A PATH-GOAL THEORY APPROACH TO SUPPORTING
SUCCESSFUL SME LEADERSHIP

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Abstract

In the activities of an entrepreneurship, a great leader is needed to organise all of the activities that run and aimed to achieve maximum work effectiveness. The purpose of PKM activities is shown as a means to add insight into how an SME manages leadership in order to create a conducive work environment atmosphere. In fact, it faces various problems, especially in carrying out leadership to maintain business sustainability, due to the lack of knowledge of the associations about leadership theory. For this reason, PKM activities aim to help the associated partners to increase their knowledge about Path-goal theory related to leadership models. The method offered in this activity is online training/socialisation through Zoom meetings. The materials to be delivered include: basic introduction to Path-goal theory, main components of Path-goal theory, Leader Behaviour, followers' characteristics, and task characteristics. The results of the activity show that the knowledge about Path-goal theory that was delivered was realised and ran smoothly. Through the evaluation of the material has been understood well. As proven by the answers of partners who 100% can clearly understand and comprehend the material presented. Through this activity, it is hoped that the problems that arise in the associated businesses will be resolved in increasing business success.

Keywords: *Path Goal Theory, Behaviour, Leadership, SMEs*

INTRODUCTION

Leaders play a central role in the process of achieving business success. In the activities of an entrepreneur, a great leader is needed, in organising all activities carried out and achieving maximum work effectiveness, so that in the end it can increase business success. (Naile & Selesho, 2014) state that leadership behaviours that involve building trust, inspiring a shared vision, encouraging creativity and emphasizing development are positively related to employee commitment. Entrepreneurs who have a leadership spirit can shape the innovative performance behaviour of their employees Kasmir, (2016). Leadership has an important role for an entrepreneur in creating more innovative creativity products. Al Mamun et al. (2018) emphasises the importance of entrepreneurial leadership as a real role in achieving business success in an organisation. Abernethy et al. (2010) concluded that the meaning of entrepreneurial leadership is the ability of an individual to

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lead a business, with creativity and innovation to find something new from before, creating entrepreneurship that produces innovation and community satisfaction.

Northouse (2021) defines leadership as the process by which an individual influences a group of individuals to achieve a common goal. Dhladhla (2011), the key to understanding the path-goal theory of leadership is to think about the path that subordinates must follow to achieve the set goals. One model of leadership theory is Path-goal theory. Path-goal theory is about how leaders motivate followers to achieve specified goals. In short, path-goal theory is designed to explain how leaders can help followers along the path to their goals by choosing specific behaviours that are best suited to the followers' needs and to the situation in which the followers are working. By choosing appropriate styles, leaders increase followers' expectations for success and satisfaction. It must be built with strong leadership, because without it, the business will remain be a small business that does not grow. A person who lacks leadership will only be able to lead a small number of people in a small business and there will be no business growth. As a leader, an entrepreneur is responsible for developing staff (Renko et al., 2015). As employees are one of the most important assets in the organisation, a leader must also be able to design opportunities for them to develop and improve their individual capabilities. The more a person is passionate about leadership, the greater the business owner's dependency on staff to support and assume responsibility (Konhäusner et al., 2021). For this reason, the role of leadership is important in increasing business success. So, the PKM team intends to introduce leadership theory to SMEs. It is also proved that the problems that occur in the community can be overcomed by the understanding of the green marketing that can improve marketing sustainability, and this research is aimed to answer of what kind of factors that affect marketing, what sustainable marketing is the best way to do in the community, and how the role and social responsibility and ethics can be a parameter in marketing.

The bussiness partner who is the focus of the activity is in the bussiness by Mrs Siti Resmada, who is engaged in the creative handicraft industry, located at Jalan porum Minah Bakti Tanggul Jaya RT.006/014 Banten Village, Kasemen District, Serang Regency, Banten Province. Based on the results of observations, the main problem is the business partners' lack understanding in various theories related to leadership behaviour. To be able to increase their knowledge related to Path-Goal Theory in supporting partner leadership success, the PKM Untar Team needs to transfer knowledge to partners. Therefore, the

main problem to be solved is how to maximise the partners' knowledge about understanding the Path-Goal Theory approach in supporting their leadership success.

A study conducted by Mubarok & Nurohman (2022) found that successful entrepreneurial leadership behaviour requires practice. Data analysis revealed that entrepreneurial leadership relationships can help create innovative behaviour from employees and shape innovative work. Almansour (2012) revealed that entrepreneurial leadership is important in helping innovative work behaviour that can increase the success of SMEs.

RESEARCH METHODS

To carry out this socialisation activity, there are several steps that need to be taken.

a. PKM organisers prepare materials that will be delivered to partners

b. PKM organisers contact related parties, namely business owners to ask permission to conduct socialisation.

c. PKM organisers coordinate with the owner to participate in socialisation activities.

d. The PKM organisers carry out the division of tasks with students who support the activities.

e. The PKM organisers delivers the socialisation material through lectures, discussions, and questions and answers online through zoom meetings.

f. PKM organisers explain what must be done in conducting leadership activities

g. PKM organisers invite partners to ask questions if they do not understand the material presented.

h. PKM organisers respond to partners' feedback about the material that has been delivered.

RESULTS AND DISCUSSION

In starting a business, Mute Mute Knitting business owner, Mrs Siti Resmada is motivated by a passion in making various knitting handicrafts which are currently also developing to other handicrafts with a combination of knitting. Various types of knitted products are made starting from bags, tablecloths, knitted clothes, household accessories and others. Here are some examples of Mrs. Siti Resmada's Mute Knitting craft products:

Figure 1. Mrs. Siti Resmada's products

This community service activity is related to providing knowledge about what partners need to pay attention to in leadership behaviour using Path goal theory. Thus, the science and technology model that is delivered to partners includes:

1. Understanding Path - goal theory,

How leaders motivate employees to achieve the specified goals. Drinking to help employees according to the needs and situations in which work. Choosing the appropriate style, leaders raise followers' expectations for success and satisfaction.

2. Reasons for Path Goal theory

Makes it easier to achieve organisational goals together

3. Leadership Behaviour

Leadership behaviour approaches should be directive, supportive, participative, and achievement-oriented (Northouse, 2021). There are 4 main types of leadership behaviour:

a. Directive leadership: This characterises a leader who gives the followers instructions about their tasks, including what is expected of them, how it should be done, and a timetable for when it should be completed. A directive leader sets clear performance standards and makes rules and regulations clear to followers.

b. Supportive leadership: Supportive leadership consists of being friendly and approachable as a leader and includes paying attention to the well-being and human needs of the followers. Leaders who use supportive behaviour strive to make work enjoyable for followers. In addition, supportive leaders treat followers equally and give them respect for their status.

c. Participative leadership: Participative leadership consists of inviting followers to share in decision-making. A participative leader consults with followers, gets their ideas and opinions, and integrates their suggestions into decisions about how the group or organisation will proceed.

d. Achievement-oriented leadership: Achievement-oriented leadership is characterised by a leader who challenges the followers to perform work at the highest possible level. This leader sets high standards of excellence for followers and seeks continuous improvement. In addition to expecting a lot from followers, achievement-oriented leaders demonstrate a high level of confidence that followers are capable of establishing and achieving challenging goals.

4. The followers' characteristic

Followership characteristics determine how leader behaviour is interpreted by followers in the context of a given job. Researchers have focused on needs for affiliation, preferences for structure, desires for control, and self-perceived level of task ability (Northouse, 2021). These characteristics and many others determine the extent to which followers find a leader's behaviour a source of immediate satisfaction or instrumental to future satisfaction.

Path-goal theory predicts that followers who have a strong need for affiliation prefer supportive leadership because friendly and caring leadership is a source of satisfaction (Northouse, 2021). For followers who are dogmatic and authoritarian and have to work in uncertain situations, path-goal theory suggests directive leadership because it provides psychological structure and task clarity (Northouse, 2021).

Followers with an internal control focus believe that they are responsible for the events that occur in their lives, whereas those with an external control focus believe that chance, fate, or outside forces determine life events. Path-goal theory suggests that for followers with an internal locus of control participative leadership is most satisfying as it allows them to feel responsible for their work and be an integral part of decision-making (Northouse, 2021). For followers with an external locus of control, path-goal theory suggests that directive leadership is best as it parallels followers' feelings that outside forces control their circumstances (Northouse, 2021).

5. Task characteristics

Task characteristics include the follower's task design, the organisation's formal authority system, and the follower's primary work group (Northouse, 2021). These characteristics in themselves can provide motivation for followers. When a situation provides clearly structured tasks, strong group norms, and an established authority system, followers will find the path to the desired goal clear and will not need the leader to explain the goal or coach them in how to achieve this goal (Northouse, 2021). Followers will feel as though they can get their work done and that their work has value.

Delivery of training materials is carried out online through Zoom meetings. Here are some documentations during the socialisation.
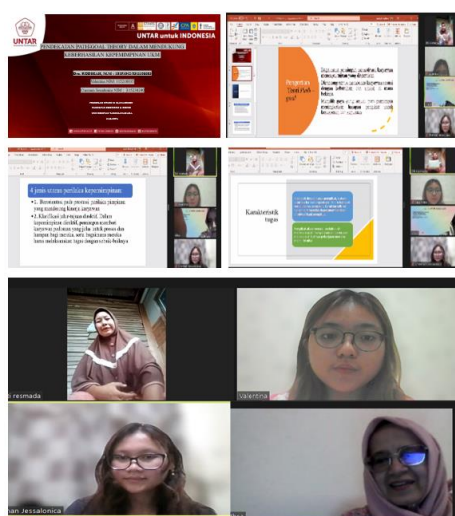
Figure 2. Online Socialisation Documentation

At the end of the activity, a pretest and post-test were conducted, regarding the delivery of the activity material that had been carried out. Partners were asked to answer a questionnaire about whether they understood the material that had been delivered after participating in the socialisation activities. Using a Likert scale with the provisions: very do not understand (5), do not understand (4) quite understand (3) understand (2) very understand (1). Based on the business partners' answers from filling out the pre-test and post-test in table 1.

Table 1. Recapitulation of the Answers

Indicator Category Answer Percentage (%)	Indicator Category Answer Percentage (%)	Indicator Category Answer Percentage (%)	Indicator Category Answer Percentage (%)
The material on the understanding of Path Goal theory has made the business partner understand	Not clear at all	0	0
	Do not understand	0	0
	Quite understand	0	0
	Understand	0	0
	Understand perfectly	100	100%
The material on the 4 types of leadership behavior characteristics made them understand	Not clear at all	0	0
	Do not understand	0	0
	Quite understand	0	0
	Understand	0	0
	Understand perfectly	100	100%
The material on task characteristics made them understand	Not clear at all	0	0
	Do not understand	0	0
	Quite understand	0	0
	Understand	0	0
	Understand perfectly	100	100%
The material on follower characteristics made them understand	Not clear at all	0	0
	Do not understand	0	0
	Quite understand	0	0
	Understand	0	0
	Understand perfectly	100	100%

The results of the evaluation of the business partners' answers to comprehension of the material have been understood well. Proven by the answers of partners who 100% can understand the material presented.

CONCLUSIONS

Training in understanding the Path-Goal Theory approach has been conducted successfully and is running smoothly. This theory is designed to explain how leaders can assist followers in achieving their goals by selecting specific behaviours that align with the followers' needs and the context in which they operate. The training has effectively conveyed how leaders can adapt their styles to support their teams more effectively.

Partners expressed enthusiasm for the material provided by the PKM team, engaging in numerous discussions and Q&A sessions during the socialization process. The evaluation results indicate that the partners have grasped the material thoroughly, as evidenced by the fact that all participants demonstrated a complete understanding of the content presented.

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