

# LEADERSHIP STYLES AND EMPLOYEES' PERFORMANCE: EVIDENCE FROM FEDERAL MEDICAL CENTRE (FMC), IDI-ABA, ABEOKUTA, OGUN STATE, NIGERIA

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## Abstract

*This study examined the effect of leadership styles on employees' performance in the Federal Medical Centre, Idi-Aba, Abeokuta, Ogun State, Nigeria. It specifically examined the effect of leadership styles - transformational, transactional and democratic dimensions of leadership styles on employees' performance. A survey research design was used, with one thousand seven hundred and twenty-seven (1,727) medical staff from twenty-nine (29) departments making up the study's population. A sample size of three hundred and fourteen (314) was estimated and selected via a convenient sampling technique. The information was gathered from the respondents using a structured questionnaire. The data was analysed using descriptive statistics and covariance base structural equation modelling (CB-SEM). The findings showed that transformational, transactional, and democratic leadership styles all had a significant impact on employee performance, according to the findings.*

**Keywords:** Leadership styles; Employee Performance; Federal Medical Centre; Covariance Base Structural Equation Modelling; Ogun State.

## 1. Introduction

Employee performance is defined as how effectively and efficiently a person accomplishes assignments and the attitude with which the employee completes the tasks assigned (Sila, 2014). The technique, outcome, application, and accomplishments of an individual determine job performance (Gridwichai, Kulwanich, Piromkam, & Kwanmuangvanich, 2020). Ali, Elmi and Mohammed (2013) keep in mind that there are various factors (adequate remuneration of employees, motivation, conducive working environment, employee benefit, etc.) that may influence employee's performance in an organisation. Furthermore, studies have indicated that leadership styles, which refer to the leadership styles employed by the leader and the impact they have on the performance level of the organisation's workforce, are at the top of the list of factors influencing employee performance (Yasir, Imran, Irshad, Mohamad, & Khan, 2016).

Leadership is characterised as a method through which leaders can influence their subordinates' behaviour in order to attain corporate goals. (Reid & Dold, 2016). It is an essential aspect in the formulation and realisation of organisational goal (Balemlay, 2020). Rathore, Abdul Khaliq and Aslam (2017) opined that organisations are expected to have adequate knowledge of the leadership styles that can play crucial roles in increasing employee performance. As a result, there is little doubt that the character of an organisation's labour force, as well as its useful ability to lead this labor force toward the achievement of the organization's objectives, is critical to its success in both organizational management and business operations (Von Krogh, Nonaka, & Rechsteiner, 2012).

Deribe (2016) defines three types of leadership: transformational, transactional, and laissez-faire leadership. Transformational leadership, according to Warrilow (2012), is "leadership that promotes positive change for followers by looking out for one another's best interests and acting in the best interests of the group." Organizational management is another name for transactional leadership, which focuses on supervisory, organizational and group performance responsibilities (Moses, 2018). It can be defined as a leadership style that uses rewards and sanctions to persuade followers to obey orders (Adeniji et al., 2020). When managers use the laissez-faire leadership style, sometimes known as the "hands-off" style, they give employees little or no direction (Gray & Williams, 2012). Laissez-faire leadership, according to Gopal and Chowdhury (2014), is a distinct form of leadership in which people are totally accountable for setting their own goals, making decisions, and resolving problems.

Individual and organizational performance can be steered in the proper direction by using the right leadership style (Kanwal, Lodhi, & Kashif, 2019). Beneficial leadership styles result in positive work outcomes, whereas negative/dark leadership styles endanger an organization's growth and existence (Drescher & Drescher, 2017). The leadership styles adopted by leaders to influence their followers are regarded to have a positive or negative impact on work results (i.e., employees in a workplace) (McColl-Kennedy & Anderson, 2002). As a result, having the right kind of leaders in place to enhance employee performance, efficiency, and productivity is highly encouraged in the workplace (Mussolino & Calabr, 2014).

### *1.1 Statement of the Problem*

The inability of health managers managing the health sector to improve health worker morale and institute job performance are not unrelated to Nigeria's awful health conditions

(Durowade, Kadiri, Durowade, Sanni, Ojuolape, & Omokanye, 2020). A large proportion of healthcare managers in Nigeria display a lack of awareness of the morale-boosting demands of the health personnel under their supervision due to inadequate leadership skills (Onwe, Abah, & Nwokwu, 2015). This poor leadership style leads to work dissatisfaction and a lack of commitment to the Nigerian health system's objectives. However, Nigeria has emerged as a serious health issues exporter, with a large number of qualified health-care providers (doctors, nurses, and other medical professionals) leaving the country in search of lucrative opportunities. This reality has played a significant role in the Nigerian health indices' bleak outlook (Onwe et al., 2015).

Literature review undertaken on the subject matter revealed that research on leadership styles and employee performance in the healthcare sector are limited. However, the study by Abasilim (2019), Durowade et al. (2020), Girei (2015) and Onuegbu and Okeke (2018) adopted previous and validated survey scales. The shortcomings of their studies were that the authors violated the assumptions of the statistical analysis they used raising the question of whether their findings were accurate enough to make appropriate recommendations. As a result of these shortcomings, there is need to conduct more accurate studies that takes into consideration choosing the appropriate statistical approach based on the type of data collected to produce reliable results for prediction purposes. Therefore, the study examined the effect of leadership styles on employee job performance employing validated psychometric scales and appropriate statistical approach to ensure the results are reliable and generalizable.

### ***1.2 Objectives of the Study***

The main objective of the study was to look into the effect of leadership style on employees' performance in the Federal Medical Centre (FMC), Idi-Aba, Abeokuta, Ogun State. However, the following specific objectives were pursued to achieve a broad goal:

- (i) Examine the effect of transformational leadership style on employees' performance at the FMC, Idi-Aba, Abeokuta.
- (ii) Investigate the effect of transactional leadership style on employees' performance at the FMC, Idi-Aba, Abeokuta.
- (iii) Determine the effect of democratic leadership style on employees' performance at the FMC, Idi-Aba, Abeokuta. Determine the impact

### ***1.3 Research Questions***

The effect of leadership styles on employees' performance raises several research questions. Therefore, the following research questions were used as a guide in achieving the objectives of the study:

- (i) What significant effect does the transformational leadership style has on employees' performance at the FMC, Idi-Aba, Abeokuta?
- (ii) How does the transactional leadership style significantly affect employees' performance at the FMC, Idi-Aba, Abeokuta?
- (iii) To what extent does the democratic leadership style significantly affect employees' performance at the FMC, Idi-Aba, Abeokuta?

### ***1.4 Research Hypotheses***

Based on the general objectives of the study, the following hypotheses were developed, stated in the null forms, and were tested to achieve the specific objectives:

- H<sub>01</sub>: *The transformational leadership style does not have a significant positive effect on employees' performance at the FMC, Idi-Aba, Abeokuta.*
- H<sub>02</sub>: *The transactional leadership style does not have a significant positive effect on employees' performance at the FMC, Idi-Aba, Abeokuta.*
- H<sub>03</sub>: *The democratic leadership style does not have a significant positive effect on employees' performance at the FMC, Idi-Aba, Abeokuta.*

## **2. Literature Review**

### ***2.1 The Concept of Leadership Style***

Mullins (2000) defined leadership style as “the method a manager chooses to behave with employees and how leadership tasks are carried out.” According to Scholl (2000), a leader's leadership style is the pattern of behavior he or she uses to control group members, make decisions on the mission plan, and ensure that group activity runs smoothly. According to Clark (2000), leadership style refers to how people are instructed, programme are implemented, and people are motivated. The collection of features, skills, talents, and behaviors that leaders utilize while dealing with their followers is referred to as leadership style (Jeremy, Melinde, & Ciller, 2011).

### ***2.2 Types of Leadership Styles***

#### ***2.2.1 Transformational Leadership***

According to Williams, Ricciardi, and Blackburn (2007), this form of leadership cultivates trust, loyalty, and respect among employees. This leadership style has several benefits for businesses, including sustaining employee commitment (Dunn, Dastoor, & Sims, 2012); increasing productivity (Eunyoung, 2007); and improving employee morale (Bass & Riggio, 2006). This type of leadership enables employees to go beyond what is expected of them (Andrews, Richard, Robinson, Celano, & Hallaron, 2012). It can also make organizational reforms permanent (Bass & Avolio, 1994). As a result, the literature on leadership management attests to the fact that this leadership style is potentially important for a company's success.

#### ***2.2.2 Transactional Leadership***

Transactional leadership clarifies norms and standards to safeguard their employees' status quo. Leaders who employ this style also fix faults and provide careful monitoring to achieve success (Bass & Avolio, 1995). Transactional leadership is described as taking a proactive approach, favouring stability, avoiding mistakes, and focusing on quick gains (Forster, Liberman, & Higgins, 2005). This leadership style helps followers take a preventative approach to their jobs (Bass & Avolio, 1997). Research shows that this leadership method may help develop a trust-based connection between leaders and followers (Bass, Avolio, Jung, & Berson, 2003). This leadership style encourages followers

to interact with one another, resulting in a successful relationship (Bass & Avolio, 1990). The influence of transactional leadership style on organizational success has been well documented (Bass et al., 2003). As a result, understanding the transactional leadership style is essential and cannot be overlooked in the present research.

### 2.2.3 Democratic Leadership

Democratic leaders frequently include other members of their team in decision-making, however they ultimately make a final decision. As a result, by incorporating others, it increases job satisfaction and helps people develop their talents. Employees would also have a sense of control over their own fate, motivating them to work hard for reasons other than monetary gain (Mullins, 1988). This method, on the other hand, may take a bit longer to complete, but it often yields better results. When quality takes precedence over time to market or productivity, democratic or participatory leadership is the best choice Mullins (1998).

## 2.3 *The Concept of Employee Performance*

According to Miebi (2014), employee performance is determined by the workers' desire and readiness to accomplish their jobs. Kunze, Boehm, and Bruch (2013) also stated that to achieve a level of performance, employers must ensure that employee tasks are completed on time to meet the organisation's target. Employers can help improve employee's performance by monitoring and keeping track of their work. Furthermore, an incentive system based on employee performance should be developed. The system's goal is to encourage people to work harder on their jobs. Nnamani and Ajagu (2014) highlight several aspects that contribute to high employee performance. They include a harmonious work environment, equipment availability, effective performance feedback, reward for high performance, standard operating procedures, adequate knowledge and skills, and an excellent attitude to work. According to Mmakwe and Ojiabo (2018), efficient performance depends on employees' talents, intellectual capability, and job resources. As a result, employers must offer proper working circumstances to ensure that employees' performance reaches the minimum criteria.

## 2.4 *Theoretical Review*

### 2.4.1 Leader-Member Exchange Theory

The Leader-Member Exchange Theory (LMX) is built on the presumption that a leader has a small group of followers charged with specific initiatives, leading to improved work satisfaction, higher morale, lower turnover, and more stable performance. LMX is described by Omilion-Hodges and Baker (2017) as the strength of a leader-member relationship. According to Dwertmann and Boehm (2016) who studied 1,253 participants, a disability may influence the quality of the leader-member dyadic connection. When compared to other theories, this theory stands out since it concentrates on the leader-follower relationship's exchange (Northouse, 2016). Previous strategies, on the other hand, focused on only one person in the connection.

## 2.5 *Empirical Review*

Wilson (2017) investigated leadership styles and staff job performance at several secondary schools in Rivers State, Nigeria. To elicit data, the interview approach was combined with

the delivery of a questionnaire. Secondary data for the study was collected using the documentary approach. A total of 210 questionnaires with a total of 21 questions were distributed. Tables and percentage frequency were used to show and analyse the primary data. The secondary data was analysed using content analysis. The outcomes of the study revealed ten varied leadership styles used by other secondary school principals in the area, demonstrating that different leadership styles had a considerable impact on school personnel work performance. Furthermore, the findings revealed that principals struggled with leadership.

Abodunde, Ayo-Oyebiyi, and Unachukwu (2017) researched managers' leadership styles and their influence on employee job satisfaction in insurance organisations. The sample included 135 workers from 15 Nigerian Stock Exchange-listed insurance businesses. The data was collected using a structured questionnaire and an oral interview, and the data were analysed using the Pearson Product Moment Correlation Coefficient and linear regression. The results demonstrated that transformational leadership style ( $t = 3.388$ ;  $p\text{-value} = 0.282$ ) had a significant influence on employee job satisfaction at the 1% level, but transactional leadership style ( $t = 0.557$ ;  $p\text{-value} = 0.048$ ) had no such impact. As a result, the study revealed that transformational leadership style was a major predictor of work satisfaction among employees. Following that, the report recommended that Nigerian insurance businesses adopted a transformational leadership style in order to dramatically boost employee work satisfaction, citing a strong positive association.

Idowu (2020) studied the impact of leadership styles on employee performance in private colleges in the states of Ondo, Ekiti, and Osun in South-Western Nigeria. The researcher chose ten universities among 36 private institutions in South-West Nigeria using a purposive sample approach. Respondents were surveyed using the multifactor leadership questionnaire. To assess the influence of autocratic leadership style, the researcher devised their own set of questions. The information gathered were analysed using descriptive statistical analysis. The study's four hypotheses were investigated using linear regression and Pearson correlation. Transformational leadership, transactional leadership, and laissez-faire leadership were the three most frequent leadership styles that had a significant beneficial impact on employee performance, according to the findings of the study. The autocratic leadership style, on the other hand, had no discernible positive impact on staff performance.

At the Nigeria Institute for Trypanosomiasis Research in Kaduna State, Mamza, Abdullahi, and Usman (2020) investigated the impact of leadership styles on employee performance. Respondents were sampled using a structured questionnaire and the random sampling approach. The questionnaires were delivered to the respondents in a total of two hundred and thirty (230) copies. The partial least squares method SmartPLS version 2 was used to analyse data using a structural equation model. The findings revealed that leadership styles such as transformational, transactional, and laissez-faire had a significant impact on employee performance. To increase employee performance in Kaduna State, it was proposed that the Nigeria Institute for Trypanosomiasis Research used transactional and laissez-faire leadership styles.

Donoma, Tanzania, Matiko and Mbuti (2021) investigated leadership styles and staff engagement in government hospitals. A simple random sampling approach was used to select 120 employees from a total of 889. Data was collected using a standardized questionnaire and then analyzed using regression analysis. The findings found no link

between employee commitment and the following leadership styles: task-oriented, people-oriented, status-oriented, or laissez-faire.

In Ekiti State, Southwest Nigeria, Durowade, Kadiri, Durowade, Sanni, Ojuolape, and Omokanye (2020) investigated leadership styles vs health professionals' job satisfaction in tertiary hospitals. The research was conducted in a cross-sectional manner. Respondents were chosen using a multistage sampling process. Descriptive statistics and logistic regression analysis were used to analyze the data. The findings found that a laissez-faire leadership style was associated with lower work satisfaction. Job satisfaction was negatively correlated with the age of the leader and the length of tenure of the heads of units. Employee age and contingent compensation were discovered to be important predictors of work satisfaction.

Sabbah, Ibrahim, Khamis, Bakhour, Sabbah, Droubi, and Sabbah (2020) researched the association of leadership styles and nurses' well-being in healthcare settings. The research was a cross-sectional study that conducted in 2017 and included a random sample of two hundred and fifty (250) nurses from eight hospitals. The survey contained questions about socio-demographic and health-related factors, as well as the Multifactor Leadership Questionnaire 5X Short Form and the Short Form Health Survey-12 V2 (SF-12v2). The findings showed that managers utilized a mixture of transformational leadership and a lot of transactional leadership. From time to time, the managers took a laissez-faire approach. Male nurses regarded their superiors as more transformational than female nurses. Except for the Social Functioning category, all SF-12v2 scale scores were statistically linked to transformational leadership style. The Vitality scale scores were linked to transactional leadership style. People who considered their manager's leadership style was laissez-faire had poorer physical and emotional roles, as well as a worse mental health summary score.

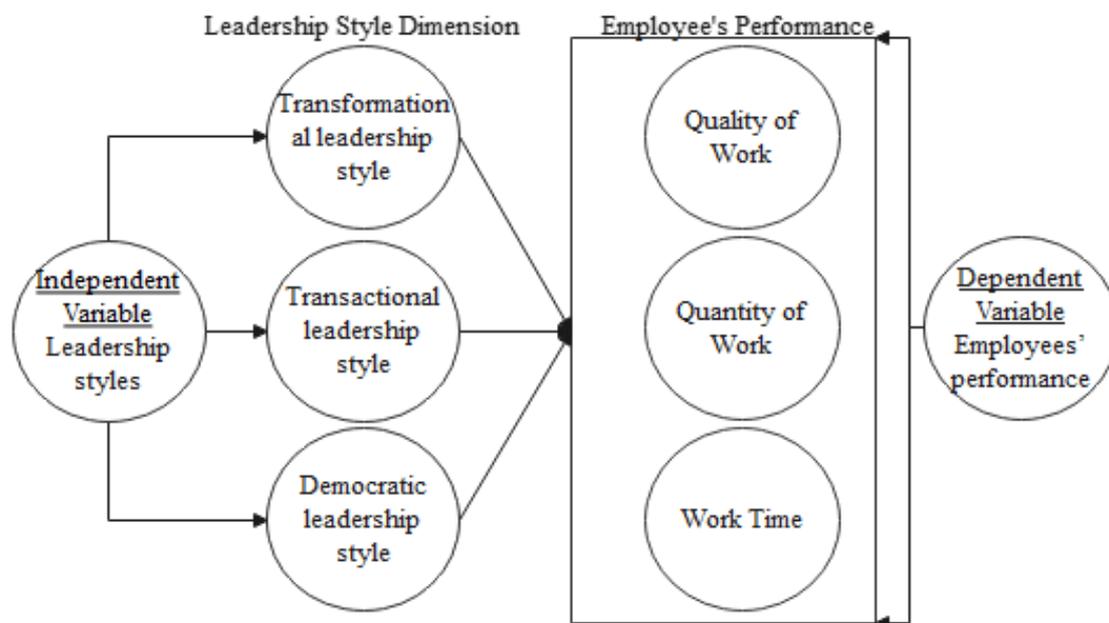
Musinguzi, Namale, Rutebemberwa, Dahal, Nahirya-Ntege, and Kekitiinwa (2018) investigated the link between leadership style and motivation, job satisfaction, and teamwork among Ugandan health workers. The study was a cross-sectional study conducted in November 2015. Data was collected from 564 health workers from 228 health facilities using a standardized questionnaire. Pearson correlation and multivariable logistic regression were used to analyze the data. Transformational leaders were favored by Ugandan health professionals above transactional or laissez-faire leaders, according to the data. Transformational leadership was linked to increased motivation, job satisfaction, and teamwork. Transactional leadership was found to be favorably associated with job satisfaction and teamwork.

In the Federal Medical Centre in Niger State, Mawoli and Mohammed (2013) examined the impact of leadership styles on staff performance. From a total population of 1,400 FMC employees, an 82-person sample was selected. The respondents were chosen using a stratified random sampling procedure. A standardized questionnaire was used to collect data, which was then evaluated through regression analysis. Hence various heads of units, divisions, and departments have been discovered to adopt autocratic, democratic, and laissez-faire leadership styles to achieve varying degrees of work performance. Democratic leadership had a considerable impact on health-care workers, but authoritarian and laissez-faire leadership styles had little or no impact.

### 2.6 Conceptual Framework

After evaluating current literature on the variables, the study constructed a conceptual framework to investigate the research hypotheses that have been provided. The concept used transformational, transactional, and democratic leadership styles as independent variables to explain employee performance as the dependent variable. The conceptual framework is represented diagrammatically in Figure 1.

Figure 1 – Conceptual Framework of Leadership Style and Employees’ Performance



Source: Author

## 3. Methodology

### 3.1 Research Design

This study used a survey research design because it involved collecting data from a sample of participants/respondents in a systematic manner. The survey method was used to quickly and cheaply describe the opinions of a large number of respondents on specific topics (Goel, Obeng, & Rothschild, 2016).

### 3.2 Population of Study

The population of study comprised 1,727 staff from 29 departments (22 clinical and 7 non-clinical department) in the FMC, Idi-Aba, Abeokuta, Ogun State as presented in Table 1. The choice of FMC was because it was a tertiary health facility under the purview of the Federal Ministry of Health with large attendance of patients within and outside Ogun State.

Table 1 – Distribution of Personnel According to Department

S/N	Clinical department	Number of Staff
1	Anaesthesia	Not specified
2	Catering	39
3	Community medicine and primary care	30
4	Dental services	19
5	Ear, Nose, and Throat (Otorhinolaryngology)	4
6	Family medicine	49
7	Health records	109
8	Medical library	10
9	Medicine	Not specified
10	Nursing services	497
11	Obstetrics and Gynaecology	67
12	Ophthalmology	13
13	Orthopaedics and Trauma	Not specified
14	Paediatrics	25
15	Pain and Palliative medicine	9
16	Pathology	Not specified
17	Pharmaceutical services	34
18	Physiotherapy	22
19	Psychiatric	7
20	Radiology	44
21	Social work	8
22	Surgery	19
	TOTAL	1,005
S/N	Non-clinical department	
1	Administrative	380
2	Finance and supplies	162
3	Information and communication technology	Not specified
4	Internal audit	33
5	Public relations	Not specified
6	Security	Not specified
7	Works and maintenance	147
	TOTAL	722

Source: FMC Official Website (2022)

### 3.3 Sample Size and Sampling Technique

A sample of 241 (based on the indicator/latent ratio) assuming a medium effect size ( $f^2 = 0.35$ ), the statistical power of 0.8, and the probability of error level of 0.05) was obtained using a sample size calculator for structural equation models via power analysis. The choice of this calculator was because it was specifically designed to calculate sample size for structural equation models. Also, it considered effect size, statistical power, and the probability of error level. The sample size is increased by 30% to 314 to provide for non-response bias.

However, the study adopted the proportionate and convenient sampling technique to determine the exact number of staffs selected from each department as presented in Table 2.

Table 2. Distribution of Personnel by Proportion

S/N	Clinical Department	No. of Staff	Sample Size
1	Catering	39	7
2	Community medicine and primary care	30	5
3	Dental services	19	3
4	Ear, Nose, and Throat (Otorhinolaryngology)	4	1
5	Family medicine	49	9
6	Health records	109	20
7	Medical library	10	2
8	Nursing services	497	90
9	Obstetrics and Gynaecology	67	12
10	Ophthalmology	13	2
11	Paediatrics	25	5
12	Pain and Palliative medicine	9	2
13	Pharmaceutical services	34	6
14	Physiotherapy	22	4
15	Psychiatric	7	2
16	Radiology	44	8
17	Social work	8	2
18	Surgery	19	3
	TOTAL	1,005	183
S/N	Non-clinical Department		
1	Administrative	380	69
2	Finance and supplies	162	29
3	Internal audit	33	6
4	Works and maintenance	147	27
	TOTAL	722	131

Source: Author's Computation (2022)

### 3.4 Research Instruments

The demographics of the questionnaire included gender, age, and year of service, as well as four measures with confirmed validity and reliability:

Transformational leadership style was assessed using a nine-item scale adapted from Zheng, Cao, and Tjosvold's research (2011). A sample item is, "My supervisor has the ability to make everyone around me enthusiastic about assignments." The response scale ranged from 1 (strongly disagree) to 5 (strongly agree). Transactional leadership style was measured by a five-items scale adopted from the study of Felfe and Schyns (2002). A sample item is, "My leader clearly formulates expectations and standards." The response scale ranged from 1 (strongly disagree) to 5 (strongly agree). Democratic leadership style was measured through a four-items survey scale adopted from the study of Hinkin and Schriesheim (2008). A sample item is, "My supervisor involves me when making vital decisions." The response scale ranged from 1 (strongly disagree) to 5 (strongly agree). Employee job performance was measured using a six-item survey scale adopted from the study of Kock (2017). A sample item is, "My performance in my current job is excellent." The response scale ranged from 1 (strongly disagree) to 5 (strongly agree).

### 3.5 Method of Data Analysis

The quantitative data is analyzed using R software for Windows (R Core Team, 2020) version 4.0.3. A p-value of less than 0.05 and two-tailed testing are used to determine a

statistically significant result. The relationship between the variables is evaluated using covariance-based structural equation modeling (CB-SEM). When compared to regression analysis, which does not account for measurement error, CB-SEM provides a more robust statistical analysis of testing hypotheses (Ramlall, 2016)

#### 4. Results

Three hundred and fourteen copies of questionnaires were administered to respondents and 306 copies were returned. However, during data cleaning process, four copies were found incompletely filled for data analysis and therefore were excluded. Thus, giving a total of 302 copies that were used for analysis. This gave a response rate of 96%. Missing data was also imputed using the MICE (Multiple Imputation through Chained Equations) approach.

Furthermore, the result on demographic characteristics of respondents listed in Table 3 revealed that majority of them were females (55%). The finding implied that female respondents dominated the study. Also, the majority (59%) were married and were between the ages of 31 and 40 years (44%). All of them were well-educated and have spent between 11 and 15 years working in the hospitals (42%).

Table 3 – Demographic Characteristics of the Respondents (*n* = 302)

Demographic Characteristics	Frequency	Percentage (%)
<i>Gender</i>		
Male	137	45.36
Female	165	54.64
<i>Age (years)</i>		
Less than 30	21	6.95
31 – 40	134	44.37
41 – 50	124	41.06
Above 50	23	7.62
<i>Marital status</i>		
Single	121	40.07
Married	177	58.61
Divorced	4	1.32
<i>Education</i>		
O' Level	29	9.60
NCE/OND	97	32.12
B.Sc./HND	148	49.01
M.Sc./Ph.D.	28	9.27
<i>Length of service (Years)</i>		
Less than 1	4	1.32
1 – 5	23	7.62
6 – 10	58	19.21
11 – 15	126	41.72
Above 15	91	30.13

Source: Field survey (2022)

#### 4.1 Measurement Model

The measurement model's goal is to characterize how well observed indicators work as measurement instruments for unseen variables. As a result, the study took a two-step strategy, starting with a measurement model and then moving on to a confirmatory model to test the hypotheses proposed by Anderson and Gerbing's (1988).

##### 4.1.1 Goodness-of-Fit Indexes

Listed in Table 4 are the confirmatory factor analysis goodness-of-fit statistics results to determine the model's measurement fit. The goodness-of-fit indices are examined using the absolute and relative fit indices, which were revealed to be consistent with the accepted thresholds (Gunzler, Perzynski, & Carle, 2021).

Table 4 – Goodness-of-Fit Indexes

Fit indices	Absolute indices					Relative indices	
	$\chi^2/df$	GFI	AGFI	SRMR	RMSEA	NFI	CFI
Thresholds	< 3	> 0.90	> 0.90	< 0.08	< 0.08	> 0.90	> 0.90
Actual value	1.835	0.932	0.907	0.059	0.041	0.916	0.908

Note: Note:  $\chi^2 / df$  is the proportion of degrees of freedom to Chi-square.; GFI is Goodness of Fit Index; AGFI is the Adjusted Goodness of Fit Index; SRMR is Standardised Root Mean Square Residual; RMSEA is the Root Mean Square Error of Approximation; Normed Fit Index; CFI is the Comparative Fit Index.

Source: Author's Computation (2022)

##### 4.1.2 Convergent Validity

Convergent validity measures whether the indicators reflect their corresponding factors effectively. The result in Table 5 revealed that the survey scales used in the study indicated good construct reliabilities as the standardised factor loading estimate values ranged from 0.704 to 0.910, exceeding 0.6 (Bagozzi & Yi, 1988). The estimation of Cronbach's alpha and composite reliability values revealed that the factors had alpha values that ranged from 0.786 to 0.877, showing that internal consistency is adequate (Nunnally & Bernstein, 1994). In addition, the  $p$ -values for each item were statistically significant ( $p < 0.001$ ). Convergent validity criterion was also met as all the average variance extracted (AVE) were above 0.50 (Hair, Ringle & Sarstedt, 2012).

##### 4.1.3 Discriminant validity

Discriminant validity assesses whether two variables are statistically distinct. To investigate the dimensionality of the constructs, the square root of their Average Variance Retrieved (AVEs) was extracted (Gefen & Staub, 2005). The off-diagonal correlation values were lower than the square root of the AVEs, indicating unique discriminant validity, as seen in Table 6 (Fornell & Larcker, 1981).

Table 5 – Assessment Results of Reflective Measurement Model

Factor	Items	Standardised Factor Loading Estimates	Significant at 5%	AVE	Composite Reliability $\rho_c$	Cronbach's alpha A
TRANSF	TRANSF1	0.872	Yes	0.641	0.914	0.786
	TRANSF2	0.775	Yes			
	TRANSF3	0.763	Yes			
	TRANSF4	0.721	Yes			
	TRANSF5	0.854	Yes			
	TRANSF6	0.811	Yes			
	TRANSF7	0.704	Yes			
	TRANSF8	0.807	Yes			
	TRANSF9	0.866	Yes			
TRANSA	TRANSA1	0.715	Yes	0.647	0.901	0.815
	TRANSA2	0.809	Yes			
	TRANSA3	0.910	Yes			
	TRANSA4	0.814	Yes			
	TRANSA5	0.761	Yes			
DM	DM1	0.887	Yes	0.675	0.892	0.792
	DM2	0.819	Yes			
	DM3	0.774	Yes			
	DM4	0.803	Yes			
EP	EP1	0.712	Yes	0.602	0.819	0.877
	EP2	0.817	Yes			
	EP3	0.795	Yes			
	EP4	0.899	Yes			
	EP5	0.851	Yes			
	EP6	0.714	Yes			

Note: TRANSF = Transformational leadership style; TRANSA = Transactional leadership style; DM = Democratic leadership style; EP = Employee Performance; AVE = Average Variance Extracted.

Source: Author's Computation (2022)

Table 6 – Discriminant Validity

Construct	Mean	SD	1	2	3	4
TRANSF	3.941	0.926	<b>0.801</b>			
TRANSA	3.979	0.925	0.025	<b>0.804</b>		
DM	3.027	0.894	0.436	0.022	<b>0.822</b>	
EP	3.891	0.895	0.043	0.059	0.270	<b>0.776</b>

Note: Diagonal Elements are Square Root of AVE and Off-Diagonal Elements are Correlations.

Source: Author's Computation (2022)

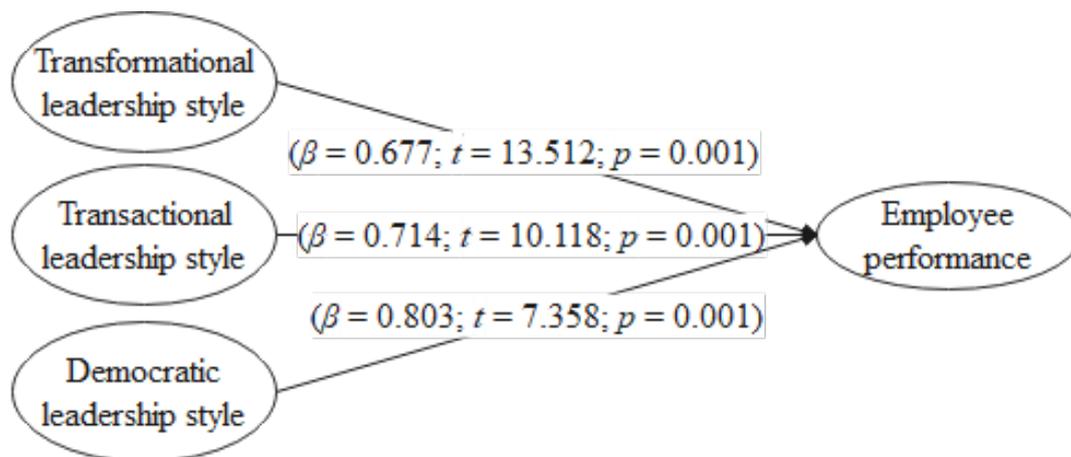
The results in Table 7 and Figure 2 revealed that transformational leadership style ( $\beta = 0.677, p = 0.001$ ) had a significant positive influence on employees' performance; hence, hypothesis one was not supported. Transactional leadership style ( $\beta = 0.714, p = 0.001$ ) had a significant positive influence on employees' performance; thus, hypothesis two was also not supported. Lastly, democratic leadership style ( $\beta = 0.803, p = 0.001$ ) had a significant positive influence on employees' performance; therefore, hypothesis three was supported.

Table 7 – Structural Model Estimates (Test of Hypotheses)

Hypotheses	Path Coefficient	Estimate	Critical Ratio	<i>p</i> -value	Remark
H <sub>1</sub>	TRANSF -> EP	0.677	13.512	0.001	Rejected
H <sub>2</sub>	TRANSA -> EP	0.714	10.118	0.001	Rejected
H <sub>3</sub>	DM -> EP	0.803	7.358	0.001	Rejected

Source: Author's Computation (2022)

Figure 2 – Structural Model of Leadership Style and Employees' Performance



## 5. Discussion of Findings

The results of the analysis of empirical data from a sample of 302 respondents were noteworthy and fascinating. These empirical findings backed up two of the study's hypotheses. Furthermore, the study model's overall explanatory power was rather strong, with an R<sup>2</sup> of 67 percent for worker productivity, implying that the three leadership styles used in the study, transformational, transactional, and democratic, explained 67 percent of the variance in employee performance.

To begin, the results revealed that transformational leadership style ( $\beta = 0.677$ ,  $p = 0.001$ ) had a positive and significant impact on employee performance. Transformational leadership is defined as a leadership style in which leaders and followers interact in such a way that they boost each other's motivation and morale. According to the findings, the greater the degree of staff performance, the more transformational leadership style is used by hospital leaders. In addition, if individuals at the helms of affair adopt this leadership style, their staff would work towards achieving the hospital's goals. Corroborating this finding, Dunn et al. (2012) argued that this leadership style enhanced performance in an organization. The discovery is in line with the result of previous studies (Girei, 2015; Abodunde et al., 2017; Al Khajeh & Fenn, 2020) while it is not in line with the finding of Obiwuru et al., 2011).

Secondly, the result revealed that transactional leadership style ( $\beta = 0.714$ ,  $p = 0.001$ ), had a positive and significant influence on employees' performance. The finding implied that the more leaders at the hospital exhibit transactional leadership style, the higher the level of employees' performance. Also, the result indicated that if individuals at

the helms of affair adopt this leadership style, their staff would work towards achieving the hospital's goals. Thus, the finding is in line with the result of previous studies (Awolusi, 2015; Ohemeng, Amoaks-Asiedu, & Darko, 2018) while it is not in line with the finding of Abodunde et al. (2017) and Al Khajeh and Fenn (2020).

Finally, the result revealed that democratic leadership style ( $\beta = 0.803, p = 0.001$ ) had a significant positive influence on employees' performance. The discovery implied that the more leaders at the hospital embrace the democratic leadership style, the higher the level of employees' performance. Thus, the finding is in line with the result of previous studies (Basit, Sebastian, & Hassan, 2017; Ohemeng et al., 2018).

## 6. Conclusion and Recommendations

Based on the finding of the study, the study concluded that leadership styles influenced employees' performance at the FMC, Idi-Aba, Abeokuta, Ogun State. Therefore, it is recommended that the management of FMC should adopt and encourage transformation leadership style by listening to their employees' concern and always motivate them. The management should encourage transactional leadership style by taking appropriate action before issues escalate, set work standards, and ensure that they are met. Lastly, the authorities of FMC should encourage democratic leadership style by inviting employees of the hospital to contribute to the decision-making process.

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