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| Author 1          | MADU, NDIDI P.  
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| Title:            | IMPACT OF LEADERSHIP STYLE ON THE  
                  | PERFORMANCE OF SELECTED TRANSPORT  
                  | COMPANIES IN BENUE STATE, NIGERIA |
| Keyword:          |          |
| Description:      | DEPARTMENT OF MANAGEMENT |
| Category:         | FACULTY OF BUSINESS ADMINISTRATION |
| Publisher:        |          |
| Publication Date: |          |
| Signature:        | Ugwoke Oluchi C.  
                  | Digitally Signed by: Content manager’s Name  
                  | DN : CN = Webmaster’s name  
                  | O = **University** of Nigeria, Nsukka  
                  | OU = Innovation Centre |
IMPACT OF LEADERSHIP STYLE ON THE PERFORMANCE OF SELECTED TRANSPORT COMPANIES IN BENUE STATE, NIGERIA

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A PROJECT REPORT
SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER IN BUSINESS ADMINISTRATION (MBA) DEGREE IN MANAGEMENT

DEPARTMENT OF MANAGEMENT
FACULTY OF BUSINESS ADMINISTRATION
SCHOOL OF POSTGRADUATE STUDIES
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SEPTEMBER, 2014

DECLARATION

I, Madu Ndidi Patience of the Department of Management, Faculty of Business Administration, School of Postgraduate Studies, University of Nigeria Enugu Campus, hereby declare that this is my original work. It has not been submitted in part or full to this university or any other institution for the award of any diploma or degree. I am liable for the entire content.

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DATE
APPROVAL

This work has been approved for the Department of Management, Faculty of Business Administration, School of Postgraduate Studies, University of Nigeria Enugu Campus

By:

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DR. O. C. UGBAM DATE
Head of Department
DEDICATION

This work is dedicated to God Almighty who is the giver of wisdom, knowledge and understanding.
ACKNOWLEDGEMENTS

I would like to express my gratitude to all those who in one way or the other helped me towards the accomplishment of this work.

Firstly, I would like to express my profound gratitude to my project supervisor, Dr. E.K. Agbaze, for his encouragement, corrections and professional suggestions over the months that have substantially improved this study. You are indeed a father. My gratitude also goes to my Head of Department Dr. O.C. Ugbam and also the Dean of Business Faculty, Prof. (Mrs.) J.O Nnabuko. Also, I will not fail to thank other lecturers in Business Faculty and Management department, in the persons of Dr. B.I. Chukwu, Dr, Ann Ogbo, Rev. Fr. Dr. Anthony Igwe, Prof. U.J.F. Ewurum and Dr. V. Onodugo, who have deposited vast knowledge in me.

My profound gratitude goes to my beloved mother, Mrs. Charity Madu, for her love and care. And also to my siblings, other relations and friends.

To all the authors, whose work I cited, I say a very big thank you.

Finally, the biggest thanks go to God Almighty, without whom I would not have been alive to do this work, I am indeed very grateful.
ABSTRACT

This study surveyed the impact of leadership style on the performance of selected transport companies in Benue State, Nigeria. Three transport companies were drawn in Benue State for the study, namely: Benue Links Nigeria Limited with its headquarters located at Wurukum, Makurdi, the Benue State capital. Denjim Transport Company has its own corporate headquarters at 97 Gboko Road Makurdi, Benue State while Iwiene Nigeria Limited has its head office located at 55 Onitsha Street, Wuru Makurdi, Benue State, Nigeria. Inherent to poor leadership style which had impeded on the performance of these companies had led to this study. The researcher adopted a survey design, with a population of 120 drawn from the selected companies. This was achieved through proportional stratified random sampling techniques. A five points rating scale questionnaire was used to collect primary data from the research population. The collected data were analyzed and interpreted using percentage and mean statistic while the hypothesis were tested with chi-square. The study discovered that leadership style affect organizational performance of any given company. That the style of leadership a manager adopted has a direct effect on the organizational performance of the employee. The study among others things discovered are, that participatory style of leadership and delegation of duties enhances the employee performance and attainment of corporate goals and objectives. The study therefore concludes that achievement of organizational goal and objective depends solely on the leadership style an organization adopted. It therefore recommends that, since leadership style is one of the basic tools used in attainment of organizational goal/objective, every organization should ensure that the right leader man their organization in order to achieve their set goal/objective.
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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Leadership is conceived as a process where one or more persons influence a group of persons to move in a certain direction. The word leadership has been used in various aspects of human endeavour such as politics, business, academics and social works. Messick and Krammer (2004) argue that 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. Therefore, an individual will support the organization if he believes that through it his personal objective and goals could be met, if not, the person’s interest will decline.

Among the objectives of any organization are profit making and attainment of maturity and liquidity status. In the pursuit of these objectives, organizations allocate scarce resources to competing ends. In the process they provide employment, provide goods and services, purchase goods and services and, thus contribute to the growth of the society and economy at large. Unamaka (1995)
observes that, the effectiveness of this process is greatly determined by the availability of and access to personnel, finance, machinery, raw material and possibility of making their goods and services available to their customers.

The extent to which members of the organization contribute in harnessing the resources of an organization equally depends on how well the managers or leaders of the organization understand and adopt appropriate leadership style in performing their roles as managers and leaders. Thus efficiency in resource mobilization, allocation, utilization and enhancement of organizational productivity depends, to a large extent, on leadership styles among other factors. Chuang (2005) explains that the excellent leader not only inspires subordinates’ potential to enhance efficiency, but also meets their requirements in the process of achieving the common target of the organization. Fry (2003) states that leadership as a use of leading strategy to offer inspiring motive and to enhance the staff’s potential for growth and development in the organization. Burn’s (1975) approach is that leadership influences subordinates to exert greater effort in the pursuit of higher-order needs; support a greater vision for
their work group or organization and in the course perform beyond expectations.

Stoner (2000) defines leadership as a process of directing and influencing the task of related activities of group members. It can also be seen as the process of influencing other people to achieve organizational objectives. Bass (1982) defines leadership as an interaction between members of a group. Leaders are agents of change, persons whose act affect other people more than other people’s act affect them.

Leadership occurs when one group member modifies the motivation or competence of others in the group. Also, Nongo (2009) states that leadership entails an unequal distribution of power between leaders and group members. Group members have power, but leaders usually have more powers. According to Rachin (2001) leadership is directly connected to the practice to which people are dedicated. The most substantial of leaders is their influential personality that has positive relation with the follower, job satisfaction and the performance (Joseph, 2011). Leadership style is the manner and approach of providing direction, implementing plans and motivating
people. Having acquired the human resources, there is the need to maintain and keep them together, it should be noted that every individual has his personal expectation for working in an organization. To this effect, the leader must employ the various ways of making sure that the employees stay at work, feel contented, ready to put in their best and that their expectations are met without neglecting the overall corporate objective(s) of the organization.

There are numerous styles of leadership but for this study, the transformational leadership, transactional leadership and laissez-faire leadership style is considered. The transformational leadership style is more effective, productive, innovative, and satisfying to followers as both parties work towards the good of the organization been propelled by shared visions and values as well as mutual trust and respect (Avolio & Bass, 1991). Transactional leadership style as opined by Burns (1978) indicated that transactional leaders are those who sought to motivate followers by appealing to their self-interests. They motivate subordinates to achieve expected levels of performance by helping them to recognize task responsibilities, identify goals and develop confidence about meeting desired
performance level (Bass, 1990), while laissez-faire style is an absolutely passive leadership.

Productivity is the ratio between input and output which is the total factors required to achieve it. Productivity is efficiency in individual production. It is a multinational factor in organizations, in which it could be principally improved by employees’ efforts. The relationship between leaders’ behaviour or the leadership style and subordinate has gained increased attention from the community. The kind of leadership style influences how organizations cope with improving productivity, the transformational leadership style play a crucial role in improving productivity by way of improved marketability and creating strategic vision of the organization. Leadership style affect the overall operational performance of effectiveness, efficiency, profitability, large market share and as well as the organization commitment to achieve a stated goal.

Behind the wonderment of any organization productivity today is the leadership style adopt by the organization. Productivity in every organization is largely centered on labour productivity, perhaps human labour is the universal key resources required of any
organization and the assertion that a critical element in all successful productivity effort to date has been due to good leadership style. It is based on this backdrop that this research study seek to investigate the impact of leadership style on the performance of selected transport companies in Benue State, Nigeria.

1.2 STATEMENT OF THE PROBLEM

Research reveals that what seems to be blind spot among company planners about their own leadership and management skills. You might look at this and say that leadership is just about being nice to people, however, it’s far more complex that what people see; coercive leaders can have a slightly positive impact on standards and pacesetters on responsibility. As Coleman (1996) points out, no one leadership style is going to be right one in every situation. Leaders in public service like Benue links Nigeria limited have to balance their concern for their co-workers with their responsibility to the community they serve. A lot of people think that one need to pay people more money to motivate them, wrong there are plenty of low and no-cost strategies you can use to motivate staff, executives who want to improve performance will bring in tough managers or promote the most productive staff member as a pacesetter. Leadership is the art
and craft of influencing the thinking and behaviour of audiences to achieve mutual goals, leadership is not about what leaders do, but the relationship between leaders and subordinates.

Having weak, ineffective managers in the workplace has many damaging effect on employees and the firm as a whole. Company with poor managers almost always perform below expectations, they lack vision, an adequate understanding of business finance and good communication skills. By recognizing if these characteristics are present in the manager of their firms, company’s can make the necessary changes in order to prevent failure. Many planners undervalue leadership because, I believe, they hold on to old, the incorrect assumptions about the subject but as professionals whose work greatly affect the public, there is need to have a responsibility to be effective and efficient. An effective leadership makes decisions with the information available, provide clear guidance, flexible enough to change direction, delegate and build team spirit. A leader that involves employees in the company’s operation builds morale and improves productivity, when staff feels alienated, morale and productivity suffer. If you search for project on leadership style, almost every expert agrees that no management style is able to fit all
projects. Unfortunately, leaders who are unable to be flexible, trustworthy, open and inspiring may have a combination of the varying traits of management styles with no clear definition to guide a team.

An effective manager realizes the need for change in style and adapts the correct style to the team or project goal. Managers that fall claim to many complaints to upper management from team members should re-evaluate their manager goals and project management certifications to help improve their careers. While no project management leadership style may be the best style, each should be considered when tackling projects. As Coleman points out, a manager should consider the project and then select an effective style, or “choose the correct club for the shot,” To bring projects to successful completions. You may have the title of manager but what is your project management leadership style? Are you forceful, determined, opinionated, or feared? Surprisingly, there are many projects management leadership styles and no style fits all projects. What makes you a leader is what you do when problem comes along. Because a project manager’s leadership directly affects how team responds to that problem, leadership style is critical during all phases
of the project’s life cycle. Here is a quick review of leadership style that will help different leaders respond to the elements; Transformational leaders want to change the world or at least the world of their organization. A transformational leader is visionary leader who thinks in possibilities but believes that those possibilities comes realities. A transactional leader offers incentives and rewards to employees for commitment and efforts in fulfilling the organization goal. Laissez-faire leadership, also known as delegation leadership is a type of leadership style in which leaders are hands-off and allow group members to make decisions. It generally leads to low productivity. Bad leadership is expensive, under the watch of poor leaders and managers, staff morale declines and workers feel less committed to the organization and its mission that tends to lead to work of lesser quality and things getting done more slowly. Poor leadership style can stop management from producing new ideas and solution to problems. It also leads to poor performance in the organization. Going by the array of the above problems associated with bad leadership style on organizational performance. This research study, thus, is investigating the impact of leadership style on
the performance of selected transport companies in Benue State Nigeria.

1.3 OBJECTIVES OF THE STUDY

The overall objective of this study is to look generally on the impact of leadership style on performance of selected transport companies in Benue State, Nigeria. The main objectives of study include the following:

1. To examine the impact of transformational leadership style on organizational performance.
2. To examine the effect of transactional leadership style on organizational performance of transportation company.
3. To examine the effect of laissez-faire style of leadership on organizational performance of a transportation company.

1.4 RESEARCH QUESTIONS

This study shall address the following research questions:

1. What is the impact of transformational leadership style on organizational performance of a transportation company?
2. What is the impact of transactional leadership style on organizational performance of a transportation company?
3. What is the impact of laissez-faire style of leadership on the organizational performance of a transportation company?

1.5 RESEARCH HYPOTHESES

This study will test the following hypotheses to ascertain the levels of relationships/significance that exist between leadership styles and organizational performance of a transport company:

$H_{01}$: There is no significant relationship between transformational leadership style of a transport company and organizational performance.

$H_{02}$: Transactional leadership style of transport company differs significantly from her organizational performance.

$H_{03}$: There is no significant relationship between laissez-faire style of leadership and organizational performance of a transportation company.

1.6 SIGNIFICANCE OF THE STUDY

This research study is significant in many aspects:

It is hoped that, when the study is successfully completed will serve as a source of policy guidance to the study organization and provide necessary incentive for increasing performance/productivity of an
organization. It will help to enlighten the management of the organization on the need and importance of adopting a good leadership style and having effective leaders in the organization. It will educate the employee on their roles and obligations on their performance in the organization and other related matters. It will identify the reason why employees react positively and negatively to a particular leadership style of a manager and also aim at discovering what makes workers to be dedicated and committed to their duties.

The research will help to challenge both the management and workers in the organization on both the importance attached to increase performance.

Finally, this work will be of immense benefit as aid and guide to future researcher on leadership style and organizational performance.

1.7 SCOPE OF THE STUDY

This study centered on the impact of leadership style on the performance of selected transport companies on Benue State, Nigeria. Exclusively, the study is restricted to three transport companies in Benue State, namely; Benue Links Nigeria Ltd, Denjim
Transport Company and Iwiene Nigeria Limited, as a scope of this study.

1.8 LIMITATIONS OF THE STUDY

This study suffers a lot of constraints, which include among others finance, time and attitude of the respondents.

1.9 CONTEXTUAL DEFINITION OF TERMS

**Leader:** A leader is an appointed individual with the ability to organize other subordinates.

**Performance:** The accomplishment of a given task measured against preset known standard of accuracy, completeness, cost and speed.

**Leadership:** This is the act of persuading/inspiring subordinates to perform and engage in achieving a goal.

**Leadership style:** It refers to a kind of relationship that someone uses his rights and methods to make many people work together for a common task.

**Organizational Performance:** This comprises the actual output or results of an organization as measured against its intended outputs (or goals) and objectives.
REFERENCES


CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 CONCEPTUAL FRAMEWORK

2.1.1 Concept of Leadership

According to Hollander (1978) leadership “is a term that can be referred to a variety of thing, a person, a position, or a process”. Cainer (1995) as cited in Mullins (2002) says there are over 400 definitions of leadership. Leadership being such a widely written about subject, has a variety of meanings by many scholars each trying to compare what the writer perceives to be leadership. As Burns (1978) rightly acknowledged, “Leadership is the most observed and least understood phenomenon on earth”. Therefore, few will be considered for this study.

Leadership to Mishane and Glinow (2000) is “the process of influencing people and providing an environment for them to achieve or organizational objectives”. To Mullins (2002) is “a relationship through which one person influence people”. Tack (2004) relates leadership to motivation, interpersonal behavior and the process of communication. To Weihrich and Knontz (2005) have proposed a fundamental principle of leadership that “since people tend to follow
those who in their view, offer them a means of satisfying their personal goals, the more managers understand what motivates their subordinates, how they operate and the more they reflect this understanding in carrying out their management activities, the more effective they are likely to be as leaders”. Durbin (2004) in his attempt in defining leadership gave what he said were some representative definition of leadership a couple of which are:

i. Interpersonal influence directed through communication towards goal attainment.

ii. The art of influencing people by persuasion or example to follow a line of action.

What stands out with these two definitions is that goals are attained through influence. There is neither the mention of coercion or issuance of threats but rather, the portrayal of a sense of equality between the “influencer” and the “influenced”. The understanding placed is that the “influenced” has a choice and can either join in the venture or not. This understanding is further supported by Coleman (1996) when he stated the primary concern of leadership to be the influencing “... of a collective group of individual to work together to achieve a common objective, while alleviating any conflicts that may
arise during the trek towards that objective”. Stagdill (2000) defines leadership as the individual behavior to guide a group to achieve a common target. According to Rachin, (2001) leadership is directly connected to the practices of which people are dedicated.

Therefore, leadership can be seen to be a prerequisite in every human endeavor and this is confirmed by Muijs, (2011) when he attributed the key factor in organizational effectiveness to leadership. Muijs (2011) states that the key elements that made private companies more effective compared to public ones, to be leadership. The conclusion that can therefore be arrived at is that leadership is the process of achieving goals by setting others to willingly join in. the most substantial of leaders in their influential personality that has positive relation with the follower’s job satisfaction and the performance.

2.1.2 Important Implication of the Definitions

Because of the importance of leadership in all kinds of action, there is a considerable volume of theory and research concerning it.
Indeed, definitions of leadership have four important implications, which are:

i. **Other people**: leadership involves other people i.e, followers (the led or employees). By their willingness to accept directions from the leader, the followers help define the leader's status thereby making the leadership process possible.

ii. **Power**: leadership involves unequal distribution of power between leader and group members. Power is the ability to influence others.

iii. **Influence**: leadership also involves influence i.e., it is regarded as the ability to use different forms of power to influence followers' behaviour in a number of ways.

iv. **Values**: leadership combines the first three and also acknowledges that leadership is about values. Value is a thing worth doing i.e. one's conception of the desirable.

### 2.1.3 Principles of Leadership

Five (5) principles of leadership proposed in Wiwcharuck (1988);

i. People generally go only where their leaders lead or allow them to go. This is an awesome challenge for the leadership of the home, the community, organization, and the nation. Consider
this carefully, “people generally go only where their leaders lead or allow them to go”. Your family will only generally go where you lead or allow them to go and a community, organization or nation will go in the direction their leaders lead allow them to go. We can look at the world and see this clearly demonstrated. In some nations the people are led and directed very specifically, and reach certain goals in a given time. It can be said of Nigeria, African nations and some European countries that the people have not been “led” for less than the last twenty-five years, but have been allowed to go their own way, and today these great nations are tottering on the brink of economic, academic and political bankruptcy.

ii. Poor leaders will take their people only as far as they themselves are able and willing to go. This principle brings about two aspects of leadership which determine success or failure.

iii. Good leadership ensures that people reach their maximum potential and go beyond the personal limitations of the leadership itself. Each of us has this special skills or gifts. These may be greater than those of others with whom we work.
But we all have certain physical, mental and spiritual limitations which, if improved upon those under our leadership, would have a limiting and constraining effect upon our organization. Good leadership must be aware of these personal limitations and apply sound principles to reduce their effect.

iv. Nothing moves or happens without some form of leadership behind it. Many people look around in wonderment as they hear of all that is taking place today. A familiar question is “what is making all this happen? Where human beings are involved the answer is simple and straightforward. “there is some form of leadership behind all that activity” some leadership is in the forefront; more often the real leaders are in the background planning the moves and directing the people and the environment to act or respond in some predetermined manner.

we have strongly implied that present condition in organizations and society in general are product of past and present leadership. If, it is so, we can logically conclude that if it was within its power to create these conditions, it should also be within its power to change these conditions.
v. The distance between the quality of leadership and the average in the group is constant. If leadership standard and performance are high, the average performance standard will also be high. But if the leadership standards and performance are low, the standard and performance of the group will be low proportionately. A good leader demands performance and not necessarily conformance to ensure high quality result.

2.2 THEORETICAL FRAMEWORK

2.2.1 Theories of Leadership Styles

Leadership theories within which context leadership styles are better understood, have been developed over the years with the aim of trying to understand why leaders behave the way they do. These theories to Remmy (2008) are as listed below;

Greatman theories, Trait theories, Behaviourist theories, Situational leadership theories and Contingency theories.

According to Coleman (1996), ideas about leadership in management range from the “idea” approaches of the scientific managers and the human relations school in the pragmatic or adaptive approaches of the contingency theories. Theories which have been put forward are
generally classified under the three headings; “Trait theories, Leadership style theories and contingency theories.” These will be looked upon.

**Traits Theories**

In the view of Fielder (1967), the earliest theories of leadership were centered on finding personality traits that differentiate leaders from leaders. It was then that people could become leaders by the possession of certain traits. Traits theories aid traits in individuals with the aim of establishing guides for leadership selection. Hundred of traits were isolated while measurement of amount possessed could not be accurately done. It was also found that leader did not posses all the traits and non leaders also possessed traits found in leaders. Another important finding was that the traits did not operate alone but in combination with other traits. These researchers were fruitless as psychologists have proved that people don’t have such in born traits except for physical traits and a disposition of good health. A later change in focus that was to identify traits that usually accompany leadership revealed an impressive result that; intelligence, dominance, self confidence, high energy level and task relevant knowledge are five traits that show consistently positive correlation
with leadership. The correlations have been in region of +2.25 to 0.35. These results are based on seventy years of traits research.

However, the conclusion drawn by scholar after a review of all the traits is that there is no evidence that universalized leadership trait. Accordingly, traits theory in its original form has been heavily criticized and largely discredited as a basis for a workable theory of leadership, though more modern studies are beginning to highlight once again the importance of the individual amongst many factors.

**Leadership Style Theories**

According to Coleman (1996), the interest in the human factor at which was stimulated by the research of human relation are taken up by the social psychologists that follow them, led logically to an interest in leadership as an aspect of behaviour at work, rather than of personal characteristics. Since the 1950s in particular several theories about leadership or management style have been put forward. These have tended to be expressed in terms of authoritarian versus democratic styles, or people-orientation. In some cases, despite acknowledged in consistencies in the theories themselves,
style theories have led to quite useful devices for improving training for leadership.

**Contingency Theory Approach**

Functional or action-centered leadership: This concept of leadership was developed in the United Kingdom by Professor John Adair (1986). It is based on the theory that leadership is more a question of appropriate behaviour than of personality or of being in the right place at the right time. Adair’s models of leadership incorporate the task and concern for people that has featured in all the theories which we have just mentioned.

The functional model, however distinguishes the concern for individuals and the concern for groups, and stresses that effective leadership lies in what the leader does to meet the needs of task, group and individuals.

This takes the functional model nearer to the contingency approaches of modern theorists, whose concern is the variety of leaders-task, people and situation- which have a direct bearing on leadership and leadership styles.
Another pioneer of contingency theory was Fredrick Fielder (2007), who considers that effectiveness depends on (is contingent upon) a range of factors in particular, the work group and the position of the leader within the work group. Fielder’s view was that group depends on the manager adapting a style appropriate to what he termed the “relative favourableness” of the situation. Here this model emphasis that favourableness style determines leadership effectiveness. It’s determined by leader-member relationship, degree of task structure, and leader position or power. Style is either authoritarian (task directed) or participative (democratic style). Jones (2008) describes this as a retirement of the situational leadership theories which dwells on identifying the situational variable that dictates the most appropriate leadership style.

2.2.2 Leadership Factors

Bass et al (2003) found evidence to support and recommend the further use of Multifactor Leadership Questionnaire (MLQ) survey for assessing the six leadership factors that includes:

(a) Charisma/Inspirational: This factor provides followers with a clear sense of purpose that is emerging is a role model for
ethical conduct and builds identification with the leader and his/her articulated version.

(b) **Intellectual stimulation**: This induces followers to questions to question tried and true ways of solving problems and encourages them to question the method they use to improve upon them.

(c) **Individualized Consideration**: This factor focuses on understanding the needs of each follower and works continuously to urge them to develop their full potentials.

(d) **Contingent Reward**: This aims to clarify what is expected from followers and what they will receive if they meet the expected levels of performance.

(e) **Active Management-By-Exception**: This focuses on monitoring the execution of tasks to any problems that might arise and correcting those problems to maintain current performance levels.

(f) **Passive-Avoidant Leadership**: A passive avoidant leader tends to react only after problems have become serious to take corrective action and often avoids making decisions at all.
2.3 LEADERSHIP STYLES

The concept and definition of leadership and style may differ from one person, or situation, to the other, leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization. Thus, Jones (2008) emphasizes the need for a manager to find his leadership style. The Website Encyclopedia.com defines leadership styles as “the traits, behavioural tendencies, and characteristic methods of a person in leadership position”.

Since the characteristics mentioned in the above definition of leadership styles vary from one individual to another, it stands to reason that their way of going about things will definitely vary no matter how small the difference. They also affect to a very large extent, the way these leaders perceive and react to issues and situations. The leadership styles considered under the research study falls directly under the behavioural leadership theories which includes, the Transformational Style of Leadership, Transactional Style of Leadership and Laissez-faire Style of Leadership.
As a result of empirical findings, the theory of transformation, transactional and laissez-faire leadership has been expanded over the past decades. In its current form, the "full range leadership theory" represents nine factors that consist of five transformational leadership factors, three transactional leadership factors and one non-leadership or laissez-faire leadership factors. (Bass and Avolio, 2003).

2.3.1 Transformational Leadership Style
Past studies have constantly reported that transformational leadership is more effective, productive, innovative and satisfying to followers as both parties work towards the good of organization propelled by shared visions and values as well as mutual trust and respect (Avolio and Bass, 2003). This implies that transformational leaders believed in sharing of formalized power and more often practice the use of personal power. A transformational leadership as a leader behaviour originates in the personal values and believes of the leader and motivates subordinates to do more than expected. Bass (1995) also proposed four behaviour or component of transformational leadership to include charisma, inspirational
motivation, intellectual stimulation and individual consideration. Burns (1978), identified transformational leadership as a process where “one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality”. In the same vein, other study has drawn a distinction between authentic transformational leadership and pseudo transformational leadership (Bass, 1985). It was found that pseudo leaders would seek power and position even at the expense of their followers’ achievement. Thus their behavior is inconsistent and unreliable. Transformational leader focuses on what the leader accomplishes rather than on his characteristics and his ability to motivate his follower towards change.

There are four (4) elements of transformational leadership, to Meshane and Glinow (2000) are:

1. Creating strategic vision
2. Communicating the vision
3. Modelling the vision
4. Building commitment towards the vision.
The transformational leadership style articulates the vision in a clear and appealing manner, explains how to attain the visions, acts confidently and optimistically expresses confidence in the followers, emphasizes value with symbolic actions, lead by example, and empowers followers to achieve the vision (Stone, Russell and Patterson, 2003). That transformational leadership is successful. It has been demonstrated by studies in a diverse range of professional and cultural settings including military, schools and corporations (Bryant, 2003). However, in their recent study of “traditionalistic” in Taiwan and the United States, Spreitzer, Porttula and Xin (2005) make it clear that while transformational leadership is effective regardless of culture, the level of effectiveness depends to some extent on cultural value. People with traditional cultural values see weaker links between transformational leadership and leader effectiveness that those with less traditional values. Transformational leadership has also been demonstrated to result in a “high level of followers’ motivation and commitment and well-above average organizational performance, especially under conditions of crisis or uncertainty” (Bryant, 2003). Within military and government contexts, General Colin Powell overcame entrenched racism (particularly in the
US military) and low institutional expectation of African American to become chairman of the US Joint Chiefs of Staff in 1989. He went further, becoming in 1991 the first African American to become US secretary of state, a position some said he filled with vision as the quality of a transformational leader (Chekwa, 2001).

2.3.2 Transformational Leadership Critics

As Yuki (1989) point out, transformational leadership is not without its dark side and other flaws. The morality of transformational leadership has been questioned, especially by libertarians and organizational development consultants. A key criticism is that within it transformational leadership has potential for the abuse of power (Griffin, 2003). Transformational leaders motivate followers by appealing to strong emotions regardless of the ultimate effect on followers and do not necessarily attend to positive moral values. As Stone, Russell and Patterson (2003) observe, transformational leadership can exert a very powerful influence over followers, who offer them trust and respect.
Some leaders may have narcissistic tendencies, thriving on power and manipulation. Moreover, some followers may have dependent characters and from strong and unfortunate bonds with their leaders (Stone, Russell and Patterson, 2003).

Further, as Bass (1997) notes, transformational leadership lacks the check and balances of countervailing interests, influences and power that might help to avoid dictatorships and oppression of a minority by a majority. In the absence of more, rectitude it is self-evidence then that transformational leadership might be applied for less than desirable social ends. Yuki (1989) describes this as the “dark side of charisma” and goes on to note that for every example of a positive transformational leader demonstrating charismatic qualities (example Mohandas [mahatma] Ghandi), there is an equally negative example (e.g. Charles Manson). The Rev Jim Jones, who led the massive Jonestown suicide, is an example of a transformational leader from the dark side.

These criticisms about the morality of transformational leadership have been addressed by the argument that to be truly transformational leadership must have moral foundations. Thus; “To
bring about change, authentic transformational leadership foster the moral values of honesty, loyalty and fairness, as well as the end values of justice, equality and human rights” (Griffin, 2003).

There is an argument that transformational leadership is facilitative of change because it contributes to organizational improvement, effectiveness and institutional culture (Lee and Chuang, 2009). As such, it is appropriate in environment of turbulence and change such as those that prevail in many organizations in the mid-2005.

2.3.3 Transactional Leadership Style

Jung (2001) defines transformational leadership as an exchange between followers and leaders desired outcomes by fulfilling the leader’s interest and expectations which involves promises or commitments embedded by respect and trust. He also sees transformational leadership as leader’s attitude toward identification of follower’s needs and aspirations and clearly demonstrating the ways to fulfill these needs in exchange of performance for followers. It is a positive predictor of follower’s performance. Transformational leadership in contrast to transactional, display constructive and corrective behaviors. It involves an exchange process that results in
follower compliance with leader request but not likely to generate enthusiasm and commitment to task objective.

The leader focuses on having internal factors perform the task required for the organization to reach its desired goals. The objective of the transformational leader is to ensure that the path to goal attainment is clearly understood by the internal actor, to remove potential barrier within the system and to motivate the actors to achieve the predetermined goals (House & Aditya, 1997). It is focused on the mutually beneficial existence that exists between the leader and the follower. It can be described as a ‘hand-go-hand-come’ leadership styles.

2.3.4 Abraham Maslow’s Context

Within the context of Maslow’s hierarchy of needs, transactional leadership work at the basic levels of need satisfaction, where transactional leaders focus on the lower levels of the hierarchy.

Transactional leaders use an exchange model, with rewards being given for good work or positive outcomes. Conversely, people with this leadership style also can punish poor work or negative outcomes until the problem is corrected. One way that transactional leadership
focuses on lower level needs is by stressing specific task performance. Transactional leaders are effective in getting specific task completed by managing each portion individually. Transactional leaders are concerned with process rather than forward thinking ideas. These type of leaders focus on contingent reward (also known as contingent positive reinforcement) or contingent penalization (also known as contingent negative reinforcement). Contingent rewards (such as praise) are given the set goals are accomplished on time, ahead of time, or to keep subordinates working at a good place at different times throughout completion (Abraham, 1970).

Contingent punishment (such as suspensions) is given when performance quality or quantity falls below production standards or goals and task are not met at all often, contingent punishments are handed down on a management-by-exception basis, in which the exception is something going wrong. Within management-by-exception, there are active and passive routes. Active management-by-exception means that the leaders continually looks at each subordinates performance and make corrections throughout the process. Passive management-by-exception waits for issues to come up before fixing the problem. With transactional leadership being
applied to the lower level needs and being more managerial in style. It is a foundation for transformational leadership which applies to higher-level needs. Transactional leadership, also known as managerial leadership, it focuses on the role of supervision, organization and group performance, it is a style of leadership in which the leader promotes compliance of his followers through both rewards and punishments unlike transformation.

They are not looking to change the future; they are looking to merely keep things the same. This leader pays attention to followers’ work in order to find faults and deviations. This type of leadership is effective in crisis and emergency situation, as well as when projects need to be carried out in a specific fashion. (Abraham, 1970).

An example of transactional leadership style is coaches of athletic teams. These leaders motivate their followers by promoting the reward of winning the game. They instill such a high level of commitment that their followers are willing to risk pain and injury to obtain the results that the leader is asking for. Another example of this leadership style is former Wisconsin state senator, Joseph McCarthy. His ruthless style of accusing people of being soviet spies
during the cold war, by punishing for deviation from the rules and rewarding followers for bringing him accused communist infiltrators, McCarthy promoted results among followers. Because this leadership style is especially effective in crisis situation, another example was Charles de Gaule. Through this type of reward and punishment, he was able to become the leader of the free French in a crisis situation.

2.3.5 Qualities of Transactional Leadership Style

Transactional leaders use reward and punishments to gain compliance from their followers. They are extrinsic motivators that bring minimal compliance from followers. They accept goals, structure, and the culture of the existing organization. Transactional leaders tends to be directive and action oriented. Transactional leaders are willing to work within existing system and negotiate to attain goal of the organization. They tend to think inside the box when solving problems.

Transactional leadership is primarily passive. The behaviours most associated with this type of leadership are establishing the criteria for rewarding followers and maintaining the status quo. Within
transactional leadership, there are two factors, contingent reward and management by exception.

Contingent reward provides reward for effort and recognizes good performance. Management-by-exception maintains that status quo, intervenes when subordinates do not meet acceptable performance levels, and initiates corrective action to improve performance.

2.3.6 Laissez-Faire Leadership Style

Laissez-faire leadership also known as delegative leadership is a type of leadership style in which leaders are hand–off and allow group members to make the decisions. Researchers have found that this is generally the leadership style that leads to the lowest productivity among group members. Leaders practicing this style allow people under them to make most of the suggestions. The people are left to themselves and have the liberty to enjoy their own policies. With a capable and motivated leader, this style works well. However, with a lazy leader, this style can fail. Laissez-faire is an absolutely passive leadership style, which is basically defined as the absence of leadership, thus, laissez-faire is the contrast to the active leadership styles of transformational and transactional leadership.
This leadership style is characterized by;

i. Very little guidance from leaders.

ii. Complete freedom for followers to make decisions

iii. Leaders provide the tools and resources needed

iv. Group members are expected to solve problem on their own.

The benefits attached this leadership style is that laissez-faire leadership style can be effective in situations where group members are highly skilled, motivated and capable of working on their own, while the conventional term for this style is laissez-faire and implies a completely hands-off approach, many leaders still remain open and available to group members for consultation and feedback. The downsides of laissez-faire leadership are not ideal in situations where group members lack the knowledge or experience they need to complete tasks and make decisions.

Some people are not good at setting their own deadlines, managing their own projects can go off-track and deadlines can be missed when team members do not get enough guidance or feedback from leaders.
2.3.7 Transformational versus Transactional leadership

In 1985, Bass devised the multifactor leadership questionnaire (MLQ), an instrument intended to measure transformational and transactional leader behaviours. Over the past two decades, the following application in scores of research studies involving military, educational and commercial organizations, the MLQ has emerged as the primary means of quantitatively assessing transformational leadership (Bryant, 2003, Griffin, 2003). An outcome of this work is the isolation of four factors now accepted as being exhibited by effective transformational leaders. Their additive effect includes:

Idealized influence (attributes and behaviours) is about building confidence and trust and providing a role model that followers seek to emulate (Bono & Judge, 2004; Stone et al, 2003). Leaders are admired, respected and trusted.

Transformational and transactional are the two styles of leadership that tend to be compared the most. James Macgregor Burns distinguish between transformational leader and transactional leader by explaining that; transactional leader are leaders who exchange tangible rewards for the work and loyalty of followers, while transformational leader are leaders who engage with followers, focus
on higher order intrinsic needs and raise consciousness about the significance of specific outcomes and new ways in which those outcomes might be achieved. Transactional leaders tend to be more passive as transformational leaders demonstrate active behaviours that include providing a sense of mission. Transactional leader works within the organizational culture, while a transformational leader works to change the organizational culture by implementing new ideas.

Douglas McGregor theory Y and theory X can also be compared with these two leadership style. Theory X can be compared with transactional leadership where managers need to rule by fear and consequences. In this style and theory, negative behaviour is punished and employees are motivated through incentives. Theory Y and transformational leadership are found to be similar, because the theory and style support the idea that managers work to encourage their workers. Leaders assume the best of their employees, they believe them to be trusting, respectful and self motivated. The leaders help to supply the followers with the tool they need to excel.
2.3.8 Determinants of Leadership Style

As already pointed out, there are very many studies on leadership. No one study has been declared as possessing the answer to the leadership question. Each study attempts to make contribution by breaking new grounds or refining existing studies. The question of what determines effective leadership in any organization towards productivity is not completely answered, Tannenebaum and Schmidt have attempted this question and come up with the following factors:

i. Size of business organization: as an organization grows larger and get more complex, there is a tendency for decision making to be centralized, leading to very limited participation or no participation at all. The leader (manager) may only present ideas and invites questions. It is different where the organization is small and consultation is very easy. Large organizations have a tendency to follow the line of authority very rigidly, leading to a strict adherence to the principles of unity of command.

ii. Degree of interaction: the degree of interaction in business organization influences the style of management. Where employees must co-operate in order to accomplish a task, there
is bound to be an open channel to communication since members must interact; but where there is functional specialization and managers tends to have the expertise, autocratic style is likely to be practiced.

iii. Personality of employees: some people react to more certain styles of leadership than others. Individuals who like to depend on others do not like to participate since their needs for security and direction are answered by rigid organizational structure. Individuals, who have a clear sense of direction and wish to get ahead, love to participate in decision making. A leader in this situation must adapt to the situation by providing opportunity for participation for those who need it and leading those who cannot benefit from participation.

iv. Goal congruency: goal congruency exists as the goals of the individual and the goal of the organization are perceived to be the same. In this situation there is a unity of direction and purpose as everybody works towards the attainment of a common goal. Participative decision making is ideal. If the goals are no identical, leadership will tend to be more autocratic
and there will be the adherence to rigid organizational structure, rules and regulation governing behaviour.

v. Level of decision making: in a centralized organization, there is little or no provision for decisions to be made by the people at the lower levels of the organization. Directives are handed down and strict compliance is expected. The style of leadership tends to be directive rather than participative or laissez-faire.

vi. The state of the style: when the productivity of an organization is high and company profit target are being met, there is a tendency for the organization to be more democratic. When the situation is different, the leadership style to be adopted will be such as to encourage high productivity. Leadership becomes authoritative. Unproductive employees will have to be dismissed and some company expense items may have to be cut in order to improve the profit picture. In many of these issues, the leader makes the decision and announces it. The state of the system plays a very important part in determining the leadership style.
2.4 ORGANIZATIONAL PERFORMANCE

This comprises the actual output or results of an organization as measured against its intended outputs (or goals) and objectives.

According to Richard (2009), organizational performance covers three specific areas of firm outcomes;

a) Financial performance (profits, return on assets, return on investment, etc).

b) Product market performance (sales, market share, etc), and

c) Shareholder return (total shareholder return, economic value added, etc).

Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal and organizational development.

In recent years, many organizations have attempted to manage organizational performance using balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as:

- Financial performance (e.g. shareholder return)
- Customer service
- Social responsibility (e.g. corporate citizenship, community outreach)
- Employee stewardship.

2.4.1 Importance of Organizational Performance

The relationship between leadership and performance has been a subject that has caught the attention of many a scholar in the field of psychology and management. This is hardly surprising considering the importance that organizational performance has in the growth of any nation.

It is therefore, an undeniable fact that every nation’s organizational performance is dependent on the total productivity of firms in that nation and the more productive the firms are the more productive the country becomes.

i. Productivity in organization determines the level of organizational performance and outcomes that shows and tells how much profit is accruing to the organization.

ii. Performance measures the successes and failures of an organization.

iii. It compares an organization with others and indicates its area of deficiency to improve.
iv. It comprises of both the length and breadth of an organization and further finds the distinction among them.

v. It enhances the growth of living standard of the people in the economy.

Furthermore, when organizational performance is viewed from the angle of a determinant of a healthy economy, then it can also be said to be a determinant of unemployment as well as inflation and thus, the standard of living in a country. With regards to individual firms or organization, productivity can be said to be one of the factors. An increase in organizational performance invariably results in the growth of a company with the company being more able to offer employment and expand its area of operation not to mention a possible increase in its market share. The company’s profitability also increases and though productivity might not automatically transcend into profitability, the chances of profitability being more of an outcome of productivity cannot be completely ruled out (Richard, 2009).
2.4.2 Leadership Style and Organizational Performance

In the literature, leadership has been identified as an important subject in the field of organizational behaviour. Leadership is one with the most dynamic effects during individual and organizational interaction. In other words, ability of management to execute “collaborated effort” depends on leadership capability. Lee and Chuang (2009), explains that the excellent leader not only inspires subordinates potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals. Bass et al (2008) defines leadership as the individual behaviour to guide a group to achieve the common target. Fry (2003), explains leadership as use of leading strategy to offer inspiring motive and to enhance the staffs potential for growth and development. Several reasons indicate that there should be a relationship between leadership style and organizational performance. The first is that today’s intensive and dynamic markets feature innovation-based competition, price/performance rivalry, decreasing returns, and the creative destruction of existing competencies (Koontz and Donnell, 1996).

On the other hand, organizational performance refers to ability of an enterprise to achieve such objectives as high profit, quality product,
large market share, good financial results, and survival at predetermined time using relevant strategy for action (Koontz and Donnell, 1996). Organizational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization.

Understanding the effects of leadership on performance is also important because leadership is viewed by some researchers as one of the key driving forces for improving a firm’s performance. Effective leadership is seen as a potent source of management development and sustained competitive advantage for organizational performance improvement (Bass and Avolio, 2003). For instance, transactional leadership helps organizations achieve their current objectives more efficiently by linking job performance to valued rewards and by ensuring that employees have the resources needed to get the job done (Woods, 2010). Visionary leaders create a strategic vision of some future state, communicate that vision through framing and use of metaphor, model the vision by acting consistently, and build
commitment towards the vision (Bass and Avolio, 2003; Mishane and Glinow, 2000). Some scholars like Woods (2010) suggest that visionary leadership will result in high levels of cohesion, commitment, trust, motivation, and hence performance in the new organizational environments.

Mehra, Smith, Dixon and Robertson (2006) argue that when some organizations seek efficient ways to enable them outperform others, a long-standing approach is to focus on the effects of leadership. Team leaders are believed to play a pivotal role in shaping collective norms, helping teams cope with their environments, and coordinating collective action. This leader-centred perspective has provided valuable insights into the relationship between leadership and team performance. Some studies have explored the strategic role of leadership to investigate how to employ leadership paradigms and use leadership behaviour to improve organizational performance. This is because intangible assets such as leadership styles, culture, skill and competence, and motivation are seen increasingly as key sources of strength in those firms that can combine people and processes and organizational performance (Bono and Judge, 2004).
Previous studies led the expectation that leadership paradigms will have direct effects on customer satisfaction, staff satisfaction, and financial performance. In general, however, the effects of leadership on organizational performance have not been well studied, according to House and Aditya’s review (1997), who criticized leadership studies for focusing excessively on superior-subordinate relationships to the exclusion of several other functions that leaders perform, and to the exclusion of organizational and environmental variables that are crucial to mediate the leadership-performance relationship. Another problem with existing studies on leadership is that the results depend on the level of analysis. House and Aditya (1997), distinguished between micro-level research that focuses on the leader in relation to the subordinates and immediate superiors, and macro-level research that focuses on the total organization and its environment. Other scholars have also suggested that leaders and their leadership style influence both their subordinates and organizational outcomes (Yates and Genghis, 2002).

Fenwick and Gayle (2008), in their study of the missing links in understanding the relationship between leadership and organizational performance conclude that despite a hypothesized leadership-
performance relationship suggested by some researchers, current findings are inconclusive and difficult to interpret.

From this review of related literature, it is evident that although some scholars believe that leadership enhances organizational performance while others contradict this, different concepts of leadership have been employed in different studies, making direct comparisons virtually impossible. Gaps and unanswered questions remain. Consequently, the current study is intended to re-examine the proposed leadership-performance relationship and, thus, contribute meaningfully to the body of growing literature and knowledge in this area of study.

Understanding the impact of leadership style on organizational performance is so important because leadership is viewed by some researcher as one of the key driving forces for improving a firm’s performance that leads to organizational growth. These leadership styles are reflections of the perception that the leaders have on their workers. These perceptions are better explained by McGregor’s motivational theory X and theory Y which have been elaborated earlier. Leaders with an inclination toward theory X, perceiving
workers as been averse to work will be autocratic, giving orders and not tolerating any suggestion or initiative. Those with theory Y perception will lean towards the more democratic styles of leadership based on their perception of their workers as being capable of not only accepting responsibility but also seeking for it.

Herzberg’s theory highlights the earlier statement that motivation goes beyond monetary considerations. The factors listed under the motivational aspect of the theory do not include money. However, those factors that are considered under the hygiene aspect and not considered motivational but rather only help to prevent dissatisfaction have money in it. This therefore points to the fact that any leader who intends to motivate his workers must focus his or her rewards. This sort of decision depends largely on the perception and attitude that the leader has of the workers which said perceptions are best explained in the light of McGregor’s X and Y theory. Managers adopting the X approach tend to treat workers with “indifference if not disdain” seeing them as “a pair of hands to be disciplined and controlled”. Tapin & Winterton (2007) they were seen by workers as the “uncaring bosses” who are “…harsh with most workers…” Such leaders viewed their roles as “one of control and coordination of work”
and viewed workers as entrust worthy an expendable. (Tapin & Winterton (2007). Tapin & Winterton (2007) see those who adopted the Y approach as leaders who consider workers as resources to be developed than as disposable factors of production. Such leaders adopt styles that are considerate of work/family issues and provided open communication with workers. Such leaders constantly encourage those workers who are not up to par when they seem to flag instead of threatening or disciplining them. (Tapin & Winterton, 2007) They are about what happens to workers and respond to their perceived needs in the positive manner.

The literature so far reviewed highlights that performance is dependent on the effort of the workers. Getting workers to go extra mile and to achieve results depend on how well motivated they are. The motivation of worker depends on the sought of leaders they have and the perception that the leaders have of the workers. Thus, Tapin & Winterton (2007) conclude that “commitment rather than control are often associated with low turnover and higher performance”. Performance is therefore affected either positively or negatively depending on the style of leadership in operation.
2.4.3 The Role of Leadership in Organizational Performance

Over the years, there have been a considerable interest and discussion on the subject of improving organizational performance in Nigeria economy. There appears to be a general agreement that the level of organizational performance in the economy is low and needs to be improved substantially, that low performance contribute to the high cost of production in the economy because the high cost of production in the economy is because the high wages usually paid are not matched by commensurate output that low output also contributes to the phenomenon of “too much money chasing too few goods and services” an ingredient of inflation, and that if performance can be improved, we can obtain more goods and services from the available human and material resources of the economy.

2.4.4 Management and Organizational Performance

To achieve better understood perspective of management on organizational performance, it is here interpreted to imply management practices and techniques on the one decision making class in organizations. Whether in private or public sector organization, this class undertakes the key management functions of planning, organizing, staffing, budgeting, coordinating, directing and
controlling. These functions involve setting objectives and work, solving problems making decision and reviewing performance which is what management is all about. In this regard, management as a process is described as the employment of materials, capital, equipment and manpower.

The practice and techniques which have come to be described as management science which its objective is to assist managers and supervisors to be more efficient and effective include work study, organization and methods, operational research, economies network analysis, motion time management (MTM), value analysis among others.

The value of bringing some or all of the above into one management function, perhaps under a department, example management science department, is the gain of a unified approach to the issue of increasing performance in organization. A commitment to management productivity ethic implies the encouragement and applications of management practices and techniques as already enumerated all of which aid organizational efficiency and effectiveness as well as performance.
2.5 EMPIRICAL STUDY

2.5.1 Benue Link Nigeria Limited

The decision by the Benue State government to float a transport company was inferred on the need for the need for the government to provide efficient, safe, reliable, comfortable and affordable means of transport to the people of the state and beyond. This is more so, as road transport is the most common means of transport used in conveying people and goods in the country. The company took off in February, 1988 with an initial fleet of only 10 burem flat buses. Main bus terminus of the Benue Links Transport Nigeria Limited is located in the Wurukum area of Makurdi, the Benue State capital. It is situated on Gboko road, near the “Food Basket” roundabout, Makurdi. The terminus also doubled as the corporate headquarters of this reputable and viable transport company. It has a total of 232 staff.

**Mission:** To provide safe, reliable, comfortable and affordable transport service.

**Vision:** To be the most customers respected transport organization in Nigeria.
Administrative structure: Benue Links is headed by a General Manager who is the overall Chief Executive Officer of the company. As a limited liability company, the state government owned 100% of its shares. Its activities are supervised by the Ministry of Works and Transport. The company covered the following routes Makurdi to Abeokuta, Makurdi to Abuja, Makurdi to Bauchi, Calabar, Enugu, Gombe, Ilorin, Jalingo, Jos, Kaduna, Kano, Lagos, Maiduguri, Minna, Onitsha, Owerri, Port Harcourt, Uyo, Warri, Yenogoa, Yola Zaria. And intra-state route covers are Makurdi to Gboko, Katsina –Ala, Naka, Otukpa, Otukpo, Vandeikya, Zaki-Biam. The company recently has average passengers of 817 in its internal route and 1,144 passengers for her external route.

2.5.2 Denjim Transport Company

Denjim transportation company was established in 1992 with its corporate headquarter at 97 Gboko Road Makurdi, Benue State Nigeria. Denjim Transport Company started with the sole owner, Mr. G.M. Denjim with three (3) buses running from Makurdi to Onitsha only. Thereafter, the company was fully registered and Mr. G.M. Denjim was the Managing Director (MD). The company was floated
with the following objectives, which serves as their vision and mission.

**Objective:**

To provide safe and reliable transport services to Nigerians at an affordable rate.

**Mission statement:** safety our watchword.

Denjim Transport Company has a total of 20 buses that run within the middle belt, southeast, south north area of Nigeria.

The company has a total staff of 58. Their service hour runs from Monday to Sunday within hours of 6.00am to 6.00pm.

**2.5.3 Iwiene Nigeria Limited**

Iwiene Nigeria Limited was founded in 2001 with the aim and objective to run mass transport services and currier services. Iwiene Nigeria Limited has its head office located at No. 55 Onitsha Street, Wuru Makurdi Benue State Nigeria. The company mission and vision are;

**Mission:** Comfortability and affordability is our goal.

**Vision:** A service with a bigger coverage.
Iwiene Nigeria Limited runs a good administration headed by the Managing Director (MD) Mr. M.S. Iwiene who also had over 50% of the entire share of the company. The company has the mass transit department and currier service department. In the mass transport department, there are 35 buses that run across the major cities of Nigeria from Makurdi. While the currier service department has 4 long Lorries and 5 speed van that dispatches currier (packages) within the Nigerian cities. The company has 65 personnel that man both departments (Mass transit department and currier department).
REFERENCES


CHAPTER THREE
RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN
This study is designed to access the impact of leadership style on the performance of selected transportation companies in Benue State, Nigeria. Due to the nature of the study, the researcher therefore adopts a survey design. This was chosen in order to access accurate and easy information from the research population. However, the chapter covers three major transportation companies in Makurdi, Benue State, namely; Benue Links Nigeria Ltd, Benue Express, and Makurdi Mass Transit.

3.2 POPULATION OF THE STUDY
The population of the study comprises the entire staff of the three selected transportation companies, namely; Benue Link Nig. Ltd 100, Denjim Transport Company 58 and Iwiene Nigeria Ltd 65, bring to a total population of 223 employees of the three selected transportation companies in Makurdi, Benue State Nigeria.
3.3 SAMPLE AND SAMPLING TECHNIQUE

The study adopted a probability sample technique. Proportional stratified random sampling method was used to determine the sample size of the study. This method was employed because of the heterogenous population of study which is based on the three selected transport companies in Benue State. The three transport companies sample size was drawn at the ratio of 4:4:4 given a total of 120 at 40 sample each.

This was determined as follows:

Population size - 120
Ratio of the companies - 4:4:4 (12)
Sample size required - 120

Benue Links Nig. Ltd

\[
4 \times \frac{120}{12} = 40
\]

Denjim Transport Company Ltd

\[
4 \times \frac{120}{12} = 40
\]
The number sampled = 40 + 40 + 40 = 120.

The sample size of the study is 120.

3.4 INSTRUMENT FOR DATA COLLECTION

The study adopted a five point rating scale questionnaire. This was used in order to allow respondent free access to choose the options that best suit their answers. This includes; SA – Strongly Agreed, A – Agreed, N – Neutral, D – Disagreed, SD – Strongly Disagreed.

3.5 METHOD OF DATA COLLECTION

The questionnaire method was the main method of data collection for this study. A five (5) point rating scale questionnaire was designed and administered to population of the study. This draws the primary data for the study.

The secondary data were drawn from related literatures, journals and internet materials.
3.6 TEST OF VALIDITY AND RELIABILITY

Under this sub-heading, the data collected for the study is been tested and ensure it is reliable and good enough to enable the researcher draw valid conclusions from its analysis. Validity and reliability have different meaning in different context. According to Avwokeni (2004), validity refers to the content to which an instrument measures what it is supposed to measure. Reliability on the other hand, has been defined as the accuracy or precision of a measuring instrument. The validity of the measurement instrument was tested through the face validity method and also the jury method suggested by Eniayeju (2011). The measuring instrument is said to be reliable if it is consistently reproducible. The coefficient of the reliability result obtained in a small group amount to 0.63 which fall within the acceptable region. Hence, the instrument was reliable and valid for the study as will produce the right result for judgment.

3.7 METHOD OF DATA ANALYSIS

The research will adopt simple percentage counting in analyzing the collected data. This will be used to test the research question posed in the study. While simple mean formula will be used to test the hypothesis in this study.
Mean \( \bar{X} = \frac{a + b + c \ldots \ldots Z}{N} \)

Where: \( a+b+c\ldots.z \) = are variables collected
\( N \) = total number of samples

Chi square formula

\[ X^2 = \sum \frac{(O - E)^2}{E} \]

Where \( X^2 \) = variable soughted
\( O \) = observation
\( E \) = expected value
\( \sum \) = summation sign or addition sign

**Decision Rule**

If \( X^2 \) cal is < 4.489 at df = \( p = 2 – 1 \) at C.I of 0.05 level of significance, reject Ho. But if \( X^2 \) cal > 4.489 using the above stated parameter in the normal distribution table accept Ho.
REFERENCES


CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4.1 DATA PRESENTATION

Out of the 120 copies of the questionnaires administered to the sample population of the study, 120 copies were also returned, showing 100% of the total figure administered. This was shown below.

Table 4.1 Administration and Retrieval of Questionnaire

<table>
<thead>
<tr>
<th>Name of companies</th>
<th>Number of questionnaire distributed</th>
<th>No Retrieved</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benue Links Nig. Ltd</td>
<td>40</td>
<td>40</td>
<td>33.3</td>
</tr>
<tr>
<td>Denjim Trans. Company</td>
<td>40</td>
<td>40</td>
<td>33.3</td>
</tr>
<tr>
<td>Iwiene Transportation Company Ltd</td>
<td>40</td>
<td>40</td>
<td>33.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Survey Field Data, 2014*

From the above, the table shows the rate of questionnaire distributed to the three selected transportation companies in Makurdi Benue State Nigeria. 40 copies each was administered to Benue Link Nig.
Ltd, Denjim Transportation Company and Iwiene Transport Company respectively. This was used to analyze the data using mean score.

**Research Question 1:** What is the impact of transformational leadership style on organizational performance of a transportation company?

### Table 4.2: Impact of Transformational Leadership Style on Organizational Performance of a Transportation Company

<table>
<thead>
<tr>
<th>S/N</th>
<th>Question Items</th>
<th>Responses</th>
<th>Mean ((\bar{x}))</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SA A N D SD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Leadership style adopted by company or organization</td>
<td>70 50 - - -</td>
<td>4.5</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

**Source:** Survey Field Data, 2014.

The above table shows the responses of respondent in the question item one; 70 respondents strongly agreed that the leadership style adopted by the company or organization has an impact on the employees’ performance, while 50 respondents also agreed to the question item. Putting the frame in the 5 points rating scale, and thus determining the mean score, we have a mean (\(\bar{x}\)) score of 4.5 which is above the acceptance mean (\(\bar{x}\)) of 2.5, we therefore accept that
leadership style of an organization or company have an impact on employees performance.

**Research Question II:** What is the Impact of Transactional Leadership Style on organizational performance of a transportation company?

**Table 4.3: Impact of Transactional Leadership Style on Organizational Performance of a Transportation Company**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Question Items</th>
<th>Responses</th>
<th>Mean ($\bar{x}$)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Transactional leadership style have impact on organizational performance of transport company employees</td>
<td>40 60 10 - 10</td>
<td>4.0</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: Survey Field Data, 2014.

Table 4.1.3 above shows the responses of the respondents in question item two. 40 respondents strongly agreed to the question item, 60 respondents agreed to the question also, 10 respondents are those that are neutral while 10 respondents strongly disagree to the question in computing the result based on 5 point rating scale, we
have a mean ($\bar{x}$) score of 4.0 which is within the acceptable mean ($\bar{x}$) region of range 2.5 to 5.0. Based on the result, we accept that transactional leadership style has an impact on organizational performance of a transportation company.

**Research Question III:** What is the impact of Laissez-Faire style of leadership on organizational performance of a transportation company?

**Table 4.4: Impact of Laissez - Faire Style of Leadership on Organizational Performance of Transportation Company**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Question Items</th>
<th>Responses</th>
<th>Mean ($\bar{x}$)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SA  A  N  D  SD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Laissez-faire style of leadership has negative impact on organizational performance of a transportation company</td>
<td>56  48  -  -  16</td>
<td>4.1</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

_Source: Survey Field Data, 2014._

Table 4.1.4 above shows the respondents opinion on question item 4, on the impact of Laissez-faire style of leadership on organizational
performance. 56 respondents out of the total figure surveyed strongly agreed that Laissez-faire style of leadership has a negative impact on organizational performance of a transportation company. 48 respondents also agreed to the question item while 16 respondents strongly disagreed to the question item. Calculating the mean ($\bar{x}$) score, using the 5 point rating scale, we have a mean ($\bar{x}$) of 4.1 which fall within the acceptance region of the mean. We therefore accept that laissez-faire style of leadership has a negative impact on organizational performance of a transportation company.

4.2 TEST OF HYPOTHESES

Hypothesis One

Ho 1: There is no significant relationship between leadership style of a transport company and its organizational performance.

Table 4.5

<table>
<thead>
<tr>
<th>Observed (O)</th>
<th>Expected (E)</th>
<th>$(O - E)^2$</th>
<th>$(O - E)^2$/$E$</th>
</tr>
</thead>
<tbody>
<tr>
<td>70</td>
<td>69</td>
<td>1</td>
<td>0.014</td>
</tr>
<tr>
<td>1</td>
<td>70</td>
<td>-47.61</td>
<td>-68.01</td>
</tr>
</tbody>
</table>

$X^2 = -68.2$
From the above table, the calculated \( \chi^2 \) value of \(-68.2\) fall short of the acceptance region in normal distribution table of chi-square table given at \( df = p = 2, 1 \) where the critical value of 0.05 level of significance of 4.489 of the table, hence, we therefore reject the hypothesis that state, there is no significant relationship between leadership style of a transportation company and its organizational performance. And accept the alternative, meaning that there is significant relationship between leadership style and organizational performance of any company.

**Hypothesis Two**

Transactional leadership style of the Transportation Companies differs significantly from its Organizational Performance.

Table 4.6

<table>
<thead>
<tr>
<th>Observed (O)</th>
<th>Expected (E)</th>
<th>(O – E)</th>
<th>(O – E)^2</th>
<th>( \frac{(O – E)^2}{E} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>120</td>
<td>-80</td>
<td>-6400</td>
<td>-53.3</td>
</tr>
<tr>
<td>60</td>
<td>120</td>
<td>-60</td>
<td>-3600</td>
<td>-30</td>
</tr>
</tbody>
</table>

\[ \chi^2 = -83.3 \]

Based on the above table, the \( \chi^2 \) value of \(-83.3\) is below the acceptance value of the critical region which 4.489 in the normal
distribution table, where \( df = P = 2 – 1 \) at a C.I. of 0.05 level of significant. We therefore, reject the hypothesis, which state; transactional leadership style of the transportation companies differs significantly from its organizational performance. And accept the alternative, which means, transactional leadership style of the transportation companies do not differ significantly from its organizational performance.

**Hypothesis Three**

There is no significant relationship between Laissez-Faire Style of Leadership and organizational performance of a transport company

Table 4.7

<table>
<thead>
<tr>
<th>Observed (O)</th>
<th>Expected (E)</th>
<th>(O – E)</th>
<th>((O – E)^2)</th>
<th>(\frac{(O – E)^2}{E})</th>
</tr>
</thead>
<tbody>
<tr>
<td>56</td>
<td>120</td>
<td>-64</td>
<td>-4,096</td>
<td>-34.1</td>
</tr>
<tr>
<td>48</td>
<td>120</td>
<td>-72</td>
<td>-5,184</td>
<td>-43.2</td>
</tr>
<tr>
<td>16</td>
<td>120</td>
<td>-104</td>
<td>-10,816</td>
<td>-90.1</td>
</tr>
</tbody>
</table>

\( \chi^2 = -167.4 \)

Given the figure obtained in the above table, the calculated \( \chi^2 \) value of \(-167.4\) is not accepted, as it fall short of the critical value of 4.489 in the normal distribution table, where \( df = P = 2 – 1 \) at C.I. of 0.05
level of significance, we therefore reject the hypotheses that states; there is no significant relationship between laissez-faire style of leadership and organizational performance of a transport company. We therefore accept the alternative meaning that there is significant relationship between laissez-faire style of leadership and organizational performance of a transportation company.

4.3 DISCUSSION OF FINDINGS

From the data collected and analyzed, the study reveals that; transformational leadership style has an impact on the organizational performance of a transportation company. This shows that, the style of leadership a manager adopted or used has a direct impact on the organizational performance of the employees, hence, the input and output are measured based on the performance of the employees which is in relation to the style of leadership adopted by the manager in the job.

Transactional leadership style enhance organizational performance of any given transportation company. It brings cordiality and closeness between the leader and the subordinate, thus, there is increase in input, which in relation leads to good output.
From the analysis also, we discovered that laissez-faire style of leadership has a negative impact on organizational performance of a transportation company. It leads to employee overusing the freedom granted them in course of discharging their functions; this affects the input of the employee and thereby the overall performance of the organization will reduce due to the poor output at the long-run.
CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS

Based on the data collected and analyzed, the following were discovered:

1. The transformational leadership style had a positive and significant impact on organizational performance of the employees in a transportation company.

Hence, \(X^2 = \frac{\Sigma (O - E)^2}{E}\)

2. The transactional leadership style had a positive and significant impact on organizational performance of a transport companies by enhancing leader and subordinate relationship.

3. The laissez-faire leadership style had a negative and non-significant impact on organizational performance of a transport company; as it decreases the employee performance in the organization.
5.2 CONCLUSION

Following the findings discovered, this study therefore concludes as follows:

1. That achievement of organizational goal and objective depends solely on the leadership style an organization adopted.
2. That there is no best way of leading, but the style a leader adopt depends on the environment and circumstance as well as organizational setting and the goals it want to achieve.
3. That participatory style is welcome in any given organization it enhances employee morale and increases employee performance on the job.
4. Laissez-faire style is not the best for transport companies as it will give freedom to the employee without being monitored in the field.

5.3 RECOMMENDATIONS

Furtherance to the findings, conclusion drawn, the following recommendations were drawn:

1. That leadership style is one of the tools used in attainment of organizational goals and objectives, therefore every organization should as issue of importance, ensure of getting
the right leader that will man their organization; in order to achieve their set goals/objectives.

2. Benue Link Nig. Ltd, Danjim Transport Company and Iwiene Nigeria Ltd, should ensure that their leader/manager adopts a participatory leadership style so as to promote employee participation and encourage target setting in the organization.

3. Rewarding employee performance is also recommended to the three transport companies, as it enhances workers moral and spur them to increase their input in the company.

5.4 SUGGESTIONS FOR FURTHER STUDIES

This research study is quite revealing and rewarding, but I still recommend that further study should be conducted in this area or in similar area of leadership and management in order to fully explore this area, since it is a growing concern in the world today.
BIBLIOGRAPHY


Dear respondent,

I am undertaking a research on the "Impact of Leadership Style on the Performance of Selected Transport Companies in Benue State, Nigeria. the companies are Benue link transport Company, Denjim Transport Company and Iwiene Transport Limited".

I would be glad if you could please provide the information as appropriate to enable me achieve the research objective since your organization is selected for the study.

Any information supplied shall be treated confidentially and shall be used strictly for academic purpose.

Thank you.

Yours faithfully,

MADU NDIDI P
PG/MBA/63638.
QUESTIONNAIRE

Instruction: Please tick (✓) in the options that best suit your opinion, as rating your choice of answers in the 5 point rating scale.

The Keys are:

| Strongly Agree | (SA) | 5 points |
| Agree          | (A)  | 4 points |
| Neutral        | (N)  | 3 points |
| Disagree       | (D)  | 2 points |
| Strongly Disagree | (SD) | 1 point |

<table>
<thead>
<tr>
<th>S/N</th>
<th>Question Items</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Leadership style adopted by company or organization has an impact on performance of the employee in the organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Transformational leadership style has an impact on organizational performance of a transport company employee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Transactional leadership style has an effect on organizational performance of a transportation company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Laissez-faire style of leadership has a negative impact on organizational performance of a transportation company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Employee reward/motivation is a way of enhancing employee of enhancing employee and increasing performance in the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>