Effect Of Leadership Style On Employee Productivity: Evidence From North East Nigeria

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Abstract: Leadership plays an important role in an employee level of productivity. Most of the problems faced by employee’s efficiency are connected to the nature of leadership style in operation. The study investigated the effect of leadership style on employee productivity in North East of Nigeria. Adopting a survey design, the research made used of primary data, collected mainly through administering a set of questionnaire to 210 management staff, supervisors and non-management staff of the selected manufacturing firms from Adamawa, Bauchi and Gombe states respectively. The findings established that: there is significant positive relationship between democratic leadership style and employee performance, benevolent leadership style positively affects employees’ productivity. The research concluded that democratic leadership style plays indispensable roles on employee productivity and organisational survival, benevolent leadership style is of imperative significance to workers performance and organisation effectiveness. The study recommended that Democratic leadership style should be encouraged, for the fact that it would further empower their subordinates by developing teams and according some measure of responsibility and authority to their employees. In addition leadership must develop a template to ensure consensus building by encouraging diverse views of ideas when it comes to policy making and implementation.

Keywords: Communication, Creativities and Innovation, Effectiveness, Leadership, Productivity and Organisational goals.

I. INTRODUCTION

In the present dynamic and turbulent business environment, leadership roles cannot be undermining. Managers play major roles, including planning, organising, controlling and managing. They engage in critical and strategic creative ideas that enable organisations to reach their goals. Organizational transformations and innovations are triggered by interventions such as total quality goals and business process re-engineering. Specifically, leadership is regarded as a crucial factor in the initiation, implementation and sustainment of the transformations in the organizations.

The traditional concept of personnel administration had actually been replaced with the human resource management, which added values to organization productivity with respect to previous researches. This necessitates the strategic integration of current leadership styles into effective management of employees and to enhance employees’ productivity. Daniel G (2002) asserted that; the effective leader must be a good diagnostician and create mechanisms to meet the demands of dynamic business environment. Different leadership styles were adopted that correspond to employees on the basis of amount of directions, empowerment and decision making capability and company objectives. An administrative phenomenon reflects the contingency of leadership, and style, situation and performance criteria have been neglected. Therefore, employee productivity was affected due to lack of proper direction and appropriate application of strategic style in managing daily tasks.

It is obvious, that rapid persistent changes in organizations require effective leadership styles, one that's less bureaucratic and much more democratic, is needed to be able to make sure the organization’s survival and gratification in the present global market Northouse P.G. (2001). It's contended that effective leadership has an optimistic effect on the effectiveness of the organization.
Carter M (2008) argued that, it’s the performance of numerous workers that culminates within the productivity of the organization, and perhaps in the achievement of organizational goals. Effective leadership is instrumental in making certain organizational performance Adair J (2002).

Quality leadership style is essential in achieving optimal employee’s efficiency in any well planned organisation, which is a key requirement for establishing a business organisation. Effectiveness of a leader is an indispensable element that determines employee’s quality of performance, organisation productivity and effectiveness. The inputs from employees are keys to the accomplishment of organisational overall objectives.

Preliminary investigations reveal that the roles of effective leaders in manufacturing firms in Nigeria had been neglected over the years, which result in inefficiency and low quality products among employees. Specifically, most of the leaders does not possess the require quality as managers. The skills that are expected of a good leader are communicating, motivating and interpersonal relationship. As leadership play important roles in improving employee’s efficiency if being in place.

Consequently, these myriad of problems if left unchecked could constitute negative impact on employee’s productivity and perhaps organisation effectiveness. Organizations that refuse to acknowledge and conceptualise roles of effective leader, well equipped, skilled and committed employees are bound not to stand the test of time in the global market to compete.

Also, in an organisation where the level of supervisor support is low or non-existing, employees tend to experience job dissatisfaction that will automatically lead to low performance. Thus, this study focuses on effect of workplace environment on employee performance in selected Manufacturing Firms in North East, Nigeria.

It is against this background that the study seeks to determine the effect of leadership style on employee productivity in manufacturing firms Nigeria. It is believed that the findings will generate strategic ideas that will enhance employees’ productivity in their respective responsibilities.

However, the study aimed to establish the following objectives:

- To determine the extent of relationship between democratic leadership style and employee performance
- To ascertain how benevolent leadership style affects employee productivity.
- The following researcher questions are raised
- What is the extent of the relationship between democratic leadership style and employee performance?
- How does a benevolent leadership style affects employee’s productivity?

II. REVIEW OF LITERATURE AND THEORETICAL FRAMEWORK

THE CONCEPT OF LEADERSHIP

Leadership is a process by which an executive can lead, direct, guide and influence the behavior and task of others toward the accomplishment of specific objectives in a given situation. Leadership is a capability of a manager to motivate the subordinates to work with confidence and zeal. Leadership can be defined as the capacity to influence a group and realization of pre-determined goals. Leaders are required to develop vision, forecast future predicament and to motivate the organizational employees to rapidly adapt to changes, achieve the visions and to improve productivity.

Leadership is the active use of person’s ability, skill, experience and talents towards influencing others in the accomplishment of a common or mutual goal. Leadership is an essential factor in every institution as a result of its overarching impacts on the achievement of organizational objectives, cultures, policies, programmes and strategic plans. Leadership is defined as the process of social influence and inducement in which one person could enlist the aid and support of others in the accomplishment of a mutual goal Singapore Productivity Association (2010). It involves using one’s role and ability to influence others in some way, which delivers business results and contributes to the organization’s overall success, survival and growth. Furnham (2005), leadership is a process of influencing the workers behavior in ascertains institutional goals. McShane and Van Glinow (2000), also maintains that leadership is the process of influencing people and providing an enabling working condition for them to achieve team or organizational specific goals. Dawson C (2002), stated that leadership is power based predominantly on personal characteristics, usually normative in nature.

TYPES OF LEADERSHIP

DEMOCRATIC LEADERSHIP

The democratic approach to leadership is characterized by an “Synergy” philosophy. Decisions are made within teams, with each employee having equal right to inputs. Democratic leaders tend to invite other members of the group to contribute to the decision-making process, although they make the final decision, which has interplay between the employee interest and organizational goals. However, it increases job satisfaction through the involvement of others, and helps to improve employee skills. Employees would also have sense of belonging and motivated to exert more effort in their respective tasks. This approach could, however, take longer, but often with a better end result. Democratic leadership is most suitable when collaborating effort is necessary among workers working and when quality is more significant than speed to market or productivity.

BENEVOLENT LEADERSHIP

Benevolent leadership is define as the process of creating a virtuous platform of embracing and initiating positive change in organizations through: ethical decision making, creating a sense of meaning, inspiring hope and fostering courage for best action, and leaving a positive impact for organizations.

Benevolent leaders are those who create and promote observable benefits, interest, actions, or results for the...
common good. The term “common good” is used in the sense of shared benefits or positive outcomes for all or most employees of an organization (Bryson, and Crosby, 1992). Benevolent leaders exemplify whole-hearted and genuine actions at workplace that benefit subordinates around them. Therefore, they have an inclination to do good, kind or charitable acts due to a felt obligation to use their skill, experience, developmental and intentional qualities of love and charity.

AUTHORITARIAN OR AUTOCRATIC LEADERSHIP

Autocratic leadership is an extreme form of leadership, which is not commonly recognised in most of the organizations. Leaders have absolute power over their subordinates, and the employees have little opportunity to make suggestions or contribute in decision making, even if it would be in the organization’s best interest. It consequences are high levels of absenteeism, employee turnover and organization ineffectiveness. Although, autocratic leader could remain effective for some routine and unskilled jobs, as the advantages of control may outweigh the disadvantages.

BUREAUCRATIC LEADERSHIP

This style of leader tends to follow policies rigorously. They ensure that their workers follow rules and procedures precisely. Bureaucratic leadership is very appropriate and pertinent for task which involves serious safety risks or where large sums of money are incorporated.

CHARISMATIC LEADERSHIP

Charismatic leaders inspire lots of enthusiasm in their subordinates and are very competent in driving others towards achieving organizational goals. Charismatic leaders, however, tend to rely more in their ability, than in their employees, therefore, creating an atmosphere of risk that a project, or even the entire organization, might collapse if the leader quit. However, followers assume that organization success is directly connected to the presence of charismatic leader. Hence, charismatic leadership assume great responsibility, and requires a long-term commitment from the leader.

PARTICIPATIVE LEADERSHIP

Participative leadership style is that involves all members of a group in identifying significant goals and developing mechanism or strategies for reach those specified goals. It is obvious, that participative leadership can be seen as a leadership styles that relies heavily on the leader functioning as a facilitator rather than simply issuing commands or making assignments. This type of leadership style can be adopted in business settings, volunteer organizations and even in the function of an organised home.

The basics benefits of participative leadership is that it create avenue for the development of the additional leaders who can serve the organization in future. Because leaders who allow this style encourage active involvement on the part of employees on the team, people often are able to initiate their creativity and demonstrate abilities and talents that would not be made apparent otherwise that ultimately enhance the efficiencies of employees. The discovery of these hidden assets assist to benefit the task of the current group, also alerts the organization to employees within the team who should be provided with opportunities to further develop or future use.

SERVANT LEADERSHIP

Servant leadership describes a leader who is not formally recognized as a mentor. When someone, at any level within an organization, leads simply by meeting the aspirations of the group, he or she is called a servant leader. Servant leadership is a form of democratic leadership in many ways, as the whole group are actively involved in decision making. Researchers shows that, servant leadership style is an important way to move ahead in a world where values are increasingly pertinent, and where servant leaders achieve power on the basis of their values, ideals and initiatives.

LAISSEZ-FAIRE LEADERSHIP

Laissez-faire leadership is used to describe leaders who allow their subordinates to work on their own. Laissez-faire leadership could be effective and exhibit significant impact if the leader monitors what is being achieved and send immediate feedback to the team regularly. This style of leadership is most effective when individual workers are very experienced, skilled and competent.

Although every organization will have their own preferred leadership style, the most effective leaders adopt a style which appropriate for the current situation. The following factors will be considered in deciding which to use:

- The task; the nature of the work or business.
- The team; availability of relevant skills and resources in making decision.
- Tradition; the norm and values of the organization in the past.

PRODUCTIVITY

Productivity can be described as the relationship between the quantity of output and the quantity of input used to generate that outcome. It is basically a measure of the effectiveness and efficiency of an organisation in generating output with the available resources.

Productivity is termed as the ratio of output to input:

\[
\text{PRODUCTIVITY} = \frac{\text{output}}{\text{Input}}
\]

LABOUR PRODUCTIVITY

Labour productivity is defined as value added per employee, is the most common measure of productivity. It indicates the effectiveness and efficiency of labour in the production and sale of the output, on the overall impact on organization. Akintunde P. G. (2001) stated that productivity is that which workers can accomplish with the minimum effort. John C.M., (2002) posits that productivity is output per employee hour, quality considered. According to Yousef D.
A., (2000) productivity is the increased functional and organizational performance, including quality. Productivity is a ratio to measure how well an organization (or individual, industry, country) transforms input resources (labor, materials, machines and land) into goods and services.

III. LEADERSHIP STYLES AND PRODUCTIVITY

Leadership Styles on Productivity: Brown (2007) every leadership styles has short and long-term impacts on productivity. Specifically, the authoritative style may produce great results in a short time. Therefore, excessive use of authority will decrease productivity at long-term. Employees either get fed up and leave or fall into a malaise of hum-drum repetitive tasks without innovation, creativity and rapid adaptation business environment. More so, a participative leadership style will not have significant effects on the short-term. But, the longer this style of leading, the more productive a company.

Leadership on Organizational Goals: It is necessary for leaders to clearly define what he or she desires to accomplish. When subordinates are not clear of what the team is really trying to establish, it often affects productivity. The primary objectives or deliverable of each project should then be emphasized and communicated to all workers. The present state of situation should also be analysed and subsequently addressed. This would assist employees in identifying the gaps and take crucial precautions that are relevant in order to achieve the specific goal.

Creativity and Innovation on Employee Efficiency: Creativity is one of the fundamental factors that impacts greatly on productivity, survival and growth of an organization. Effective leaders must embrace innovation to stay ahead of their competitors in the global market. In current economic scenario, innovativeness has become a major approach in influencing strategic planning. Leaders who actively promote creativity and innovation would create an environment for employee’s increase productivity.

Leadership on Employee’s Satisfaction: Leaders are expected to utilize their resources and skill efficiently to ensure maximum productivity. Saving costs through employing more incompetent and low cost employees may not necessarily increase productivity. They should encourage and give strong support to their employees to acquire current skills and knowledge, and be independently productive. Leaders play vital roles in creating, maintaining and improving their employees’ job satisfaction.

Leadership Effective Communication on Employee Productivity: Managers should adopt open communication to increase the trust between them and their subordinates. They need to help workers feel as though they are trusted, valued and consider as an important assets to the organization. A frank communication promotes trustworthy relationship between the leader and his or her subordinates, which helps proper collaborative work and foster productivity.

Recognition and Incentives on Employee Productivity: Leaders could induce their employees through recognition and incentives for their efficiency. Through small gestures, that can be perceived as organizational culture “Employee of the Year” award would increase worker’s sense of self-esteem and create positive impact on productivity. Performance incentives, in the form of monetary compensation and promotion, could also be given to employees, based on their efficiency. Employees would be recognized based on the quality work, attitude, discipline and productivity.

IV. THEORETICAL FRAMEWORK

A. TRAIT THEORY OF LEADERSHIP

The trait approach was popular up to the 1940s. The idea behind this school is that effective leaders share common attribute. The theory assumes that leaders are born, not made. Attempts to identify the peculiarity of effective leaders have focused on three basic perspectives according to Turner and Muller (2005); the capabilities traits demonstrate hard management skills, personality traits on the other hand addresses issues such as emotional and self-confidence factors and the physical appearance which include size and outlook. The trait theory according to Bolden, R., Gosling, J., Marturano, A. And Dennison, P. (2003) emanated from the “Great Man” theory as a way of identifying the common characteristics of successful leaders. It was believed that through this approach, crucial leadership attributes could be determined and people with such peculiarities could then be recruited, selected, and appointed into leadership positions. This approach was common in the military institutions and adopted as a set of requirement to select candidates for commissions. Trait theory rests on the assumption that some people were born to lead in correspond to their personal attributes. It recommended that leadership is only available to few and not accessible by everybody. Actually, some superiors might have possessed certain qualities but the absence of other attributes did not necessarily mean that the person was not a leader. However, there had been little consistency in the results of the various trait researches; that some characters did appear more frequently than others, including technical skill, cooperation, motivation, application to task, supportiveness, social quality, emotional control, competency, management skill, charisma, and intelligence. Kilpatrick and Locke (1991), in a meta-analysis, did seem to find some consistency around the following traits: drive to accomplish; motivation to lead; honesty and integrity; self-confidence, including the capabilities to withstand challenges, standing firm and being emotionally resilient; and adequate knowledge of workplace. They also note the importance of managing the aspirations of others in relation to these qualities. Along the same lines Goffe (2002) identifies that inspirational leaders need to understand and admit their own inefficiency (within reason); sense the needs of situations; have empathy, self-awareness and further development.
B. BEHAVIOURAL OR STYLE THEORY OF LEADERSHIP

This school of theory was popular from the 1940s to 1960s. It assumed that effective leaders employ certain styles and behaviours. Actually, in effect, that effective leader can be made. Most of the best-known theories characterize leaders against one or two factors, and place them on a one-dimensional continuum or in a two-dimensional matrix. Hershey and Blanchard (1988). The parameters include concern for employees, production, administer of authority, participation of group in decision-making and flexibility versus the application of policies.

C. MCGREGOR’S THEORY OF LEADERSHIP

McGregor developed a theory of motivation on the basis of hypotheses relating to employee behaviour. The leadership approach of effectively-used participative management proposed by Douglas McGregor has had an enormous impact on organization leaders. The most publicized concept is McGregor's thesis that leadership approaches are influenced by a leader's assumptions about human character. As a result of his expertise as a consultant, McGregor summarized two contrasting sets of assumptions made by managers in organizations: theory X and theory Y. McGregor stated that American companies managed their workers as if they were incompetent, and required constant direction, monitoring, supervision and control (Theory X), rather than as if they were responsible individuals who were willing and see task as an obligation that must be performed. (Theory Y). He established that the underlying assumptions of the manager determine the way they organized and managed their subordinates, which in turn responsible for how the workers would react. Thus, if workers were managed as if they operated on theory X, then they will respond as theory X workers. Correspondingly, if workers were managed as if they operated on theory Y, they will act in theory Y manner. McGregor made an assertion that what he believed about a person can help the person to behave in the way he desire (self-fulfilling).

V. METHODOLOGY

The research employs survey method and design. The area of this study consists of Adamawa, Bauchi and Gombe states, Nigeria. The states were selected because they have well functional manufacturing firms in the North-East region, Nigeria. The population of the research consists of the staff of selected three manufacturing firms which were selected purposively. The populations of this staff were 462. The researcher determined the size of the sample, a total of 210 samples were derived from the study population with the use of Trek formula (Trek, 1994). Data for the work were collected mainly from primary source through questionnaire that were self-administered. The answer options for the questionnaire were developed using five-point Likert scale with SA – Strongly Agree, A – Agree, U – Uncertain, D – Disagree and SD – Strongly Disagree.

VI. ANALYSIS, RESULTS & DISCUSSION

Out of the two hundred and ten (210) questionnaires administered, only two hundred and one (201) representing 95.7% were returned and found relevant for the data analysis.

The biographical information of the respondents from the analysis revealed that many of the respondents of the selected three manufacturing firms were male (83.2%). Also, majority of the respondents in the organizations were of middle and low level managerial positions (89.8%) which definitely give the work more meaningful responses since the issues relating to employees productivity affect these management cadres most. Furthermore, most of the respondents (72.5%) were unskilled employees. This is an indicator that the findings would give reliable results since the works majorly emanate from the concern for the unskilled workers. Finally, our respondents come mostly from marketing (35.7%) and operation (33.2%) departments. These give us a true representation to justify the fundamental roles of leadership styles on employee’s productivity.

TESTING OF HYPOTHESES

Two hypotheses were formulated and are tested as follow using ANOVA and chi-square. Hypothesis one was tested with One-way ANOVA and hypothesis two was tested with chi-square test. SPSS was used to analyze the various tests.

HYPOTHESIS ONE

HO: there is no significant relationship between democratic leadership style and employee performance

HA: there is significant positive relationship between democratic leadership style and employee performance.

Feedback Measures and Cost of operation

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>3155.200</td>
<td>4</td>
<td>1411.115</td>
<td>.642</td>
<td>.002</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2717.200</td>
<td>15</td>
<td>197.113</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5872.400</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Table 2: One-way ANOVA

<table>
<thead>
<tr>
<th>Number</th>
<th>Manufacturing firms</th>
<th>Population</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Savannah Sugar Nigeria Limited in Yola, Adamawa State</td>
<td>146</td>
<td>66</td>
</tr>
<tr>
<td>2.</td>
<td>Nigeria Asbestos Limited in Bauchi, Bauchi State</td>
<td>155</td>
<td>71</td>
</tr>
<tr>
<td>3.</td>
<td>Ashaka Cement PLC. in Gombe, Gombe State</td>
<td>161</td>
<td>73</td>
</tr>
</tbody>
</table>

Total 462 210

Source: Managers, Human Resources Departments of the selected firms, (2018)

Table 1: The population studies are the staff of the three key selected manufacturing sectors. The populations of this staff are:
HYPOTHESIS TWO

HO: benevolent leadership style has no effect on employees’ productivity.

HA: benevolent leadership style positively affects employees’ productivity.

<table>
<thead>
<tr>
<th></th>
<th>Profit</th>
<th>Telecom Growth</th>
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<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.199</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.121</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>194</td>
<td>194</td>
</tr>
</tbody>
</table>

Table 2: Correlations

THE RELATIONSHIP BETWEEN DEMOCRATIC LEADERSHIP STYLE AND EMPLOYEE PERFORMANCE

Data for the test of this hypothesis were obtained from responses through questionnaire. The one-way ANOVA was used to test the extent of the relationship between performance feedback and employee efficiency. Tables 2 reveals that while the f-distribution result shows the existence of relationship result on the variables (F = 0.642 at p< 0.05). The significant level is 0.002, and due to this we reject the null hypothesis and accept the alternate one which states that there is significant positive relationship between democratic leadership style and employee performance.

THE EFFECT OF BENEVOLENT LEADERSHIP STYLE ON EMPLOYEE’S PRODUCTIVITY

Having analyzed the second hypothesis on table 3 with one sample t-test, we found out that the t-test result shows the existence of significant result on the variables (r = 0.199 at p< 0.121), we reject the null hypothesis and accept the alternate which signifies that benevolent leadership style positively affects employees’ productivity.

VII. CONCLUSION AND RECOMMENDATIONS

This work examines the determinant of employees’ productivity of manufacturing sectors by reviewing works on organisational leadership styles and by finding how the independent variables affect the dependent variables. Although previous studies shows multifaceted results employee performance in the areas of democratic leadership styles, this work revealed that democratic leadership styles plays indispensable roles on employee productivity and organisational survival.

Democratic leadership styles entail organisation functions being shared among members of the team and perhaps encourage objective criticisms and praises, this ensure rapid decision making, determination and implementation of policy that will enhance speedy work and employee productivity. Also, it makes employees develop a feeling of responsibility which enables them to account for their actions and have sense of belonging in their respective organisations. This established the fact that the variable is a determinant that is of significance to employee’s productivity.

In addition, benevolent leadership style is of imperative significance to workers performance and organisation effectiveness. These leaders are always concern about the plight of their subordinate, by giving rewards in addition to the normal remunerations. The leadership style motivates employees to integrate their effort to ensure attainment of organisation specific objective.

In line with the actual study findings and conclusions drawn, the following recommendations were suggested:

- Democratic leadership style should be encouraged, for the fact that it would further empower their subordinates by developing teams and according some measure of responsibility and authority to their employees. Therefore, workers would ignite their potentials, realized job satisfaction and execute their tasks maximally for organization survival.

- Management must strategize to ensure that autocratic behavioural characteristics, for instance failing to consider contribution from subordinates during decision making is disregarded at all levels. When leader takes unilateral decisions, it does not ensure proper representativeness, collaboration and organizational synergy that will enhance productivity.

- Leadership must develop a template to ensure consensus building by encouraging diverse views of ideas when it comes to policy making and implementation. Adhering to these democratic behavioural characteristics in the organization will ensure employee admit the policies. Subordinates feel satisfy when their contributions and suggestions are required during decision making and integrated during implementation.

- Finally, it is pertinent for the organization to develop and maintain professional performance guidelines that create a sense of responsibility to subordinates.

REFERENCES


