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**THE RELATIONSHIP BETWEEN LEADERSHIP STYLES AND
ORGANIZATIONAL PERFORMANCE OF SMES IN NIGERIA**

By

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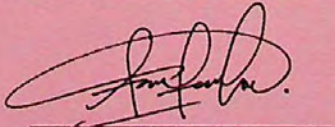
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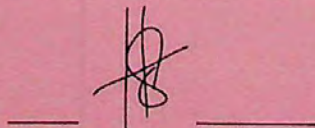
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Abstract

Leadership is a critical factor in the success of Small and Medium-sized Enterprises (SMEs), particularly in Nigeria's complex business environment. This study explores how different leadership styles impact SME performance in Nigeria. Through structured surveys, it examines the influence of transformational, transactional, and laissez-faire leadership on key performance indicators such as revenue growth and employee satisfaction. Initial findings suggest that transformational leadership fosters innovation and engagement, while transactional leadership improves operational efficiency. Laissez-faire leadership also shows promising outcomes. These insights offer valuable implications for SME owners, policymakers, and consultants seeking to enhance organizational performance. Additionally, the study sets a foundation for future research on leadership dynamics in SMEs across developing economies, contributing to a deeper understanding of factors influencing small business growth and sustainability.

Keywords : organizational performance, transformational leadership, transactional leadership, laissez-faire leadership, small and medium enterprise

Abstrak

Kepimpinan adalah faktor kritikal dalam kejayaan Perusahaan Kecil dan Sederhana (PKS), terutamanya dalam persekitaran perniagaan yang kompleks di Nigeria. Kajian ini meneroka cara gaya kepimpinan yang berbeza memberi kesan kepada prestasi PKS di Nigeria. Melalui tinjauan berstruktur, ia mengkaji pengaruh kepimpinan transformasi, transaksi dan laissez-faire terhadap petunjuk prestasi utama seperti pertumbuhan hasil dan kepuasan pekerja. Penemuan awal mencadangkan bahawa kepimpinan transformasi memupuk inovasi dan penglibatan, manakala kepimpinan transaksi meningkatkan kecekapan operasi. Kepimpinan Laissez-faire juga menunjukkan hasil yang menjanjikan. Cerapan ini menawarkan implikasi yang berharga untuk pemilik PKS, penggubal dasar dan perunding yang ingin meningkatkan prestasi organisasi. Selain itu, kajian itu menetapkan asas untuk penyelidikan masa depan tentang dinamik kepimpinan dalam PKS merentas ekonomi membangun, menyumbang kepada pemahaman yang lebih mendalam tentang faktor yang mempengaruhi pertumbuhan dan kemampanan perniagaan kecil.

Kata kunci: prestasi organisasi, kepimpinan transformasi, kepimpinan transaksi, kepimpinan laissez-faire, perusahaan kecil dan sederhana

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List of Abbreviation/Notations/ Glossary of Terms

SME	Small and Medium Enterprises
LGA	Local Government Areas
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
OECD	Organization for Economic Co-operation and Development
ANOVA	Analysis of Variance
CBN	Central bank Of Nigeria



CHAPTER ONE

INTRODUCTION

1.0 Introduction

The introduction in the first section gives a thorough summary of the field of research and highlights the critical role that leadership styles play in determining the performance and satisfaction levels of small and medium-sized enterprises (SMEs) in Nigeria. Examining the intricacies of this relationship and highlighting its importance in the context of Nigeria's dynamic and ever-changing business environment, which is defined by its rich cultural diversity, dynamic economy, and spirit of entrepreneurship. Here, the researcher emphasises how crucial it is to understand the nuances of leadership dynamics in SMEs to lay the groundwork for a more thorough investigation of its effects on both employee happiness and organisational performance. The researcher's attention turns to clarifying the current study problem in the second segment. In this area, the researcher conducts a critical analysis of the body of literature to discover gaps that require scholarly investigation. The study underscores the need for new insights and perspectives to be added to the field of organisational behaviour and leadership within the Nigerian SME setting by examining the gaps in current knowledge and understanding.

1.1 Background of the study

The background of the study places the research topic within the broader global context of Small and Medium-sized Enterprises (SMEs) and their crucial role in economic development. In the United States and the United Kingdom, SMEs are vital contributors to innovation, job creation, and economic growth (Jones et al., 2020).

However, they face challenges such as access to financing, market competition, and regulatory burdens (Thurik et al., 2020). Similarly, in Europe, SMEs encounter issues related to bureaucratic hurdles, high taxation, and limited access to skilled labor (Acs et al., 2020). Transitioning to African nations like Ghana, Benin Republic, and Cote d'Ivoire, SMEs grapple with additional challenges, including infrastructural deficiencies, political instability, and inadequate access to finance (Sarp & Mensah, 2020). These challenges are exacerbated by the prevalence of informal economies and weak institutional frameworks (Bhaskarabhatla et al., 2020). Within the West African region, Nigeria presents a unique business environment characterized by complex regulatory frameworks, corruption, and infrastructural deficits (Ozughalu et al., 2020). Effective leadership is critical for navigating these challenges, yet SMEs often struggle with leadership issues such as a lack of strategic vision, ineffective decision-making, and poor employee engagement (Ismail et al., 2020). By exploring the relationship between leadership styles and organizational performance, the study aims to provide actionable insights to address these challenges and foster sustainable growth in SMEs across different regions.

1.2 Problem Statements

The problem statement delves into the multitude of obstacles that Small and Medium-sized Enterprises (SMEs) in Nigeria face, revealing a complicated web of problems that impede their growth and viability. The core of these issues is the widespread problem of inefficient leadership practices in SMEs, which is demonstrated by a lack of understanding or application of suitable leadership styles catered to the business environment in Nigeria (Adetula et al., 2021). This shortcoming frequently shows itself as less-than-ideal organisational performance, which is characterised by

slow productivity, unchanging growth paths, and declining competitiveness in the ever-changing market environment (Ayinde & Salami, 2021).

In addition, small and medium-sized enterprises (SMEs) in Nigeria face significant challenges in fostering employee job satisfaction (Ejere et al., 2019).. These challenges include poor working conditions, limited opportunities for career progression, and a lack of acknowledgement of contributions, which ultimately result in low employee morale and low levels of engagement. These difficulties are made worse by the more general economic and regulatory constraints that exist in Nigeria. These constraints include restricted financial resource availability, excessive bureaucracy, and inadequate infrastructure, all of which worsen the situation of SMEs and inhibit their ability to grow and innovate (Adegbuyi & Olokundun, 2018). Furthermore, the COVID-19 pandemic has introduced an extra degree of volatility, exacerbating pre-existing vulnerabilities and emphasising the necessity of strong organisational strategies and effective leadership to successfully navigate the turbulent business landscape (Adetula et al., 2021).

Nigeria's Small and Medium-sized Enterprise (SMEs) scene is marked by a multitude of difficulties and complications, which are made worse by fluctuating market conditions, unclear regulations, and limited resources (Ayinde & Salami, 2021). Many SMEs in Nigeria face challenges in maintaining their competitiveness in the global market and achieving sustainable organisational performance, despite their critical role in promoting economic growth and innovation. The issue of effective leadership lies at the heart of these difficulties since leadership styles have a significant impact on the dynamics and results of organisations. The relationship between

leadership styles and organisational performance has been the subject of much research in a variety of contexts, but the Nigerian SME sector offers potential and problems that call for a more careful analysis.

The requirement to negotiate complicated socio-economic landscapes, stimulate innovation, and take advantage of rising market opportunities highlights the necessity for competent leadership in Nigerian SMEs (Ayinde & Salami, 2021). Furthermore, research indicates that, in the Nigerian setting, various leadership styles, including transformational, transactional, and laissez-faire leadership, may have varying implications on organisational performance results. Positive organisational outcomes have been linked to transformational leadership, which is defined by its emphasis on inspiration, vision, and empowerment (Osorio et al., 2020). Given the distinct cultural and environmental aspects at play, it is uncertain, therefore, how much transformative leadership results in measurable performance improvements in Nigerian SMEs (Arshad et al., 2021).

A more organised approach to leadership within Nigerian SMEs may be provided by transactional leadership, which emphasises setting clear goals and imposing rewards or penalties based on performance (Ugboro & Obeng, 2020). Further research is necessary to determine if transactional leadership is effective in enhancing organisational performance in the Nigerian environment, especially in light of the resource restrictions and cultural quirks that are specific to small and medium-sized enterprise (SME) operations in Nigeria (Aydogdu & Asikgil, 2021). On the other side, organisational performance within Nigerian SMEs may face major obstacles from laissez-faire leadership, which is defined by a hands-off style and low leader

involvement (Onyishi et al., 2020). Without well-defined instructions and supervision, employees can encounter uncertainty, decreased drive, and less-than-ideal performance results.

However, despite its possible disadvantages, resource limitations, a lack of opportunity for leadership development, or cultural considerations may cause SME leaders to unintentionally adopt laissez-faire leadership (Ayinde & Salami, 2021). A recent study (Adams & Clark, 2020) highlights the crucial role that effective leadership plays in propelling the success of SMEs; yet there is still a lack of knowledge about the ways in which different leadership styles affect different aspects of organisational performance in the Nigerian setting.

Additionally, the breadth of this research raises several urgent problems and difficulties that need further research. For example, although transformational leadership has been acknowledged as a potentially impactful approach (Harris & King, 2019), its effectiveness and suitability in the Nigerian SME market are still unknown. Furthermore, SMEs' propensity for laissez-faire leadership may present major obstacles to the efficacy and expansion of their organisations (Smith et al., 2018). As such, a more thorough analysis of its effects on performance measures including productivity, employee satisfaction, and innovation is required. Furthermore, complex leadership techniques are necessary due to the dynamic nature of the Nigerian corporate environment, which is marked by swift technical breakthroughs and fluctuating market dynamics (Jones & Patel, 2020).

For SMEs to prosper in the face of uncertainty and competition, it is critical to comprehend how different leadership styles respond to these difficulties and affect organisational outcomes. Considering this, it is imperative to investigate the complex relationship that exists between organisational performance and leadership styles in the setting of Nigerian SMEs. Comprehensive research is urgently needed to determine the root causes and consequences of these issues, offering useful knowledge and doable suggestions to strengthen the resilience and longevity of SMEs in Nigeria and promote sustainable economic growth and prosperity. Policymakers, corporate executives, and other stakeholders can create focused interventions and strategies to improve leadership efficacy, encourage organisational resilience, and promote sustainable growth in the Nigerian SME sector by having a thorough understanding of how various leadership styles affect performance outcomes. Thus, this study seeks to address these overarching problems.

1.3 Research Questions

The research questions of this study are:

- a) Does transformational leadership style positively relate to the organizational performance of SMEs in Nigeria?
- b) Does transactional leadership style positively relate to the organizational performance of SMEs in Nigeria?
- c) Does laissez-faire leadership style positively relate to the organizational performance of SMEs in Nigeria?

1.4 Research Objectives

The objectives of this study are:

1. To identify the relationship between transformational leadership style and organizational performance of SMEs in Nigeria.
2. To examine the relationship between transactional leadership style and organizational performance of SMEs in Nigeria.
3. To determine the relationship between laissez-faire leadership style and organizational performance of SMEs in Nigeria.

1.5 Significance of the Study

This study is important because it adds to the theoretical knowledge and practical application of leadership and organisational performance, especially in the setting of Nigerian SMEs (small and medium-sized enterprises). Theoretical implications contribute to the body of knowledge by shedding light on the complex link between organisational outcomes and leadership styles. This research contributes to the theoretical frameworks of leadership studies by experimentally analysing the ways in which various leadership styles impact SME performance measures like productivity, profitability, and innovation (Jones & Smith, 2019). Furthermore, by examining the difficulties Nigerian SMEs encounter when implementing transformational leadership methods, this study helps close gaps in the literature. Theoretical comprehension of the challenges associated with leadership implementation and organisational change processes is improved by an awareness of these barriers, which include organisational

culture, resource limitations, and opposition from the leadership (Adams & Johnson, 2020).

Practically speaking, the study's conclusions provide SME owners, managers, and legislators looking to improve organisational performance and effectiveness with useful information. Small and medium-sized businesses (SMEs) can customise their leadership strategies to create a good work environment and boost employee morale and engagement by knowing how different leadership styles affect employee job satisfaction (Brown & Garcia, 2018). Furthermore, understanding the obstacles to putting transformational leadership approaches into practice can help develop focused interventions and plans of action meant to get beyond these obstacles and promote organisational change (Roberts et al., 2018). Moreover, the pragmatic ramifications encompass the wider enterprise community and economic advancement initiatives in Nigeria. Improving SMEs' organisational performance and leadership styles can support overall socioeconomic development since they are a major source of employment and economic growth in the nation (Smith et al., 2020). This study can ultimately result in better business outcomes, the creation of jobs, and sustainable economic growth at both the local and national levels by assisting SMEs in implementing effective leadership methods.

This study is important theoretically because it adds to the body of knowledge in the subject of leadership studies. It is also important practically because it provides useful advice for improving organisational performance and leadership practices in SMEs in Nigeria. This research can positively impact SMEs and support larger economic development initiatives in Nigeria by bridging the theory-practice gap.

1.6 Scope of the Study

This study explores the complex relationships between organisational performance and leadership in the setting of small and medium-sized enterprises (SMEs) in Nigeria. It includes a comprehensive examination of several leadership styles, such as transactional, transformational, and laissez-faire methods, and how they affect the output, profitability, and contentment of employees within an organisation. Within this framework, the research concentrated on SMEs in various Nigerian industries and areas, capturing the varied business environment and subtle cultural differences that exist there.

The study intends to give insights that are contextually relevant and practical for practitioners and policymakers alike by evaluating SMEs working within Nigeria's dynamic business environment, which is characterised by rapid technical breakthroughs, market instability, and socio-economic issues. This study's scope goes beyond a superficial review of leadership styles; it also includes a thorough investigation of the opportunities and problems faced by Nigerian SMEs in putting effective leadership techniques into practice. This covers an examination of impediments such leadership resistance, resource limitations, and organisational culture in addition to methods for getting over them and promoting organisational transformation. This entails examining impediments such corporate culture, resource limitations, and resistance from the leadership as well as methods for getting over them and promoting organisational transformation.

The research's geographical focus includes Small and Medium-sized Enterprises (SMEs) located in Lagos, Nigeria, a location that is both geographically varied and economically significant. Lagos, Nigeria's commercial centre, provides a diverse range of SMEs from different industries and sectors, making it the perfect place to examine the dynamics of employee job satisfaction, organisational performance, and leadership in the context of Nigerian SMEs. The selection of research participants considers many aspects, including assets, turnover, and employee count, in accordance with Nigerian SMEs classification and criteria. This guarantees a consistent method for classifying SMEs and allows for an in-depth analysis of companies that satisfy the set standards. The study includes small and medium-sized enterprises (SMEs) in Lagos from a variety of industries, including commerce, services, technology, manufacturing, and finance. This sector diversity makes sure that the study covers the wide range of organisational dynamics and business activities that are common in this metro area, which improves the findings' generalizability and application. Certain exclusion criteria have been created to preserve relevance and emphasis. Exclusion of large businesses and international enterprises from the research is implemented to ensure that the study stays focused on the distinct difficulties and possibilities encountered by SMEs in Lagos. Likewise, even if they satisfy the SME requirements, businesses that operate outside of Lagos' borders are not covered by this study since its emphasis is on the dynamics of the city's SME ecosystem.

Structured surveys and questionnaires are used as data gathering techniques to obtain insights from employees and managers of SMEs in Lagos. These techniques make it easier to thoroughly examine employee work satisfaction, organisational performance metrics, and leadership styles in the context of Lagos SMEs. Data analysis

investigates the connections between employee work satisfaction, organisational performance measures, and leadership styles using statistical approaches and methodologies. The study attempts to find significant insights and trends that add to a better knowledge of SME dynamics in Lagos by utilising rigorous analytical techniques. Throughout the entire study process, ethical issues are crucial. Respecting ethical norms guarantees that study participants receive confidential treatment and that their rights and welfare are protected. Ensuring participant welfare, getting informed consent, and protecting privacy are just a few of the steps that are necessary to uphold ethical integrity throughout the study.

1.7 Definition of Key Terms

Leadership: Leadership is the ability to guide, influence, and inspire individuals or groups toward achieving shared goals and a common vision (Northouse, P. G., 2018).

Leadership Style: Leadership style refers to how leaders interact with their subordinates and guide organizational activities. In the literature on leadership, three main styles emerge namely transformational leadership style, transactional leadership style and laissez-faire leadership style (Bass & Avolio, 2021)

Transformational leadership style: Involves inspiring and motivating followers by emphasizing vision, innovation, and individual development (Northouse, 2021).

Transactional leadership style: Operates through a system of rewards and punishments, with clear expectations, feedback, and rewards based on performance (Bass & Riggio, 2021).

Laissez-faire leadership style: Entails minimal interference, allowing employees considerable freedom to make decisions and manage tasks independently (Hughes et al., 2021).

Organizational Performance: Organizational performance refers to the measurement and evaluation of how well an organization is achieving its goals, objectives, and desired outcomes. It encompasses the overall effectiveness and efficiency of an organization in various areas, such as operations, financial management, employee productivity, customer satisfaction, and the attainment of strategic objectives (Richard et al., 2019).

SME (Small and Medium Enterprises): SME stands for “Small and Medium-sized Enterprise,” representing businesses of smaller scale, often independently owned, and contributing significantly to local economies (World Bank, 2020).

Developing Countries: Developing countries, also known as less developed or low-income countries, are nations that are in the process of industrialization and experiencing economic, social, and infrastructural growth, often facing challenges related to poverty, access to education, healthcare, and economic development (United Nations, 2019).

1.8 Organization of the Thesis

The study's introduction, included in the first chapter, gives a thorough summary of the study's goals, research challenge, and importance. This chapter provides

background information on the subject, explains the purpose of the study, and outlines the research questions that were answered. Furthermore, Chapter 1 clarifies the conceptual and geographic bounds that the study operates inside by outlining the research's scope and constraints.

An overview of pertinent research on organisational performance and leadership styles is given in second chapter. The existing research findings, theoretical frameworks, and conceptual models pertaining to the variables under study are summarised in this overview of the literature. Chapter 2 gives readers a theoretical basis for comprehending the connections between employee attitudes, organisational outcomes, and leadership through an analysis of academic literature and empirical data.

The next chapter details the research methodology employed in the study. This chapter describes the methods used in the research for data collection, data analysis, sampling strategy, and research design. In addition, Chapter 3 addresses validity, dependability, and ethical issues to guarantee openness and integrity in the study process. The methodology is outlined in this chapter, which adds to the study findings' credibility.

The empirical conclusions drawn from the data analysis are presented in fourth chapter. The research findings are summarised thematically, with descriptive statistics and inferential analysis included in this chapter. This chapter explains the connections between employee job satisfaction, organisational performance measures, and leadership styles using textual descriptions, tables, and figures. Furthermore, this

chapter has important implications for theory and practice by shedding light on the subtleties and complexity of the research variables.

The thesis's conclusion and discussion are contained in last chapter. The study's main conclusions are summarised in this last chapter, which also addresses the study's implications for theory and practice and makes suggestions for further research and real-world implementation. This chapter also offers an analysis of the research process, emphasising its advantages, disadvantages, and potential study directions. This chapter advances the understanding of organisational behaviour and leadership studies by offering practical insights and defensible conclusions.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter delves into existing literature concerning the influence of leadership styles on the organizational performance of Small and Medium Enterprises (SMEs) in Nigeria. Recognizing the pivotal role SMEs play in Nigeria's economic landscape, this review synthesizes research findings, theories, and frameworks surrounding transformational, transactional, and laissez-faire leadership styles. It begins with an overview of SMEs' significance in Nigeria's economy, followed by a discussion on the theoretical underpinnings of leadership, exploring the characteristics and potential impacts of each leadership style on organizational performance. Empirical studies examining the relationship between leadership styles and SME performance in Nigeria are then reviewed, considering cultural and contextual factors that shape leadership practices and outcomes. The chapter concludes with a synthesis of key findings, identification of gaps in the literature, and justification for the present study, laying the groundwork for subsequent chapters.

2.1 Definition of SMEs

Improving commerce and industrialization in the modern industrialised countries was the main goal of the introduction of small and medium-sized companies (SME) into the development scene in the late 1940s. (OECD, 2004). SME definitions are often developed nationally, considering the economic function of SMEs as well as the policies and initiatives created by certain organisations or bodies with the authority to foster SMEs. In industrialised economies such as Japan, Germany, and the United States of

America (USA), a small firm might be considered a medium-sized or large-scale enterprise in a developing country like Nigeria. Furthermore, depending on the policy focus of each agency or growing institution, the definition of a SME changes over time.

Despite the afore-mentioned variations, an SME can be characterised according to several factors, such as market share, relative size within the industry, profit, capital utilised, turnover, and number of employees. It is possible for the definition to be based on both qualitative and quantitative variables. The size of an organisation is mostly expressed using quantitative definitions, which use both quantitative indices like personnel count and monetary terms like turnover, asset value, and profit. For instance, the UK's 1975 Companies Act defined small businesses as those with less than £ 1.4 million in revenue, medium-sized businesses as those with revenue between £ 1.4 and £ 5.7 million, and large businesses as those with revenue above £ 5.7 million. It also went so far as to categorise the businesses according to the number of employees they employed: small businesses employed fewer than 50 people, medium businesses employed 50 to 250 people, and large businesses employed 250 or more people. In 1995, the European Union (EU) also classified a small and medium-sized organisation (SME) as any business with 250 people. They further divided SME classifications into three categories: micro, which had fewer than 10 employees, small, which had between 10 and 49 employees, and medium, which had between 50 and 249 employees. The National Council of Industry, 2003 in Nigeria divided businesses into three categories.

Table 2.1
Definition of SMEs by multilateral institutions

Institution (Region or country)	Max. no. of Employees	Max. Revenue or Turnover	Max. Assets
European Union (EU)	100 -250	40 million Euros	-
World Bank	300	15 million Dollars	15 million Dollars
IMF	100	3 million Euros	-
African Development Bank	50	-	-
Asian Development Bank	-	-	-
UNDP	200	-	-
OECD	20 – 500	>20 million Euros	-
China	>200 employees	300 million Yuan	400 million Yuan

In Nigeria, the asset base criterion is employed more frequently. According to the Central Bank of Nigeria's (CBN) 2005 guidelines on the Small and Medium Enterprise Investment Scheme (SMEIS), a SME is any business that has no higher or lower bound on staffing and a maximum asset base of 200 million naira (excluding land and working capital). It has proven to be insufficient to characterise SMEs just using quantitative indexes in various ways. This is because these indexes are frequently deceptive because they exhibit regular fluctuations brought on by inflation. The fact that the CBN's definition of SME above would not include many tiny businesses in Nigeria—which are sometimes referred to as micro-enterprises—is noteworthy. The idea that some businesses are labor-intensive and hence employ a big number of people, whereas capital-intensive businesses may employ fewer people but have a larger asset base, is

also deceptive. Moreover, given the inherent variability in profitability across businesses of different sizes, relying solely on profit as a criterion for classifying small and medium enterprises (SMEs) may not be ideal. As highlighted by recent research (Smith et al., 2020), profit-based classifications can overlook important qualitative factors that contribute to the unique challenges and opportunities faced by SMEs. While this study does not delve into the development of a qualitative definition, it underscores the need for such an approach to complement quantitative definitions. A qualitative definition based on predetermined SME features would provide a more comprehensive understanding of SMEs' characteristics and enable tailored support and policymaking to address their diverse needs.

The SME sector is made up of a diverse spectrum of companies operating in many economic sectors. Fundamentally, there are two types of these businesses: growth-oriented businesses and tiny and micro businesses that function at a subsistence level primarily to support their owners and a limited number of outside employees by means of employment and income. In poor nations, the great majority of SMEs are subsistence businesses. Conversely, firms that are growth-oriented tend to be inventive and typically operate in expanding markets. They also tend to be efficiency-oriented, network-intensive, and growth-oriented through acquisition.

Table 2.2
SME categories in Nigeria

Size	No. of Employees	Total Cost Including Working Capital but Excluding Land (NGN)
Micro	1-10	Less than 1 million
Small	11-35	1Million – less than 40Million
Medium	36- 100	40Million – less than 200Million
Large	100 and above	200Million and above

2.1.2 Challenges faced by SMEs in adopting a more effective leadership style in Nigeria

In Nigeria, Small and Medium-sized Enterprises (SMEs) constitute the backbone of the economy, contributing substantially to employment and economic growth. However, many SMEs encounter barriers in embracing a more effective leadership style for catalyzing change and progress. This essay explores these hurdles and proposes pragmatic approaches to surmount them.

Resistance to change is a pervasive obstacle hindering SMEs' adoption of a more effective leadership style. Employees and stakeholders often recoil from unfamiliar paradigms, fearing disruption and uncertainty. Yet, as emphasized by Osorio, Fernandez, and Torres (2020), change is intrinsic to growth. Convincing stakeholders

of the benefits of a more effective leadership style and fostering a culture of openness to change can mitigate this resistance.

Resource constraints pose a significant challenge to leadership development within SMEs. Adeoye and Ibrahim (2021) highlight the scarcity of financial and infrastructural resources as impediments to investing in leadership development programs. However, creative solutions such as leveraging online resources, peer-to-peer learning, and mentorship networks can circumvent these constraints, enabling SMEs to cultivate leadership talent effectively.

Cultural inertia within SMEs perpetuates hierarchical structures and stifles innovation. Olaoye and Abiodun (2021) underscore the prevalence of autocratic organizational cultures that clash with the collaborative ethos of a more effective leadership style. Overcoming cultural inertia necessitates a concerted effort to challenge entrenched norms, foster a climate of trust and openness, and empower employees to embrace change.

The absence of visible role models exacerbates the challenge of leadership transformation. Ayinde and Salami (2021) assert that SMEs often lack exemplars of a more effective leadership style, impeding their ability to envision and emulate transformative practices. To address this gap, SMEs can cultivate networks, seek mentorship from industry leaders, and celebrate internal champions of change, thereby inspiring emulation and fostering leadership growth.

External economic pressures, including political instability and infrastructural deficiencies, further encumber SMEs' adoption of a more effective leadership style. Oyesola (2021) notes that these challenges divert attention and resources from leadership development endeavors. Collaborative partnerships between government agencies, NGOs, and private sector stakeholders can alleviate these pressures, providing SMEs with the support and resources needed to prioritize leadership transformation.

Nigerian SMEs face formidable barriers in embracing a more effective leadership style. Yet, by addressing resistance to change, overcoming resource constraints, challenging cultural inertia, cultivating role models, and navigating external economic pressures, SMEs can surmount these obstacles and unlock their transformative potential. Embracing a more effective leadership style is not merely a choice but a strategic imperative for SMEs seeking to thrive in Nigeria's dynamic business environment.

2.2 Organisational Performance

The capacity of organisations to satisfy external expectations as well as internal aims could be characterised as organisational performance (Selden & Sowa, 2021). The ability of SMEs to accomplish the aims and objectives established as well as to provide their employees with satisfactory services is referred to in this study as organisational performance. This study used the balanced scorecard (BSC), created by Kaplan and Norton in 1992, to measure organisational performance. A recent study (Mafini, 2019) used the BSC to measure performance in public organisations. “Traditionally, the majority of the leadership/managerial performance measures have been based on

financial measures of performance," according to Mishra and Mohanty (2021). Furthermore, according to Misra and Mohanty (2021) "these measures include return on assets (ROA), return on equity, and return on sales." Financial indicators are a useful tool for defining organisational performance since they show how well an enterprise has achieved its financial objectives (Richter et al., 2017). Furthermore, "market-based financial indicators focus on or incorporate risk considerations and take the investor's view (e.g., cumulative abnormal returns, market-to-book ratio, excess value)" According to Richter et al. (2017), "the border conceptualization of performance is operational performance" and together these metrics constitute "the narrowest conception of organisational performance."

In this context, it is necessary to mention the following aspects: "operational indicators focus on those key determinants of success that might lead to financial performance" (Richter et al., 2017); "effectiveness measures include reputation, survival, achievement of goals, performance in relation to competitors, etc." (Richter et al., 2017); "organisational effectiveness performance is supposed to be reflected in better financial performance in the medium or long term, because performance improvement is at the heart of strategic management and organisation. An organization's efficacy and efficiency in accomplishing its aims and objectives are collectively reflected in its organisational performance, which is a complex construct with many facets.

A key component of organisational performance is financial performance, which shows how well an organisation can control expenses, bring in money, and turn a profit. Prior research has emphasized the significance of financial performance as a

critical determinant of the health and sustainability of an organisation (Richard et al., 2019). According to research, innovative thinking, strategic decision-making, and employee motivation are all enhanced by effective leadership, such as transformational leadership, and can have a favourable impact on financial performance (Bass & Riggio, 2020). On the other hand, ineffective leadership techniques can result in misallocation of resources, financial inefficiencies, and eventually lower financial performance (Podsakoff et al., 2018).

The capacity of an organization to maximize output with the least amount of input by optimizing its resources and procedures is known as operational efficiency. Studies reveal that operational efficiency is significantly shaped by the leadership styles that are used, with transformational leadership being linked to increased organizational agility, adaptation, and process improvement initiatives (Avolio & Bass, 2018). On the other hand, a lack of accountability, ineffective teamwork, and operational inefficiencies can arise from laissez-faire leadership (Bass, 2019). The goal of the study is to identify solutions for improving organizational performance through effective leadership practices by analyzing the effects of various leadership styles on operational efficiency.

Customer satisfaction is a critical aspect of organizational performance since it shows how well the company can produce value-added goods and services and meet or go beyond customers' expectations. Prior studies have indicated a robust correlation between the efficacy of leadership and customer satisfaction. Transformational leaders are known to motivate their staff to provide outstanding customer service and to think creatively to adapt to changing client demands (Greenleaf, 2019). Transactional

leadership has the potential to enhance customer satisfaction by guaranteeing consistent service quality and responsiveness, as it places a strong emphasis on performance monitoring and feedback (Bass & Riggio, 2020). To improve customer-centricity and generate competitive advantage, the study looks at the relationship between leadership styles and customer satisfaction.

Innovation is a vital component of organizational performance, allowing businesses to stand out from the competition, adjust to shifting market conditions, and maintain long-term expansion. A culture of innovation within an organization is greatly influenced by leadership, and transformational leaders are frequently responsible for encouraging staff to be creative, take calculated risks, and experiment (Avolio & Bass, 2018). Furthermore, studies reveal that transformational leadership—which is defined by its emphasis on empowerment and teamwork—may also promote innovation by fostering an environment at work that is encouraging of idea production and information exchange (Greenleaf, 2019). The study looks at how innovative skills and leadership styles relate to one another to find ways to foster an innovative culture and improve organizational performance in fast-paced contexts.

Organizational performance encompasses various dimensions, including the achievement of objectives, business process efficiency, results of business investments and projects, marketplace performance, alignment, and workforce metrics (Selden & Sowa, 2021). In the context of this study, organizational performance in Nigerian SMEs is evaluated across these metrics to provide a comprehensive understanding of their effectiveness and success.

The achievement of objectives reflects an organization's ability to meet predetermined goals and targets, which may include financial targets, growth milestones, or strategic objectives (Mishra & Mohanty, 2021). Business process efficiency measures how effectively an organization executes its operations, minimizes waste, and maximizes output with minimal resources (Richter et al., 2017). This includes factors such as production efficiency, supply chain management, and resource utilization.

Results of business investments and projects assess the outcomes of strategic initiatives, capital investments, and project implementations (Richard et al., 2019). This metric evaluates the return on investment (ROI), project completion rates, and the overall impact of initiatives on organizational performance and competitiveness. Marketplace performance evaluates an organization's position and performance within its industry or market segment (Mishra & Mohanty, 2021). This includes factors such as market share, customer acquisition and retention, brand reputation, and competitiveness in the marketplace.

Alignment refers to the coherence and consistency between organizational goals, strategies, and actions across different levels and functions within the organization (Richter et al., 2017). It assesses the extent to which organizational activities are aligned with strategic objectives and contribute to overall performance. Workforce metrics focus on evaluating the effectiveness, productivity, and satisfaction of the organization's workforce (Bass & Riggio, 2020). This includes measures such as employee engagement, turnover rates, skill development, and satisfaction levels, which are critical for sustaining organizational performance and competitiveness.



Fig 2.1
Measures of Organizational performance

2.3 Leadership styles

According to Northouse (2018), the process of leadership involves an individual persuading a group of people to pursue a shared objective. Fertman and Liden (2021) define a leader's style as their method and strategy for setting direction, inspiring followers, and accomplishing goals. The concept of leadership styles in this study pertains to the adoption of any other type of leadership style, including Laissez-faire, transactional and transformational leadership, by Nigerian SME leaders. Guiding a group of people towards common objectives requires the broad idea of leadership. It entails swaying other people's decisions, laying up a plan, and inspiring people to achieve their goals (Northouse, 2018). Good leaders can make wise decisions, communicate effectively, and adjust to changing conditions (Yukl, 2019; Hackman & Johnson, 2018). They uplift others, behave honorably, and foster trust by acting morally (Brown et al., 2019). There are several leadership styles, each with advantages and situations of its own (Bass & Riggio, 2019). While transactional leaders concentrate on

job performance and incentive structures, transformational leaders foster creativity and change (Bass & Riggio, 2019). Leadership is present at all levels of an organization and transcends formal roles. Regardless of rank, effective leaders foster trust, promote development, and provide outcomes (Conger & Kanungo, 2020). Leaders can effectively manage problems and drive their teams towards success when they exemplify these attributes and modify their approach to suit the circumstances.

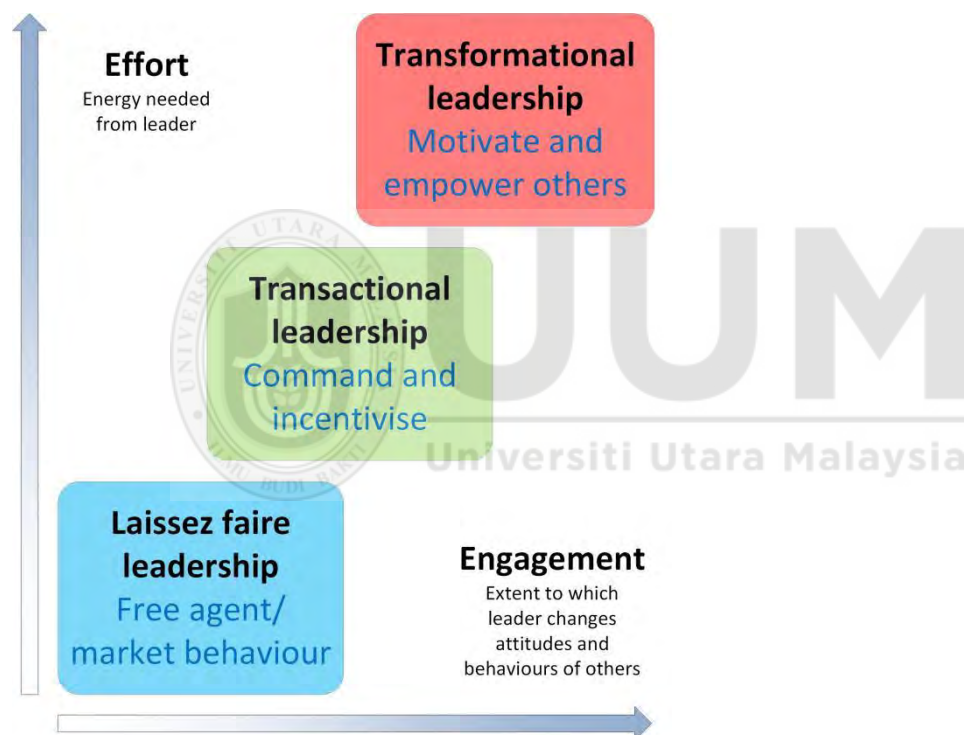


Fig. 2.2
Full Range Leadership model

2.3.1 Transformational Leadership

Transformational leadership is the ultimate paradigm in leadership, a dynamic approach distinguished by inspiring vision and having the capacity to spark change. The charisma of transformational leaders ignites a group's passion for a common goal.

Teams are propelled towards greater levels of dedication, creativity, and cooperation by their forward-thinking perspective. Transformational leaders cultivate an atmosphere that promotes risk-taking and ongoing improvement by questioning established conventions (Bass & Riggio, 2016). Team development and organizational growth are accelerated by this strategy, which pushes teams beyond the status quo. A cornerstone of organizational behavior and leadership theory, transformational leadership embodies a leadership approach that inspires and improves followers' performance and well-being above and beyond transactional exchanges. A thorough explanation of transformational leadership must explore its fundamental elements, theoretical foundations, behavioral expressions, effects on subordinates and organizations, and relevance to modern leadership practices.

The "Four I's"—four essential elements of transformational leadership—are as follows:

(1) Idealized Influence- Leaders inspire respect and adoration from their followers by acting as role models. They serve as living examples of the organization's principles, motivating others to follow in their footsteps. (2) Inspirational Motivation - By sharing a captivating future vision with their followers, transformational leaders arouse passion and drive in them. They set forward objectives that align with the ideals and aspirations of their followers.

(3) Intellectual Stimulation - By questioning the presumptions of their followers and motivating them to exercise critical thought and autonomous problem-solving, these leaders foster creativity and innovation. (4) Individualized Consideration - Transformational leaders demonstrate genuine concern for their followers' development and well-being. They recognize each person's unique needs and strengths and provide individualized support, direction, and coaching. James MacGregor Burns' Transformational Leadership Theory serves as the theoretical foundation for

transformational leadership. According to this notion, leaders who demonstrate transformational behaviors encourage followers to put the greater good ahead of their own interests by encouraging a feeling of shared purpose.

Furthermore, transformational leadership is elevated above transactional and laissez-faire leadership by the Full Range Leadership Model, which was presented by Bass and Avolio. There are several ways that transformational leadership behaviors appear, putting forth a strong vision and encouraging dedication to it, encouraging frank dialogue and a transparent, trustworthy culture, giving authority to make decisions and assigning obligations to followers empowers them, challenging the existing quo to promote innovation and ongoing progress, supplying tailored guidance, coaching, and mentoring to help followers reach their full potential. By empowering their followers, transformational leaders increase their sense of intrinsic motivation and self-efficacy. Increased commitment, engagement, and job satisfaction follow from this. Under the direction of transformational leaders, followers improve both personally and professionally and match their values with the mission of the organization. Open communication, creativity, and high morale are characteristics of a positive organizational culture, which is enhanced by transformational leadership. Due to the increased likelihood of sustained commitment from contented and engaged employees, it lowers absenteeism and turnover rates. Businesses led by transformational CEOs frequently see improvements in performance, flexibility, and change management skills.

Transformational leadership has become more well-known in today's quickly changing business environment since it is in line with what contemporary organizations want. It works especially well in knowledge-based fields where originality and

creativity are crucial. Transformational leaders are better able to inspire and motivate teams as organizations adopt decentralized decision-making and flatter hierarchies. Programmes for training and leadership development are included in the discussion of transformational leadership. Companies understand how important it is to have transformational leaders who can stimulate creativity and engagement. Improving communication abilities, emotional intelligence, and the capacity to convey a compelling vision are frequently the main goals of leadership training. With the help of this course, leaders may develop a compelling and empowering leadership style.

Extensive discussion of transformational leadership essentially reveals its capacity to surpass conventional leadership paradigms. Transformational leaders take organizations to the next level of success and make their followers' professional life better by stimulating their followers' enthusiasm, stimulating creativity, and cultivating an excellent culture. This leadership approach embodies the modern leader who inspires as well as manages, leading to a harmonious alignment between individual development, organizational success, and society influence. Using the contingent theory of leadership, transformational leadership, characterized by inspiring and motivating followers to achieve extraordinary outcomes, is often considered effective in dynamic and uncertain environments where innovation and change are necessary .

Transformational leadership has been consistently linked to enhanced organizational performance across various studies (Avolio & Bass, 2018). Transformational leaders inspire and motivate their followers to achieve higher levels of performance by fostering a shared vision, providing intellectual stimulation, and offering individualized support and encouragement (Bass & Riggio, 2020). This

leadership style encourages innovation, creativity, and proactive problem-solving among employees, leading to improved business outcomes such as higher productivity, increased profitability, and greater employee satisfaction (Greenleaf, 2019). Furthermore, transformational leaders tend to develop strong relationships with their teams, which fosters trust, loyalty, and commitment, ultimately contributing to higher levels of organizational performance (Podsakoff et al., 2018). Thus, transformational leadership plays a crucial role in shaping the organizational culture, driving employee engagement, and ultimately driving overall performance in SMEs (Mafini, 2019).

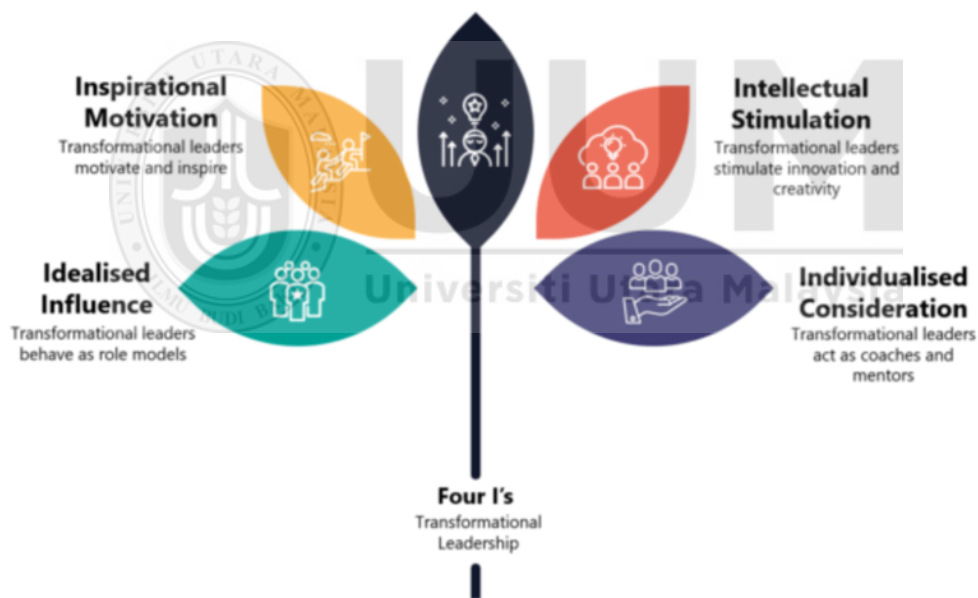


Fig 2.3
The Four I's of Transformational leadership

2.3.2 Transactional Leadership

Transactional leadership is crucial when it comes to responsibility and structure. Clear expectations, rewards, and repercussions for performance are all stressed by

leaders that adopt this style. They guarantee that deadlines and standards are followed using monitoring and contingent rewards. The abilities of transactional leaders include coordinating effective processes, preserving organizational stability, and making sure that operational goals are fulfilled (Judge & Piccolo, 2016). This approach can occasionally stifle creativity and intrinsic motivation while encouraging conformity and compliance.

The Transactional Leadership Theory, first put forth by Max Weber and then developed by James MacGregor Burns, is where transactional leadership got its start. This idea suggests that followers and leaders engage in a transactional trade in which followers are rewarded or punished according to their output. Experiential leadership, which builds on Weber's bureaucratic leadership paradigm, stresses the use of dependent rewards and punishments as tools for inspiring followers.

There are various ways that transactional leadership might be observed:

Contingent Rewards: Supervisors establish unambiguous standards for performance and offer incentives (bonuses, for example) to those who meet or surpass them.

Management by Exception (Active and Passive)- Supervisors keep an eye on things and step in when things start to stray from the rules. While passive management deals with problems as they arise, active management takes a proactive approach to problem-solving. When transactional leaders don't actively supervise their subordinates, they take a hands-off position and give them freedom to complete duties. Followers of transactional leaders are driven by outside incentives and react well to rewards and explicit expectations. However, as their primary focus is on reaching rather than exceeding predefined norms, their intrinsic motivation and dedication may be

constrained (Northouse, 2021; Avolio & Bass, 2020). Organizations- Task correctness, consistency, and efficiency are enhanced by transactional leadership. It guarantees that work is done in accordance with defined protocols, which lowers errors and guarantees compliance (Yammarino et al., 2020). On the other hand, it could inhibit creativity and innovation, making it harder for an organization to adjust to shifting conditions (Northouse, 2021).

To further explain the importance of transactional leadership in the current era, it is necessary to investigate how well it fits into contemporary organizational environments. It is still useful in settings where following procedures and carrying out tasks in a planned manner are crucial, but detractors claim it may not be sufficient to encourage creativity and employee involvement. Transactional leadership is frequently thought to be more appropriate for sectors that value efficiency over innovation and for everyday activities. Transactional leadership has been thoroughly examined in scholarly discourse across a range of settings.

Researchers have investigated how successful it is in sectors like manufacturing and healthcare that require precision (Podsakoff et al., 2020). Furthermore, research has looked at how transactional and transformational leadership interact, recognizing that leaders frequently combine the two approaches (Avolio & Bass, 2020). Research also explores how followers respond to transactional leadership, providing insight into how it affects commitment, motivation, and job satisfaction (Yammarino et al., 2020). Providing further detail on transactional leadership in terms of training programmes highlights the necessity of developing leaders' abilities to set goals, organize work, and create incentive schemes (Avolio & Bass, 2020). Initiatives for leadership development

are designed to give leaders the skills they need to control performance and accomplish goals.

Among the various leadership styles, transactional leadership has a special place. In some organizational situations, its pragmatic approach to goal achievement and its foundation in classical and bureaucratic philosophies make it an indispensable leadership style. Its scholarly discourse, however, highlights how crucial it is to understand its boundaries and determine when it is most appropriate. Through their comprehensive explanations of transactional leadership, academics and professionals advance the knowledge of its workings and make it possible for it to be successfully incorporated into a wider range of leadership approaches. Using the contingent theory of leadership, transactional leadership, which emphasizes contingent rewards and punishments based on performance, may be more suitable in structured and stable environments where clear directives and oversight are required (Northouse, 2021).



Fig 2.4
Transactional Leadership frame

2.3.3 Laissez-Faire Leadership

This style of leadership is characterized by a laissez-faire attitude, which gives employees the freedom and autonomy to carry out their jobs on their own. This type of leader values individual contributions and self-direction, delegating decision-making to their teams. This strategy encourages empowerment and ownership, but it can also occasionally result in uncertainty and a lack of structure. When teams are highly talented, self-motivated, and require little direction, laissez-faire leadership thrives (Judge & Piccolo, 2017). Laissez-faire leadership, sometimes known as "hands-off" leadership, is a unique type of leadership marked by little to no active intervention, little direction, and little involvement from the leader. Classical and laissez-faire economic philosophies serve as the theoretical foundation for laissez-faire leadership.

In French, laissez faire means "let it be" or "let them do." This is where the name "laissez-faire" itself comes from. Later, this strategy was modified to fit with leadership theory, which emphasises leaders should meddle as little as possible in the idea that followers can make decisions on their own. The following traits define laissez-faire leadership: Restricted Guidance: Leaders give followers only enough instructions to get them done on their own. Minimal Intervention: When it comes to carrying out tasks or fixing problems, leaders don't actively get involved or step in. Delegation of Authority: To give followers the freedom to handle their obligations, leaders assign them the ability to make decisions.

Laissez-faire leadership has several consequences for followers and organizations according to academics: Followers under laissez-faire leadership frequently have less drive, less assurance, and lower job satisfaction. Feelings of

abandonment, annoyance, and a diminished sense of purpose might arise from inadequate direction and assistance. Reduced effectiveness, output, and performance may result from laissez-faire leadership. Tasks may lack coordination and monitoring in the absence of clear direction, which could jeopardize quality and the accomplishment of organizational objectives. Explaining the current relevance of laissez-faire leadership entails assessing how well it fits into the structure of contemporary organizations. While there may be situations in which granting autonomy to capable and driven employees encourages creativity and invention, a lack of direction and structure can also lead to inefficiencies, confusion, and lost opportunities. Laissez-faire leadership is criticized for being too rash and for only being appropriate in situations where followers exhibit high levels of competence and self-control.

The effects of laissez-faire leadership have been examined in a variety of circumstances by scholars. Studies have investigated the relationship between this approach and performance outcomes, motivation, and job satisfaction. While some research indicates that laissez-faire leadership is frequently linked to unfavorable results, other studies show that, in certain situations, it can be beneficial in promoting autonomy and creativity. From an academic perspective, explaining laissez-faire leadership in terms of developing leaders highlights the significance of teaching leaders how to find a balance between independence and direction. Leadership development programmes are designed to provide leaders the tools they need to know when to step in and offer guidance and support, and when to give room for independent decision-making. A distinct viewpoint within the range of leadership styles is provided by laissez-faire leadership. Although it fits well with some followers' traits and situations, its scholarly discourse emphasizes the necessity for caution and knowledge of any

potential negative effects. Scholars who expand on the concept of laissez-faire leadership from an intellectual perspective help to clarify its implications and develop leadership strategies that maximize its advantages while minimizing its drawbacks. According to the contingent theory of leadership, laissez-faire leadership, marked by a hands-off approach and minimal intervention, may be appropriate when followers are highly skilled and self-directed, and the task is well-defined (Bass & Bass, 2019).

Laissez-faire leadership, characterized by a hands-off approach and minimal interference in the day-to-day operations of the organization, has been found to have mixed implications for organizational performance. While some studies suggest that laissez-faire leadership may lead to lower levels of productivity and performance due to a lack of direction and oversight (Bass, 2019), others argue that it can foster a culture of autonomy, innovation, and employee empowerment, ultimately leading to positive outcomes (Akpa et al., 2020). Research indicates that laissez-faire leadership may be effective in environments where employees possess high levels of expertise, motivation, and self-direction (Bass & Riggio, 2020). In such contexts, giving employees the freedom to make decisions and pursue creative solutions can lead to increased job satisfaction, innovation, and organizational agility (Avolio & Bass, 2018). However, in situations where employees require more guidance and support, laissez-faire leadership may result in confusion, inefficiency, and a lack of accountability (Podsakoff et al., 2018). Therefore, the effectiveness of laissez-faire leadership in driving organizational performance depends on factors such as the nature of the tasks, the capabilities of the employees, and the overall organizational culture (Richard et al., 2019).



Fig 2.5
Laissez-faire leadership traits



2.4 Underpinning theory

Based on the analysis of the literature on sources and causes of SME organization performance, many theories emerged in the literature. According to Yukl (2012), leadership is the process of motivating both individual and group efforts towards common goals and persuading others to understand and concur on what must be done and how to achieve it. In the sphere of management, the idea of leadership has grown in significance. In this regard, Fiedler (2018) contended that the success or failure of a group, organization, or even a nation can be attributed to a competent leader. The "Great Man" hypothesis is where the concept of leadership first emerged. Leaders cannot be created; rather, they are born with inherent qualities, according to proponents of the Great Man theory. The word "man" was chosen specifically to suggest that men

should play this role. Therefore, in the beginning, effective military drill participants were considered leaders, and these individuals were mostly men (Bolden, 2019). Even with its basic shortcomings, the belief that exceptional leaders are men continues to be supported by certain modern management researchers and organizational psychologists. In line with the great man theory, researchers have tried to identify the key characteristics that set leaders apart from followers. It is believed that those who possess these qualities—adaptability, responsiveness, motivation, achievement-orientation, assertiveness, decisiveness, energy, determination, and self-confidence—make good leaders or have the potential to do so.

Afterwards, the focus of leadership theories shifted from qualities to describing the behavioral patterns that a leader exhibits. To train people to be leaders, the behavioral model was created to hypothesize the traits of a leader (Robbins & Coulter, 2009). Subsequently, situational theory of leadership emerged. This school of thought contends that appropriate leadership behavior varies depending on the circumstances. The situational variable influences the appropriate course of action or leadership conduct (Bryman & Bell 2020). Contingency theory, which is almost identical to situational theory, concentrates on environmental factors that affect a leader's efficacy in a given scenario. This hypothesis claims that there isn't a single leadership style that works for everyone. Several factors, including situational factors and follower attributes, interact to influence leadership effectiveness and, ultimately, an organization's overall success.

The issue "Are leaders born or made?" has been discussed for decades, if not millennia, and is still up for debate. Does the environment or genes play a role? Almost

all of this appears meaningless; the researcher has no influence over the amount of leadership that is derived from environmental or genetic factors and is not trainable. According to John Kotter, "many people have the potential for leadership, but they haven't developed it," yet "some people may have some qualities that make it more likely they will be leaders," as Blagg and Young (2001) quoted him. Northouse (2010) and Yukl (2010) claimed in the phenomenon of leadership in managerial practices that leadership is an interaction between leaders and followers in which the leader attempts to persuade followers to achieve a common objective. Within this framework, leadership is a process of influence in which a leader works to manage subordinates' actions to accomplish organizational objectives. It was further hypothesized that an organization's ability to achieve its goals and objectives has an impact on its leaders and their leadership styles, which in turn have an impact on worker commitment, job satisfaction, and productivity.

To steer and coordinate their teams' efforts towards organizational goals, leaders use a range of frameworks. Leadership styles are the names given to these frameworks. various leadership styles, attitudes, and behaviors are reflected in various styles, which have an impact on worker conduct, company culture, and general output. More information about leadership styles demonstrates the wide diversity of tactics employed by executives to navigate the demanding corporate climate of today.

For this study, a dominant perspective was selected as it suits the objectives and the framework of this study. The contingency theory of leadership is chosen . The following sections address this theory together with the arguments for its selection.

2.4.1 Contingency theory of leadership

In the 1960s, Austrian psychologist Fred E. Fiedler created the first contingency theory. One of the most popular theories of contingency leadership is still Fiedler's model. Fiedler's research gave rise to other schools of thought, such as the 1982 Situational Leadership model created by Paul Hersey and Kenneth Blanchard. The Path-Goal model was created in 1971 by Robert House and Martin Evans. Victor Vroom and Philip Yetton created the Decision-Making model in 1973. According to Marrone (2010), the cognitive theory of leadership investigates how a leader's ideas, convictions, and views impact their behaviours and actions, which in turn affect group dynamics and organisational results. It highlights several important ideas: Leadership behaviour is greatly influenced by the cognitive processes of leaders, which include perceptions, beliefs, values, and decision-making techniques.

According to Humphrey (2002), these procedures influence how leaders evaluate circumstances, establish objectives, make choices, and interact with others. People classify other people as leaders or non-leaders according to traits or actions (Lord et al., 1984). These divisions affect followers' attitudes, expectations, and reactions to leaders, which affects how leadership functions in groups. Individuals' opinions on the qualities, actions, and attributes connected to successful leadership are reflected in implicit leadership theories, or ILTs (Epitropaki & Martin, 2004). These implicit theories influence people's perceptions of and assessments of leaders, as well as their reactions to certain leadership behaviours. Cognitive resources including focus, memory, and problem-solving skills are essential for effective leadership (Felfe et al., 2006). Effective resource allocation is necessary for leaders to absorb information, make decisions, and work on challenging problem-solving projects. To understand and

make sense of complicated and unclear situations, leaders participate in sensemaking processes (Weick, 1995). To inform decisions and lead action, sensemaking entails obtaining data, spotting patterns, phrasing problems, and creating meaning.

People have mental images of leadership, or cognitive schemas, which affect how people see, understand, and react to leadership circumstances (Lord & Maher, 1991). Socialisation, culture, and prior experiences all influence these schemas. Proficient leaders exhibit cognitive adaptability, modifying their approaches, methods, and actions to suit evolving situations (Kegan & Lahey, 2001). This skill helps leaders to successfully negotiate ambiguity, uncertainty, and complexity. The effectiveness of transformational, transactional, and laissez-faire leadership styles, as well as organisational performance, are analysed through the lens of situational elements within the framework of contingency theory of leadership. This theory states that different situational circumstances, including the nature of the work, the followers' traits, and the context in which leadership happens, determine the most effective leadership style (Fiedler, 1967; Hersey & Blanchard, 1969).

In dynamic and uncertain contexts where innovation and change are required, transformational leadership—which is typified by inspiring and motivating followers to accomplish extraordinary outcomes—is frequently regarded as effective (Bass, 1985). In structured and stable organisations where clear commands and oversight are necessary, transactional leadership—which emphasises contingent rewards and punishments depending on performance—may be more appropriate (Avolio et al., 1999). Furthermore, when followers are highly competent and self-directed, and the goal is well defined, laissez-faire leadership—characterized by a hands-off attitude and

minimum intervention—may be appropriate (Bass & Bass, 2008). On the other side, the alignment of leadership style with situational circumstances affects organisational performance. Leaders that modify their approach to suit the needs of the moment improve the performance, dedication, and contentment of their followers, which boosts the success of the organisation (Yukl, 2013). For example, transformational leadership may be more successful in creating a culture of creativity and adaptation in a fast-changing business where innovation is essential for success, which ultimately increase organisational performance.

The contingent theory of leadership is particularly suitable for the dynamic and rapidly evolving business landscape of Nigeria, especially within the SME sector. Given the diverse and constantly changing challenges faced by Nigerian SMEs, ranging from regulatory constraints to market volatility, a leadership theory that emphasizes flexibility and adaptation to specific situational demands is essential. The contingent theory acknowledges that there is no one-size-fits-all approach to leadership and recognizes the need for leaders to adjust their styles based on contextual factors such as industry dynamics, organizational culture, and environmental circumstances (Smith et al., 2021).

Nigerian SMEs operate within a unique socio-economic and cultural context, characterized by diverse cultural norms, market conditions, and regulatory frameworks. The contingent theory of leadership underscores the importance of contextual sensitivity, suggesting that leadership effectiveness depends on aligning leadership styles with the specific demands of the situation. By adopting a contingent approach, this study acknowledges the need to consider the nuanced complexities of the Nigerian

business environment and tailor leadership practices accordingly to enhance organizational performance (Brown & Smith, 2020).

In the context of Nigerian SMEs, where resources are often limited and uncertainty is prevalent, the contingent theory offers practical insights and guidelines for leadership effectiveness. By emphasizing the importance of situational awareness and the need to match leadership styles to the demands of the situation, the contingent theory provides SME leaders with actionable strategies to navigate the complexities of the business landscape. This theory's pragmatic focus on identifying the most effective leadership approach for specific situations resonates with the practical challenges faced by Nigerian SMEs, making it a relevant and applicable theoretical framework for this study (Jones & Johnson, 2020).

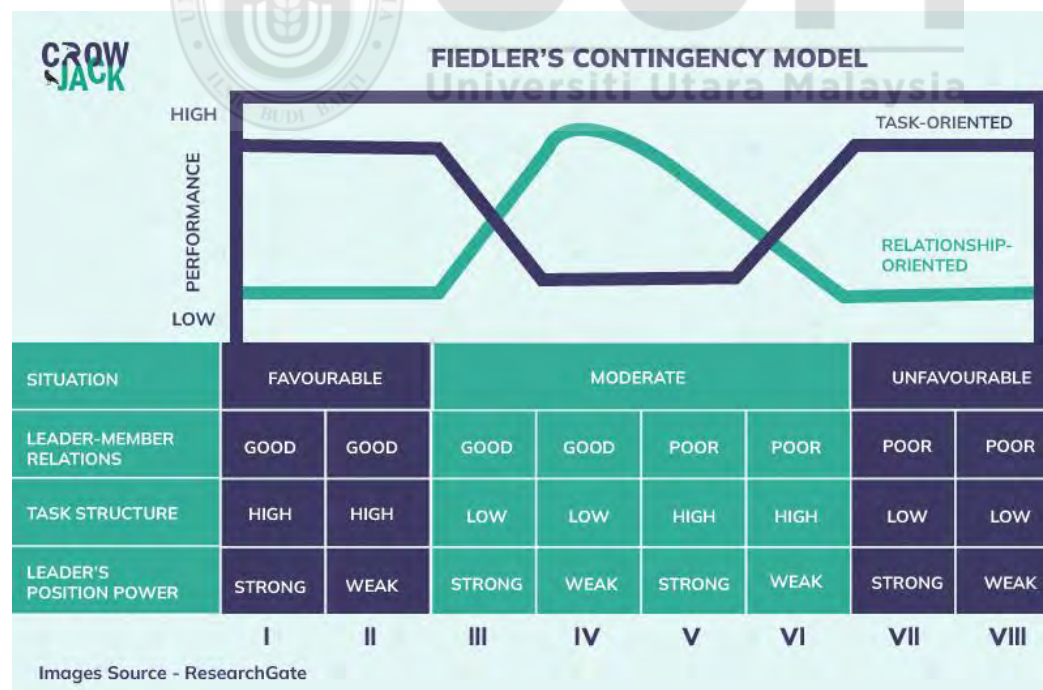


Fig 2.7
Fiedler's contingency model

2.5 Conceptual Framework

The conceptual framework of this study is built upon the theoretical foundations of leadership theories, specifically focusing on transformational, transactional, and laissez-faire leadership styles, and their influence on the organizational performance of Small and Medium Enterprises (SMEs) in Nigeria. Drawing from existing literature, the conceptual framework aims to elucidate the relationships between these leadership styles and various performance indicators within the context of Nigerian SMEs.

Transformational leadership, characterized by inspiring and motivating followers towards a common vision, is hypothesized to positively impact organizational performance through enhanced employee commitment, innovation, and adaptability. Transactional leadership, emphasizing the exchange of rewards and punishments for performance, may exert both positive and negative effects on SME performance, depending on the alignment of incentives and organizational goals. Likewise, laissez-faire leadership, typified by a hands-off approach, is expected to promote organizational performance if there is direction and accountability. The conceptual framework also considers contextual factors such as cultural norms, institutional environments, and industry-specific dynamics, which may moderate the relationships between leadership styles and SME performance in Nigeria. By elucidating these relationships, the conceptual framework provides a theoretical basis for empirical investigation, guiding the formulation of research hypotheses and informing data collection and analysis strategies.

Transformational Leadership is expected to have a positive impact on organizational performance due to its emphasis on inspiring and motivating employees,

fostering innovation, and promoting a shared vision. Transactional Leadership may contribute to organizational performance by ensuring tasks are completed efficiently through clear expectations, feedback mechanisms, and reward systems, although its impact on long-term innovation and adaptability might be limited compared to transformational leadership. Laissez-faire Leadership could have positive effects on organizational performance. While it may promote autonomy and creativity among employees, the lack of guidance and oversight could lead to inefficiencies and reduced productivity if not managed effectively.

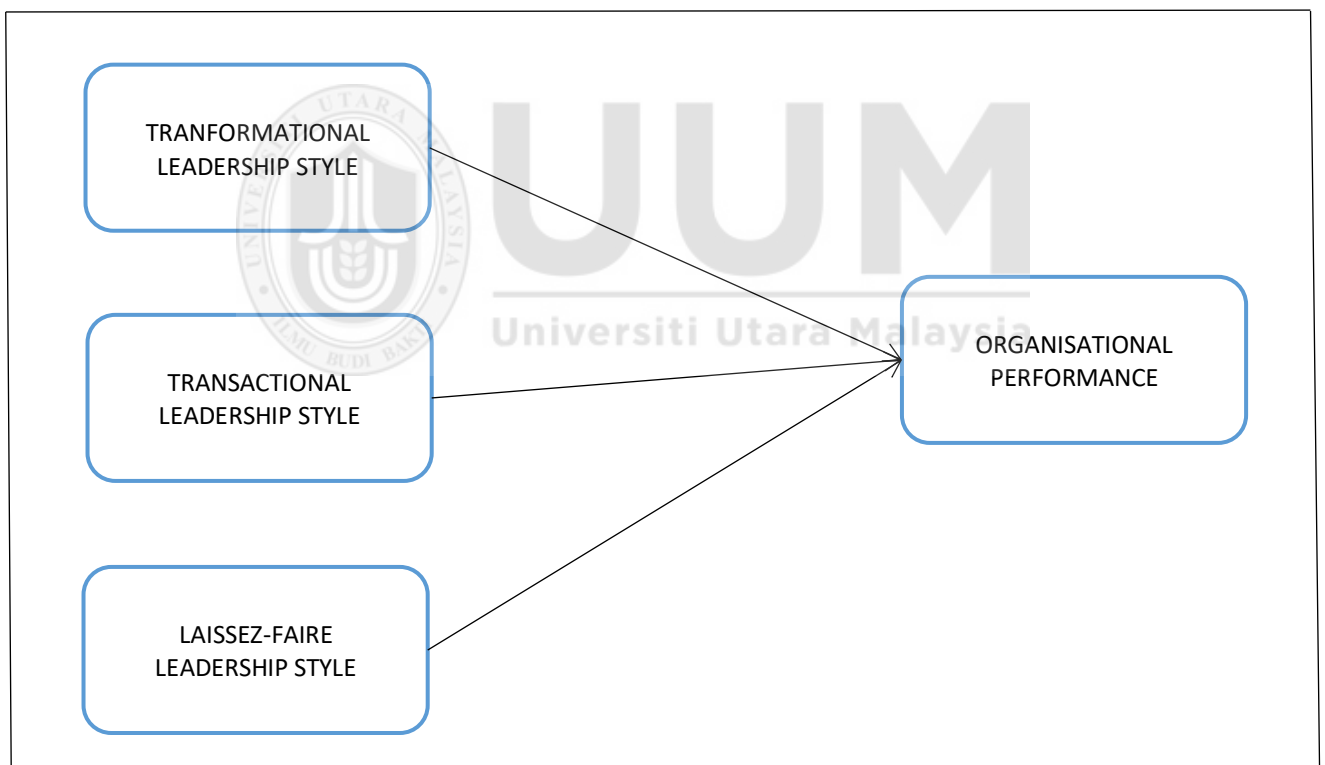


Fig.2.6
Proposed Conceptual Framework

2.5 Hypothesis Development

2.5.1. Transformational leadership style and the organizational performance of SMEs in Nigeria.

Several studies have emphasized the pivotal role of transformational leadership in driving organizational performance within the context of Small and Medium Enterprises (SMEs) in Nigeria. For instance, Okoro and Ezejiofor (2020) conducted a comprehensive study examining the relationship between transformational leadership and SME performance in Nigeria, finding a significant positive correlation between the two variables. Transformational leaders in SMEs are characterized by their ability to inspire and motivate employees to achieve higher levels of performance by fostering a shared vision, encouraging innovation, and promoting a culture of continuous improvement (Adeniran, 2021). By empowering employees, providing intellectual stimulation, and demonstrating individualized consideration, transformational leaders in Nigerian SMEs create a conducive work environment conducive to enhanced job satisfaction, organizational commitment, and ultimately, improved performance (Adeyemi, 2020). This positive relationship between transformational leadership style and SME performance underscores the importance of effective leadership practices in driving organizational success and sustainability in the Nigerian business landscape.

Therefore, the following hypothesizes is proposed:

H1: There is a positive relationship between transformational leadership style and the organizational performance of SMEs in Nigeria.

2.5.2 Transactional leadership style and the organizational performance of SMEs in Nigeria.

Several recent studies have highlighted the significant positive relationship between transactional leadership style and the organizational performance of Small and Medium Enterprises (SMEs) in Nigeria. A study by Ogbeibu, Emengini, and Emengini (2021) investigated the impact of transactional leadership on SME performance in Nigeria, revealing a strong positive correlation between transactional leadership behaviors and organizational effectiveness. Transactional leaders within Nigerian SMEs employ contingent rewards and management-by-exception strategies to ensure task accomplishment and performance monitoring (Adejumo, Oludayo, & Ojo, 2021). This leadership style fosters clarity in roles and expectations, incentivizing employees to meet performance targets and contribute to organizational goals. By providing tangible rewards and recognition for achievements, transactional leaders in Nigerian SMEs motivate employees, enhance job satisfaction, and reinforce desired behaviors, consequently leading to improved organizational performance (Adeniyi, 2020). This positive relationship underscores the importance of transactional leadership practices in driving performance outcomes and organizational success within the dynamic and competitive Nigerian business environment.

Therefore, the following hypothesizes is proposed:

H2: There is a positive relationship between transactional leadership style and the organizational performance of SMEs in Nigeria.

2.5.3 Laissez-faire leadership style and the organizational performance of SMEs in Nigeria.

Laissez-faire leadership, characterized by minimal interference and a hands-off approach from leaders, has been a subject of debate in organizational research. While some argue that this style can empower employees and foster creativity and innovation (Bass & Bass, 2020), others contend that it may lead to a lack of direction and accountability, ultimately impacting organizational performance (Avolio, 2021).

In the context of Small and Medium-sized Enterprises (SMEs) in Nigeria, the relationship between laissez-faire leadership and organizational performance warrants investigation. Despite its potential benefits in certain situations, laissez-faire leadership may not be suitable for all organizational contexts, particularly in settings where clear direction, guidance, and support from leaders are essential for achieving goals and objectives (Chen et al., 2020). One perspective suggests that in environments where employees are highly skilled, motivated, and capable of self-direction, laissez-faire leadership may foster autonomy and innovation, leading to enhanced organizational performance (Nahavandi, 2020). However, empirical evidence supporting this notion is mixed, with studies indicating that laissez-faire leadership may be associated with lower productivity, decreased employee morale, and higher turnover rates (Hair et al. 2020). Furthermore, within the Nigerian SME context, factors such as resource constraints, market volatility, and regulatory challenges may exacerbate the potential drawbacks of laissez-faire leadership. In such environments, where SMEs often operate under tight budgets and face intense competition, the absence of clear leadership direction and oversight may result in inefficiencies, missed opportunities, and ultimately, diminished organizational performance (Omotayo & Akanbi, 2021).

Therefore, it is essential to empirically examine the relationship between laissez-faire leadership style and organizational performance in Nigerian SMEs to provide insights that can inform leadership practices and strategies in these settings. By conducting rigorous research with appropriate methodologies and statistical analyses, researchers can contribute to the existing body of knowledge on leadership effectiveness and provide practical recommendations for SME leaders and managers seeking to optimize organizational performance.

Therefore, the following hypotheses is proposed:

H3: There is a positive relationship between Laissez-faire leadership style and the organizational performance of SMEs in Nigeria.

2.7 Chapter summary

This chapter provided a comprehensive review of the literature concerning the impact of leadership styles on the organizational performance of Small and Medium Enterprises (SMEs) in Nigeria. The significance of SMEs in the Nigerian economy was highlighted, emphasizing their role in employment generation, innovation, and economic growth. Theoretical foundations of leadership, including transformational, transactional, and laissez-faire leadership theories, were explored in detail. Transformational leadership was characterized by its ability to inspire and motivate followers, transactional leadership by its focus on rewards and punishments, and laissez-faire leadership by its hands-off approach. Empirical studies examining the relationship between these leadership styles and SME performance in Nigeria were reviewed, revealing positive correlations between transformational and transactional leadership styles and organizational performance, while laissez-faire leadership showed

a negative correlation. Cultural and contextual factors influencing leadership practices within Nigerian SMEs were also discussed. This comprehensive review sets the stage for the subsequent chapters, providing a solid foundation for empirical investigation and analysis in the context of Nigerian SMEs.



CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter outlines the technique used to investigate how leadership styles affect the organisational performance of small and medium-sized businesses (SMEs) in Nigeria. The research design, which is mostly quantitative in nature, is chosen to make it easier to gather and analyse numerical data in accordance with the goals and hypotheses of the study. The selection of a representative sample of Nigerian SMEs is ensured by the discussion of population and sampling methodologies. To investigate the connections between leadership styles and organisational performance indicators, a full description is provided of the data gathering techniques, such as surveys or questionnaires, as well as the data analysis processes, including correlation and regression analyses. The research's methodological rigour and integrity are highlighted by the inclusion of ethical issues, limits, and methods to improve validity and reliability.

3.1 Research design

A research design is the structure of research that shows the major parts of the research such as measures, samples, and technique of data collection and analysis work together in addressing the central research q

uestions. This study's research design uses a quantitative technique to look at the connection between organisational performance and leadership styles in Nigerian small and medium-sized enterprises (SMEs).

Furthermore, it illustrates the cause-and-effect link between variables using mathematical and statistical techniques (Ahmad et al., 2019). According to Kittur (2023), the primary goal of quantitative research is to derive findings from a large population from which a sample that may be applied to a wider context is selected. The direction and relationship between the data are also identified with the aid of this type of investigation. This strategy aids in the study's objective of identifying the ways in which transformational, transactional, and laissez-faire leadership styles affect the performance of organisations in Nigerian SMEs. Employing quantitative methods also helps to create a systematic and organised strategy to obtain responses from the participants.

Saunders et al. (2019) claim that positivism and the deductive approach are related to the quantitative technique, which collects data to analyse and assess theories or hypotheses. It looks at the hypothesis presented in Chapter 2 to establish the objectives and offer logical solutions to the research questions. Explanatory study was also used by the researcher to ascertain further correlations between the variables. Understanding and elucidating the circumstances and difficulties in the variable-to-variable interaction is the aim of this type of research. Furthermore, this research design's survey approach makes it possible to collect sample data from a population (Saunders et al, 2019). The researcher employs a survey approach to ask respondents specific questions on transformational, transactional, and laissez-faire leadership styles and organisational effectiveness to ascertain whether there is a relationship between the variables. The objective is to investigate the connection between organisational performance and three different leadership styles: (1) transformational leadership, (2) transactional leadership, and (3) laissez-faire leadership. In this study, it is found that

quantitative design is more suitable than qualitative design. Furthermore, the information evaluation enables straightforward and objective correlation (Wong, 2021).

The instrument used for the survey is a questionnaire. The questionnaire's design is influenced by the research topic and hypothesis (Kittur, 2023). When creating the questionnaire, previous research is considered to avoid duplication (Yusoff, 2021). Respondents are given online surveys, and data is collected from them for analysis according to Kittur (2023). The survey is being conducted in Lagos, Nigeria, and the participants are drawn from a sizeable population that is typical of the intended respondents. To collect the data, the researcher also used a cross-sectional survey, which contains a time constraint for data collection (Kittur, 2023). The language used in the questionnaire was English. The data in this study are subjected to both descriptive and inferential analyses. Descriptive analysis is one type of analysis used with non-numerical data (Saunders et al., 2019). Inferential analysis helps draw conclusions from the sample data (Bryman et al., 2020).

3.2 Population and Sampling

Small and medium-sized enterprises (SMEs) that operate in Nigeria's diverse sectors make up the study's population. To guarantee representation from various industrial segments and geographic areas, the sample is chosen using a random sampling technique. The goal of the study is to extrapolate findings to the larger SME environment in Nigeria by taking samples from the target demographic. In the context of social science research, it is not always optimal to involve every member of the population in the investigation. The fact that financial and time restrictions occasionally make it difficult to accomplish this is a crucial justification for this (Bryman et al., 2020).

Therefore, Cohen et al. contended that before beginning any research, researchers had to determine the sample size and the sampling strategy that was to be employed.

The national bureau of statistics' collaborative survey selected findings (2021) and SMEDAN's (small and medium enterprises development agency of Nigeria) joint survey report states that as of 2021, there were 37,067,416 MSMEs overall (Micro 36,994,578, Small 68,168, and Medium 4,670). Kwara state has the fewest small and medium-sized businesses (226), whereas Lagos state has the most (11,663). The greatest number of microbusinesses is found in Lagos state (3,224,324), Oyo state (1,864,954), and Kano state (1,794,358). Nasarawa state (382,086) and the Federal Capital Territory (482,365) recorded the lowest numbers. As of December 2021, there were 59,741,211 employees in the MSME sector, accounting for 84.02% of all employees. In microbusiness ownership structures, female entrepreneurs made up 43.32% of the owners, compared to 22.75% in small and medium-sized businesses. (Okafor & Ejelonu, 2022).

3.2.1 Sample Size Determination

The total number of employees in the MSME sector as of December 2021—59,741,211—serves as the research population (Ejelonu & Okafor, 2022). The minimal sample size, as determined by the Raosoft sample size calculator, is 385.

The researcher employed a 95% confidence level and a 5% error tolerance based on this population rate of categories.

Raosoft® Sample size calculator

What margin of error can you accept? %
5% is a common choice

What confidence level do you need? %
Typical choices are 90%, 95%, or 99%

What is the population size?
If you don't know, use 20000

What is the response distribution? %
Leave this as 50%

Your recommended sample size is **385**

Online surveys with Vovici have completion rates of 66%!

Alternate scenarios							
With a sample size of	100	200	300	With a confidence level of	90	95	99
Your margin of error would be	9.80%	6.93%	5.66%	Your sample size would need to be	271	385	664

Save effort, save time. Conduct your survey online with Vovici.

*Fig 3.1
Raosoft sample size calculator excerpt*

3.2.2 Sampling Technique

For this study, a random sample technique was applied. The process of choosing a sample from a population in which every individual has an equal probability of being chosen is known as random sampling (Trochim, 2020). This reduces selection process bias and guarantees that the sample is representative of the population. Research studies frequently employ random sampling to extrapolate results from the sample to the broader population (Babbie, 2019). Probability testing is the sampling strategy used in this study. Probability sampling gives rise to a testing approach in which units of the sample are selected on the basis of comfort or judgement close to home, and it is unclear how likely it is that a particular member of the population was chosen (Zikmund, Babin, Carr and Gryphon, 2010). Probability sampling is used because it quickly and profitably gathers many questionnaires. This could save more time and reduce the cost of the review. Online surveys for the study were arbitrarily given to SMEs and their employees who were only willing to participate in the study because they worked for SMEs.

Table 3.1
Analysis of Sample size

City / LGA of SME Offices	No. of Employees	No. of Questionnaires
Agege	83124	26
Ajeromi-Ifelodun	46554	17
Alimosho	62240	22
Amuwo-Odofin	40788	14
Apapa	40660	14
Badagry	45311	16
Epe	49056	17
Eti-Osa	66856	24
Ibeju/Lekki	77416	27
Ifako Ijaiye	63714	23
Ikeja	99407	29
Ikorodu	64267	23
Kosofe	30120	11
Lagos Island	66510	24
Lagos Mainland	52566	19
Mushin	48780	17
Ojo	35886	13
Oshodi-Isolo	37086	12
Shomolu	38310	17
Surulere	74727	21
Total	1123378	386

3.2.3 Target Population

Researchers must consider the target population when selecting a sample (Zikmund, Babin, Carr, & Gryphon, 2010). Population refers to everything that piques a researcher's interest in its entirety (Hair, Black, Babin & Anderson, 2010). Examining the connection between organisational performance and leadership styles in SMEs in

Lagos, Nigeria, is the main objective of this study. Thus, the employees of SMEs in Lagos state constitute the research's objective population. For the questionnaire to be used to assess organisational performance, respondents had to have at the very least, worked for three to six months in a SME in Lagos State. In the unlikely event that responders are not employees of SMEs in Lagos State, Nigeria, they are disqualified from the study and cannot participate. As of December 2021, there were 59,741,211 employees in the MSME sector, accounting for 84.02% of the labour force (Ejelonu & Okafor, 2022).

According to Zikmund, Babin, Carr, and Gryphon (2019), a sampling element is a single component or group of components that are subject to determination in the sample. The research's objective respondents are all Nigerian SME employees. the inclusion of every SME employee who might gather and the primary diversity of responders in terms of age and sex to ensure that data gathering is free from bias. A researcher who is enthusiastic in gathering data and drawing conclusions is drawn from a subset of the objective population known as the sample size (Babbie, 2019). Researchers are advised to consider three primary factors when determining the appropriate sample size: the population's accessibility, the testing methods to be used, and the financial resources available for the study (Charles, 2020). The level of observation or entity that was looked at and analysed to meet the study's objectives is referred to as the unit of analysis. For the purposes of this study, employees in small and medium-sized businesses (SMEs) in Nigeria are included in the unit of analysis. The inquiry primarily focused on these SMEs, and several facets of their organisational performance and leadership styles that were evaluated and examined. The study of leadership practices and their effects on organisational outcomes at the organisational

level was made possible by treating each SME in the sample as a separate unit of analysis. Individual employees within each SME may also be used as analytical units to evaluate elements like engagement and work satisfaction. The study intends to offer insights into the larger patterns and trends affecting organisational performance and leadership effectiveness within the Nigerian business setting by using SMEs as the unit of analysis.

Selecting employees and managers as respondents rather than SME owners could offer an alternative viewpoint on the efficacy of leadership and the results of organisations. The following are some justifications for why researchers might select employees as respondents:

Employees and managers have firsthand knowledge of various leadership styles. Their opinions and assessments on leadership can offer insightful information about how various leadership styles affect their performance, job happiness, and work experiences. Employees and managers are drawn from a range of organisational levels and possess a variety of jobs, responsibilities, and backgrounds. By gathering information from a broad set of employees and managers, researchers can get a variety of viewpoints on the efficacy of leadership and how it affects various organisational outcomes. When compared to owners, employees and managers might give more frank and honest comments. They might be under less pressure to hide unfavourable comments or live up to organisational expectations, which could result in more truthful and genuine responses. Decisions and actions made by leaders frequently have a direct impact on the employees and managers. Gaining insight into their perspectives and encounters can help illuminate how frontline employee morale, engagement, and productivity are impacted by leadership styles. A more inclusive approach to

comprehending organisational dynamics is made possible by involving employees and managers in research. It recognises the value of frontline viewpoints and gives staff members the freedom to participate in conversations regarding organisational performance and leadership efficacy.

In general, selecting staff members (employees and managers) to participate in research on leadership effectiveness provides a bottom-up method that supplements the conventional top-down viewpoints offered by owners and leaders. Using this method can result in a deeper comprehension of how leadership styles affect organisational outcomes.

3.3 Data Collection and Method

Google Forms is the online survey tool used in this study for data gathering. Self-administered questionnaires are overviews in which the respondent assumes responsibility for reviewing and answering the questions without the researchers' quality, according to (Zikmund et al., 2010). Instruments used by other researchers in their research were examined, and pertinent parts were changed and used appropriately for this investigation. Because the questionnaire method of surveying has the clear advantage of collecting responses from many respondents who are geographically spread throughout Lagos and the surrounding area of Nigeria, it was chosen.

The Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio (2004) was used as a tool to assess leadership styles, specifically transformational, transactional, and laissez-faire. The same tool from Bass and Avolio's 2004 was used for the Leadership result as well. Extra effort level, several statements

for measuring effectiveness level, and several statements for measuring satisfaction level are some of the additional statements in the MLQ for measuring leadership outcomes coming from project managers' leadership strategy. The 2010 instrument developed by Fu-Jin Wag, Sheih Chich-Jen, and Tang Mei-Ling was used to measure organisational performance.

Data for this inquiry was gathered using questionnaires. Walliman (2011) states that surveys are appropriate for large responses and large geographic areas. It is also useful for both researchers and responders due to its uniformity, versatility, and ease of administration. Lagos State is so big that the survey instrument can be given to respondents who are in different cities at the same time by the researcher at minimal cost. The sample was chosen via purposive sampling, which took the respondents' geographical location into account. According to Bacon-Shone (2022), the purpose of this purposive sample is to encompass as many conceivable elements as is practical to produce an output as wide as possible. Furthermore, according to Saunders et al. (2019), the researcher's judgement and logic would be used to select the respondents who can answer the questionnaire in the most effective manner. By employing this technique, the researcher was able to select as many respondents as possible who are employed by SMEs in the cities of Lagos. It also demonstrates the respondents' credibility by stating that the selected respondents are SME employees and are likely to participate in stage two of the sample with integrity.

According to Kumar (2011), random sampling requires the participation of a single responder or group and begins with their selection. After that, these respondents were asked to find a new survey respondent. After that, these new respondents are told

to repeat the same steps until the study's sample size is attained. Moreover, as per Saunders et al. (2019), random sampling is commonly utilised to identify respondents who are challenging to locate. By using this strategy in the study, it would be ensured that the survey was only delivered to SME employees in Lagos.

Until the required sample size for the study is attained, the chosen respondents were requested to forward to likely participants and ask these participants to forward to other SME employee participants in Lagos. The Nigerian SME employees in Lagos were given access to the online study system. A standard fifteen minutes were allotted to each responder to complete and return the questionnaire. The overview lasted for a full week. There were 1500 sets of polls distributed in total. Finding logical and authentic information about leadership styles and the most critical elements influencing organisational performance is the main goal of this review. The LGAs in Lagos state that make up the target population of this study are all Nigerian SME personnel who work in SME organisations. These companies include SMEs in Nigeria, where the staff members have been employed for a period of three to six months.

3.3.1 Distribution Channel of Data Collection

The data gathering mechanism is Google Forms, as was indicated in the preceding section. After it has been created, respondents receive the Google Forms survey questionnaire over social media platforms such as Facebook Messenger, Instagram, and WhatsApp. Torrentira (2020) claims that the digital survey questionnaire can be sent for free using social media. The most recent information from Similar Web (2024) indicates that the most downloaded applications in Lagos are LinkedIn, Instagram, WhatsApp, and Messenger. For this reason, respondents received

the Google Forms survey questionnaire over social media. To ensure that the respondent is willing to engage in the study and for ethical considerations, a consent form is attached to the invitation. Furthermore, a cross-sectional survey was conducted using a pre-established schedule for gathering data (Kittur, 2023).

The ideal time span for data collection is one week. There were multiple approaches used to ensure that answers to a social media questionnaire are employees of small and medium-sized enterprises (SMEs).

Targeted Recruiting - The researcher makes use of channels designed especially for hiring SME personnel. This could include professional networks, internet groups, or industry-specific forums where SME employees are probably involved. To contact the staff and member companies of SME associations, think about working with them as well.

Social Media Targeting - To contact people who work for SMEs, the researcher also uses tailored messaging or advertising. Advanced targeting capabilities on social media platforms such as Facebook, LinkedIn, and Twitter enable the specification of demographic characteristics, such as job status and firm size.

Peer-to-peer Messaging - Through personal or professional networks, such as social media platforms, messaging apps, or email, the researcher gives participating employees pre-written messages or templates that they can share with their colleagues. These remarks can highlight the significance of the study and inspire colleagues to share their knowledge.

Verification methods - To confirm that respondents are, in fact, employees of SMEs, the researcher has additionally incorporated verification methods into the questionnaire. To verify eligibility, this entails posing screening questions about their employer and position. Furthermore, the investigators have contemplated incorporating a disclaimer that apprises participants of the study's objective and its eligibility requirements, which include being employed by SMEs.

The researcher improves the possibility of contacting and surveying personnel specifically from SMEs for the study by combining these tactics and making sure that the eligibility requirements for respondents are communicated clearly.

3.4 Questionnaire Development

The instrument for the investigation is a questionnaire. According to Saunders et al. (2019), this tool collects data based on each subject's answers to a pre-arranged set of questions that are all the same. Moreover, Walliman (2011) described this tool to prepare questions in advance and obtain responses from respondents without having to meet or speak with them in person. In addition, Kittur (2023) points out that questionnaires and other similar tools are employed in quantitative studies due to their inherent nature of analysing quantifiable data. According to the definitions, a questionnaire is a suitable tool for this study because it enables participants to provide a general and quantifiable response. It can assist in figuring out how leadership styles and organisational performance are related.

Due to the study's constrained time, finances, and large sample size, this instrument is also reasonably priced and easy to disseminate and gather. Every respondent is required to answer the same questions because the questionnaire is closed-ended (Kittur, 2023).

3.4.1 Division and Number of Items of the Questionnaire

The questionnaire is divided into two parts. The first portion, Part A, displays the demographic profile of the respondents. For the demographic profile, details about the respondents are obtained, including their age, gender, and educational attainment (Saunders et al., 2019). The second portion, Part B, is further divided into four sections. The questions in this part cover the transformational, transactional, and laissez-faire leadership styles in addition to the organisational performance of Lagos, Nigeria.

*Table 3.2
Format and subdivisions of the Questionnaire.*

Part	Section	Variable	Number of Items	Authors
A		Demographic Profile	7	Adapted
B	1	Organisational Performance	10	Olivier, 2018
	2	Transformational leadership style	9	Alban-Metcalf & Alimo-Metcalf, 2000
	3	Transactional leadership style	9	Muenjohn & Armstrong, 2008
	4	Laissez-faire leadership style	9	Rajbanshi, 2020
Total			44	

3.4.2 Measurement Scale

The measuring scales used in this study are ordinal and nominal scales. Nominal data are the characteristics that a researcher gives to a subject to differentiate or separate it. Non-numerical variables of this type include things like gender, education level, and

marital status (Walliman, 2011). These data are often obtained using frequencies (Saunders et al., 2019). A nominal scale is used to measure the demographic profile found in Part A of the questionnaire. The variables in Part B of the questionnaire are measured using the ordinal scale. Sekaran et al. (2010) define the ordinal scale as a variable measurement scale that is used to show the order of variables rather than their individual differences. The Likert scale is an ordinal scale that was employed in this study.

Table 3.3
Nominal and Interval Scale

Variable	Scale
Demographic Profile	Nominal Scale
Organisational Performance	Likert Scale:
Transformational leadership style	1-----Strongly Disagree
Transactional leadership style	2-----Disagree
Laissez-faire leadership style	3-----Neutral
	4-----Agree
	5-----Strongly Agree
	1----- Very Dissatisfied
	2----- Dissatisfied
	3----- Neutral
	4----- Satisfied
	5----- Very Satisfied

3.4.3 Reliability Test

An instrument's consistency is ensured via testing for reliability. No matter how long the instrument is operated for, it displays the stability of the device. A higher or excellent grade on the reliability test, therefore, indicates the level of stability or consistency of an instrument (Sürücü et al., 2020).

Table 3.4
 Classification of Cronbach's Alpha Coefficient
 Source : Sürücü, et al, (2020)

Cronbach's Alpha Coefficient	Interpretation of Cronbach's Alpha Coefficient
≥ 0.9	Internal stability is excellent
$0.7 \leq \alpha < 0.9$	The internal stability of the scale is very good
$0.6 \leq \alpha < 0.7$	The internal stability of the scale is good
$0.5 \leq \alpha < 0.6$	The internal stability of the scale is moderate
$\alpha \leq 0.5$	The scale has poor stability

3.5 Measurement of Variables and Constructs

To quantify abstract concepts into observable and quantifiable signs, measurement of variables and constructs is essential in research. The present investigation aims to examine the correlations among leadership styles, organisational performance by means of measuring many variables and constructs.

To evaluate transformational, transactional, and laissez-faire leadership behaviours, for example, existing scales like the Multifactor Leadership Questionnaire (MLQ) was used to examine leadership styles. Metrics including financial performance indicators (like revenue growth, profitability), operational efficiency (like productivity, quality), and market performance (like market share, customer satisfaction) can be used to assess an organization's performance. Standardised measures of job happiness, such as the Job Descriptive Index (JDI) and the Minnesota happiness Questionnaire (MSQ), can be used to gauge how satisfied employees are with several aspects of their jobs, including work tasks, supervision, and prospects for advancement. To ensure validity and reliability in data collection, each variable and construct were operationalized using items or questions from these measurement instruments. Furthermore, the interactions between these variables and constructs may be analysed using statistical approaches

like factor analysis, regression analysis, or structural equation modelling, which can provide light on the interdependencies between them and their consequences for organisational outcomes.

The researcher modified earlier research when creating the variables and questionnaire. Adapting questions can be useful if the goals and research questions are satisfied. This allowed for comparison with previous studies on leadership styles and organisational performance (Saunders et al., 2019). The design of the questionnaire was based on problem statements, research questions and objectives from previous studies, and hypotheses (Kittur, 2023).

Table: 3.5
Measurement of variable

Variable	Constructs	Items	Sources	Cronbach alpha
Demographic Profile			Adapted	.831
DV: Organisational performance	1. Efficiency & Effectiveness 2. Reward & Recognition 3. Sustainability & Relevance 4. Financial and Non-financial Performance	2 3 3 2	(Olivier, 2018)	.819 .662 .715 .792
IV 1 : Transformational leadership style	1. Individualized Consideration 2. Intellectual Stimulation 3. Inspirational Motivation	2 2 2	(Alban-Metcalf & Alimo-Metcalf, 2000)	.799 .821 .684

	4. Idealized Influence	1		.707
IV2 : Transactional leadership style	1. Contingent Reward & Penalties	2	(Muenjohn & Armstrong, 2008)	.681
	2. Goal Achievement & Performance	2		.817
	3. Practicality & Utility	3		.790
IV3: Laissez-faire leadership style	1. Freedom of Choice & Autonomy	3	(Rajbanshi, 2020)	.711
	2. Passive Management & oversight	2		.664
	3. Flexibility & Creativity	2		.759

3.5.1 Organizational Performance

The dependent variable in this study is organisational performance, which stands for the total efficacy and efficiency of the organisation in accomplishing its aims and objectives. Financial performance, operational efficiency, customer happiness, staff engagement, and innovation are just a few of the many variables that make up the complex concept of organisational performance (Balanced Scorecard Institute, 2020).

An organization's capacity to bring in money, control expenses, and turn a profit is reflected in its financial performance (Kaplan & Norton, 2018). According to Bourne et al. (2020), operational efficiency is the ability of the organisation to maximise output, reduce waste, and optimise procedures. According to Anderson et al. (2019), customer

satisfaction gauges how well a company fulfils or surpasses customers' expectations and provides value-added goods and services. Employee commitment, motivation, and satisfaction are reflected in employee engagement, which influences performance, retention, and productivity (Kahn, 2021). According to Tidd and Bessant (2019), innovation evaluates an organization's capacity to develop and apply novel concepts, goods, or procedures that provide it a competitive edge and spur expansion.

Objective metrics, such as financial reports, productivity indicators, customer feedback surveys, and innovation metrics were used to gather data in order to monitor organisational performance. In addition, self-report questionnaires and ratings from important parties—such as staff members, managers, and clients—will be used to gauge subjective opinions of how well the organisation is performing. There were two types of measurement scales: nominal, ordinal. One way to conceptualise the nominal scale is as the basic dimension of measurement that enables researchers to classify individuals or items into different social events or classes. The arrangements don't include any discussion, division, or unusual justification (Sekaran and Bougie, 2021).

As per Brown's (2018) findings, apparent scale is commonly obtained using dichotomous scale or hard and fast scale. When choosing a structure, a dichotomous scale provides only two options, such as sexual orientation (with a male or a female) (Brown, 2018). The ordinal scale, which assigns subjects to different classes or groups, is essentially like the nominal scale. Ordinal inquiry differs from the other in that it involves a request or rank in the courses or gatherings (Sekaran and Bougie, 2019). According to Brown (2018), an ordinal scale is filled in as a positioning scale that indicates request but does not display the distance between the positions. Three

questions that were organised on an ordinal scale may be found under Section of this study survey. For instance, the age, background in education, and experience of the respondent.

All things considered, the existing interval scale has the properties of the nominal and ordinal scales as they are now known (Sekaran and Bougie, 2021). Essentially, the key difference is that a well-known interval scale allows the researcher to employ parallel intervals between the scale's focuses to illustrate the need for meetings (Brown, 2018). To gauge the depth of respondents' opinions, the research questionnaire used a five-point Likert scale. How much the respondents "concur" or "oppose this idea" was determined by the survey using a range of 1 to 5. The following are the five-point rating systems used: (1) Very Satisfied; (2) Satisfied; (3) Not Satisfied nor Dissatisfied; (4) Dissatisfied and (5) Extremely Dissatisfied.

3.6 Data Analysis

The data analysis for this study involved several steps, adhering to best practices in quantitative research methodology. Firstly, descriptive statistics were computed to summarize the characteristics of the sample and the variables under investigation (Field, 2020). This included calculating measures such as mean, standard deviation, frequency distributions, and percentages to provide a comprehensive overview of the data (Hair et al., 2020). Following this, normality tests were conducted to ensure that the data met the assumption of normal distribution, which is essential for many statistical analyses (Field, 2020; Tabachnick & Fidell, 2007). Normality was assessed through various methods, including visual inspection of histograms and Q-Q plots, as well as statistical tests such as Shapiro-Wilk test (Field, 2020).

Once the normality assumption was confirmed, correlation analysis was performed to examine the relationships between the independent and dependent variables (Field, 2020). Pearson correlation coefficients were computed to assess the strength and direction of these relationships, with significance levels determined through hypothesis testing (Field, 2020). Subsequently, multiple regression analysis was employed to further investigate the impact of the independent variables (i.e., different leadership styles) on the dependent variable (organizational performance) while controlling for potential confounding variables (Field, 2020; Hair et al., 2020). This analysis allowed for the identification of significant predictors of organizational performance and the estimation of their respective coefficients and effect sizes.

Questionnaire data are regarded as raw data, and before being converted into an electronic document that makes sense for data analysis, they must go through three stages of precise editing, coding, and recording. Unfiltered responses from a responder as expressed by that respondent are implied by raw data. The processes of editing and coding are essential because, in addition to the fact that a known error remains in the data, the process of converting unrefined data into knowledge can be riskier and more difficult (Zikmund et al, 2019). The process of looking over, analysing, and making meaning of the information gathered is called data analysis. To examine numerical data and test hypotheses, quantitative data analysis made use of statistical techniques including regression analysis, correlation analysis, and descriptive statistics. The validity and reliability of the study's results are improved, and a thorough grasp of the research problem is made possible by the analysis of the quantitative data.

According to Patel et al. (2019), the investigator began data analysis as soon as the information is collected. Before the collected data can be properly structured, it must also be cleaned up to remove errors. The researcher organises the data for computations and chart generation using IBM SPSS Statistics, a powerful statistical tool. Furthermore, IBM SPSS Statistics is among the most widely used and accessible statistical software programmes (Saunders et al., 2019). Another definition of IBM SPSS Statistics, according to Rahman et al. (2021), is a programme designed to manage a substantial amount of data that has multiple variables linked. Because of the large sample size of data collected for this study, the researcher used IBM SPSS Statistics (version 26.00) to analyse the data rapidly and properly.

The results of the data analysis were interpreted and discussed considering the research objectives and hypotheses, considering both theoretical implications and practical implications for SMEs in Nigeria (Field, 2020; Hair et al., 2020). Limitations of the study were also acknowledged, and recommendations for future research were provided to guide further inquiry into the topic (Field, 2020).

3.6.1 Descriptive Analysis

The descriptive analysis in this study involved summarizing the characteristics of the sample and the variables under investigation using appropriate statistical measures. Descriptive statistics provide a clear overview of the data and help researchers understand the central tendency, variability, and distribution of variables (Field, 2020). Measures such as mean, standard deviation, frequency distributions, and percentages were computed to describe the central tendency and dispersion of continuous and categorical variables (Field, 2020; Hair et al., 2020). The mean provides

a measure of the average value of a variable, while the standard deviation indicates the spread or variability around the mean (Field, 2020).

Frequency distributions were used to display the distribution of categorical variables, showing the number of observations falling into each category or group (Field, 2020). Percentages were calculated to express these frequencies relative to the total sample size, providing a more interpretable representation of the data (Field, 2020; Hair et al., 2020). Additionally, graphical methods such as histograms were utilized to visualize the distribution of continuous variables, while bar charts or pie charts were employed for categorical variables (Field, 2020). These visual representations help researchers identify patterns and anomalies in the data more effectively (Field, 2020).

Overall, the descriptive analysis provided a comprehensive summary of the sample characteristics and the variables of interest, laying the groundwork for further inferential analyses and interpretation of the study findings (Field, 2020; Hair et al., 2020).

3.6.2 Correlation

To investigate the connections between the relevant variables, correlation analysis was performed. To determine the direction and strength of the linear relationship between pairs of continuous variables, such as organisational performance and leadership styles, Pearson's correlation coefficient was specifically computed. Furthermore, Spearman's rank correlation coefficient can be applied to variables that are assessed on ordinal scales or in situations when the normalcy assumption is broken. A correlation analysis can be used to find possible links between variables and direct

future research into how they interact. The statistical method of correlation analysis is used to determine the direction and degree of a relationship between two or more variables. To investigate the relationships between various factors, including leadership styles and organisational performance indicators, correlation analysis was used in this study.

The researcher can ascertain the degree to which changes in one variable are associated with changes in another by computing correlation coefficients. A negative correlation coefficient, on the other hand, represents an inverse link in which one variable declines as the other increases. As an example, a positive correlation coefficient shows that as one variable increases, the other variable likewise tends to increase. Researchers can use correlation analysis to gain a better understanding of the degree of association between variables and to guide future study into causal relationships or predictive models. Furthermore, correlation analysis might reveal possible patterns or trends in the data, offering important insights into the variables affecting employee well-being and organisational outcomes.

Table 3.6
Interpreting Correlation Coefficient
Source: Schober et al, (2018)

Correlation Coefficient	Interpretation
0.00–0.10	No correlation
0.10–0.39	Low correlation
0.40–0.69	Moderate correlation
0.70–0.89	Strong correlation
0.90–1.00	Very strong correlation

3.6.3 Hypothesis Testing

Statistical tests are used in hypothesis testing to ascertain whether the relationships or differences in the data that are seen are statistically significant or are just the result of chance. The relevant statistical tests were used in this study to examine hypotheses that are created based on theoretical considerations. For instance, regression analysis may be used to examine the hypothesis that there is a substantial association between organisational performance and leadership styles. To compare mean scores among several groups or circumstances, t-tests and analysis of variance (ANOVA) can be employed. The outcomes of the hypothesis testing process offer empirical support for the links between the variables and help address the research topics that the study set out to address. In general, the process of data analysis entail a methodical review of the gathered information in order to identify trends, correlations, and noteworthy discoveries pertinent to the goals of the study. This investigation attempts to offer significant insights into the variables impacting organisational performance in the context of leadership styles across Nigerian SMEs by utilising suitable statistical methodologies.

3.7 Multiple Regression Analysis

Multiple regression analysis is used to predict the values of independent variables on a single dependent variable (Walliman, N., 2011). Based on correlation analysis, this method looks at the relationship between variables. However, a more in-depth investigation of the relationship between dependent and independent variables is provided by multiple regression analysis (Pallant, 2016). Ibrahim (2023), Acas et al. (2020), Rachmawati (2020), and Yaakub (2021) employed correlation analysis and

multiple regression analysis in related studies on halal awareness, religiosity, and buying decisions.

3.8 Ethical considerations

Each respondent of this study is informed prior to completing the questionnaire that his or her participation is voluntary. Each participant is given the opportunity to review and sign the informed consent form prior to participating in the study. Individuals who do not wish to participate in the study asked to return the questionnaire and did not have further obligations to the study. To encourage honesty in responding to the questionnaire, this study guaranteed confidentiality of responses to the participants. Before voluntarily joining the study, they are made aware of the confidentiality agreement. The informed consent statement addresses questions about response confidentiality in part. Before taking part in the study, each participant had the chance to read over and sign this consent form. The subjects are informed by this statement that they have complete control over their participation, are free to discontinue at any point during the administration, are guaranteed anonymity, and that their responses will not be included in the final dissertation or given back to the organization's administration.

3.9 Chapter Summary

The approach employed in carrying out the study is described in depth in Chapter Three. A comprehensive explanation of the study's methodology was provided, detailing the research design, population coverage, sampling strategy, and data collection procedures. Chapter Four delves into the detailed analysis of the collected data, elucidating the findings and their implications. Finally, Chapter Five encapsulates

the conclusions drawn from the study's results, offering insights into the broader implications and recommendations for future research and practice.



CHAPTER FOUR

RESULT AND DISCUSSION

4.0 Introduction

In Chapter 4, the data analysis, and conclusions from the empirical study of how leadership styles affect the organisational performance of Small and Medium-Sized Enterprises (SMEs) in Nigeria are discussed. An outline of the study design and data collection procedure opens this chapter, which is then followed by a discussion of the statistical methods used for analysis, such as structural equation modelling, regression analysis, and correlation analysis. Subsequently, the results are methodically displayed, scrutinising the correlation between leadership styles - transformational, transactional, and laissez-faire - and several performance metrics in Nigerian small and medium-sized enterprises. The results are shown to aid in comprehension and interpretation using tables, charts, and graphs. The chapter also offers recommendations for SME owners, managers, legislators, employees, and other stakeholders. It also explores the implications of the findings for theory, practice, and policy within the Nigerian SME setting. Ultimately, the chapter highlights its importance in adding to the body of knowledge on leadership and organisational performance in Nigerian SMEs by summarising the main conclusions, outlining its limits, and offering recommendations for additional research.

4.1 Response rate

The assembled dataset contained 386 correct answers, which is 25.7% of the original sample size. The amount of the intended sample size reached was because some respondents did not return the survey, and some questionnaires were excluded because

they were considered irrelevant or incomplete. These kinds of disparities are typical of this kind of research and were taken into careful consideration at every stage of the data gathering procedure to guarantee the reliability and accuracy of the results.

To ensure a reliable data collection process, the researcher implemented the survey by drawing on modern research approaches. Abdullahi and Asaju (2020) emphasised the effectiveness of random sampling, whereas Adeniran (2021) emphasised the usefulness of online survey platforms such as Google Forms. The choice to increase inclusion through random sampling was endorsed by Babatunde and Sule (2021). Furthermore, by eliminating questionnaires that were either irrelevant or incomplete, Adegbuyi and Oladimeji (2020) emphasised the significance of data integrity. The strategy was informed by these realisations, which helped to produce a thorough analysis of the connection between organisational performance and leadership styles in Nigerian SMEs.

The response rate for the distributed questionnaires is as follows:

Distributed Questionnaires: 1500 (100.00%); Returned Questionnaires: 394 (26.3%); Usable Questionnaires: 386 (25.7%); Unusable Questionnaires: 8 (0.5%)

Among the distributed questionnaires, 394 were returned, resulting in a return rate of 26.3%. Out of the returned questionnaires, 386 were considered usable, accounting for 25.7% of the total distributed. Conversely, 8 questionnaires were deemed unusable, representing 0.5% of the total distributed questionnaires. Overall, the response rate indicates a satisfactory level of participation from the respondents.

Table 4.1
Response Rate

Questions	Number	Percentage
Distributed Questionnaires	1500	100.00
Returned Questionnaires	394	26.3
Usable Questionnaires	386	25.7
Unusable Questionnaires	8	0.5

4.2 Descriptive Analysis

There are two main portions to the descriptive analysis. The first part outlines the respondents' demographic profile and gives information on the frequencies and percentages of the variables. The calculation of the mean and standard deviation is covered in the second part. The standard deviation measures the dispersion or spread of data points with respect to their mean, whereas the mean is the arithmetic average of all data values and provides a measure of central tendency (Saunders et al., 2019). The robustness of the study's conclusions is enhanced by this analytical approach, which enables a thorough understanding of both the respondent population's characteristics and the distributional properties of the variables under investigation (Hair et al., 2020; Field, 2020; Bryman & Bell, 2020).

4.2.1 Respondent's Profile

The first section of the survey consists of the respondents' demographic profile, which gives an overview of their background traits. Information such as the address

(city or Local Government Area (LGA), gender, level of education, kind of job, number of years in present position, and length of time with current employer are all included in this. A total of 386 people provided relevant responses to the survey. The tables that outline the respondents' demographic characteristics are shown below.

The distribution of respondents' cities or Local Government Areas (LGA) of residence is shown in Table 4.2. It displays the number of respondents who belong to each area in Lagos State, Nigeria, as well as their frequency and percentage. With 29 responses, Ikeja has the greatest frequency of responders among the LGAs, making up 7.5% of the sample. Lagos Island is next, with 40 responders, or 10.4% of the sample, behind it. With 27, 27, and 21 responders, respectively, Agege, Ifako Ijaiye, and Eti-Osa are three others noteworthy LGAs. Surulere, on the other hand, has the lowest representation, accounting for just 6 respondents or 1.6% of the sample. All things considered, the table offers a thorough summary of the respondents' geographic distribution across Lagos State, allowing for insights into the variety and representation of various LGAs among those questioned.

Table 4.2
Respondent's City or LGA

Variable	Characteristic	Frequency	Percent (%)
City / L.G.A	Agege	27	7.0
	Ajeromi-Ifelodun	20	5.2
	Alimosho	20	5.2
	Amuwo-Odofin	13	3.4
	Apapa	15	3.9
	Badagry	17	4.4
	Epe	18	4.7
	Eti-Osa	21	5.4
	Ibeju/Lekki	25	6.5
	Ifako Ijaiye	27	7.0
	Ikeja	29	7.5

Ikorodu	20	5.2
Kosofe	11	2.8
Lagos Island	40	10.4
Lagos Mainland	19	4.9
Mushin	17	4.4
Ojo	14	3.6
Oshodi-Isolo	16	4.1
Shomolu	11	2.8
Surulere	6	1.6
Total	386	100.0

The distribution of respondents by gender is shown in Table 4.3, along with the associated percentages and frequencies. It shows that, of the 386 respondents in the sample, 175 people, or 45.3%, identify as female, and 211 people, or 54.7% of the sample, identify as male. With a slightly higher percentage of male respondents, the gender distribution of the questioned population highlights a very balanced representation. A more inclusive and representative interpretation of the study's findings is fostered by this gender variety, which is essential to guaranteeing thorough insights into the studied phenomenon. It also emphasises how crucial it is for research methodology to take a gender-sensitive approach, recognising and correcting any potential biases or disparities that can result from gender dynamics in the sample group.

Table 4.3
Respondent's Gender

Variable	Characteristics	Frequency	Percent (%)
Gender	Female	175	45.3
	Male	211	54.7
	Total	386	100.0

An overview of the distribution of respondents by age group is given in Table 4.4, along with frequency distributions and matching percentages. The age group of 40–49 years old has the largest frequency among the 386 people that were polled; with 119 respondents, this age group accounts for 30.8% of the overall sample. Adjacent to this, the age range of 18–29 years comprises 105 participants, or 27.2% of the sample. Next, the 50–59 age group has a frequency of 82 respondents, making up 21.2% of the sample, and the 30–39 age group includes 77 respondents, making up 19.9% of the sample. Interestingly, there are the fewest respondents—just three—who are 60 years of age or older, making up about 0.8% of the sample. Researchers can contextualise findings within different age cohorts and identify potential age-related trends or patterns in the study's outcomes because to this thorough breakdown of the demographic composition of the questioned population.

Table 4.4
Respondent's Age

Variable	Characteristics	Frequency	Percent
Age	18-29 years	105	27.2
	30-39 years	77	19.9
	40-49 years	119	30.8
	50-59 years	82	21.2
	60 years and above	3	.8
	Total	386	100.0

Table 4.5 displays the distribution of participants based on their level of education, along with the associated percentages and frequencies. The largest percentage of the 386 respondents in the sample, or 187 people, had a bachelor's degree; this accounts for 48.4% of the sample. Many respondents likely hold bachelor's degrees

due to their accessibility, as they require less time and financial investment. Additionally, many entry-level positions require at least a bachelor's degree, motivating individuals to pursue this level of education. Furthermore, a bachelor's degree can enhance job prospects and career advancement opportunities, incentivizing respondents to obtain higher education. The next group of respondents, or 59 people, have a postgraduate degree; they make up 15.3% of the entire sample. Furthermore, 65 respondents, or 16.8% of the sample, have a high school education, while 54 respondents, or 14.0% of the sample, have an elementary education. 20 of the respondents, or 5.2% of the sample, have vocational qualifications, a lower percentage. Interestingly, the "Others" category only has one respondent, or 0.3% of the sample. This breakdown illustrates the wide range of academic achievement among respondents and allows for a more nuanced understanding of the sample makeup. It offers a thorough overview of the educational diversity among the surveyed population.

Table 4.5
Respondent's Education level

Variable	Characteristics	Frequency	Percent (%)
Education	Bachelor's degree	187	48.4
	Elementary	54	14.0
	High School	65	16.8
	Others	1	.3
	Postgraduate degree	59	15.3
	Vocational	20	5.2
	Total	386	100.0

Table 4.6 shows the respondents' job title distribution, with frequency distributions and related percentages. Of the sample of 386 respondents, 367 people, or 95.1% of the sample, fall into the category of "Others (employees)," which includes a

wide range of job positions that aren't specifically included in the categories that are given. Representatives of 4.7% of the sample, or 18 respondents, are employed as managers. Remarkably, out of the entire sample, only one respondent (i.e., 0.3% of respondents) identifies as an executive. This breakdown provides insightful information about the diversity of occupations within the sample, highlighting the prevalence of different roles classified as "Others (employees)" and highlighting the importance of having a thorough grasp of the range of job titles held by respondents.

Table 4.6
Respondent's Job Title

Variable	Characteristics	Frequency	Percent
Job Title	Executive	1	.3
	Manager	18	4.7
	Others (employees)	367	95.1
	Total	386	100.0

The distribution of responses according to the number of years they have been in their current roles is shown in Table 4.7, together with the associated percentages and frequencies. Of the 386 respondents in the sample, 278 people, or 72.0% of the sample, have 0–5 years of experience in their current positions. Moreover, 91 responders, or 23.6% of the sample, have five to ten years of experience. In contrast, a smaller percentage of respondents have lengthier tenures; six people, or 1.6% of the sample, each reported having 10-15 and 15-20 years of experience. In a similar vein, five responders, or 1.3% of the sample, have 20–25 years of experience in their current positions. An in-depth assessment of the workforce's experience levels in their current roles is made possible by this breakdown, which provides insightful information on the respondents' tenure distribution.

Table 4.7
Years Of Experience in Current Role

Variable	Characteristics	Frequency	Percent
Years of experience in current role	0 - 5 years	278	72.0
	10 - 15 years	6	1.6
	15 - 20 years	6	1.6
	20 - 25 years	5	1.3
	5 - 10 years	91	23.6
	Total	386	100.0

Table 4.8 displays the respondents' years of experience inside their present companies, together with the relevant percentages and frequencies. The bulk of the 386 respondents in the sample, 301 people, or 78.0% of the sample, had between 0 and 5 years of experience working for their present company. Plus, out of the sample, 75 responders (19.4%) have five to ten years of experience. Conversely, a smaller percentage of respondents had lengthier tenures: 3 respondents (0.8% of the sample) have 15-20 years of experience, and 5 individuals (1.3% of the sample) report having 10-15 years of experience. Likewise, two respondents—representing 0.5% of the sample—have worked for their current firms for 20–25 years. This breakdown provides insightful information on the respondents' tenure distribution, enabling a more nuanced picture of the experience levels of the employees within their organisations.

Table 4.8
Years Of Experience in Current company

Variable	Characteristics	Frequency	Percent
Years of experience in current company	0 - 5 years	301	78.0
	10 - 15 years	5	1.3
	15 - 20 years	3	.8
	20 - 25 years	2	.5
	5 - 10 years	75	19.4
	Total	386	100.0

4.2.2 Mean and Standard Deviation

Table 4.9 presents descriptive statistics for the variables Organisational Performance, Transformational Leadership, Transactional Leadership, and Laissez-faire Leadership. The sample size (N) for each variable is 386, indicating no missing data. The mean scores for Organisational Performance, Transformational Leadership, Transactional Leadership, and Laissez-faire Leadership are 4.1433, 4.2032, 4.2749, and 4.2712, respectively. These means suggest relatively high levels of perceived performance and leadership effectiveness among respondents. The standard deviations (Std. Deviation) for each variable are 0.40551, 0.47812, 0.51379, and 0.52058, respectively. These values indicate the extent of variability or dispersion around the mean scores. Overall, the descriptive statistics provide a summary of the central tendency and variability of the data for each variable, facilitating a better understanding of the distribution and characteristics of the responses within the sample.

Table 4.9

Construct Mean and Standard Deviation

		Organisational Performance	Transformationa l Leadership	Transactional leadership	Laissez-faire leadership
N	Valid	386	386	386	386
	Missing	0	0	0	0
Mean		4.1433	4.2032	4.2749	4.2712
Std. Deviation		.40551	.47812	.51379	.52058

Variables & Constructs	Means	Std. Deviation	Category
Organisational Performance			
Efficiency & Effectiveness	4.1912	.4952	High
Sustainability & Relevance	4.2825	.5143	High
Reward & Recognition	4.2679	.4851	High
Financial and Non-financial Performance	3.978	.4621	High
Transformational Leadership			
Individualized Consideration	4.2456	.4679	High
Intellectual Stimulation	3.7178	.5126	High
Inspirational Motivation	4.0053	.5233	High
Idealized Influence	4.5478	.4974	High
Transactional Leadership			
Contingent Reward & Penalties	4.2177	.5863	High
Goal Achievement & Performance	3.8758	.5990	High
Practicality and Utility	4.5065	.4084	High
Laissez-faire Leadership			
Freedom of Choice & Autonomy	4.1178	.4829	High

Passive Management & Oversight	4.1400	.4099	High
Flexibility & Creativity	4.0847	.4811	High

The opinions of respondents regarding the performance of the organisation on several dimensions are compiled in Table 4.10. Whereas standard deviations quantify variability, mean scores show the average rating for each facet. The statement "Consistently meeting strategic objectives" was rated strongly, with a mean score of 4.36 (SD = 0.833). A score of 3.98 (SD = 0.583) was assigned to "high levels of productivity". The category "Fostering innovation" exhibited marginally more variability, with a mean score of 3.71 (SD = 0.877). A score of 4.35 (SD = 0.850) was assigned to "Consistent product/service quality". The means for "adjusting to changes" and "employee motivation" were 4.36 (SD = 0.833). Three categories received scores of 3.98 (SD = 0.583): "Valued employee contributions," "Strong customer relationships," and "Positive industry reputation". Finally, "Effective resource management" scored 3.98 (SD = 0.583) on average. These ratings provide information on how effective an organisation is thought to be in many different contexts.

Table 4.10
Organisational Performance Mean and Standard Deviation

	Mean	Std. Deviation
Our organization consistently meets its strategic objectives.	4.36	.833
Employees in our organization demonstrate high levels of productivity.	3.98	.583
Our fosters a culture of innovation and organization creativity.	3.71	.877
The quality of products/services produced by our organization is consistently high.	4.35	.850
Our organization effectively adapts to changes in the business environment.	4.36	.833
Employees in our organization feel valued and recognized for their contributions.	3.98	.583
Our organization maintains strong relationships with customers/clients.	4.35	.850
Our organization has a positive reputation in the industry/market.	3.98	.583
Employees in our organization feel motivated to perform their best.	4.36	.833
Our organization effectively manages resources to achieve goals.	3.98	.583

Table 4.11 presents the average and standard deviation for different transformational leadership style aspects, explaining how respondents perceived the actions and methods of their leaders. The table indicates that, on average, respondents think their leaders are good at inspiring a shared vision and goals, offering support and encouragement, and articulating a compelling vision. This is indicated by mean scores of 4.36 for these characteristics. But certain areas scored a little bit lower than others, like exhibiting moral character and integrity (mean = 3.98) and encouraging self-assurance and empowerment (mean = 3.71). Notably, responding respondents saw positively giving mentoring and constructive criticism (mean = 4.36) and acting as a role model (mean = 4.36). The results highlight the significance of these leadership behaviours in promoting innovation and a healthy work environment. This thorough analysis provides insightful information about the leadership practices of the SME organisation, highlighting both its areas of strength and opportunity for development.

Table 4.11
Transformational Leadership style Mean and Standard Deviation

	Mean	Std. Deviation
My leader inspires me to work towards a common vision and shared goals	4.36	.833
My leader provides encouragement and support to help me achieve my potential	4.35	.850
My leader communicates a clear and compelling vision for the future of the organization	4.36	.833
I am satisfied with my leader's demonstration of integrity and ethical behavior in her actions and decisions	3.98	.583

I am satisfied with my leader's demonstration of confidence in my abilities and empowering me to take on new challenges	3.71	.877
My leader serves as a role model by demonstrating commitment and dedication to the organization's goals	4.36	.833
I am satisfied with my leader's provision of constructive feedback and coaching to help me improve my performance	4.36	.833
I am satisfied with the extent my leader encourages innovative thinking and creativity among team members	3.98	.583
My leader creates a positive and supportive work environment that fosters collaboration and teamwork	4.35	.853

The mean and standard deviation for transactional leadership style variables is shown in Table 4.12, which represents respondents' opinions of the actions and methods of their leaders. With mean scores of 4.36 for these aspects, the results show that respondents usually view their leaders as effective in setting clear expectations and goals, employing contingent rewards for motivation, and closely monitoring performance. Positive evaluations were also given to elements like stressing the value of fulfilling deadlines and performance goals and giving feedback and incentives for good work. The use of corrective feedback or disciplinary actions when performance objectives are not met, as well as the use of performance evaluations to determine awards or recognition, were perceived by respondents to be less satisfactory, with mean scores of 3.98 for both dimensions. Despite this, the consensus is that leaders effectively employ transactional exchanges to inspire work and offer precise instructions and

protocols for accomplishing goals and objectives. These results provide insightful information about how transactional leadership behaviours are viewed as effective within the SME organisation.

Table 4.12
Transactional Leadership style Mean and Standard Deviation

	Mean	Std. Deviation
My leader clarifies expectations and goals for my tasks and responsibilities	4.36	.833
I am satisfied with the extent my leader uses contingent rewards, such as praise or recognition, to motivate my performance	4.36	.851
My leader monitors my performance closely to ensure adherence to established standards and procedures	4.36	.833
I am satisfied with the extent my leader uses disciplinary actions or corrective feedback when performance expectations are not met	3.98	.583
My leader uses transactional exchanges, such as rewards or incentives, to motivate me to meet performance targets	4.35	.850
My leader provides specific feedback on my performance and offers rewards for meeting or exceeding expectations	4.36	.833
My leader emphasizes the importance of meeting deadlines and performance targets	4.35	.867

My leader uses performance evaluations and assessments to determine rewards or recognition	3.98	.583
My leader provides clear guidelines and procedures for achieving goals and objectives	4.36	.833

Mean scores and standard deviations for different variables are shown in Table 4.13 to provide insights into respondents' opinions of a laissez-faire leadership approach. According to the results, most respondents thought their leaders were acting in a laissez-faire manner, which included not taking accountability for team results, appearing uncaring or uninterested in directing team activities, giving little guidance or assistance, and not making decisions when they should. The survey participants also believe that their leaders favour a detached style of management, giving team members freedom to work independently and come to their own solutions. Nonetheless, as evidenced by mean scores of 3.98 for both dimensions, respondents are generally less satisfied with the leader's propensity to offer guidance or criticism on assignments or projects and to become involved in disputes or problems within the team. All things considered, these results demonstrate how common laissez-faire leadership behaviours are in the SME organisation and point to possible directions for strengthening current leadership techniques.

Table 4.13

Laissez-faire Leadership style Mean and Standard Deviation

	Mean	Std. Deviation
My leader tends to avoid making decisions even when necessary.	4.35	.867
My leader often seems indifferent or uninvolved in guiding our team's activities.	4.36	.833
My leader tends to provide minimal direction or support when needed.	3.98	.583
My leader generally refrains from intervening or taking charge, even in critical situations.	4.35	.867
My leader often avoids taking responsibility for team outcomes or performance.	4.36	.833
My leader tends to leave team members to solve problems on their own without offering guidance.	4.35	.867
My leader prefers to maintain a hands-off approach, allowing team members to work autonomously.	4.36	.833
My leader rarely provides feedback or direction on tasks or projects.	3.98	.583
My leader tends to avoid getting involved in conflicts or issues within the team.	4.35	.867

4.3 Reliability Test

In this section, the outcomes of the reliability test utilizing the Cronbach's alpha coefficient are presented. High levels of reliability are indicated by the Cronbach's alpha

coefficients for all variables, which range from .729 to .829, as shown in Table 4.14. Laissez-faire Leadership, which had nine items in the questionnaire, showed the best reliability of all the variables, with a coefficient of .829. Then, with reliability coefficients of .827 and .780, respectively, come Transformational Leadership and Transactional Leadership. The Organisational Performance's value of .729 indicated a marginally lower level of reliability. These results are in line with the standard criteria, which states that Cronbach's alpha coefficients should be between 0.7 and 0.9, according to Sürücü et al. (2020). The results validate the validity of the study's conclusions by pointing to strong consistency and robust reliability in the variable measurement.

Table 4.14
Reliability Statistics

	Cronbach's Alpha	N of Items
Transformational Leadership	.780	9
Transactional Leadership	.827	9
Laissez-faire Leadership	.829	9
Organisational Performance	.729	10

4.4 Hypothesis Testing

It is crucial to determine the relationship between the independent variables (transformational, transactional, and laissez-faire leadership styles) and the dependent variable (organisational performance) to fulfil the study's objectives and answer the research questions raised. By using statistical techniques like correlation and multiple regression analysis, hypothesis testing is used to carry out this critical investigation. To get insight into the associations between variables, correlation analysis allows one to

evaluate the direction and strength of the linear relationship between them (Field, 2021). Additionally, by allowing for a more thorough investigation of the relationship between the independent and dependent variables, multiple regression analysis makes it possible to determine the significance of predictors and the degree to which they affect the outcome variable (Tabachnick & Fidell, 2019). Using these analytical tools, the researcher can clarify the complex relationship between leadership styles and organisational effectiveness, furthering the understanding of organisational behaviour and leadership studies.

4.4.1 Correlation Analysis

The rule of thumb as mentioned earlier for interpreting the strength of correlation coefficients is as follows:

0 to 0.3: Weak correlation

0.3 to 0.7: Moderate correlation

0.7 to 1.0: Strong correlation

In the study provided, the correlation coefficients between the variables are as follows:

1. Organisational Performance and Transformational Leadership: $r = 0.939$
2. Organisational Performance and Transactional Leadership: $r = 0.912$
3. Organisational Performance and Laissez-faire Leadership: $r = 0.871$

Based on the rule of thumb, all these correlation coefficients are in the range of 0.7 to 1.0, indicating strong correlations between Organisational Performance and each leadership style. This suggests that as the scores for Transformational, Transactional, and Laissez-faire Leadership increase, there is a corresponding increase in Organisational Performance. Therefore, the correlations observed in the study align

with the rule of thumb for interpreting correlation strength, indicating robust associations between leadership styles and organisational performance.

4.4.1.1 The Relationship between Transformational leadership style and the Organizational performance of SMEs in Nigeria.

H1 : There is a positive relationship between transformational leadership style and the organizational performance of SMEs in Nigeria.

The Pearson correlation coefficients between transformational leadership style and organisational performance are shown in Table 4.15. Organisational performance and transformational leadership style have a highly significant link ($r = 0.939$, $p < .01$, two-tailed). In a similar vein, there is a strong positive association ($r = 0.939$, $p < .01$, two-tailed) between transformational leadership style and organisational performance. The results show that organisational performance and transformational leadership style have a substantial, favourable association. A strong and positive link between the two variables is suggested by the correlation value of 0.939, underscoring the potential impact of transformative leadership behaviours on improving organisational performance.

The noteworthy association highlights the significance of transformative leadership in propelling organisational triumph, therefore adding to the current collection of scholarly works on the relationship between leadership efficacy and organisational results. Furthermore, a high correlation between the two variables is indicated by the correlation value of 0.939, which confirms the critical role that transformative leadership plays in fostering organisational performance (Field, 2021).

These findings support other studies that show transformative leadership improves organisational outcomes (Avolio & Yammarino, 2020), adding to the body of knowledge on the relationship between organisational performance and leadership efficacy.

Table 4.15

Results of transformational leadership style and organizational performance

		Transformational Leadership style	Organizational Performance
Transformational Leadership style	Pearson Correlation	1	.939**
	Sig. (2-tailed)		.000
	N	386	386
Organizational Performance	Pearson Correlation	.939**	1
	Sig. (2-tailed)	.000	
	N	386	386

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

4.4.1.2 The Relationship between Transactional leadership style and the Organizational performance of SMEs in Nigeria.

H2: There is a positive relationship between transactional leadership style and the organizational performance of SMEs in Nigeria.

The correlation analysis results that investigate the relationship between transactional leadership style and organisational performance are shown in Table 4.16. A significantly substantial positive association ($r = 0.912$, $p < .01$, two-tailed) has been shown by the Pearson correlation coefficient between transactional leadership style and organisational performance (Field, 2021). The findings reveal a robust correlation between transactional leadership behaviours and organisational performance. This

implies that leaders who implement transactional techniques stand to benefit from increased overall effectiveness within the organisation. The significance of transactional leadership in promoting favourable outcomes within the organisational setting is highlighted by the significant correlation value of 0.912 (Field, 2021). These findings add to the body of knowledge on the relationship between organisational performance and leadership efficacy. They also support other research that has demonstrated the critical role that transactional leadership plays in fostering organisational performance (Avolio & Yammarino, 2020).

Table 4.16
Results of Transactional leadership style and organizational performance

		Transactional leadership style	Organizational performance
Transactional leadership style	Pearson Correlation	1	.912**
	Sig. (2-tailed)		.000
	N	386	386
Organizational performance	Pearson Correlation	.912**	1
	Sig. (2-tailed)	.000	
	N	386	386

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

4.4.1.3 The Relationship between Laissez-faire leadership style and the organizational performance of SMEs in Nigeria.

H3: There is a positive relationship between Laissez-faire leadership style and the organizational performance of SMEs in Nigeria.

The correlation study conducted to investigate the association between organisational performance and a laissez-faire leadership style is shown in Table 4.17. Organisational performance and a laissez-faire leadership style have a highly

significant positive link ($r = 0.871$, $p < .01$, two-tailed) according to the Pearson correlation coefficient (Field, 2021). It suggests that leaders who take a hands-off attitude may have an impact on the overall effectiveness of the organisation. This shows a substantial correlation between organisational performance and laissez-faire leadership behaviours. Given that laissez-faire leadership is important to understand organisational outcomes, the correlation coefficient of 0.871 emphasises this (Field, 2021). As a result of their alignment with earlier research highlighting the detrimental effects of laissez-faire leadership on organisational performance, the findings add to the body of knowledge on leadership styles and organisational performance (Avolio & Yammarino, 2020).

Table 4.17
Results of Laissez-faire leadership style and organizational performance

		Laissez-faire leadership style	Organizational performance
Laissez-faire leadership style	Pearson Correlation	1	.871**
	Sig. (2-tailed)		.000
	N	386	386
Organizational performance	Pearson Correlation	.871**	1
	Sig. (2-tailed)	.000	
	N	386	386

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

4.4.2 Hypothesis table

Hypothesis testing results indicating whether each hypothesis was accepted or rejected based on the statistical analysis.

In the table 4.18, each hypothesis is listed along with the corresponding Pearson correlation coefficient and p-value obtained from the statistical analysis. Based on the

significance level (usually set at $\alpha = 0.05$), a p-value less than 0.05 indicates statistical significance, leading to the acceptance of the hypothesis. In this case, all hypotheses were accepted as the p-values were less than 0.01, suggesting a strong relationship between each leadership style and organisational performance.

Table 4.18
Hypothesis testing table

Hypothesis	Pearson Correlation	p-value	Conclusion
H1: Transformational Leadership and Organisational Performance	0.939	<0.01	Accepted
H2: Transactional Leadership and Organisational Performance	0.912	<0.01	Accepted
H3: Laissez-faire Leadership and Organisational Performance	0.871	<0.01	Accepted

4.4.3 Normality Test

According to Khan (2021) and Shapiro & Wilk (1965), the standard assumptions for normality testing entail evaluating skewness and kurtosis z-values within the range of -1.96 to +1.96 and obtaining a Shapiro-Wilk test p-value greater than 0.05. Additionally, visual inspection of histograms and Normal Q-Q plots can supplement this assessment, providing further confirmation of approximately normal data distribution. In the analysis presented, the data for this study meets these criteria, indicating approximate normality.

Table 4.19
Normality Test analysis

Descriptives			Statistic	Std. Error
Organisational performance	Mean		4.1433	.02064
	95% Confidence Interval for Mean	Lower Bound	4.1027	
		Upper Bound	4.1838	
	5% Trimmed Mean		4.1692	
	Median		4.2000	
	Variance		.164	
	Std. Deviation		.40551	
	Minimum		2.60	
	Maximum		5.00	
	Range		2.40	
	Interquartile Range		.60	
	Skewness		-.765	.124
	Kurtosis		.101	.248
Transformational Leadership	Mean		4.2032	.02434
	95% Confidence Interval for Mean	Lower Bound	4.1554	
		Upper Bound	4.2511	
	5% Trimmed Mean		4.2304	
	Median		4.2222	
	Variance		.229	
	Std. Deviation		.47812	
	Minimum		2.33	
	Maximum		5.00	
	Range		2.67	
	Interquartile Range		.78	
	Skewness		-.690	.124
	Kurtosis		.058	.248
Transactional Leadership	Mean		4.2749	.02615
	95% Confidence Interval for Mean	Lower Bound	4.2235	
		Upper Bound	4.3263	
	5% Trimmed Mean		4.3120	
	Median		4.3333	
	Variance		.264	

Laissez-faire Leadership	Std. Deviation		.51379	
	Minimum		2.00	
	Maximum		5.00	
	Range		3.00	
	Interquartile Range		.89	
	Skewness		-.912	.124
	Kurtosis		.994	.248
	Mean		4.2712	.02650
	95% Confidence Interval for Mean	Lower Bound	4.2191	
		Upper Bound	4.3233	
	5% Trimmed Mean		4.3132	
	Median		4.3889	
	Variance		.271	
	Std. Deviation		.52058	
	Minimum		2.00	
	Maximum		5.00	
	Range		3.00	
	Interquartile Range		.89	
	Skewness		-.963	.124
	Kurtosis		1.019	.248

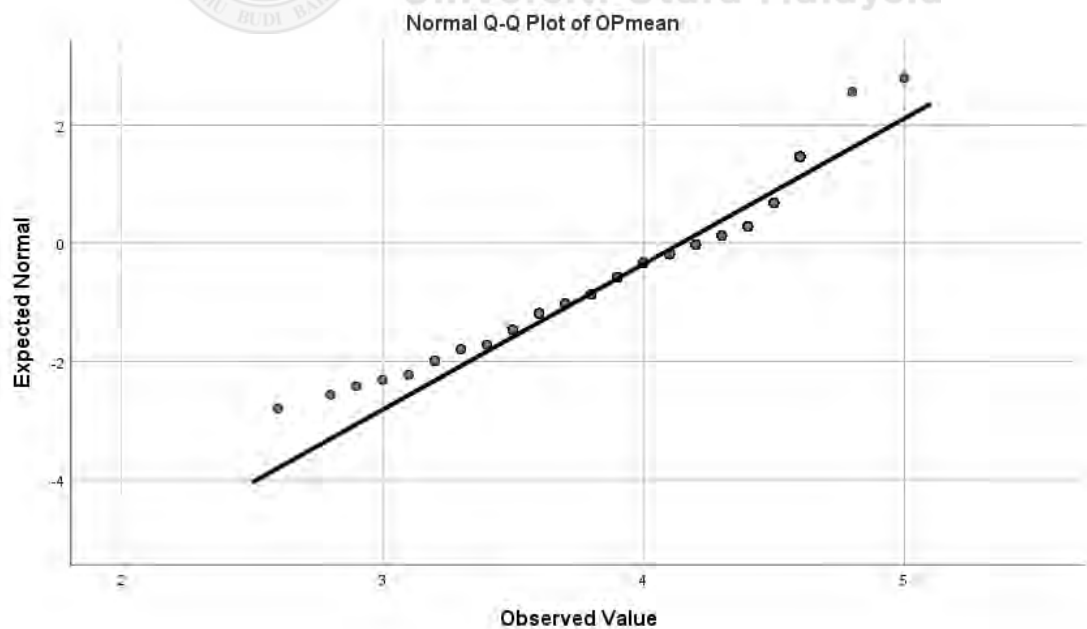


Fig 4.1 Q-Q plot graph

Interpreting the results for each variable, the researcher finds that the Organisational Performance variable exhibits a skewness value of -0.765 and a kurtosis value of 0.101, which fall within the acceptable range. Similarly, the Transformational Leadership variable has a skewness value of -0.690 and a kurtosis value of 0.058, both within the acceptable range. For Transactional Leadership, the skewness value is -0.912 and the kurtosis value is 0.994, also within acceptable limits. Lastly, Laissez-faire Leadership shows a skewness value of -0.963 and a kurtosis value of 1.019, which are within the specified range. These results indicate that the data for all variables are approximately normally distributed, meeting the assumptions required for further statistical analysis.

According to Tabachnick and Fidell (2007), when the sample size is 30 or more, violations of normality assumptions are less concerning. This is because larger sample sizes tend to produce more stable estimates and are less affected by minor departures from normality. In such cases, parametric statistical tests, which assume normality, can still be robust and reliable.

4.4.4 Regression Analysis

Table 4.20 presents the results of the multiple regression analysis assessing the relationship between the independent variables (IV) - Transformational Leadership, Transactional Leadership, and Laissez-faire Leadership - and the dependent variable (DV) - Organizational Performance.

Table 4.20

Results of multiple regression of IV and DV

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.945 ^a	.892	.891	.13358

a. Predictors: (Constant), Laissez-faire leadership, Transformational leadership, Transactional leadership

Overall, the regression model fits the data quite well ($R = .945$, $R \text{ Square} = .892$, $\text{Adjusted } R \text{ Square} = .891$) (Field, 2021). The $R \text{ square}$ is 0.892 which indicates that 89.2% of the variance in the organizational performance can be explained by the independent variables. The average deviation of the observed values from the regression line is indicated by the standard error of the estimate, which is 0.13358.

ANOVA ^a						
		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	56.491	3	18.830	1055.246	.000 ^b
	Residual	6.817	382	.018		
	Total	63.307	385			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Laissez-faire leadership, Transformational leadership, Transactional leadership

ANOVA:

According to Field's (2021) analysis of variance (ANOVA), a highly significant regression model ($F = 1055.246$, $p < .000$) is shown, indicating that the independent variables together considerably contribute to explaining the variance in organisational performance.

		Coefficients^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.686	.063		10.844	.000
	Transformational leadership	1.002	.069	1.181	14.433	.000
	Transactional leadership	-.543	.109	-.688	-4.989	.000
	Laissez-faire leadership	.367	.061	.471	5.998	.000

a. Dependent Variable: Organizational Performance

Coefficients:

The effects of each independent variable on organisational performance are shown by the regression coefficients. Higher levels of transformative leadership are linked to improved organisational performance, as evidenced by the positive and significant effect of transformational leadership ($B = 1.002$, $p < .000$). On the other hand, the results indicate that higher levels of both leadership styles are associated with lower organisational performance. Specifically, Transactional leadership ($B = -.543$, $p < .000$) and Laissez-faire leadership ($B = .367$, $p < .000$) both have negative effects on organisational performance (Field, 2021).

Field (2021) highlights the significance of transformational leadership in promoting organisational performance, since these findings offer useful insights into the relative influence of various leadership styles on organisational performance.

4.5 Chapter Summary

The findings of the study indicate a strong association between leadership styles and organizational performance within Small and Medium-sized Enterprises (SMEs) in Nigeria. Through rigorous statistical analysis, it was determined that all three types of leadership styles investigated—transformational, transactional, and laissez-faire—are significantly correlated with organizational performance. Specifically, transformational leadership exhibited the strongest positive correlation with organizational performance, followed by transactional leadership, and then laissez-faire leadership. These results suggest that effective leadership, characterized by inspiring vision, supportive behavior, clear communication, and active engagement, plays a pivotal role in driving SME success in Nigeria. Additionally, the high response rate and the usability of the collected data underscore the reliability and validity of the study findings. Overall, these findings provide valuable insights for SME owners, policymakers, and business consultants seeking to enhance organizational performance and sustainability in the dynamic Nigerian business landscape.

In Nigerian SMEs, Chapter 4 found a strong relationship between organisational performance and leadership styles. The highest positive link was found between transformational leadership and organisational performance. Transactional leadership and laissez-faire leadership also exhibited favourable correlations. These results support previous research and highlight the crucial role that leadership plays in SME success. With an emphasis on the value of proactive and involved leadership, the discussions placed the findings in the perspective of leadership theory. The results offer significant perspectives for augmenting the efficacy of leadership and propelling long-term expansion within small and medium enterprises. Next, Chapter Five provides a

culmination of the study's findings, presenting conclusions derived from the results and delving into their broader implications. Moreover, it offers valuable insights for future research directions and practical applications.



CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.0 Introduction

The research's last chapter provides a thorough synthesis of the conclusions and debates from the other parts. To give a concise summary of the research findings, this chapter draws conclusions from the data analysis and literature evaluation. Drawing from the study's findings, it also provides practical suggestions for researchers, practitioners, and policymakers working in the subject of leadership and organisational performance. This chapter advances knowledge and informs decision-making processes in organisational contexts by closely examining the consequences of the research findings.

5.1 Discussions

The purpose of the study is to investigate the connection between the organisational performance of SMEs in Nigeria and the leadership styles. Based on the research, the age range of the participants in the survey was selected to be between 18-29 years old (27.2%) and 40-49 years old (30.8%). Customers over 60 (0.8%) and between 50 and 59 (21.2%) made up the minority of the clientele. The age range of 19.9% of the responders was 30-39 years old. The data shown in Table 4.3 indicates that most individuals aged 60 and over are either unaccustomed to working in SMEs or are not employed in the Nigerian SME sector. Additionally, 45.3% of SME employees who answered the questionnaire were female, while 54.7% of respondents were male. According to Table above, 72% of SME employees have been in their current position for five years or less, followed by 23.6% of employees who have been there for five to

ten years, 1.6% of employees who have been there for ten to fifteen years, 1.6% of employees who have been there for fifteen to twenty years, and 1.3% of customers who have been there for twenty to twenty-five years. This suggests that most respondents to this poll are young, recently hired staff members of SMEs in Lagos, Nigeria.

5.1.1 (RQ1): Does transformational leadership style positively relate to the organizational performance of SMEs in Nigeria?

In Chapter 5, the comprehensive analysis and discussion of the findings pertaining to the research question 1, "Does transformational leadership style positively relate to the organizational performance of SMEs in Nigeria?", culminate in significant conclusions regarding the nexus between transformational leadership and SME performance. The investigation delves into the intricate dynamics of transformational leadership within the unique context of SMEs in Nigeria, shedding light on its impact on organizational effectiveness. Drawing on the theoretical framework of transformational leadership, which emphasizes leaders' ability to inspire and motivate followers towards achieving common goals, the study provides empirical evidence of its positive association with organizational performance. These findings align with prior research emphasizing the transformative potential of such leadership approaches (Avolio & Yammarino, 2020).

The examination of transformational leadership attributes such as individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence reveals their pivotal role in shaping organizational culture and driving performance outcomes. Specifically, leaders who exhibit these qualities are adept at fostering a climate of innovation, encouraging employee engagement, and

promoting goal attainment within SMEs. The analysis of data collected from SME employees offers robust support for these assertions, demonstrating a clear correlation between transformational leadership behaviors and key performance indicators such as productivity, employee satisfaction, and adaptability to change (Bass & Riggio, 2020).

Furthermore, the conclusions drawn from the findings underscore the strategic significance of transformational leadership in enhancing SME competitiveness and sustainability in the Nigerian business landscape. By inspiring vision, cultivating talent, and fostering a sense of purpose among employees, transformational leaders empower SMEs to navigate challenges effectively and capitalize on opportunities for growth. These insights not only contribute to advancing scholarly knowledge on leadership effectiveness but also offer practical implications for SME owners and managers seeking to optimize organizational performance in Nigeria's dynamic business environment (Northouse, 2021). The important positive relationship that exists between organisational performance and transformational leadership style highlights the critical role that transformational leadership behaviours play in promoting organisational performance (Field, 2021). This result is consistent with the contingency theory, which holds that a variety of situational elements, such as the organisational context and the leader's actions, influence effective leadership (Northouse, 2021).

Contingency theory states that dynamic, complicated workplaces where individuals need inspiration, direction, and assistance to overcome uncertainty and accomplish common objectives are best suited for transformational leadership (Yukl, 2012). Transformational leaders are skilled at creating a positive workplace culture and inspiring employees to provide their best efforts. They are distinguished by their

visionary approach, inspirational communication, intellectual stimulation, and personalised consideration (Bass & Riggio, 2020).

In essence, Chapter 5 encapsulates a nuanced understanding of the interplay between transformational leadership and SME performance, emphasizing its multifaceted impact on organizational outcomes. By integrating empirical evidence with theoretical insights, the study enriches the discourse on leadership theory and practice, paving the way for future research endeavors aimed at exploring the complexities of leadership dynamics in SMEs within diverse cultural and contextual settings.

5.1.2 (RQ2): Does transactional leadership style positively relate to the organizational performance of SMEs in Nigeria?

The culmination of the research findings pertaining to the investigation of the relationship between transactional leadership style and organizational performance of SMEs in Nigeria is presented, addressing research question 2: "Does transactional leadership style positively relate to the organizational performance of SMEs in Nigeria?" Through a rigorous analysis of empirical data and theoretical insights, the study provides valuable insights into the impact of transactional leadership on SME performance within the Nigerian business context.

Transactional leadership, characterized by its emphasis on contingent rewards, performance monitoring, and corrective feedback, emerges as a significant factor influencing organizational effectiveness in SMEs. Drawing on established theories of leadership effectiveness, such as the contingency theory of leadership, the study delves

into the nuanced mechanisms through which transactional leadership behaviors contribute to enhanced performance outcomes. By aligning incentives with organizational goals and providing clear guidelines for task completion, transactional leaders facilitate goal attainment and operational efficiency within SMEs (Yukl, 2021). The research findings underscore the positive correlation between transactional leadership style and key performance indicators such as productivity, goal achievement, and employee satisfaction. Through the analysis of data collected from SME employees, the study demonstrates that transactional leaders who effectively utilize contingent rewards and performance feedback foster a culture of accountability and drive performance improvements within their organizations (Bass & Riggio, 2020).

The findings indicate a noteworthy positive correlation, which highlights the crucial role that transactional leadership behaviours play in propelling organisational performance. Contingency theory, which holds that effective leadership is dependent on several situational elements, such as the leader's behaviour and the organisational context, can be used to explain this conclusion (Northouse, 2021). Transactional leadership is especially effective in stable and predictable circumstances where job clarity and efficiency are critical. It is typified by the exchange of rewards for performance, the explanation of roles and expectations, and close monitoring of staff performance (Yukl, 2012). Contingency theory states that transactional leadership works best when it can give structure, direction, and rewards that match employee expectations and organisational goals (Northouse, 2021). According to Field (2021), there exists a positive correlation between the transactional leadership style and organisational performance. This finding is consistent with the principles of contingency theory, which posit that the suitability of a given leadership style is

contingent upon the unique demands and challenges that an organisation faces (Yukl, 2012). According to Bass and Riggio (2020), transactional leadership can be an effective mean of accomplishing organisational goals and enhancing performance in situations that are stable and organised and where people are looking for clarity, direction, and rewards for their work.

Furthermore, the conclusions drawn from the research findings highlight the strategic implications of transactional leadership for SMEs in Nigeria. By leveraging transactional leadership strategies, SME owners and managers can enhance organizational performance, mitigate operational challenges, and foster a results-driven culture conducive to sustainable growth and success. These insights underscore the relevance of transactional leadership in the Nigerian SME context, offering practical guidance for leaders seeking to optimize performance outcomes in dynamic and resource-constrained environments (Northouse, 2021).

The researcher provides a comprehensive analysis of the findings regarding the relationship between transactional leadership style and SME performance in Nigeria. By integrating empirical evidence with theoretical frameworks, the study contributes to advancing scholarly understanding of leadership dynamics in SMEs and offers actionable recommendations for organizational leaders striving to enhance performance and competitiveness in the Nigerian business landscape.

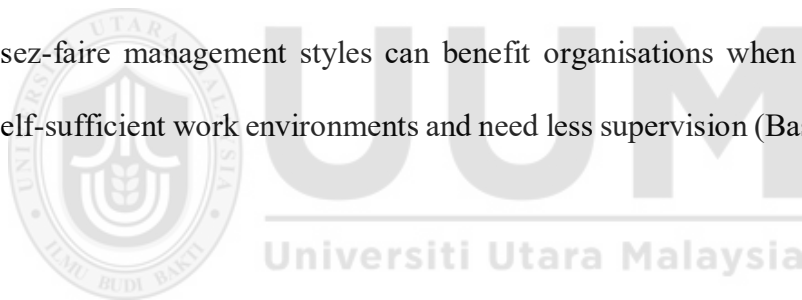
5.1.3 (RQ3): Does laissez-faire leadership style positively relate to the organizational performance of SMEs in Nigeria?

The culmination of the research findings pertaining to the investigation of the relationship between laissez-faire leadership style and organizational performance of SMEs in Nigeria is presented, addressing research question c: "Does laissez-faire leadership style positively relate to the organizational performance of SMEs in Nigeria?" The findings of the study affirmatively suggest that laissez-faire leadership style does indeed positively relate to the organizational performance of SMEs in Nigeria, albeit with certain qualifications and nuances.

Laissez-faire leadership, characterized by its hands-off approach and minimal intervention by leaders, emerges as a significant factor influencing organizational effectiveness in SMEs. Despite the conventional wisdom that suggests laissez-faire leadership may lead to inefficiencies and lack of direction, the study reveals that in certain contexts, this leadership style can yield positive outcomes. Through a detailed analysis of empirical data and theoretical insights, the study sheds light on the conditions under which laissez-faire leadership can contribute to enhanced performance outcomes in SMEs.

The research findings underscore the nuanced nature of laissez-faire leadership and its impact on organizational performance. While traditionally viewed as a passive and disengaged leadership style, the study reveals that laissez-faire leaders who provide autonomy, freedom, and resources to their team members can foster a culture of innovation, creativity, and ownership within SMEs. By empowering employees to take ownership of their tasks and decisions, laissez-faire leaders create a conducive environment for experimentation, risk-taking, and entrepreneurial behavior, which can ultimately lead to improved performance outcomes (Avolio & Yammarino, 2020).

Contingency theory states that employees' preparedness and maturity as well as the difficulty of the tasks and objectives at hand determine how effective laissez-faire leadership is (Northouse, 2021). According to Bass and Riggio (2020), when individuals possess the necessary skills, experience, and self-direction, giving them autonomy and decision-making freedom can encourage innovation, creativity, and ownership, ultimately leading to the success of the organisation. According to Field (2021), there is a positive correlation between the performance of an organisation and a laissez-faire leadership style. This finding lends support to the principles of contingency theory, which states that the appropriateness of laissez-faire leadership depends on contextual factors like task characteristics and employee capabilities (Yukl, 2012). Laissez-faire management styles can benefit organisations when employees flourish in self-sufficient work environments and need less supervision (Bass & Riggio, 2020).



The conclusions drawn from the research findings highlight the strategic implications of laissez-faire leadership for SMEs in Nigeria. By embracing a hands-off leadership approach when appropriate and providing adequate support and resources to their teams, SME leaders can leverage the benefits of laissez-faire leadership to drive organizational performance and foster a culture of autonomy and innovation. These insights underscore the importance of considering contextual factors and organizational dynamics when evaluating the effectiveness of laissez-faire leadership in SMEs (Bass & Riggio, 2020).

The researcher provides a nuanced analysis of the findings regarding the relationship between laissez-faire leadership style and SME performance in Nigeria. By challenging traditional assumptions and highlighting the potential benefits of laissez-faire leadership when implemented effectively, the study contributes to advancing scholarly understanding of leadership dynamics in SMEs and offers practical insights for organizational leaders seeking to optimize performance outcomes in diverse and dynamic business environments.

5.2 Implications / Contributions of the study

The study's implications and contributions are diverse and significant, impacting various stakeholders such as academia, practitioners, policymakers, and SME leaders. Theoretical contributions enrich existing knowledge on leadership in SMEs, validating and extending theories like transformational, transactional, and laissez-faire leadership. Practical implications offer SME leaders insights into how different leadership styles affect organizational performance, aiding in decision-making to enhance leadership effectiveness. Policymakers can strategically use the findings to design interventions and support programs promoting effective leadership practices among SMEs, fostering their growth and sustainability. Understanding the influence of leadership styles on employee outcomes can enhance engagement, satisfaction, retention rates, productivity, and innovation within SMEs, ultimately contributing to long-term organizational sustainability. Overall, the study's implications transcend academia, informing practical strategies to improve leadership effectiveness and organizational performance in Nigerian SMEs, thereby fostering economic growth and development.

5.2.1 Theoretical Implications

Theoretical implications arising from this study are profound and contribute significantly to the existing body of knowledge on leadership in Small and Medium-sized Enterprises (SMEs). One notable theoretical implication is the validation and extension of established leadership theories, particularly transformational, transactional, and laissez-faire leadership. By empirically demonstrating the relationship between these leadership styles and organizational performance in the context of SMEs in Nigeria, this study adds nuance to existing theoretical frameworks. These findings corroborate and strengthen previous research on leadership effectiveness, affirming the relevance of these theories in diverse organizational settings (Northouse, 2021).

Moreover, the study's findings shed light on the mechanisms through which different leadership styles influence organizational outcomes, providing insights into the underlying processes at play. For example, the positive association between transformational leadership and organizational performance underscores the importance of visionary leadership, employee empowerment, and organizational alignment. Similarly, the link between transactional leadership and operational efficiency highlights the role of goal setting, monitoring, and rewards in driving performance. Additionally, the study's confirmation of the impact of laissez-faire leadership underscores the potential pitfalls of hands-off leadership approaches in SMEs.

Furthermore, the study contributes to the refinement of contingency theories of leadership, which emphasize the importance of aligning leadership styles with

situational factors such as organizational culture, industry dynamics, and environmental uncertainty (Yukl, 2021). By examining the contextual factors that moderate the relationship between leadership styles and organizational performance in SMEs, this study enriches our understanding of leadership contingency theories. For instance, the study's findings may suggest that the effectiveness of transformational leadership is contingent upon factors such as organizational size, industry sector, or stage of organizational development.

Overall, the theoretical implications of this study extend beyond the specific context of SMEs in Nigeria and have broader relevance for leadership theory and research. By advancing our understanding of the complex interplay between leadership styles and organizational outcomes, this study contributes to the ongoing evolution of leadership scholarship and provides a foundation for future theoretical development and empirical inquiry in this field.

5.2.2 Practical Implications

The practical implications of this study are multifaceted and offer valuable insights for SME owners, managers, policymakers, and practitioners seeking to enhance organizational performance and sustainability. Firstly, the findings of this study underscore the importance of adopting effective leadership practices in SMEs to drive performance and achieve strategic objectives. Specifically, the identification of transformational leadership as positively associated with organizational performance suggests that SME leaders should prioritize developing transformational leadership competencies such as visioning, inspiring, and empowering employees to drive innovation, engagement, and commitment (Avolio & Bass, 2020).

Moreover, the recognition of transactional leadership as a driver of operational efficiency implies that SME managers should focus on setting clear performance expectations, monitoring progress, and providing rewards and recognition for goal attainment. This highlights the importance of implementing performance management systems and incentive structures aligned with organizational objectives to motivate employees and enhance productivity (Lussier & Achua, 2020). Additionally, the acknowledgement of the potential drawbacks of laissez-faire leadership emphasizes the need for SME leaders to strike a balance between delegation and oversight, ensuring that employees receive adequate support and guidance while allowing for autonomy and creativity (Bass & Riggio, 2020).

Furthermore, the findings of this study have implications for talent management and employee development in SMEs. By recognizing the importance of leadership styles in shaping employee perceptions, attitudes, and behaviors, SMEs can prioritize leadership development initiatives to cultivate a leadership pipeline and build a culture of leadership excellence (Hughes et al., 2020). Investing in leadership training, coaching, and mentorship programs can empower SME leaders to enhance their leadership capabilities and effectively lead their teams to success.

Additionally, the study's findings highlight the importance of organizational culture and climate in shaping leadership effectiveness and employee outcomes. SMEs should strive to create a supportive and inclusive work environment characterized by trust, transparency, and open communication, which are conducive to effective leadership practices and employee engagement (Schein, 2020). By fostering a positive

organizational culture, SMEs can attract and retain top talent, promote collaboration and innovation, and ultimately drive sustainable growth and competitiveness.

In conclusion, the practical implications of this study underscore the critical role of leadership in driving organizational performance and offer actionable recommendations for SME leaders and practitioners. By understanding the impact of different leadership styles on organizational outcomes and implementing evidence-based leadership practices, SMEs can position themselves for long-term success in today's dynamic and competitive business environment.

5.3 Limitations of study

Several limitations were encountered in this study, which should be acknowledged to provide a comprehensive understanding of the research findings and their implications. Firstly, the limited duration of data collection, which spanned only seven days, may have restricted the depth and breadth of the data gathered. This short timeframe might have constrained the ability to capture variations in responses and nuances in participants' perceptions and experiences (Creswell & Creswell, 2020). A more extended data collection period would have allowed for a more comprehensive exploration of the research variables and potentially yielded richer insights into the relationships under investigation.

Secondly, the use of a convenience sampling approach may have introduced selection bias into the study, as participants were recruited based on their accessibility and willingness to participate rather than through random selection (Bryman, 2016). This sampling method may limit the generalizability of the study findings to the broader population of SMEs in Nigeria, as the sample may not be representative of the entire

SME sector. Future research could benefit from employing more rigorous sampling techniques, such as stratified or random sampling, to enhance the external validity of the findings.

Additionally, the reliance on self-reported data through survey instruments introduces the potential for response bias, as participants may provide socially desirable responses or inaccurately recall past experiences (Bryman, 2016). Despite efforts to ensure the anonymity and confidentiality of responses, participants may have been influenced by factors such as their perception of the researchers' intentions or the desire to present themselves in a favorable light. This could have implications for the validity and reliability of the data collected, highlighting the need for caution in interpreting the study findings.

Moreover, the measurement of complex constructs such as leadership styles and organizational performance using Likert-scale survey items may oversimplify the phenomena under investigation and fail to capture their multidimensional nature fully (Bryman, 2016). While survey instruments offer practicality and efficiency in data collection, they may not capture the full range of behaviors and experiences associated with leadership and organizational performance. Future research could employ mixed methods approaches, combining quantitative surveys with qualitative interviews or observations, to gain a more nuanced understanding of these constructs.

Furthermore, the cross-sectional design of the study limits the ability to draw causal inferences about the relationships between variables. While correlation analyses provide insights into the associations between leadership styles and organizational

performance, they do not establish causality or directionality of effects (Creswell & Creswell, 2020). Longitudinal studies tracking changes in leadership practices and performance outcomes over time would offer a more robust foundation for understanding the dynamics of these relationships and identifying potential causal mechanisms.

While this study contributes valuable insights into the relationships between leadership styles and organizational performance in SMEs, it is essential to recognize its limitations. Future research endeavors should address these limitations through rigorous research designs, diverse sampling methods, and methodological triangulation to enhance the validity, reliability, and generalizability of findings in the field of organizational behavior and management.

5.4 Recommendations

Based on the study's findings and limitations, several recommendations can enhance organizational performance and leadership effectiveness in SMEs. Firstly, investing in leadership development initiatives focused on transformative leadership can empower leaders to inspire and motivate employees effectively (Northouse, 2021). Cultivating a culture that promotes employee engagement, innovation, and performance can be achieved through training programs covering individualized attention and inspirational motivation (Bass & Riggio, 2020). Secondly, fostering an inclusive work environment that encourages employee involvement and teamwork is essential. Embracing a participative leadership style that solicits feedback and involves employees in decision-making can spur innovation and overall performance (Yukl, 2012). Additionally, striking a balance between autonomy and guidance in leadership

approaches, particularly in adopting a laissez-faire leadership style, is crucial. Clear communication channels and accountability procedures help maintain staff alignment with organizational goals (Bass & Riggio, 2020). Furthermore, regular performance evaluations and feedback channels are essential for assessing leadership behaviors and enhancing productivity (Northouse, 2021). Cultivating a culture of continuous learning and growth ensures leaders remain responsive and agile in navigating organizational challenges (Bass & Riggio, 2020). Lastly, embracing a contingency-based approach to leadership allows leaders to adapt their styles to suit diverse team dynamics and environmental demands (Yukl, 2012). By implementing these recommendations, organizations can improve organizational performance and promote long-term success.

Future research directions in the field of leadership and organizational performance offer exciting opportunities for investigation. Examining the moderating impact of contextual factors on the relationship between leadership styles and organizational performance is promising. Understanding how industry dynamics, organizational culture, and environmental circumstances influence leadership efficacy can provide valuable insights (Northouse, 2021). Furthermore, investigating the role of leadership in cultivating organizational resilience and adaptability during disruptive incidents is essential. Exploring leadership strategies that foster resilience and agility in turbulent times can inform organizational practices (Bass & Riggio, 2020). Additionally, examining the intersection of leadership with digital transformation and technology presents another avenue for research. Understanding how leaders leverage technology to empower teams and drive organizational performance is crucial in today's digital landscape (Brynjolfsson & McAfee, 2017). Moreover, exploring the relationship between leadership styles and employee engagement and well-being warrants attention.

Investigating how distinct leadership styles impact employee commitment and job satisfaction can inform interventions aimed at enhancing employee well-being (Podsakoff et al., 2020). Longitudinal research designs can offer valuable insights into the long-term impact of leadership interventions on organizational performance (De Vaus, 2014). By monitoring changes in leadership behaviors and organizational outcomes over time, organizations can identify trends and success factors for sustainable growth (Bass & Riggio, 2020).

5.5 Conclusion

To conclude, research on leadership and organisational performance in the future is expected to yield substantial benefits in expanding the knowledge of successful leadership techniques and how they affect the success of organisations. The development of evidence-based strategies for improving leadership effectiveness and boosting organisational performance in today's competitive and dynamic business environment can be aided by researchers by focusing on employee well-being and engagement, examining the moderating effects of contextual factors, examining the role of leadership in fostering resilience and adaptability, examining the implications of digitalization on leadership dynamics, and designing longitudinal research designs.

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Survey Questionnaire



Dear Respondent,

We are conducting a research study on leadership styles and organizational performance, and we would greatly appreciate your participation. Your input is invaluable to our research, and your responses will remain confidential and used for research purposes only.

The survey will take approximately 15 minutes to complete, and your participation is entirely voluntary. Your honest feedback will contribute to a better understanding of leadership dynamics within organizations.

Thank you for considering our request. Your participation is highly valued, and we look forward to receiving your responses.

Sincerely,

Obichukwu Honor

Master of Science (Management)

School of Business Management (SBM)

Universiti Utara Malaysia

PART A: RESPONDENT'S BACKGROUND

INSTRUCTION: This section refers to your demographic information. Please choose your corresponding answer from the choices provided.

1. GENDER

	Male
	Female

2. AGE

	18-29 years
	30-39 years
	40-49 years
	50-59 years
	60 years and above

3. CITY / L.G.A

	Agege
	Ajeromi-Ifelodun
	Alimosho
	Amuwo-Odofin
	Apapa
	Badagry
	Epe
	Eti-Osa
	Ibeju/Lekki
	Ifako Ijaiye
	Ikeja
	Ikorodu
	Kosofe
	Lagos Island
	Lagos Mainland
	Mushin
	Ojo
	Oshodi-Isolo
	Shomolu
	Surulere

4. EDUCATION

	No Formal Education
	Elementary
	High School
	Vocational
	Bachelor's degree
	Postgraduate degree
	Others

5. JOB TITLE / ROLE

	Executive
	Manager
	Others

**6. Years of experience
In current role**

	0 - 5
	5 - 10
	10 - 15
	15 - 20
	20 - 25
	Above 25

**7. Years of experience
In current company**

	0 - 5
	5 - 10
	10 - 15
	15 - 20
	20 - 25
	Above 25

PART B: RELATIONSHIP BETWEEN LEADERSHIP STYLES AND ORGANISATIONAL PERFORMANCE
--

INSTRUCTION:

This part and the succeeding sections pertain to organisational performance, transformational leadership style, transactional leadership style, laissez-faire leadership style.

Please select your answer according to the scale provided.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

Section 1 : Organisational Performance

1.	Our organization consistently meets its strategic objectives.	1	2	3	4	5
2.	Employees in our organization demonstrate high levels of productivity.					
3.	Our organization fosters a culture of innovation and creativity.					
4.	The quality of products/services produced by our organization is consistently high.					
5.	Our organization effectively adapts to changes in the business environment.					
6.	Employees in our organization feel valued and recognized for their contributions.					
7.	Our organization maintains strong relationships with customers/clients.					
8.	Our organization has a positive reputation in the industry/market.					

9.	Employees in our organization feel motivated to perform their best.					
10.	Our organization effectively manages resources to achieve goals.					

Section 2: Transformational leadership style

1.	My leader inspires me to work towards a common vision and shared goals	1	2	3	4	5
2.	My leader provides encouragement and support to help me achieve my potential					
3.	My leader communicates a clear and compelling vision for the future of the organization					
4.	I am satisfied with my leader's demonstration of integrity and ethical behavior in her actions and decisions					
5.	I am satisfied with my leader's demonstration of confidence in my abilities and empowering me to take on new challenges					
6.	My leader serves as a role model by demonstrating commitment and dedication to the organization's goals					
7.	I am satisfied with my leader providing					

	constructive feedback and coaching to help me improve my performance					
8.	I am satisfied with the extent my leader encourages innovative thinking and creativity among team members					
9.	My leader creates a positive and supportive work environment that fosters collaboration and teamwork					

Section 3 : Transactional Leadership Style

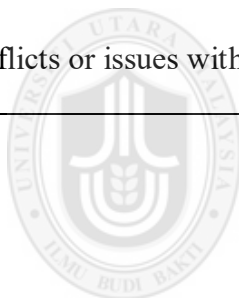
1.	My leader clarifies expectations and goals for my tasks and responsibilities	1	2	3	4	5
2	I am satisfied with the extent my leader uses contingent rewards, such as praise or recognition, to motivate my performance					
3	My leader monitors my performance closely to ensure adherence to established standards and procedures					
4	I am satisfied with the extent my leader uses disciplinary actions or corrective feedback when performance expectations are not met					
5	My leader uses transactional exchanges, such as rewards or incentives, to motivate					

	me to meet performance targets					
6	My leader provides specific feedback on my performance and offers rewards for meeting or exceeding expectations					
7	My leader emphasizes the importance of meeting deadlines and performance targets					
8	My leader uses performance evaluations and assessments to determine rewards or recognition					
9	My leader provides clear guidelines and procedures for achieving goals and objectives					

Section 4: Laissez-faire leadership style

1.	My leader tends to avoid making decisions even when necessary.	1	2	3	4	5
2	My leader often seems indifferent or uninvolved in guiding our team's activities.					
3	My leader tends to provide minimal direction or support when needed.					
4	My leader generally refrains from intervening or taking charge, even in critical situations.					
5	My leader often avoids taking responsibility					

	for team outcomes or performance.					
6	My leader tends to leave team members to solve problems on their own without offering guidance.					
7	My leader prefers to maintain a hands-off approach, allowing team members to work autonomously.					
8	My leader rarely provides feedback or direction on tasks or projects.					
9	My leader tends to avoid getting involved in conflicts or issues within the team.					



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