the age group between 20-29 years old (34%) indicating a rather young workforce in the company including Z generation employees and millennials.

4. HYPOTHESIS

For the purpose of identifying the relationship the X/Y Theory and employees’ intrinsic motivation and the relationship between the intrinsic motivation and gender, the following hypothesis were developed:

H0: There is no relationship between X theory and the intrinsic motivation of the employees in the electronic appliances retail industry.

H1: There is positive relationship between X theory and the intrinsic motivation of the employees in the electronic appliances retail industry.

H10: There is no relationship between Y theory and the intrinsic motivation of the employees in the electronic appliances retail industry.

H11: There is positive relationship between Y theory and the intrinsic motivation of the employees in the electronic appliances retail industry.

H20: There are no differences in the intrinsic motivation of the male and female employees in the electronic appliances retail industry.

H21: There are differences in the intrinsic motivation of the male and female employees in the electronic appliances retail industry.

5. RESULTS AND DISCUSSION

The variables associated to X/Y Theory have mean value of the 3.27, indicating that the sample moderately prefers managers who exhibit Y type of leadership. So, respondents prefer for participative managerial style over autocratic allowing them to be actively included in the organisational planning and goal setting. Hence, there are 3 variables that have average value close to 2.5 suggesting that there are some employees that favour autocratic style and look for specific guidance and control at work and earn only because they have to settle bills. The responders who are closed to Theory X can be described as a personality who
has negative view of human nature, assuming that employees are lazy, unmotivated, and will do anything to avoid working. The findings are in line with previous studies (McLaurin, 2008). The fact that there are employees that also prefer X leadership style may be observed in retail’s sector orientation towards hierarchy (Bobic and Davis, 2003; Baesu and Bejinaru, 2015).

We may also take into consideration the respondents’ age in the sample. Namely, more than 90% of employees are under the age of 29 or belong to the Y, Z Generations and Millennials. As the retail sector operates in shifts, and over weekends, it attracts younger workforce especially in sales department. These employees seek fast lane careers, yet Y type of leadership correlates with the expectations and believes of the new generations that desire autonomy and participative management.

Table 1. Pearson Correlations between variables X style, Y style and Intrinsic Motivation.

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**Correlations is significant at the 0.01 level (2-tailed).**

The Pearson correlation coefficient (r= 0.308) indicates a moderate positive degree of correlations between the employees’ preferred Y leadership style and Intrinsic Motivation (Bono and Judge, 2003; Zhang and Bartol, 2010; Buble, 2014), at the level of significance p<0.01 (Table 1). Thus, the hypothesis H11 is supported while H1 is rejected as employees who prefer X leadership style are not intrinsically motivated. Our findings related to the specific industrial type of organisation are similar to those of Fiman (1973).

To further explore if there are differences in the specific behaviour of male and female respondents relative to the Intrinsic Motivation, t-test was performed for each of the 6 items of the constructs. The outcome indicated there are no significant differences in the intrinsic motivation of the two genders, thus H21 was rejected. This finding is in contrast with past studies that identified different level of motivation among the male and female employees (Orsini et al., 2015; Can, 2015). This finding may have occurred as consequence of dominance of the males in the research sample.

To sum up, the Intrinsic Motivation variable’s average value was 3.46 indicating that the respondents consider their work as motivating, meaningful, enjoyable and exciting. To add, older employees have a higher average value of intrinsic motivation of 4.16, in comparison with the younger employees, showing 3.37 average.

We conclude that gender does not influence the prevalence of Theory Y in the electrical appliances retail industry represented with the largest company in the country. This claim is opposite of the current industry trends and theory where women favour mentoring and coaching roles associated with transformation leadership style (Theory Y), while men dictate and command position which translates into transactional leadership style (Theory X) (Merchant, 2012).

The study has few limitations that offers grounds for further research to tackle the shortfalls. The limitation refer to the sample size, male gender prevalence in the sample, and generalisation for retail industry of electrical appliances as a whole given the administration of the instrument in a single company. Interline spacing is suitably set to prevent overlapping but without leaving too much space.

**CONCLUSION**

This research tried to identify a correlation between the X/Y preferred leadership style and employees’ intrinsic motivation. In addition, it searched for differences in the level of intrinsic motivation among female and male respondents in the largest electrical appliance retail company in the Republic of North Macedonia. The literature review and the theoretical models identify to predominant leadership styles. Both, the autocratic or transactional and the democratic or transformational leadership styles are theoretically backed up in the McGregor’s X/Y theory of leadership. A validated questionnaire consisting
of 32 statements and later summed up in three variables was used to test the hypothesis. All variables were tested for internal consistency.

Research findings indicate a statistically moderate correlation between the Y leadership style and the Intrinsic Motivation, which is in line with previous findings. However, it was identified that there are not significant differences across the items that represent the Intrinsic Motivation among the female and male respondents, a finding contrasting the past studies.

The research implies that leaders and managers in the retail sector shall adopt participative environment with less supervision to grow and retain new generation employees. Finally, setting creative environment as well as more meaningful tasks motivates employees towards self-direction and self-control.

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AUTHOR BIOGRAPHIES

Dimitrova Makedonka, born in Skopje, 1975. Dimitrova holds a graduate degree in Applied Public Policy and Management from the University of Pittsburgh (USA) and is a doctoral student in economics/management at the University St. Kliment Ohridski in Prilep. She is a certified Monitoring and Evaluation Specialist and Environmental Expert. Dimitrova has over 20 years of professional experience in the field of entrepreneurship and sustainable development. Further, she focuses on climate change, the social aspects of environmental protection, circular economy, and family businesses.

Associate Professor Elena Bundaleska is born in Skopje, 1976. Elena holds PhD in economics, from United Nations University for Peace, Belgrade. She holds LLM in banking and finance from Fordham University, NYC, New York. Her major field of study is law, more specifically business law and corporate governance.

Snezana Mojsovska Salamovska, born in Bitola, 1972. Dr. Mojsovska Salamovska holds a PhD in Economics, Marketing from the Faculty of Economics Prilep, University St. Kliment Ohridski Bitola.