How leadership style influences the enterprise sustainability and innovation

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ABSTRACT

This paper aims to analyze the influence of leadership types on enterprise innovation, fostering enterprise sustainability and development. The research analyzes specific leadership types, approaches, and theories in enterprises with the aim of linking the specific leadership style with enterprise sustainability and innovation. The study was conducted with 100 respondents from different enterprises. During research, both qualitative and quantitative data were used. The primary data were collected through structured questionnaires’ and semi-structured interviews. Beside those, a large number of secondary and tertiary data were collected and analyzed in order to compare the results obtained with actual literature worldwide. The SPSS package was used to analyze primary data, and based on the comparison of the results obtained; it is visible that the most commonly applied leadership style by managers and leaders in Kosovan enterprises is democratic leadership, followed by the autocratic leadership. Results have shown that the laissez-faire style has been minimally implemented. It is a final conclusion that autocratic leadership and democratic leadership styles have imposed a positive influence on innovation processes in enterprises, as well as that there is a positive relationship between effective leadership and the presence of innovations in the surveyed enterprise cases. Different leadership styles have different impacts on sustainability, enterprise working culture, and working creativity and innovation, so the article suggests that leaders in enterprises should be able to establish creative thinking that requires innovative ideas and ways for long-term sustainability.

Contribution/Originality: The originality and contribution of this research relate to the explanation of leadership style influence toward innovation processes and sustainability of enterprises that make space and could be used as a toll for future improvements and production increase in domestic organizations by choosing a proper leadership style that supports creativity, leadership, and sustainability in general.

1. INTRODUCTION

Organizations today are facing highly competitive global economic circumstances, and in this regard, they are facing many challenges for their sustainability and strategic growth. This is directly linked with the interconnectivity of markets on a global level as well as the multilevel choices that are made available to customers nowadays (Rastogi, Yazdifar, Alam, Eskandari, & Bahloul, 2019). Recent investigations on leadership styles and approaches in corporations show that among many necessary skills, the primary leader's role is to activate and support followers by example and best practices that will make possible organizational success and achievement of
business goals (Fasaghandis & Wilkinson, 2019; Ilies, Judge, & Wagner, 2006). Nowadays, all around the world, leaders are facing dynamic conditions and vibrant environment that permanently causes changes. In order to succeed and manage such a changing environment, employers have to be in the same line and follow the leader's vision as well, showing willingness and dedication toward fulfilling organizational objectives and the leader's direction (Baum & Locke, 2004; Northouse, 2007). A leader can be the result of time, place, and circumstances (Rastogi et al., 2019).

Leadership is a key issue in management and has been such for more than 100 years (Hogg, van Knippenberg, & Rast III, 2012) as thousands of studies on leadership were conducted (Yukl, 2012) and interest in it remains strong (Lussier & Achua, 2016; Schyns, Kiefer, Kerschreiter, & Tymon, 2011). Leadership in theory means the process where a specific person has the ability to exert influence on the respective people in an organization, giving them inspiration, motivation, and leading their specific activities to help the group and the organization achieve their goal (Lussier & Achua, 2016). Almost all challenges faced by organizations today compel them to employ people with leadership skills and abilities who apply leadership styles that clearly encourage creativity and innovation by setting up an adequate organizational culture while allowing employee involvement and participation in all stages of decision-making in an effective manner (Nusair, Aababneh, & Kyung Bae, 2012). Unrealized potential for change, creativity, and innovation can be led and managed through proper leadership style adoption (Fasaghandis & Wilkinson, 2019). Innovation is about recognizing expansion opportunities and about growth, finding new strategies and ways, and adopting those ideas to create business chain value. At its heart is the creative human spirit, the drive to make a difference in our environment. Almost all recent studies agree that the process of innovative change and innovation in itself, supports and contributes to the success of organizations in multiple ways (Bessant & Tidd, 2015).

The purpose of this paper is to analyze the impact of applied leadership styles by managers or leaders of enterprises in Kosovo on innovation fostering and presence in the enterprises they lead. For this purpose, certain research questions were posed, and the answers are elaborated in the findings and conclusions of this paper.

The purpose of the research is to try to overcome the research gaps related to the topic investigated. Most research gaps encountered were related to insufficient data, contradictory evidence, methodological gaps, and a low level of empirical evidence that has provided a very poor understanding in relation to the influence of the leadership style on innovation and enterprise sustainability. Therefore, the investigation has aimed to minimize those gaps and offer answers to issues and questions raised on paper.

The structure of the paper consists of an introduction, followed by a literature review section that includes data about leadership understanding, leadership styles, leadership importance, and meaning.

In next part of the paper, the research methodology explains the research sample, research instrument, hypothesis, and research model, which are finalized with data model analysis. The fourth section consists of results, findings, and discussion. The final part of the research paper deals with conclusions and study limitations.

2. LITERATURE REVIEW

2.1. Understanding Leadership

Leadership as a process is a widely complex topic that encompasses many things, including relationships on a personal level among the corporate staff and following those impacts on corporate strategy (Hiebert & Klatt, 2001). Being recognized as such an important process, leadership has aroused large interest among businesspeople and managers in organizations.

The leadership term emphasizes images of individuals who are powerful and dynamic, those who are commanding through victorious in difficult times, and those who are leading corporations and organizations successfully (Yulk, 2010). Every organization has people within it, and the task of a leader is to work with them and through them to achieve organizational goals. This activity belongs to the leadership function (Robbins & Coulter,
Leadership should be the most important factor that determines the effectiveness of the organization (Buchanan & Huczynski, 2019) so it is one of the most important pillars and functions that make up the management process (Schermersom & Bachrach, 2018).

According to Northouse (2016) “leadership is a process where an individual influences a group of individuals to achieve a common goal.”

2.2. Leadership Style

The recent century has actually faced turbulent economic developments and conflicts that have damaged economies, destroyed partially the logistics and supply at the global level, and weakened overall business structures at the global level, mostly because of failure to have a clear leadership vision at different strategic decision levels (Gilpin, 2018). For this reason, leaders are required to exercise effective leadership styles in order to achieve organizational goals.

Usually, the style of leader and leadership has been defined based on the behaviors that leaders have shown by analyzing their acts and how they motivate supporters and followers. This process is composed of several steps, including ways and ideas that leaders utilize to establish connections with followers in different contexts (Rastogi et al., 2019). Does the leader establish most of the processes themselves, or does it involve others in the process? (Hemphill & Coons, 1957). As a result, some particular leadership styles can determine this leader versus follower issue. In various studies, researchers explored three leadership styles: autocratic, democratic, and laissez-faire. According to literature, the basement of function in an autocratic leadership style is based on the philosophy of “I say.” All types of such styles are willing to command and tell the supporters how to do things and what to do in specific situations (Iqbal, Anwar, & Haider, 2015). Talking about specific leadership styles-authoritarian leadership, Milgron and Holmstrom (1991) pointed out that this leadership style clearly sets up the line of separation among leaders and workers. Leaders who apply the autocratic style usually take decisions without the participation of followers or employees (Hemphill & Coons, 1957; Iqbal et al., 2015).

Opposite to this, leaders who apply the democratic leadership styles are mostly willing to share with others, so there is a normal so-called “I share” philosophy. Here, the decision-making process involves groups of followers, members of teams, where anyone from the team can participate and contribute to the process equally (Iqbal et al., 2015). Whereas, leaders and managers who apply the laissez-faire leadership style avoid their duties and do not actively participate in the organization’s duties and business processes. Accordingly, those kinds of leaders are usually distant or absent from important steps and issues, so that decision-making takes time, comes to a delay, and causes poor performance (Albejaidi, Kund, & Mughal, 2020; Rao & Zaidi, 2020).

2.3. Meaning and Importance of Innovation

Today we live in a time of globalization where the business environment suffers from hard competition activities and pressure from technological development, which has shortened the life cycle of production. This has raised importance of creativity and innovations toward new ideas and strategies that will ensure sustainable business activities (Rastogi et al., 2019). Leadership is considered a crucial step in the whole process of innovation (Günzel-Jensen, Hansen, Jakobsen, & Wulff, 2018; Van Hemmen, Alvarez, Peris-Ortiz, & Urbano, 2015) and is considered key player within the structures of organization, since leaders are supposed to be able to lead to a positive working environment and address the issues that need to be changed through innovative processes, as well as motivate organizational members to meet and exceed expectations set by organizational objectives (Wipulanusat, Panuwatwanich, & Stewart, 2017).

Among researchers and in modern literature, the term innovation has been conceptualized in different ways depending on the perspective of the researcher (Damanpour, 1991; Schumpeter, 1934). The common feature of any definition is that innovation brings newness (Damanpour, 1991). Innovation as a concept is very subjective and
depends heavily on observer’s perspective of things to determine if an activity or process is qualified as innovation (Khan, Aslam, & Riaz, 2012; Koellinger, 2008). Fasaghandis and Wilkinson (2019) in their paper cite the definition of innovation given by Drucker (2010) where it is stated that “innovation includes the tools and processes that are to be used by the entrepreneurs in order to create new products, services, or processes that derive from organization growth and have increased wealth-creating potential.” Innovation isn’t a self-understanding process. It is powered by the enterprise and enterprise resources that many factors and stakeholders who are supposed to create synergy, build the vision, and create passion with clear commitment, judgment, and moderate risk-taking approach will build up the basement for the organizational innovation processes (Bessant & Tidd, 2015). Based on Adair (2007) innovations are not just building and exploring new ideas, they are much more, including the establishment and practice of such ideas and processes that might facilitate the whole organizational process and adopting new ways of doing things. Most important innovations are those that achieve the stage where ideas can be turned into useful practical products or services and create chain value for the organization worldwide.

Nowadays, innovation is considered very valuable tool for organizations and businesses because it serves to undergo dynamic changes and creates opportunities for businesses and organizations (Drucker, 2010). Every innovation starts with an idea (Neck, Houghton, Murray, & Jazrawi, 2016). Innovation involves employee talent and creative ideas, and organizational receptivity to new ideas. It is crucial for organizations to have creative people inside them who are willing and able to overcome challenges and bring ideas to solve problems in different ways. This creates innovative behavior for organizations seeking the challenges of solving different problems (Nusair et al., 2012). So, all innovations mean change, but not all changes bring new ideas or lead to significant improvements (Robbins & Coulter, 2018).

3. RESEARCH METHODOLOGY

The methodology of this research includes theoretical and practical components. Mixed methods in scientific research have been applied. As for mixed methods, they present a combination of qualitative and quantitative methods (Matthews & Ross, 2010).

The quantitative methods usually used in social science and leadership topics are utilized in cases, where the investigation deals with phenomena that need to be measured, or hypotheses that need to be tested. That is why the research paper uses first and foremost quantitative methods to build an impact scenario about leadership style influence phenomena and their impact on enterprise sustainability through innovation. As well, this method makes it easy to test the hypothesis and see if the results obtained support or reject it. However, for the research, it was crucial to use qualitative methods and statistical analysis methods in a way that broader and more complex research picture description and analysis. Methods of statistical analysis served to refine the hypothesis of research and gave a clear view of the actual perception of different leadership styles in field (enterprises). The overall methodology was designed based on a review of the existing literature at the national and international level, the studies of other authors, the primary data collected for the purpose of the research, and the original results of the authors.

In order to have clear answers from the research, certain research questions were raised, including:

• What leadership styles do managers or leaders of enterprises in Kosovo apply?
• How do applied leadership styles affect the innovation-fostering in enterprises?
• At what level is the innovation presence in the enterprise evaluated?
• How is the creativity of employees encouraged by Kosovar managers or leaders?

3.1. Research Sample

The sample of this research consists of 100 respondents who hold the position of manager or leader in enterprises in Kosovo. This sample was purposive and included an almost balanced number of small, medium, and large enterprises.
3.2 Research Instrument

Based on purpose and aim of the research paper, a set of primary data was collected. Paper was used as an instrument structured questionnaire with closed questions and some questions that were categorized on a Likert scale. The survey was conducted in two ways: online and face-to-face.

3.3 Hypotheses

Having settled up the research questions, to answer those and give an answer to them the following hypotheses were build:

H₁: Autocratic leadership style has a positive influence on innovation fostering in enterprises.
H₂: The democratic style of leadership has a positive influence on innovation fostering in enterprises.
H₃: There is a positive relationship between effective leadership and innovation presence in enterprises.

3.4 Research Model

Papers research model includes three independent variables: autocratic leadership style, liberal leadership style, and effective leadership. The laissez-faire leadership style was abstracted from the model because it found applicability among only two respondents, and because we focused on eliciting results that are characteristic of the majority of respondents, the laissez-faire leadership style was not included as an independent variable. Thus, our research model has enabled us to see the influence of autocratic and democratic leadership styles, as well as effective leadership, on innovation-fostering in enterprises. Below, in Figure 1. The research model is presented.

![Research Model Diagram]

Figure 1. Research model.

The written form of the research model is explained in Table 1.

<table>
<thead>
<tr>
<th>Abbreviations</th>
<th>Meaning</th>
<th>Variable type</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Y) INN</td>
<td>Innovation</td>
<td>Dependent</td>
</tr>
<tr>
<td>(X₁) ALS</td>
<td>Autocratic leadership style</td>
<td>Independent</td>
</tr>
<tr>
<td>(X₂) DLS</td>
<td>Democratic leadership style</td>
<td>Independent</td>
</tr>
<tr>
<td>(X₃) EL</td>
<td>Effective leadership</td>
<td>Independent</td>
</tr>
</tbody>
</table>

3.5 Data Analysis

All the data collected through the research were analyzed using statistical software analysis (SPSS software), where the validity of the research model was seen through linear regression analysis. Also, other valuable results for the study are presented in tabular and graphic form, accompanied by adequate interpretations and justifications.
4. RESULTS, FINDINGS AND DISCUSSION

This section summarizes the results obtained from the primary data of the study. Table 2 summarizes the demographic data of respondents, such as gender, age, education level, work experience, the sector in which the company operates, and the position that respondents have in the company.

Table 2. Demographic data of respondents.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Categories</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100%</td>
</tr>
<tr>
<td>Age</td>
<td>18 – 27</td>
<td>18</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>28 – 37</td>
<td>58</td>
<td>58%</td>
</tr>
<tr>
<td></td>
<td>38 – 47</td>
<td>20</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>48+</td>
<td>4</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
<tr>
<td>Education level</td>
<td>High school</td>
<td>18</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>Bachelor studies</td>
<td>47</td>
<td>47%</td>
</tr>
<tr>
<td></td>
<td>Master studies</td>
<td>33</td>
<td>33%</td>
</tr>
<tr>
<td></td>
<td>Doctoral studies</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
<tr>
<td>Work experience</td>
<td>1 - 5 years</td>
<td>27</td>
<td>27%</td>
</tr>
<tr>
<td></td>
<td>5 - 10 years</td>
<td>30</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>10 - 15 years</td>
<td>26</td>
<td>26%</td>
</tr>
<tr>
<td></td>
<td>15 - 20 years</td>
<td>12</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>More than 15 years</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
<tr>
<td>Enterprise sector</td>
<td>Production enterprise</td>
<td>32</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td>Service enterprise</td>
<td>52</td>
<td>52%</td>
</tr>
<tr>
<td></td>
<td>Commercial enterprise</td>
<td>16</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
<tr>
<td>Position in enterprise</td>
<td>Owner</td>
<td>46</td>
<td>46%</td>
</tr>
<tr>
<td></td>
<td>Manager</td>
<td>43</td>
<td>43%</td>
</tr>
<tr>
<td></td>
<td>Leader</td>
<td>11</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
</tbody>
</table>

The following figures graphically present the results related to the applied leadership style by managers or leaders of enterprises in Kosovo, to the issue of how much the applied leadership style encourages employees to bring innovative ideas, what type of innovation these enterprises have brought, to what level managers or leaders value the innovation presence in their enterprise, as well as in what ways they encourage employee creativity.

Figure 2. Applied leadership style.
Figure 2 explains the answers of surveyed entrepreneurs, where 21% apply the autocratic style of leadership, 75% apply the democratic style, and only 2% out of 100 businesses surveyed apply the laissez-faire style of leadership in their organizations.

![Pie chart showing leadership styles]

Figure 3. Leadership style and innovation.

Figure 3 explains the answers regarding the question: "How much did the applied leadership style push the employees towards the behavior of innovative ideas?", where 7% of them "do not agree at all" that the applied leadership style affects the behavior of innovative ideas, 6% have declared that they "disagree" with this statement, 26% of them have expressed themselves as "neutral", 40% "agree" that the applied leadership style pushes employees to bring innovative ideas, and another 21% "agree completely" that the applied leadership style affects the generation of innovative ideas by employees.

![Pie chart showing employee behavior towards innovation]

Figure 4. The type of innovation.

Figure 4 explains the results of the question about which innovation are most necessary in organizations. We see that about 20% of the respondents are oriented towards bringing innovations in products, 28% are oriented towards bringing innovations in services, 10% of them bring innovations in the production process, 8% in
technological innovations, 3% of them are engaged in bringing logistics innovations, 8% of them have declared that they see importance in innovations in marketing, and the remaining 6% have declared that they are oriented towards the conduct of organizational innovations.

Figure 5. The level of innovation presence in enterprises.

Figure 5 illustrates the answers regarding the question: "How do you evaluate the presence of innovations in your enterprise?" Respondents stated in 35% of cases that they value the presence of innovations at a high level. Most of the responses were that they evaluate the presence of innovations at a medium level, in 51% of cases, and 14% of them stated that the presence of innovations in their enterprises is at a low level.

Figure 6. Ways of encouraging creativity.

Figure 6 shows that in any enterprise, it is very important to find ways to encourage employee’s creativity. According to the responses, it was found that in 37% of cases, creativity is stimulated by challenging employees with new tasks, a significant number, or 21%, stated that creativity is stimulated by encouraging employees to do more group work, 29% said they boost employees' creativity by pushing them to research new market trends and requirements, 14% by organizing brainstorming sessions, and only 1% chose a new form of encouraging creativity, by training employees in various trainings.
Based on the graphic presentation of the results from the primary data, we notice that the leadership style with the highest applicability in the enterprises in Kosovo is democratic style in 75% of cases, followed by autocratic style in 23% of cases, and laissez-faire style in only 2% of cases. Regarding the fact that the applied leadership style pushed employees to come up with innovative ideas, it was found that in 7% of cases, the respondents responded with "strongly disagree," 6% with "disagree," 26% with "neutral," a majority of 40% declared that they "agree" with this statement, and another 21% "strongly agree."

The type of innovations brought by the surveyed enterprises were as follows: 20% in products, 28% of cases were innovations in services, in 10% of cases were innovations in the production process, in 8% of cases innovations in technology, in 3% of cases innovations in logistics, in 8% of cases innovations in marketing and in 6% of cases they were innovations in organizing. Regarding the level of present innovation, it was found that in 35% of enterprises, innovation presence is at a high level, in 35% of cases, it is at a medium level, and in 14% of cases, it is at a low level. For the ways managers or leaders encourage employee creativity, the results are as follows:

- In 37% of cases, by challenging them with new tasks,
- In 21% of cases, by encouraging them to work more in groups,
- In 29% of cases, by pushing them to research new market demands and trends,
- In 12% of cases, by organizing, brainstorming sessions, and
- In 1% of cases by organizing various trainings for the staff.

The following section presents the results obtained from the linear regression analysis, namely the results from the Model Summary, ANOVA and the table of research model coefficients.

### Table 3. Summary of the model.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R square</th>
<th>Adjusted R square</th>
<th>Std. error of the estimate</th>
<th>Change statistics</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.306</td>
<td>0.094</td>
<td>0.065</td>
<td>1.299</td>
<td>R square change: 0.094</td>
<td>0.023</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>F change: 3.308</td>
<td>df1: 3, df2: 96</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sig. F change: 0.023</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.951</td>
</tr>
</tbody>
</table>

Note: a. Predictors: (Constant), EL, DLS, ALS.
Dependent variable: INN.

From the results presented in Table 3, we see that the coefficient of correlation (R) has a value of 0.306, which shows that the variables taken into account for this research model have a correlation of 30.6%. The determination coefficient (R²) shows a value of 0.094, which means that the independent variables (ALS, DLS, and LE) explain the dependent variable (INN) at a level of 9.4%. From this result, we understand that in addition to leadership styles and their effectiveness, there are a large number of factors that have an influence on innovation fostering in enterprises, and all these factors are summarized in the error term (ε), as factors that have not been taken into account or are not included in this research model. The significance of the research model was found to be 0.023, and this value proves its accuracy since p value = 0.023 < 0.05. Also, it is the outcome of the results that there is no autocorrelation in the model whereas the Durbin-Watson value coefficient is 1.951, so it is within the preferable range of 1.5 to 2.5.

### Table 4. ANOVA (Analyses of variance) test.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of squares</th>
<th>df</th>
<th>Mean square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>16.749</td>
<td>3</td>
<td>5.583</td>
<td>3.308</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>162.001</td>
<td>96</td>
<td>1.688</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>178.750</td>
<td>99</td>
<td>7.271</td>
<td></td>
</tr>
</tbody>
</table>

Note: a. Dependent variable: INN.
b. Predictors: (Constant), EL, DLS, ALS.
The ANOVA (Analyses of Variance)/Table 4 proves once again that the research model is statistically reliable and significant since Sig. = 0.023.

Table 5. Research model coefficients.

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>95.0% confidence interval for B</th>
<th>Lower bound</th>
<th>Upper bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. err</td>
<td>Beta</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>6.202</td>
<td>2.843</td>
<td>2.181</td>
<td>0.032</td>
<td>0.558</td>
<td>11.846</td>
<td></td>
</tr>
<tr>
<td>ALS</td>
<td>-0.382</td>
<td>0.958</td>
<td>-0.120</td>
<td>-0.399</td>
<td>0.691</td>
<td>-2.283</td>
<td>1.519</td>
</tr>
<tr>
<td>DLS</td>
<td>-1.111</td>
<td>0.931</td>
<td>-0.360</td>
<td>-1.194</td>
<td>0.235</td>
<td>-2.959</td>
<td>0.736</td>
</tr>
<tr>
<td>EL</td>
<td>-0.477</td>
<td>0.262</td>
<td>-0.177</td>
<td>-1.823</td>
<td>0.071</td>
<td>-0.997</td>
<td>0.043</td>
</tr>
</tbody>
</table>

Note: Dependent variable: INN.

From Table 5, we get the results for the coefficients of the model and prove their accuracy. Thus, it turned out that ALS has a negative influence on INN, but this statement is incorrect because p value = 0.235 > 0.05. DLS has a negative influence on INN, and this statement is not correct because p value = 0.235 > 0.05, as well as EL negatively affects INN. Again the statement is not correct because p value = 0.071 > 0.05. From the obtained results, we notice that the opposite statements are confirmed, that is, in ALS, DLS has a positive influence on INN.

From here, we can say that the autocratic leadership style is appropriate in some situations and is valuable when the business faces a crisis or when an urgent problem arises that requires an immediate response. It can give a clear direction for a business (Iqbal et al., 2015). Every organization has the potential for productivity improvements by leveraging how employees work. In particular, how employees help foster innovation can create useful and practical outcomes (Fasaghandis & Wilkinson, 2019). As for the laissez-faire style, which we have abstracted from the model, the results from the primary data have shown that in those enterprises, the managers or leaders have declared the application of this leadership style, the innovation presence has been very low, and this style has not encouraged employees to be creative and innovative. To mention, the results of the study by Khan et al. (2012) showed that laissez-faire leadership style negatively predicted innovative work behavior.

Based on all the above results, we say that the three hypotheses raised are proven to be correct, so it turns out that autocratic styles and democratic leadership styles have a positive influence on the innovation fostering in enterprises and that there is a positive relationship between effective leadership and the innovation fostering and presence in enterprises.

5. CONCLUSIONS

The way managers or leaders approach their employees, or, in other words, the leadership style they apply, shows its influence on the success or failure of various organizational processes, with emphasis here on the process of innovation-fostering. In this regard, the conducted study allowed us to understand that the leadership styles with the highest applicability by the managers or leaders of enterprises in Kosovo are democratic style and autocratic style, while the laissez-faire style has very low applicability.

It has resulted that the application of an autocratic and democratic leadership style has influenced the innovation fostering, and the innovation presence at a higher level, while the application of a laissez-faire leadership style has influenced the enterprise to have an innovation presence at a very low level and not encourage employees to bring innovative ideas. Somehow, this result is specific to the country where the investigation is done. It is obvious from the results obtained that the culture of the people investigated has been deeply impacted by socio-economic and political developments, since, compared to the literature prior to democratic and autocratic styles,
transactional and transformational leadership styles are much more linked to sustainability and innovation in organizations.

Also, the results show that there is a positive relationship between effective leadership, innovation fostering, and presence in enterprise. So, a manager or leader who exercises effective leadership encourages the creativity of his employees, so they bring innovative ideas, increasing the level of innovation presence in their enterprises and thus their success in the market where they operate.

As a final conclusion to be pointed out, people who lead organizations (enterprises) have to learn, understand, and adapt proper leadership styles within their enterprises since, without being accepted, there will be no space or possibility to achieve sustainability and improve creativity and innovation.

5.1. Limitations and Future Research Directions

The research itself has faced certain limitations. First of all, those limitations were related to theoretical issues and understanding of specific theories among the leaders and managers of enterprises investigated. So there is still room for improvement and further investigation as well.

Other limitation is the sample used for primary data collection. Even though, for the size of the country, the sample of 100 respondents seems to be obviously solid, it is advised that in future research, this sample be broader and have more representatives, which will probably be shown in the final results.

Maybe the most visible limitation is the aspect of variable impacts on enterprise sustainability and performance. It is well known that enterprise sustainability and innovation are linked with many factors, and this research discusses the influence of leadership style that, in further research, could be combined with other influencing factors on performance and innovation scale in organizations.

It is recommended that future research address all those limitations, including larger and more diverse sampling, enhancement of number of variables impacting the sustainability and innovation in enterprises.

Nomenclature:
ANNOVA= Analysis of Variance.
INN= Innovation.
ALS= Autocratic Leadership Style.
DLS= Democratic Leadership Style.
EL= Effective Leadership.

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