

#### Effect of leadership on employee performance in Olakleen Holdings Limited

## **Ogundare Olusegun Samuel (Ph.D.)**

Centre for Part-time Studies Ajayi Crowther University, Oyo, Oyo State E-mail: segunogundare@gmail.com

#### **Abstract**

The study examined the effect of leadership on employee performance in Olakleen holdings Limited. Other studies had mostly examined leadership styles and orientations with different outcomes and findings. The study examined leadership as mentoring, charisma, influence and motivation, while employee performance was examined to include employee commitment, employee effectiveness, measurement of work related errors and customer satisfaction. Path goal theory and situational theory was considered relevant to this study because it deals with the fundamental objectives of the discourse and the contemporary overview of what leadership connotes. A total of 170 questionnaire was administered but 162 was returned and analysis was done with SPSS Statistical software version 26.0 and decision rule for accepting significant level for any relationship or differences tested was P<0.05 level of significant. Regression analysis was used to test the hypotheses in order to achieve the stated objectives. Findings from the study revealed that leadership is essential for employee performance and recommended that leaders should be more responsible and imbibe charismatic attitude and characters that will make them a mentor rather than a judge so that their sphere of influence on their followers will yield the right impetus that will motivate performance.

#### Introduction

The role of leadership in an organization is crucial in terms of creating a vision, mission, determination and establishment of objectives, designing strategies, policies, and methods to achieve the organizational objectives effectively and efficiently along with directing and coordinating the efforts and organizational activities (Xu & Wang, 2008). Top quality leadership is essential to achieve the mission and vision along with coping with the changes occurring in the external environment (Andah, et al., 2020). In current time, many companies are facing problems related to unethical practices, high labor turnover, poor financial performance, etc. This may be due to the lack of effective leadership. The main aim of many companies is to accomplish its stated objectives; hence, there is a need of effective leaders for coordinating and motivating the employees (Sundi, 2013).



Today derelictions that are noticed in most organizations, executive rascality, management recklessness, employee insubordinations, lopsided recruitments and selective appointments are all evidence of defective leadership. Well sculpted corporate vision, strategic mission and lofty organizational objectives cannot function as appropriate as intended without leadership. The link between a successful organization and the unsuccessful ones; the difference between market leaders and market followers is leadership. Leadership drives the process, develop template for acceptable performance and then evaluate the process as often as possible. Leadership is commonly thought to be about making change happen, inspire and motivate the team and to influence others (Kottler, 1990; Bizhan et' al, 2013; Ogundare, 2020).

Leadership represents a combination of behaviors exhibited by one who occupies an elected, appointed, or designated position of influence in a social system. Leaders are leaders because other people view them as such. It must be noted that not all leaders are effective managers and not all managers are effective leaders. In other words, leadership has been described as a process of persuasion where the leader act as an example for a group in order to motivate and induce the group to pursue the objectives of the leader and the organization. Influence, charisma and mentoring are very essential in leadership. The greatest weapon of leadership is not power but influence; charisma drives the influence and mentoring is always the bye-product of leadership (Osabiya&Ikenga, 2015; Ogundare, 2020).

Leadership is all about engagement and empowerment of subordinates, conflict handling, decision-making and influencing others. Engagement and empowerment of subordinates will explore the contribution to inspiration and motivation; conflict handling will shine light on change and influencing others to pursue organizational goals; decision-making will investigate if the leaders influence others by making decisions; and influencing others digs deeper in one of the most important roles of the leader (Abdul Basit, et al, 2017).



Largely, there are various studies on leadership with different results and conclusions with most emphasis placed on leadership style and principles. Researchers such as Fagbohungbe (2016), Ali Hussein, et al (2014), Abdul Basit, et al (2017), Osabiya, et al (2015) all concluded in their studies that leadership style is essential in advancing the corporate objectives of the organization and enhance employee performance. In view of the afore-mentioned this study will examine leadership with focus on mentoring, influence and charisma.

#### **Research Objectives**

The broad objective of this study is to examine the effect of leadership on employee performance in Olakleen Holdings Limited. Specific objective will be to

- Investigate whether mentoring affects employee commitment;
- Assess the impact of leadership influence on employee effectiveness; and
- Analyze the effect of charisma on leadership followership relationship.

#### **Empirical Review**

Awwal, Halimah& Sakinah (2019) in their study attempted to examine the Impact of Effective Leadership on Employee's Performance in Zaria Local Government of Kaduna State. The study also examines the influence of leadership effectiveness on organizational productivity. Survey and documentary research was employed as the research design of the study. Data were sourced from both primary and secondary source. Structured questionnaire constituted the basic instrument for data collection of the study. Descriptive statistical tools such as table, percentage and mean score were used in the presentation and analysis of data. Chi-square as a non-parametric tool was utilized in the testing of the research hypotheses. Conclusion is drawn that effective leadership will have no glamour except employees of the organization are supervise and giving the opportunities to participate in the decision making of the organization, so as to enable them contribute to the realization of the organizational goals and objectives.



Recommendations such as participatory leadership, flexibility management and supervision, exemplary leadership and a lot of others were proffered

Utin Nina (2019) examined leadership style, motivation, work discipline and employee performance at PT. Trakindo Utama Pontianak and the influence of leadership, motivation and work discipline styles on employee performance both simultaneously and partially. The research method used is survey research method. The type of data/information used is primary data with data collection techniques by observation, questionnaire and literature study. The research population is all employees of PT. Trakindo Utama Pontianak which is 50 people. Sampling technique is census method. The analytical tool used was with the help of SPSS Data analysis techniques were carried out using path analysis approach, correlation test, determination test, simultaneous test and partial test. Findings from the results of this study are leadership style, motivation, work discipline and employee performance of PT. Trakindo Utama Pontianak is in a pretty good category, so it still needs attention, improvement and improvement. Simultaneously the influence of leadership style, motivation and work discipline has a significant effect on employee performance. Partially only work discipline has a positive and significant effect on employee performance, while leadership and motivation styles do not significantly influence employee performance, but have a positive impact on employee performance. Work discipline has the greatest influence on employee performance.

Abdul et al (2017) studied the impact of leadership style on employee performance. A sample size of 100 was used from one private organization in Selangor, Malaysia using convenience sampling technique. The study used quantitative approaches, and a questionnaire was designed. A five-point Likert scale questionnaire was used to determine the impact of leadership style on employee performance. SPSS software was used in analyzing the questionnaires. Demographic analysis, normality test, reliability test (Cronbach's Alpha), descriptive analysis and regression analysis were presented. Descriptive statistics show that the most significant value associated



with employee performance is democratic leadership style followed by laissez-faire leadership style and autocratic leadership style. Democratic leadership style has the highest mean value corresponding to 3.784 and standard deviation value of 0.8124, laissez-faire leadership style scores the second highest mean value corresponding to 3.416 and standard deviation value of 0.5858, and autocratic leadership style has the lowest mean value corresponding to 3.404 and standard deviation value of 0.7330 indicating that autocratic leadership style is poorly correlated with employee performance. Regression coefficient analysis shows that there is a significant and positive impact of democratic and laissez-faire leadership styles on employee performance. Autocratic leadership style beta coefficient value is -0.168 with a significant value of 0.025 which is higher than 0.01, hence autocratic leadership is found to have a negative significant impact on employee performance.

Odunlami et al (2017) conducted a study to Investigate the Influence of Leadership Style on Employees' Performance in Selected Private Universities in Ogun State, Nigeria. Descriptive survey research design was adopted as the study guide. Multi stage sampling technique was used for this study due to the varied characteristics of the institutions. Five hundred (500) copies of questionnaire were administered to academic and non-academic staff in the selected private universities out of which four hundred and thirty five (435) copies were filled and returned. Pearson Product Moment correlation was used to analyze the data gathered from the respondents. The study revealed that only transactional leadership style have no significant influence on employees' performance while charismatic and transformational leadership styles has positive and significant influences on employees' performance in selected private universities in Ogun State, Nigeria. The validation of charismatic and transformational leadership styles, by our model, as the key leadership styles that influenced employees' performance in our study, therefore provides predictive implications on improved employees' performance, given the activities of these leadership styles



Dalluay&Jalagat (2016) conducted a research on title Impacts of Leadership Style Effectiveness of Managers and Department Heads to Employees' job Satisfaction and Performance on Selected Small-Scale Businesses in Cavite, Philippines. The sample size used is 150. Survey questionnaires were designed to study the effects of manager leadership styles on employees' performance and satisfaction. 150 respondents were selected from corporations in Cavite, Philippines through random sampling. Data were analyzed by using weighted mean, percentages, multiple regression and correlation coefficient. Percentages specifically were used to analyze demographic variables (gender, age, length of service and leadership styles). Weighted mean were used to survey questionnaires on leadership styles, and correlation coefficient and multiple regression were used to study the relationship between variables on leadership style, job performance and job satisfaction. The finding concluded that corporations should constantly making the most of leadership style which enhances employees performance and employee job satisfactory level even though there is still rooms for improvements.

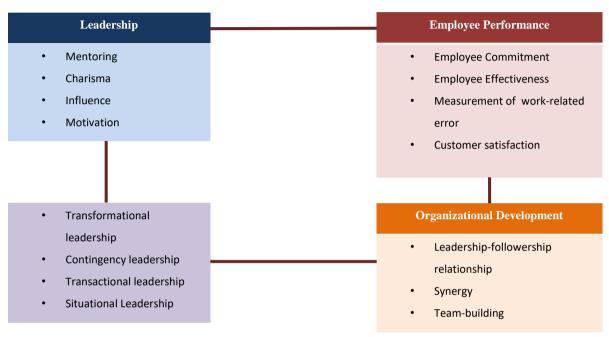
Nasir, et al. (2014) did a research on The Relationship of Leadership Styles and Organizational Performance among IPTA Academic Leaders in Klang Valley Area in Malaysia. The study used correlation methods to measure the relationship between leadership styles and organizational performance. Five public universities in Selangor were chosen. 201 academic leaders were chosen as the sample size. The questionnaire was prepared in a form of closed-ended questions. The survey instruments from Kouzes and Posner Leadership Practices inventory-Individual Contribution Self Survey (1997) and Multifactor Leadership Questionnaire (MQL) had been adapted. Likert-Scale was used. All data were analyzed by using SPSS version 20.0. The hypothesis testing from normality test with Normal Probability Plots for variables and other visual presentation measures such as histogram and box plot. Pilot test is used to test the consistency of questionnaire. Cronbach's alpha is used to test reliability.



The findings concluded that leadership behaviours are interrelated and have high positive impact with organizational performance.

#### **Conceptual Framework**





Conceptual framework showing the interconnectivity between leadership and employee performance and outcome of leadership in an organization.

Source: Ogundare (2021)

#### Methodology

Survey design was adopted for the study because it is very useful in describing the characteristics of a large population. All items were assessed on a five point Likert scale to measure responses. Section A was on bio-data of the respondents, while section B and Section C bothered on leadership and employee performance indicators.

Convenience sampling techniques was used for the study for easy contact with the respondent.

The sample size and the retrieval rate were within the standard. The questionnaire that was sent to the respondents was retrieved manually. The data gathered were used to compute a



descriptive statistics of the data as frequency count and percentages, such as tables and graphs for the presentation while inferential statistics was done and Regression analysis was deployed to test the hypotheses in order to achieve our research objectives.

## Findings and discussion

The information or data gathered were used to compute a descriptive statistics of the data as frequency count and percentages, such as tables and graphs for the presentation while inferential statistics was done used Regression analysis to test the hypotheses in order to achieve our research objectives. The questionnaires were administered to 170 respondents and out of them, 162 copies representing 95% of the questionnaire were properly filled, returned and retrieved while 8 copies representing 5% were not returned. This research analysis was done with SPSS Statistical software version 26.0 and decision rule for accepting any significant level for any relationship or differences tested was P<0.05 level of significant.

#### **Demographic Information**

Table 4.1 **Gender of the respondents** 

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	119	73.5	73.5	73.5
	Female	43	26.5	26.5	100.0
	Total	162	100.0	100.0	

Source: Field Survey, (2021). Analysis with SPSS 26.

## Leadership Charisma & Followership Relationship.

Research Questions on the Leadership Charisma &	Strongly	Agree	Indifferen	Disagree	Strongly
Followership Relationship	Agree		t		Disagree
Your manager does not pass instructions as expected	64	67	16	3 (1.9%)	12
	(39.5%)	(41.4%)	(9.9%)		(7.4%)
Your boss has had great influence on your perception about	100	47	3	0	12
work and performance	(61.7%)	(29.0%)	(1.9%)	(0.0%)	(7.4%)
Your manager is always driving everyone towards	96	51	3	12	0
productivity but the needed result is not forthcoming	(59.3%)	(31.5%)	(1.9%)	(7.4%)	(0.0%)
Your boss blame everyone for the derelictions and	41	96	12	3	10
inadequacies noticed in the department	(25.3%)	(59.3%)	(7.4%)	(1.9%)	(6.2%)



Everyone is up and doing in the department but morale is low because your manager has his favourites	89 (54.9%)	34 (21.0%)	27 (16.7%)	12 (7.4%)	0 (0.0%)
You and others in the department have great respect and unalloyed commitment to your boss	76 (46.9%)	59 (36.4%)	9 (5.6%)	6 (3.7%)	12 (7.4%)

## **Mentoring and Employee Commitment.**

Research Questions on the Mentoring & Employee Commitment	Strongly Agree	Agree	Indifferen t	Disagree	Strongly Disagree
Your boss engages you in the day-to-day administrative operation of the department	73 (45.1%)	64 (39.5%)	12 (7.4%)	0 (0.0%)	13 (8.0%)
Your boss provides valuable support on any official assignment given to you.	100 (61.7%)	30 (18.5%)	0 (0.0%)	17 (10.5%)	15 (9.3%)
You have opportunities to grow your career in this organization	75 (46.3%)	59 (36.4%)	10 (6.2%)	12 (7.4%)	6 (3.7%)
If you are to choose any organization you want to work for you will choose this organization again and again.	31 (19.1%)	53 (32.7%)	42 (25.9%)	22 (13.6%)	14 (8.6%)
You have more improved and needed awareness on how to achieve the objectives set for you	34 (21.0%)	49 (30.2%)	50 (30.9%)	12 (7.4%)	17 (10.5%)
Your working relationship in this organization has improved over time because you have learnt on the job	68 (42.0%)	67 (41.4%)	16 (9.9%)	3 (1.9%)	8 (4.9%)
Learning process in this organization is highly educative with feedback process	108 (66.7%)	43 (26.5%)	3 (1.9%)	0 (0.0%)	8 (4.9%)

# Leadership Influence and Employee Effectiveness.

Research Questions on the Leadership Influence and	Strongly	Agree	Indifferen	Disagree	Strongly
Employee Effectiveness	Agree		t		Disagree
Your boss is always available and he gives the needed	101	47	0	3	11
direction when it matters most	(62.3%)	(29.0%)	(0.0%)	(1.9%)	(6.8%)
You are better off in this department since you are posted	99	40	3	6	14
here on relief duty	(61.1%)	(24.7%)	(1.9%)	(3.7%)	(8.6%)
Your manger's instructions contributed to your good rating	90	30	23	0	19
this year compare to last year	(55.6%)	(18.5%)	(14.2%)	(0.0%)	(11.7%)
You are more focused and fulfilled since you are under your	85	51	9	6	11
current manager	(52.5%)	(31.5%)	(5.6%)	(3.7%)	(6.8%)



If you are to pick a manager who has impacted into your	85	64	13	0	0
life you will only pick your current manager	(52.5%)	(39.5%)	(8.0%)	(0.0%)	(0.0%)
**	111	26	10	0	0
You are not happy on your current job because of lack of	114	36	12	0	0
information and frustration	(70.4%)	(22.2%)	(7.4%)	(0.0%)	(0.0%)
You wish you go to other departments because you do not	87	59	10	6	0
have the needed direction and sense of belonging	(53.7%)	(36.4%)	(6.2%)	(3.7%)	(0.0%)
If not for fear of termination of appointment employees in	31	56	42	22	11
the department would have shown their insubordination	(19.1%)	(34.6%)	(25.9%)	(13.6%)	(6.8%)
openly					
Your supervisor only cares for what he stands to gain and	37	52	49	14	10
not what will benefit the interest of his subordinates.	(22.8%)	(32.1%)	(30.3%)	(8.6%)	(6.2%)

## **Testing of Research Hypotheses**

## **Hypothesis One**

H<sub>0</sub>: Leadership charisma does not have significant effect on Leadership-followership relationship.

H<sub>1</sub>: Leadership charisma has significant effect on Leadership-followership relationship.

## **Model Representation**

 $Log LR = \beta_0 + \beta_1 log (LC) + \mu_i$ 

Where: LR = Leadership-followership relationship (dependent variable)

LC = Leadership charisma(independent variable)

## Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std.	Error	of	the Durbin-Watson
				Estin	nate		
1	.511ª	.509	.501	1.207	7		1.725

a. Predictors: (Constant), Leadership Charisma

b. Dependent Variable: Leadership-followership relationship

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	26.582	3	8.861	16.084	.001 <sup>b</sup>
1	Residual	131.077	90	1.456		
	Total	157.660	93			

a. Dependent Variable: Leadership-followership relationship

b. Predictors: (Constant), Leadership Charisma

Coefficients<sup>a</sup>



Model	Model		ed	Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
1	(Constant)	1.182	.391	-	3.027	.003
	Leadership Charisma	.370	.124	.297	2.981	.004

a. Dependent Variable: Leadership-followership relationship

## Hypothesis Two

H<sub>0</sub>: Mentoring by leaders does not have effect on employee commitment.

H<sub>1</sub>: Mentoring by leaders has effect on employee commitment.

## **Model Representation**

 $Log EC = \beta_0 + \beta_1 log (ML) + \mu_i$ 

Where: EC = Employee'sCommitment (dependent variable)

ML = Mentoring by Leaders (independent variable)

## Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std.	Error	of	the Durbin-Watson
				Estin	nate		
1	.494 <sup>a</sup>	.438	.427	4.424	1		2.098

a. Predictors: (Constant), Mentoring by Leaders

## **ANOVA**<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	66.070	1	66.070	18.377	.000 <sup>b</sup>
1	Residual	1682.793	86	19.567		
	Total	1748.864	87			

a. Dependent Variable: Employee's Commitment

#### Coefficients<sup>a</sup>

Model	Model		ed	Standardized	t	Sig.
		Coefficients		Coefficients		
		В	Std. Error	Beta		
1	(Constant)	28.932	5.561		5.203	.000
	Mentoring by Leaders	.295	.160	.194	1.838	.000

a. Dependent Variable: Employee's Commitment

b. Dependent Variable: Employee's Commitment

b. Predictors: (Constant), Mentoring by Leaders



#### **Hypothesis Three**

H<sub>0</sub>: Leadership influence does not have any significant effect on employee effectiveness.

H<sub>1</sub>: Leadership influence has any significant effect on employee effectiveness.

## **Model Representation**

 $Log EE = \beta_0 + \beta_1 log (LI) + \mu_i$ 

Where: EE = Employee effectiveness(dependent variable)

LI = Leadership influence (independent variable)

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Durbin-Wat		the Durbin-Watson	
				Estimate			
1	.663a	.606	.603	2.371	107		0.708

a. Predictors: (Constant), Leadership Influence

## ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	11.050	1.050 1 1		11.050 19.878	
1	Residual	161.666	86	1.880		
	Total	172.716	87			

a. Dependent Variable: Employee's Effectiveness

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
	(Constant)	2.500	.364	-	6.874	.000
1	Leadership Influence	.255	.105	.253	2.424	.004

a. Dependent Variable: Employee's Effectiveness

#### **Conclusion and Recommendation**

The study examined the effect of leadership on employee performance in Olakleen Holdings Limited and concluded that variables of leadership such as charisma, mentoring and leadership influence do have significant influence employee performance. From the result the results show that the variable- Leadership charisma (LC) has statistical significant impact on the Leadership-

b. Dependent Variable: Employee's Effectiveness

b. Predictors: (Constant), Leadership Influence



followership relationship (LR) at the 5% alpha level of significant. Therefore, the estimation shows that the co-efficient of determination R-squared is 0.509. This reveals that the explanatory variables account for 50.9% changes in Leadership-followership relationship. On mentoring by leaders, the estimation results show that mentoring by leaders (ML) has statistical significant impact on the Employee's Commitment (EC) at the 5% alpha level of significant. Therefore, the estimation shows that the co-efficient of determination R-squared is 0.438. This reveals that the explanatory variables account for 43.8% changes in Employee's Commitment. Examination of leadership influence show that leadership influence has statistical significant impact on the Employee effectiveness at the 5% alpha level of significant. Therefore, the estimation shows that the co-efficient of determination R-squared is 0.606. This reveals that the explanatory variables account for 60.6% changes in Employee effectiveness. Based on the findings it is concluded that leadership is all about influence and inspiration. It is recommended that leaders should be more responsible and imbibe charismatic attitude and characters that will make them a mentor rather than a judge so that their sphere of influence on their followers will yield the right impetus that will motivate performance.

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