

Applications of Leadership Theories in Nigerian Business Organizations

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Abstract

There appears to be much controversies and disputations about the nature, meaning and characteristics of the term “leadership”. Here, controversy turns on the imprecision, variability, ambiguity and contradictions which imbue the construct. Arising from these controversies and disputations, this paper investigated the applications of leadership theories in Nigerian business organizations. The research was guided by one theory and one objective. Data were collected mainly from secondary source and these were complemented with interviews conducted among some selected staff of the organizations of study. The finding revealed that: the organizations of study apply path-goal theory in their operations and marketing strategies; the organizations of study apply task-oriented leadership model in their operations and marketing strategies; and that the task-oriented leadership model adopted by the organizations of study results in low job satisfaction, high labour turnover among the employees as well as high job performance. The study recommends an integrative theory of leadership. This theory states that because of different characteristics of people working in an organization and numerous environmental variables, a leader should adopt a bundle of theories in running an organization. The type to be adopted at a particular time depends upon the situation. Besides, leadership seminars and workshops should be conducted from time to time with a view to educating the workers, management and other stakeholders on the proper applications of relevant leadership theories in this 21st century.

Keywords: Leadership, Integrative, Bundles, Path-Goal theory.

1. INTRODUCTION

Whereas some people argue that we cannot define leadership but we can know it when we see it, others posit that leadership can only be defined as someone who has followers. Recent commentaries note that scholars do not sufficiently agree on the definition of leadership (Barker, 1997; Farson, 1996).

Leadership comes from the Anglo-Saxon word Laedan meaning to go, and is defined by Webster as guiding, conducting, proceeding or being foremost among a group of people. It is the process of developing ideas and a vision, living by values that support those ideas and that vision, influencing others to embrace them in their own behaviours, and making hard decisions about human and other resources. It is accomplishing something through other people that wouldn't have happened if you weren't there. And in today's world, that's less and less through command and control, and more and more through changing people's mindsets and hence altering the way they behave. Today, leadership is being able to mobilize ideas and values that energize other people (Tichy, 1998).

Leadership is a factor in the managerial function of directing that gives direction and purpose for organizational performance (Akpala, 1998). Leadership is the process of influencing people and providing them an environment to achieve team or organizational objectives (McShane and Glinow, 2000).

Leadership is different from management. Whereas management is a broader concept, leadership is a narrower activity. Specifically, management refers to the combination and utilization of men, materials and money for the purpose achieving of organizational objectives. On the other hand, leadership is a tool of management, a technique for influencing individuals or group in an organization with a view to achieving organizational objectives.

Without leadership, organization would be comprised of uncoordinated groups of people lacking unity and purpose. Unlike a manager that performs the management functions of planning, organizing, directing and controlling, a leader is a person who exhibits the key attributes of leadership namely: ideas, vision, values, influencing others, and making tough decisions. He shows the way by his example and pulls the followers along the desired path to be followed. Leadership can trigger off a person's will to do and transform lukewarm desires for achievement into passions for successful accomplishment. It is leadership that makes use of the various assumptions in theories X and Y, and how the leader carries on, depends on which assumption about his subordinates that he employs (Akpala, 1998).

Arising from above, this paper specifically investigated the various leadership theories and their applications in selected Nigerian business organizations with a view to ascertaining the effect on performance of the organizations of study.

2. Statement of the Problem

A casual observer will say without fear of contradiction that there are leadership problems in many Nigerian organizations. These problems manifest themselves in form of organizational politics, power tussle, insubordination, tribalism, suppression, etc. Besides, lack of conceptual clarity of the term “leadership” is the kernel of these problems. For instance, when an organization fails to achieve its objectives, the employees will blame the leaders in some cases. In other cases, when an organization fails, the leader blames the employees. But, this shouldn’t be the case. The success or failure of an organization is supposed to be shared by variables / factors of leadership namely: the leader, the followers and the situation / environment. In addition, lack of conceptual clarity of the term “leadership” made some people, who lack the skill, knowledge and abilities (SKAs) scramble for leadership positions in many organizations. And, when they eventually ascend to the leadership throne, they will not be able to function effectively. When people who lack the skill, knowledge and abilities (SKAs) become leaders of organizations they will not be able to adopt appropriate leadership theory in pursuit of organizational objectives. This will lead to low productivity, low profitability, high employee turnover, low job satisfaction, etc. The net effect of all these is low organizational performance. Based on the above, therefore, this study investigated how leaders of various business organizations apply leadership theories in pursuit of their objectives.

1.3 Objectives of the Study

The broad objective of the study is to determine the extent to which leaders in Nigerian organizations apply leadership theories in running the organizations with a view to ascertaining the effect on the performance of the organizations.

2. Literature Review

In every organization, there are informal organizations. These informal organizations have goals to fulfill which are operated within the framework of formal organizations. These informal organizations have two sets of goals, those related to the performance of tasks and those related to maintenance. In a similar way, formal organization has two types of leadership, one concerned with guiding the performance of tasks and the other concerned with organization maintenance. Hence, leadership whether in informal organization or in formal organizations, performs task-directed activities including planning resources and distributing assignments and group maintenance goals, or social functions (Belasco, Hampton and Price, 1987, Stoner, 1987). Leadership is a display of ability to motivate and to integrate followers to achieve determined organizational goals (Flippo and Mosinger, 1982).

2.1 Conceptual Clarification

There are three factors to be considered when discussing leadership in organizations. These factors to a great extent determine the achievement or otherwise of organizational objectives. These factors are: (a) the leader; (b) the subordinates and (c) the situation.

- a) **The Leader:** The leader’s personality, skill, knowledge, abilities, etc, have immense effect on the achievement of organizational objective.

A task-oriented leader who guides by exemplary behavior will achieve a high degree of success. In the same way, a person-oriented leader will achieve good success by his skill in motivating and communicating with his followers. A leader with a balance between task orientation and person orientation will invariably be successful in his leadership objectives (Akpala, 1998).

- b) **The subordinates:** Individuals differ in their personalities. Some may have high needs of independent, status and recognition while others may have high needs for order, security and stability. Members may also have various expectations. Some members may expect to be consulted on decision making and such personalities could be upset by unilateral decisions by the leaders (Belasco, Hampton and Price, 1987).

- c) **Situational Factor:** The current view is that it is the situation that determines which traits, which ability, task- oriented or group maintenance ability to call forth. What is meant in this is that effective leadership is a function of many factors including the technological environment and the task-oriented skills needed, the expectations of subordinates, all of which together make up the situation. Situation is an inter-relationship(a binding force) between the three factors of leadership.

2.2 Leadership Styles

Harbison and Myers (1969 as cited by Akpala, 1998) classify leadership and leadership styles into four namely: autocratic, paternalistic, participative and laissez- faire leadership styles,

2.2.1 Autocratic Leadership

The autocratic style is one end of the leadership continuum. Decision making in this leadership style is located solely within the province of the leader. The autocratic leader assigns tasks, provides facilities and direction without consultation with the individual carrying out the work. Such leadership can employ either positive or negative approaches. If the approach used to stimulate and influence others is grounded primarily on fear and force it is labeled negative leadership, and its methods looked at as coercive. The coercive leader is one who commands and expects compliance. The leader is dogmatic and leads by his or her ability to give or withhold rewards, and punishment.

If the leader's methods are based on incentive and reward, it is characterized as positive leadership. Such autocratic leader can implement his decision through benevolence, and / or manipulation.

Some organizational behavior scholars suggest that autocratic leadership style is an ideal one in situations of emergency, in cases where heterogeneous work forces are involved, and in cases where there are clear wisdom and understanding of the followers. At any rate, autocratic leadership would seem to go with situations at a low stage of economic and social development where lower level needs of physiological and social satisfaction still dominate. Here Mc Gregor's theory X assumptions would apply.

2.2.2 Paternalistic Leadership

Paternalistic leadership stresses a paternal or fatherly influence in the relationship between the leader and the group and is manifested in a watchful care for the comfort and welfare of the followers. It aims to protect and guide. In some instances the approach is too sentimental. The history of success of Japanese paternalism in economic and social development has been such as to make the western world describe the Japanese achievement in industrialization as a miracle. Levine (1958 as cited by Akpala, 1998) described it as a phenomenal conversion from backward agrarianism to advanced industrialization often cited as unique among national economic developments. That success has maintained its continuity again to a point that the western world are seriously considering what in Japanese paternalism could be adopted in Western practices. So there must be a wider context than the leader's ability to motivate and integrate. The wider context is sought in the culture, as Japan has shown.

2.2.3 Participative Leadership

In participative leadership (also known as democratic leadership) the leader suggests possible actions with his recommendations but awaits the reactions of the group before putting them into effect. In some situations participative or supportive leadership is merely a manipulative approach because behind the open discussion, the manager pulls the string. Such a leader discusses a problem with the subordinates, get their ideas and suggestions to problem solutions with the pros and cons of each possibility, and then, after a full discussion, he himself decides what action to take. (Sutermeste, 1963 as cited by Akpala. 1998).

2.2.4 Laissez- Faire Leadership

The laissez- faire style of leadership is at the other end of the continuum from the autocratic style. With this style, the leader attempts to pass the responsibility for decision making to the group. The leader lives little or no direction and allows group members a great deal of freedom. Also the group is loosely structured. The decision making process with this type of leadership is slow, and there can be a great deal of "buck passing". As a result, the task may not be undertaken, and conditions may become somewhat chaotic, (Flippo and Munsinger, 1982). The implications of this leadership style appear to be so negative that McGregor (1960) himself would not presume that the parties involved are Theory Y oriented. He has expressed doubts about the existence in the real world of people who need little or no direction even among a group of scientists working in a laboratory.

2.3 Sources of Leadership Power

Veschio (2005) posits that the sources of leadership are legitimate power, reward power, coercive power, referent power, and expert power, adding that leaders use these sources of power to influence followers by appealing to one or more of their needs.

Legitimate power refers to an individual's ability to influence others because of the person's formal position in the organization. An individual's ability to influence other's behaviours by providing them with valued things is referred to as reward power.

Whereas coercive power refers to an individual's ability to influence others' behavior by punishing them, referent power refers to an individual's ability to influence others because they respect or like him. Finally, expert power refers to an individual's ability to influence others behavior because of recognized competencies, talents, or specialized knowledge (Veschio, 2005).

2.4 Perspectives of Leadership

Leadership can be viewed or seen from different perspectives namely: competency /trait perspective, behavioural perspective, contingency perspective, transformational and romance perspectives (McShane and Glinow, 2000).

Competencies refer to underlying characteristics that lead to superior performance (Kochanski, 1997; Spencer and Spencer, 1993). The recent literature on leadership identifies seven competencies that are characteristics of effective leaders as drive, leadership motivation, integrity, self-confidence, intelligence, knowledge of business and emotional intelligence (Locke, 1991; Gregerson, Morrison and Black, 1998; House and Aditya, 1997). Emotional intelligence for instance, refers to the ability to monitor your own and other's emotions, to discriminate among them, and to use the information to guide your thinking and actions (McShane and Glinow, 2000).

Competency perspective falsely assumes that great leaders have the same personal characteristics and all of them are equally important in all situations (McShane and Glinow, 2000). A few scholars have warned that some personal characteristics might only influence our perception that someone is a leader, not whether the individual really makes a difference to the organization's success (Lord and Maher, 1991).

Aside from certain limitations associated with competency perspective, it offers practical implications for organizations. It recognizes that some people possess personal characteristics that offer them a higher potential to be greater leaders. The most obvious implication of this is that organizations are relying increasingly on competency-based methods to hire people for future leadership positions (Byham, 1999).

Behavioural perspective of leadership is derived from behavioural theory of leadership and is of the view that great leaders are made, not born. This perspective recognizes people-oriented leadership model in which case the leader can show love and respect for subordinates; and task-oriented leadership model. Specifically with task-oriented model, the leaders assign employees to specific tasks, clarify their work, duties and procedures, ensure that they follow company rules, and push them to reach their performance capacity (McShane and Glinow, 2000; Akpala, 1998; <http://psychology.about.com>).

The contingency perspective of leadership is based on the idea that most appropriate leadership style depends on the situation. Most contingency leadership theories assume that effective leaders must be both insightful and flexible (Tannenbaum and Schmidt, 1997; Blank, Weitzel and Green, 1990; Veschio, 1987). Specifically this theory posits that no leadership style is best in all situations. Success depends upon a number of variables, including the leadership style, qualities of the followers and aspects of the situation (<http://psychology.about.com>).

Transformational leadership is a leadership perspective that explains how leaders change teams or organizations by creating, communicating, and modeling a vision for the organization or work unit, and inspiring employees to strive for that vision. On the other hand, transactional leadership is a type of leadership that helps organizations achieve their current objectives more efficiently by linking job performance to valued rewards and ensuring that employees have the resources needed to get the job done (McShane and Glinow, 2000).

Other theories used in explaining leadership are Great Man theory of leadership, Participative theory and Management theory of leadership. Great Man theory of leadership, for instance, assumes that the capacity for leadership is inherent; that leaders are born, not made (<http://psychology.about.com>).

2.4 Empirical Review- Grassroots Leadership

The empirical review portrays the leadership style of Commander D Michael Abrashoff – a U.S. Naval officer and the full account is discussed as follow:

The USS Benfold is one of the U.S. Navy's most advanced warships with a crack crew of 300 highly skilled sailors. But its real secret weapon is leadership style of commander D. Michael Abrashoff. Abrashoff (who was recently promoted to a top naval post) relies on what he calls a "grassroots leadership" in which the Navy's rigid hierarchy is turned upside down. The highest boss is no longer the guy with most stripes; it's the sailors who do the work. Moreover, Abrashoff empowers his crew with responsibility and authority to get the job done without waiting for approval on every little detail.

Grassroots leadership takes the view that leaders should make sure employees have the resources to get the job done and are able to fulfill their own needs along the way. Abrashoff begins his process by meeting face-to-face with all crew members to understand their background and goals for the future. "Ultimately, I consider it my job to improve my little 300-person piece of society", Abrashoff explains. "And that's as much a part of the bottom line as operational readiness is."

Grassroots leadership is also about making sure the work is worth doing. Soon after his arrival as the Benfold's commander, Abrashoff interviewed every crew member to distinguish mission-critical tasks from non-value-added chores. He soon discovered that the most demoralizing chores were sanding down rust and repainting the ship. So the commander replaced rusting bolts with stainless steel hardware and had a commercial firm repaint the ship with a special rust inhibitor. The result: Crew members now spend more time learning more enjoyable work.

Grassroots leadership has had remarkable results. During Abrashoff's 20-month tour of duty, the USS Benfold became the best ship in the Pacific Fleet and received a prestigious award as the most combat ready ship in entire fleet. The crew returned one-third of the Benfold's repair and maintenance budget and all of the career sailors signed on for a second tour of duty (LaBarre,1999).

2.6 Theoretical Framework

This study is anchored on Path-Goal. In essence, the Path- Goal theory states that effective leaders influence employee satisfaction and performance by making their need satisfaction contingent on effective job performance. Thus, leaders strengthen the performance-to-outcome expectance and the value of these outcomes by ensuring that employees who perform their jobs well have a higher degree of need fulfillment than employees who perform poorly.

In addition, Path-Goal theory states that effective leaders strengthen the effort-to-performance expectancy by providing the information, support, and other resources necessary to help employees complete their tasks (House and Mitchell, 1974).

3 Methodology

This study adopted survey research design essentially because it appears more appropriate for the study. Data were collected mainly through the secondary source and these were complimented with interview conducted with some selected staff of the organizations of study. The model adopted for study is theory driven model. The organizations of study are selected banks in South East Nigeria.

4 Findings

These findings of the study are in consonance with the theory on which this work is based on. Besides, the findings correlate with most of the literature reviewed. The full details of the findings are:

1. Some of the organizations of study like First Bank of Nigeria PLC and United Bank of Africa PLC have two broad departments namely: Operations and Marketing departments. These departments tacitly apply path-goal theory in their operations and marketing strategies. This is evidenced from the fact that targets are set for the bank staff to accomplish at a specified period of time. Those bank staff that are able to achieve the set target may be reinforced (or motivated) by promotion, fringe benefits, etc. And, those who cannot achieve the target will not be reinforced.
2. The organizations of study apply task-oriented leadership model in their operations and marketing strategies. This can be evidenced from the fact that a bank worker is expected to be in the office before 8.00 am and will not be allowed to go till late in the evening – Monday through Friday. And, the workers are expected to put in some hours on Saturday.
3. Equally, the findings reveal that because the organizations of study adopt task-oriented leadership model there is high job performance. However, there are high turnovers as well as low job satisfaction among subordinates.

5. Conclusion

Many Nigerians have poor perception of the concept of leadership. Specifically, many people working in Nigerian organizations think that leadership refers only to the leader. As a result, the workers may prematurely conclude that the leaders should be blamed for the inability of the organization to achieve its corporate objectives. In the same way, some leaders of business organizations equally blame the workers for the same or similar reason(s).

However, the concept of leadership should be seen as comprising three vital factors/variables namely: the leader, the followers and the situation/ environment. These three factors, though distinct, must work in concert so as to achieve the organizational objectives. These objectives could be achieved if the leader uses appropriate leadership style and theories to influence the followers given suitable environmental conditions.

6. Recommendations

Based on the findings, the following recommendations are made:

1. The concept of leadership should be given high degree of evangelism. The evangelism should be aimed at educating people in businesses, government and general public that good leadership/governance can be attained in business organizations(or in the country as a whole) if and only if the leaders and followers play their parts given clement environmental variables.
2. Specifically, leadership seminars and workshops should be conducted from time to time with a view to educating the workers, management and other stakeholders of various organizations on the proper

applications of relevant leadership theories in this 21st century. These will enable the organizations achieve their objectives.

3. The study recommended an integrative theory of leadership. This theory states that because of different characteristics of people working in an organization and different environmental variables, a leader should adopt a bundle of leadership theories in running the organization. The type to be adopted at a particular time depends on the situation.

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