THE INFLUENCE OF LEADERSHIP STYLES ON ORGANIZATIONAL PERFORMANCE IN NIGERIA

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ABSTRACT: *The leadership style scale developed by Simon Oates (2011) was adopted and 84 usable response obtained. The predictor variable was Leadership Style [Democratic, Autocratic and laissez faire] and the criterion variable was firm's performance. Crobach alpha > 0.9 using one way Anova etc. It was found that managers with democratic inclinations account for more variance in performance than autocratic and laissez faire. The implication of this and the result obtained are discussed in terms of national and individual interest and possible desirable changes.*

KEYWORDS: Leadership, Performance, Autocratic, Laissez Faire and Democratic

INTRODUCTION

Firm's development has certain factors that improve sustainability on the basis of effectiveness and efficiency. The improvement in productivity leads to employee's better behaviour and commitment as norms, values and objectives helps in improving culture of an organization.

Organization look for managers who can manage effectively and efficiently. But each manager is unique with his or her style depending on the situation and inclined paradigm. Managerial style is the pattern of thinking, feeling and behaviour that a manager uses to deal with people and situation. A manager has several managerial styles such as autocratic, bureaucratic, charismatic, democratic and laissez faire (nwachwukwu, 1998).

According to Basse (1982), there are managers with only one managerial style. However, most managers have a combination of those five managerial styles, although they can only be classified in various ways. Managerial style have a great impact on the organization's operation. Effective managerial style can increase productivity, bring about empowerment, boost up employees morale, motivation and contributes positively to organization and so on. Leadership happen to be the core and of course the Nervous system in organizational solvency. (Hogan & Curphy, 1994; House Aditya, 1997; Judge & piccolo, 2004). Leadership leads to more productivity and profitability, but the extent of success depends on the style of the leader and the systematic environment created for staff functionality.

Purpose of the study

The main purpose of this study is to examine the leadership styles of two Nigerian University (University of Calabar, Cross River state, Nigeria and University of Uyo Akwa Ibom State Nigeria) and how they affect performance.

Statement of the Problem

A large number of organizations spend considerable huge amount on solving managerial problems. Besides, research on management's leadership style and organizational performance

are limited and personnel do not know enough about management's leadership style and the organizational productivity. Several organizations today have the problem of leadership and the style to be adopted in leading employees. Over the years, organizations have faced the bureaucratic leadership. Consequently many leadership ideas within the last century have affected the general effectiveness of organization's productivity (Heurieglet, 2004). Leadership has characteristics that distinguishes it as a dynamic symbolic movement where every employee look up to for adjustment when necessary. These characteristics explain the vital sensitive and proper positioning of leaders in organization.

The absence of effective leadership is a serious problem endemic in many organizations. It is obvious that the resultant outcome is poor staff performance, absence of motivation, poor growth and development of the institutions. Hence, this would sort to investigate management leadership style and organizational performance.

LITERATURE REVIEW

Leadership is viewed as a social influence process through which one individual exerts influence intentionally over others to structure the behaviours and relationship within a group or organizations.

Yuki (1994) opines that the specific construct of leadership vary considerably. For instance, over the past years, leadership has been in terms of personal traits, individual behaviour, interpersonal influence, situational factors and a combination of these.

According to Singapore Productivity Association (SPA, 2010): there posited that leadership is a social influence which individual exhibits and gets the support of other persons in the accomplishment of a common goal. It has to do with the role someone play in influencing followers in order to achieve organizational goals. Another connotation of leadership considered by Moshane and Vanglino (2000) maintained that leadership is the process of influencing people and providing an enabling environment for them to achieve team or organizational goals and objectives.

Inyang (2004:121) defined leadership as a process which involves the use of non-coercive influence to shape a group or organizational goals, motivate behaviour towards achieving the goals as well as define the group's culture.

From the above frameworks, leadership occurs when one individual influences other to perform voluntarily above the minimum requirement of their work. Organizations productivity is dependent on the leadership style adopted. This is to say that they are interwoven showing the leader's willingness, commitment, selflessness, pro-activeness etc. to act in a given way to bring forth increase in the profit margin of the firm, effectiveness, efficiency and general increase in employee performance and productivity. Leadership style should be dependent on the task and the people being led, the environment and the leader initiative. However, there are several types of leaders exhibiting different leadership characteristics. It is therefore a first step to understand leadership development by exposing the various styles of leadership.

Leadership style may be based on autocratic structure, people and production orientation. Empirical research conducted by Levin and white (1953) on leadership style, identified three major leadership styles:

1. Autocratic leader

2. Laissez faire leader

3. Democratic leader.

In autocratic leadership style, the leaders is very conscious of his position. He has little trust and faith in his subordinates and he feels that "pay" is a just reward for work and is the only reward that will motivate a worker. An autocratic leader gives orders and demands that they be carried out. No questions are allowed and no explanation given. The group members ensure no responsibility for performance and merely do what they are told. Consequently production is good when the leader is present, but drops in his absence.

Laissez faire leader has no confidence in his leadership ability. He does not get goals for the group and decision making is performed by whoever in the group is willing to accept it. Under laissez faire leadership style, productivity is generally low and work is sloppy. The group has little interest in their work morale and team work which are generally low.

Democratic leadership style reflects a leader to follower relationship. Where decision making is shared by the leaders and members of the group he leads. Under democratic leadership style, criticism and praise are objectively given. A feeling of responsibility is developed within the group and enhanced productivity. Performances are usually high. New ideas and changes are developed.

LEADERSHIP AND ORGANISATIONAL PERFOREMANCE

Organizational success or failure is largely dependent on the leadership style. Many studies on leadership and organization performance posited that leadership traits and behavioural paradigm of the top management affects organizational performance (Argyris, 1995: Mahoney et al 1960)

Leadership method or style and systemic behaviour shifted away from the characteristic of the leader to the style the leader adopted (Hemphills, Coons, 1957; Likert 1961). Records from the style approach suggested that leaders who are addicted to democratic or participatory leadership style appeared more successful compared with managers that adopted autocratic or laissez faire leadership style of management (Bowsers and seashore, 1966)

Nwachukwu (1988) believed that participative leadership is the best style of leadership in managing an organization system of any type. Nwachukwu maintained that people react favorably to it in organization by increased productivity, lower unit cost, and good morale and improved labour management relation. According to Nwachukwu (1988), the worst style of leadership is autocratic and authoritarian leadership style which gives rise to high labour management conflicts.

Another leadership style which focuses on leader effectiveness is the contingency model or situational sensitive which is anchored on the leader's ability to analyze the situation at hand and appropriately adopting a suitable approach which best suites the circumstance. (Fredler 1967; House 1971; Vroon and Yelton 1974)

Etzion (1956) conducted a study to determine the relationship between leadership behaviours and determinant using 992 members of the organization and 846 personnel managers in the District of Columbia; using one way analysis of variance (ANOVA), it was observed that leadership style affects organizational performance.

Fieldler (1996) posited that the effectiveness of leadership to a large extent is responsible for organizational performance. Luthans (2008) maintained that staff (employees) perceives employers as the image of the organization. Employees, therefore internalize the culture and becomes part and parcel of the organization. Partharch (2005) confirmed the impact of the management styles on firm's performance and further found a strong relationship between management styled and organizational performance.

Consequently, this paper seek to test this hypothesis which is presented thus;

There is no significant influence of leadership style (autocratic, laissez faire and democratic) on organizational performance.

METHODOLOGY

Standard multiple regression was utilize. A pilot test with 40 questionnaires was carried out. Also a cronbach alpha reliability test was done by using statistical package for the social sciences (SPSS) version 10.d. A   random sampling was utilized to determine the predictive relationship between independent variables leadership style (autocratic, laissez faire and democratic leadership styles) and dependent variable (organizational performance).

In order to ensure a high response rate, the questionnaires were handed personally to the respondent and collected immediately once they were completed by the respondent. Besides, some lecturers aided in the collection and completion of questionnaires.

DATA ANALYSIS

The population of the study consisted of faculty and departmental board of two federal institutions (universities) both academic and non-academic staff. The main instrument for the data collection was structured questionnaire designed in five point Likert of strongly agree to strongly disagree. And excellent, above average, below average and poor. The instrument was 28 item scale to measure the management style and 12 item sub scale to measure effectiveness and efficiency (performance) respectively.

The scale meant for this study has been prelisted and validated in various studies (Fry and Matherly 2006; fry et al 2005; Pittinoky and Shih 2005; Meyer and Alden 1993 Larsen et al 2004, Overberghe et al 2003; Noordin and Nainudlin 2001) since all variables items employed in this study were sourced to existing and previously validated measurement scales.

We undertook a confirmatory test of internal consisting on the instrument with our style using cronbach alpha. The cronbach alpha calculates the average of all possible split half reliability coefficient and though 0.80 is the threshold level. 0.7 is generally accepted by the rule of thumb (bryman and belly 2003) and is considered adequate for the hypotheses testing in this study.

TEST OF HYPOTHESIS

The purpose of this study is to asses empirically the impact of leadership style on organizational performance. The two measures of organization performance which was the criterion variable in this study were effectively and efficiency, correspondingly, leadership style which was the predictor variable was operationalized into three empirically represent, namely; autocratic, laissez faire and democratic leadership style. We adopted standard one way of variance (ANOVA). The result is presented in the table 1.

TABLE 1

Summary data and one way analysis of variances (ANOVA) of the influence of leadership style on organizational performance (N = 370)

Leadership style	N	$\bar{X}$	SD
Autocratic	124	24.82	1.59
Laissez Faire	147	25.84	2.19
Democratic	99	25.48	1.51
Total	370	25.41	1.88

Source of Variation	SS	df	MS	F	Sig. of F
Between group	70.964	2	35.482		
Within group	1236.225	367	3.368	10.534	.000
Total	1307.189	369			

Significant at .05 level, critical $\mathcal{F}$ = 3.50, df = 2,33367

The result in table 1 indicates that the calculated F - value of 10.534 is higher than the critical F - value of 3.00 at .05 and of significance with 2 and 367 degrees of freedom. With this result, the null hypothesis that there is no significant influence of leadership style on organizational performance was rejected. This implies that leadership style has a significant influence on organizational performance. Since leadership have an influence on organizational performance, a further pattern of influence was employed using Fishers' least significance difference (LSD) multiple comparison analysis. The result is presented in table 1 above.

TABLE 2

Fishers least significance difference (LSD) multiple comparison analysis of the influence of leadership style on organizational performance.

Leadership style	Auto 124	Lai 147	Dem 99
Autocratic 124	24.84	-1.00	-0.64
Laissez Faire 147	-4.44	25.84	0.36
Democratic 99	-2.57	1.51	25.48

MSW = 3.378

The result in Table 2 shows that respondent in their organizational performance from those whose leadership is either laissez faire or democratic. Also respondent whose leadership style is laissez faire were significantly different from those leadership style were democratic in their organizational performance.

DISCUSSION

It is evident that democratic leadership style contributed significantly to organizational performance, than the autocratic and laissez faire style. This is because democratic leadership shares decision making with the group. Criticism and praise are objectively given. A feeling of responsibility is developed within the group. Inyang (2004). Followers are committed towards executing task associated with the decision they were part of thereby resulting in high employee productivity Choi (2007).

Also the low and value for autocratic and laissez faire style is an indication that there was little freedom for the in group hostility and aggression, high level of mediocrity associated with atavistic emotions, based on irrational motive. Their motivational level was very low and they feel insecure. The finding of the study is in agreement with the proposition of Ogilvis (2000) and Pathack (2005) that leadership style adopted actually influence workplace performance or organization productivity.

CONCLUSION AND RECOMMENDATION

The study concludes that leadership style of the organization greatly influence the performance and organizational output. Organization will function effectively when management employs a proper leadership styled. Therefore harmony should be created between workers, management and the task environment.

We recommend that democratic, participatory and supportive leadership should exist within the organization, leaders should set vibrant high performance organizational culture through interpersonal relation, dialogues and transparency. Leaders should adopt effective communication pattern to produce enthusiasm and foster an atmosphere of confidence within the organization. It should note that the aforementioned as indices and indexes of democratic leadership style which culminated to high performance.

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