



Participative Leadership Style and Employee Productivity in Pharmaceutical Companies in Nigeria

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Abstract

The study examined the effect of participative leadership style on employee productivity in pharmaceutical companies in Nigeria. Survey research design was adopted for the study. Data were analyzed and hypothesis was tested with regression analysis. The result shows that participative leadership, has a positive significant effect on employee productivity in pharmaceutical companies in Enugu State, Nigeria, while transactional leadership style has a positive but not statistically significant relationship. The researcher proposed that corporation should involve its employees in decision making so that they are active in carrying out their assigned duties and are a part of the organization's success.

Keywords: Participative leadership style, Employee productivity and Pharmaceutical companies

INTRODUCTION

The art of motivating others to accomplish goals is one of the most well-known definitions of leadership. One thing that cannot be changed is that leaders motivate their followers and guide them in taking action in the direction of a predetermined objective. The art of leadership has changed significantly throughout time, and the demand for leaders and leadership has grown significantly. At the time, it was thought that these people had intrinsic skills and qualities that set them apart from others and gave them the authority to lead. This natural leadership selection process was the premise of the Great man theory (Matira & Awolusi, 2020).

According to Sila (2014), employee productivity is defined as a person's ability to complete tasks in an effective and efficient manner as well as their attitude while doing so. Work performance is influenced by an individual's approach, results, application, and accomplishments (Gridwichai, Kulwanich, Piromkam & Kwanmuangvanich, 2020). Keep in mind, Ali, Elmi, and Mohammed (2013), that there are a variety of factors (e.g., employee motivation, favorable working conditions, employee benefits, etc.) that may have an impact on an organization's productivity among employees. According to Yasir, Imran, Irshad, Mohamad, & Khan (2016), studies have also shown that leadership styles, which refer to the leadership styles employed by the leader and the impact they have on the performance level of the organization's workforce, are at the top of the list of factors that influence employee performance. In order to achieve corporate objectives, leadership is defined as the process by which leaders can influence their subordinates' behavior. According to Balemlay (2020), it is an essential component in the formulation and achievement of an organization's goal. According to Rathore, Abdul Khaliq, and Aslam (2017), businesses are expected to have a sufficient understanding of the various leadership styles that have the potential to significantly improve employee performance. According to Von Krogh, Nonaka, & Rechsteiner (2012), there is no doubt that an organization's success in both organizational management and business operations is largely dependent on the character and useful ability of its workforce to achieve the organization's goals.

Saks (2006) argued that even though several pieces of research "have emphasized about the significance of employee work engagement in driving performance and positive business outcomes, there is only a few empirical evidence to support such claims. Contrary to Saks's assertion, Sharma and Sharma (2014) gave an instance, where a higher productivity leads to favourable economic growth, large profitability and better social progress.

In the creation and accomplishment of corporate goals, leadership plays a critical role. Any business, country, or other social entity's demise or success has been mainly attributed to the type of its leadership style (Oladipo et al, 2013). In addition to leading and coordinating the activities of the company, leadership is essential in developing a clear vision, mission, establishing goals, and formulating strategies, policies, and techniques to accomplish those goals effectively and efficiently. As (Khajeh, 2018) noted a leadership to be best, it needs to comply with internal and external changes to meet organizational mission and vision.

The function of leadership is a prerequisite for coordinating all of a particular group's initiatives and goals. A leader is necessary for a group to function, and a group cannot function without a leader (Ibid). This is taking place because the success of an organization is dependent on both concepts. In fact, different people have different ideas about what it means to be a leader. Leadership practices are those involved in shaping a social phenomenon. Leadership is a distinctive type of direction that influences and inspires a person in an organization in all sorts of social situations, particularly in the real claim that gets people to cooperate to achieve shared goals and objectives (Sakiru, et al 2013).

The product's performance is measured in relation to all other production factors that are required to produce the desired output. The efficiency of a single employee's productivity as well as the global aspects of businesses are largely enhanced by employees' diligence. Different communities have placed more emphasis on the connections between a leader's behavior or leadership style and their followers. The reason behind choosing these leadership styles is the fact that they are the most practiced leadership styles throughout the globe, and if any new ideology is developed through the research, it can improve these leadership styles further and bring further success to organizations. As a result, there is a misconception regarding the impact of leadership on business success in customer service. One of the most important industries is customer service, as we will see over the coming years. Because of this, the market for pharmaceutical customer service's inpatient care would be the setting for the inquiry. The study examines the effect of participative leadership style on employee productivity in pharmaceutical companies in Nigeria.

LITERATURE REVIEW

The level of dedication of employees is now crucial for the existence and longevity of any firm in this modern environment (Azeez et al., 2016). Any firm must be able to keep its qualified and dedicated employees in order for it to operate efficiently. However, this is not the situation in many organizations today, as data has indicated that managers are finding it more challenging to keep their staff, which is driving up the percentage of employees' intentions to leave their jobs across a range of industries (Ahmed, et al, 2021). According to Caglar & Duarte (2019), managers now spend 10% to 20% of their time hiring and training new employees in service organizations with a high turnover rate. Olanrewaju et al (2019) define leadership as the manager's capacity to inspire subordinates (followers) to work with enthusiasm and confidence. Subordinates may only work to 60 or 65 percent of their capacity if managerial authority only enforces rules and requirements. This is just enough to meet job requirements.

It is empirically proven that more productive workers can benefit from greater pay and working circumstances. Additionally, increased productivity is likely to optimize an organization's competitive edge through cost reductions and an improvement in the output's high quality (Wright, 2004). Every leadership approach has an effect on changing and/or developing organizational culture. Each style has both immediate and long-term effects (Amofa, Okronipa and Boateng, 2016). For instance, the authoritative manner might yield outstanding outcomes quickly. On the other hand, prolonged abuse of authority will reduce production. People either give up and quit or sink into a rut of monotonous, repetitive duties devoid of imagination and originality. A participative approach will, however, be ineffective in the near run. However, a corporation might become more productive the longer this style of leadership is practiced.

However, Saxena and Srivastava (2015) argued that "work engagement has emerged as one of the major issues/activities that require careful management in order to achieve organizational goals. They also showed that it was necessary to examine its impact on performance results. The success of an organization is dependent on the productivity of the employee; therefore, employee productivity has become a vital objective for business (Sharma and Sharma, 2014). Cato and Gordon (2009) maintained that "the alignment of the strategic vision to employee productivity is a key contributor to the success of an organization.

Many leaders never make it to a point of high productivity. They give up before the participative style kicks in and the company starts to escalate. They see the initial drop in production and cannot wait long enough for the true results. Though many leaders and managers get discouraged seeing a drop in productivity when transitioning to a participative approach; productivity will come over time. People will see they have opportunities to create and innovate and their production becomes greater than before. In the view of Wayne (1998), the level of labour productivity is said to be an important indicator of business growth or success. As productivity increases, the output naturally increases as well. This tendency is both beneficial to the company and to the employees. While company sales grow along with enhanced productivity, the wages and other compensation of the employees also increases. Due to the importance of productivity in businesses, business owners are very open to strategies that will promote it. One of which is leadership styles. To lead is to conduct, direct, and guide. Leaders take action to support a team in using all of its resources to accomplish goals. In order to encourage development and motivate the group to achieve organizational objectives, they put themselves in front of the group rather than standing behind it to push and prod.

Participative Leadership

This leadership style also known as the democratic leadership style is almost directly opposite of the autocratic leadership style. The participative leadership style focuses on collaboration between the leader and the followers; information is shared with the followers who participate in decision making, however, the leader retains the prerogative on the use and adoption of inputs from followers. Participative leadership encourages innovation and creativity by giving every member of the organization/team the ability to provide input into decision making which results in easy adoption and utilization of decisions taken (Dalluay & Jalagat, 2016; Ispas, 2012; Iqbal et al., 2015; Mulki et al., 2015). This leadership style is most suited to organizations that thrive on innovation and creativity; these organizations consist of teams comprising of members with unique perspectives and skillsets (e.g. construction project team). While this leadership style encourages creativity, improved decision making and team cohesion, it is not appropriate when working with large teams or where urgent decisions need to be made.

Cavaliere, Lourens, Chowdhury, Balasudarsun, Soundararajan, Thankappan, Rajest and Regin (2022) 40 responses to the questionnaire from 70 total employees' and mainly the primary results show a strong impact of leadership on organizational performance. The key to success in the service sector and the whole company was the leadership behaviour at Pharma group companies.

Adegboyega and Olawumi (2021) Based on the questionnaire of one hundred and twenty-five respondents (125) that was deployed to respondents, normality test, and regression analysis were to test the hypotheses. The study restricted a oil and gas as it activities and operations most affect it employees. It provide a clear picture of the most predominant leadership style in the Nigerian Oil and Gas. Oghenekaru, Egobuez and Ogele (2021) study adopted

the path-goal theory as its theoretical construct. The study relied on both primary and secondary sources of data gathering techniques. The study examined the data derived from the questionnaire. The analysis was in two phases. The first was the bio-data (demographic) of the respondents were analyzed; second, the data under investigation were analyzed. The study unraveled that situational leadership style impacted positively in handling the challenges that would affect employee productivity in National Identity Commission, Rivers State. Ahmed, Yang, Yang, Rahoo, Mahmood and Poudiougo (2021) The sample size for this study containing a total of thirty-one (31) library employees called librarians, which signifies the total population of academic employees called librarians in the institutes considered, was used. Data was collected through a structured questionnaire survey. It revealed the implementation of autocratic, democratic, and transformational leadership styles by means of the University library employees called librarians.

There exists a plethora of literature on leadership and employee productivity and their results, findings and recommendations of these studies are somewhat varied; while several researchers posit that several leadership styles e.g. transformational and transactional leadership styles are significantly correlated to employee productivity and there is inconclusive evidence on the effect other leadership styles e.g. laissez-faire (Marcus et al., 2017; Singh, 2015; Chodhury & Gopal, 2014; Obasan & Banjo, 2014), several other studies refute this assertion claiming a counter assertion (Rehman et al., 2018; Pradeep & Prabhu, 2011). This is indicative that there is no universally acceptable hypothesis on leadership style and employee productivity. The existing literature on leadership behavior and employee productivity while extensive is not exhaustive.

METHODOLOGY

Because the study entailed the distribution of questionnaires to the intended respondents, it used a Qualtrics survey research design. This supports Nwogu's (2009) assertion that correlational survey research design is appropriate for examining relationships or associations between two or more variables or sets of scores.

The population of the study consists of twenty (20) pharmaceutical companies in Enugu State, Nigeria. Purposive sampling technique was applied in determining the sample size. In this method, the sample is chosen based on what the researcher thinks is appropriate for the study. Ten (10) staff was be chosen from each of the twenty (20) pharmaceutical companies in Nigeria during the data collection process (See Appendix).

Method of Data Collection

Primary data collection was used by the research to achieve the aims of the research. The researcher has developed a Qualtrics research instrument. Qualtrics is a simple to use web-based survey tool to conduct survey research. These surveys were filled and returned back to the researcher which enables him to do his data analysis.

Model Specification

This model for this research has been developed by degboyega and Olawumi (2021). Regression analysis was conducted to determine the effect of leadership styles (independent variables) on employees' productivity (dependent variable). The study adopted the following regression equation to establish the relationship between variables:

$$EMP = \beta_0 + \beta_1 PLS + \epsilon \dots \dots \dots i$$

Where:

EMP= Employee productivity,

PLS= Participative leadership style

β_0 =the constant of regression,

β_1 = is the regression coefficients/weights of the following respective independent variables:

ϵ = error term.

Method of Data Analysis

To test the significant effect and the relationship between the dependent variable and independent variables, Regression analysis was used to test the formulated hypotheses with the aid of SPSS version 20. 0. at 5% level of significance.

Decision Rule

The decision for the hypotheses is to accept the alternative hypotheses if the p-value of the test statistic is less or equal to the alpha at 5% and to reject the alternative hypotheses if the p-value of the test statistic is greater than alpha at 5% significance level.

ANALYSIS AND RESULT

Data for the study were presented in the Appendix

Table 1: Summary of the analysis

S/N	Statements	SA	A	N	D	SD
1	The consequences of our sports are usually showed with our norms.	47	48	2	1	0
2	reinforce the paintings overall performance of its personnel simply so it can survive	30	46	14	15	0
3	The control has helped my overall performance improved.	32	49	14	7	2
4	There is excessive degree of productivity;	33	60	4	6	2
5	Successful agencies are characterized via way of means of a excessive degree of productivity;	74	29	2	0	0
6	Our firm encourages innovation and creativity by giving every staff the ability to provide input into decision making	38	48	7	9	3
7	Our leaders focuses most often on collaboration between the leader and the followers	34	50	9	9	2
8	Our lenders retains the prerogative on the adoption of inputs from followers.	29	53	8	11	1
9	There is a team cohesion in our firm	22	61	14	6	0
10	Our teams comprising of members with unique perspectives and skillsets	38	58	5	3	0

Field Survey, 2023

Test of Hypothesis

H₀₁: Participative Leadership style has no positive significant effect on employee's productivity in pharmaceutical companies in Nigeria.

H₁₁: Participative Leadership style has a positive significant effect on employee's productivity in pharmaceutical companies in Nigeria.

This hypothesis was tested with the data on table 1 of summary of the analysis.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.953 ^a	.908	.877	38.83237

a. Predictors: (Constant), PLS

A regression analysis was used to determine the association between employee productivity and participative leadership style in Table 2. The coefficient of determination, or adjusted R squared, shows us how much variation in the dependent variable is caused by changes in the independent variable. The value of adjusted R squared was 0.877, indicating that there was an 88 percent fluctuation in participative leadership style to variations in employee productivity, according to the findings in table 2. This means that only 88% of changes in firms participative leadership style can be described by employee productivity, with the remaining 12 percent explained by unknown variables not included in the model.

Table 3: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	44651.342	1	44651.342	29.611	.012 ^b
	Residual	4523.858	3	1507.953		
	Total	49175.200	4			

a. Dependent Variable: EPP

b. Predictors: (Constant), PLS

Table 4: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.980	25.207		.158	.885
	PLS	.960	.176	.953	5.442	.012

a. Dependent Variable: EPP

In table 3, it reveals that the probability of the slope coefficients indicate that; P-value (0.012<0.05). The t-statistics of = 5.442, for employee productivity, implies that participative leadership style is positively related to employee productivity and this is statistically significant at 5%, hence the p-value is less than the 5%

A positive link between pay and employee productivity is shown in table 4 with a correlation coefficient of 0.953. The coefficient of determination (R) is used to determine how much variance the two variables share. The value of R is $0.953 \times 0.953 = 0.908$. It means that participative leadership style can account for 91 percent of the variation in employee productivity in pharmaceutical companies. The study concludes that there is a high level of confidence between participative leadership style and employee productivity, and the correlation coefficient is significant at the 0.05 level. As a result, participative leadership style has a favorable impact on employee productivity of pharmaceutical companies in Nigeria.

Decision

Since p-value of the test statistic is less than alpha value, we therefore, reject null hypothesis and uphold alternative hypothesis which state that participative leadership style has positive significant impact on employee productivity of pharmaceutical companies in Nigeria.

Conclusion

From the data analyzed, this study it revealed that participative leadership style has a positive significant effect on employee's productivity in pharmaceutical companies in Nigeria. This result is not in agreement with Rehman et al. (2018) who posits that neither autocratic nor a democratic style of leadership can influence employees' productivity. It demonstrates that the organization is reviewing its leadership training and selection processes in order to maximize its leadership pool and increase employee productivity. As a result, studies by Rego et al. (2012) and Singh (2015) revealed that leadership and leadership philosophies have a significant impact on employee morale. However, regular pulse checks will be performed to ensure that the organization's current leadership style is maintained, and interventions should be implemented to ensure that the desired leadership mix/style is maintained. The researcher proposed the that corporation should involve its employees in decision making so that they are active in carrying out their assigned duties and are a part of the organization's success.

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