

Leadership Styles of Managers and Employee's Job Performance in a Banking Sector.

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Abstract: Leadership style is a corporate task of the top management whose decisions determines the extent of achieving styles favorable, there is satisfaction in work, which employees tend to seek, and if they are not favorable, employees will be dissatisfied (Wright et al., 2012) This study thus aims to investigate the relationship between the leadership styles of Managers and employees job performance in a selected bank in Nigeria (Transformational leadership, Transactional leadership and laissez-faire) and employee's job performance in a banking sector in Nigeria. The study population consists of one hundred and fifty five (155) Zenith Bank employees. Leadership styles was measured with MLQ questionnaire by Bass and Avolio (1994) and Task performance: Bott, et el (2003) and Contextual performance: A modified version of Motowidlo and Van Scotter's (1994) were adopted and utilized to determine the employee's job performance. The study revealed that the most commonly leadership style that is practiced by the bank managers is the transformational leadership styles and it also claims that there is a significant relationship between leadership styles and job performance.

Key words: leadership, performance, transformational, transactional, laissez-faire.

I. Introduction

Leadership style is broadly perceived as a basic driving factor in the success or disappointment of an organization (Hasbullah, 2008) ; in line with this leadership must be adequately managed to the advantage of an organization for it to achieve success in its organization and operation (Rayner, Fuller, McEwen, & Roberts, 2010; Von Krogh, Nonaka, &Rechsteiner, 2012). There is no doubt saying that the success of every organization in both its organizational management and business operations depends generally on the nature of its labor force; and the proper ability to lead this labor force towards attainment of the organization's goal (Von Krogh et al., 2012). From the forgoing, the labor force of an organization is seen as the foundation upon which every organization stems and operations are built (DeRue& Ashford, 2010); and the strength upon which an organization lies and relies. For this reason, it is important for every leader to engage the right leadership style to provide everything necessary to make or keep employees satisfied in their job performance and to administer the organization towards achieving its operational goals (Hasbullah, 2008).

The impact of leadership style in an organization cannot be overemphasized; Leadership styles enables an organization to translate its potential for good performance into efficiency (Walumbwa, Avolio, & Aryee, 2011). Researches have indicated that the employment of the right caliber of personnel does not effectively achieve or attain organizational goal if leadership style of the organization are not favorable to the staff (Wright, Moynihan, & Pandey, 2012). The number or quality of staff members, professionals and consultants available at the disposal of an organization does not have much bearing on the organization in achieving its main operational goals, rather the manner in which the organization's human resource are rightly put together by leadership towards achieving organization's goals (Walumbwa et al., 2011). In this light, leadership style have proved important in the effective management of organization's human resource towards sustainability, productivity and profitability (Walumbwa et al., 2011)

According to Armstrong, MacDonald and Stillo (2010) "leadership styles influence the level of motivation of an individual and it is very important in employee's motivation and performance. However, throughout a lifetime, man's motivation is influenced by changing ambitions and; or leadership style of the entity he works under or the people he socializes with. In line with this, it has been noted that command-and-control leadership drains off ambition while worker responsibility increases ambition". This reflects that certain style of leadership could affect the job performance of an individual (Piccolo et al., 2010). All around qualified and skilled personnel are essential in setting of accomplishing goals and objectives of an organization through, compelling leadership and administration styles. The success of an organization depends on the persevering, faithful and included managers and employees (OK, Sakiru, 2014). In this cutting edge period where world has turn into a worldwide town, firms are considered to be aggressive on the basis of capability of their HR. It is

somewhat a troublesome task to handle individuals who are physically, psychologically, socially and ethnically distinctive (Ameriou&Mahmoudi, 2011), From one another, on this note compelling administration of employees is generally reliant on the nature of leadership organizations have (Albion &Gagliardi, 2007). Leadership is similar to a bond in an organization, it makes individuals to cooperate. Organizations at present are more worried about understanding, advancement and change of their leadership. Transformational leadership is a cutting edge approach towards leadership. Vinkenbunrg, Van Engen, Eagly, and Johannesen-Schmidt (2011) described transformational leadership as a system of changing and transforming individuals, systems of affecting ideas and methods to change individuals

II. Objective of the study

- 1)To determine the level of employee job performance in the banking sector in Nigeria
- 2)To determine the leadership styles commonly used by the managers in the banking sector in Nigeria.
- 3)To determine the relationship between leadership styles of managers and employee job performance in a banking sector in Nigeria

III. Literature review

Leadership style

Leadership means distinctive things to diverse individuals. Leadership is a prominent idea as opposed to have been used in a wide range of ways. Thomas (2003) says that, even in ordinary usage the term 'leadership' is ambiguous. It is used to allude to the holders of certain formally characterized positions in an organization, as when speaking of the 'gathering leadership' or the union leadership. But at the same time is used to mean a specific sort of conduct; when someone is recognized for displaying outstanding leadership' it is their actions that are being praised. Such a person might possess a position of leadership. Leadership is life blood of any organization and its criticalness can't be belittled. Various creators have contemplated this sensation, yet there is no cognizant significance of what leadership is no transcendent standard for examining it, and small comprehension as for the best methods for making and practicing it (Bennis, 2007; Hackman &Wageman, 2007; Vroom &Jago, 2007). Perspectives leadership as that kind obviously, which a man can accommodate a social occasion of people under him in a manner that these will affect the behavior of another individual, or get-together. Ngodo (2008) sees leadership to be a comparing procedure of social effect, in which pioneers and subordinates affect each other with a particular finished objective to achieve organizational objectives.

Transformational leadership

Transformational leadership was used as the theoretical framework for this study and was the free variable of hobby. The idea of transformational leadership was initially created by J. M. Blazes in 1978. Since that presentation, a large number of exploration studies have been finished concerning the theme. Pioneers who use the transformational style engage and move their supporters (Bass &Avolio, 1990). By providing an environment of trust, respect, and purpose, the transformational leader appeals to the follower's desire to feel needed, which, in turn, elevates the individual's contribution to the organization (Gialamas&Pelonis, 2009). The transformational leader is concerned with helping the follower reach his or her potential by coaching him or her to grow personally in the context of the organization's vision and goals (Marchionni& Richie, 2008). It has been shown that this approach is effective in improving organizational performance (Vecchio et al., 2008).

Research by Sellgren, Ekvall, and Tomson (2006) and Webb (2007) has identified four factors to explain the theory of transformational leadership: (a) inspirational motivation, (b) idealized influence, (c) intellectual stimulation, and (d) individualized consideration. This classification of factors is useful as an outline to discuss the literature for this leadership style. It should be noted that Avolio and Bass (1995b) used this same classification but further subdivided "idealized influence" into "idealized attributes" and "idealized behaviors" when they created the MLQ. This resulted in five factors added together to obtain a total transformational leadership score for analysis in the results section. Inspirational Motivation Inspirational motivation is said to be characterized by followers who are enthused about the mission, purpose, and goals of the unit because they have been provided meaningful and challenging work (Bass &Riggio, 2006).

Transactional leadership

Transactional leadership then again is leadership style that involves engaging subordinates' self-interest by establishing trade relationships with them. Transactional leaders are those who sought to persuade followers by engaging their self-interests. As per Avolio and Bass (1995) transactional leadership involves unexpected prize, administration –by- exception (active) and Management –by- exception (passive).

Management by exception (Passive):

This is basically an exchanged relationship where Leaders implicitly believe and trust their subordinate in doing their tasks to a satisfactorily level of standard; however, they do not inspire their subordinates to achieve beyond what is originally stated (Sarros and Santora, 2001).

Management by exception (Active):
This is a leadership behaviour that involves actively taking action when irregularities happen in organizations. Transactional leaders using active styles are characterized by high energy level, and are optimistic on organizational success (Sarros and Santora 2001) high energy level, and are optimistic on organizational success (Sarros and Santora 2001)

Contingent reward:

It is basically a trade process in the middle of leaders and followers in which efforts by followers is traded for specified rewards. In this kind of leadership, the pioneer tries to acquire assertion from followers on what must be done and the prize for the accomplishment of the tasks.

Laissez-faire leadership

The free enterprise style of leadership is at the flip side of the continuum from the totalitarian style. With this style, the pioneer endeavors to pass the obligation regarding choice making to the gathering. The pioneer gives practically zero courses and permits bunch individuals a lot of opportunity. Additionally, the group is loosely structured. The choice making procedure with this kind of leadership is moderate, and there can be a lot of "buck passing". Accordingly, the errand may not be embraced, and contemplations may turn out to be to some degree disorganized. The style of leadership presumes that the gatherings included are hypothesis Y arranged. McGregor himself communicated questions about the presence in this present reality of individuals who require practically zero bearing.

Thus, McGregor himself finally realized the importance of a more directive leadership. Group members, in the end, will eventually demand some type of structure to be employed in order to get the job done. Very often the frustrations that accompany the laissez faire structure outweigh its benefits

Employee's job performance

Job performance is the evaluation people's behavior based on the contribution of behaviour to the organizational objective. Amos, et al. (2004:63) state that "the suitable organization of individual performance is isolating to the execution of system and the organization accomplishing its key objectives". Performance can't be left in foreknowledge that it will develop really, despite the representative's typical needing to perform and be balanced for it. This aching ought to be obliged, supported and made (Amos et al., 2004). In this way for this performance, organizations upgrade themselves in distinctive sorts of solicitation (Foot & Hook, 1999). Work performance has change into a topical issue in today's business surroundings, to such a degree, to the point that organizations set forth an excellent try to assess and regulate it (Armstrong and Baron, 1998). Whetten and Cameron (1998) state that individual performance is the result of farthest point reproduced by inspiration, Furthermore, Cummings and Schwab (1973) agree with the conviction that performance is at long last an individual wonder with trademark variables influencing performance in a clearing sense through their impact on the single determinants of performance – most great and inspiration.

Relationship between Leadership styles and employee work performance

Broad studies have been completed beforehand to have the capacity to distinguish successful leadership styles, which bring about work performance in organizations. Various studies have found that groundbreaking leadership and a great deal all the more especially its charm, individualized thought and scholarly incitement, are solid indicators of work performance at individual and organizational level. Then again, value-based leadership style may have a hopeful or negative effect on devotees' performance, as for the sort of organization and specific conditions. The value-based measurement of unforeseen prize keeps on being identified with work performance; however this relationship is less obvious in examination towards the groundbreaking inundations.

The worth based estimation of organization by exceptional case (both dynamic and withdrew) has frail associations with work performance and consistently negative. The study's outcomes demonstrated that momentous leadership was completely associated with forte unit performance successfully accomplishing an association is likely towards the leader's capacity to incite HR. A decent leader grasps the hugeness of workers in completing the destinations from the affiliation.

Furthermore, it's generally perceived the adequacy associated with an arrangement of individuals is with that said susceptible to the technique because of its leadership-effective pioneer conducted courage's the fulfillment from the darling's wishes, which in turn leads to possible execution (Fiedler and House, 1988 Maritz, 1995 Ristow et al., 1999). Leaderships most likely the most investigated authoritative variable has a potential impact on representative execution (Cummings & Schwab, 1973). A huge assortment of exploratory

confirmations has proven that leadership practices influence authoritative execution that solid pioneers beat frail pioneers, which life changing leadership produces greater execution than transactional leadership (Burns 1978 bass 1990 Hater & Bass 1988 Howell & Avolio 1993). Kirkpatrick and Locke (1996) recognized greater than 35 studies confirming positive connections at the time of leadership and execution. This study concentrated on the ten branches of Zenith Bank Plc Lagos Nigeria.

IV. Methodology

Research sample and data collection

The study population covered 10 branches of Zenith Banks in Lagos state and A closed-ended questionnaire was used in gathering relevant data from the employees in the said organization. 120 questionnaires were filled and returned by the respondents

Instrument for data collection

The main tool for data collection for this study is questionnaires. This section presents the measurement of the variables, their validity, and reliability. First, demographic profile of the respondents will be discussed, follow by the dependent variable (job performance) and finally the independent variables (leadership styles) To measure the leadership styles in Zenith Bank, Plc, the MLQ questionnaire by Bass and Avolio (1994) was adopted, task and contextual performance measure was used to measure employee job performance.

V. Result

Objective 1. To determine the level of employee job performance in the banking sector in Nigeria based on their leadership styles.

Table 1: Result for Level of job performance

Variable	N	Mean	SD	Levels
Job performance	120	3.49	0.77	High

Note: Low (1-2.33), moderate (2.34-3.66), high (3.67-5), N=120

In accordance with the ratings of 1-2.33 is low, 2.34-3.66 is moderate, 3.67 -5.00 is high. The analysis shows that the level of job performance among the employees in the banking sector in Nigeria was at moderate level.

Objective 2: The leadership styles commonly used by the managers in the banking sector in Nigeria.

In answering this objective, data on leadership styles used by the manager in the banking sector was collected from employee's responses to the manager's leadership styles questionnaire. The data collected were analysed using means and standard deviation as indicated in the table below:

Table 2: Distribution of respondent's leadership styles

Variable	N	Mean	SD	Rank
Transformational	120	4.02	0.74	1
Transactional	120	3.97	0.70	2
Laissez-faire	120	3.79	0.77	3

The most commonly leadership style that is practiced by the bank managers is the transformational leadership styles with the highest (M= 4.02, S.D= 0.74), followed by the transactional leadership styles (M=3.97, S.D= 0.70), laissez-faire is the lowest with (M=3.79, S.D= 0.77).

Objective 3: The relationship between leadership styles of managers and employee job performance in a banking sector in Nigeria

Data on manager's leadership styles were collected from the responses of employees to the manager leadership styles questionnaire. Data on employee job performance were collected from the employees based on their job performance questionnaire. The data collected were collated and analyzed, with Pearson correlation, to determine the relationship:

Table 3: The relationship between leadership styles of managers and employees job performance

Variables	R	P	Level
Job performance (Y)	--	--	--
Transformational style (X1)	0.400**	0.000	Medium
Transactional style (X2)	0.322**	0.000	Medium
Laissez-faire style (X3)	0.263**	0.000	Small
Overall job performance	.414**	.000	Medium

Note: 1. two asterisk means correlation is significant at the 0.01 level (2-tailed)

2. Y in parentheses signifies dependents variable

3. X in parentheses signifies independent variable

Table 3: reveals that the strongest linear relationship was found to exist between transformation style (X₁), and job performance (Y), ($r = .400, p = .000$), indicating that as the scores for transformational leadership increases so do the rating for job performance. The second highest correlation was found between transactional leadership (X₂) and job performance (Y), ($r = 0.322, p = .000$) which indicate moderate and positive relationship between this two variables. The result indicated that the lowest positive relationship was reported between laissez-faire leadership styles and job performance.

VI. Discussion

The findings revealed that employee job performance was at moderate level with a mean score (M= 3.49). Accordingly, employee's job performance at a moderate level can be as a result of involving subjects such as good leadership style exhibits by their various managers good working relationship with their colleagues, and a good working environment. This is in line with MacDonald and Stillo (2010), and Hasbullah, 2008 and Majtán (2005).

This finding was consisted with the findings of prior researchers in this field which declared transformational leadership styles has the best and generally used styles (Wang et al., 2005). Appropriately, the findings of this study affirm that a transformational leadership style of bank managers will boost employees' job performance (self-assessed). Transformational leadership styles are the commonest style of leadership practised by the managers in the banking sector, with the mean (M= 4.02).

The result of supported different researchers in the field, which claims that there is a significant relationship between leadership styles and job performance. Then again, when Bass' (1985) Multifactor Leadership Questionnaire (MLQ) was used, a high relationship was found between the pioneer's transformational style and the performance level. This relationship was consistently higher than the positive association between the pioneer's transactional style and performance.

VII. Conclusion

Overall, the purpose of this study was to review the leadership styles of managers and employee's job performance in the banking sector in Nigeria. The results showed that transformational leadership style has a positive relationship with job performance and it is the most commonly leadership styles used by managers in the banking sectors. The findings of the study have therefore brought the researchers to summarize that transformational leadership style is the greatest type of leadership that improves better worker job commitment within the organization, indicating that practicing an effective leadership style within the banking sector improve employee's job performance and overall job performance within the employees in the banking sector in Nigeria.

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