

**Effect of Labour Management and Leadership Style on Productivity of Limited Liability  
Companies in Akwa Ibom State**

---

By

**Dr. Joseph Effiong MBOM  
Department of Management  
Faculty of Business Administration  
University of Nigeria  
Enugu Campus**

&

**AKPAN, E. Ebenezer, *Ph.D, FCICN, AP, PPGDCA, PHDCDPM*  
Corporate Institute of Research and Computer Science  
140 Ikot Ekpene Road  
Uyo, Akwa Ibom State**

---

**Abstract**

*The study aimed at finding out the effect of labour management and leadership style on productivity of limited liability companies in Akwa Ibom State. The study adopted a survey research design. The population of the study comprised all the employees working limited liability companies in Akwa Ibom state; the study employed simple random sampling technique to determine a sample of 80 respondents. The instrument for data collection was a structured questionnaire used to elicit response for the study. The instrument was face and content validated by experts. The data obtained was analysed using descriptive and inferential statistics. The result of the analysis proved that there is significant effect of labour management on productivity of limited liability companies in Akwa Ibom State. Also, there is significant effect of leadership style on productivity of limited liability companies in Akwa Ibom state. One of the recommendations was that government and management of private organizations should ensure that mutual cooperation is emphasized in work place in order to bring about high productivity of the business.*

**KEYWORDS: Labour Management, Leadership Style, Productivity, Limited Liability  
Companies**

---

**Introduction**

The success of an organization is not only measured by the amount of profit the company can make, but also by the degree of industrial peace and harmony that can be maintained, therefore employers of labour must pay more attention to the needs of labour, so as to maintain high performance (Ukoha, 2011). Management having been entrusted with the daily running and administration of the organization should regard and treat employees as a vital and essential asset of the organization; employees on the other hand should try to appreciate the effort of management in trying to protect the interest of investors and shareholders.

According to Paul (2013), labour and management are faced with many difficult challenges: In an organization, management set goals and targets which it must meet, so they employ men and women from different background to help meet these goals and target. Most often, these individuals' goals and targets tend to conflict with the organization's goals and sometimes the goals of the individual worker in the organization conflict with one another, there is therefore bound to be disagreement, disparities, dis-coordination and conflict which vary from minor differences of opinions to intensive discord. Paul (2013) asserts that the problem of low performance in an organization occurs when there is no cordial relation between management and its workers; this brings about lack of understanding thereby preventing management and workers from achieving their goals, in such a situation there is usually low productivity, no staff morale, low pay, lack of promotion and no maintenance culture.

Employees should be afforded the opportunity to directly or indirectly participate in decision making, it is a matter of social justice to let worker have a say, if in nothing, but at least matters affecting them. An employee will work hard to achieve an objective knowing he was involved in its formulation; a means of participation not only increases employee's contribution to problems analysis, but also enhances their ability to make important operational decisions (Nel, 2012).

Workers participation in decision making in an organization promotes good industrial relations, improves commitment and projection. Empowerment in the work place is allowed and employers and employees are seen as partners. Management see participation as a way of increasing the commitment and control of workers, trade unions see it as a way of increasing workers influence and control in the workplace, workers see it as a way of overcoming employer-employee conflict and of achieving co-operation between management trades union and works (Tosa, 2011).

Leadership style in an organization had also been found to affect its general performance. Leadership style refers to the leader's manner of acting in a work situation. The overall essence of leadership is followership, in other words, the willingness of people to follow makes a person a leader. Employees tend to follow those whom they see as providing a means of achieving their own desires, wants and needs. Leadership style could be autocratic, democratic or laissez -faire leader. The effect of leadership on productivity is that the amount of work actually done is greatest in an autocratic group and laissez-faire group, motivation is strong as far the leader is watching, but as the leader leaves the room, however, motivation is usually not sufficient to increase output above the level of the autocratic group. It is pertinent to note that employee's performance in an organization to an extent depends on leadership styles, hence the right leadership style that promotes productivity should be put in place.

### **Statement of Problem**

Inappropriate Labour-Management and relations is a severe challenge that has resulted in organizational unrest and disrupt the industrial peace which has resulted in dire consequences such as a decline in employee morale, damages to the business organisations' properties and wastage of resources, decline in profits, investments and hindering business expansion programmes, deteriorating law and order jeopardizing political stability, impairment of overall organizational efficiency and effectiveness and many more. It could as well be seen that management and labour constitute to a kind of private government of the work place which to

some degree may affect the lives of workers and of those who have no direct dealings with either management or labour. Hence the need for a scientific study investigating the effect of Labour Management and leadership style on the productivity of limited liability companies in Akwa Ibom state.

### **Objective of the Study**

The main aim of this study is to examine the. The specific objectives are:

1. To investigate the effect of labour management on productivity.
2. To investigate the effect of leadership style on employees productivity.

### **Research Questions**

1. Does labour management affect productivity of Llc's in Akwa Ibom state?
2. Does leadership style affect productivity?

### **Research Hypotheses**

1. There is no significant effect of labour management on productivity in liability companies.
2. There is no significant effect of leadership style on productivity in Liability companies.

### **Literature Review**

#### **Theoretical Review**

The theory adopted for this study is the Expectancy Theory by Vrooms (1964)

Expectancy theory holds that people are motivated to behave in ways that produce desired combinations of expected outcomes (Kreitner and Kiricki, 1999). Essentially, the expectancy theory argues that the strength of a tendency to act in a certain way depends on the strength of an expectation that will be followed by a given outcome and on the attractiveness of that outcome to the individual (Robbins, 1993).

Expectancy theory states that motivation is a combined function of the individual's perception that effort will lead to performance and of the perceived desirability of outcomes that may result from the performance (Steer, 1983). Vroom (1964) developed the formal model of work motivation drawing on the work of other researchers. Vroom basically opines that people's alternatives, and those choices are systematically related to psychological processes, particularly perception and the formation of beliefs and attitudes (Pinder, 1984). The implication of the theory provided a useful insight for managers and other organization leaders; one of the advice was for managers to find ways of motivating employees by devising programs or practices aimed and focusing on groups to help employees deal with stress, especially during more challenging times and taking the time to understand the needs of the respective employees (Kreitner, 1998).

## Conceptual Review

Productivity is one of the major concerns of managers in the 21<sup>st</sup> century. This is the concern in many parts of the world. Even Japan, which is admired for productivity improvement, is now concerned about remaining competitive in the world market. Productivity implies measurement, which in turn is an essential variable in organizational performance (Mark, 2010). Performance is a measure of how resources are brought together in an organization and utilized for accomplishing a set of result, performance can be effective and efficient only if there is a mutual relationship between workers and management. There is always a condition of services in every organization, together labour and management should determine the terms and condition under which employees will work, how much employees are paid, when they must come to work, when to leave and how promotion are done, if both parties fulfill their own part, they will definitely co-exist peacefully.

A Managing Director of an Energy Firm in Nigeria (PHCN) in 2003, went around to personally acknowledge and appreciate the staff contribution to the management's success, in 2004, he went round again and even went a step further to write letters to the field staff in which he highlighted management achievements, commitments and projection. His effort to relate to workers delighted workers as money can only buy machinery, tools, man's physical presence in an organization, but cannot buy initiative, loyalty and enthusiasm. Hence, there is the need for mutual relationship to exist in the workplace for optimum productivity.

## Labour Management and productivity

Most management practitioners have come to recognize that paying attention to employees in their organization is as important as any attention paid to the technical side of their plans if not more important. Andre (2002) was the first to emphasize the value of the individual worker to an economic system, he was said to have rated workers higher than everything else in importance. The word management was derived from Italian word "managgiare" meaning to train houses. Drucker (1973) defined management as an objective function that ought to be grounded in the responsibility for performance. According to Mc Farland (2011), management is the process by which managers create, direct, maintain and operate purpose organization through systematic coordinates and control. The definition that suited the researcher was the one defined by Parker (2010), she defined management as the art of getting things done through and with people.

Management should exercise certain powers privileges, but not to the detriment of its workers and the organization as a whole, totalitarian attitude or being too bossy on workers does not constitute what can be rightly called labour management relation. Busk (2011) postulates that an employer who is strict and fair is usually respected by his workers, so management should be just, firm and impartial towards things that concerns its workers. He also added that a reasonable manager should always make necessary arrangement to ensure that all materials required for the efficient performance of the job are made available at the right time and place.

## Leadership Style and Productivity

The essence of leadership is followership, in other words, the willingness of people to follow makes a person a leader. Employees tend to follow those whom they see as providing a means of achieving their own desires, wants and needs. Leadership style in an organization can affect its

general performance. Leadership style refers to the leader's manner of acting in a work situation. According to Fielder (2016), leadership style is contingent on the personality of the leader. Leadership style could be autocratic, democratic or laissez -faire leader.

1. Autocratic Leader- This type of leader centralizes power and decision making, he commands and expects compliance, he is dogmatic and leads by the ability to withhold, give rewards and punishments.
2. Democratic or Participative Leader: Decentralizes authority by taking decision with employees in form of participation, leaders here consult with subordinates on proposed term of action and decision, and encourages participation from them.
3. The Laissez-Faire Leader: This leader avoids power, they are sometimes called leadership of "Mr. Right", they allow the groups to establish its own goals and work out its own problems.

Lippitt and White (2010) investigated the effect of leadership on productivity in different groups, they concluded that;

1. Work oriented conversation was the greatest in a democratic group, less in an autocratic group and least in laissez-faire groups.
2. The amount of work actually done was greatest in an autocratic group and laissez-faire group, motivation was strong in the leader left the room, however, motivation was not sufficient to increase output above the level of the autocratic group.
3. Hostility and disconnect were greatest in an autocratic group, people in an autocratic group more dependent on their leaders, more submissive, group mindedness and friendly playfulness were greatest in a democratic group.

Leadership styles in organization vary ranging from one that is highly boss-centered to one that is subordinate-centered, the style varies with the degree of freedom a leader or manager grants to subordinates. It is pertinent to note that employee's performance in an organization to an extent depends on leadership styles. It is therefore left for the management to know the required styles for effective management of men so as to achieve a suitable result.

## **Methods**

### **Research design**

The researcher used a survey research design for the study.

### **Population of the study**

The population of this study comprises all the limited liability companies in Akwa Ibom State.

### **Sampling technique**

Stratified Random Sampling Technique was used to conduct samples for the study.

### **Sample size determination**

Using the Taro Yamane's formula, the sample size stood at 80 respondents.

### Sources of data

For the purpose of this study, both the primary and secondary sources of data were employed. While the primary sources relied extensively on personal observations, interviews and questionnaires administration, secondary sources of data included: Journals, Papers, Articles and Internet Publications.

### Data collection method

The method of data collection employed in the study was logically based on Questionnaire prepared and distributed by the researcher.

### Validity and reliability of the research instrument

The questions contained in the questionnaire were framed in a way that elicits reliable responses. Specifically, the Test – Retest Model of Reliability was employed at 0.87. Also, face validity was used to establish the validity of the instrument by experts in the field.

### Data analysis techniques

Data collected during the study was presented using tables analyzed by means of percentages and chi-square analyses.

## Results and Discussions

### Results

#### Research Question One

The research question sought to find out the extent to which labour management affects productivity in Lles in Akwa Ibom State. To answer the research question, percentage analysis was performed as can be seen in table 1

**Table 1: Percentage analysis of the extent to which labour management affects productivity**

<b>Labour management and Productivity</b>	<b>FREQ</b>	<b>PERCENTAGE</b>
HIGH EXTENT	78	97.5
LOW EXTENT	2	2.5
<b>TOTAL</b>	<b>80</b>	<b>100%</b>

**SOURCE: Field survey**

From the result of the above table 1, it was observed that 78 (97.5%) of the respondents affirmed high extent of the effect of labour management on productivity while 2(2.5%) of the respondents affirmed low extent of the effect of labour management on productivity. The result therefore means there is high extent of the effect of labour management on productivity.

## Research Question Two

The research question sought to find out the extent to which leadership style affects productivity of limited liability companies in Akwa Ibom state. To answer the research question, percentage analysis was performed as can be seen in table 2

**Table 2: Percentage analysis of the extent to which leadership style affects productivity**

Leadership style and Business productivity	FREQ	PERCENTAGE
HIGH EXTENT	79	98.75
LOW EXTENT	1	1.25
<b>TOTAL</b>	<b>80</b>	<b>100%</b>

**SOURCE:** Field survey

From the result of the above table 2, it was observed that 79 (98.75%) of the respondents affirmed high extent of the effect of leadership style on business productivity while 1(1.25%) of the respondents affirmed low extent of the effect of leadership style on business productivity.

## Hypothesis Testing

### Hypothesis 1

The null hypothesis states that there is no significant effect of labour management on productivity. To test the hypothesis, goodness of fit chi-square analysis was performed on the discrete data (See table 3).

**Table 3: Chi-square analysis of the effect of labour management on productivity**

Extents	Observed Freq	Expected Freq	X <sup>2</sup>
HIGH	78	40	72.2*
LOW	2	40	
<b>TOTAL</b>	<b>80</b>	<b>80</b>	

**\*Significant at 0.05 level; n=80; df = 1; Critical X<sup>2</sup>-value = 3.48**

Table 3 shows the calculated X<sup>2</sup>-value as (72.2). This value was tested for significance by comparing it with the critical X-value (3.48) at 0.05 levels with 1 degree of freedom. The calculated X<sup>2</sup>-value (72.2) was greater than the critical X<sup>2</sup>-value (3.48). Hence, the result was significant. The result therefore means that there is significant effect of labour management on productivity.

### Hypothesis 2

The null hypothesis states that there is no significant effect of leadership style on productivity of Limited liability companies. To test the hypothesis, goodness of fit chi-square analysis was performed on the discrete data (See table 4).

**Table 4: Chi-square analysis of the effect of leadership style on productivity of limited liability companies**

Extents	Observed Freq	Expected Freq	X <sup>2</sup>
HIGH	69	40	42.05*
LOW	11	40	
<b>TOTAL</b>	<b>80</b>	<b>80</b>	

**\*Significant at 0.05 level; n=80; df = 1; Critical X<sup>2</sup>-value = 3.48**

Table 4 shows the calculated X<sup>2</sup>-value as (42.05). This value was tested for significance by comparing it with the critical X-value (3.48) at 0.05 levels with 1 degree of freedom. The calculated X-value (42.05) was greater than the critical X-value (3.48). Hence, the result was significant. The result therefore means that there is significant effect of leadership style on productivity.

### Discussion of the Findings

The result of the data analysis in table 3 was significant due to the fact that the calculated X-value (72.2) was greater than the critical X-value (3.48) at 0.05 level with 1 degree of freedom. The result implies that there is significant effect of labour management on productivity. The result therefore was in agreement with Busk (2011) who posited that an employer who is strict and fair is usually respected by his workers, so management should be just, firm and impartial towards things that concerns its workers. He also noted that a reasonable manager should always make necessary arrangement to ensure that all materials required for the efficient performance of the job are made available at the right time and place. The significance of the result caused the null hypotheses to be rejected while the alternative one was accepted.

The result of the data analysis in table 4 were significant due to the fact that the calculated X-value (42.05) was greater than the critical X<sup>2</sup>-value (3.48) at 0.05 level with 1 degree of freedom. The result implies that there is significant effect of leadership style on business productivity. The result therefore was in agreement with the research findings of Lippitt and White (2010) who investigated the effect of leadership on productivity in different groups and concluded that leadership styles in organization vary ranging from one that is highly boss-centered to one that is subordinate-centered, the style varies with the degree of freedom a leader or manager grants to subordinates. It is pertinent to note that employee's performance in an organization to an extent depends on leadership styles. The significance of the result caused the null hypothesis to be rejected while the alternative one was accepted.



### **Conclusions**

Based on the findings of the research work, it was concluded that there is significant effect of labour management on productivity in business enterprises. There is significant effect of leadership style on business productivity.

### **Recommendation**

1. Government and management of private organizations should ensure that mutual cooperation is emphasized in work place in order to bring about high productivity of the business.
2. It is necessary for the management to know the required styles for effective management of workers, so as to achieve a suitable result in the business establishment.

## REFERENCES

- Andre, I. R. (2002) Wage inequity and job performance: An experimental study. *Journal of Applied Psychology*, 51, 39-45.
- Busk, C. E. (2011). Labored Relations: Corporate citizenship, labor unions, and freedom of association. *Business Ethics Quarterly*, 22(3), 473-500.
- Drucker, P. F. (1973). *The Principles of Management*. New York, NY: Harper Collins Publishers.
- Fiedler, F. E. (2016) The contingency model-New directions for leadership utilization. *Journal of Contemporary Business*; vol.3, 65-79.
- Kreitner, R. and Kinicki, A., (1999). *Organizational Behavior*, 4th edition, Boston: Irwin McGraw-Hill.
- Lippitt, R., & White, R., (1968). Leadership and Member Reaction In Three Social Climates: Group Dynamics, *Journal of social psychology*, Vol.10, No. 2, (pp.318-385)
- Mark T., (2010), "*Curus on Leadership*", Thorogood Publishing.
- McFarland, A. S. (2011). *Power and Leadership in Plural Systems*. Stanford University Press.
- Nel, (2012) Labour welfare and job satisfaction. New Delhi: *Deep and Deep Publications*.
- Parker, T. (2010). The view from below –a management system case study from a meaning-based view of organization. *Journal of Cleaner Production*, 53(6), 81–90.
- Paul, M. (2013) "*Improving Total Productivity*", New York, Willey- Inter Science Publication.
- Pinder, C. C. (1984). *Work Motivation in Organizational Behavior*. Upper Saddle River, NJ: Prentice Hall
- Robbins, S. (1993). *Organizational Behavior* (6th ed.). Englewood Cliffs, NJ: Prentice Hall.
- Steers, R. M. (1983). *Motivation and Work Behavior*, 5th edition, New York: McGraw-Hill.
- Tosa U. K. (2011), "The Importance of Greasing, The Workers Elbow", *NEPA Review*, Pg. 10.
- Ukoha (2011) Human capital development and corporate performance: a study of food and beverages firms in Port Harcourt International. *Journal of Advanced Academic Research Social & Management Sciences*, University of Port Harcourt, Nigeria. Vol. 3
- Vroom, V. H. (1964) *Work and motivation*. New York: Wiley.