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Research Article



Impact of Leadership Styles on Employee Performance Sustainability in Selected Small and Medium Scale Enterprises (Smes) in North-Central Nigeria

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ABSTRACT

The importance of leadership to the expected growth and development of organisations cannot be emphasised owing to the attendant consequences of not having a leader that controls and pilots the affairs of the organisations. This study, the study investigates the impact of leadership styles and sustainability of employee performance of SMEs in Nigeria. The specific objectives entail evaluating the impact of autocratic leadership style (ATL) on the sustainability of employee performance of SMEs in Nigeria and investigating the impact of transformational leadership style (TMS) on the sustainability of employee performance (SEP) of SMEs in Nigeria. 81 questionnaires were distributed to the 81 respondents for this study, of which a 100 per cent response rate was achieved, while descriptive and inferential statistics were employed for this study's analysis. The outcomes show that the topmost ATL factors include decisions without consultation, closely monitoring and controlling work and strict adherence to rules, while the TML have demonstrated confidence and optimism, encouraged innovation, and communicated a compelling vision as its topmost factor. It also shows that the adequacy of training and equipment, opportunities for professional growth and clear guidance from the supervisors are considered the topmost factors for the SEP. This study concluded that an R Square of .784 represents about 78% impact of ATL and TML on the SEP. At the same time, the regression denotes SEP = 2.137 - .349(ATL) + .913(TML), concluding that ATL is a negative predictor of SEP as TML is its negative predictor. This study recommended that there is a need for autocratic leaders to encourage more participative decision-making and seek regular feedback to improve employee satisfaction and performance, while transformational leaders should continue to foster innovation, vision, and individualised support to maintain high-performance levels

Keywords: Employee Performances, Autocratic, Leadership, SMEs, Transformational.

1.0 INTRODUCTION

Leadership has become a significant concern for both practitioners and researchers. The concept of leadership is highly valued and complex, and it shares similarities with management in terms of influence and the need for collaboration. This skill is also required in management. Ologbo and Saudah (2021), note that a manager's support and leadership style greatly enhance employee engagement. Since there is no one-size-fits-all approach to leadership, managers often need to adapt their style to a specific group or situation. Therefore, it is beneficial for managers to understand the various leadership styles comprehensively. The more familiar a manager is with different approaches, the more effective they can be (Wardhani et al., 2023). Currently, many leadership philosophies are applied in diverse settings within our community. Leadership is used in everything we do, including school, community, businesses, and organizations (Wasimam et al., 2023). A successful leader should possess specific traits, including the ability to foster unity, good communication skills, self-assurance,

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and empathy. To lead is to persuade one's followers to work toward a common objective. Being a leader differs from being a manager and has nothing to do with a job title or position. Leadership means pushing oneself past your comfort zone to achieve something more significant (Zukri & Daulay, 2023). Yes, leaders should have followers, but the number of followers a leader has does not necessarily indicate how successful they are. In an organization, a leader should be a person whom the followers (employees) should be able to look up to (Yunanti, 2023).

It is important to remember that being a leader involves moving your people forward, solving issues, and fostering followers' inventiveness, two characteristics of a leader (Abd et al., 2023). It has to do with having an easy time changing with the times. A leader can motivate people to work together toward a common objective. It deals with inspiring others to be their best selves in some way. The various leadership philosophies that can be applied in an organization include autocratic, laissez-faire, transformative, bureaucratic, and democratic. Autocratic leadership, a more aggressive form, may foster mistrust among followers and make staff members feel disposable and undervalued. Employee performance is discouraged because their contributions are irrelevant (Adriana et al., 2023). However, this leadership style also has advantages because it gives workers a sense of direction and expedites work because decisions are made quickly. Others perceive These leaders as bossy (Obiwuru & Akpa, 2021). Contrary to laissez-faire leadership, which mostly means "do as you please," this leadership style is more challenging and rigid. It is a leadership style in which the leaders do not pay attention to or focus on the followers. They give the workers everything they require to complete the work. The negative is that it might cause employees to do poorly with their responsibilities. When the resources are provided, it enables the employees to perform better since it encourages them to be creative rather than lazy. Dictators always think they are more intelligent than others. (Martunuzzi, 2019). Autocratic leaders impose strict rules and regulations on their followers, who are expected to adhere to them. They make all workplace decisions alone without consulting their subordinates, which is why some organizations that follow this leadership style have quick decision-making processes. (Gaille, 2018) The transformative leadership style is another type mainly used to motivate the leaders. It encourages people to respect their leaders without being afraid of them and raises their performance and motivation. Leaders who transform societies are charismatic and adept at managing change. 2019 (Johannsen). They inspire their followers with charisma and thrive in unsettling environments because they bring about change. Then, bureaucratic leadership is a situation where the leaders follow the rules provided and do not try to think outside the box. Since the rules and regulations are followed and establish the path for employees to follow, it encourages stable overall employee performance. However, it has the drawback of limiting both the leader's and the employee's abilities or skills (Shafie et al., 2021).

The leadership styles employed by leaders in an organization significantly impact the relationship between employees and their leaders and sustainability of employee performance (Jeremy et al., 2020). This means that the success or failure of an organization depends on the leadership qualities implemented. Furthermore, Lewis and Gilman (2023), argue that effective leadership styles enhance sustainability of employee performance, leading to increased productivity across different sectors of the economy. Rist (2020), also suggests that prior to the COVID-19 pandemic, leaders primarily focused on strategic issues, but now, due to the ongoing crisis, they must also address the challenges their employees face. During times of uncertainty, leaders should demonstrate care and empathy towards their employees by utilizing styles that prioritize their well-being (Lie et al., 2023). Therefore, this study examines the effect of leadership styles on sustainability of employee performance of small and medium-scale enterprises in Nigeria. The effect of leadership styles on employees' performance in Nigerian small and medium-sized businesses (SMEs) is the issue currently asking for a solution. More research is required to determine how various leadership philosophies affect workers' performance in these organizations. Due to this information gap, SME leaders need help to select the best leadership philosophies for their organizational setting. The goal is to better understand the connection between sustainability of employee performance and leadership styles so that small and medium- sized enterprises (SMEs) can implement strategies that boost employee engagement, provide a happy work environment, and increase overall productivity (Al-Balushi et al., 2023). If this objective is not met, there may be a decrease in worker productivity, a drop in job satisfaction, an increase in staff attrition, and a barrier to organizational expansion (Adrianto et al., 2023). Since small and medium-sized enterprises (SMEs) are vital to Nigeria's economic growth, it is critical to realize the potential of effective leadership to maintain success and competitiveness in the ever- evolving business environment (Al-Chances et al., 2023).

In Nigerian small and medium-scale enterprises (SMEs), the consequences of ineffective leadership styles can harm sustainability of employee performance. This includes decreased productivity, low morale, and high turnover rates (Arifuddin et al., 2023). These issues hinder organizational growth and negatively affect the company's reputation and competitiveness in the market. Moreover, the strained relationship between employees and the organization can lead to communication breakdowns and create a challenging work environment. If these consequences are not addressed, SMEs may struggle to achieve the desired level of enhanced sustainability of employee performance, preventing them from reaching their full potential and maintaining a competitive edge in the business landscape (Arina et al., 2023).

1.1 Aim and Objectives of the Study

This study's aim is to determine the effect of leadership style on sustainability of employee performance of Small and Medium-Scale Enterprises in Nigeria.

The specific objectives include;

- i. To evaluate the impact of autocratic leadership style on the sustainability of employee performance of Small and Medium-Scale Enterprises in Nigeria.
- ii. To investigate the impact of transformational leadership style on the sustainability of employee performance of Small and Medium-Scale Enterprises in Nigeria.

1.2 Research Questions

- i. How does autocratic leadership style affect the sustainability of employee performance of Small and Medium-Scale Enterprises in Nigeria?
- ii. What is the effect of transformational leadership style on the sustainability of employee performance of Small and Medium-Scale Enterprises in Nigeria?

1.3 Research Hypotheses

H₀: There is no significant statistical impact of autocratic and transformational leadership style on the sustainability of employee performance of SMEs in Nigeria.

1.4 Significance of the Study

The findings of this study, which focused on leadership style processes in SMEs in Nigeria, offer valuable insights for regulatory authorities such as the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN). Policymakers can use this evidence to understand the challenges faced by Nigeria's SMEs, enabling them to shape regulations and policies that will enhance sustainability of employee performance and promote sustainable economic growth. The study's primary objective is to improve understanding of leadership styles, helping SMEs identify critical risk factors and implement effective strategies to enhance overall performance. These insights significantly contribute to the stability and growth of Nigerian SMEs, providing valuable information for investors and decision-makers. When combined with SMEDAN, this information becomes instrumental in making well-informed decisions regarding investment and regulatory policies, aligning with the agency's mission to support and promote the development of small and medium enterprises in Nigeria. It will also serve as point for reference scholar, researchers and author for future work in a similar area.

2.0 LITERATURE REVIEW

2.1 Leadership Styles

Leadership style refers to the way a leader guides and influences a group. It includes behaviours and strategies used to direct others. Common styles include autocratic (centralised control), transformational (inspiring and motivating), transactional (using rewards and punishments), and laissez-faire (hands-off) (Faradillah et al., 2023). Influential leaders often blend styles based on the situation and organisational needs. Leadership styles are the permutation of diverse qualities a leader has. Most leaders have dissimilar styles of treating their employees and achieving the goals and objectives of the organisation. Organisations have different styles or methods of handling their employees (Hasanudin et al., 2023). The relationship between leadership style and sustainability of employee performance is crucial in organisational dynamics. Transformational leadership, characterised by inspiration and motivation, is associated with heightened commitment and creativity among employees, positively impacting overall performance. Transactional leadership, relying on rewards and punishments, may drive short-term productivity but limit long-term motivation and innovation due to external motivators (Hakim et al., 2023). Autocratic leadership's centralized decision-making can yield quick decisions but may negatively affect employee morale and creativity, influencing overall performance. Laissez-faire leadership, granting autonomy, can stimulate creativity but may result in a lack of direction, impacting performance due to the absence of potential guidance (Gwako et al., 2023).

2.2 Autocratic Leadership

When a leader is said to be autocratic, he uses authority over a group of individuals in the organisation (Husain & Sumartik, 2023). This leadership style is more aggressive than the others. This leadership style is more militant-like; they control their followers. It is a one-way communication, meaning the leader gives clear instructions and does not take feedback from their followers (Kramer, 2019); those who practice autocratic leadership are often seen as bossy. One of the advantages of autocratic leadership is that the decisions made are faster; now, this is good, especially for stressful situations. This can also lead to issues because the subordinate's opinions are silenced. (Cherry, 2019). This leadership is used when there is a need for control when the employees are ignorant. Inflexible organizations often use this leadership style, which can lead to dissatisfaction. (Iriani et al., 2023). This leadership style tends to limit creativity from the employees because it is a one-sided kind of leadership. This leadership has been developed over time. This leadership is mainly used in organizations with inexperienced workers and when the decision process is poor. One quality that autocratic leaders have is that they are driven, they believe in the perfection of tasks and results, and they like things being done according to the orders they give. (Belyh, 2020).

2.3 Transformational Leadership

The word transformative" means change". This type of leadership style motivates employees to do better and perform more. Leaders who have this style are respected by their followers but not in a fearful way. They are known for inspiring their followers. They think outside the box and, in this way, entertain new ideas. This kind of leadership style can be essential when working in teams. One thing about transformative leadership is that it tries to get everyone involved. The managers of a firm that uses transformative leadership are mainly concerned about increasing the general worth of their employees; they make sure that when employees deal with tasks, they look past their interests. Wang et al. (2011), discovered that transformational leadership style and sustainability of employee performance are usually positively connected. The personal relationships that transformational leaders tend to have with their employees make the employees happy and want to perform more. Researchers believe that transformational leadership can positively increase an employee's performance. (Montuori & Donnelly, 2018). Transformational leadership emphasises change and how they can create a positive for their followers.

2.4 Relationship between Leadership Style and Employee Performance

The SEMs are less regulated, and SME operators are arguably less heavily regulated employees (Klingelhofer & Sun, 2019; Atellu et al., 2023). Poorly regulated firms are expected to be sub- optimal in terms of efficiency, which will translate to profitability, risk of bankruptcy, lower valuations, and low payout to the shareholders, while disciplined, regulated business entities are expected to operate at the optimal level of efficiency, have fewer bankruptcy risks, higher valuations and will pay out more dividends to their shareholders (Lelissa & Kuhil, 2023). Atellu et al. (2023) opined that an effective leadership style would benefit firms by opening greater access to increased productivity, lowering the cost of capital, enhancing better performance, and leading to more favourable treatment of all stakeholders. On the other hand, it has been stated that a weak leadership style in SMEs can stifle growth and innovation and cause uncontrolled and uncalculated risk-taking, leading to poor performance and systemic crises. On the other hand, good regulation can increase investor confidence and sustainability of employee performance (Anginer et al., 2023). Richard et al. (2023), thought that increased productivity and efficiency are measures of performance that are influenced by SME management decisions and policy objectives, such as the level of staff engagement, provisioning policy, expense management and firm size, and external factors related to industrial structural factors such as ownership, market concentration and stock market development and other macroeconomic factors.

The upsurge in the number of SMEs and fast-paced growth in motivation intermediation, coupled with limitless possibilities in the mobilization and allocation of capital, has become more complex (Ajao & Oseyomon, 2023; Frost et al., 2023). Organizational research has extensively explored the correlation between leadership style and sustainability of employee performance. Notably, studies by Bass and Avolio (1994) and Luthans (2008), have consistently demonstrated a positive association between transformational leadership and enhanced employee outcomes. Transformational leaders inspire and motivate their teams, fostering a sense of shared vision and commitment. This leadership style correlates with higher levels of sustainability of employee performance, increased job satisfaction, and more outstanding organizational commitment. Conversely, autocratic or transactional leadership, characterized by a more directive approach, may not yield the same positive effect on sustainability of employee performance. Research by Podsakoff et al. (1990), suggests that transactional leadership may be associated with compliance rather than intrinsic motivation. This underscores the importance of leadership style in influencing employee behaviour and outcomes within the organizational context. Empirical evidence supports a meaningful relationship between leadership style and sustainability of employee performance, with transformational leadership emerging as a particularly influential and beneficial approach. Organizations can leverage these insights to cultivate effective leadership practices, contributing to a more productive and engaged workforce.

Transformational Leadership and Organizational Performances

The relationship between transformational leadership and organizational performance has been studied by many scholars (Blake & Mouton, 1964). Astuti and Khoirunnisa (2018), described transformational leadership as the style of leadership that leader oversees the future of the organization, endeavor towards the improvement of the employees' self-esteem by supporting them to know about their potentials and communicates the missions of the organization with employees to fulfill and satisfy their needs. Moreover, Bernato et al. (2020), argue that transformational leadership encourages followers to understand the importance of their tasks and give up on their self-interest for the sake of the organization through the achievement of better needs. The author also argues that this type of leadership style elevates the leader and the followers. What differentiates transformational leadership from other types of leadership is leaders morally inspiring their followers. It is also argued that the transformational leadership style is better than other types of leadership as leaders should have the ability to respond to the demands of followers from different situations. To fulfill this goal of transformational leadership is for leaders to be flexible and able to study events, environments. This type of leadership as discussed by Bass (1999), it lacks immediate selfinterest but it is visionary, inspirational, and symbolic that concentrates on employees' attention on employees' strategic goals and motivates employees

towards a higher purpose. Transformational leadership found to have a positive and significant relationship with the improvement of organizational performances (Asbari et al., 2019). The nature of the transformational leadership style is the leader adopts his style to the actual circumstances. Transformational leadership especially very effective for the uncertain environment and helps to achieve organizational competitive advantage and improves performance (Bernarto et al., 2020). In this style of leadership, the leaders act in a way that motivates employees' level of performance, innovation, critical thinking which results in the performance of the organizations and innovation. Transformational Leadership also instills a sense of motivation in employees and provides an innovative environment and teamwork. Thus, as found by Nugroho et al. (2020), this type of leadership positively impacts organizational innovation.

Also, Alsarrani et al. (2021), state that transformational leadership style is complimentary to managerial performance as well as detailed performance management systems. Transformational leaders can develop and keep control systems that reward their followers for their efforts (Cherry, 2019), acknowledges that transformational leadership is capable of developing and maintaining control systems that enable the values, rewards, creativeness and innovativeness to thrive through appropriate performance measures. Chong et al. (2016) point out that there is direct link between transformational leadership style and good performance in the organization. Transformational leaders inspire their subordinates to take ownership of the organizational goals and, hence their followers reach their highest levels of performance (Purwanto et a., 2019). Joshi et al. (2019), state that under a transformational leader, subordinates stay motivated and wanting to achieve organizational goals irrespective of whether there is a reward attached to it or not. Chong et al. (2016) posit that transformational leadership style has an ability to show subordinates their value and importance in the organization and hence, subordinates are willing to go an extra mile in achieving the organizational goals. Bass (1985) cited in Chong et al. (2016) submit that transformational leadership offers a good-looking view of the future in the organization. Transformational leadership can convince management to be solution driven rather than accepting the status quo. Transformational leaders maintain management control systems that reward the managers for the effort made (Chukwusa, 2018). Transformational leaders design and maintain good performance measurement systems, and there is an advantageous relationship between a detailed performance measurement system and reward system (Chong et al., 2016). Bass (1990) cited in Chong et al. (2016), transformational leadership style has an ability to show the subordinates their value and importance in the organization and hence, subordinates are willing to go an extra mile in achieving the organizational goals. The effect of transformational leadership is underpinned by the view that commitment reflects a psychosomatic relationship between an individual and an organization and this relationship is rooted in social exchange processes. Leadership is viewed as an essential element in the commitment process (Oh et al., 2023). In general, leader behaviour (such as concern, supportiveness, receptiveness of workers' needs, leader – member exchange) has been displayed as an antecedent variable in regard to affective and normative commitment (Chukwusa, 2018).

2.5 Theoretical Review

Burns first proposed the transformational leadership theory in 1978 and focused on charismatic qualities such as determination, self-confidence, vision, and moral uplifting. Transformational leadership involves inspiring personnel to work devotedly toward corporate goals (Bass, 1985; Faupel and Sus, 2019). Transformational leaders influence subordinates to achieve superior performance by demonstrating integrity and fairness (Bass, 1985). The four aspects of transformative leadership are idealized influence, charisma, inspirational motivation, intellectual stimulation, and individualized consideration (Northouse, 2019). Idealized influence is a leader's ability to convince followers and be a role model to subordinates (Bass, 1985). According to Northouse (2019), individualized consideration is the extent to which leaders mentor their followers to meet their needs. A leader who inspires employees by challenging preconceived notions about achieving personal and organizational objectives is said to exhibitinspirational motivation. Furthermore, intellectual stimulation involves leading by inspiring others to solve problems in a new way and renewing one's perspective. Global integration of the business world has led to increased competition, compelling organizations to innovate because of threats from startup companies which are gaining market share.

Organizations need to understand the influence of leadership on diffusion of innovation to adopt intellectual stimulation, supportive leadership, and personal recognition (Carreiro & Oliveira, 2019). Schuckert et al. (2018) explained intellectual stimulation involves fostering employee creativity and innovativeness. Transformational leaders pay attention to each employee by directly listening to issues their workers are facing and helping those individuals (Faupel & Sus, 2019). Transformational leaders improve organizational performance by working closely with team members to identify and implement necessary changes (Northouse, 2019). To increase productivity, managers should strive to identify individual skills and assign tasks accordingly to ensure alignment with organizational goals and objectives. An organization's management leadership style influences overall culture, which is crucial to implementing proposed change strategies. Transformational leadership involves realigning executive power and introducing innovative processes and practices inside organizations (Northouse, 2019). Transformational leaders connect the vision of a business and objectives with personal standards of workers (Zhu et al., 2019). Transformational leaders rely on personal

worth rather than external criteria to determine how much to pay employees and use internal resources (Watts et al., 2019). Transformational leaders increase employee satisfaction and reduce turnover bymotivating followers to align their goals with and organizational objectives (Zhu et al., 2019). Transformational leaders exhibit traits such as motivation, mentorship, and conflict resolution.

2.6 Empirical Review of Related Studies

Agustyani et al. (2023) evaluated the impact of leadership style and work discipline on the sustainability of employee performance at the Tangerang City DPRD Secretariat. The study investigated the influence of leadership style and work discipline on the performance of employees at the Tangerang City DPRD Secretariat. The results indicated a high coefficient of determination (R2) of 0.918, suggesting that 91.8% of the variance in the sustainability of employee performance can be explained by leadership style and work discipline. The F test also showed a significant effect of the independent variables on the dependent variable, with an F count value of 214.338 and a significance value of 0.000. Additionally, the regression coefficient values for leadership style and work discipline were positive, indicating that an increase in these variables led to increased sustainability of employee performance. The sample size for the research was 39 respondents, and the data analysis technique used was the multiple linear regression equation. Implement a performance management system that recognizes and rewards employees with high work discipline and performance levels. This can include performance-based incentives, recognition programs, and career development opportunities.

Mwove et al. (2023), examined the impact of transactional leadership style on students' academic performance in public secondary schools in Mwala Sub-county, Kenya. The study's specific findings on the effects of transactional leadership style on students' academic performance indicated that transactional leadership had a positive association with students' academic performance. The study confirmed that the transactional leadership style, particularly in contingent reward and management-by-exception, effectively enhanced students' academic performance. The results implied that an increased transactional leadership style would increase students' academic performance. Additionally, the study found that transactional leadership effectively fostered good academic performance and improved learning motivation. The study recommends that the Kenya Education Management Institute (KEMI) and TSC provide in-service training for principals on the best transactional leadership practices, specifically focusing on management-by-exception and contingent reward. It suggests that principals need to establish productive exchange relationships with teachers, communicate specific academic targets for teachers to achieve to be rewarded, and actively monitor teachers' performance. The study also highlights the need for principals to enhance transactional leadership style, as it has been shown to enhance students' academic performance.

Kushendratno et al. (2023), investigated the influence of a principal's leadership style and the physical work environment on teacher performance. The research was conducted at a school in Palembang, Indonesia, with 126 teachers as respondents. The study found that the principal's leadership style and the work environment positively influence teacher performance. The research used quantitative methods and data analysis techniques such as simple and multiple regression. The findings indicate that the principal's leadership style positively and significantly affects teacher performance. Therefore, it is recommended for school principals to focus on developing effective leadership styles that are supportive, empowering, and conducive to teacher development.

Akbar (2023), explored the influence of job satisfaction and leadership style on work performance, with work motivation as an intervening variable. The research was conducted at Bank Syariah Indonesia in Kudus Regency and found that job satisfaction and leadership style positively affect work motivation but do not directly impact work performance. However, work motivation was found to significantly influence work performance, mediating the effects of job satisfaction and leadership style. The study used a sample of 120 respondents and employed a structural equation model for data analysis. The study suggests that higher job satisfaction leads to increased work motivation. Therefore, organizations should enhance employee job satisfaction to boost their motivation levels. This can be achieved through various means, such as providing a positive work environment, offering opportunities for professional growth, and recognizing and rewarding employees for their contributions.

Kusuma and Gazali (2023), examined the impact of leadership style and work discipline on the sustainability of employee performance at City Cinema Mall in Pamekasan Regency, Indonesia. The study found that leadership style and work discipline significantly influence the sustainability of employee performance, with a coefficient of determination of 71.8%. The research was conducted by Adriani Kusuma, Gazali, and Zef Rizal from the Faculty of Economics and Business at Universitas Madura. The methodology used in the study was explanatory research. The data type used in the study was primary data, and the analysis technique used included validity and reliability tests, multiple linear regression analysis, and hypothesis tests (F test and t-test). Increase Leadership Style (X1) to increase the Sustainability of Employee Performance (Y). Future researchers are advised to use the results of this study as a reference and to pay attention to the results of previous studies to obtain better results. The principal should set an example for the teachers and provide strict supervision and guidance to improve teacher performance.

Adrianto (2023), examined the influence of leadership style on the sustainability of employee performance and loyalty, mediated by organisational climate. The study was conducted at the Regional Immigration Office of the Ministry of Law and Human Rights in Jakarta using a sequential Explanation approach that combined qualitative and quantitative methods. The researchers found effective leadership is crucial for achieving organisational goals in a complex and dynamic work environment. Organisational climate was found to mediate the effect of leadership style on the sustainability of employee performance. It was shown that a positive, inclusive, and empowering organisational environment can increase the positive influence of leadership style on the sustainability of employee performance. Similarly, organisational climate was found to mediate the effect of leadership style on employee loyalty. An excellent organisational climate creates a work environment that supports the growth and development of employees, leading to increased employee loyalty. Organizations understand the role and impact of leadership style and organisational climate in creating a productive work environment and motivating employees to achieve organisational goals together. They emphasized the importance of practical and inspiring leadership styles that can improve the sustainability of employee performance by providing clear direction, support, empowerment, and recognition of their contributions.

Mayori et al. (2023), examined the influence of leadership style and work discipline on the sustainability of employee performance within the Makassar City Education Office. The study found a positive and significant effect of leadership style on the sustainability of employee performance. Effective leadership style, including giving instructions, supervision, task emphasis, motivation, involving subordinates in decision-making, and adaptability, improved the sustainability of employee performance. Consistent application of effective leadership style was associated with enhanced performance, while its absence resulted in diminished performance. The research revealed that work discipline, as measured by adherence to time, regulations, and behavioural rules, significantly impacted the sustainability of employee performance. Adherence to these aspects drove employees to fulfill their duties with discipline, thereby enhancing their overall performance. The study indicated that work discipline is crucial for human resource management, reflecting responsibility and influencing employee productivity, engagement, and success in public sector operations. The study employed a quantitative research approach and involved 94 employees from the Makassar City Education Office. Focus on refining leadership training programs to enhance effective leadership practices.

Arifuddin et al. (2023), examined the impact of leadership style and work motivation on the sustainability of employee performance at the Regional Financial Management Agency in Sidenreng Rappang Regency. The study uses quantitative analysis and statistical calculations based on questionnaire responses, and the results are analysed using the SPSS program to demonstrate the relationship and influence between the variables. The study finds that leadership style and work motivation significantly affect the sustainability of employee performance. Nadapdap (2023), focused on the influence of leadership style, organisational culture, and job satisfaction on PTPN 3 Nusantara Medan's performance. The study used a quantitative and descriptive research approach, with data analysis using multiple regression analyses. The results indicated that leadership style, organisational culture, and job satisfaction significantly affect PTPN 3 Nusantara Medan's performance. His study suggests that organisations should focus on leadership development, promoting a positive organisational culture, and enhancing job satisfaction to improve the sustainability of employee performance.

Arina et al. (2023), discussed the influence of a principal's participative leadership style and work climate on public middle school teacher performance. It also highlights the impact of ineffective communication and feelings of jealousy towards colleagues on the teachers' work climate and performance. The principal's participatory leadership style significantly influences the performance of junior high school teachers. The participatory leadership style of the school principal affects the performance of junior high school teachers, as evidenced by the research results. The participatory leadership style influences teacher performance, supporting the acceptance of the alternative hypothesis. The researchers used quantitative research methodology to conduct the study. Quantitative research involves collecting and analyzing numerical data to understand and explain phenomena. Future researchers should consider using additional data collection methods, in addition to questionnaires, to provide a comprehensive understanding of respondents' opinions and strengthen the results obtained from distributed questionnaires.

3.0 RESEARCH METHODOLOGY

3.1 Research Design

This study will adopt the cross-sectional survey research design, and this is because the information or data needed for the study requires the use of a structured questionnaire that will be administered to the respondents, who are the staff, managers, and CEOs in the selected SMEs in Nigeria. Also, the reason for using a cross-sectional survey research design is that its method is helpful in describing the characteristics of a large population, giving different geographical points, and providing broad capacity, which ensures a more accurate sample to gather target results in which to draw conclusions and make important decisions. Finally, cross-

sectional survey research design allows for the anonymity of surveys, allowing respondents to answer with more candid and valid answers, and anonymously provides an avenue for more honest and unambiguous responses than other types of research methods, especially if it is clearly stated that the survey answers will remain completely confidential.

3.2 Research Population

A study population is normally a large group of individuals or objects which is the foremost focus of a scientific inquiry (Mohamed, 2017). In consonance, Kolo (2013), sees population to be a group of people having similar features required by a researcher. This means that for the purpose of this study, the target population comprises of the staff, managers, and CEOs in the selected SMEs in Nigeria.

3.3 Sampling Technique and Size

Statistically, a sampling frame connotes the material sources or devices from which a sample can be drawn (Bhattacherjee, 2012). The sampling techniques used in this study will be both the purposive and census sampling techniques. The census sampling technique is adopted because the population is small, and the availability of the MDs/CEOs is always at hand to be reached. Thus, the total population of the general, marketing, sales, and finance managers of Konga, jumia, flutterwave, sweepsouth and Hotels.ng in the SMEs is not up to four hundred. Therefore, the study will not employ any formula to reduce the population. The 81 staff, frontline supervisors, and MDs/CEOs will be issued a questionnaire.

3.4 Method of Data Collection and Analysis

The method of data collection used in this study is a questionnaire, which will be administered to the respondents involving primary data. The reason for using primary data sources is that it is crucial in presenting a study of this nature and other research data based on original data produced by the people involved in the research subject area. This study adopts the multiple regression method which is predicated on ascertaining the cause-and-effect relationship between the dependent and independent variables. It is worth noting that the study adopted the model of Morgan et al. (2017) with a slight modification to suit the adaptation of this study. The mathematical method or model is expressed in the study as follows:

Y = $f(X_1, X_2, ..., X_n)$ equation (1) Y = $\beta_0 + \beta_1 X_1 + \beta_2 X_2 + ... X_n$ equation (2)

Where:

Y = Dependent Variable of the study

 X_1 X_n = Independent variable of the study

 B_0 = Beta coefficient for the constant

 β_{1} - β_{8} = Beta coefficients for the independent variables

 ε = Error term

Substituting the variable of this current study into equation 1 above, we have:

EMP = f(ATL, TML) equation (3)

EMP = β o + β ₁ATL + β ₂TML + ...X_n..... equation (2)

Where:

SEP = Sustainability Employee Performances of SMEs

ATL = Autocratic Leadership Style
TML = Transformational Leadership Style

4.0 ANALYSIS AND RESULTS

4.1 Questionnaire Response Rate

In line with the outcome of table 1, the questionnaires response rate entails about 100% response rate of the respondents with a return of all and properly filled of the 81 questionnaires that was distributed.

Table 1: Questionnaire Response Rate

= 0.0-1 =					
Questionnaire	N	Response Rate (%)			
Distributed Questionnaires	81	100%			
Returned Questionnaires	81	100%			
Not retrievable Questionnaire	0	0%			

Source: Author's Field Survey, (2024)

4.2 Background Information

According to the table 2, the respondents profile denotes male (60) and female (21) indicating a response rate of 74.07 and 25.93 percent respectively. The age of the respondents entails 18 - 20 (8), 21 - 30 (20), 31 - 40 (19), 46 - 50 (18), and above 50 years (18) showing a response rate of 9.88, 24.69, 23.46, 19.74 and 22.23 percent correspondingly. Also, the level of education encompasses HND (17), Degree (44), Masters (18) and PhD (2), and depicts 20.99, 54.32, 22.22 and 2.47 percent respectively. The number of employees employed by

the SMEs entailed 2 (49), 3 (18), and above 4 (14) depicting a response rate of 61.2, 21.7 and 17.1 percent congruently. Similarly, the experience of the respondents in SME operations include 1-5 years (11), 6-10 years (34) and above 11 years (36) triggering a response rate of 13.58, 41.98 and 44.44 percent compatibly. Furthermore, the position of the respondents indicates Frontline Supervisors (34), Financial Managers (23), General Managers (11), Marketing Managers (2), Sales Managers (5) and Strategy and Planning (6) positing a response rate of 42.8, 27.8, 13.7, 2.7, 5.7 and 7.4 percent respectively.

Table	9:	Rest	ond	lent's	Profile
Iani		IVOSI	JULL	icht c	, i i Oilic

		spondent's Profile	
	Frequency	Valid Percent	Cumulative Percent
Gender			
Male	60	74.07	74.07
Female	21	25.93	100.00
Total	81	100	
Age			
18-20	8	9.88	9.88
21-30	20	24.69	34.57
31-40	19	23.46	58.03
46-50	16	19.74	77.77
Above 51	18	22.23	100.00
Total	81	100	
Level of Education			
HND	17	20.99	20.99
Degree	44	54.32	75.31
Masters	18	22.22	97.53
PhD	2	2.47	100.00
Total	81	100	
10141	01	100	
Numbers of Employee			
2	49	61.2	61.2
3	18	21.7	82.9
Above 4	14	17.1	100.0
Total	81	100.0	
Experience in SME			
1 – 5 years	11	13.58	13.58
6 – 10 Years	34	41.98	55.56
Above 11 Years	36	44.44	100.00
Total	81	100.00	
Desire of Desire 1	_		
Position of Respondent		40.0	= 0.6
Frontline Supervisors	34	42.8	70.6
Financial Managers	23	27.8	27.8
General Managers	11	13.7	84.3
Marketing Managers	2	2.7	87.0
Sales Managers	5	5.7	92.6
Strategy and Planning	6	7.4	100.0
Total	81	100.0	

Source: Author's Field Survey, (2024)

4.3 Descriptive Statistics

4.3.1 Autocratic Leadership (ATL)

According to the table 3, the topmost factors entail 'decisions without consultation (M = 4.481)', and 'closely monitors and controls work (M = 4.291)' which are ranked 1st and 2nd correspondingly. Also, 'expects strict adherence to rules (M = 3.506)', 'top-down communication style (M = 3.444)' and 'rarely seeks feedback (M = 3.281)' ranked 3rd, 4th and 5th respectively are considered the medium ranked factors in line with the outcome of this study.

Table 3: Descriptive Statistics for ATL

Statement	Mean	SD	Rank
Decisions without consultation	4.481	0.976	1
Closely monitors and controls work	4.291	0.785	2
Expects strict adherence to rules	3.506	0.950	3
Top-down communication style	3.444	0.894	4
Rarely seeks feedback	3.281	0.923	5

Source: Author's Field Survey, (2024)

4.3.2 Transformational Leadership (TML)

According to the table 4, the most important factors for the TML entails 'demonstrates confidence and optimism (M = 4.074)' and is ranked 1st. Other factors includes 'encourages innovation (M = 3.926)', 'communicates compelling vision (M = 3.852)', 'inspires higher goals (M = 3.840)' and 'provides individualized support (M = 3.741)' which are ranked 2nd, 3rd, 4th and 5th respectively and are considered the medium ranked factors.

Table 4: Descriptive Statistics for TML

Statement	Mean	SD	Rank
Demonstrates confidence and optimism	4.074	0.543	1
Encourages innovation	3.926	0.264	2
Communicates compelling vision	3.852	0.760	3
Inspires higher goals	3.840	0.715	4
Provides individualized support	3.741	0.803	5

Source: Author's Field Survey, (2024)

4.3.3 Sustainability of Employee Performance (SEP)

In line with the outcome of table 5, the SEP factors encompass 'adequately trained and equipped (M = 4.185)', 'opportunities for professional growth (M = 4.123)' and 'clear guidance from supervisor (M = 4.086)' which are ranked 1st, 2nd and 3rd respectively. Also, 'motivated to perform at best (M = 3.840)' and 'regular and constructive feedback (M = 3.605)' are ranked 4th and 5th correspondingly and are considered the medium ranked factors consistently.

Table 5: Descriptive Statistics for SEP

Statement	Mean	SD	Rank
Adequately trained and equipped	4.185	0.391	1
Opportunities for professional growth	4.123	0.533	2
Clear guidance from supervisor	4.086	0.809	3
Motivated to perform at best	3.840	0.829	4
Regular and constructive feedback	3.605	0.585	5

Source: Author's Field Survey, (2024)

4.4 Inferential Statistics

 H_0 : There is no significant statistical impact of autocratic (ATL) and transformational leadership (TML) style on the sustainability of employee performance of SMEs in Nigeria.

According to the outcome of table 6, it shows the variables entered into the SPSS statistical tool which includes the TML and ATL which makes up the independent variables while EMP makes up the dependent variables of this study. The model summary is illustrated in table 7, and it indicates an R Square of .784 which represent an 78% of the variables on the SEP while the rest is covered by the error term.

Table 6: Variables Entered/Removeda

Model	Variables Entered	Variables Removed	Method
1	TML, ATL ^b	·	Enter
	1		

a. Dependent Variable: SEP

b. All requested variables entered.

Table 7: Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.864ª	.784	.701	.75760

a. Predictors: (Constant), TML, ATL

The ANOVA statistics indicated in table 4.8 indicates regression of sum of squares (4.386), df (2), mean square (2.193), F (436.019) with Sig. (0.000) while the residual value for the criterion except for F and Sig indicates .392, 78 and .005 correspondingly. The larger F-Value shows that there is a greater difference among the group means. Consequently, the presence of (Sig. <.05) indicates that there are statistically significant difference among the group delineating an evidence to reject the null hypothesis.

Table 8: ANOVAa

Model		Sum of Sq	uares df	Mean Square	F	Sig.
	Regression	4.386	2	2.193	436.019	.000b
1	Residual	.392	78	.005		
	Total	4.778	80			

a. Dependent Variable: SEP

b. Predictors: (Constant), TML, ATL

According to table 4.9 which indicates the coefficients of this study indicates a Sig (<0.05) signifying the rejection of all the hypotheses such as the H₀ of this study while the regression line for the model indicates **SEP** = 2.137 - .349(**ATL**) + .913(**TML**). This indicates that while ATL is a negative predictor of SEP while TML is its negative predictor.

Table 9: Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
'-	(Constant)	2.137	.508		4.205	.000
1	ATL	349	.115	102	-3.049	.003
	TML	.913	.031	.977	29.272	.000

a. Dependent Variable: EMP

4.5 Discussions

In line with the outcome of this study, decision without consultation is the hallmark of the ATL, however, he closely monitor and control works according to the respondents of this study. According to Chukwusa (2018), autocratic leadership has a form of advantage in the areas were the team member or the organizations is engulfed with employees that parade themselves on pride and incapable of resolving problem quickly. A quick decision-making by the autocratic leadership ensures that the works that would have been otherwise characterized by delays are averted leading to a quick conclusion in works. This leadership ensures that there is strict compliance to the requisite laws and regulations triggering an increased compliance to the way and procedures to which works should be undertaken (Nugroho et al., 2020). For TML, the leadership demonstrates confidence and optimism which sometimes leads to encourages innovation and communicates compelling vision which is outlined by this study and agreed by Bernarto et al. (2020) and Oh et al. (2023) as an important factor when it comes to the TML. Consequently, this leadership inspires higher goals and provides individualized support needed for the continued growth of the organization as posited by this study's outcome. Similarly, for the SEP, the requisite sustainability level of the employees are experienced in the areas of adequacy of training and equipment, opportunities for professional growth and clear guidance from supervisor which contrived to be the topmost factors in this category. While Alsarrani et al. (2021), sees training adequacy as an essential commodity for the growth and development of the employees, more opportunities are eventually created for bith the organization and the employees as a result of the development stride (Muhammed et al., 2022), inherent in the organization which are both in agreement with the outcome of this study. As a result, the considered ATL and TML factors impact about 78% of the changes experienced in SEP which is shows that there is a significant impact of the ATL and TML in this regard.

5.0 CONCLUSION AND RECOMMENDATIONS

This study that determine the impact of leadership style on sustainability of employee performance of SMEs in Nigeria concludes that the topmost factors for the ATL includes decisions without consultation, closely monitors and controls work and strict adherence to rules while the TML have demonstration of confidence and optimism, encouraging of innovation, and communicates compelling vision as its topmost factor. This study also concludes that the adequacy of training and equipment's, opportunities for professional growth and clear guidance from supervisor are considered the topmost factors for the SEP. Equally, this study deduced that an R Square of .784 represents about 78% impact of ATL and TML on the SEP while the regression denotes SEP = 2.137 - .349(ATL) + .913(TML) concluding that ATL is a negative predictor of SEP as TML is its negative predictor in line with the outcome of this study.

The following recommendations are inferred from the conclusion;

- 1. There is need for autocratic leaders to encourage more participative decision-making and seek regular feedback to improve employee satisfaction and performance while the transformation leaders should continue to foster innovation, vision, and individualized support to maintain high performance levels.
- 2. Implementing regular feedback mechanisms can help autocratic leaders understand the impact of their decisions on employee morale and performance. Feedback sessions, surveys, and open-door policies can provide valuable insights that can guide leaders in adjusting their approach to better support their teams.
- 3. By incorporating participative decision-making and feedback, autocratic leaders can mitigate the negative effects associated with this leadership style. Employees who feel heard and involved are more likely to be motivated and perform better, even in environments where high-risk decisions are made.

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