

## THE ANALYSIS OF INFLUENCE FACTORS ON ORGANIZATION LEADERSHIP AND MANAGEMENT

**Munkh-Otgon U\*.**

Captain and Masters degree student of the Law Enforcement Management Program at the Academy of Management, the University of Internal Affairs, Mongolia.

\*corresponding author:muugii.nema9999@gmail.com

**Abstract:** Our research aims to investigate and analyze the relationship between a variety of elements influencing organizational management and leadership, particularly employee professional knowledge, experience, skills, and psychology.

Anyone managing a team can achieve their objectives if they thoroughly research the psychological and professional requirements and abilities required for the management profession, focus on mastering and growing them, and develop themselves in a goal-oriented manner. As a result, a research study was conducted utilizing both qualitative and quantitative research approaches to evaluate the variable aspects influencing management.

These elements were selected for study to understand their influence on organizational leadership and management, professional experience, employee psychology and professional skills represents the abilities required to effectively perform work-related tasks essential for success in a given profession.

Our study employed a quantitative research approach which involves the systematic collection and analysis of numerical data to identify patterns, relationships, and trends. Our selected methodology allowed for objective measurement and statistical analysis enabling us to draw conclusions that generalized across larger populations by software SMART PLS 3.0 in our study.

When selecting the variables, hypotheses were developed, reliability, factor correlation, reliability analysis, and path analysis were performed. It was discovered that professional competence had a favorable influence. However, we determined that professional experience, knowledge, and psychology may become more relevant in the future and gave recommendations. We highlighted the characteristics and elements identified in our research that have a significant impact on the performance of individuals and teams in the company and contribute to management success.

**Keywords:** Management, organization, leadership, knowledge, experience, skills.



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## Introduction

Leadership plays a critical role in shaping organizational culture and effectiveness, as it directly influences employee engagement, morale, and the overall work environment. Effective leaders not only set the vision and behavioral norms for their organizations but also empower employees by aligning cultural values with their experiences, thereby fostering a culture of trust and collaboration (Zaleznik, 1990).

We agree that there are many reasons for studying and searching to analyze organizational activity. Thus, our study aims to explore the impact of professional knowledge, work experience, and professional skill. Employee psychology is crucial for fostering a productive work environment as it influences motivation, teamwork, and overall organizational success on organizational management. These factors are fundamental.

Management activities create the most stressful conditions in life. All this is related to active nervous activity, so it requires a lot of strength, activity, initiative, work, and effort from the leadership of the organization (Warren, 2009).

Everyone has a distinct personality, behavior, needs, interests and thinking capacity, and their management experiences are unique. Leaders at all levels must deal with people of various personalities and psychological characteristics when leading and organizing the community. A successful leader not only concentrates on job planning and

performance, but also carefully observes his colleagues' interests, moods, behavior, internal resources, and professional talents and combines them into his actions. Many leaders' experiences show that activating the community's forces by combining organizational and psychological issues leads to greater achievement (Kotter, 2005).

## Theoretical concepts of study

Frederick Winslow Taylor proposed the concept of improving economic efficiency, particularly labor productivity, through systematic measurement and standardization. He emphasized task breakdown, workflow optimization, and time-motion studies (Taylor, 1911). Max Weber's theory emphasized a structured hierarchical organization governed by clearly defined rules and roles to ensure managerial efficiency, predictability, and impartiality (Weber, 1922). Mayo's Hawthorne demonstrated the value of social relationships and employee well-being in the workplace. They emphasized how important human factors such as teamwork, communication, and employee satisfaction are in determining productivity (Mayo, 1933).

## Professional knowledge:

Ikujiro Nonaka, Ryoko Toyama, and Noboru Konno proposed that professional knowledge is classified into two types: tacit (personal, experience-based) and explicit. The interaction of these types results in knowledge creation in organizations (Nonaka et al., 2014). (Etienne et al.,

2015), contended that professional knowledge is shaped and developed within social groups, where members share their expertise, learn from one another, and improve their practice over time.

**Professional experience:** (David & Alice, 2014) identified professional experience as critical to learning and development. Learning takes place in a cycle of concrete experiences, reflection, conceptualization, and experimentation, allowing people to constantly adapt and improve their skills (Peter & Robert, 2015). Donald Schön and Chris Argyris (2015) argued that professionals grow by reflecting on their experiences, critically analyzing their actions and decisions, and incorporating new insights into future practice. Reflection helps to bridge the gap between theory and practice (Daniel & Richard).

**Professional skills:** (Daniel Goleman and Richard Boyatzis, 2017) define professional skills as necessary for managing interpersonal relationships, teamwork, and leadership. It entails skills such as self-awareness, self-regulation, empathy, and social skills that are essential in professional settings [11]. Richard Paul and Linda Elder (2013) argued that professional skills such as critical thinking and problem-solving are essential for making sound decisions in

the workplace. This includes information analysis, alternative assessment, and effective solution implementation.

**Employee psychology:** According to Amy C. Edmondson (2017), psychological safety is an environment in which team members feel free to take chances with each other, such as raising ideas, concerns, or questions, without worrying about the repercussions. This idea is essential for encouraging creativity and productive teamwork [13]. According to Daniel Goleman (2017), emotional intelligence-which includes both identifying and influencing one's own emotions as well as those of others-has a substantial impact on leadership effectiveness. This is essential for managing stress, leading teams, and overcoming organizational obstacles [14]. We used four hypotheses below:

*H1: Management and organization will be impacted by professional knowledge.*

*H2: Management and organization will be impacted by professional experience.*

*H3: Management and organization will be impacted by employee psychology.*

*H4: Management and organization will be impacted by professional skills.*





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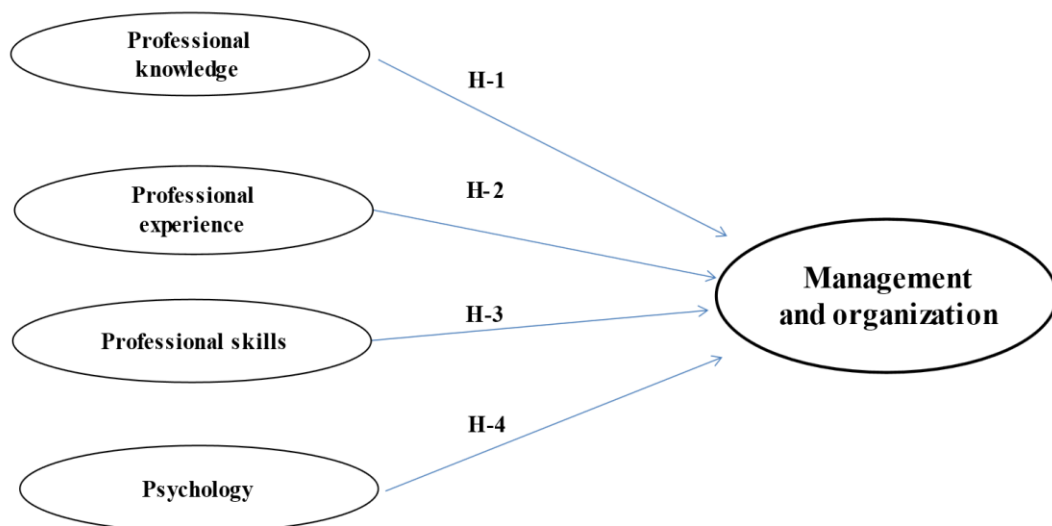


Figure-1. The conceptual framework on management and organization Source: Own diagram

### Research methodology

Our study is an empirical research. The purpose of causal research is to find out the variables that might establish the cause-and-effect relationships between the variables causing particular actions and responses. Cooper et al., (1998) described that most causal research relies on designed experimentation and simulation programs. Hussey (1997) studied the variables to find out the variables that might establish the cause-and-effect relationships between the variables causing particular actions and responses.

There are many software programs used to process data analysis, including Statistical Package for the Social Sciences (SPSS), SmartPLS, SAS, STATPAK or Excel. The most popular program is Statistical Package for the Social Sciences. In this study, SPSS and SmartPLS-3.0 were chosen for their simplicity and completeness. Firstly, according to Zikmund (2000),

descriptive analysis refers to the transformation of the raw data into a form that will make it easy to understand as well as interpret. Secondly, the Cronbach Alpha testing will be used as the most well-accepted reliability test tool applied by social researchers. Cronbach (1946) identified that in Cronbach's Alpha reliability analysis, the closer Cronbach's Alpha to 1.0, the higher the internal consistency reliability. Cronbach's measures as Reliability less than 0.6 is considered poor, Reliability in the range of 0.7 is considered to be acceptable, and Reliability more than 0.8 are considered to be good (D. Baigalmaa., 2021)

Finally, Multiple Regression Analysis was conducted to examine the three dimensions in independent variables that were the most important to explain the relationship. SPSS and SmartPLS were used to test the relationships between variables (Lkhagvasuren Bayarsaikhan, 2018).

We were conducted to examine with Multiple Regression Analysis which has the three dimensions in independent variables were the most important in explaining the relationship and SmartPLS to be used to test the relationships between variables and factors.

As soon as the reliable online questionnaires were identified, the data was registered in the calculation system and data analysis began. This section describes the demographic characteristics of respondents (table 1). A sample of all 358 respondents are currently working in the public sector of Mongolia.

### Data analysis and results

Respondents' characteristics		Frequency	Valid Percentage
Gender	Male	111	31.01
	Female	247	68.99
	<b>Total</b>	<b>358</b>	<b>100</b>
Age	22-25 years	46	12.85
	26-29 years	62	17.32
	30-33 years	90	25.14
	34-37 years	53	14.80
	38-41 years	55	15.36
	42-45 years	32	8.94
	46-49 years	10	2.79
	50-53 years	3	0.84
	54-57 years	4	1.12
	58-60 years	3	0.84
	<b>Total</b>	<b>358</b>	<b>100</b>
Educational background	Ph.D	8	2.23
	Master	89	24.86
	Bachelor	261	72.91
	<b>Total</b>	<b>358</b>	<b>100</b>
Work status/Position	Administering	65	18.16
	Effectuating	157	43.85
	Executing	136	37.99
	<b>Total</b>	<b>358</b>	<b>100</b>

Table-1. The general information of respondents according to the results of our study.



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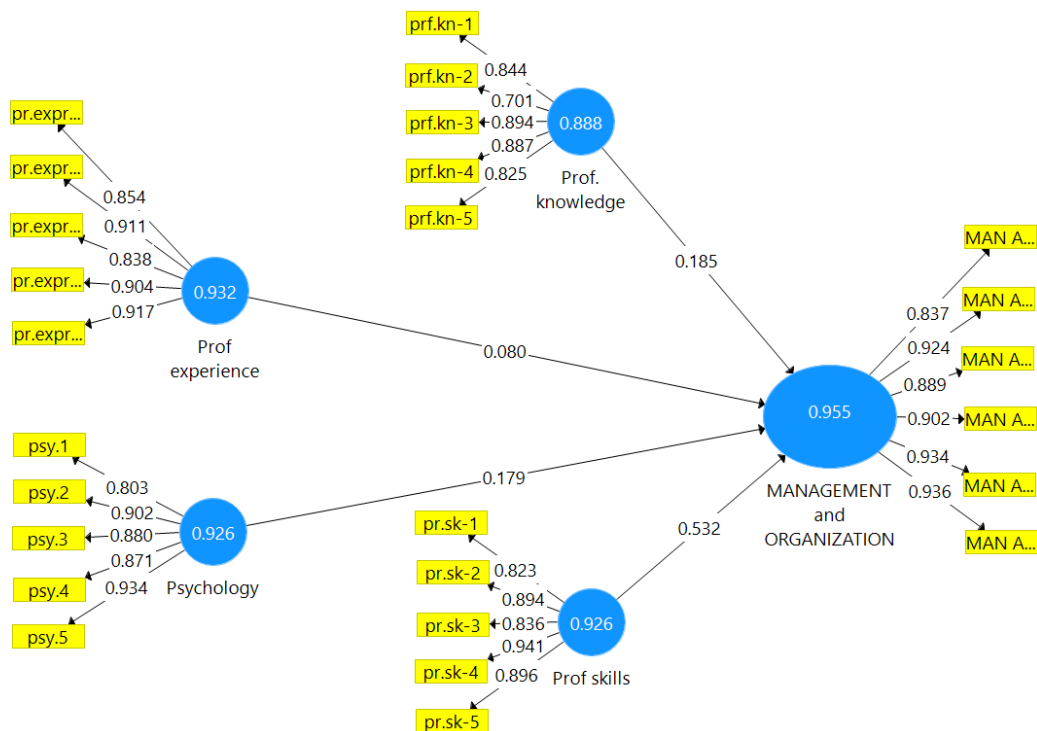


Figure-2. The result of Cronbach's alpha on management and organization according to results of our study.

No	Impacts and factors	Cronbach's alpha	Rho_A	CR	AVE
1	Professional knowledge	<b>0.888</b>	<b>0.906</b>	<b>0.918</b>	<b>0.694</b>
2	Professional experience	<b>0.932</b>	<b>0.969</b>	<b>0.948</b>	<b>0.784</b>
3	Psychology	<b>0.926</b>	<b>0.928</b>	<b>0.944</b>	<b>0.773</b>
4	Professional skills	<b>0.926</b>	<b>0.934</b>	<b>0.944</b>	<b>0.773</b>
5	Management and organization	<b>0.955</b>	<b>0.959</b>	<b>0.818</b>	<b>0.818</b>

Table-2. The results of construct reliability and validity of the study Noted by: The results of our study.

We analyzed that Cronbach's Alpha: Measures the internal consistency of the factors. Higher values indicate better internal consistency. Rho\_A, like Cronbach's alpha, it assesses the reliability of the factor. Values closer to 1 are preferable. Composite Reliability (CR): Measures the reliability of the construct. Values above 0.7 are generally considered acceptable.

Average Variance Extracted (AVE): Indicates 7 Experience: Cronbach's Alpha: 0.932 (very high internal consistency), Rho\_A: 0.969 (excellent reliability), CR: 0.948 (excellent reliability), AVE: 0.784 (excellent convergent validity)

Psychology: Cronbach's Alpha: 0.926 (high internal consistency), Rho\_A: 0.928 (good reliability), CR:



0.944 (high reliability), AVE: 0.773 (good convergent validity).

Professional Skills: Cronbach's Alpha: 0.926 (high internal consistency), Rho\_A: 0.934 (good reliability), CR: 0.944 (high reliability), AVE: 0.773 (good convergent validity).

Management and Organization: Cronbach's Alpha: 0.955 (very high internal consistency), Rho\_A: 0.959 (excellent reliability), CR: 0.818 (moderate reliability, but still acceptable), AVE: 0.818 (good convergent validity).

All factors show high internal consistency and reliability based on Cronbach's alpha and Rho\_A. The Composite Reliability (CR) is strong across all factors, except for "Management and organization," which has a slightly lower CR but still acceptable.

Average Variance Extracted (AVE) is well above the acceptable threshold for all factors, indicating good convergent validity.

Overall, the data suggests that the measurement model for these factors is robust, with high internal consistency and reliability, and good convergent validity for all factors except "Management and Organization," which is slightly weaker but still acceptable. The measurement model is generally robust, meaning it effectively captures the relationships between the factors. Internal consistency is high, indicating that the items within each factor (eg, professional skills, professional knowledge) are well-aligned, ensuring reliable measurements. Reliability is also strong, suggesting that the results are stable and would likely be replicated in a different sample.

Hypothesis	Impacts and factors	Sample mean	Standard deviation	T statistics	P values	Results
H1	Professional knowledge→Management and organization	<b>0.157</b>	<b>0.170</b>	<b>1.087</b>	<b>0.311</b>	<b>No impacted</b>
H2	Professional experience→Management and organization	<b>0.124</b>	<b>0.157</b>	<b>0.514</b>	<b>0.608</b>	<b>No impacted</b>
H3	Psychology→Management and organization	<b>0.218</b>	<b>0.177</b>	<b>1.015</b>	<b>0.311</b>	<b>No impacted</b>
H4	Professional skills→Management and organization	<b>0.483</b>	<b>0.180</b>	<b>2.958</b>	<b>0.003</b>	<b>impacted</b>

Table 3. The Path coefficients of studies according to the results of our study.

In our study, we analyzed the impact of different factors on "Management and Organization" using T statistics and P values.

Hypothesis 1, sample mean: 0.157, standard deviation: 0.170, T-statistics: 1.087, P-value: 0.311. The hypothesis

was no significant impact since the P-value (0.311) is greater than the commonly accepted threshold of 0.05. Hypothesis 2, sample mean: 0.124, standard deviation: 0.157, T-statistics: 0.514, P-value: 0.608. The hypothesis





was no significant impact as the P-value (0.608) is much higher than 0.05. Hypothesis 3, sample mean: 0.218, standard deviation: 0.177, T-statistics: 1.015, P-value: 0.311. The hypothesis was no significant impact because the P-value (0.311) exceeds the 0.05 threshold.

Hypothesis 4, sample mean: 0.483, standard deviation: 0.180, T-statistics: 2.958, P-value: 0.003. The hypothesis had a significant impact since the P-value (0.003) is below the 0.05 threshold.

Out of the four factors, only Professional Skills have a statistically significant impact on Management and Organization ( $P = 0.003$ ), while Professional Knowledge, Professional Experience, and Psychology show no significant impact ( $P\text{-values} > 0.05$ ).

### Conclusion

Our study indicates that professional skills is the sole factor with a statistically significant impact on management and organization, as evidenced by a p-value of 0.003. This suggests that professional skills directly contribute to effective management practices and organizational behavior, making it a critical element for success in these areas. The p-value indicates that there is less than a 0.3% probability that the observed effect is due to random chance, reinforcing the reliability of this finding.

In contrast, professional knowledge, professional experience, and psychology do not exhibit significant impacts on management and organization, with p-values exceeding

0.05. This means that these factors do not statistically contribute to measurably influencing management practices within the context of the study. As a result, it indicates that while these elements may be important in other contexts, they do not show a direct and significant relationship in this analysis.

The model utilized in the study is deemed reliable and valid, confirming that the constructs measured accurately reflect the underlying concepts they represent. With professional skills emerging as the key factor impacting management and organization, the findings highlight the importance of developing and nurturing these skills among leaders and managers to enhance overall organizational effectiveness. Other factors were found to have no significant effect, suggesting that efforts should be focused on improving professional skills to drive better management outcomes.

### Recommendation

Focus on professional skills development: Implementing targeted training programs and skill-building initiatives can lead to better management performance and organizational effectiveness.

Professional knowledge, professional experience, and psychology did not show a significant impact on management and organization, further investigation is recommended to understand why these factors are not influential.



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## Appendix



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УНДГАДС

Munkh-Otgon U 2024.txt \*2023-7081 Munkh-Otgon.splsm PLS Algorithm (Run No. 2)

## Construct Reliability and Validity

Matrix	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
	Cronbac...	rho_A	Composi...	Average ...
MANAGEMENT and ORGANIZATION	0.955	0.959	0.964	0.818
Prof experience	0.932	0.969	0.948	0.784
Prof skills	0.926	0.934	0.944	0.773
Prof. knowledge	0.888	0.906	0.918	0.694
Psychology	0.926	0.928	0.944	0.773

Munkh-Otgon U 2024.txt \*2023-7081 Munkh-Otgon.splsm PLS Algorithm (Run No. 2)

## Discriminant Validity

Fornell-Larcker Criterion	Cross Loadings	Heterotrait-Monotrait Ratio (HTMT)		Heterotrait-Monotrait Ratio (HTMT)		
		MANAG...	Prof exp...	Prof skills	Prof. kno...	Psycholo...
MANAGEMENT and ORGANIZATION		0.904				
Prof experience		0.560	0.885			
Prof skills		0.816	0.485	0.879		
Prof. knowledge		0.735	0.626	0.717	0.833	
Psychology		0.682	0.592	0.626	0.660	0.879

Munkh-Otgon U 2024.txt \*2023-7081 Munkh-Otgon.splsm PLS Algorithm (Run No. 2)

## f Square

Matrix	f Square
	MANAG... Prof exp... Prof skills Prof. kno... Psycholo...
MANAGEMENT and ORGA...	
Prof experience	0.014
Prof skills	0.479
Prof. knowledge	0.047
Psychology	0.058

Munkh-Otgon U 2024.txt \*2023-7081 Munkh-Otgon.splsm PLS Algorithm (Run No. 2)

## R Square

Matrix	R Square	R Square Adjusted
	R Square	R Square Adjusted
MANAGEMENT and ORGANIZATION	0.737	0.707

Munkh-Otgon U 2024.txt \*2023-7081 Munkh-Otgon.splsm PLS Algorithm (Run No. 2) Bootstrapping (Run No. 1)

## Path Coefficients

Mean, STDEV, T-Values, P-Values	Confidence Intervals	Confidence Intervals Bias Corrected	Samples		
	Original ...	Sample ...	Standard...	T Statisti...	P Values
Prof experience -> MANAGEMENT and ORGANIZATION	0.080	0.124	0.157	0.514	0.608
Prof skills -> MANAGEMENT and ORGANIZATION	0.532	0.483	0.180	2.958	0.003
Prof. knowledge -> MANAGEMENT and ORGANIZATION	0.185	0.157	0.170	1.087	0.278
Psychology -> MANAGEMENT and ORGANIZATION	0.179	0.218	0.177	1.015	0.311