

IMPACT OF LEADERSHIP STYLE ON EMPLOYEES' PERFORMANCE IN A PRIVATE ORGANISATION IN NIGERIA

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Abstract

The primary effects of leadership styles on employee performance in private organizations in Nigeria are the focus of this research. Research was conducted to compare the effectiveness of autocratic, democratic, and laissez-faire leaders on productivity in Nigerian private companies. A descriptive survey of thirty (30) private organizations in Abuja's middle and upper management's perspectives. An in-depth, self-reported survey was sent out the following week and collected. Only 72 of the submitted questionnaires passed our checks for consistency, accuracy, and completeness. Using a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree), three multifactor independent variables were identified and measured. These three styles of management are known as libertarian, democratic, and authoritarian. The success of the company in meeting its goals for the prior fiscal year served as the dependent variable. Leadership styles that have an impact on worker productivity were identified using a correlation analysis. Laid-back management styles don't boost productivity any more than other management styles, as was predicted. The findings support the following recommendations: managers should forsake a laissez-faire leadership style by aggressively leading subordinates; and private sector managers should design and implement effective reward and recognition systems. In addition, it was argued that managers should act as examples for their staff, motivate them to do their best work by giving them something to work towards, encourage them to think outside the box, and develop their own unique brand of creativity and innovation.

Keywords: Leadership; Employee Performance; Democratic Leadership; Autocratic Leadership; Laissez-faire Leadership

INTRODUCTION

The goal of this research is to find out how different types of leadership affect organizational effectiveness in the Nigerian private sectors. Leadership, in its simplest definition, is "the ability to inspire others to work willingly towards desired ends" (Igbaekemen, 2014). Having strong leadership is crucial for any organization or team to be enjoyable to work for (Alghazo & Al-Anazi, 2016). An effective leader may help his or her team flourish, as stated by Hurduzue (2015). Skoogh (2014) claims that leaders have been essential to human development since the dawn of time.

Leadership research can be divided into several major eras. Many of the first leadership studies (also known as "trait" studies) sought commonalities in the personality idiosyncrasies of effective leaders (; Mahoney et al., 1960). Trait theories claim that leaders are "born" with traits that set them apart from others. However, "style" and "behavioural" leadership theories arose in response to considerable criticism of the trait-based approach due to the difficulties in categorising and validating these attributes (Stogdill, 1948). Leadership studies switched their focus from the leader's attributes to the leader's behaviour and style (Likert, 1961). These studies largely conclude that more democratic or participatory types of leadership are more effective. These first evaluations aim to identify the "one best way to lead." Style and behavioural theories, like trait theories, have a key fault in that they fail to account for the critical role that context plays in establishing an individual's level of leadership effectiveness (Mullins, 1999). Leadership theories such as "situational" and "contingency" (e.g., House, 1971; Fiedler, 1967; Vroom, and Yetton, 1974) emerged in response to this shortcoming and place more emphasis on situational leadership than on "the best way to lead." According to the situational and contingency view, a leader's success depends on his or her ability to analyse a given situation, identify the factors contributing to it, and then choose an appropriate leadership style. However, newer leadership research seems to be returning to the "one best way of leadership" (Ogbonna and Harris, 2002) by contrasting "transactional" and "democratic" styles of management. Transactional leaders, as described by Bass and Avola (1993), are hands-on and put an emphasis on mutually beneficial exchanges with their staff. It is argued that democratic leaders are different in that they are visionaries, passionate, and

gifted with the ability to motivate their subordinates. The focus of this analysis was on the productivity impacts of autocratic, democratic, and laissez-faire management styles. Once the study is complete, workers will be able to use the findings to determine which forms of leadership will best promote their own job satisfaction and career success. Leaders can benefit from knowing how different styles of leadership affect employee performance and how appropriate leadership can drive people. As a result, it is useful for Nigerian businesses to find exceptional executives who can boost their operations and take the organisation to new heights.

Research Objectives

1. To examine the impact of Democratic Leadership Style on Employee Performance
2. To examine the impact of Autocratic Leadership Style on Employee Performance
3. To examine the impact of Laissez-Faire Leadership Style on Employee Performance

LITERATURE REVIEW

Leadership is "interpersonal influence executed in a situation and directed, through the communication process, towards the realisation of the given target or goals (Tannenbaum, et al., 1961 cited in Ali, 2012). Leadership, according to Northouse (2004), is "the process of mobilising followers to take action in a way that advances a shared vision" (Packard, 2009). Leadership, as defined by Yukl (2008), is "the process by which one individual consciously exerts influence over another through relational means, organizational framework, and strategic planning." Gharibvand (2012) argues that a leader's success hinges on his or her capacity to build rapport with others, motivate and instruct subordinates, and steer a group towards a common objective. Influencing people to work towards a shared objective and offering guidance to guarantee that goal is fulfilled in a way that encourages group cohesiveness and harmony are key to leadership, as described by Sharma and Jain (2013).

According to Dahl (1989) and Fishkin (1991), a democratic leader is one who inspires their followers in a way that upholds democratic values including open dialogue, equal opportunity for everyone, respect for differing points of view, and personal autonomy (Gastil, 1994). Democratic leaders foster community-wide decision-making and discourse, according to White and Lippitt (1960) (cited in Choi, 2007). Effective democratic leaders have been characterized by Kuczmarski and Kuczmarski (1995) as having the following characteristics: credibility, accessibility, expertise, empathy, encouragement, direction, respect, and a focus on the group rather than on the leader (cited in Ray & Ray, 2012). Democratic leaders, as described by Mullins (1999), put more emphasis on group members and actively seek out their input (Puni, et al., 2014). Khan et al. (2015) say that autocratic leadership is a style of management in which the leader has full control over the whole business. Melling and Little (2004) say that autocratic leaders are sure that they are the most powerful people in their company (Akor, 2014). Iqbal, et al. (2015) say that authoritarian leaders, who force their following to do what they want, have a "I tell" philosophy. According to Akor (2014), Enoch (1999) and Nwankwo (2001) define authoritarian leadership as a style in which the leader has unlimited power and focuses on results instead of people. According to Deluga (1992, as quoted by Koech & Namusonge, 2012), falling productivity, inefficiency, and employee satisfaction are caused by managers who don't take part in their teams' work. Mester et al. (2003) said that Hartog & Van Muijen (1997) and Bass and Avolio (1997) found that "laid-back leaders" don't give their teams much in the way of direction or judgement. Jones and Rudd (2007) say that laissez-faire leadership is a style of management in which the leader stays out of the way and puts the most value on "disassociation from activities" as the most important factor in achieving the goals of the company. Van Deventer (2008) say that these leaders don't step up when they should and don't set goals for themselves. Ejimabo (2015) cites.

Autocratic, democratic, and laissez-faire leadership styles were identified by White, Lewin, and Lippitt (1939) and Lewin (1948). Present tense (Billig 2015) (Billig). According to Gastil (1994), there are three distinct styles of leadership: authoritarian leaders who demand absolute obedience, democratic leaders who promote consensus-building among followers, and laissez-faire leaders who take a back seat to their subordinates. In 1964, Robert Blake and Jane Mouton released their first album "based on the Grid" (Molly, 1998). Blake and Mouton's (1982) managerial grid lists two of the qualities of a good leader: care for work and care for

people. When thinking about the best way to get something done, a leader who shows "concern for production" will put the needs of the company's productivity, efficiency, and goals first. Care for People is the degree to which a leader places importance on the wants, strengths, and passions of their team members when weighing competing priorities (Bolden, et al., 2003).

Hershey and Blanchard (1969; 1979; 1996) introduced the concept of "situational leadership," which is used to characterise a leader's approach and highlight the importance of matching that approach to the stage of development of their subordinates (McCleskey, 2014). This concept was first brought to light by Graeff (1997) and Grint (2011), who argued that successful leaders should draw from a variety of leadership approaches and switch between them as needed to meet the demands of a given task, their followers' developmental stages, and the circumstances of any given situation (cited in McCleskey, 2014).

Empirical Studies

Ojokuku et al. (2012) conducted *The Influence of Leadership Style on Organisational Performance: A Case Study of Nigeria Bank*. Researchers sampled 60. The study randomly selected 20 Ibadan, Nigeria, banks. Using a standard questionnaire, accounting, operations, and branch managers provided face-to-face data. Data analysis used inferential statistics and one hypothesis. Regression analysis examined how leadership style affects followers and performance.

Leadership style affected performance both positively and negatively. Leadership style predicted performance by 23%. This study found that transformative and democratic leadership styles improve performance and followers, making them ideal for banks in the current competitive environment.

Sakiru et al. (2013) looked at how leadership styles, emotional intelligence, and employee success in Malaysian businesses are related to each other. There were 180 different samples used by the experts. The data was collected using the Multifactor Leadership Questionnaire, the Effectiveness of Change Process, and the Parastatal Performance Evaluation Method.

Work productivity was measured and recorded by the organization's performance assessment system. Emotional quotient is evaluated by ECP. Cronbach's alpha is used as a reliability measure for MQL factors. The use of Linear Regression Research has shown that a leader's emotional quotient and approach to team building have an impact on employee output.

Ismail et al. (2011) conducted an empirical study in Malaysia to investigate how interactions between leaders and followers affect work output. Two hundred separate samples are used in the study. Methods used in this cross-sectional study included a literature review, in-depth interviews, a pilot study, and a full-scale survey. Made Use Of Disabled Accessible Examples. SPSS version 16 is used to validate the data. The research uses descriptive statistics and Pearson's correlation analysis to analyse the data. The standardised coefficient of a stepwise regression analysis. Leaders and their employees benefit from increased efficiency as a result of collaboration. In this research, a variety of well-established metrics are used to assess employee performance. It's getting harder to go after the top Democrats (Anwar, Haider, and Iqbal, 2015). Separate research into autocratic leadership styles was possible (Anwar, Haider, & Iqbal, 2015; Akor, 2014;). There was also the introduction of a new variable, laissez-faire management (Wang & Huynh, 2013; Barbu, 2011). (Sean & Hong, 2014; Malik, 2014) Worker output is the dependent metric. Theories Organising Thoughts conceptual leaders who emphasise innovation, teamwork, and creativity improve performance, job satisfaction, and productivity (Verba, 2015). Democratic leaders ask for advice, according to Iqbal et al. (2015). This style of leadership is effective because it involves everyone on the team in making decisions and creating processes that will help the team succeed (Trivisonno & Barling, 2016). Democratic leadership inspires employee buy-in and the development of next-generation leaders who can transform an organisation (Armstrong & Taylor, 2014). In a democratic leadership structure, team members are actively encouraged to weigh in on major decisions, but the leader ultimately makes the call on what needs to be done and how. Members of the team contribute their thoughts, observations, and suggestions (Skogstad, 2015).

Leadership & Organizational Performance

"Influence is the essence of leadership," so leadership is "the art of mobilising others to want to fight for shared aspirations" (Kouzes & Posner, 1995). However, leadership is not successful unless it achieves the organization's "shared aspiration.". Peter Drucker encapsulated this idea with the phrase "leadership is all about results."

The twenty-first century, with its rapid technological advancements and rising levels of competition, calls for a new kind of leadership if we are to achieve meaningful progress. Previous leaders may have overseen complex organisations, but they did so in a more secure and predictable setting. The globalised world of the twenty-first century presents a new reality for leaders: organisations must adapt to rapidly shifting environments. Organisations now view their employees as their most valuable asset when they are able to work in a variety of settings and remain connected through real-time electronic communication (Reger, 2001). Leaders are needed now who can act as both change agents and focal points, who can keep their eye on the ball internally and help their teams and organizations thrive while keeping their peripheral vision on the customer (Alimo Metcalfe, 1998). Furnham (2002) says that "effectiveness" is the best way to measure the quality of a leader, since it shows how well the leader meets organizational goals, objectives, and coworkers' job-related needs.

In this analysis, organizational performance was described as how well an organization was able to reach its goals. Below are more details about how the study will be set up...:

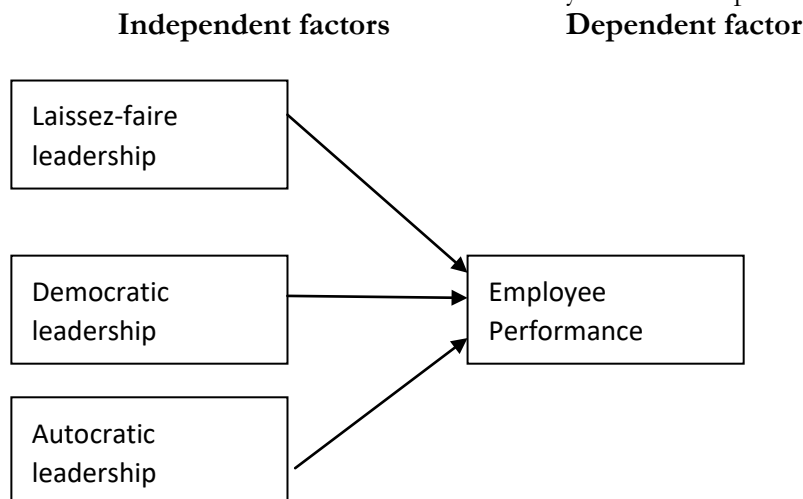


Figure 1 – Research Model showing the effect of Leadership Styles on Organizational performance

METHODOLOGY

Thirty (30) private organizations in Abuja's middle and senior management levels were surveyed for this descriptive study of their perspectives. Because it provides a numerical description of the attitudes, experiences, and opinions of the sample population, the survey method is well-suited to this kind of investigation. The sample population was given one week to complete a structured, self-administered survey. Construct items based on prior studies (in this case, Bass & Avolio, 2004) were included in the survey, in addition to standard demographic questions. Each respondent was assured that his or her confidentiality would be protected. The questionnaire was submitted voluntarily by the respondents. Seventy-seven managers out of a total of one hundred responded to the survey, for a response rate of 77%. Only 72 of the submitted questionnaires passed our checks for consistency, accuracy, and completeness. A "judgement sample" (Churchill, 1999) and "key informants" (Kumar, Stern, and Anderson, 1993) were selected because they were assumed to have relevant expertise and be open to participating in the study's conversation.

All of the items used to assess the constructs were borrowed from other studies with necessary adaptations made for this one. Three multi-factor independent variables were measured using a 5-point scale from 1 (strongly disagree) to 5 (strongly agree). These three styles of management are known as libertarian, democratic, and authoritarian. Respondents' names, genders, workplaces, years of experience, and levels of education were all collected via single-item questions. The success of the company in meeting its goals for

the prior fiscal year served as the dependent variable. To identify the leadership traits that predict organizational success, a correlation analysis was conducted...

RESULT AND DISCUSSION

Descriptive and inferential statistics were used to analyze the data.:

4.1 Demographic Analysis

Table 1: Demographic profile of the sample (n=72)

<u>Item</u>	<u>n</u>	<u>Percent</u>
Gender		
Male	52	72
Female	20	28
Work experience		
1> 3 years	14	20
2> 5 years	12	17
5>10 years	17	23
>10 years	29	40
Educational level		
Secondary	6	8
Diploma	39	54
Degree	27	38

Table 1 shows that a total of 77 managers from Abuja's private sector filled out the survey; however, five of these responses were deemed insufficient for analysis because they were missing key information. A total of 72 people were included in the final sample. The majority of the participants were male (72%). The majority of participants held a completed Diploma (54 percent). Forty percent of the cohort of managers had ten years or more of work experience or more.

4.2 Descriptive Analysis

Table 2: Descriptive Statistics

<u>Leadership style</u>	<u>Leadership behaviour</u>	<u>n</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Mean</u>	<u>Standard deviation</u>
Autocratic	Contingent reward	72	1.00	5.0	4.41	.887
	Management-by-exception: active	72	1.00	5.0	4.03	1.032
	Management-by-exception: passive	72	1.00	5.0	4.21	1.042
Laissez-faire	Laissez-faire	72	1.00	5.0	3.90	1.012
Democratic	Intellectual stimulation	72	1.00	5.0	3.05	.964
	Idealized influence	72	1.00	5.0	3.11	1.051
	Inspirational motivation	72	1.00	5.0	2.14	.943
	Individualized consideration	72	1.00	5.0	2.67	.1401

The results of descriptive statistics are displayed in Table 2. A greater mean value typically indicates a greater level of measured construct.

4.3 Correlation Analysis

The Bivariate Correlation test is used to conduct additional analysis on the collected data because of the exploratory nature of the study. The Pearson correlation coefficient between two sets of data or rankings is calculated by Bivariate Correlation. As a linear measure of association, the Pearson correlation coefficient is commonly used. The range of acceptable values for the correlation coefficient (r) is from 0.10 to 0.29, 0.30 to 0.49, and 0.50 to 1.0...

Table 3: Correlation between leadership behavior & employee performance

	CW	MBEA	MBEP	LF	IS	II	IM	IC	OP
CW	1.0								
MBEA	0.222	1.0							
MBEP	0.123	0.060	1.0						
LF	0.152	0.599 *	0.152	1.0					
IS	0.088	0.100	0.596*	0.240	1.0				
II	0.024	0.37**	0.143	0.276*	0.545*	1.0			
IM	0.134	0.419 *	0.122	0.143	0.134	0.176	1.0		
IC	0.28*	0.134	0.187	0.295*	0.141	0.337*	0.545*	1.0	
EP	0.219*	0.375 *	0.143	0.13	0.575*	0.632*	0.696*	0.518*	1.0

Significant at the two-tailed 0.05 level (); significantly at the two-tailed 0.01 level (**).*

(Note: CW = Conditional Pay, MBEA = Management by Exception Active, LF = Laissez-Faire, IS = Intellectual Stimulation, II = Idealised Influence, IM = Inspirational Motivation, IC = Individualized Care, EP = Employee Performance).

Table 3 compares autocratic, democratic, and laissez-faire leadership styles to organisational performance. Compared to the autocratic leadership behaviours, which had relatively modest correlations with employee performance (0.219 to 0.375, P .05), the democratic leadership variables had substantial correlations with assessments of organisational performance (0.518 to 0.696, P .05). Laid-back management practices had little bearing on productivity, as was to be predicted.

DISCUSSION

Employee performance, human resource management strategies, and their potential interplay with leadership styles were the primary topics of discussion in this analysis, as well as their potential interactions. According to the findings, the business management environment has gotten more challenging in recent years, necessitating a shift in approach for many organisations' approaches to organisational growth. As a result, companies are thirstier than ever for executives with the democratic skills to alter their company's strategy and culture, making it more flexible in response to shifting market conditions and other external factors. A company will undoubtedly look for executives that exude charm and have the confidence and skill to articulate the company's long-term strategy. Additionally, such leadership styles will inspire subordinates with greater potential, resulting in increased mental and physical efforts for businesses. So, if a company wants to boost its performance, it should begin by changing its approach to leadership. There is a school of thought among academics and professionals that says excessive specialisation and division of labour would lead to a dull and unfulfilling work environment for everyone involved.

CONCLUSION

Assuming that influence is central to leadership, we may define it as the ability to inspire followers to take action towards a common goal. It may be argued, nevertheless, that in a business setting, all the "influence, mobilization, and struggle" in the world won't matter unless the result is consistent with the "shared aspiration" of those in charge. According to the literature, leadership styles and organizational performance are not well-studied. Thus, this study examined how leadership styles affect team output.

Leaders that adopt a laissez-faire approach are typically uninvolved in their subordinates' daily job activities, unwilling to take on any supervisory obligations, and uninterested in forging any kind of rapport with them. Studies with identical aims have consistently found that a more relaxed approach leads to lower levels of enjoyment, less productivity, and less success. As expected, this study's results corroborate this insight by showing no evidence of a link between a relaxed work ethic and improved productivity. However, descriptive data imply that this management style is widely used among the selected organizations. The second type of leadership looked into the effects of autocratic practices on business outcomes. The "carrot or a stick" method is quite effective in getting people to do what you want them to do. Organizational performance is somewhat positively correlated with both Contingent Rewards and Active Management by Exception.

Democratic leaders, on the other hand, urge their followers to go above and beyond the call of duty. Democratic leaders get the most out of their employees because they can motivate them to improve their chances of success and teach them to think creatively about how to solve problems. Organizational success is strongly correlated with democratic leadership characteristics, as predicted by the study of causal relationships.

RECOMMENDATIONS

The following suggestions are offered in light of the results:

- i) The findings of this study add to the growing body of evidence showing that managers would do well to forgo the laissez-faire approach to management advocated by the authors. Because of this, you will need to take a more active role in supervising your employees.
- ii) Contingent Rewards and Active Management by Exception both improve organizational performance moderately. Therefore, managers should think about creating and enforcing effective reward and recognition systems and promoting tighter management oversight.
- iii) Organizational success is positively correlated with all democratic leadership factors. As a result, it is suggested that managers should: become role models for their subordinates; motivate their staff by giving them interesting and challenging work; encourage creativity and innovation among their staff; and consider each staff member's need for success and advancement.

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