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Effect of Leadership Styles on Employee Productivity at South Nyanza Sugar Company Limited, Migori County

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***Abstract* – Leaders are accountable for the performance and success of their organization, which is dependent on employee's productivity. Leadership is an indispensable requisite for the success of any organization. The purpose of the study was to establish the effect of leadership styles on employee productivity at South Nyanza Sugar Company Limited. To achieve the objective of the study, the study used a descriptive research design address the research objectives. A sample size of 95 was selected from a population of employees of South Nyanza Sugar Company Limited using simple random sampling technique. The study used primary data which was collected using semi-structured questionnaire and data was analyzed using descriptive statistics. The study findings realized that there is positive significant relationship between autocratic leadership style and employee productivity. Positive significant relationship also was between democratic leadership style and employee productivity. However, the research findings showed that there was no positive significant relationship also existed between laissez-faire leadership style and employee productivity. The study therefore recommended that leaders to be aware of what is important for the subordinates and the organizations as a whole and encourage the employees to see the opportunities and challenges around them creatively.**

***Keywords* – Employee productivity; Leadership style; Democratic; Autocratic; Laissez-faire**

I. INTRODUCTION

In past years, leadership has never been of importance to organizations [1]. Various authors have established that different individuals from different backgrounds exhibit different leadership styles. Thus organization culture influences the type and nature of leadership style to be embodied. Globally, various countries portray diverse leadership styles for instance, France managers use authoritarian and paternalistic leadership styles unlike Sweden managers who are democratic and decentralized enabling employees to be motivated for better performance [2]. According to Boddy [3], leadership is a process in which an individual influences others towards goal achievement. When a leader is vision-ate the organization realizes its goals easily. A leader influences on how things are carried out in the organization. Hersey and Blanchard [4] asserted that the effective leader must be a good diagnostician and adopt style to meet the demands of the situation in which they operate. Diverse leadership styles are used to fit employees on the basis of amount of directions, empowerment, and decision-making power [4]. An administrative phenomenon reflects the contingency of leadership and style, situation and performance criteria have been left to suffocate on their own [5]. As a result, employee productivity was affected due to ineffective direction and application of strategic style in managing daily duties. The study sought to test the following research hypotheses:

Ho1: There is no positive significant relationship between autocratic leadership style and employee productivity.
Ho2: There is no positive significant relationship between democratic leadership style and employee productivity.
Ho3: There is no positive significant relationship between laissez-faire leadership style and employee productivity.

II. Literature Review

2.1 Employee Productivity

Employee productivity which sometimes is referred to as workforce productivity is an assessment of the efficiency of a worker or group of workers [6]. Productivity may be evaluated in terms of the output of an employee in a specific period of time. According to Mathias and John [7], productivity is a measure of the quantity and quality of work done, considering the cost of the resources used. The more productive an organization, the better its competitive advantage, because the costs to produce its goods and services are lower. Better productivity does not necessarily mean more is produced; perhaps fewer people (or less money or time) was used to produce the same amount.

2.2 Autocratic Leadership Style

Autocratic leadership style which was later named as classical leadership is the extreme strict principle in which the leader maintains a master-servant relationship with members of the group [8]. The autocratic leader is task centered and his/her focus is to get a certain task done quickly. Autocratic leader makes all the decisions and assigns tasks to members of the group. In organizational environment, these leaders are usually powerful CEOs who hold multiple titles (chairman, CEO, president), receive high compensation, and often control large shareholdings to dominate companies [9].

2.3 Democratic Leadership Style

The democratic leadership style is also called the participative style as it encourages employees to be part of the decision making [10]. The democratic manager keeps his or her employees informed about everything that affects their work and shares decision making and problem solving responsibilities [2]. This style requires the leader to be a coach who has the final say, but gathers information from staff members before making a decision[11].

2.4 Laissez-faire Leadership Style

Laissez-faire leadership, also known as delegative leadership, is a type of leadership style in which leaders are hands-off and allow group members to make the decisions [2]. Researchers have found that this is generally the leadership style that leads to the lowest productivity among group members. The laissez-faire leadership is the extreme loose principle which includes non-interference policy that allows complete freedom to all the employees and has no particular way of attaining goals [12]. This style of leadership is people centered and the leaders leave the group to make its own decision without participating or even setting a deadline for the decision. In this style, a leader hopes that the group will make the right decision the main advantage of this style is that it lets the team members to bond and can lead to successful decisions if group members take ownership and responsibility of the task.

The study was based on the path goal theory which is a theory based on specifying a leader's style or behavior that best fits the employee and work environment in order to achieve a goal [13]. The goal is to increase employees' motivation, empowerment, and satisfaction so they become productive members of the organization. Zaccaro [14] presented path goal theory of leadership which is one of the contingency theories of leadership. The theory proposed to describe the way leaders encourage and support their followers in achieving the goals they have been set for by making the path that they should take clear and easy. The theory is of the suggestion that a leader needs to influence follower‘s perception of work goals, self-development goals and paths to goal attainment.

III. Methodology

The research used descriptive research design which involves studies that characterize and describe a set of data, so they can easily be comprehended ([15],[16]). The research used a sample of 95 respondents who were sampled using simple random sampling technique which is a probability sampling technique in which everyone in the target population has an equal chance and probability of being included in the study ([17],[18]). Data was gathered using questionnaire which involves sets of structured and focused questions that entail a self-reporting data-collection instrument filled out by research participants in a survey ([19],[20]). The study employed descriptive statistics which is a method of quantifying the characteristics of parametric numerical data and involve simple measures of a distribution’s central tendency and variability ([21],[22]).

F-test was used to test the hypothesis and is usually used to check whether the two samples are from the same normal population with identical variance or from two regular populations with the same equivalent variances ([23],[24]). Simple linear regression examines the relationship between two variables, one of which is referred to as the predictor variable (that is the variable that usually precedes the other), and the other of which is referred to as the criterion variable (that is the variable that the researcher is interested in explaining, predicting, or better understanding) ([25],[26]).

$\hat{Y} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$, where,

$\hat{Y}$ = Employee productivity
X_1 = Autocratic leadership style
X_2 = Democratic leadership style
X_3 = Laissez-faire leadership style
$\beta_{i's}$ Regression coefficient of the two independent variables
ε=error term

IV. Results and Discussion

4.1 Demographic Information

From Table 1, it is clear that majority of the respondents were males 57.9% whereas 42.1% were females. This shows that the respondents of the study were mainly dominated by male gender since the research was carried out in the manufacturing company. It is clear that the majority of respondents, 32% was in the age range of 30-39 years, followed by 28% in the age range 40-49 years, and followed by 21% in the age range of 20-29 years and lastly 19% in the age range of 50+ years. Therefore majority of respondents were aged between 30-39 years. The study revealed that majority of the respondents, 42.1% had attained a degree whereas, 31.8% of the respondents had attained diplomas, 15.8 % of the respondents had attained secondary certificates and 10.5% had masters' degrees. This implies that respondents were well educated and therefore were in position to respond to the research questions with ease.

Table 1: Demographic Of Respondents

Gender	**Frequency**	**Percentage**
Males	55	57.9%
Females	40	42.1%
Age of respondents		
20-29 years	20	21
30-39 years	30	32
40-49 years	27	28
50+years	18	19
Educational level		
Secondary	15	15.8
Diploma	30	31.6
Degree	40	42.1
Masters	10	10.5

4.2 Leadership Styles

4.2.1 Hypothesis Testing 1

The study used ANOVA to test the significant of the model. Furthermore, ANOVA output shown in Table 4.2 showed that the hypothesized multiple regression models were statistically adequate. The F-statistic value was significant at the 5% level ($F_{5,90}$ = 7.796, $p<0.05$). This showed that the regression coefficients were significantly different from zero.

Table 2 : ANOVA[b] of Autocratic Leadership Style And Employee Productivity

Model		**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	5	7.796	42.408	0.000[a]
	Residual	90	0.301		
	Total	95			

a. Predictors: (Constant), Autocratic leadership style
b. Dependent Variable: Employee productivity

From the findings as depicted in Table 2, the study rejected the null hypothesis (Ho1): 'There is no positive significant relationship between autocratic leadership style and employee productivity'. This is to insinuate that there is positive significant relationship between autocratic leadership style and employee productivity.

4.2.2 Hypothesis Testing 2

In trying to test the significant of the model, the study used ANOVA. Further the ANOVA output shown in Table 2 reveals that the hypothesized multiple regression models were statistically adequate. The F-statistic value was significant at the 5% level ($F_{5,90}$ = 5.543, $p<0.05$). This shows that the regression coefficients were significantly different from zero.

Table 3 : ANOVA[b] of Democratic Leadership Style And Employee Productivity

Model		Df	Mean Square	F	Sig.
1	Regression	5	5.543	30.567	.000[a]
	Residual	90	0.156		
	Total	95			

a. Predictors: (Constant), Democratic leadership style
b. Dependent Variable: Employee productivity

As shown in Table 2, the study rejected the null hypothesis (Ho1) : 'There is no positive significant relationship between democratic leadership style and employee productivity'. This is to insinuate that there is positive significant relationship between democratic leadership style and employee productivity.

4.2.3 Hypothesis Testing 3

In trying to test the significant of the model, the study used ANOVA. Further the ANOVA output shown in Table 4.2 reveals that the hypothesized multiple regression models were statistically adequate. The F-statistic value was significant at the 5% level ($F_{5,90}$ = 0.025, p<0.875). This shows that the regression coefficients were significantly different from zero.

Table 4 : ANOVA[b] of Laissez-faire leadership style and employee productivity

Model		Df	Mean Square	F	Sig.
1	Regression	5	0.124	0.025	0.875[a]
	Residual	90	0.132		
	Total	95			

a. Predictors: (Constant), Laisse-faire leadership style
b. Dependent Variable: Employee productivity

From the findings as depicted in Table 2, the study failed to reject the null hypothesis (Ho1) : 'There is no positive significant relationship between democratic leadership style and employee productivity'. This is to insinuate that there is no positive significant relationship between democratic leadership style and employee productivity.

V. CONCLUSIONS

In conclusion, the productivity of the employees can be affected by the style of leadership applied by the managers and leaders. From the findings, it was clear that there is positive significant relationship between autocratic leadership style and employee productivity. Positive significant relationship also existed between democratic leadership style and employee productivity. However, the research findings indicated that there was no positive significant relationship that existed between laissez-faire leadership style and employee productivity.

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