



LEADERSHIP STYLE AND EMPLOYEE PRODUCTIVITY OF DEPOSIT MONEY BANKS IN PORT HARCOURT

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ABSTRACT

This study examined the impact of leadership style on employee productivity in deposit money banks in Port Harcourt. The study used a five-point Likert scale questionnaire consisting of twenty-five questions covering transformational, transactional, and democratic leadership styles and employee productivity variables. The questionnaire was deployed to one hundred and fifty-three respondents (153) and received one hundred and twenty-five (125) valid responses. Statistical Package for the Social Sciences (SPSS) was used to analyze respondent responses. Results affirm the validity and reliability of research findings. The results of the descriptive and regression analysis indicate that the transformational leadership style is the most predominant in Nigerian Deposit Money Banks followed by transactional and democratic leadership styles. The study concludes that leadership styles significantly influence employee productivity albeit different leadership styles have varying effects on employee productivity and varying leadership styles can co-exist within the same organization.

KEYWORDS: *Leadership style, employee productivity, Transformational Leadership, Transactional Leadership, Democratic Leadership.*

1. INTRODUCTION

Employee productivity greatly affects the success of an organization's goals, seeing the importance of employees in an organization. Employee productivity is imperative to a country as well as the private and public sectors. The poor performance of employee productivity is tied to a bad leadership style, which is common in most third-world countries, (Okafor, 2013). However, several factors such as innovative remuneration structures, access to employee benefits, comfortable work environment, core values of an organization, career advancement opportunity, recognition, and employees' engagement, among others, have been adduced to be responsible for enhanced employee productivity (Armstrong & Taylor, 2014; Popli & Rizvi, 2016). According to Dobre (2013), achieving high levels of productivity is impacted by the level of motivation and effectiveness of the workforce, regardless of the degree of technical automation. Employee productivity is an assessment of the efficiency of a worker or group of workers. Productivity is a component that directly affects the company's profits and may be evaluated in terms of the output of an employee in a specific period (Sels et al., 2006). Typically, the productivity of a given worker will be assessed relative to an average output for employees doing similar work. As the success of an organization relies mainly on the productivity of its employees, therefore, employee productivity has become an important objective for businesses (Cato & Gordon, 2009; Sharma & Sharma, 2014).

McNamara (2003) further states that results are usually the final and specific outputs desired from the employee. Results are often expressed as products or services for an internal or external customer. They may be in terms of financial accomplishments, and impact on a community; and so those results are expressed in terms of cost, quality, quantity, or time. Employee productivity could include the quantity of output, quality of output, timeliness of output, presence at work, and cooperativeness (Bernardin, 2007). Employee productivity could be simply understood as the related activities expected of a worker and how well those activities were executed. A study done in the banking sector in Slovakia by Belás (2013) while studying leadership style and the productiveness of employees in the banking sector in Slovakia concluded that there is a direct connection between the dominant leadership style and the lack of productiveness. Moreover, studies have shown that leadership is a key determinant of employee productivity as it



pertains to the style adopted by the leader and the impact it has on the productivity level of the organizational workforce for performance (Yasir, Imran, Irshad, Mohamad, & Khan, 2016).

Leadership is practiced in schools and colleges, factories and farms, business enterprises, dispensaries, and hospitals, in the civil and military organizations of a country, and in public life, at all levels, in short in every walk of life. Leaders seek to promote unity, harmony, strength, prosperity, and happiness in society (Jain & Duggal, 2015). Organizations all over the world, in both the public and the private sectors, are established primarily to accomplish predetermined set goals and objectives. In achieving these goals and objectives, the role of the employees cannot be overemphasized (Gberevbie, Joshua, Excellence, Oluye, & Oyeyemi 2017). This is simply because organizations, irrespective of other resources (financial, land, technological) at their disposal, cannot achieve anything meaningful in terms of attaining their set goals, without human resources galvanizing all other resources (Gberevbie, et al, 2017). Leadership cannot be taught, though it can be learned and enhanced through coaching or mentoring. Today, organizational leaders in some parts of the world have been accused of adopting leadership styles that favor the top-down, command, and control technique in leading their subordinates, which most often than not causes negative reactions from their subordinates and hampers cordiality between both parties (Akinbode & Fagbohunde, 2012). The results of these styles of leadership would include the demotivation of staff and declined productivity, among others. Leadership has always been considered a critical element and function of management, which helps manage employees' dedication level within the organization thus ensuring an increase in productivity and the attainment of organizational goals (Abasilim, Gberevbie, & Osibanjo, 2018).

It has also been noted that the nexus between leadership styles and employees' productivity has received considerable scholarly attention. Most studies on leadership have recognized various sorts of leadership styles that leaders adopt in managing organizations (Kelly & MacDonald, 2019; Sudha, Shahnawaz, & Farhat, 2016; Yukl, 2013). Transformational leadership, transactional leadership, democratic leadership style, autocratic leadership, and laissez-faire leadership styles have been classified as the most usually embraced styles utilized in organizational leadership studies (Rehman, Shareef, Mahmood, & Ishaque, 2012). Likewise, major kinds of productivity measures (effectiveness, efficiency) are exhibited by employees in organizations (Othman, Mohammed, & D'Silva, 2013). Also, most of the studies about the relationship between leadership styles (transformational leadership, transactional leadership, democratic leadership style, autocratic leadership) and employees' productivity have shown that there is a positive relationship between transformational leadership style, transactional leadership style, and employees' productivity, whereas laissez-faire leadership style has yielded a negative connection with employees' productivity, irrespective of the work settings (Abasilim, Gberevbie, & Osibanjo, 2018; Dariush, Choobdar, Valadkhani, & Mehrali, 2016).

The banking sector is an engine of economic growth and development globally in all parts of the world. The sector through its role promotes economic growth and mediates between the economic units. Deposit money banks can achieve economies of scale with beneficial effects, however, for the sector to play its vital role in the development of the economy, effective leadership is fundamental. Analyzing the factors that impact employee productivity can contribute to the development of successful performance strategies. According to Belonio (2012), leadership style can either motivate or discourage employees, which in return can cause employee's increase or decrease in their level of performance. Understanding how leadership styles directly affect employee behavior is critical to organizational performance (Hong et al., 2016). This study seeks to provide an empirical baseline for leadership styles that influence employee productivity in deposit money banks.

2. STATEMENT OF PROBLEM

The deposit banking sector is characterized by low employee productivity which leads to poor performance and innovation. Studies believe that leadership style plays a significant role in employee productivity thus it is an important aspect of management that needs to be explored. The general problem to be addressed is that employees in deposit money banks are faced with possible employee-employer relationship changes on an annual basis and these changes in the employee-employer relationship that are viewed by the employee as a breach of agreed-upon promises, negatively impact productivity (Salazar-Fierro & Bayardo, 2015). Additionally, Pradhan and Pradhan (2015) suggested a significant positive relationship between both leadership style and productivity. Since productivity is positively related to employee and organizational performance, negative impacts on productivity could result in



reductions in organizational performance (Setyaningrum, Setiawan, Surachman, & Irawanto, 2017). Conversely, positive impacts on employee productivity, resulting from leadership styles, could result in improved organizational performance. The specific problem to be addressed is that leadership style can have a direct impact on employee productivity in the banking sector where employees routinely face changes in the employee-employer relationship (Saha, 2016). Diverse leadership styles are used to fit employees based on several directions, empowerment, and decision-making power. An administrative phenomenon reflects the contingency of leadership and style, situation, and performance criteria have been left to suffocate on their own, (Graen, Dansereau, & Minami, 2013). As a result, employee productivity was affected due to ineffective direction and application of strategic style in managing daily duties. The focus of this study was to examine the relationship between leadership style and employees' productivity in deposit money banks.

3. AIM/OBJECTIVES OF THE STUDY

This study aims to investigate the relationship between leadership style and employee productivity. The study however has some specific objectives:

- i. To ascertain the relationship between transformational leadership and effectiveness.
- ii. To examine the relationship between transformational leadership and efficiency.
- iii. To establish the relationship between transactional leadership and effectiveness.
- iv. To establish the relationship between transactional leadership and efficiency.
- v. To investigate the relationship between democratic leadership and effectiveness.
- vi. To ascertain the relationship between democratic leadership and efficiency.

4. SCOPE OF THE STUDY

This study covers areas of leadership style; however, the study is delimited to transformational, transactional, and demonstrative leadership styles. On the other hand, employee productivity has effectiveness and efficiency in its proxies. Geographically, this study will encompass all employees, supervisors, and managers of deposit money banks in Port Harcourt, Rivers State. This study will be carried out at the micro level.

5. LITERATURE REVIEW

5.1 Leadership Styles

Leadership researchers shifted to studying what leaders did- the behavior and styles of leaders as a way of understanding and modeling effective leadership (Yukl, 2010). The earlier studies of leadership behavior at the universities of Ohio State and Michigan identified two main factors that influenced leadership behaviors. The two main factors are 'Initiating structure' or 'production orientation' which is a concern for task or task behavior and 'consideration structure' or 'employee orientation' or which is a concern for people or relationship behavior (Northouse, 2004; Yukl, 2010). It is however important to note that the behavioral theory of leadership has been criticized. Some of the criticism include that the theory does not give adequate consideration to the impact of situational circumstances on leadership effectiveness, does not consider that a leader's behavior could be influenced by the followers, and essentially assumes that the leaders will apply the same leadership styles to all the followers and situations (Bertocci, 2009; Northouse, 2010).

Leadership styles can be viewed as the combination of skills, qualities, characteristics, and behaviors that managers/leaders used when relating with their subordinates in organizations (Jeremy, Melinde, & Ciller, 2012). Rose, Gloria, and Nwachukwu (2015) refer to leadership styles as the approaches use to motivate followers. Leadership is not a "one size fits all" phenomenon. Leadership styles should be selected and adapted to fit organizations, situations, groups, and individuals. It is thus useful to possess a thorough understanding of the different styles as such knowledge increases the tools available to lead effectively. Furthermore, Talat, Sana, Samra, and Abeera (2015) considered the Style of Leadership as the most effective driving force in any organization. Consequently, effective management provides guidance that encourages subordinates to think outside the box to solve organizational problems and make decisions that can improve the performance of the organization (Benntt, 2009). Leadership is essential for all organizations to achieve goals. Since leadership style is a key basis of the success or failure of any organization (Bizhan, Saeid, & Vahid 2013). Northouse's (2010) leadership style consists of the behavior pattern of a person who attempts to influence others. It includes both directive (task) behaviors and supportive (relationship) behaviors.



5.2 Transformational Leadership Style

This can be referred to as the type in which a leader works with their teams concurrently to identify the necessity of change, hence creating a vision toward leading such change. This is achieved by their inspirational influence on their followers, whereby the change is executed together with their team members under their directional guidance. Accordingly, this type of leadership can be commonly found in most of today's leaders (Maamari & Saheb, 2018).

They can also share a collective consciousness, undertake self-management, and be inspirational to their followers when leading a group of employees (Pawar, 2019). Leaders can motivate and lead their followers to achieve unexpected results as this type allocates employee autonomy for specific tasks; employee empowerment generally takes place in this case as they are allowed the authority for decision-making following sufficient and effective training (Hasmin, 2019). Besides, transformational leaders typically utilize inspiration and motivation effectively to drive their followers intrinsically and extrinsically, as well as articulate any future expectations clearly (Amirullah, 2018).

Moreover, the ideal influence conferred to the transformational leader is crucial; they act as a dependable role model for their followers and organization and lead by example to persuade their employees for adhering to their organizational directives (Onsardi, & Arkat, 2020). Such leaders have also been considered an understanding authorities who can prioritize their followers' needs and try to satisfy them to enhance work efficiency. Hence, transformational leaders are typically more ethical and very charismatic in the eyes of their followers (Pinck, & Sonnentag, 2017). Transformational leadership styles focus on team-building, motivation, and collaboration with employees at different levels of an organization to accomplish change for the better. Transformational leaders set goals and incentives to push their subordinates to higher performance levels while providing opportunities for personal and professional growth for each employee (David, 2009)

A transformational leader is a type of person in which the leader is not limited by his or her followers' perceptions. The main objective is to work to change or transform his or her followers' needs and redirect their thinking. Leaders that follow the transformation style of leading, challenge and inspire their followers with a sense of purpose and excitement (Shultz 2010). They also create a vision of what they aspire to be and communicate this idea to others (their followers). Transformational leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to a higher level of motivation and morality (Burns, 2018). Therefore, Burns defined transformational leadership as a process and not a specific behavior

5.3 Transactional Leadership Style

Transactional leadership encompasses three elements: contingent reward, management by exception – active, and management by exception – passive. The contingent reward is described as a constructive interaction whereby leaders agree with followers the tasks be completed and articulate performance expectations in exchange for rewards; that is, followers are rewarded when performance expectations are successfully met (Bass & Bass, 2008). Rewards may be material in nature (such as a raise in salary) or psychological (positive feedback and praise) (Bass & Bass, 2008). Management by exception is regarded as a corrective form of leadership because it concerns the degree to which a leader intervenes or takes corrective action based on followers' behaviors. Corrective actions may include discipline, negative feedback, or disapproval (Bass & Bass, 2008). Active management by exception includes leaders actively monitoring subordinates' behavior to ensure it complies with expected standards of performance (i.e. ensuring compliance with rules and procedures for example) and intervening before problems arise. On the other hand, passive management by exception involves leaders intervening only after problems have occurred; thus, unlike active management by exception, it represents a reactive form of leadership (Bass & Avolio, 1990; cited in Yukl, 2010).

Transactional leadership is said to have taken place when one person bonds with others for an exchange of valued things that could be political or economic or psychological in outlook (McCleskey, 2014). Transactional leaders are resulted oriented (Ivey and Kline, 2010). Followers satisfy the requirements of the leader for a prize in return or to avoid being punished for poor performance or failure to accomplish an objective (Bass, Avolio, Jung, & Berson, 2003). Consequently, transactional leadership is practicable as it focuses on achieving specified goals or objectives. It is emphasized that transactional leaders do not concentrate on the individual development of a worker (Northouse, 2007). Rather, what is of great concern to transaction-oriented leaders is the University of Ghana's achievements of



the objectives. Transactional leaders center on making tasks clear and offering punishment for poor performance and rewards for positive performance (McCleskey, 2014).

5.4 Democratic Leadership Style

Democratic leadership may also be referred to as participative leadership, whereby individuals typically considered as unequal according to hierarchical standards are bestowed shared power in the decision-making process (Yang, Zhang, & Tsui, 2010). Furthermore, all team members are allocated fair opportunities to participate in idea-generating processes and throughout group discussion and brainstorming; it is noted that the most effective ideas are being voted on via the democratic model (Christian, 2018). In general, democratic leaders will encourage their team members to voice out any ideas due to an emphasis on group equality and free-flowing ideas. Nevertheless, the leader will still need to offer guidance and continuously monitor the discourse process to prevent any quarrels and arguments from taking place, especially if more than one party holds different views or perceptions compared to others (Rifaldi, Ramadhini, and Usman, 2019).

Furthermore, the authority to decide who is in the group or contributes to decision-making remains vested in the leader. Usually, when arguments or quarrels happen, difficulties to conclude on the decision taken by the team will arise, requiring them to generate a final overview and convince all team members regarding their support of all personal views (Galston, 2018). Besides, democratic leadership is one of the most effective types of leadership style due to higher productivity perceived compared to autocratic leadership. After all, an autocratic leader will devise and position the ideas alone, whereby all the followers are required to do is follow the directions that they set (Rangus, & Cerne, 2017). In contrast, employees are involved in the decision-making process in the context of democratic leadership but their control in the process is maintained and the final say is according to the leader following employee discussion throughout every meeting or brainstorming session (Hunitie, 2017).

5.5 Employee Productivity

Employee productivity which sometimes is referred to as workforce productivity is an assessment of the efficiency of a worker or group of workers, (Voon, & Ayob, 2011). Productivity may be evaluated in terms of the output of an employee in a specific period. Employee productivity is an assessment of the efficiency of a worker or group of workers. In actual terms, productivity is a component that directly affects the company's profits (Sels, De Winne, Delmotte, et al., 2006). Productivity may be evaluated in terms of the output of an employee in a specific period. Typically, the productivity of a given worker will be assessed relative to an average output for employees doing similar work. The more productive an organization is, the better its competitive advantage, is because the costs to produce its goods and services are lower. Better productivity does not necessarily mean more is produced; perhaps fewer people (or less money or time) were used to produce the same amount.

According to Sharma and Sharma (2014), employee productivity is based on the amount of time that an employee is physically present at his/ her job, besides the extent to which he/ she is "mentally present" or efficiently working during the presentation at the job. Companies should address such issues to ensure high worker productivity. Ferreira and Du Plessis (2009) indicated that productivity can be evaluated in terms of the time spent by an employee actively executing the job he or she was hired to do, to produce the desired outcomes expected from an employee's job description. Cato and Gordon (2009) also demonstrated that the alignment of the strategic vision to employee productivity is a key contributor to the success of an organization. Moreover, higher productivity tends to increase the competitive advantage through a reduction in costs and improvement in the quality of output.

An employee who possesses unique skills, competencies, and experience, can deliver high productivity (Wright, 2004). It has been debated that improving productivity is one of the fundamental objectives of several organizations. This is in line with several efforts by management to enhance employee productivity as this will lead to organizational profitability (Sharma & Sharma, 2014). Agnes (2009), was of the view that productivity is the quantity of work that is achieved within a period using the factors of production. The author further mentioned that productivity is a measure of performance that encompasses both efficiency and effectiveness. It is the correlation that exists between the number of inputs and outputs from a clearly defined process. Wright (2004), opined that productivity is an indication of how efficiently essential resources are utilized to attain specific goals in terms of quantity and quality within a given time frame.



5.6 Effectiveness

Effectiveness is an organization's ability to actualize goals and objectives. All relevant criteria for measuring effectiveness cannot be identified, (Hankins, Gossett, Franklin, & Sharilyn, 2017). Organizations are worried about the results, outputs, quality, value creation, etc. effectiveness estimates an organization's ability to accomplish its objectives. Effectiveness is a measure of how well an organization realizes its goals (Zheng, Yang, & McLean 2010). Effectiveness-oriented employees are concerned with output, sales, quality, creation of value-added, innovation, and cost reduction. It measures the degree to which a business achieves its goals or the way outputs interact with the economic and social environment. Usually, effectiveness determines the policy objectives of the organization or the degree to which an organization realizes its own goals (Zheng, Yang & Mclean, 2010). Meyer and Herscovitch (2001) analyzed organizational effectiveness through organizational commitment. Commitment in the workplace may take various forms, such as the relationship between leader and staff, employee identification with the organization, involvement in the decision-making process, and psychological attachment felt by an individual.

Shiva and Suar (2010) agree that superior performance is possible by transforming staff attitudes towards the organization from a lower to a higher plane of maturity, therefore human capital management should be closely bonded with the concepts of effectiveness. According to Heilman and Kennedy- Phillips (2011) effectiveness helps to assess the progress towards mission fulfillment and goal achievement. To improve organizational effectiveness management should strive for better communication, interaction, leadership, direction, adaptability, and a positive environment. Back in 1988, Seiichi Nakajima introduced the concept of Total Productive Maintenance, which has been widely applied in the plants and covered the entire life of the equipment in every department including planning, manufacturing, and maintenance (Fu-Kwun, 2006; Muthiah & Huang, 2006).

5.7 Efficiency

Efficiency is the relationship between input and output i.e., successful execution or transformation of input to output, (Low, 2000). According to Pinprayong and Siengthai (2012), business efficiency uncovers the input and output proportion, while organizational efficiency mirrors the improvement of internal cycles such as structure, culture, and community. Efficiency can be achieved under the conditions of maximizing the results of action about the resources used, and it is calculated by comparing the effects obtained in their efforts. Measuring the effectiveness requires: a) estimating the costs, the resources consumed the effort, in general, found in the literature as the input; b) estimating the results, or the outputs; c) comparing the two. Improving employee productivity has been one of the most important objectives for several organizations. This is because higher levels of employee productivity provide an organization and its employees with various advantages. For instance, higher productivity leads to favorable economic growth, large profitability, and better social progress (Sharma & Sharma, 2014).

Certain scholars (Richman, 2006; Fleming & Asplund, 2007) added that employees who are engaged or involved with their jobs are perceived to be more productive because they are motivated toward accomplishing their work beyond any personal factors. They are also more focused than their disengaged counterparts. Employees who are engaged are in most cases assumed to work more efficiently and to put the success of the organization in their minds as a top priority. One of the key issues that most organizations face nowadays is the need to improve employee productivity. Employee productivity is an assessment of the efficiency of a worker or group of workers as it directly affects the company's profits (Sels, De Winne, Delmotte, et al., 2006). Typically, the efficiency of a given worker will be assessed relative to an average for employees doing similar work. As the success of an organization relies mainly on the productivity of its employees, therefore, employee productivity has become an important objective for businesses (Cato & Gordon, 2009; Sharma & Sharma, 2014). According to Sharma and Sharma (2014), higher efficiency results in economic growth, higher profitability, and social progress. It is only by increasing efficiency, that employees can obtain better wages/ salaries, working conditions, and larger employment opportunities. Cato and Gordon (2009) also demonstrated that the alignment of the strategic vision to employee efficiency is a key contributor to the success of an organization.

5.8 Leadership Style and Employee Productivity

Obiwuru, Okwu, Akpa, and Nwankwere (2011) examined the effects of leadership style on organizational performance: a survey of selected small-scale enterprises in the Ikosi-Ketu council development area of Lagos State, Nigeria. A structured Multifactor Leadership Questionnaire (MLQ) was used to collect primary data. The study



concluded that transactional leadership style was more appropriate in inducing performance in small-scale enterprises than transformational leadership style and, therefore, recommended transactional leadership style for the small enterprises with inbuilt strategies for transition to transformational leadership style as the enterprises developed, grew, and matured. The study ignores the laissez-faire leadership style and suggested a transactional leadership style for small-scale enterprises.

Setiawan, et al., (2021) studied the influence of leadership on the performance of employers in the education ministry and higher education of Somaliland and defined four types, namely, autocratic, transformational, democratic, and transactional leadership. This study analyzed the effects of leadership styles on employee efficiency. The findings show that the autocratic leadership model has a detrimental effect on the department's efficiency, which is reflected in high absenteeism, poor morale, a decline in job satisfaction, and rotation. The application of egalitarian, transformative, and transactional leaders has a positive and important effect on the success of workers assessed by the high morale, efficiency, engagement, and dedication of the employees. The analysis aimed to explore the impact of leadership styles on employee achievement in the Somaliland Ministry of Education and Superior Studies and to define four major styles: autocratic, transformative, democratic, and transactional management styles.

Goren, (2018) examined the effect of leadership styles on employee productivity at South Nyanza Sugar Company Limited. The study used a descriptive research design to address the research objectives. A sample size of 95 was selected from a population of employees of South Nyanza Sugar Company Limited using a simple random sampling technique. The study used primary data which was collected using a semi-structured questionnaire and data was analyzed using descriptive statistics. The study findings realized that there is a positive significant relationship between autocratic leadership style and employee productivity. A positive significant relationship was found between democratic leadership style and employee productivity. However, the research findings showed that there was no positive significant relationship also existed between laissez-faire leadership style and employee productivity. The study, therefore, recommended that leaders be aware of what is important for the subordinates and the organization as a whole and encourage the employees to see the opportunities and challenges around them creatively.

Amal and Nosheen (2014) examined the impact of leadership styles on organizational performance in Pakistan. The performance of organizations is related to the profitability of the organizations in terms of their growth and profit both in the long and short term. A structured questionnaire was used to collect data. The researchers found that though the most suited style of leadership is a transformational one in new and growing organizations transactional leadership style may be more productive, while in certain circumstances though limited and for a short period, a laissez-faire style may be required. Hence, the leader might have to adopt a hybrid style of leadership style. Leadership style has a significant impact on organizational performance. The study recommends for hybrid leadership style for new and growing organizations.

Adamu, (2015) examined the impact of transformational leadership, transactional leadership, laissez-faire leadership, and servant leadership styles on performance among employees of the Package Water Producing Industry in Adamawa State, Nigeria. SPSS v.20 Correlation and regression techniques were used to test the study hypotheses. The result provided support for three hypothesized relationships for the study. Specifically, transformational leadership style, transactional leadership style, and servant leadership style have a positive, strong, and significant relationship with performance among the study sample. However, a laissez-faire leadership style was not found to be significantly related to performance among the employees. Therefore, the study makes use of the servant leadership style which is not part of the full leadership range.

Muhammad and Kuchinke (2016) examined the impact of leadership styles on employee performance outcomes is explored theoretically and tested empirically in the Pakistani banking sector. A semi-structured questionnaire was the main instrument used to collect primary data. The findings of this study reveal that there exists a significant relationship between transformational leadership and employee performance outcomes. However, the laissez-faire leadership style showed a negative relationship with employee performance outcomes in terms of effectiveness and employee satisfaction. The study makes use of a full leadership range and focused attention on the banking sector. Most of the reviews were carried out in developing countries; just a few of the previous studies were carried out within



the Nigerian context. This study, therefore, seeks to examine the effect of leadership styles on employees' performance in an institute for trypanosomiasis research agency in Kaduna State.

Abiodun, John, and Nathaniel, (2019) studied leadership behavior and worker performance in the Nigerian construction industry. The data for the study was collected from supervisors and site workers drawn from construction firms in Lagos, Nigeria. A multifactor structured questionnaire was administered as non-probabilistic convenience and a random sampling technique was used in the selection of the participants across construction sites to assess the leadership behavior adopted and its influence on construction site worker productivity. The adoption of laissez-faire leadership behavior results in a negative correlation with construction worker performance and concluded that the success of construction projects depends on the project manager and its employees; leadership qualities, therefore, are critical to the construction industry participants to ensure timely delivery of construction works. The following were recommended; The construction industry needs to employ workers who possess leadership traits, and who can lead the team both efficiently and effectively to achieve the goal of the project and that of the construction firm; The top management of construction firms needs to recognize the factors influencing the performance of its workers and adopt tactical options to address them, the Construction firms can apply the combination of both transactional and transformational leadership behaviors but not laissez-faire leadership style when carrying out its administrative duties.

6. METHODOLOGY

The cross-sectional method, which is a form of the quasi-experimental research design will be the most appropriate for achieving the objectives of this study. The researcher adopted the cross-sectional study method on the basis that the research involved selecting samples of elements from the population of interest measurable at a particular point in time. A study population is made up of a specified group of individuals chosen for a particular study. This study will cover deposit money banks in Nigeria, but the study would for convenience, effectiveness, and timely response focus on banks in Port Harcourt, Rivers State. This is effective as more than 90% of deposit money banks operating in Nigeria have an operational presence in Port Harcourt, Rivers state. The accessible population of 248 organizational members (employees, supervisors, and managers) from 5 deposit money banks known by the moniker 'FUGAZE' (First Bank of Nigeria PLC, United Bank for Africa PLC, Guaranty Trust Holding Company PLC, Access Bank, Zenith Bank, and Eco Bank). The random sampling method was applied to come up with the sample size to ensure an even representation. The Taro Yamane formula was used to arrive at a sample size of 153 at a 0.05 level of significance i.e., 95% confidence level. Due to the distance between the locations of the firms, the respondents were given time within which to fill out the questionnaire. Within the time, follow-up visits on the respondents/reminders were sent to contact persons within each firm. Data for the study came from the primary source. Primary data sources provide data in their original state though collected for a specific purpose. The Spearman Rank Correlation Coefficient was used to analyze the data obtained from the questionnaire. All Statistical analyses will be carried out using the Statistical Package for Social Sciences (SPSS) version 26.

7. ANALYSIS OF THE RESULTS

The section analyzes the relationship between the facets of leadership style (transformational, transactional, and democratic leadership) and employee productivity (effectiveness, and efficiency). A total number of one hundred and fifty-three (153) copies of the questionnaire were distributed of which, one hundred and twenty-five (125) copies were properly filled thus, valid and usable for the study. The relation test was performed using simple linear regression which is based on a significant rate of 0.05, hence the decision rule: reject the null hypothesis if the p-value obtained is less than the alpha value of 0.05 and accept the null hypothesis when the p-value is greater than the alpha value (0.05).



Table 4.1 Correlation between Transformational Leadership and Effectiveness Correlations

| | | Transformational Leadership | Effectiveness |
|--|-------------------------|-----------------------------|---------------|
| Spearman's rho Transformational Leadership | Correlation Coefficient | 1.000 | .761** |
| | Sig. (2-tailed) | . | .000 |
| | N | 125 | 125 |
| Effectiveness | Correlation Coefficient | .761** | 1.000 |
| | Sig. (2-tailed) | .000 | . |
| | N | 125 | 125 |

** . Correlation is significant at the 0.01 level (2-tailed).

SPSS output, Version 26

The result reveals a strong positive correlation coefficient value between transformational leadership and employee effectiveness which was statistically significant ($\rho = .761^{**}$, $p = .000 < 0.05$) this suggests that there is a significant relationship between the variables.

Table 4.2 Correlation between Transformational Leadership and Efficiency Correlations

| | | Transformational Leadership | Efficiency |
|--|-------------------------|-----------------------------|------------|
| Spearman's rho Transformational Leadership | Correlation Coefficient | 1.000 | .740** |
| | Sig. (2-tailed) | . | .000 |
| | N | 125 | 125 |
| Efficiency | Correlation Coefficient | .740** | 1.000 |
| | Sig. (2-tailed) | .000 | . |
| | N | 125 | 125 |

** . Correlation is significant at the 0.01 level (2-tailed).

SPSS output, Version 26

From the result, a strong positive correlation coefficient value was reported between transformational leadership and employee efficiency which was statistically significant ($\rho = .740^{**}$, $p = .000 < 0.05$) this suggests that there is a significant relationship between the variables.

Table 4.3 Correlation between Transactional Leadership and Effectiveness Correlations

| | | Transactional Leadership | Effectiveness |
|---|-------------------------|--------------------------|---------------|
| Spearman's rho Transactional Leadership | Correlation Coefficient | 1.000 | .665** |
| | Sig. (2-tailed) | . | .000 |
| | N | 125 | 125 |
| Effectiveness | Correlation Coefficient | .665** | 1.000 |
| | Sig. (2-tailed) | .000 | . |
| | N | 125 | 125 |

** . Correlation is significant at the 0.01 level (2-tailed).

SPSS output, Version 26

A positive and significant relationship was reported between transactional leadership and effectiveness which was statistically significant ($\rho = .665^{**}$, $p = .000 < 0.05$ alpha value) this suggests that there is a significant relationship between the variables.



Table 4.4 Correlation between Transactional Leadership and Efficiency Correlations

| | | Transactional Leadership | Efficiency |
|---|-------------------------|--------------------------|------------|
| Spearman's rho Transactional Leadership | Correlation Coefficient | 1.000 | .642** |
| | Sig. (2-tailed) | . | .000 |
| | N | 125 | 125 |
| Efficiency | Correlation Coefficient | .642** | 1.000 |
| | Sig. (2-tailed) | .000 | . |
| | N | 125 | 125 |

** . Correlation is significant at the 0.01 level (2-tailed).

SPSS output, Version 26

From the result, a significantly positive relationship was reported between transformational leadership and employee efficiency ($\rho = .642^{**}$, $p = .000 < 0.05$), this suggests that there is a significant relationship between the variables.

Table 4.5 Correlation between Democratic Leadership and Effectiveness Correlations

| | | Democratic Leadership | Effectiveness |
|--------------------------------------|-------------------------|-----------------------|---------------|
| Spearman's rho Democratic Leadership | Correlation Coefficient | 1.000 | .638** |
| | Sig. (2-tailed) | . | .000 |
| | N | 125 | 125 |
| Effectiveness | Correlation Coefficient | .638** | 1.000 |
| | Sig. (2-tailed) | .000 | . |
| | N | 125 | 125 |

** . Correlation is significant at the 0.01 level (2-tailed).

SPSS output, Version 26

The result revealed a strong, positive correlation between democratic leadership and employee effectiveness, which was statistically significant ($\rho = .638^{**}$, $p = .000 < 0.05$), this suggests that there is a significant relationship between the variables.

Table 4.6 Correlation between Democratic Leadership and Efficiency Correlations

| | | Democratic Leadership | Efficiency |
|--------------------------------------|-------------------------|-----------------------|------------|
| Spearman's rho Democratic Leadership | Correlation Coefficient | 1.000 | .521** |
| | Sig. (2-tailed) | . | .000 |
| | N | 125 | 125 |
| Efficiency | Correlation Coefficient | .521** | 1.000 |
| | Sig. (2-tailed) | .000 | . |
| | N | 125 | 125 |

** . Correlation is significant at the 0.01 level (2-tailed).

SPSS output, Version 26

The result revealed a positive correlation between democratic leadership and efficiency, which was statistically significant ($\rho = .521^{**}$, $p = .000 < 0.05$), this suggests that there is a significant relationship between the variables.

8. CONCLUSION

The literature was reviewed under conceptual framework; theoretical framework, theoretical exposition, and empirical review. The conceptual framework deals with the definition of a concept, while the theoretical framework was anchored on The Path-Goal Theory and Contingency Theory. The theoretical exposition examined the relationship between the dimensions of leadership style and employee productivity. Empirical evidence on the effect of leadership styles on employee productivity was mixed. The transformational approach is closely connected to indicators of employee success. Regarding the democratic leadership model, most of the respondents accepted that the style was more people-oriented. The style allowed employees to express their leadership position with their leader and the team's leader. In addition to providing a convenient atmosphere for delegating control and duties, managers were often able



to interact regularly and efficiently with their staff. Transactional leadership is also tightly associated with the success and total performance of the employee. This style acknowledges and encourages workers to meet the goals they have to accomplish and advises them on what to do when they wish to be recognized for their job. Therefore, the present study improved on the previous ones by examining the effect of leadership styles on employee productivity (effectiveness, and efficiency). The study revealed a significant relationship between leadership styles and employee productivity, which means there was a significant impact of leadership styles on employee productivity in deposit money banks.

9. RECOMMENDATIONS

Based on the findings of the study, we recommend that:

- Managers and Supervisors should explain goals and define priorities and criteria for followers to be reached and also aim to respond to the concerns as quickly as possible if an issue occurs.
- Rewards and penalties should not be seen as a motivational instruments. It is also urged to further follow and improve its power in practicing those characteristics related to its effectiveness in the transactional leadership form; It must also build an atmosphere favorable to transferring power and obligation to workers.
- Organizations should provide the fundamental values of democratic leadership such as friendliness, helpfulness, and engagement motivation, the organization must arrange preparation to accomplish its organizational goals.
- In general, organizations are advised to manage employees in a more transformative, democratic, and transactional manner than autocratic leadership since it directly links to employee success and survival.

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