ABSTRACT: This study examined management styles and employees’ performance in small scale business enterprises in Akwa Ibom State. Six specific objectives, six research questions were formulated. The ex post facto design was adopted. The population of the study comprised 1632 employees of small scale business enterprises from which sample size of 373 was selected using Krejcie and Morgan formula. Management Styles Questionnaire (MSQ) and Employees Performance Questionnaire (EPQ) were used to collect data. These instruments were validated by three research experts and tested to be reliable using Cronbach Alpha, and a reliability coefficient of 0.90 was obtained. A total of 373 copies of the questionnaire were retrieved and found useable. Pearson Product Moment Correlation was used to answer the research questions and also test the six null hypotheses. The result of the analysis of the research questions showed a positive relationship between management styles and employees’ performance in small scale business enterprises, with the exception of autocratic and laissez-faire management styles whose results were negative. Result also showed that participative management style was more positively related with employees’ performance than other management styles. Hence, there is a need for operators of small scale business enterprises to involve their employees in decision making so as to improve their performance.

KEYWORDS: Management, Employee, Performance, Style.

INTRODUCTION

In any business organisation, interactions are rationally coordinated and directed and the person at the helm of affairs is usually the manager. Organisations are set up to achieve certain goal and objectives. To meet this target, they make use of strategies to manage both human and material resources of the organisation. This is referred to as the management styles. Management style is not a procedure on how to do but it is the management framework for doing. According to Watson (2003), management styles are the different styles used by the manager to influence the employees so that they will strive willingly toward the achievement of organizational goals. The concept can also be enlarged to imply not only willingness to work with zeal but also willingness to work with zeal and confidence. Zeal reflects earnestness and intensity in the execution of work while confidence reflects experience and technical ability. Management styles are the vital factor in the achievement of success of any organisation. It is the prime pre-requisite for the realisation of organisational objectives.

According to Prasetya and Kato (2011), the prime purpose of management style is to enhance employees’ performance so that the objective of the organisation can be achieved. Kanyabi and Devi (2011) view management style as a multidimensional construct and an extremely vital criterion that determines organisational success or failure. Employee performance, on the other hand, is the important building block of an organisation. Pattanayak (2005) defined employees’
performance as the contribution made by individual in the accomplishment of organisational goal. Prasetya and Kato (2011) also defined performance as satisfy an objective according to some standard.

The primary objective of small scale enterprises just like any business is to make profit and achieve liquidity status. They try to achieve this by providing employment and goods and services. According to Uhl-Bien and Maslyn (2005) the effectiveness of these roles is greatly determined by the availability and accessibility to personnel, finance, machinery, raw materials and most importantly the operational management style. This is because all integrated groups need to be coordinated to achieve effective result and this is the sole responsibility of a manager. Managers strive to achieve organisation objectives, through the use of various management styles. Some of these management styles include participative, autocratic, laissez-faire, paternalistic, persuasive, democratic management style among others.

In democratic management style, the manager allows the employees to take part in decision-making; therefore, everything is agreed upon by the majority. The communication is extensive in both directions (from employees to managers and vice-versa). In democratic management style, every employee is given a seat at the table, and discussion is relatively free-flowing. Employees are encouraged to share their thoughts, ideas, feelings that will add value to the organisation. The manager takes into consideration the opinions of the employee before making a decision gains a variety of ideas from the suggestions from employees, which will lead to a better decision making outcome.

In autocratic management style, the manager makes decisions unilaterally, and without much regard for subordinates. Decisions reflect the opinions and personality of the manager only and not that of the employees. Participatory management style on the order hand is a type of management style in which employees at all levels are encouraged to contribute to ideas towards identifying and setting organisational goals, problems-solving and other decisions that may affect them. Under this type of management style, the decision making is quick, as only one the manager needs to be involves, communication is direct and employees’ role and expectations are defined and monitored. This type of management style has been criticised by Basil (2005) not to allow for open communication and feedback of ideas. Basil (2005) added that autocratic management style can result to low motivation and low job satisfaction and low employees performance.

Paternalistic management style is a management style in which the manager takes into account the best interest of the employees as well as that of the business. In paternalistic management style, communication is downward, feedback and questioning authority are absent as a respect to superior and group harmony. The manager behaves like a father with the employees. He or she takes care of both the job related challenges and personal challenges of the employees. The relationship between the manager and the employees is just like that of the father to- child-kind of relationship. The manager keeps control over the employees and at the same time allows them to be innovative in the way they do their job.

Persuasive management style is a type of management style in which the manager shares some characteristics with that of an autocratic manager. The most important aspect of a persuasive manager is that they maintain control over the entire decision-making process. In persuasive management style, the manager uses their ability to interpret a situation, people actions and dialogue, and then strongly urges them or convinces them to do a task or achieve certain objectives the manager’s way. In the type of management style, employees are not actively
involved in decision making process and hence, opportunities for employees initiative and commitment overlooked, leading to low level of motivation and job satisfaction.

Laissez-faire management style is a type of management style in which the manager hands-off and allows group members to make the decisions. Employees are empowered to determine their own objectives, solve their own problem and make their own decision with little or no interference. The preference for any of these management styles vary among managers. Some may prefer an autocratic style where they tell employees what to do and how to do it. Others prefer a democratic style where they help their employees to discover solution to problems for themselves. Some believe in Laissez-faire management style in which the manager hands-off and allows group members to take decision. No matter the kind of management style the manager adopts, the bottom line is that of improving employees’ performance and that of the organisation.

Concept of Management Styles

The term management style can be defined as the method a manager uses in administering an organization (Robbin, 2003). It includes controlling, directing, and indeed all methods used by the manager to motivate subordinates to follow their instructions. It can also be described as the particular practice used by the manager to direct the affairs of an organization. A management style is a way of life operating throughout the enterprise and permits an executive to rely on the initiative of the personnel of an entity. For small scale businesses to grow, the operators must adopt an effective management style. According to Schleh (1977), management style is “the adhesive that binds diverse operations and functions together.” It is the philosophy or set of principles by which the manager capitalizes on the abilities of the workforce. Management style is not a procedure on how to do but it is the management framework for doing. Therefore, there is a need for an effective management style.

An effective management style is the extent to which a manager continually and progressively manages and directs followers to a predetermined destination agreed upon by the organization. It is the manner of approach to issues by the manager towards achieving the goals of the organization by transforming various resources available in the organization into outputs through the functions of management (Field and Dubey, 2001). Khandwalla (1995) considered management style as the distinctive way in which an organization makes decisions and discharges various functions of goal-setting, formulation, implementation of strategy, corporate image building, dealing with key stakeholders and other basic management activities.

Some managers are primarily task-oriented; and they simply want to get things done. Others are primarily people-oriented; and they want people to be happy and satisfied. Others are able to combine these orientations, both people and tasks. Several management styles have evolved as distinct managers utilize differing approaches in performing responsibilities in the course of their official work. Sequel to the emergence of styles of management, scholars have identified and described a variety of formal styles of management since the 1950s. Likert (2007) classified four styles of management that consist of participative, paternalistic, exploitative, and consultative management styles. Burn and Stalker (1961) identified organic and mechanistic styles of management. Effere (2005) classified management styles as autocratic, participative, democratic, paternalistic, and persuasive and laissez faire.
Participative Management Style and Employees’ Performance

Locke and Schweiger (1979) defined participation as a process in which influence is shared among individuals who are otherwise hierarchically unequal. According to Wagner (1994), participatory management style balances the involvement of managers and their subordinates in information-processing, decision-making, or problem-solving endeavour. An extensive body of research has shown that participative management defined as joint decision-making or, at least, shared influence in decision making by a superior and his employees (Koopman and Wierdsma, 1998). Management theorist like Maslow (1954) and Argyris (1957) has emphasized the importance of coordinating organisational and human resources to enhance productivity and develop human capital. Studies have shown that participative management style has a positive impact on employees’ motivation, job satisfaction and productivity (Spreitzer 1997; Likert 2007).

Participative management style has become very popular because it focuses on the interaction between management and employees. This style keeps employees informed about issues that affect their work, with management and employees sharing in decision making and problem solving tasks. The management acts more like a coach who get their team of employees to work together to improve the overall performance of the organization.

Autocratic management style and employees’ performance

An autocratic management style is another type of management style. It is a management style in which the manager retains as much power and decision-making as possible. Autocratic managers attempt to simplify work to gain maximum control. The manager does not consult employees, neither are they allowed to give any input. Employees are only expected to obey orders without receiving any explanations (Brewer, Selden, and Facer, 2000). The premise of the autocratic management style is the belief that in most cases workers cannot make contributions on their own to meet their goals. This type of management style tends to focus more on the task and not on the human resources needed to get the task done.

Paternalistic Management Style and Employees’ Performance

In paternalistic management style the manager decides what is best for the employees as well as the organization. Paternalism refers to a father-like management style with the combination of authority (Westwood and Chan, 1992). Paternalistic management style is a style that combines strong discipline and authority with fatherly benevolence and moral integrity (Farh and Cheng, 2000). Policies are devised to benefit the employees and the organization. The suggestions and feedback of the subordinates are taken into consideration before decision is taken. In this type of management style the employees feel attached and loyal towards their organization and are motivated in doing their jobs. When employees are motivated to work and when they do not see their work as a burden, their level of performance will definitely improve. This type of management has also been observed to have a positive effect on subordinate-supervisor relationship and working morale (Chang and Chao, 2008).

Paternalistic management style means managers will behave like a father with the employee. He or she will take care of employees and help them in every way possible. The manager is usually concerned about the employees and due to this concern exhibited by the manager; the employee will then remain loyal to the manager as well as the organization.
Democratic Management Style and Employees’ Performance

The democratic management style is a very open style of running a team. Ideas move freely amongst the group and are discussed openly. Everyone is given a seat at the table, and discussion is relatively free-flowing. This style is needed in dynamic and rapidly changing environments where very little can be taken as a constant. In these fast moving organizations, every option for improvement has to be considered to keep the group from falling out of date.

The democratic management style means facilitating the conversation, encouraging people to share their ideas, and then synthesizing all the available information into the best possible decision. The democratic manager must also be able to communicate that decision back to the group to bring about unity once the plan is chosen. A democratic style of management will put trust in employees and encourage them to make decisions. This requires good two-way communication and often involves democratic discussion groups, which can offer useful suggestions and ideas. Managers must be willing to encourage leadership skills in subordinates.

In democratic management style, the manager wants to keep employees informed about matters that affect them, he allows employees to share in decision-making and problem-solving duties, and provides opportunities for employees to develop a high sense of personal growth and job satisfaction.

Persuasive Management Style and Employees’ Performance

Persuasive managers maintain control over every aspect of the business indirectly. Instead of giving orders, these managers operate by explaining why tasks need to be carried out in a certain way. Employees tend to feel more involved in the decision-making process under this style; nevertheless, ultimate authority still rests with the manager alone. Persuasive management is a particularly helpful style when complicated tasks need to be carried out in the workplace (Brewer, Selden, and Facer, 2000). However, managers who rely too heavily on explaining every task in detail may see their businesses slow to a crawl.

A persuasive management style is that of a manager who uses their ability to interpret a situation, people’s actions and dialogue, and then strongly urges or convinces them to do a task or achieve objectives the manager’s way. This style has many characteristic in common with the autocratic style. The main difference between the styles, however, is that once a persuasive manager makes a decision, they then try to convince a subordinate that what was decided by the manager is in the subordinate’s best interests. For example, a marketing department manager who has an idea for increasing sales targets will try to convince the rest of the team that only this idea will improve the sales targets.

This type of manager will try to bring people around to their own view, but will also stick to their decision with or without agreement. Just as there are occasions where the use of an autocratic management style would be appropriate, there are also instances where a company will benefit from a persuasive management style.

Laissez-Faire Management Style and Employees’ Performance

The laissez-faire management style can also be referred to as “the hands-off style” of management. It is one in which the manager provides little or no direction and gives employees as much freedom as possible. All authority and power is given to the employees and they determine goals, make decisions, and resolve problems on their own. A laissez-faire manager
abdicates responsibility, delays decisions, gives no feedback, and makes little effort to help followers satisfy their needs. There is no exchange with followers of any attempt to help them grow. The laissez-faire manager is one who believes in freedom of choice for the employees, leaving them alone so they can do as they want.

The basis for this style of management is two-fold. First, there is a strong belief that the employees know their jobs best so leave them alone to do their jobs. Second, the manager may be in a political, election-based position and may not want to exert power and control for fear of not being re-elected. Such a manager provides basic but minimal information and resources. There is virtually no participation, involvement, or communication within the workforce. Understanding job requirements, policies and procedures are generally exchanged from employee to employee. No direction is given and the laissez-faire manager functions in a crisis or reaction mode. If there are goals and objectives, employee agreement or commitment is just assumed. Even if goals and objectives are shared, rarely is there a defined plan to accomplish them.

Related empirical studies reviewed showed possible relationship between management styles and employees performance. Most of the studies reviewed held the view that participative management style encourages better employees’ performance. The empirical review also identified some moderating factors of the relationship between management styles and employees performance. Finally, there is no best management style because effective management style depends on the situation at hand.

Area of the Study

The area of this study is Akwa Ibom State. The State has a good number of small scale business enterprises, some of which are tailoring, carpentry, hair dressing and barbing salons, provision stores, vulcanizing, restaurants, viewing centres, mechanic workshops, glass and pvc shops, cake and snacks shops, boutiques, cyber cafes, kiddies stores, supermarkets, printing business, pharmacy, business centres, welding, car wash, among others.

Design of the Study

This study adopted an ex-post facto correlational design. In an ex-post facto study, the dependent variable is usually assumed to have occurred. The variables of this study had already occurred. The dependent variable was not manipulated but rather measured through a survey of the perception of the cross section of the members of the population.

Population of the Study

The population of the study was 16,315 employees. It consisted of 7016 males and 9299 female employees of the registered small scale business enterprises between 2009 – 2014 (Corporate Affairs Commission 2014).

Sample and Sampling Techniques

The sample size of this study was 373 respondents made up of 179 males and 194 females. The sample size was obtained using Krejcie and Morgan (1970) formula (See Appendix)
Instrumentation

Two research instruments “Management Style Questionnaire, (MSQ)” and Employee Performance Questionnaire (EPQ)” were used to collect data. Management Style Questionnaire comprised a total of twenty-four items while Employee Performance Questionnaire comprised ten items. All items on both instruments were rated on four point scale of strongly agree, agree, disagree and strongly disagree.

Validation of the Instrument

To establish face validity, copies of the instrument were presented to three validators from University of Uyo. Each item was screened by these experts. Their corrections were noted and changes were made on the instrument before the final copies of the instrument were administered.

Reliability of the Instrument

To determine the reliability of these instruments, 20 copies of the instruments were administered to 20 employees of small scale business enterprises in Akwa Ibom State. The data collected were subjected to Cronbach Alpha, a statistical measure of internal consistency of an instrument. The result yielded reliability coefficients of 0.90 for Management Styles Questionnaire (OMSQ) and 0.71 for Employee Performance Questionnaire. This shows that the instruments were highly reliable for use in the study.

Administration of the Instrument

Three hundred and seventy three (373) copies of the questionnaire administered to the respondents were properly filled and returned for analysis.

Method of Data Analysis

The Pearson Product Moment Correlation (PPMC) was used to answer the research questions.

Findings of the Study

The following were the findings of the study.

1. There is a positive relationship between participative management style and employees’ performance in small scale business in Akwa Ibom State.

2. There is a negative relationship between autocratic management style and employees performance in small scale business in Akwa Ibom State.

3. There is a negative relationship between laissez-faire management style and employees’ performance in small scale business enterprises in Akwa Ibom State.

4. There is a positive relationship between paternalistic management style and employees’ performance in small scale business in Akwa Ibom State.

5. Persuasive management style showed a positive relationship with employees’ performance in small-scale businesses in Akwa Ibom State.
6. There is a positive relationship between democratic management style and employees’ performance in small-scale business in Akwa Ibom State.

CONCLUSIONS

This study has appraised the relationship between management styles and performance of employees in small scale business enterprises in Akwa Ibom State. The results showed positive relationship between management styles and employees’ performance except for laissez-faire and autocratic management styles whose relationship was negative. Participative, paternalistic, persuasive and democratic management styles were found to have a positive relationship with employees’ performance in small scale business enterprises.

Hence, this study showed that to improve employees’ performance in small scale business enterprises, the use of participative, paternalistic, persuasive and democratic management styles is recommended. Also, among the five management styles considered, participative management style was found to be more positively related with employees performance as compared to paternalistic, persuasive and democratic management style. Therefore, the study concludes that participative management style is the best management style for small scale business. Hence, to enhance the performance of small scale business enterprises in Akwa Ibom State, it is important that employees be actively involved in the decision making process.

Recommendations

Based on the conclusion drawn from the findings, the following are recommended to improve employees’ performance in small scale business enterprises in Akwa Ibom state.

1. The operators should stimulate, encourage and inspire employees to exert greater effort to work through participative management style.

2. Seminars and symposia should be organized for the operators and employees on regular basis so as to enhance their performance.

3. The operators should apply management styles that best suit the condition and the environment.

BIBLIOGRAPHY


