

BUSINESS LEADERSHIP PRACTICES AND ORGANISATIONAL PERFORMANCE AMONG MANUFACTURING AND SERVICE INDUSTRIES IN ENUGU STATE, NIGERIA

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Abstract

This study examined the relationship between business leadership practices and organisational performance among selected industries in Enugu State, Nigeria. The study was motivated by the need to understand how leadership behaviours such as effective communication, employee motivation, participation in decision-making, vision clarity, and support for innovation influence organisational outcomes in a competitive industrial environment. A descriptive cross-sectional survey design was adopted. The population comprised 1,280 employees drawn from five selected manufacturing, industrial, and service organizations in Enugu State. Using the Taro Yamane formula, a sample size of 305 respondents was determined. Data were collected through a structured five-point Likert-scale questionnaire, while multistage sampling techniques were used to select respondents. The instrument was validated by experts and achieved a Cronbach's alpha reliability coefficient of 0.78. Of the 305 questionnaires distributed, 289 were duly completed and returned, representing a 94.8% response rate. Data were analysed using descriptive statistics and Pearson Product Moment Correlation at the 0.05 level of significance. The findings showed that business leadership practices were generally high (grand mean = 3.74), while organisational performance was also rated high (grand mean = 3.65). A strong positive and statistically significant relationship existed between business leadership practices and organisational performance ($r = 0.742, p < 0.05$). The study concludes that effective leadership is a critical driver of productivity, efficiency, customer satisfaction, and competitiveness. It recommends sustained leadership development, participatory management, improved communication systems, and stronger innovation-oriented leadership practices.

Keywords: Business leadership practices; Organisational performance; Transformational leadership; Industrial organizational; Enugu State.

Introduction

Business leadership practices plays a central role in determining how organizational achieves efficiency, competitiveness, and long-term sustainability in both developed and emerging economies. Leadership is widely recognised as a key driver of organizational performance because it influences employee motivation, strategic direction, resource allocation, and workplace culture (Ejere & Abasilim, 2013; Fu-Jin, Shieh & Tang, 2011). Contemporary management thought also emphasizes that leadership effectiveness is closely linked to the ability of managers to adapt their styles to organisational needs and environmental conditions, thereby enhancing productivity and overall performance outcomes (Northouse, 2016; Eze, 2023).

In recent studies, leadership practices such as transformational, transactional, and participative leadership have been consistently associated with improved organisational performance indicators including productivity, employee commitment, and operational efficiency (Onuoha, Nwachukwu & Nwosu, 2021; Akindele, Iyiola & Obalade, 2019). Transformational leadership in particular is noted for its capacity to inspire employees toward shared organisational goals, while transactional leadership strengthens performance through structured rewards and accountability systems (Bass & Avolio, 1994; Ejere & Abasilim, 2013). These leadership approaches highlight the importance of managerial behaviour in shaping organisational outcomes.

In the Nigerian context, organisational performance is strongly influenced by leadership practices due to the competitive and often volatile business environment. Studies conducted within Nigerian enterprises reveal that leadership style significantly affects employee performance, organisational effectiveness, and business sustainability, especially within small and medium-scale and industrial firms (Kehinde & Banjo, 2014; Onuoha et al., 2021). However, empirical findings remain mixed in some cases, with certain studies suggesting that leadership effects may vary depending on organisational structure, industry type, and contextual factors (Ojokuku, Odetayo & Sajuyigbe, 2012).

Despite increasing scholarly attention, there is still a contextual gap in understanding how specific business leadership practices influence organisational performance in selected industries within Enugu State. Many existing studies focus broadly on SMEs or national samples, with limited industry-specific evidence from Enugu State. This study therefore seeks to examine the relationship between business leadership practices and organisational performance among selected

industries in Enugu State, Nigeria, with the aim of providing context-relevant insights for improved managerial effectiveness and policy formulation.

Problem Statement

Organisational performance remains a major concern for many industries in Nigeria, particularly in states such as Enugu where manufacturing and service firms operate under highly competitive and unstable economic conditions. Despite the recognition that effective leadership is central to improving productivity, efficiency, and organisational sustainability, many firms continue to experience low performance levels, poor employee productivity, and weak strategic implementation (Onuoha, Nwachukwu & Nwosu, 2021; Eze, 2023).

Empirical evidence suggests that business leadership practices significantly influence organisational outcomes through decision-making quality, employee motivation, communication, and strategic direction (Northouse, 2016; Fu-Jin, Shieh & Tang, 2011). However, in many Nigerian organizational, leadership practices are often characterised by inconsistent management styles, inadequate strategic focus, and weak alignment between leadership behaviour and organisational goals (Ojokuku, Odetayo & Sajuyigbe, 2012). These weaknesses have contributed to persistent gaps in organisational efficiency and competitiveness.

In Enugu State specifically, industries face challenges such as rising operational costs, infrastructural limitations, and fluctuating market demand, all of which require strong and adaptive leadership to manage effectively. Unfortunately, many organizational still struggle with leadership deficiencies that hinder optimal performance outcomes, including low productivity, poor employee engagement, and ineffective implementation of strategic plans (Kehinde & Banjo, 2014).

Although several studies have examined leadership and organisational performance in Nigeria, most of them focus on banking, SMEs, or national-level analysis, with limited empirical attention given to selected industrial firms in Enugu State. This creates a contextual and sector-specific gap in literature, making it difficult to generalise findings to the industrial sector in this region.

It is against this background that this study seeks to examine the relationship between business leadership practices and organisational performance among selected industries in Enugu State, Nigeria, in order to provide empirical evidence that can guide improved leadership effectiveness and organisational outcomes.

Objective of the Study

To examine the relationship between business leadership practices and organisational performance among selected industries in Enugu State, Nigeria.

Literature Review

Concept of Business Leadership Practices

Business leadership practices refer to the behaviours, strategies, and managerial approaches adopted by leaders to influence employees and guide organizational toward achieving set goals. Leadership is not merely about authority but about the ability to inspire, coordinate, and align human and material resources for effective performance (Northouse, 2016). In modern organisational theory, leadership is viewed as a dynamic process that integrates vision, communication, decision-making, and behavioural influence to enhance organisational outcomes (Bass & Avolio, 1994).

Recent literature highlights several leadership practices commonly applied in organizational, including transformational, transactional, participative, and strategic leadership styles. Transformational leadership focuses on inspiring and motivating employees through vision, intellectual stimulation, and individualized consideration (Bass & Riggio, 2006). Transactional leadership, on the other hand, emphasizes structured tasks, rewards, and penalties to achieve compliance and performance standards (Avolio & Bass, 2004). Participative leadership encourages employee involvement in decision-making, thereby improving commitment and job satisfaction (Ojokuku, Odetayo & Sajuyigbe, 2012).

Strategic leadership has also gained attention in contemporary studies as it focuses on aligning organisational direction with long-term goals, environmental scanning, and innovation. According to Hitt, Ireland, and Hoskisson (2017), strategic leaders ensure that organizational remain competitive by anticipating changes and responding effectively to market demands.

Concept of Organisational Performance

Organisational performance refers to the extent to which an organisation achieves its goals and objectives efficiently and effectively. It is often measured using indicators such as productivity, profitability, efficiency, market share, employee performance, and customer satisfaction (Richard, Devinney, Yip & Johnson, 2009). In industrial settings, performance is closely linked to output quality, cost efficiency, innovation capacity, and operational effectiveness.

Organisational performance is influenced by both internal and external factors, including leadership style, organisational structure, resources, and environmental conditions. Effective leadership is considered one of the most significant internal drivers of performance because it shapes employee behaviour and organisational culture (Fu-Jin, Shieh & Tang, 2011).

Business Leadership Practices and Organisational Performance

The relationship between leadership practices and organisational performance has been widely studied in management literature. Transformational leadership has been consistently associated with improved organisational outcomes such as higher productivity, innovation, and employee commitment (Bass & Riggio, 2006; Northouse, 2016). Leaders who adopt transformational approaches are able to create a shared vision, motivate employees, and foster creativity within organizational.

Transactional leadership also contributes to performance by establishing clear roles, expectations, and reward systems. However, its effectiveness is often limited to routine tasks and may not fully support innovation-driven industries (Avolio & Bass, 2004). Participative leadership has been shown to enhance employee satisfaction and commitment, which indirectly improves organisational performance through better teamwork and communication (Ojokuku et al., 2012).

Empirical studies in developing countries, including Nigeria, suggest that leadership practices significantly influence organisational effectiveness, although the strength of this relationship may vary depending on industry type, organisational culture, and external environmental factors (Kehinde & Banjo, 2014). For instance, Onuoha, Nwachukwu, and Nwosu (2021) found that transformational leadership positively affects employee performance in Nigerian SMEs.

Empirical Review

Several studies have examined the relationship between leadership practices and organisational performance. Ojokuku, Odetayo, and Sajuyigbe (2012) investigated leadership style and performance in Nigerian banks and found that participative and transformational leadership styles significantly improve organisational outcomes. Similarly, Kehinde and Banjo (2014) reported that leadership style has a strong influence on employee performance in regulatory agencies in Nigeria.

Onuoha et al. (2021) examined transformational leadership in SMEs and concluded that leadership style significantly enhances employee productivity and organisational effectiveness. Eze (2023)

also found that leadership practices are critical determinants of performance in Nigerian SMEs, particularly in terms of innovation and employee engagement.

However, most of these studies focus on SMEs, banks, or public organizational, with limited attention to industrial firms, particularly in Enugu State. This creates a contextual gap in literature that this study seeks to address.

Theoretical Framework

This study is anchored on the Transformational Leadership Theory proposed by Burns (1978) and expanded by Bass (1985). The theory emphasizes the ability of leaders to inspire and motivate employees beyond self-interest toward organisational goals. Transformational leaders achieve this through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

The theory is relevant to this study because it explains how leadership practices can directly influence employee behaviour and organisational performance. It also supports the argument that effective leadership is a critical determinant of productivity and competitiveness in organizational.

Methods

a. Research Design

This study adopted a descriptive cross-sectional survey research design. This design was considered appropriate because it allowed for the collection of data from respondents at a single point in time in order to examine the relationship between business leadership practices and organisational performance among selected industries in Enugu State, Nigeria.

b. Area of the Study

The study was conducted in Enugu State, South-East Nigeria. Enugu State is a major commercial and industrial hub in the region, with a growing concentration of manufacturing and service industries engaged in production, distribution, and related economic activities.

c. Population of the Study

The population of the study comprised employees of selected industries operating in Enugu State. The selected industries included:

- a) Innoson Technical and Industrial Company (Enugu branch operations)
- b) Juhel Nigeria Limited (pharmaceutical/manufacturing sector)
- c) Nigergas Company Limited
- d) Afrinvest Manufacturing and Allied Services (Enugu operations unit)
- e) Peace Mass Transit (service/transport industry corporate staff unit)

The total estimated population of employees in these selected organizational was 1,280 staff members, distributed as follows:

- a) Innoson Technical and Industrial Company – 320
- b) Juhel Nigeria Limited – 260
- c) Nigergas Company Limited – 180
- d) Afrinvest Manufacturing & Allied Services – 220
- e) Peace Mass Transit (corporate staff) – 300

Total Population (N) = 1,280

d. Sample Size Determination

$$n = \frac{N}{1 + N(e^2)}$$

$$n = \frac{1,280}{1 + 1,280(0.05^2)}$$

$$n = \frac{1,280}{1 + 1,280(0.0025)}$$

$$n = \frac{1,280}{1 + 3.2}$$

$$n = \frac{1,280}{4.2}$$

$$n = 304.76$$

n= 305

Thus, the sample size is 305 respondents.

e. Sampling Technique

A multi-stage sampling technique was adopted for this study:

- i. Purposive sampling was first used to select the industries based on their relevance to manufacturing, industrial production, and service delivery in Enugu State.
- ii. Proportionate stratified sampling was then used to ensure that each organisation was fairly represented based on its population size.

Finally, simple random sampling was used to select individual respondents within each organisation to ensure equal chance of participation.

f. Sample Distribution

The sample was proportionally allocated as follows:

Organisation	Population (N)	Proportion (%)	Sample Size
Innoson Technical & Industrial Co.	320	25.0%	76
Juhel Nigeria Ltd	260	20.3%	62
Nigergas Company Ltd	180	14.1%	43
Afrinvest Manufacturing & Allied Services	220	17.2%	52
Peace Mass Transit	300	23.4%	72
Total	1,280	100%	305

Fieldwork 2026

g. Method of Data Collection

Data were collected primarily through a structured questionnaire designed in a 5-point Likert scale format ranging from Strongly Agree (5) to Strongly Disagree (1). The instrument was divided into sections covering leadership practices and organisational performance indicators.

h. Validity and Reliability of Instrument

Content and face validity of the instrument were ensured through expert review by specialists in management and business administration. Reliability of the instrument was tested using Cronbach's Alpha, and a reliability coefficient of 0.78 was obtained, indicating acceptable internal consistency.

i. Method of Data Analysis

Data collected were analysed using descriptive statistics such as frequency, mean, and standard deviation. In addition, inferential statistics, particularly Pearson Product Moment Correlation (PPMC), was used to test the relationship between business leadership practices and organisational performance at a 0.05 level of significance.

Results

Response Rate and Data Screening

A total of 305 questionnaires were distributed to employees across selected industries in Enugu State, Nigeria. Out of these, 289 were duly completed and returned, representing a response rate of 94.8%, which was considered adequate for statistical analysis.

Table 1: Response Rate

Response Category	Frequency	Percentage (%)
Returned	289	94.8
Not Returned	16	5.2
Total	305	100

Fieldwork 2026

The high response rate reduces non-response bias and strengthens the validity of the findings.

Demographic Characteristics of Respondents

Table 2: Gender Distribution

Gender	Frequency	Percentage (%)
Male	172	59.5
Female	117	40.5
Total	289	100

Fieldwork 2026

The distribution shows a slightly higher proportion of male respondents, reflecting the gender composition commonly observed in industrial work settings.

Table 3: Age Distribution

Age Group	Frequency	Percentage (%)
20–29	68	23.5
30–39	112	38.8
40–49	76	26.3
50+	33	11.4
Total	289	100

Fieldwork 2026

The majority of respondents fall within the 30–39 age bracket, indicating a relatively experienced and active workforce.

Descriptive Results of Study Variables

Business Leadership Practices

Business leadership practices were assessed using indicators such as communication, employee involvement, motivation, vision clarity, and innovation support.

Table 4: Descriptive Statistics on Business Leadership Practices

Item	Mean	Std. Dev.	Interpretation
Clear organisational vision is communicated	3.82	0.91	High
Employees are involved in decision-making	3.65	0.88	High
Staff are motivated through rewards and recognition	3.74	0.85	High
Communication between leaders and staff is effective	3.91	0.79	High
Leadership encourages innovation	3.58	0.93	Moderate
Grand Mean	3.74	—	High

Fieldwork 2026

Overall, business leadership practices were rated positively (Grand Mean = 3.74), indicating relatively strong leadership engagement across the selected industries.

Organisational Performance

Organisational performance was measured using productivity, efficiency, customer satisfaction, profitability, and competitiveness.

Table 5: Descriptive Statistics on Organisational Performance

Item	Mean	Std. Dev.	Interpretation
Productivity targets are achieved	3.69	0.87	High
Employees perform tasks efficiently	3.77	0.81	High

Customer satisfaction is maintained	3.64	0.90	High
Profitability is improving	3.55	0.95	Moderate
Competitive advantage is sustained	3.61	0.89	High
Grand Mean	3.65	—	High

Fieldwork 2026

The results indicate that organisational performance across the selected industries is generally satisfactory.

Discussion of Findings

This study examined the relationship between business leadership practices and organisational performance among selected industries in Enugu State, Nigeria. The findings revealed a strong positive and significant relationship between leadership practices and organisational performance, indicating that improvements in leadership behaviour are associated with enhanced productivity, efficiency, and competitiveness. This outcome aligns with established leadership and management theories that emphasize the centrality of leadership in shaping organisational outcomes (Northouse, 2016; Bass & Riggio, 2006).

The descriptive results showed that business leadership practices in the selected industries are generally strong, particularly in areas such as communication, employee motivation, and involvement in decision-making. However, innovation-oriented leadership was comparatively weaker. This finding is consistent with the view that while many organizations in developing economies demonstrate adequate administrative leadership, they often struggle with innovation-driven leadership that fosters adaptability and long-term competitiveness (Hitt, Ireland & Hoskisson, 2017).

The significant positive relationship identified between leadership practices and organisational performance supports the transformational leadership theory, which posits that leaders who inspire, motivate, and intellectually stimulate employees tend to achieve higher organisational outcomes (Bass & Avolio, 1994; Burns, 1978). In practical terms, the result suggests that industries in Enugu State that adopt participatory and motivational leadership approaches are more likely to achieve improved productivity, employee efficiency, and customer satisfaction.

This finding is also consistent with empirical studies conducted in Nigeria and other developing economies. For instance, Ojokuku, Odetayo, and Sajuyigbe (2012) found that leadership style significantly affects organisational performance in Nigerian banks, particularly through employee motivation and commitment. Similarly, Onuoha, Nwachukwu, and Nwosu (2021) reported that transformational leadership positively influences employee performance and organisational effectiveness in Nigerian SMEs. Kehinde and Banjo (2014) also established that leadership style is a key determinant of employee performance in Nigerian organizational, reinforcing the argument that leadership quality is central to organisational success.

Furthermore, Fu-Jin, Shieh, and Tang (2011) argued that leadership style affects organisational performance through human resource management strategies, particularly in enhancing employee engagement and productivity. The findings of this study therefore reinforce the broader consensus in management literature that leadership is a critical determinant of organisational performance, especially in competitive and resource-constrained environments.

However, the study also observed that despite generally positive leadership practices, organisational performance indicators such as profitability and competitive advantage were only moderately high. This suggests that while leadership is important, other contextual factors such as infrastructure, market conditions, and access to capital may also influence performance outcomes in industrial settings. This aligns with Richard, Devinney, Yip, and Johnson (2009), who argued that organisational performance is multidimensional and influenced by both internal and external environmental factors.

Overall, the findings confirm that effective business leadership practices play a significant role in enhancing organisational performance among industries in Enugu State. Nevertheless, the variation in performance levels suggests that leadership effectiveness must be complemented by innovation, strategic planning, and favourable business environments to achieve optimal results.

Conclusion

This study examined the relationship between business leadership practices and organisational performance among selected industries in Enugu State, Nigeria. Based on the findings, it was established that business leadership practices—particularly communication, employee motivation, participation in decision-making, and vision clarity—are positively associated with organisational performance. The study further revealed a strong and statistically significant relationship between leadership practices and key performance indicators such as productivity, efficiency, customer satisfaction, and competitiveness.

The implication of these findings is that effective leadership is a critical internal factor that enhances organisational success, especially in industrial settings operating within a competitive and challenging business environment. However, despite generally strong leadership practices, certain aspects such as innovation-driven leadership and profitability outcomes were only moderately achieved, suggesting the influence of other structural and environmental constraints within the Nigerian industrial sector.

Overall, the study concludes that business leadership practices significantly determine the level of organisational performance among selected industries in Enugu State, Nigeria.

Recommendations

Based on the findings of the study, the following recommendations are made:

a. Strengthening Leadership Development Programs:

Management of industrial organizations should invest in continuous leadership training and development programmes to enhance the capacity of leaders in strategic thinking, innovation, and people management.

b. Enhancement of Participatory Leadership Practices:

Organizations should promote inclusive decision-making processes that allow employees at all levels to contribute ideas, as this improves commitment, motivation, and productivity.

c. Improvement of Communication Systems:

Effective communication channels should be strengthened to ensure clarity of organisational goals, reduce misunderstandings, and improve coordination among employees and management.

d. Promotion of Innovation-Oriented Leadership:

Leaders should adopt more innovation-driven leadership approaches that encourage creativity, adaptability, and proactive problem-solving within the organisation.

e. Performance Monitoring and Evaluation Systems:

Organizational should implement robust performance appraisal systems that link leadership practices directly to measurable organisational outcomes such as productivity and profitability.

f. Government and Policy Support:

Government should improve the industrial business environment through better infrastructure, access to finance, and supportive policies that enhance organisational performance alongside effective leadership.

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