Empirical Examination of Leadership Styles as A Predictor of Organizational Performance in Bayelsa Specialist Hospital

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INTRODUCTION

Leadership styles are the approaches or actions that leaders employ to guide, motivate, and encourage their workforce or organizations. There are various leadership styles, each characterized by different decision-making methods, communication, and interaction with team members. Democratic Leadership also known as participative leadership style involves sharing decision-making authority with team members. Democratic leaders solicit input, ideas, and employees’ feedback before making decisions, fostering a collaborative and inclusive work environment. Team members feel valued and empowered to contribute to the decision-making process. Laissez-faire CEOs adopt a detached style, offering their team members little direction or advice. They have faith in workers to oversee their own work and act autonomously when making judgments. Laissez-faire leadership is effective when leading highly skilled and self-motivated teams who thrive on autonomy and freedom.

Employee performance determines the organization's success or failure (Dashwe & Macha, 2022). A key element that can have a big impact on an organization's profitability is employee performance, which is defined by the highest caliber of work produced (Mudany et al., 2021). Employee performance is critical to a business's success (Omar et al., 2022). The performance of any organization good or bad can be attributed to the style of leadership that organization employs in motivating its employees to perform. Leadership styles that do not promote effective employee engagement is likely to decrease employee morale as such have a negative effect on employee performance which in turn would affect overall organizational performance.

Statement of the Problem

The problem associated with leadership styles and organizational performance often revolves around finding the right balance and alignment between the two. Different leadership styles can have varying impacts on organizational culture, employee motivation, productivity, and ultimately, overall performance (Ozigi & Onyeukwu, 2022). When the leadership style employed by the leaders does not match the needs or culture of the organization, it can lead to conflicts, confusion, and decreased morale among employees. For instance, Leaders who are rigid in their approach and fail to adapt their leadership style to different situations or contexts may struggle to effectively motivate and engage employees. This may stifle innovation.

ABSTRACT

This study examined the impact of leadership styles on organizational performance. The style of leadership an organization uses to a large extent can predict the level of effectiveness and efficiency of its workers thereby having a huge effect on organizational performance. A descriptive research design was utilized to carry out this study. Out of a population of 889 respondents, a sample size of 276 respondents was drawn from nine departments of the Bayelsa Specialist Hospital. The research instrument used for the study was a structured questionnaire. Data was analyzed using multiple regression via the statistical package of social sciences (SPSS). The findings of the study revealed that leadership styles have a significant effect on organizational performance (R²=.976, R=96.2% at p=0.000). The statistical findings show that the independent variable (leadership styles) measured using laissez faire and democratic leadership styles accounts for 96.2% of variations in the dependent variable (organizational performance) which was measured using effectiveness. Therefore, the study recommends that organizations should invest in leadership training programs to enhance leadership skills especially for managerial positions. This would impact positively on employee effectiveness as such boost organizational performance.

Keywords: Leadership Styles, Laissez Faire Leadership, Democratic Leadership, Organizational Performance, Effectiveness.
and hinder performance. Also, inconsistency in leadership behavior can lead to uncertainty and instability within the organization. Employees may become unsure of what is expected of them or how they will be treated, which can hinder their performance and commitment to the organization (Eze, 2023). Some leadership styles may be resistant to change or innovation, which can hinder the organization's capacity to adjust to evolving market environments or commercial inclinations. Leaders who are unwilling to embrace change may find it challenging to keep their organizations competitive and high-performing. Furthermore, micromanagement can be detrimental to organizational performance as it undermines employee autonomy, creativity, and morale (Wang and Xu, 2019). Leaders who micromanage often stifle innovation and hinder employee growth and development, ultimately impacting overall productivity and performance. Leaders who fail to provide a clear vision and direction for the organization may struggle to inspire and motivate employees. Without a sense of purpose or direction, employees may feel lost or disconnected from their work, leading to decreased performance and engagement (Thomas, 2020). Addressing these challenges requires leaders to be self-aware, adaptable, and open to feedback. They need to understand the influence of their leadership style on organizational dynamics and be willing to adjust their approach as needed to foster a culture of high performance and constant development.

Objectives of the Study
Using workers from Bayelsa Specialist Hospital, the primary goal of this study is to look into how leadership styles affect organizational performance. But the specific objectives are:
1. To determine the effect of laissez-fair leadership style on performance in Bayelsa Specialist Hospital.
2. To investigate the effect of democratic leadership style on performance in Bayelsa Specialist Hospital.

Research Hypotheses
The following hypotheses were formulated for the study:
1. H₁₀: Laissez-fair style of leadership has no significant effect on performance in Bayelsa Specialist Hospital.
2. H₁₁: Democratic style of leadership has no significant effect on performance in Bayelsa Specialist Hospital.

LITERATURE REVIEW
This section discusses the proxies used to measure variables in the study. The independent variable (leadership styles) was measured using laissez faire and democratic styles of leadership while the dependent variable (organizational performance) was measured using effectiveness.

Concept of Leadership
Leaders have a significant influence on how an organization behaves because they explain and exemplify the principles and goals that the organization upholds (Akparep et al., 2019; Cahyadi et al., 2022; Wang & Huang 2022; Ahmed, 2024; Kankisingi & Dhliwayo, 2022). According to Akpa, Olalekan, and Adedoyin (2021) good leadership is a key driver of management development and a long-term competitive advantage for enhancing organizational performance. Proficient leaders endeavor to preserve the authenticity of their establishments (Khan & Yıldız, 2020).

An improvement in employee performance across the board for the organizational unit is a sign of effective leadership behavior in managing human resources in a work unit and the work environment, which in turn affects work behavior (Novitasari & Iskandar 2022). Leaders in organizations and the workplace aim to establish a favorable atmosphere that guarantees the optimal performance of every individual (Eze, 2023). One of the most important resources for a company to maintain operations in the face of challenges brought on by the global economic climate is effective leadership (Karacsony, 2021).

Laissez-faire Leadership Style
This is a kind of non-leadership, which is often referred to as passive leadership. Here, the leaders adopt a highly passive style of leadership, deferring making choices, providing few feedback, and assigning tasks to others (Breevaart & Zacher, 2019). The laissez-faire leadership style, sometimes referred to as hands-off leadership (Dasborough & Scandura, 2022), is a style of leadership in which the leader gives their subordinates very little direction, involvement, or guidance (Barnett, 2017). Laissez-faire leadership fosters skill development and increases employee work satisfaction (Lumumba et al., 2021). According to Al Khajeh (2018), laissez-faire leadership is typified by a leader's apathy about the organization's issues and strategic plan. Employees have the freedom to select their own rules, guidelines, and methods of decision-making. It is a common notion among leaders that the best leadership styles are those that permit employees to exercise some degree of autonomy in implementing any style of leadership (Nshimirimana & Kwizera, 2023). According to Eze (2023), leaders that adopt this style assist their followers in realizing their potential and encourage them to seek out additional possibilities for professional development in order to reach their full potential. When given lax leadership, subordinates operate with a great degree of liberty and independence (Iqbal, Adeel & Khan, 2021). A disposition to shirk accountability and involvement is what defines the laissez-faire subgroup of transactional style (Specchia et al., 2021). The laissez-faire leadership style makes sense when there are highly skilled workers (Donkor & Zhou, 2020). Everyone agrees that laissez-faire leadership is the least successful approach (Zhang et al., 2023). Laissez-faire leadership has historically been viewed as the least active type of leadership that can have a variety of negative consequences for workers (Hu et al., 2022; Parveen et al., 2022). The primary source of
workplace stress is laissez-faire leadership (Lundmark et al., 2022). The performance, attitudes, and behavior of subordinates are negatively impacted by this leadership style (Diebig & Bormann, 2020). According to Zhang et al. (2023), laissez-faire leadership has a correlation with workplace time stealing norms among employees.

Democratic Leadership Style
Democratic leadership, also known as participative leadership, is informed by the understanding that both upper management and lower-level organizational members participate in decision-making (Vincent & Baptiste, 2021). Democratic leadership is characterized by a leader’s demonstration of empathy and tact by including staff members in decisions that have an impact on the workplace (Hilal et al., 2023). Positive effects on workers’ motivation are a hallmark of democratic leadership (Hassnain, 2023). Democratic leaders typically give their subordinates more authority by seeking their opinions. As a result, it facilitates the growth of people's talents through others' participation (Bolarinwa et al., 2023). A democratic leader would act in a way that inspires others to join in and gives them the authority they need to do their responsibilities with ease. Additionally, this pattern aims to strengthen the perception among subordinates that they play a significant role in administrative decision-making (Hilal et al., 2023). When workers’ ideas and opinions are gathered and a binding decision is made on their behalf, the democratic leader actively promotes cooperation and decision-making (Oussible & Tinaztepe, 2022). Democratic leaders solicit input from subordinates and make them feel being part and parcel of the decision-making process (Vincent & Baptiste, 2021). Democratic leaders share responsibilities with the group and involve them in it. Subordinates also take part in decision-making, which is crucial since it emphasizes individuals (Nteboheng & Samson, 2021).

Organizational Performance
Performance is a metric used by successful businesses to measure their work accomplishments (OmarCob et al., 2022). The performance of any organisation largely depends on the performance of its employees (Musa & Bello, 2023). Many elements, including pay, work environment, organizational culture, leadership and motivation, organizational discipline, work satisfaction, communication, and other aspects, influence employees’ ability to perform at a high level (Purwanto, 2020; Novitasari, 2020). Organizational performance refers to how well an organization achieves its objectives and goals in various aspects of its operations. It's a multidimensional concept that encompasses numerous crucial aspects, including as customer satisfaction, operational effectiveness, and financial performance, employee satisfaction, innovation, and social responsibility. Businesses must operate well as an organization in order to preserve and increase their market share (Hemakumara, 2020). Many factors could influence organizational performance including motivation, structure, culture and leadership amongst numerous other factors not mentioned. In addition, organizational performance is to a large extent predicted by employee performance which defines the output of an employee or its productivity with respect to input (Ogwu et al., 2023).

Effectiveness
Effectiveness is the degree to which a company meets its goals and objectives while making the best use of its resources. It's a measure of how well an organization fulfills its mission and meets the needs of its stakeholders, including customers, employees, investors, and the community (Madrid, 2024). Organizational effectiveness encompasses various dimensions such as goal achievement which involves setting clear and achievable goals aligned with the organization’s mission and vision. These goals may include financial targets, market share objectives, product/service quality standards, and social responsibility commitments. Effective organizations establish measurable objectives and regularly monitor progress towards their attainment. Organizational effectiveness requires efficient and streamlined processes and workflows. Effective organizations continuously evaluate and improve their operational processes to minimize waste, reduce costs, and enhance productivity. This may involve implementing lean management principles, process reengineering, automation, and technology integration (Eze, 2023).

METHODOLOGY
Data for this analysis were gathered using a structured likert scale questionnaire. The research approach for this study was a cross-sectional survey with a descriptive research design. Because it made it possible for academics to collect data from participants in order to determine how leadership styles affect organizational performance. This method was thought to be appropriate and perfect for the investigation. To achieve the intended population, two probability and non-probability sampling techniques—random and convenience sampling—were used. A sample size of 276 was used for the survey, of which 255 were used. Multiple regression analysis was used to examine the data, and the statistical program for social sciences (SPSS) was used to interpret the results.

Data Presentation and Analysis
Regression results show that, at Bayelsa Specialist Hospital
in Yenagoa, employee performance (efficiency) can be explained by only 96.2% of the variation in leadership; the remaining 4.8% can be explained by other factors that the regression model did not account for, or what is known as the error term. Given that the f-statistics is significant at the 5% level of significance, the regression model indicates the model fit for the research. The findings suggest that organizational performance at Yenogoa’s Bayelsa Specialist Hospital is significantly predicted by both democratic and laissez-faire leadership philosophies. Furthermore, the coefficient of laissez-faire and democratic styles of leadership have positive and significant influence on organizational performance (efficiency) in Bayelsa Specialist Hospital in Yenagoa. laissez-faire leadership style (LFLS) = .78-0.91 and democratic leadership style (DLS) = .78-0.24.

The (LFLS) indicates that employee performance in Bayelsa Specialist Hospital in Yenagoa will increase by 91% for every 78% increase in laissez-faire leadership style. The p-value of .000 is less than the t-Statistics vale of (29.211) and the standard error value of 0.31 is lower than the t-Statistics which implies that there is a positive and significant influence of democratic style on organizational performance (efficiency) in Bayelsa Specialist Hospital in Yenagoa. Thus, we accept the alternate hypotheses and conclude that democratic style of leadership has a positive and significant influence on the efficiency of organizational performance in Bayelsa Specialist Hospital in Yenagoa.

The (DLS) indicates that employee performance in Bayelsa Specialist Hospital in Yenagoa will increase by 24% for every 78% increase in democratic leadership style. The p-value of .000 is less than the t-Statistics vale of (5.263) and the standard error value of 0.47 is lower than the t-Statistics which implies that there is a positive and significant influence of democratic style on organizational performance (efficiency) in Bayelsa Specialist Hospital in Yenagoa. Thus, we accept the alternate hypotheses and conclude that democratic style of leadership has a positive and significant influence on the efficiency of organizational performance in Bayelsa Specialist Hospital in Yenagoa.

Discussion of Findings
From the regression table, analysis indicated that there is a positive significant influence of leadership styles on organizational performance (efficiency) in Bayelsa Specialist Hospital. This means that leadership styles (laissez-faire leadership style and democratic leadership style) positively and significantly impact on organizational performance (efficiency) in Bayelsa Specialist Hospital in Yenagoa. The findings are in agreement with the study of Eze (2023), who claimed that laissez-faire leadership is the root cause of workplace stressor. This is in accordance with the study of Oussible and Tinaztepe (2022), who demonstrated how a democratic leader actively promotes collaboration and decision-making, gathering the opinions and ideas of the workforce before making a final decision that binds everyone.
CONCLUSION
In this study, we have examined the impact of leadership styles on employee performance, using employees of Bayelsa Specialist Hospital. According to the study, having a good leadership style is essential for raising employee performance, while having a bad leadership style detracts from both the work that employees do and the organization as a whole. Furthermore, a transformational leader works toward the group’s common purpose and puts the interests of the group before their own. To gain their subordinates’ and staff’s respect and confidence, they exhibit selflessness and act with high ethical standards. According to the study, a transactional leader identifies the behaviors and goals that must be met without heavily influencing or inspiring the workforce in order to accomplish the intended outcomes. This is in accordance with the study of Diebig and Bormann (2020), that a laissez-faire leadership style has damaging effects on subordinates’ performance and behaviour. The study confirmed that a democratic leader energetically inspires collaboration and decision-making, where employees’ notions and views will be collected while the leader makes the final decision for all parties.

RECOMMENDATIONS
The subsequent recommendations were made
1. Regularly evaluate and provide feedback to leaders on their performance and the impact of their leadership styles on the organizational performance.
2. Inspire leaders to implement a transformational style of leadership that instigates and encourages employees.
3. Implement mechanisms for participative policymaking and employee contribution in executive processes.
4. Assess and address any instances of laissez-faire leadership by providing guidance, support, and accountability.

REFERENCES


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