LEADERSHIP STYLES, CONFLICT MANAGEMENT AND PRODUCTIVITY AMONG EMPLOYEES IN SMALL & MEDIUM SCALE ENTERPRISES IN LAGOS STATE, NIGERIA

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Abstract - The study appraised leadership and conflict management styles as they relate with the productivity of SME employees in Lagos State. Cluster and simple random sampling was used to select 250 respondents. The study adopted a survey research design and two research hypotheses were tested at 0.05 level of significance. There instruments were used to collect data and data collected were analyzed using mean, standard deviation and Pearson Product Moment Correlation Coefficient. The study observed that a direct and significant relationship exist between leadership styles of the employers and the productivity of the employees in Lagos State. Also, an inverse but not significant relationship exist between conflict management styles of the employers and SME employees' productivity in Lagos State. It was recommended among other that employers should transcend having direct relationship with employees, but should also rapport and a reinforcement system in order to motivate employees.

Keywords: Leadership Style, Conflict Management, Small, Medium Enterprise, Productivity

I. INTRODUCTION

Small and medium-sized enterprises (SMEs) has been observed to play an important mean through which an economy can be revitalized. The Organization for Economic Cooperation and Development (OECD) (2018) summarizes some of the important roles played by SMEs to include considerable positive impact on employment creation, innovation, productivity growth and competitiveness as well as fostering innovation in established SMEs can enhance aggregate productivity and narrow wage gaps. However, as concerns about the Nigerian persistently weak productivity growth deepen and frantic effort being made by successive administration at encouraging local production and discourage importation, attention has increasingly turned to small and medium firms . Akoma, Adeoye, Binuyo and Akinwole (2014) identified effective leadership as a major gap in building astrong and virile SME sub-sector towards Nigeria's industrial development process in the past years. Leadership has been identified as one of the principal factor that makes an organization to survive, adapt and grow during environmental challenges (Zirra & Ezie, 2017). Kim (2004) noted that the kind of leadership style exhibited by managers to a large extent influences organizational valued outcomes such as low employee turnover, reduced absenteeism, customer satisfaction, and organizational effectiveness (as cited in Zirra & Ezie, 2017). This is expected to significantly influence the level of productivity of the organization's employees. Leadership has been defined as interpersonal influence exerted in a situation and directed using communication system towards the attainment of specific goals. It is basically the ability to form and mould attitudes and behavior of other individuals (Limbare, 2012). Such interpersonal influence is carried out through communication with the aim of achieving organizational objectives. The success of an organization depends how effective the employees are managed. In the process of managing the human and material resources vis-à-vis meeting organizational targets, disagreement or differences of opinion may arise. Such disagreement may lead to conflict with the organization. Jongtae, Jong and Dong (2006) study on managers of multinational companies revealed that the active participation of managers would increase the conflict with headquarters whereas it decreases the conflicts with local end users. Conflicts in social or professional life occur when an individual or a group feels negatively affected by another individual or group (Sehrawat & Sharma, 2014).

Conflict is generally defined as disagreement with interest or ideas. Conflict is an expressed struggle between at least two interdependent parties who perceive incompatible goals, scarce resources and interference from others in achieving their goals (Wilmont & Hocker, 2001 as cited in Kaimenyi, 2014). Lagos State is the commercial hub of the Nigerian economy generating around 70% of value added tax revenue. Several business outfits including SMEs can be found to operate within the areas. The SMEs may have being facing several challenges in terms of leadership and conflict management which could have impacted on their productivity. It could be observed that the Nigerian business environment is characteristics with several challenges that could negatively affect the level of productivity of the SMEs. One of the major areas of challenges is the availability of infrastructural facilities. However, this study aims at appraising the relationship or extent to which the leadership and conflict management styles

may have influence the productivities of employees in SMEs in the commercial city of Nigeria.

II. RESEARCH HYPOTHESES

Hypotheses tested in the study are hereunder listed.

1) Leadership style do not relate to the productivity of SME employees in Lagos State.
2) There is no significant relation between conflict management styles and productivity of SMEs in Lagos State.

III. METHODOLOGY

A descriptive survey research design was adopted for the study. The population of the study comprised of all Small and Medium Scale Enterprises in Lagos State. Lagos State is the commercial nerve centre of the Nigerian economy. The sample for the study is 250 participants. Cluster and simple random sampling techniques was used to select 50 SME in Lagos State. Five business enterprise cluster were selected within business district in Lagos State. Thereafter, simple random sampling were selected five firms in each of the five clusters earlier selected in Lagos State. The study used three research instruments to collect relevant data. They were the Multifactor Leadership Questionnaire, Conflict Management Scale and Productivity Level Questionnaire. The Multifactor Leadership Questionnaire (MLQ) was adapted for the study. It was used to distinguish among the leadership types possessed by the leaders. Leadership construct measured by MLQ included transactional leadership, transformational leadership and laissez-faire leadership. The MLQ has a 5-point rating scale which included 0 which interpreted as not at all, 1 which interpreted as once in a while, 2 which interpreted as sometimes, 3 which interpreted as fairly often and 4 which interpreted as frequently, if not always. Transformational leadership style had 20 statements, while transactional and laissez faire had 12 and 4 statements respectively. The concurrent validity was used to determine the validity of the MLQ and a value of 0.76 was gotten. The test-retest reliability was used to determine the stability of the MLQ and correlation coefficient of 0.79 was derived from the scores derived. Conflict Management Scale (CMS) was adapted from literature to measure employees' perception of their employers' conflict management styles. The scale had 12 statement which were measure based on rating scale of 1 (Not very likely) to 5 (Very likely). The PCMS was validated using face and content validity while the test-retest reliability was used to determine the stability of the instrument in a location that was not part of the study prior to the main study. A value of 0.79 was gotten as the reliability coefficient. The Productivity Level Questionnaire (PLQ) was used to collect relevant data from the employee on their view and attitude towards their daily activities in the organization. The PLQ contained 15 statements that boarders on the different activities being carried out by the employees towards the achievement of the organizational objectives. A 4-point rating scale of 1-4 representing never, sometime, often and always respectively was used. The face and content was ensured with among business faculties. A reliability coefficient of 0.75 was derived while using the test-retest reliability to determine the stability of the instrument. The study was carried out in organizations established in Lagos State. The selected participants were contacted personally within each of organization and were asked to complete the questionnaires. The completed questionnaires were collected immediately for data analysis. Data collected were analyzed using Pearson Product Moment Correlation Coefficient (PPMC) Analysis of Variance. The hypothesis were tested at 0.05 level of significance.

IV. RESULTS

Hypothesis 1: Leadership style do not relate to the productivity of SME employees in Lagos State.

Variable	N	Mean	SD	df	r-cal
Leadership Style	250	127.56	17.40	248	0.27
Productivity	250	49.00	4.26		

Table 1 Relationship between Leadership Style and Productivity

*Significant; r-tab = 0.195

Table 1 analysis shows that a correlation coefficient of 0.27 was derived as the relationship between leadership styles and productivity of SME employees in Lagos State. The relationship is observed to be direct. This means that leadership and productivity of SME employees either increases or decreases together such that as employee perceives the leadership style of their employer directly affect their activities at work. Besides, the r-calculated value of 0.27 was found to be greater than the tabulated value of 1.95, given 248 degree of freedom at 0.05 level of significance. As a result the null hypothesis was rejected and it was concluded that leadership style do not significantly relationship the productivity of SME employees in Lagos State.

Hypothesis 2: There is no significant relation between conflict management styles and productivity of SMEs in Lagos State.

Table 2 analysis shows that a correlation coefficient of -0.144 was derived as the relationship between conflict management styles and productivity of SME employees in Lagos State. The relationship is observed to be inverse. Productivity increases (or decreases) base on the employee perceived conflict management style of the employers. In addition, the correlation coefficient of -0.144 was found to be less

than the tabulated value of 0.195, given 248 degree of freedom at 0.05 level of significance. Consequently, the null hypothesis was retained. This means that, though there exist an inverse relationship between conflict management style of the employee and productivity of employees in SMEs, the relationship was not significant.

Variable	N	Mean	SD	df	r-cal
Conflict Management	250	24.72	3.67	248	-0.144
Productivity	250	49	4.26		

Table 2 Relationship between Conflict Management Style and Productivity

*Significant; r-tab = 0.195

V. DISCUSSION OF FINDINGS

The study observed that a direct relationship between leadership style of SME employers and employees in Lagos State. The relationship was also found to be significant. Oladipo, D'Silva, Othman, Silong and Adekanye (2013) reported a similar observation during their study of leadership styles and job satisfaction among employees in SME. The researchers observed that the entire leadership styles items are statistically significant at .05 level of significance, also the result of descriptive statistics indicates transformational leadership styles has the most commonly used leadership styles in the small and medium enterprises in Nigeria. Similarly, Okon and Isong (2016) reported a positive relationship between management styles and employees' performance small scale business enterprises, with the exception of autocratic and lasses-faire management styles whose results were negative. An inverse but not significant relationship was observed between conflict management styles as it relates to SME employees' productivity in Lagos State. This could be as a result of the monitoring of activities put in place by the employee with a view to achieving the organizational objectives. This observation aligns with the observation of Isa (2015) that conflicts in organizations can lead to decline in productivity and absence of employee retention capacity among others. Besides, Karadakal, Goud and Thomas (2015) that resolution style is a major concern in SMEs due to its importance in problem-solving as well as motivating and retaining employees. However, Kaimenyi (2014) observed a significant relationship between conflict management styles in small scale businesses in Kenya.

VI. CONCLUSION

This study appraised the leadership and conflict management styles as it relates to SME employees' productivity in Lagos State. The study observed a positive/direct and a noteworthy relationship between leadership styles of the employers and the productivity of the employees in Lagos State. In addition, it was observed that a negative/inverse relationship exist between conflict management styles of the employers and SME employees' productivity in Lagos State. However, the relationship could be neglected.

RECOMMENDATIONS

Following the observations from the study, it was recommended that employers should transcend having direct relationship with employees, but should also rapport and a reinforcement system in order to motivate employees. The creation of a culture of transparency and positive communication should be encourage to project a positive organizational culture where employees feel comfortable addressing conflicts with the organization.

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