

# Effect of Leadership Style on Organizational Performance: A Survey of Selected Medium Scale Enterprises in FCT, Abuja, Nigeria

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**Abstract:** This study has investigated the relationship between leadership styles and organizational performance and drawing evidences from a survey of selected medium scale enterprises in the FCT. The major objective is to determine the effect of leadership styles on employee's inspirational motivation, commitment and the market share; to investigate effects of leadership styles on the overall organizational survival. The study will immensely benefit organizations as it espouses the strategic role of leadership in driving organizations' performance. Various leadership styles were considered relevant in this study: autocratic, bureaucratic, charismatic, participative, laissez-faire, transformational and transactional leadership styles. Conceptualizing the study, leadership and organizational performance took center stage of discourse while past empirical studies were reviewed along lines of the study objectives. The study employed a survey design using primary data through the use of questionnaire administered randomly to a sample of 223 respondents derived using Taro Yamane's formula from a population of 502 employees of the selected enterprises. A multiple regression model was formulated for data analysis using the Statistical Program for Social Sciences (SPSS) software version 20. Collected data were presented, analyzed and interpreted. Tables were used for data presentation while the formulated regression model served to test hypotheses. Findings indicate that there is significant effect of leadership style on the performance of selected medium scale enterprises in Abuja. This implies that leadership style (autocratic, bureaucratic, transformational, charismatic, democratic, servant and transactional) contribute significantly to the performance of selected medium scale enterprises in Abuja. The study recommended that selected medium scale enterprises should continue to apply leadership style in terms of autocratic, bureaucratic, transformational, charismatic, democratic, servant and transactional depending on the situation since these leadership style ensure adequate and effective increase in performance.

## 1. Introduction

Leadership is a key factor associated with the success or failure of an organization. Leadership style is the manner in which people are directed and motivated by a leader to achieve organizational goals (Al Khajeh, 2018). The word "leadership" is being used in various areas of human activities such as politics, businesses, academics, military, etc. According to Messick and Kramer (2004) the degree to which the individual exhibits leadership traits depends not only on his characteristics and personal abilities, but also on the characteristics of the situation and environment

in which he finds himself. Thus, Glantz (2002) emphasizes the need for a manager to find his leadership style.

The much sought-after government white collar jobs are no longer available or enough for the teeming population of our youth. The government of Nigeria identified entrepreneurship development as a major thrust to achieve economic development through SMEs growth and development. Therefore over the years, policies have been formulated by governments at various levels in Nigeria with a view to supporting

and encouraging the development of Small and Medium Scale Enterprises (SMEs). Despite these government policies there has been stunted growths and sluggish development of Medium Scale Enterprises in particular, in FCT.

Inappropriate leadership style could be one of the reasons for high failure of medium scale enterprises in the FCT. This is especially true considering that most of these enterprises generally in Nigeria are owner-managed by persons who do not know enough about management's leadership style the organizational performance. There is the problem of effective leadership and the style to be adopted in leading employees to achieve maximum organizational performance. According to Ukaidi (2016), leadership has characteristics that distinguishes it as a dynamic symbolic movement where every employee look up to for adjustment when necessary, in the overall interest of the organizational performance.

The problem with most medium scale enterprises is that leaders are not democratic in their relationship with their subordinates. In fact they are usually authoritarian in style. They dictate the tune and have the administration of the organization centered on them. It is obvious that the resultant effect is poor staff performance, absence of motivation, poor growth and development of the institutions. However we should not overlook the fact that existing literatures prescribing various approaches to effective leadership in medium scale enterprises based their researches on facts prevailing in the developed economies and their cultures.

Another problem affecting leadership style in medium scale enterprises is the competence of the leaders appointed to manage the enterprise. Evidently, there are challenges impeding organizational performance. How much of a challenge does leadership style constitute to organizational performance? Or could leadership harnessed to be the solution? Does leadership actually affect organizational performance? These are inquisitions this study sought to know the leadership style that is appropriate for a given Medium Scale Enterprise to enhance sound managerial decisions.

This research basically sought to investigate the effects of leadership style on organizational

performance in the selected medium scale enterprises with the specific objective of determining the preferred leadership style that can enhance organizational performance of Medium Scale Enterprises (MSEs) in Abuja FCT.

- (a) To examine the effect of leadership style on employees' inspirational motivation and profitability in medium scale enterprises in the FCT.
- (b) To examine the effect of leadership on employees' commitment and market share in medium scale enterprises.
- (c) To examine the effects of leadership style on the overall organizational survival.

## 1.2 Research Hypotheses

The study is geared towards testing the following hypotheses.

- H<sub>01</sub>: Leadership style has no significant effect on employees' inspirational motivation and profitability in medium scale enterprises in the FCT.
- H<sub>02</sub>: Leadership style has no significant effect on employees' commitment and the market share in medium scale enterprise.
- H<sub>03</sub>: Leadership style has no significant effect on the overall organizational survival.

## 2. Literature Review

The relationship between leadership style and organizational performance has been a subject of many empirical studies. Leadership is one of the key determinants associated with the success and failure of any organization (Khajeh, 2018). Leadership style, as a concept has been variously defined in earlier sections of this presentation. It should be noted however, that leadership styles are as many and diverse as there are definitions and concepts of leadership. Different researchers and academicians alike have posited different leadership styles opining that every leader in every organization performs certain roles/tasks for the smooth operation of the organizations and improvement of organizational performance. Scholars have used different conceptualizations of the independent variable, such as transactional, transformational, and laissez-faire leadership, and/or have included several related concepts such as trust in leadership, leader-member

exchange, and leadership structure (Knies et al, 2016). They further stated that in terms of the dependent variable, there are also a variety of relevant outcomes that have been studied, such as organizational citizenship behavior, employee attitudes, and performance measured using different criteria on different levels of analysis. The main aim of many companies is to accomplish its stated objectives; hence, there is the need of effective leaders for coordinating and motivating the employees (Vigoda-Gadot, 2012).

According to Oyetunyi (2006), leadership style therefore is the way a leader leads. Some leaders are more interested in the work to be done than in the people they work with, whilst others pay more attention to their relationship with subordinates than the job. The leader's emphasis on either the task or human relations approach is usually considered central to leadership style (Yusuf-Habeeb and Ibrahim, 2017). Investigating the impact of leadership styles on organizational performance in small and medium scale enterprises in Nigeria, Hudson, Andrew and Ibrahim (2014) carried out a study in Borno State using selected SMES in Maiduguri Metropolis as study subjects. The study used a 32 item questionnaire in generating data, which was subjected to different statistical methods including univariate analysis, Measure of Central Tendency, Pearson Product Moment Correlation in order to answer questions raise as research question. The findings of the study indicated that small scale enterprises' performance gets significantly impacted by the quality of leadership style prevalent in the organization.

Another study by David, (2012) examined the impact of Leadership styles on organizational performance in Selected Deposit Money Banks in Nigeria. The study utilized a quantitative research design and a case study method that employed the use of questionnaire, data was analysed to ascertain the impact of leadership style on organizational performance. Key performance indicators were employed as measures of performance in the selected Banks. Findings from the study indicated a significant impact of leadership style on key performance indicators of the selected banks studied.

Conducted in Lagos State Nigeria, another study by Safiriyu and Njogo (2012) also examined the effect of

leadership styles on key business processes in selected medium scale enterprises. The study used descriptive statistics and relied solely on primary data. Questionnaires and interview were the core instruments used to gather information for the study using a total of one hundred and fifty (150) questionnaires administered and one hundred and twenty (120) returned, representing (80%) response rate. Two different statistical methods were employed to analyze data for the study; simple percentage and chi-square(X). The study's findings indicate that the enterprises' key business process got significantly impacted by leadership styles in the enterprises understudied.

In their study of leadership and organizational performance, Obiwuru et al, (2011) followed a survey design and employed an evaluative quantitative analysis method to arrive at their conclusion which was measured upon effort, productivity and loyalty. The result of the study is that transactional leadership style had much positive impact on performance while transformational leadership style also had positive but rather insignificant impact on performance. Saasongu (2015) citing Benkhoff (1997) who investigated the relationship between leadership and organizational performance using correlation analysis. In study, performance was measured by sales targets and profit figures. It was found that leadership was significantly related to financial success of bank branches. Further study using correlation analysis identified two types of leadership behaviour. These are rational leadership and task leadership. Again organizational performance was measured upon innovation propensity, development and expansion. Their study found out that task leadership behaviour is directly related to innovation, propensity, development and expansion.

According to Amanchukwu et al (2015) participative leaders encourage participation and contributions from group members and help group members to feel relevant and committed to the decision-making process. Which means that people react favorably to it in an organization by increased productivity, lower unit cost, and good morale and improved labor management relation. Further research confirms that supportive and participative leadership styles have a positive influence on effectiveness in medium scale enterprises (Nanjundeswaraswamy & Swamy, 2014).

Nwachukwu (2007) in Uchenwamgbe (2013) opined that a genuine laissez-faire style of leadership is a situation where the manager observes that group members are performing their assignments on their own without much supervision. In that case, the manager deliberately decides to allow members freedom of action by encouraging them “to do as they think best” without interference; but readily available to proffer solution or offer assistance when needed. The word genuine is used here to differentiate with the manager who does not care and rather deliberately abdicates his duties and does not want get involved thereby leaving members of the group to face issues and take decisions that rightly belong with the manager (Uchenwamgbe, 2013).

The effectiveness of leadership to a large extent is responsible for organizational performance. Luthans et al (2008) maintained that staff (employees) perceives employers as the image of the organization. Employees therefore internalize the culture and become 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. Organizational performance hinges on the dynamic managerial capabilities in resourcing an organization and the strategic decision-making framework employed by particular organizations (Beck & Wiersema, 2013). Managerial capabilities comprise different dynamic managerial competencies that have a significant influence in directing the organizational strategy. Developing various types of human capital, managerial cognition, and social capital is a significant step toward supporting dynamic managerial capabilities (Beck & Wiersema, 2013). Dynamic decision-making, efficient feedback mechanism including internal and external market analysis are critical drivers of organizational performance (Beck & Wiersema, 2013). A balanced scorecard is a measurement tool and a feedback system that helps management to focus organizational efforts towards the achievement of strategic objectives (Mitchell et al., 2013).

Overall, Organizational performance comprises of strategic and operational performance. Total organizational performance is neither a good measure of strategic nor operational performance. Therefore, it is important to separate strategic from the

operational performance to establish if an organization is attaining the strategic objectives. The use of the RBV conceptual framework for strategic performance measurement heightens the need for understanding the factors that can influence the performance of the organization (Barney, 2001). Amanchukwu et al (2015) citing Warren Bennis in Anyamele (2004) who opined that leadership is a creative process which encourages initiating and innovation. And that leadership should focus at the horizon rather than looking at the bottom-line. Again according to Bennis, a leader is someone who creates a compelling vision, a climate of trust, meaning, success (effective leaders perceive and handle ‘failure’ differently – they embrace error and vow to learn from it), creates a healthy and empowering environment and also creates a flat, adaptive, decentralized systems and organization. Raja and Palanichamy (2011) in their study revealed that transformational leadership style was more preferred and more related to employees’ commitment than transactional leadership. It is observed that the position a person occupies in the organization plays some significant impact on leadership style perception and employees’ commitment. Again the study concluded that employees’ perception relative to others plays a role in the preference of leadership style and that salary which can be seen as a form of financial motivation seems not to account for leadership style preference and commitment to the organization. The outcome of this study supports the notion that it is not in all cases that extrinsic motivation accounts for employee commitment in an organization (Abasilim et al, 2019).

In the same vein, the study by Cemaloglu et al (2012) found that school principals adopted transformational leadership style preferably to transactional leadership style and that “teachers’ continuance commitment levels are higher than affective and normative commitment but on the contrary teachers give more importance to economic earnings than personal satisfaction” (p. 60). The study further revealed that the low affective and normative commitment for teachers was attributable to the criticisms faced by teachers in their community. Also, their study revealed that the school principals’ behaviors that were characterized by the components of both transformational and transactional leadership (idealized attribute, idealized influence, motivation by inspiration, intellectual stimulation, individualized

consideration, conditional reward, and management by exceptions—active) were negatively related to teachers' affective commitment. On the contrary, teachers' affective commitment was positively correlated with principals using management by exceptions (passive) and laissezfaire leadership styles. They also noted that the affective commitment of the teachers was not the function of extrinsic motivation. This implies that it is not in all cases that employees' commitment is a function of the leadership style adopted in an organization.

In the same vein, Wiza and Hlanganipai's (2014) analyses showed that leadership styles are drivers of employees' commitment and noting this by the leaders of the organization will ensure desired outcomes. The study buttressed that employees' perception of the leadership style to be good would help them identify with the organization. Their study also revealed that transformational leadership style had a significant positive relationship with affective and continuance employee commitment, whereas transactional leadership style had a significant positive relationship with only normative commitment. Ahmad et al (2015) in their study indicated that an effective leadership system needs to be cultivated by the management of Public Tertiary Institutions among their academic staff. According to the findings, when this is in place, it would bring about an enhanced employee commitment level and reduce employee turnover in the organization. A research investigation by Dariush et al. (2016) found that transformational and transactional leadership styles of managers have a significant positive effect on employees' commitment, but laissez-faire leadership has a negative effect on employees' commitment. The finding implies that not all leadership styles would have a similar kind of relationship with employees' commitment. The relationship could be either positive or negative. Also, Dahie et al (2017) study indicated that employees' commitment is positively related with transformational and transactional leadership styles. Recent studies also found a similar result. Mulugeta and Hailemariam (2018) revealed that the leadership style applied in their organization was more inclined to transformational leadership style, followed by transactional and laissez-faire leadership styles as adjudged by the employees. The study also concluded that there are certain factors that also affect the

employees' commitment in the organization, apart from leadership styles.

Gcaza et al (2018) conducted a study which assessed the effect of leadership style and organizational culture on employees' commitment. Their study found that there are significant positive effects of leadership styles and organizational culture on employees' commitment. The study also revealed that employees' commitment was influenced the most by transformational leadership style when compared with transactional leadership style. In the Nigerian context, studies on examining the relationship between leadership styles and employees' commitment seem to be under-researched. However, some studies reveal the increasing interest in leadership styles and employees' commitment (Abasilim et al., 2018a, 2018b; Fasola et al., 2013; Okonkwo et al, 2015; Othman et al., 2013). In a related study conducted in Ibadan, Fasola et al. (2013) revealed that, despite the fact that transformational and transactional leadership have a positive relationship with the commitment of banking employees in Nigeria, transactional leadership styles show more impact on the commitment of banking employees in Nigeria, which was seen to be more effective than transformational leadership style. Although a positive relationship exists between transformational leadership and employees' commitment, it was insignificant. This finding implies that the banking employees' commitment was not a function of the transformational leadership style and that the relationship between leadership styles and employees' commitment to one organization may differ from another organization. As a result, there is a need for leaders and managers to take note of their organization's peculiarities. In the same vein, Okonkwo et al. (2015) study perceived leadership styles as predictors of employees' commitment showing that perceived leadership styles would jointly and independently predict employees' commitment with democratic leadership having the strongest positive prediction. However, other leadership styles (authoritarian and laissezfaire) did not predict the employees' commitment significantly.

Abasilim et al. (2018a) in a study on the canonical analysis between the perceived leadership styles and employees' commitment in Nigeria found out that there is a positive relationship between transformational leadership style and employees'

commitment and on the contrary a negative relationship between transactional and laissez-faire leadership styles and employees' commitment in the study context. Furthermore, the results revealed that the most prominent indicators among the leadership styles that relate more to employees' commitment are inspirational motivation, intellectual stimulation, contingent reward, and idealized behavior, respectively. The study concluded that organizational performance can be said to have been achieved, when the appropriate leadership style that engenders employees' commitment has been identified and likewise that specific components of the leadership styles that relate more to employees' commitment are known and applied. In the same vein, Abasilim et al. (2018b) also noted that transformational leadership style is mostly related to personnel commitment in Nigeria and asserted that the private organizations under study should pay attention to transformational leadership style in achieving personnel commitment in Nigeria for higher performance. The study concluded that the role of leadership styles in ensuring the extent to which personnel are committed cannot be downplayed and in this case is transformational leadership style.

From the relevant literature reviewed, most of the research findings on the relationship between leadership styles and employees' commitment showed a concession to the connection between them. However, there were some variances in their findings and this causes one to ponder the universality of the findings and also the influence of the demographic variables on the relationship between leadership styles and employees' commitment is not known with respect to the Nigerian work context (Abasilim et al. (2018). Hence a review of most of the existing literature on the study is mostly ethnocentric in nature as majority of these studies have been conducted in the developed countries as such, contextual realities and cultural effects in the relationship between leadership effectiveness and organizational performance have been overlooked (Zeb, Ahmed & Saeed, 2018). Again, a research conducted by Analoui (1999); Avery (2004); House & Aditya (1997), Shamir & Howell (1999) and Yulk (1999) suggests that there are limitations, difficulties and unresolved problems associated with the relationship between leadership effectiveness and organizational performance.

### 3. Methodology

*Research Design:* The research design used is survey research design and survey research design is used because study makes use of point in time data which is analysed using qualitative approach. The study used questionnaire administered to the staff of selected medium scale enterprises in Abuja.

*Population of the Study:* The study population for this research covers all employees selected medium scale enterprise (MSEs) in the Abuja FCT (i.e. one MSE from each of the six area council of the FCT) making a total number of 502 such employees.

*Sample Size:* In defining the sample size for the research, an error margin of 0.05 level of significance was adopted using the formula by Taro Yamane (1973) thus, the sample size is 223 from the total population of 502 which is the lower acceptable number of responses from the respondents to maintain a 95% confident interval. However, 10% copies of the questionnaire were added to ensure a successful return on the 223 copies of the administered questionnaire. The total copies of administer questionnaire was 245.

*Sampling Technique and Method of Data Collection:* The simple random sampling technique was utilized for the research because it is the fundamental method of probability sampling. This significantly reduces the chances of skewed opinions and connivance which would significantly alter the course of the research and its findings.

A self-administered questionnaire is used in gathering the data. The respondents were provided with guidelines to ensure that they understand the questions and, to respond suitably. As much as possible, questions in the survey instrument is worded in a close -ended manner to provide quantitative data as per the researcher's response category. A Likert scale of five point is used to measure the extent to which the various respondents agreed or disagreed with the issues raised.

*Method of Data Analysis:* The statistical tool used in this study is regression and correlation. The regression model is computed using SPSS statistical package that has the capacity to answer question on how fit a model is given a set of variables. Also, the output showed the t-statistics, standard error value, f-statistic value and p-value for the co-efficient which will result in either rejection or failure to reject the null hypothesis. The p-value which is the probability of getting a result that is at least as extreme as the

critical value and it help in accommodating the error factors in this research. The co-efficient of determination ( $R^2$ ) also revealed. This measured the proportion of the dependent variable that has been explained by the regression model. The range  $R^2$  is varies between 0%- 100%. It is therefore useful that when the value of  $R^2$  is closer to 100%, it show that more independent variables explain the variation in dependent variable capture in the hypotheses and the level of significance is 5%.

*Model Specification:* The model comprises a multiple regression model which had organizational performance as dependent variable (market shares, organizational survival, profitability and employee’s commitment as well as employees inspirational motivation) as a function of the independent variable: Leadership styles (as manifested by autocratic, democratic etc).

The model is stated as thus:

*Model 1*

$$EIM = \alpha + \beta_1 LS + \mu \dots \text{equation 1}$$

$$PFT = \alpha + \beta_1 LS + \mu \dots \text{equation 2}$$

*Model 2*

$$EC = \alpha + \beta_1 LS + \mu \dots \text{equation 3}$$

$$MS = \alpha + \beta_1 LS + \mu \dots \text{equation 4}$$

*Model 3*

$$ORSV = \alpha + \beta_1 LS + \mu \dots \text{equation 3}$$

Where:

LS = leadership style; EIM = employees inspirational motivation; PFT= profitability  
 EC= employees’ commitment; MS= Market share;  
 ORSV = organizational Survival  
 $\alpha$  = Intercept;  $\beta$  = Independent variable coefficient;  $\mu$  = Error terms

## 4. Data Analysis and Interpretation

### 4.1 Result Presentation

The Data presented in this study were collected from the respondents who are the employees of medium scale enterprise in Abuja (Oprite Christian International School, Capital Science International School, Ero Water and Drilling Ltd, Kwality Cables Ltd, Barut Rolls Nig Ltd and Louis Ville International School. Data were also presented by leadership style is represented with (LS), employees’ inspirational motivation is represented with (EIM), profitability is represented with (PFT), employees commitment is represented by (EC), market share is represented with (MS) and organizational survival is represented by (ORSV). The data collected from the respondents were analysis using correlation and regression with the aid of statistical package for social sciences (SPSS), version 20.00.

**Table 4.1: Analysis of return rate of Questionnaire**

Medium scale enterprises	Questionnaire administered	Questionnaire not returned	Questionnaire returned	%
Oprite Christian International School	44	4	40	17.94
Capital Science International School	40	5	35	15.70
Ero Water and Drilling Ltd	33	3	30	13.45
Kwality Cables Ltd	30	3	27	12.11
Barut Rolls Nig Ltd	53	5	48	21.52
Louis Ville International School	45	2	43	19.28
<b>Total</b>	<b>245</b>	<b>22</b>	<b>223</b>	<b>100</b>

Source: Survey, 2020

The above table indicates the rate of returned of the administered questionnaire from six medium scale enterprises in Abuja. The respondents returned their copies of administered questionnaire and it was observed that Oprite Christian International School returned 17.94% copies of questionnaire, Capital Science International School returned 15.70% copies of questionnaire, Ero Water and Drilling Ltd returned

13.45% copies of questionnaire, Kwality Cables Ltd returned 12.11% copies of questionnaire, Barut Rolls Nig Ltd returned 21.52% copies of questionnaire and Louis Ville International School returned 19.28% copies of questionnaire. The implication is that most of the employees that participated on the exercise are from Barut Rolls Nig Ltd in Abuja.

## 4.2 Test of Hypotheses

### 4.2.1 Model 1

**Table 4.1: Regression Result**

Model		Coefficients <sup>a</sup>			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-.018	.090		-1.96	.845
	LS	.904	.023	.937		

a. Dependent Variable: EIM

The regression result shows that the model is fit for the study since the f-statistics is significant at 5% level of significant. The result also shows that leadership style (democratic, charismatic, autocratic etc) has positive effect on employees' inspirational motivation of selected medium scale enterprises in Abuja. This positive effect is significant since the P-value is less than 5%. Thus, we can reject the null hypotheses and concluded that leadership style has a

positive and significant effect on employees' inspirational motivation of selected medium scale enterprises in Abuja.

The  $R^2 = 0.87$  indicates that only 87% of variation on leadership style can be used to explain employees' inspirational motivation of selected medium scale enterprises in Abuja but 13% can explained by other factors not noted in the regression model which is refer to as error term.

**Table 4.2: Regression Result**

Model		Coefficients <sup>a</sup>			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.628	.085		7.354	.000
	LS	.799	.022	.928		

a. Dependent Variable: PFT

The regression result shows that the model is fit for the study since the f-statistics is significant at 5% level of significant. The result also shows that leadership style (democratic, charismatic, autocratic etc) has positive effect on profitability of selected medium scale enterprises in Abuja. This positive effect is significant since the P-value is less than 5%. Thus, we can reject the null hypotheses and

concluded that leadership style has a positive and significant effect on profitability of selected medium scale enterprises in Abuja.

The  $R^2 = 0.86$  indicates that only 86% of variation on leadership style can be used to explain profitability of selected medium scale enterprises in Abuja but 14% can explained by other factors not noted in the regression model which is refer to as error term.

### 4.2.2 Model 2

**Table 4.3: Regression Result**

Model		Coefficients <sup>a</sup>			T	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.518	.073		20.871	.000
	LS	.657	.018	.924		



## a. Dependent Variable: EC

The regression result shows that the model is fit for the study since the f-statistics is significant at 5% level of significant. The result also shows that leadership style (democratic, charismatic, autocratic etc) has positive effect on employees' commitment of selected medium scale enterprises in Abuja. This positive effect is significant since the P-value is less than 5%. Thus, we can reject the null hypotheses and concluded that leadership style has a positive and

significant effect on employees' commitment of selected medium scale enterprises in Abuja.

The  $R^2 = 0.85$  indicates that only 85% of variation on leadership style can be used to explain employees' commitment of selected medium scale enterprises in Abuja but 15% can explained by other factors not noted in the regression model which is refer to as error term.

**Table 4.4: Regression Result**

Model		Coefficients <sup>a</sup>			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.315	.077		4.069	.000
	LS	.872	.020	.949	44.689	.000

## a. Dependent Variable: MS

The regression result shows that the model is fit for the study since the f-statistics is significant at 5% level of significant. The result also shows that leadership style (democratic, charismatic, autocratic etc) has positive effect on market share of selected medium scale enterprises in Abuja. This positive effect is significant since the P-value is less than 5%. Thus, we can reject the null hypotheses and

concluded that leadership style has a positive and significant effect on market share of selected medium scale enterprises in Abuja.

The  $R^2 = 0.90$  indicates that only 90% of variation on leadership style can be used to explain market share of selected medium scale enterprises in Abuja but 10% can explained by other factors not noted in the regression model which is refer to as error term.

**4.2.3 Model 3****Table 4.23: Regression Result**

Model		Coefficients <sup>a</sup>			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.093	.051		1.837	.068
	LS	.955	.013	.981	74.553	.000

## a. Dependent Variable: ORSV

The regression result shows that the model is fit for the study since the f-statistics is significant at 5% level of significant. The result also shows that leadership style (democratic, charismatic, autocratic etc) has positive effect on organizational survival in selected medium scale enterprises in Abuja. This positive effect is significant since the P-value is less

than 5%. Thus, we can reject the null hypotheses and concluded that leadership style has a positive and significant effect on organizational survival in selected medium scale enterprises in Abuja.

The  $R^2 = 0.96$  indicates that only 96% of variation on leadership style can be used to explain organizational survival in selected medium scale enterprises in

Abuja but 4% can explained by other factors not noted in the regression model which is refer to as error term.

### 4.3 Discussion of Findings

The results of the analysis indicate that there is significant effect leadership style on the performance of selected medium scale enterprises in Abuja. This implies that leadership style (autocratic, bureaucratic, transformational, charismatic, democratic, servant and transactional) contribute significantly to the performance of selected medium scale enterprises in Abuja. The study is in line with the finding of David (2012); Safiriyu et al (2012); Hudson et al (2014); who found that there is statistical significant relationship between leadership style and performance. The study is also not in tandem with any findings in this study that found insignificant relationship between leadership style and performance in organizations. The study is also in tandem with Trait Theories of Leadership which states that leaders share many common traits and characteristics that make them successful. These leadership traits are innate and instinctive qualities that you either have or you don't. Gordon Allport was an early advocate for trait theory and the study of traits. All port and scholars after him identify physiological, demographic, intellective, task-related and social characteristics with leader effectiveness. Professionals have moved on from this way of thinking and focus more on what we can do as individuals to develop leadership qualities within ourselves and others.

In Hypothesis 1, the study found that leadership style has a positive and significant effect on employees' inspirational motivation of selected medium scale enterprises in Abuja. Also, leadership style has a positive and significant effect on profitability of selected medium scale enterprises in Abuja.

Hypothesis 2 reveled that leadership style has a positive and significant effect on employees' commitment of selected medium scale enterprises in Abuja. Also, leadership style has a positive and significant effect on market share of selected medium scale enterprises in Abuja.

In Hypothesis 3, the study found that leadership style has a positive and significant effect on organizational survival in selected medium scale enterprises in Abuja. This implies that leadership style such as (autocratic, bureaucratic, transformational, charismatic, democratic, servant and transactional)

contribute positively to organizational survival in selected medium scale enterprises in Abuja.

## 5. Conclusion

Drawing from the research findings, in tandem with the research objectives, the following conclusions were deduced from the study that;

1. Leadership style has a positive and significant effect on employees' inspirational motivation of selected medium scale enterprises in Abuja. Also, leadership style has a positive and significant effect on profitability of selected medium scale enterprises in Abuja.
2. Leadership style has a positive and significant effect on employees' commitment of selected medium scale enterprises in Abuja. Also, leadership style has a positive and significant effect on market share of selected medium scale enterprises in Abuja.
3. Leadership style has a positive and significant effect on organizational survival in selected medium scale enterprises in Abuja. This implies that leadership style such as (autocratic, bureaucratic, transformational, charismatic, democratic, servant and transactional) contribute positively to organizational survival in selected medium scale enterprises in Abuja

### 5.1 Recommendations

On the strength of the Conclusions drawn relative to the statement of research problem of the study and objectives, the following recommendations are proffered from the study:

1. Drawing from the findings from the first hypothesis, it is recommended that the top management of organizations should continue to apply leadership in terms of autocratic, bureaucratic, transformational, charismatic, democratic, servant and transactional depending on the situation since these leadership styles ensure adequate and effective increase in profitability. Also, selected medium scale enterprises in Abuja should continue to use leadership style ability to motivate employees as an inspiration for the employees to increase productivity.
2. Selected medium scale enterprises should continue to use leadership style in these organizations to ensure effective commitment of employees since when they

apply leadership style, employees tend to work hard and enjoyed being committed to work. The selected medium scale enterprises in Abuja should continue to use leadership style to increase market increase in the organizations.

3. The selected medium scale enterprises in Abuja should continue to ensure that the best leadership style is use in the organizations that ensure survival of the organization. They should use leadership style to increase sales, expand the business as well as increasing the number of employees in the organizations.

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