

## **LEADERSHIP STYLES AND ORGANIZATIONAL PERFORMANCE IN HEALTH SECTOR: A STUDY OF UNIVERSITY OF CALABAR TEACHING HOSPITAL**

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### **ABSTRACT**

The study empirically examined leadership styles and organization performance, a study of University of Calabar Teaching Hospital. The objectives were to examine the relationship between transactional, transformational & laissez faire leadership on organizational performance. Survey design and primary source of data were employed in this study. A total of one hundred and fifty (150) copies of questionnaire was administered to respondents of University of Calabar Teaching Hospital in Calabar. The study employed correlation Coefficient technique as a statistical tool in establishing the relationship between independent variables and dependent variables. Based on the results, the findings revealed that, there was a significant relationship between transactional, transformational and laissez faire leadership in organizational performance. The study recommended that management of organization should adopt the best leadership style that will enhance employee performance. Also recommended that management of organization should make a progress to help educate programme at work and to know the best leadership style to adopt.

Keywords: Transactional leadership, transformational leadership, laissez faire leadership, organizational performance.

### **INTRODUCTION**

In every business organization, interactions are rationally coordinated and directed through time on a continuous basis. A leader is at the helm of affairs in order to meet the needs of highly competitive markets, business organizations to consistently improve performance especially in our hospital like UCTH. (Nazarian, 2017). Leadership is a process in which a leader is engaged in numerous activities and strategies to attain any aspirations. It is the behaviour or attitude of a leader to collect and direct people in line with any goals so as to improve the followers. In an organization, a leader has a place with a particular position and it covers mandatory tasks and functions that organizations need to satisfy so as to live, create and be proficient in dealings with humans. Effective leadership plays an important role to determine the success or failure of any kind of organizations (Tourish, 2014). In the last decades, leadership is the most studied area in business as well in health sector. In this study, leadership styles (transactional leadership, transformational leadership and laissez faire) uses resource innovative culture and organizational learning to explain the relationship between resources and organizational performance (Scott & Davis, 2015). This implies that in any organization cannot exist without good leadership style as well improve the followers with sustainability to execute their work proficiently.

Leadership styles refers to the ability of a person to motivate, influence and facilitate other persons to contribute to the success of an organization. Moreover, leaders are the persons that facilitate their followers by performing task first then say to others do this, they eat at the end not at the start, and leaders are those that create opportunities for their followers, society and for their organization. According to Daft (2014), it is a relationship between followers and leaders where both influence each other and lead to revolutionizing and outcomes that reveal their shared objectives. The effectiveness of a leader is a major determinant of success or failure of an organization,

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group or even a country. According to Polston-Murdoch (2013), leaders who use the styles attain better performance than those who don't adopt styles of leadership. Furthermore, participative leader behaviour is effective for attaining high employee performance because the leader consults with subordinates in setting, clarifying and achieving goals and objectives. Leadership is one of those qualities that you know when you see it, but is difficult to describe. Four things stand out in this respect. Firstly, to lead means influencing others. Secondly, where there are leaders there are followers. Thirdly, leaders seem to come to the fore when there is crisis or special problem. In other words, they often become visible when an innovative response is needed. Fourth, leaders are people who have a clear idea of what they want to achieve and why. These leaders are people who are able to think and act creatively in non-routine situation and who set out to influence his actions, beliefs and feelings of others. In this sense being a leader' is personal. It flows from an individual qualities and actions. However, it is also often linked to some other role such as manager or expert. Here there can be a lot of confusion. Not all managers, for example, are leaders, and not all leaders are managers same applicable to our hospitals.

Leaders need a new mix of competencies to properly shape their board and develop their organization. According to Likert(2011), leaders need a new mix of competencies to properly shape their board and develop their subordinates to meet 21<sup>st</sup> century challenges. Shifting cultures, rapidly changing technology and other factors will require new patterns of leadership. The 21<sup>st</sup> century leader will need greater awareness of diverse factors and new sets of competencies - characteristics that lead to success on the job - to help them make relevant, correct and timely decisions in the leadership of change and leadership of people(Choi,2007). An important factor in the leadership process is the relationship that a leader has with individual followers. Previous researches have shown that successful interaction between leaders and their followers are central to the overall functioning of a company. High quality leader-follower relationship has been found to have impact on employee performance, organizational commitment, delegation, empowerment, and job satisfaction(Cameron, Quinn, Degraft & Thatar,2014).. One rationale for this study is that good leader-follower relationship is vital to ensure the effective functioning of any organisation. The interest in the influence of leadership style on the performance of organisation in Nigeria represent an alternative to the tradition focus on the leaders as the center of attention and power as with the sun in the "solar system". Although the qualities of leaders are obviously important, especially in team work in particular, leaders need the skill to engage followers in productive and satisfying mutual pursuits. However, this is a departure from personal way of seeing leader qualities as possession rather than interpersonal links to others involved in shared activities. (Ukaidi,2016) Because not all leaders wish to be participative, understanding and overcoming such reluctance to involve followers become pivotal. Not least as a source of resistance is the problem of shared responsibility and who will be accountable, it is on this background that this research work aims to assess the extent to which leadership impact on the performance of the organization.

### **Transactional leadership style**

The transactional style of leadership was first described by Max Weber in 1947 and then later described by Bernard Bass in 1981. Mainly used by management, transactional leaders focus their leadership on motivating followers through a system of rewards and punishments. There are two factors which form the basis for this system, Contingent Reward and management-by-exception.

- i. Contingent reward provides rewards, materialistic or psychological, for effort and recognizes good performance.
- ii. Management-by-exception allows the leader to maintain the status quo. The leader intervenes when subordinates do not meet acceptable performance levels and initiates corrective action to improve performance. Management by exception helps reduce the workload of managers being that they are only called-in when workers deviate from course. This type of leader identifies the needs of their followers and gives rewards to satisfy those needs in exchange of certain level of performance. Transactional leaders focus on increasing the efficiency of established routines and procedures. They are more concerned with following existing rules than with making changes to the organization(Kien,2010) A transactional leader establishes and standardizes practices that will help the organization reach:
  - i. Maturity
  - ii. Goal-setting
  - iii. Efficiency of operation
  - iv. Increasing productivity.

### **Transformational leadership style**

A transformational leader is a type of person in which the leader is not limited by his or her followers' perception. The main objective is to work to change or transform his or her followers' needs and redirect their thinking. Leaders that follow the transformation style of leading, challenge and inspire their followers with a sense of

purpose and excitement. They also create a vision of what they aspire to be, and communicate this idea to others (their followers). There are three identified characteristics of a transformational leader:

- i. Charismatic leadership has a broad knowledge of field, has a self-promoting personality, high/great energy level, and willing to take risk and use irregular strategies in order to stimulate their followers to think independently.
- ii. Individualized consideration.
- iii. Intellectual stimulation

**Laissez-faire leadership style**

The laissez-faire leadership style is where all the rights and power to make decisions is fully given to the worker. This was first described by Lewin, Lippitt, and White in 1938, along with the autocratic leadership and the democratic leadership styles. The laissez-faire style is sometimes described as a "hands off leadership style because the leader delegates the tasks to their followers while providing little or no direction to the followers. If the leader withdraws too much from their followers it can sometimes result in a lack of productivity, cohesiveness, and satisfaction. Laissez-faire leaders allow followers to have complete freedom to make decisions concerning the completion of their work. It allows followers a high degree of autonomy and self-rule, while at the same time offering guidance and support when requested. The laissez-faire leader using guided freedom provides the followers with all materials necessary to accomplish their goals, but does not directly participate in decision making unless the followers request their assistance.

**RESEARCH METHODOLOGY**

The research design is to determine the appropriate population of sample survey. In this research, questionnaires were administered within Calabar metropolis and only to those involved, hence it was restricted to staff of University of Calabar Teaching Hospital. However, due to constraints, a random sample method was adopted in dispatching questionnaires to the aforementioned hence being served on only employees. Data in this study is gathered via the use of libraries and textbooks including the internet while administering of questionnaire and conducting interview within the hospital. The research developed a questionnaire to find out some basic facts thought the use of simple random sampling techniques. Random sampling is a situation, where the researchers gives the members of his study equal chance of being selected without bias. However, to determine the sample size, the researchers use Taro Yamane formular which is given by

$$n = \frac{N}{1 + N(e)^2}$$

Where;

- n = The sample size required
- N = Total (finite) population
- e = The level of significant (unit of tolerable errors 5 percent)
- I = Unity (a constant)

Recalling the population of the study

$$N = 250, e = 5 \text{ percent } (0.05)$$

Then

$$n = \frac{250}{1 + 250(0.05)^2}$$

$$n = \frac{250}{1 + 250(0.0025)}$$

$$n = \frac{250}{1 + 0.0625}$$

$$n = \frac{250}{1.1625}$$

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n = 154

Therefore, the sample size is 154

**DATA ANALYSIS**

H<sub>0</sub>: There is no significant relationship between transactional leadership style and organizational performance

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

$$r = \frac{5(585) - (150)(15)}{\sqrt{560350 - (150)^2 [5(55)^2 - (15)^2]}}$$

$$r = \frac{2925 - 2250}{\sqrt{(31750 - 22500) (275 - 225)}}$$

$$r = \frac{675}{\sqrt{92550 (150)}}$$

$$r = \frac{675}{\sqrt{680.07}}$$

$$r = 0.99$$

Test statistics

$$t = r \sqrt{\frac{n-2}{1-r^2}}$$

$$t = 0.99 \sqrt{\frac{5-2}{1-0.99^2}}$$

$$t = 0.99 \sqrt{\frac{3}{1-0.9801}}$$

$$t = 0.99 \sqrt{\frac{3}{0.9801}}$$

$$t = 0.99(12.28)$$

$$t = 12.16$$

Critical value

$$\text{At } \alpha = 0.05, t_{1-\frac{\alpha}{2}; 5-2}$$

$$t_{1-0.05; 3}$$

$$= t_{1-0.025; 3}$$

$$t_{0.975; 3} = 3.18$$

Decision rule

Since  $t_{cal} = 12.16 > 3.18$ , the null hypothesis is rejected and the alternative hypothesis is accepted it is concluded that there is a significant relationship between transactional leadership style and organizational performance

Hypothesis II

$H_{o2}$ : There is no significant relationship between transformational and organizational performance

Using Pearson Product Moment Correlation.

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

$$r = \frac{5(578) - (150)(15)}{\sqrt{5(6190 - (150)^2)[5(55)^2 - (15)^2]}}$$

$$r = \frac{2890 - 2250}{\sqrt{(30950 - 22500)(275 - 225)}}$$

$$r = \frac{6440}{\sqrt{(8450)(50)}}$$

$$r = \frac{640}{\sqrt{650}}$$

$$r = 0.98$$

Test statistics

$$t = r \sqrt{\frac{n-2}{1-r^2}}$$

$$t = 0.98 \sqrt{\frac{5-2}{1-0.98^2}}$$

$$t = 0.98 \sqrt{\frac{3}{1-0.98^2}}$$

$$t = 0.98 \sqrt{\frac{3}{1-0.9604}}$$

$$t = 0.98 \sqrt{\frac{3}{0.0396}}$$

$$t = 0.98(8.70)$$

Critical value

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At  $r = 0.05$ ,  $t_1 - \frac{r}{2}; 5 - 2$

$$t_1 \frac{0.05.3}{2}$$

$$= t_1 - 0.025; 3$$

$$t, 0.975; 3 = 3.18$$

Decision rule:

Since  $t\text{-cal}=8.53$  and  $t\text{-cal}=3.18$  the rule hypothesis is rejected while alternative hypothesis is accepted. It is concluded that there is a significant relationship between transformational leadership style and organizational performance

Hypothesis III

Ho<sub>2</sub>: There is no significant relationship between laissez faire leadership and organizational performance

Using Pearson Produce Moment Correlation

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

$$r = \frac{2815 - 2250}{\sqrt{(29925) - (22500)}}$$

$$r = \frac{2815 - 2250}{\sqrt{29925 - (22500)(275 - 225)}}$$

$$r = \frac{565}{\sqrt{7425} (50)}$$

$$r = \frac{565}{\sqrt{609.30}}$$

$$r = 0.93$$

Test statistics

$$t = r \sqrt{\frac{n-2}{1-r^2}}$$

$$t = 0.93 \sqrt{\frac{5-2}{1-0.9^3}}$$

$$t = 0.93 \sqrt{\frac{3}{1-0.93^2}}$$

$$t = 0.99 \sqrt{\frac{3}{1-0.93^2}}$$

$$t = 0.93 \sqrt{\frac{3}{1-0.932}}$$

$$t = 0.99 \sqrt{\frac{3}{1-0.93^2}}$$

$$t = 0.99 \sqrt{\frac{3}{1-0.8649}}$$

$$t = 0.93 \sqrt{\frac{3}{22.21}}$$

$$t = (0.93) (4.712)$$

$$t = 4.38$$

Critical value

$$\text{At } \alpha = 0.05, t_{1-\frac{\alpha}{2}; 5-2}$$

$$t_{1-0.05; 3}$$

$$= t_{0.975; 3}$$

$$t_{0.975; 3} = 3.18$$

Decision rule

Since  $t_{cal} = 4.38$  and  $t_{crit} = 3.18$ , the null hypothesis is rejected and the alternative hypothesis is upheld. It is concluded that there is a significant relationship between laissez faire leadership and organizational performance

### SUMMARY OF FINDINGS

Based on the analysis of the results, the following findings were as follows;

1. There is a significant relationship between transactional leadership and organizational performance
2. There is a significant relationship between transformational leadership and organizational performance
3. There is a significant relationship between laissez faire leadership and organizational performance

### CONCLUSION

The study concludes that there is a significant relationship between transactional leadership and organizational performance, there is a significant relationship between transformational leadership and organizational performance and there is a significant relationship between laissez faire leadership and organizational performance. In every business organization, interactions are rationally coordinated and directed through time on a continuous basis. A leader is at the helm of affairs in order to meet the needs of highly competitive markets, business organizations to consistently improve performance. Leadership is a process in which a leader is engaged in numerous activities and strategies to attain any aspirations. Effective leadership plays an important role to determine the success or failure of any kind of organizations such as in the health sector.

### RECOMMENDATIONS

Based on the findings of the research study, the following recommendations were made proffered

1. The management of organization should adopt the best leadership style that will enhance employee performance.
2. That employees of organization should be encourage of their performance by given them the necessary incentive.
3. The information communication should flow freely top management to lower management to allow the lower management part take in decision making.

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