LEVEL -5 AND CHARISMATIC LEADERSHIP STYLES AND EMPLOYEES’ PERFORMANCE

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Abstract:
This study examined the effect of various leadership styles on employees’ job performance, using selected large private sector organizations from some states in Nigeria. Descriptive survey design and a modified five points Likert scale was used in eliciting information from the respondents. The tools of analysis were Pearson correlation and multiple regression analysis. All tests were carried out at 0.05 level of significance. Results of the analysis indicates that F-value of 28.381 is statistically significant, valid and fit for any predictive purposes. It is also an indication that overall regression model is significant. The regression coefficient represented by ‘R’ has a value of 0.811 and it shows that 81.1 percent relationship exists between the dependent and independent variables. The coefficient of determination represented by ‘R²’ was estimated to be 0.735 and it implies that about 73.5 percent variation in the dependent variable can be explained by the independent variables. The following were the specific findings of the study: Level-5 leadership style does not have significant effect on employees’ performance and charismatic leadership style has significant effect on employee performance. It was recommended that charismatic leadership style should be adopted to complement Level-5 leadership style for improved performance of the employees.

Keywords: level-5 leadership style, charismatic leadership style, employee performance

1. Introduction

Organisations have largely failed due to poor or inappropriate leadership style. Effective leadership style leads to employees’ job satisfaction and greater performance, and the success of every organization or institution depends largely on the employees (Igbokwe, Itoya & Eziuzo, 2020). This work Tumer and Müller (2008) have noted that more than 80
percent of business failures are accounted for by poor human resource management. To them, successes or failures of business organisations are determined by the leadership quality. The activities of the leaders in an organisation can either motivate employee to enhance performance or discourage them from putting in their bests.

Good and effective leadership make business in an organisation relatively easy. Without appropriate leadership style in an organisation, business move slowly, stagnate and sometimes face serious challenges (Northhouse, 2007). Much of the literature about organisations stress the importance of decision-making, that is, making decisions, that are timely, complete, correct and prompt. But Northhouse (2007) notes that a decision by itself is nothing unless it is effectively implemented. Therefore, it is an indication that the problem of implementation is the real issue and it goes to show how leaders can influence behaviour, change course of the events and overcome resistance. Thus, effective leadership is a crucial factor in implementing decisions successfully and an essential ingredient of effective management in organisations.

Different styles of leadership exist to match different situations in an organisation and each of these styles work best only if the leader has a vision of what can be achieved and then communicates it to his/her subordinates and evolve strategies for realizing the vision (Reddins, 1990 in Mawoli & Taminu, 2016). In his opinion, most leaders motivate people and are able to negotiate for resources and other support to achieve set goals. Such leaders ensure that the available resources are well organized and applied to produce best results. Inspite of the limited resources and difficult operating environments of many businesses in Nigeria, the managers are expected to achieve optimum results.

There have been several propositions on leadership styles by various schools of thought. The subject of leadership has also evolved over the years in literature in an attempt to find the best leadership style that can lead to effective and efficient exploitation of resources so that the performance of the employees could be enhanced in order to achieve organisational goals. As Nayeb et al. (2013) have noted, the improvement of the employees’ performance can be caused by internal and external factors. To them, one of the external factors that is considered to be positively affecting employees’ performance is leadership style. They reiterated that it is only the leadership style that can actually arouse the ability of the employee and put it to use to achieve quality results.

In trying to measure the effect of leadership styles on employees’ performance in an organisation, two types have been identified in this study and they include the following: charismatic and level -5 leadership styles. The problem here is the determination of the extent each style influences the employee to improve performance in the selected organisations. As it is, each of the two leadership styles listed above has at least one unique feature or characteristic that stands it out among others. For instance, level-5 leaders are fiercely ambitious and driven, but their ambition is directed towards their organisation rather than themselves. Also, charismatic leadership is all about vision and articulation, personal risk, sensitivity to followers’ needs and unconventional behaviour. Meanwhile, leadership styles are used as framework for creating organizational cohesion, discipline, culture and performance. Leadership styles can critically influence the disposition and productivity of employees. Thus, this work
attempts to investigate the extent charismatic and level -5 leadership styles influence employees’ performance in an organization.

2. The Concept of Leadership

Leadership and management are two terms that are often confused. What’s the difference between them? John Kotter (1999) argues that management is about coping with complexity. Good management brings about order and consistency by drawing up formal plans, designing rigid organisation structures and monitoring results against the plan. Leadership, in contrast, is about coping with change. Leaders establish direction by developing a vision of the future; then they align people by communicating this vision and inspiring them to overcome hurdles (Judge et al., 2004).

More formally, Robbins and Judge (2007) define leadership as the ability to influence a group of people towards the achievement of a vision or a set of goals. They added that the source of the influence may be formal, such as that is provided by the possession of managerial rank in an organisation. This, in their opinion, is because management positions come with some degree of formally designated authority, a person may assume a leadership role simply because of the position he/she holds in the organisation.

2.1 Level – 5 Leadership Style
This has been defined by Day (2004) as leadership style whereby the leaders are fiercely ambitious and driven, but whose ambition is directed toward their organisation rather than themselves. He notes further that this category of leaders has four basic leadership qualities which includes: individual capabilities, team skills managerial competence and the ability to stimulate others to high performance – plus a fifth dimension: a paradoxical blend of personal humility and professional will.

2.2 Charismatic Leadership Style
Max Weber, a sociologist, was the first scholar to discuss charismatic leadership. More than a century ago, he defined charism (from the Greek for “gift”) as “a certain quality of an individual personality, by virtue of which he or she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These, to Weber, are not accessible to ordinary person, but are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader (Weber 1949). Weber argues that charismatic leadership was one of the several ideal types of authority.

2.3 Employee Performance
In the opinions of Mawoli and Tonimu (2013), an organisation is judged by its performance, hence, the word “performance” is utilized extensively in all fields of management. Despite the frequency of the use of the word, its precise meaning is rarely explicitly defined by authors even when the main focus of the article or book is on
performance. Ivancevich (2007) defines job performance as the behaviour that is expected to contribute to organisational success, while Mullins (1999) feels it should be seen as the product of job ability multiplied by motivation that is, $\text{JP} = A \times M$. Furthermore, Adaeze (2003) concurs that job performance is ultimately an individual phenomenon with environmental factors influencing performance primarily through their effect on the individual determinants of performance – ability and motivation.

### 2.4 Level-5 Leadership Style and Employee Job Performance

Some individuals are called level-5 leaders because they have four basic leadership qualities and they include: individual capability, team skills, managerial competence, and the ability to stimulate others to high performance plus of course a fifth dimension which is paradoxical blend of personal humility and professional will and excellence (Robbins & Judge, 2007). Level-5 leaders channel their ego needs for themselves and into the goal of building a great company. In the opinions of Obiwuru et al (2011), the ego element or characteristic of level-5 leadership style makes it a little autocratic which bring about significant impact on employees’ performance and productivity.

### 2.5 Charismatic Leadership Style and Employee Job Performance

Shamir et al (2004) note that evidence abound on the four-step processes through which charismatic leaders influence their employees/followers. To them, it begins by the leader articulating an appealing vision. The vision provides a sense of continuity for the employees by linking the present with a better future for the organisation. They remarked that a vision is incomplete without a vision statement which is the formal articulation of an organisation’s vision or mission. On many occasions, the leaders have used the vision statements to “imprint” on employees an overarching goal and purpose. Howell and Avolio (2009) observe that charismatic leaders are often more effective because their employees usually personally identify with them. They note also that charismatic leaders engage in emotion-inducing and unconventional behaviour to demonstrate courage and convictions about the vision.

### 3. Objectives of the Study

The broad objective of the study is to examine the effect of leadership styles on employees’ job performance in the selected organisations, using selected private sector organisations in the South-East, Nigeria as the study area. More specifically, the study sets out to:

1. Ascertain the effect of charismatic leadership style on employees’ performance in the selected organisations.
2. Evaluate the effect of level-5 leadership style on employees’ performance in the selected organisations.
3.1 Research Questions
The following research questions were considered very germane to the study and therefore, they were raised to guide the objectives of the study:

1) To what extent can level-5 leadership style positively and significantly affect employees’ performance in the selected organisations?
2) What is the effect of charismatic leadership style on employees’ performance in the selected organisations?

3.2 Hypotheses
The following null hypotheses were formulated to guide the objectives of the study and strengthen the analysis:

1) Level-5 leadership style does not have positive and significant effect on the performance of the employees in the selected organisations.
2) Charismatic leadership style does not have positive and significant effect on the performance of the employee in the selected organisations.

3.3 Significance of the Study
The study has both theoretical and empirical significance. From the theoretical perspective, the study will enrich the body of literature thereby expanding the frontiers of knowledge in this area of study. As could be seen from past studies in related area, not many research works could be said to have been carried out in this area of study. Therefore, the study couldn’t have come at a better time than now. On the other hand, the empirical significance stems from the fact that the policy dialogue/recommendations that will follow from the findings of the study will be of immense benefits to different categories of people and they include the managers of organisation, employees, students/researchers and the general public. The managers in the organisation will be sufficiently enlightened from the findings on the leadership style the employees think can lead to job satisfaction and enhanced performance. The employees would be presented with different types of leadership styles with the aim of finding out which one the cherish most. Students and researchers who might want to carry out further studies in this area will find the report very useful as it would serve as base data for such studies. Finally, the general public would be better off from the efficiency and enhanced productivity that will follow as a result of the adoption of a better leadership style in the organisations.

3.4 Scope of the Study
The study covered selected private sector organisations in some states of the South-East, Nigeria. The study period is between 2015 and 2017 both years inclusive. The industries involved are Sabmiller Breweries, Onitsha in Anambra State; Nigeria Breweries, Ama in Enugu State and Nigeria Bottling Company Irette-Owerri in Imo State. The issues involved are the determination of effect of various leadership styles on employees’ job performance in the organisation.
4. Research Design

The design chosen for the study is descriptive survey design. The choice of the design was informed by the fact that primary data was involved and it was collected through the administration of questionnaire which were analysed and the result generalized for the entire population of interest. As Obasi (2000) has noted, the use of survey is always adopted because it provides an important means of gathering information, especially when the necessary data cannot be found in any statistical records in form of official statistics (secondary data). Besides, survey results are often more precise and accurate than the result of total enumeration.

4.1 Area of the Study

The study is taking place in the South-East, Nigeria. It covers large scale industries in some states located in the zone. For the avoidance of doubt, the industries are Sabmiller Breweries, Onitsha in Anambra State; Nigeria Breweries in Enugu State and Nigeria Bottling Company Irette-Owerri in Imo State.

4.2 Population of the Study

The population of the study comprised senior staff of the large-scale enterprises in the selected areas. This category of staff was chosen to ensure that respondents possess the knowledge and experience necessary to be able to effectively discuss all issues relating to leadership styles and employee performance in the organisation. A total of 2060 employees of this category were identified across the industries selected for the study.

4.3 Sampling and Sampling Technique

The sample size for the study is 395 senior staff of the affected industries. Systematic sampling technique in selecting the units of observation. This method was chosen in preference to others because of its ability to spread the sample evenly across the population of interest. This is demonstrated below:

<table>
<thead>
<tr>
<th>S/N</th>
<th>State</th>
<th>Firm</th>
<th>Population</th>
<th>Sample Allocation</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Anambra</td>
<td>Sabmiller</td>
<td>709</td>
<td>136</td>
<td>34.4</td>
</tr>
<tr>
<td>2</td>
<td>Enugu</td>
<td>Nigeria Breweries</td>
<td>780</td>
<td>150</td>
<td>37.9</td>
</tr>
<tr>
<td>3</td>
<td>Imo</td>
<td>Nigeria Bottling Company</td>
<td>571</td>
<td>109</td>
<td>27.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>987</td>
<td>395</td>
<td>100.0</td>
</tr>
</tbody>
</table>


The table shows that 136 respondents representing 34.4% were allocated to Sabmiller industries proportionately, 150 were allocated to Nigerian Breweries at Ama in Enugu State and 109 were allocated to Nigeria Bottling Company located at Irette-Owerri in Imo State. It is easy to see that the allocation of sample was proportionately carried out.
4.4 Instrument and Method of Data Collection
An item structured instrument of five (5) points Modified Likert Scale was designed and used in eliciting information from the respondents. The methods adopted was direct questionnaire administration. This was done to give the respondents opportunities to ask question where necessary and to give the researcher the opportunity of assessing whether the respondents understood the questionnaire items. This approach also reduced the volume of non-response rate which often associates with surveys of this nature. Out of the 395 copies of questionnaire that were issued out, 353 completed and returned theirs thus showing a response rate of 89.4 percent which was considered adequate for the study.

4.5 Validity of the Instrument
The instrument was both face and content validated. This was achieved by giving copies of the instrument to three experts in businesses administration, human resource management and two lecturers in the department of Measurement and Evaluation, Nnamdi Azikiwe University, who are quite knowledgeable in questionnaire drafting to criticize. The corrections and comments of the experts were duly reflected in the final draft of the questionnaire.

4.6 Reliability of the Instrument
The internal consistency of the instrument was ascertained using Cronbach Alpha. The procedure involved giving 20 copies of the instrument to a group of employees in an organisation, Notre Dame Company, Benin, outside the study area to complete. It yielded the indices of 0.73, 0.80, 0.90 and 0.83 coefficients for the four research questions respectively. Thus, showing an average coefficient of 0.82 and was considered reliable in line with the view of Gliem and Gliem (2003) that the closer Cronbach’s alpha coefficient is to 1.0, the greater the internal consistency of the items in the scale.

4.7 Method of Data Analysis
The data were analysed quantitatively through summary statistics of percentages, Pearson product moment correlation and multiple regression analysis. All tests related to the analysis were carried out at 0.05 level of significance.

4.8 Model Specification
The model tries to estimate the effect of predictor variables on the dependent variable (employee performance). Thus, the functional relationship between the dependent and independent variables is stated as follows:

\[ \text{Employee Job Performance} = f(\text{LL, CRL}) \]  

(1)

Specifying econometrically, we have:

\[ \text{EJP} = \alpha_0 + \alpha_3 \text{LL} + \alpha_4 \text{CRL} + \mu_t \]  

(2)
Where:

\[ EJP = \text{Employee Job Performance} \]
\[ LL = \text{Level-5 Leadership Style} \]
\[ CRL = \text{Charismatic Leadership Style} \]

The expected signs of the coefficients or a priori are:

\[ \alpha_1 > 0, \alpha_2 > 0, \alpha_3 > 0 \text{ and } \alpha_4 > 0 \]

or

\[ \alpha_5 > 0 \]

As could be seen from equation (2), the econometric expression relates the coefficient (\(\alpha\)) to the independent variables. The implication is that direct or positive relationship is expected to exist between the dependent and independent variables.

**4.9 Correlation Analysis**

Pearson Correlation Coefficient was used to determine level of relationships between employee performance and leadership structure; team members abilities; team members esprit de corps and team members flexibilities and preferences. The result obviously determines whether there is multicollinearity or orthogonal between and among the variables so as to know whether the regressional analysis could still be performed or not.

**Table 2: Correlation Matrix**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Employee Performance</th>
<th>Level-5 Leadership Style</th>
<th>Charismatic Leadership Style</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Performance</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.129*</td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td></td>
<td>.070</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td></td>
<td>353</td>
</tr>
<tr>
<td>Level-5 Leadership Style</td>
<td>Pearson Correlation</td>
<td>.129*</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td>.070</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>353</td>
<td>353</td>
</tr>
<tr>
<td>Charismatic Leadership Style</td>
<td>Pearson Correlation</td>
<td>.411*</td>
<td>.503**</td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td>.012</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>353</td>
<td>353</td>
</tr>
</tbody>
</table>

****: Correlation is significant at 0.05 level (2-tailed).

*: Correlation is significant at 0.01 Level (2-tailed).

Table 2 shows correlation matrix of employee performance, transformational leadership, transactional leadership, level-5 leadership style and charismatic leadership style. The analysis shows that there is strongly positive and significant relationship between dependent variable and the independent variables at both 0.01 and 0.05 significant levels.
4.10 Test of Hypotheses
As a tentative answer to the problem of the research under investigation and an answer which has no evidence supporting it until a full investigation is carried out, the hypotheses formulated to guide the objectives of the study and strengthen the analysis, were tested in this section of the analysis.

Table 3: Model Summary of Dependent and Independent Variables

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>df</th>
<th>Sum of Squares</th>
<th>Mean Squares</th>
<th>F-ratio</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4</td>
<td>129.755</td>
<td>32.439</td>
<td>28.381</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>95</td>
<td>108.591</td>
<td>1.143</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>238.346</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictor: (constant), Level-5 leadership style and Charismatic leadership style
b. Dependent variable: Employee Performance

Table 3 shows that the F-value is 28.381 and it is significant because the significance level is 0.000 which is less than 0.05 i.e., \( P < 0.05 \). Thus, the result shows that overall, regression model is statistically significant, valid and fit. It is also an indication that all the independent variables are positively related to the dependent variable.

Table 4: Summary of Regression Result

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>( R^2 )</th>
<th>Adjusted R Square</th>
<th>Standard Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.811</td>
<td>0.735</td>
<td>0.724</td>
<td>0.70112</td>
</tr>
</tbody>
</table>

a. Predictor: (constant), Level-5 leadership style and Charismatic leadership style

Table 5 is the summary of the regression results. It shows that regression coefficient represented by ‘R’ is 0.811 and it implies that about 81.1 percent relationship exists between dependent and independent variables. Also, the coefficient of determination represented by ‘\( R^2 \)’ is estimated to be 0.735 and it implies that about 74 percent of variation in employee performance can be explained by the independent variables.

Table 5: Summary of Coefficients of Regression, t-value and Significance Level

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( \beta )</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-1.86</td>
<td>.207</td>
<td>-</td>
<td>-.785</td>
</tr>
<tr>
<td>Level-5 leadership style</td>
<td>.185</td>
<td>.051</td>
<td>.482</td>
<td>2.668</td>
</tr>
<tr>
<td>Charismatic leadership style</td>
<td>.537</td>
<td>.065</td>
<td>.427</td>
<td>2.019</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

4.11 Interpretation of Regression Results
In this section of the analysis, the researchers interpreted the coefficients of regression beta (\( \beta \)), t-statistic and other parameters in the result. Accordingly, the results presented in Table 4.9 indicate that the values of the regression coefficients show their relative weights in predicting the dependent variable (employee performance). The table
indicates that the coefficient of level-5 leadership style is represented by $\alpha_5$ in the model and it has a value of 0.482. Unfortunately, the coefficient is not significant given the t-value of 2.668 and probability level of 0.060 which is greater than the chosen significance level of 0.05. Therefore, the null hypothesis was accepted while the alternative which suggests that level-5 leadership style affects employee performance positively and significantly was rejected.

Finally, the coefficient for charismatic leadership style is $\alpha_4$ and it has a value of 0.427 which means that a unit increase in charismatic leadership style will lead to 4.3 percent increase in employee performance if other factors are held constant. Also, the t-value of 2.019 indicates that the coefficient is significant given the probability level of 0.041 which is less than 0.05, the significant level. Consequently, the null hypothesis was rejected while the alternative which suggests that charismatic leadership style affects employee performance positively and significantly was accepted.

<table>
<thead>
<tr>
<th>Model</th>
<th>Eigen value</th>
<th>Condition Index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Constant</td>
</tr>
<tr>
<td>1</td>
<td>4.718</td>
<td>1.003</td>
</tr>
<tr>
<td>2</td>
<td>.106</td>
<td>6.673</td>
</tr>
<tr>
<td>3</td>
<td>.084</td>
<td>7.179</td>
</tr>
<tr>
<td>4</td>
<td>.058</td>
<td>10.205</td>
</tr>
<tr>
<td>5</td>
<td>.037</td>
<td>11.344</td>
</tr>
</tbody>
</table>

This post estimation test indicates that there is no presence of multicollinearity in the model as no value of condition index is up to 15. Also, the eigen values are close to zero thus suggesting non-presence of multicollinearity.

5. Discussion of Research Results

The results of the test showed equally that both transactional and charismatic leadership styles have positive and significant effect on the performance of the employees but not as much as that of transformational leadership style. The level-5 leadership style has positive but non-significant effect on employees’ performance. The situation could be as a result of its fierce and driven ambition characteristics of the leader. Workers may not necessarily be interested in such over ambition being exhibited by the leader. Charismatic leadership style is fairly better than the level-5 leadership style as could be seen from the significance of its coefficient in the model. However, the influence of charismatic leadership style may be situational as it appears to be most successful when the followers/worker’s task has an ideological component or when the environment involves a high degree of stress and uncertainty. Therefore, charismatic leadership style has proved to be the most effective of the two styles.
5.1 Summary of Findings
The study examined the effect of various leadership styles on employee performance in the organisation. Through the application of Pearson correlation coefficient and multiple regression analysis, the effect of the independent variables on the dependent variable was determined. Preliminary results through the F-statistic show that overall regression model is statistically significant, valid and fit for predictions. The regression coefficient represented by ‘R’ showed that about 81.1 percent relationship exist between the dependent and independent variable. Also, the coefficient of determination represented by ‘R²’ showed that about 73.5 percent of variation in employee performance can be explained by the independent variable. More specifically, the findings can however be summarized as follows:

1) The result of the first test of hypothesis indicate that Level-5 leadership style has no significant effect on employee performance.
2) The result of the second test of hypothesis, it was found that charismatic leadership style has positive and significant effect on employee job performance.

6. Conclusion

The style of leadership that is predominant in a work environment, determines to a large extent the level of employees’ job satisfaction and consequently performance. Democratized work environment where intimacy between the management and the employees can easily be noticed, will surely enhance job performance. No worker can give his/her best under a harsh, autocratic and insensitive leader. However, charismatic leadership style is a good complement to Level-5 leadership style.

6.1 Recommendations
From the findings in this study, the following recommendations were made:

1) Leaders should tap into the selflessness characteristic of the Level-5 leadership style to promote performance in the organisation.
2) Charismatic leadership style should be used by leaders to complement Level-5 leadership style for better performance and increased productivity.

References


