



Managerial Leadership As A Tool For Enhancing Administrative Performance In The Nigeria Banking History

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ABSTRACT

This study investigated the impact of managerial leadership in improving performance in administration and also an empirical study of selected banks in Nigeria. The sample size of the study was drawn using the Yaro Yamene formula. Data analysis was made and hypotheses formulated were tested using the Pearson products moments correlation analysis at an alpha level of 0.05 significance level. It was found that there is a significant relationship between effective managerial leadership in enhancing organizational performance and organizational survival. It was thus recommended that for effective leadership to be enjoyed by the Nigerian organization attention must be paid to strong commitment to national re-orientation in attitude, belief, conduct and integrity in all activities based on people oriented leadership, capacity building and training programmes should be instituted for all leadership positions; policy consistency and effective crisis and conflict management policies and programmes must be put in place, the evolution of a high degree of actualization, the Nigerian management philosophy and practice and development consciousness.

Keywords: Managerial, Leadership, Performance, Administrative Banking, industry

INTRODUCTION

Leadership is an essential ingredient of effective management in organizations. Most often than not, leadership determines the extent to which organizations are able to achieve their objectives and the day to day business environment. Successful leaders are those who can step into difficult situation and make noticeable difference. Leaders envision the future; they inspire organizational members and chart the course of the organization. The essence of leadership however, is followership. It is the willingness of people to follow, that makes a person a leader, thus a leader must show the way he leads his followers on the way; helping them realize the goals they contribute to achieving the organizations goals. A manager becomes effective only to the extent to which he demonstrates good leadership qualities.

The achievement of organizational plans and programme to a large extent depends on leadership. Effective leadership creates and maintains the condition necessary, sincere and rewarding interactions and commitments needed from employees to achieve desired objectives. It is an essential ingredient of management. The importance of capable managerial leadership cannot be over emphasized; it has even been argued that the survival of our present will depend in no small measure on how well each manager masters the practice of leadership abilities.

Many reasons for the shortage of qualified managerial personnel abound. However, in this study, one of the causes of these shortages must be discussed as it relates to the leadership function, and this is the trend towards managerial conformity. As a result of this trend, there has been greater emulation of what the

superior does, because there is substantially more personal contact and a greater trend only to follow the leader. This practice is detrimental, for research has shown that managers who conform are less effective than those who do not. The managers who rate on conformity tend to be rated by their superior as more effective in performing the leadership function.

Note that the urge to conform has not only compounded the disparity between the demand for managerial leadership and the supply of available personnel but it has detrimental effect upon the caliber of managers themselves. The heavy reliance on committees “experts” and superiors in making decisions has led to an increase managerial overhead cost. The increased cost and reduced efficiency of management personnel, along with many other factors has caused many Nigerian industries to be vulnerable to competition from foreign sources.

Nigerian Bank managers should recognize and accept the truth which has been self-evident throughout all ages, in all societies and in all economic systems, that is personal dynamic leadership and its vitalizing and invigorated force on employees are indispensable. As long as humans control businesses and social enterprises, this need for such leadership will exist.

Statement of the Problem

Leadership is the process by which a person exerts influence over other people and inspires, motivates and direct their activities to help achieve group or organizational goals. The person who exerts such power is a leader. When leaders are effective, the influence they exert over others help group or organization achieve its performance goals. When leaders are ineffective, their influence does not contribute to and often distract from goal attainment. Groups, organization and Governments will succeed and thrive under good leadership and they will fail under poor leadership. The success of business organizations is attributed to the managerial abilities of their top men.

Beyond performance goals, effective leadership increases an organizations ability to meet all the contemporary challenges including the need to obtain a competitive advantage, the need to foster ethical behavior and the need to manage a diverse work force fairly and equitably. Leaders who exerts influence over organizational members to help meet these goals increases their organizations chances of success.

Objective of the Study

The main objective of this study is to empirically investigate the impact of managerial leadership in improving performance in the Nigeria banking industry. Other specific objectives are:

- i. To identify the extent to which managerial leadership enhances organizational performance.
- ii. To find out whether managerial leaders help contribute to organizational survival.

Research Questions

The following two questions were raised to guide the study

- i. To what extent does managerial leadership enhances organizational performance?
- ii. Does managerial leadership contribute to organizational performance/ survival?

Research Hypotheses

The following hypotheses were tested for this study

- i. There is no significant relationship between managerial leadership and organizational performance.
- ii. There is no significant relationship between managerial leadership and organizational survival.

Scope of the Study

The scope of the study comprised of selected financial institutions in Nigeria, namely: Zenith Bank plc, Sterling Bank Plc, Wema Bank Plc, and First Bank Plc. The task of this study is using managerial leadership to improve performance in the Nigerian banking industry.

Literature Review

Leadership can be defined as a dynamic process in a group whereby one individual influences others to contribute voluntarily to the achievements of group tasks in a given situation (Cole 1999). The dynamic in the process of leadership means that a “range” of leadership styles do exist and move preferable to any one best style if such a static style exists. Another implied meaning in the definition is that the role of the leader is to direct the group he is leading towards the achievement of the objectives of the group.

Furthermore, the leader style and the behavior or reactions of the group are determined by a large extent by the situation at the time which includes the task and external pressure.

Another definition of leadership is that formulated by Tanmenbaum, Weschler and Massarik, and as quoted by Beach A.S (1998:472) who stated that leadership consistof interpersonal influence, exercised in a situation and directed by means of the communication process, towards attainment of a specified goal or goals. They pointed that leadership always involve attempt by a person that is the leader, to affect or influence the behavior of a follower or followers in a situation. The effective leader is one who can get his followers to act or do something through the use of any device such as persuasion, influence, power, threat of force and appeal to legitimate right.

Koontz *et al* (2007) claim that “leadership is generally defined simply as influence, the art or process of influencing people so that they will strive willingly towards the achievements of group goals”. To lead is to guide, conduct, direct and precede a group toward the achievement of organizational goals. Stoner, Freeman and Gilbert (2012) defined leadership as the process of directing and influencing the task-related activities of group members. Szilagyi (2002) saw leadership as the ability to influence people to perform duties completely and willingly. For Dubrin (2008) it is the process of influencing other people to achieve certain objectives. Betts (2014) wrote, among others, that leadership includes making people feel responsible or inducing a situation capable of inspiring employees. This includes inspiring, enthusiasm and influencing positively individual behavior. Mullins (2003) provided a simple definition of leadership, that it involves getting others to do things unwillingly. Leadership is aimed at influencing people to achieve organizational goals. Essentially, it involves people, positions, and authority in the organizations. It involves the behavior of others. Mullins (2003) identified the process of leadership to include inspiring and motivating people, effective communication and delegation.

Leadership Roles

As Handy (2004) writes “the signs of outstanding leadership appear primarily among the followers.” That is:

- i. Are the followers reaching their potentials?
- ii. Are they learning? etc.

He explains that leadership is better understood from the perspective of the gospel writer Luke as “one who serve”. In other words leadership assumes responsibility. It is a way of thinking about stewardship as contrasted with “leadership”. In thinking about the leader as a steward his role may be summarized as follows:

- i. he owes it as a duty to provide the conducive atmosphere necessary for his subordinate to perform their work. This includes the administrative procedures, materials, equipment and services needed for the work as well as the attitude, establishment of standard and value system for performance;
- ii. leaders are responsible for future leadership, they should be able to identify, develop and nurture future leaders. This is the only way to lay a strong organizational foundation, as well as effectively propagate its philosophy, ideas and messages;
- iii. leaders are obligated to provide and maintain momentum. Momentum is the feeling among the employees that their lives and work are inter-woven and moved towards recognizable and legitimate goals. This comes from a clear vision of what the organization is all about, a well throughout strategy to achieve that vision and a carefully conceived and communicated directions and plans that enable everyone to participate and be publicly accountable in achieving those plans;
- iv. leaders are responsible for effectiveness. Effectiveness comes about by enabling others to reach their potentials and such is eventually translated into enhanced organizational performance; and
- v. leaders must take a role in developing, expressing and defending values particularly good ideas.

Types of Leaders

Agu (2005) listed the various common types of leadership to include:

Characteristic leaders: This type of leaders bases their ability on their personality or charisma. Such leaders lead by the force of their charming or magnetic personality which enables them to get the support and cooperation of others. They possess outstanding levels of vision, enthusiasm and self-confidence.

Traditional leaders: This type of leader is conferred on one by the traditional institutions. They include chiefs, kings, queens, community elders and other traditional title holders.

Situation Leaders: They are leaders that are made by the situations they find themselves. In other words, they were neither elected nor appointed, their influence are only effective by being in the right place at the right time. These leaders are found in terms of crisis, such as demonstration. This type of leadership is temporary because when the situation ceases to exist he reverts to his ordinariness.

Appointed Leaders: These are leaders who are formally appointed in the organization to hold positions. They are also known as position leaders, their influence comes from the position they hold in the organization without necessarily having special qualities for leadership. They include managers, directors, supervisors, etc.

Functional Leaders: They are leaders who are appointed based on the nature of work they do i.e. functions rather than what they are. For example if an organization is acquiring new machine, management may set up a new committee to procure the new machine. This committee is most likely to be headed by the company's engineer by virtue of his position and his knowledge in machines.

Factors Resulting in Ineffective Leadership Administration in Nigerian Banks

Unugbro, (2007) listed some of the factors resulting in ineffective leadership in Nigeria banks to include:

- a. Inappropriate, obsolete administrative framework.
- b. Conflicting or defective organizational policies, rules and regulations.
- c. Organizational dynamism- rapid rate of change.
- d. Incessant internal disharmony, including excessive polarization and manipulation of staff, and unnecessary struggle for supremacy and disloyalty to superiors.
- e. Excessive interference by superiors, greed and distrust.
- f. Divergent views and perception of leader's role by different segments of the organization.
- g. Abuse of power and authority by leaders.
- h. Financial constraints.

Critical Issues in leadership effectiveness

Three critical variables define and determine the effectiveness of leadership in organizations, the managers (leaders), the group and the work environment. Some elements of these variables include:

- i. The characteristics and integrity of the managers, creativity, vision, inspiration and the relationship between managers (leaders) and the group and among the members of the group.
- ii. The type and nature (stages of development of the organization).
- iii. The nature of the task to be achieved, the technology and the work methodology.
- iv. Organization structure and management system (style).
- v. The type of problem and managers decision.
- vi. External and internal environmental forces.
- vii. National culture, political governance, value system, influence etc.

Leadership Style

According to Ijewere (2012), there are three main types of leadership style and they include:

- i. Democratic Leadership Style

This style is characterized by co-operation, participation, democratic actions, delegation and two way communications. The leader encourages his subordinate to participate in goal setting and decision making.

- ii. Autocratic Leadership Style

This leadership style is authoritarian. The style is characterized by domination, dictatorship, overconcentration of power in the hands of the leaders. The leader dictates policies and what to do, give managerial room or no room at all for participation and consultation. He emphasizes his authority and positions and makes subordinates realize that he is in authority. The leader is bossy and demands unqualified obedience. He also threatens and instills fear to have his way.

- iii. Laissez Fare Leadership Style

Laissez Fare is a French term meaning freedom from interference and control. The leader grants complete freedom to subordinates to act and sometimes make decision. He merely guides and supply subordinate with needed materials to work, Odiogbe (2008).

Some Notable Theories of Managerial Leadership Style

Some of the approaches/theories of leadership (Aibieyi, 2012) are as follows:

- i. **Trait Theory:** This describes leadership in terms of personal trait and specifically characteristics of leaders. This theory proposes that leadership is a function of these in born traits. Some of these traits include intelligence, understanding of their personal relations, perception, high motivation, maturity, self-assurance and self-actualization. The existence of those traits becomes a measure of responsible leadership which when applied to co-ordination at organizational activities would yield success.
- ii. **Behavioral Theory:** This theory studies leadership by looking in terms of what they do. The leader's effectiveness is judged in terms of individual subordinate outcome. These studies isolate two particular factors affecting the leadership dimension, these are:
 - a. Consideration of employers.
 - b. Initiative structure, giving directions and others.

Consideration connotes rapport between the leader and the group. An attitude that encourages participative management, two way communication and respect for the feedback of the followers. Initiatives involve creating a work environment, so that the work of the group is organized, coordinated sequential so that people know exactly what to be done and how it is to be done.

- iii. **The Path-Goal Theory:** The path-goal model of leadership behavior has been propounded by Robert J. House. This model emphasizes that the leader behavior will be such as to complement the group work setting and aspiration. This approach is based upon the expectancy theory of motivation and reflects the works belief that of which will lead to successful results. The leader set up clear path and guide lines through which the subordinate can achieve both personal and work related goals and assistance. This will make the leader's behavior acceptable and satisfactory to subordinate since they see the behaviors of the leader as an immediate source of satisfaction or as a source of obtaining future satisfaction.
- iv. **Vroom-Fetton Model:** This normative theory tells the leader how they should behave in decision making. The focus is on the premise that different problems have different characteristics and should therefore be solved by appropriate unit of analysis of the situation of the particular problem to be solved and the context in which the problem occurs.
- v. **Contingency Theory:** An analysis of leadership involves not only the individual traits and behavior but a focus on the situation.
- vi. **Fiedlers Contingency Theory:** Fieldlers conducted extensive studies in this area and developed a scale to identify how favorably and unfavorably the leader describes his least preferred co-worker, (LPC). A high LPC serve leader is the one who sees even the least preferred co-worker in relatively favorable terms and is more relationship oriented and a low LPC leader is more task-oriented.

METHODOLOGY

Primary data was used for the study; the instrument of primary data collected was the questionnaire. Structured questionnaire was administered to staff of the financial institutions under study to elicit responses on managerial leadership styles. The statistical tools utilized in this study were the correlation analysis which was used to test the correlation between the variables while the students test was used to test the hypotheses.

Hypotheses One

Ho: There is no significant relationship between managerial leadership and Administrative performance.

X	Y	XY	X ²	Y ²
5	27	135	25	729
4	20	80	16	400
3	11	33	9	121
2	18	36	4	324
1	14	14	1	196
TOTAL	15	90	298	1770

Source: Field Survey, 2018

$$r = \frac{5(298) - 15(90)}{\sqrt{5(55) - (15)^2} \sqrt{5(1770) - (90)^2}}$$

$$= \frac{1490 - 1350}{\sqrt{(275 - 225)(8850 - 810)}} = \frac{140}{\sqrt{50 \times 750}} = \frac{140}{193.65} = 0.72$$

Decision Rule

The Pearson product correlation co-efficient is 0.72 which indicates a significant and positive relationship between managerial leadership style and organizational performance.

The null hypothesis is therefore rejected.

Hypothesis Two

Ho: There is no significant relationship between managerial leadership and organizational survival.

X	Y	XY	X ²	Y ²
5	30	150	25	900
4	27	108	16	729
3	9	27	9	81
2	13	26	4	169
1	11	11	1	121
TOTAL	15	90	322	2000

Source: field survey, 2018

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{(n\sum x^2) - (\sum x)^2} \sqrt{(n\sum y^2) - (\sum y)^2}}$$

$$r = \frac{5(322) - 15(90)}{\sqrt{5(55) - (15)^2} \sqrt{5(2000) - (90)^2}} = \frac{1610 - 1350}{\sqrt{(275 - 225)(10,000 - 8100)}} = \frac{260}{\sqrt{95000}}$$

$$\sqrt{95000}$$

$$= 0.84$$

The correlation co-efficient is 0.84. Thus, there is a strong correlation between managerial leadership and organizational performance.

CONCLUSION AND RECOMMENDATION

The study examined the impact of managerial leadership to improve administrative performance in the Nigerian banking industry. An empirical study of selected financial institutions in Nigeria. The study revealed that there is positive and significant relationship between managerial leadership and organizational performance in administration and financial institutions under study. There is also significant relationship between managerial leadership and organizational survival.

To conclude, effective managerial leadership is imperative for organizational survival and performance survival.

In view of the findings and conclusion of the study, the following recommendations were proposed for effective managerial leadership to be enjoyed by Nigerian organizations:

- i. Strong commitment to national re-orientation attitude, belief, conduct and integrity in all activities based on principle- centered leadership or any of the effective leadership models.
- ii. Capacity building and training programmes should be instituted for all leadership positions in both politics and corporate governance.
- iii. Policy consistency and effective crisis and conflict management policies and programme must be put in place.
- iv. The evolution of a high degree of the acculturation of the Nigerian management philosophy and practices and development consciousness.
- v. Anti-corruption crusade and agency programme as well as the institutions of adequate sanction for all corruptive practice perpetrators.
- vi. Prudent and effective management of resources and strict adherence to due process.
- vii. Only trained, qualified, competent, sincerely committed and experienced people are appointed into leadership positions. Ethic, religious and political considerations is minimized and adequacy in-service training be given to leaders.

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