

**TITLE PAGE**

**ANALYSIS OF CORPORATE LEADERSHIP AND EMPLOYEE  
EMPOWERMENT IN SELECTED NIGERIAN BANKS.  
(A STUDY OF DIAMOND BANK PLC, ECOBANK PLC,  
UNION BANK PLC, IN ENUGU**

**BY**

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**BA/T/2009/238**

**PROJECT SUBMITTED TO THE DEPARTMENT OF BUSINESS  
ADMINISTRATION  
MANAGEMENT AND SOCIAL SCIENCES  
CARITAS UNIVERSITY AMORJI NIKE, ENUGU,  
ENUGU STATE.**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE  
AWARD OF BACHELOR OF SCIENCE (B.Sc) DEGREE IN  
BUSINESS ADMINISTRATION**

**AUGUST 2012**

## CERTIFICATION

This is to certify that this project written by Lewachi Benedict with the Registration Number BA/T/2009/238 has been read and approved for presentation for the award of Bachelor of Science Degree in Business Administration.

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## **DEDICATION**

This work is dedicated to our Almighty God and in the honour of my family, hardworking friends who contributed toward the success of this project.

## **ABSTRACT**

The topic of this research is Analysis of corporate leadership and employee empowerment in Nigerian Banks. (A Case Study of three selected banks in Enugu State, Diamond Bank Plc, EcoBank Plc and Union Bank Plc). The population of the study was 365 while the researcher used the Yaro Yamani formula in the determination of the sample size, which was 190. The type of the research design used was survey research. The researcher used both the primary and secondary sources in obtaining the relevant data used in the course of the study. The primary data was collected using the instrument of questionnaires while that of the secondary data was obtained using written textbooks journals, magazines, newspapers and the use of library.

The researcher used chi-square in the testing of the hypothesis formulated while simple percentage was used in analyzing the research questions.

The finding of the research study was that there is a direct relationship between leadership style and employee performance and that there is a direct relationship between employee empowerment and employee performance. The researcher recommended among others that corporate leaders especially in the banking industry should review the leadership style practiced in their organization.

## **ACKNOWLEDGEMENT**

I am most grateful to God for His infinite mercy, protection and guidance throughout my stay in the university.

I am greatly indebted to all the people and institutions that have in one way or the other contribute to the success of this work.

I am particularly grateful to Mr. Agbo Melletus, my noble and able supervisor, whose painstaking guidance and corrections throughout the duration of this work was of immense value to me.

I equally recognize the efforts of my Head of Department, Prof. G.U. Nwanguma, Mr. Walter Ani, Mr. Innocent Ubawike, and Mr. Kenneth Eziedo.

I also owe much thanks to my beloved parents Mr & Mrs Lewachi, my siblings and my friends who were therefore me.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND OF THE STUDY**

Leadership is a subject that has long excited interest among scholars and managers of men and resources. The term connotes images of powerful dynamic persons who command victorious grieves, direct corporate empires from top gleaming skyscraper of shape the course of nation (Yukul 1981). Interest in this subject existed as long as people have been studying human behaviour. In fact leadership behavior arises where two or more persons gather for political, economic, social or religious purpose.

Mekeaghar (1997:180) attested that leadership is not the giving of direct, rather it is the facilitation of directedness, it is an activity of a group which cannot actually be separated from the dynamic interaction of the communal process of envisioning. As such, leadership entails responsibility of self and others, not only in the identified leader but also in each member of the group within which leadership implies not only the interrelatedness of persons but also their common direction. In actual fact, leadership is more than power or authority, it actually implies some degree of voluntary compliance by followers.

Peters (1991:340) stressed that in today's business world, leadership is a subject of profound importance and of critical relevance to our day to day activities. The success or failure of enterprises, the ability to support families (and employee families), and a sense of self worth and achievement, all have direct links to the performance of corporate leaders. Leader decisions change companies and lives because leadership is both the adhesive that binds a work group together and the catalyst for employee motivations.

The organization that exists today is dramatically different from that which hitherto, existed or which will exist in the future, because technology, the customs have all changed and will continue to change. Today, the market place is global, the customs are more demanding, the capabilities to communicate, especially via the Internet, is growing exponentially. Besides, employees are even withholding their allegiance until incorporated into the decision making process. Leaders recognize that while the fundamental principles by which they do business in changing rapidly (Ferris, 1997). Today, job requires more thinking, more customers services, more initiative and more skills application, physical labour is obviously less required. It is a completely different world requiring different leadership techniques. The leadership as the eyes, ears, heart and soul of the organization constantly

scans the emerging changes in the world and redefines the business in order to increase its viability overtime.

The approach of leaders is simply a matter of personal style. Some are autocratic, or democratic and many offer a combination of styles. They always like to do anything they want at anytime without consulting anybody while some are democratic, in the sense that they will do anything. Many offer a combination of styles. Most successful corporate leaders adopt the approach that meets the needs of the organization and business structure at hand. At times, the approaches has do overlap. Some select a dominant approach, using it as the compass and ruler that direct all corporate decisions and activities (Farkas and Wetluafer 1996:166).

Fem's (1997:151) is of the view that corporate organization in the past had the top three or four executives,who make all the decision and then supervised the implementation process. But in today's turbulent world, it is impossible to control from the top. It is unreasonable even to try. This is because today's business world is highly competitive. The way to survive is to reshape to the need of the rapidly changing world. It is a company does not meet the needs of its competitors with organizations are reshaping themselves to change quickly in order to meet the needs of their customers.

Organizations leaders know they cannot throw many act every problem; the needs highly committed and flexible workers.

Peters (1991:344) maintain that despite the acceleration technology/authoritative revolution, our organization must become more dependent on people who are responsible for the companies, success than ever before, especially with the front line staff with customers. He emphasizes that this go way beyond, “the people are our greatest asset” statement that appeared in the mission statement in the seventies and eighties. The essence behind today’s deep roofed belief is that in today’s world, technologies and production come and go. Natural resources throughout the planet and commercial power continues to shift from manufacturing to services, therefore the employee plays a vital role in the organizational success. He insists that, there is no limit to what the average person can accomplish if well trained, well supported and well paid for primary source of volume added not a factor of production to be optimized, minimized and/or eliminated.

As we are in the 21<sup>st</sup> century leaders will have to be highly flexible and have a broad range of skills. In order to lead and keep good people, leaders must be articulated, energetic and empowering, modern thinking about power is that more power is gained by empowering others.

Successful empowerment will typically require feedback on performance from a variety of sources, an environment that is lenient of mistakes, widely distributed information, that is to learn from mistakes widely distributed information, generalist managers and employees, flat structures and less bureaucracy. In the service industry, managers describe their primary sources of competitive advantages as being the people. As such people are the single most important asset. Only a system of distributed decision making can provide flexibility and motivation for people to maintain peak performance levels. The banking sector being one of the foremost sectors in the services industry was selected for the study.

The roles of banks in the macro-economic policies of a nation especially in the implementation of monetary and fiscal policies cannot be over emphasized. Commercial Banks have been selected for this study because of their capital formation role through financial intermediation. Three Commercial Banks in Enugu were selected for this study. They are Eco Bank International Plc, Diamond Bank Limited, Union Bank of Nigeria Plc. These Banks were selected based on their structures, age and size. The study is to assess the leadership styles adopted in the banking industry and the relationship between leadership style and corporate performances, to determine whether the employees are empowered or not and the correlation

between employee empowerment and employee performance. It is also aimed at determining the relationship that exists between employee improvement, leadership style and organizational performance and the overall impact on the stakeholders.

## **1.2 STATEMENT OF THE PROBLEM**

In today's business world, organizational performance depends on corporate governance, which in turn depends on employees, who are considered as the most important asset. Proponents of employee empowerment believe that it will result in optimal organizational performance while other's believe it is a noble cause but are lost on the empowerment ethics. This becomes a serious problem as most corporate leaders in a dilemma on whether or not to embrace empowerment and if they do, how do they manage the empowerment mechanics. As this problem persists, the organization may be under utilizing the workforce, losing monetrality and by extension making the society worse off.

There is therefore the need to determine

- (i) The mechanics of empowerment employed in the banking sector.
- (ii) The effect of governance style on organizational performances.

- (iii) Whether employee empowerment actually increased overall performance of the banks.

### **1.3 OBJECTIVES OF THE STUDY**

The objectives of the study are as follows:

- i) To determine the governance style relevant in Nigeria banking industry.
- ii) To determine the relationship between leadership style, and employee performance.
- iii) To determine whether the employee is actually empowered in the banking industry.
- iv) To determine the relationship between employee empowerment and organizational performances.

### **1.4 RESEARCH QUESTIONS**

The research work will attempt to provide answers to the following questions.

- (i) What is the dominant/prevalent governance style?
- (ii) To what extent is the effect of employee empowerment on the employee performance and the overall organizational performance?

- (iii) Are employees truly empowered in the banking industry?
- (iv) To what extent is there a relationship between the employee empowerment and organizational performance?

## **1.5 STATEMENT OF HYPOTHESIS**

Hi There is a relationship between the employee empowerment and organizational performance.

Ho There is no relationship between the employee empowerment and organizational performances.

Hi The employee are truly empowered in the banking industry.

Ho The employees are not truly empowered in the banking industry.

Hi There are factors that calls for employee empowerment in the organization.

Ho There is no factor that calls for employee empowerment in the organization.

## **1.6 SCOPE AND LIMITATION OF STUDY**

The study will be limited to only three commercial banks based in Enugu State. The study intends to covers as many effects of governance

style and employee empowerment as possible as it affects organizational performance.

There may be omission and misinterpretation by the employee of the Bank. This could be through lack of proper understanding of the questions asked, forgetfulness or deliberate misinterpretation. This will tend to reduce the degree of accuracy of the research work.

Finally, there may be problem of insufficient data; this could be as a result of an availability of information from the required source.

## **1.7 SIGNIFICANCE OF THE STUDY**

With the licensing of new Banks and imminent introduction of universal banking. The competition in commercial banking is getting stiffer. Commercial banks sell virtually the same product and king customer is very much aware since needs are ever changing, if a company is not bale to satisfy its customers needs, the likelihood is that its competitors will take over. Therefore, the success of failure of service delivery depends on the ability to satisfy the customers, which in turn depends on a large extent of the employee.

In effects the study is relevant to the extent that it identifies the effects of leadership styles and employee empowerment on organizational performance.

The banking sector would have to take advantage of effective leadership style and employee, empowerment to remain competitive. It will also prepare, the Banks for the greater tasks ahead to satisfy Bank, customers and beat competitors.

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## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 THEORETICAL FRAMEWORK**

Leadership is one of the most widely discussed and reached topics in management.

Researchers usually defines leadership according to their individual perception and the aspect of the phenomenon that is of more interest to them. After a comprehensive review of leadership literature, Stogdill (1974:25a) concluded that “there are almost as many definitions of leadership as there are persons who have attempted to define the concept” leadership has been defined in terms of individual tracts behaviours, influence over other people, interaction patterns, role leadership, occupation of an administrative position and perception of others regarding legitimacy of influences, the purpose of influence attempts and the manner in which influence is exerted. It is consequently very difficult to settle at a single definition of leadership that is general enough to accommodate these many meanings.

Yukul (198:122) even so, it will be immensely useful for our purpose, to define leadership as the ability to influence other people towards the attainment of goals. This would typically involve the use of power, because

power determines whether a leader is able to command compliance from followers. Five different basis of such power has been as;

- (i) Legitimate power
- (ii) Reward power
- (iii) Expert power
- (iv) Coercive power
- (v) Referent power

Legitimate power stems from management position in an organization and the authority granted to it.

Reward power results from the leaders authority to positively reward others.

Coercive power is based on fear. A subordinate perceives that failure to comply with the wishes of a superior would lead to punishment.

Expert power is as a result of the leaders special knowledge, skill and expertise in the tasks performed by subordinates.

Referent power results from the personal characteristics of an individual that makes other people want to associate with a person. The use of power elicits commitment, compliance or resistance. (Connelly et al 1992:385).

According to Rue and Byers (1995:375), leadership is the ability to influence people to willingly follow ones guidance to adhere to ones decisions towards setting of goals. Building on this definition, leadership is something more than power or authority. It implies some degree of voluntary compliance by followers. From a managerial perception, corporate leadership of governance represent the ability of the leader to influence subordinates to willingly perform specific task associated with organizational goal accomplishment.

## **IMPORTANCE OF LEADERSHIP/GOVERNANCE**

Leadership is both the adhesive that binds a work group together and the catalyst binds employees motivation. Thus, leadership can have a major influence on enterprise performance. In many cases, managers (as leaders) have more influence on subordinate behaviour than over non human work factors such as technology and job design.

Secondly, knowing what constitutes effective leadership is a prerequisite for selecting managers to services in leadership position.

Thirdly an understanding of leadership theories can assist managers in developing their own leadership skills knowledge of when and how leadership work is a basis to the success of leadership training.

Fourthly, effective leadership is the basis for the performance of other enterprise activities. The managerial function of planning, organizing, staffing and human resource management and controlling and directed without leadership.

## **2.2 HISTORICAL BACKGROUND ON THE LEADERSHIP THEORIES.**

Questions about leadership have long been a subject of specialization, but it was not until this century that scientific research on leadership was begun. Behavioral scientists have attempted to discover what traits, abilities, behaviours, source of power or aspects of the situation determine how effective a leader will be in main accomplishing grow objectives. Leadership has been studied in different ways, depending on the researchers conception of leadership and methodological preferences. Most leadership studies have dealt only with one narrow aspect of the phenomenon. Nearly all the research on leadership can be classified into one of the following four approaches

- (a) Power include approach
- (b) Trait approach
- (c) Behaviour approach
- (d) Situational approach (Yukul 1981)

### **2.2.1 POWER – INFLUENCE APPROACH**

(Yukul 1981:150) observed that the power influence approach attempts to explain leader effectiveness in terms of some amount of powers available to leader and the manner in which leaders exercise power over followers, whether a leader is able to obtain subordinate commitment depends to a great extent on the manner in which power is exercised. Effective leaders are likely to exercise power in a subtle, careful fashion that minimize status differentials and avoid threat to the self esteem of subordinates. In contrast, leaders who exercise power in an arrogant, manipulative dominating manners are likely to engender resistance by subordinates. Power can be used either to dominate subordinate to make them work, or to uplift subordinates and back their competence and self esteem.

The amount of position power necessary for leader effectiveness depends on the nature of the organization, the task involved and the subordinates. If the leader has too much reward and coercive power, he is tempted to rely on them excessively instead of using referent and expert power. This path leads to resentment and rebellion on the other hand, if the leader lacks sufficient power to provide equitable regards, make necessary

changes and punish chronic troublemakers then, he will find it difficult or impossible to develop a high performing group. The research on leader, power and influence has not dealt with leadership behaviour except for direct influence attempt and there has been little concern for traits except those that are sources of leader influence (example, expertise persuasive ability).

### **2.2.2 TRAIT APPROACH**

The earliest attempt at understanding leadership, centered on determining what specific trait makes a person an effective leader. A trait is generally definite as a distinctive, physical or psychological characteristics that accounts for a persons behaviour. The Greek philosopher Plato was among the first to suggest that “great leaders are born to their greatness”. This was later termed the great man theory. This view held that a person was born either with or without the necessary traits for successful leadership. Leadership was thought to be derived from nature, learned behaviour was considered irrelevant (Rue and Byars, 1995:377).

The trait approach emphasize the personal qualities of leaders such as

- (i) Physical characteristic ability, energy, height
- (ii) Social background ability

- (iii) Intelligence and ability – judgement, decisiveness, knowledge , fluency of speech.
- (iv) Personality alertness, originality, creativity, personal integrity, ethical conduct, self confidence, work related characteristics, achievement derive, desire to excel, derive for responsibility, task orientation.
- (v) Social characteristics – ability to enlist co-operation, cooperativeness, popularity, prestige, sociability, interpersonal skill, tract, diplomacy.

The idea was to find out what made them great so as to select future leaderships who already exhibit the same traits. The trait approach has shown little concern for direct measurement of either leaders behaviour or influence even though it is evident that they both somehow mediate the effects of leaders traits on end result variable such as subordinate's performance. Generally, research found only a weak relationship in between personal traits and leader success.

The only conclusion that received even limited support is that leaders exceed followers in intelligency, scholarship, dependability activity, social participation and socio-economic status. In short, study of traits offered little evidence for distinguishing leaders from followers or for

making the latter into the former. As a consequence, researchers questioned the existence of unique leader traits

### **2.3 CURRENT LITERATURE ON THEORIES POSTULATED ABOVE**

The behavioural phase of leadership research holds that leaders may be best characterized by how they behave, rather than by their personal traits. Underlying this phase was the assumption that effective leaders utilize a particular behavioural style that cause others to follow them. The principal distinction between the trait and behavioural phases is that the former attempted to explain leadership on the basis of what leaders do and how they do it instead of their trait or source of power.

According to Yukul (1981:8) behaviour has been described at different levels of specificity and many different typologies of leadership behaviour have been proposed. Some behaviour researches have attempted to describe the typical behaviour pattern and activities of managers and administrators.

However, most behaviour research has attempted to identify differences in behavioural patterns between effective and ineffective leaders. Research on leadership behaviour has seldom included measurement of leaders trait or influence process, even though leaders behaviour is clearly affected by the leader's trait, and much of the behaviour involve attempts to

influence the attitudes and behaviour of subordinates. Moreover, situational structural differences that might influence leader effectiveness were given limited attention. Proponents of this theory include Kert Lewis of the Iowa state university, McGregor of Ohio State University studies, and Blake Manton of the University of Texas.

### **2.3.1 SITUATIONAL APPROACH**

Contemporary leadership theories are almost entirely situational in nature. In contrast to earlier theories, which forward on leaders behaviours, the newer theories attempts to explain effective leadership within the context of the larger situation in which they occur. The situational approach emphasizes the importance of situational factors such as the nature of the task performed by a grave, the leader's authority and discretion to act, the role expectations imposed by superiors, peers and subordinates and the nature of the external environment. These and other aspect of the situation determine what kind of leadership traits, skills and behaviour are relevant. Some situational research is concerned with how a leader's behaviour is affected by immediate situations. Most situational theory and research have sought to identify situational moderators variables that determine what kind of leadership will be most effective in a given situation. This orientation is

sometimes “contingency approach because the particular attributes and behaviour essential for a leader’s effectiveness are contingent on the situation and vary from one situation to another. However, three contingency models of leadership developed to date have made a significant contribution to the understanding of the complexities of the leadership process namely;

- Fiedler’s contingency model of leadership
- The path-goal approach, and
- Vroom-yetton leadership decision model

Fred E-Fielder’s contingency model: According to Fielder, three major situational variables seem to determine whether a given situation is favourable or not to a leader.

His personal relations with his group member (leader member relations).

The degree of structure in group task (task structure). The power and authority that his position provides (position powers).

Having developed this model for classifying group situations, Fielder has attempted to determine what the most effective leadership style would be for each situation, task oriented or relationship oriented Umoh (2002:61).

### **The Path-Goal Approach**

Umoh (2002:59), this theory stresses that leaders are effective because of their impact on subordinates, motivation ability to perform effectively, and satisfactorily. It is so called because its major concern to how the leader influences the subordinates. The theory suggests that the leader's behaviour is motivating or satisfying to the degree that the behaviour increases subordinates goals attainment and clarifies the paths to these goals. It is also known as the "great man theory".

These situational research and theory has focused narrowly on the way the situation enhances or nullifies the effects of some leadership traits. Behaviour and influence interest with each other.

### **2.3.2 LEADING VERSUS MANAGING**

According to Kottler (1990:37) leadership and management are two distinctive and complementary systems of action. Each has its own function and characteristics activities, both are necessary for success in today's business environment.

Management is about copying the complexities. Its practices and procedures are largely a response to the emergence of large complex organizations in the twentieth century. Leadership by contrast is about

copying with change part of the reason it has become more competitive and more volatile. More change always demands more leadership.

According to Zaleznik (1992:61) manager's goals arise out of necessities rather than desires. They excel at diffusing conflicts between individuals or departments, placating all sides while ensuring that an organization's day to day business gets done. Leaders on the other hand adopt personal active attitude towards goals. They look for the potential opportunities and reward that lie around the corner, inspiring subordinates and firing up the creative process with their own energy. The relationship with employees and co-workers are intense and their working environment is often consequently chaotic. The crucial differences between managers and leaders lie in the conceptions issues. Rather than providing answers, leaders have to ask tough questions. Rather than protecting people to their current roles, leaders most disorientate them so that new relationships can develop. Instead of quelling conflicts, leader should draw the issue out. Instead of maintaining norms, leaders must challenge the way we do business and help other distinguish immutable value from the historical practices that have become obsolete (Herfetz and Lauric 1997). Managers seeks order and control and are almost compulsively addicted to disposing of problems even before they understand their potential significance.

According to Kottler, successful corporations do not want for leaders to come along. They actively seek out people with leadership potentials and expose them to career experience designed to develop that potential, some people have the capacity to become excellent managers but not strong leaders. Others have great leadership potential but for a variety of reasons have great difficulty becoming strong managers. Companies should remember that strong leadership with weak management is no better, and it is sometimes actually worse than the reverse. In fact what it takes to develop managers might inhibit developing leaders; therefore, the real challenge is to combine strong leadership and strong management and use each to balance the others.

## **EFFECTIVE LEADERSHIP**

The attitude of followers towards their leader is another common indicator of leader effectiveness. How well does the leader satisfy their needs and expectations? Do followers like him? Respect him? Admire him? Are followers strongly committed to carry out the leader's request, or will they resist, ignore or subvert his request. (Katz and Hahn, 1966:139). They maintained that various objective measures of behaviour such as absenteeism, voluntary turnover, grievances, complaints, wildcat strikes and incidents indicator of follower's dissatisfaction and hostility towards

their leader. Leaders contribution to the quality of group process, as received by followers or outside observers. Does the leader enhance group cohesiveness, member co-operation, member motivation, population solving, decision making and resolution of conflict among member's. does the leader contribute to the efficiency of role specialization? The selection of appropriate criteria of leader effectiveness depends on the objectives and values of the person making the evaluation.

A leader superior is likely to prefer different criteria than the leader's subordinate irrespective of the performance criteria, Ferris (1997:10) gave the following recipe for next generation effective leadership. This includes, being a classical leader, a facilitator, barrier buster, business analyzer and a coach.

The leader – leadership phenomenon in the classical sense can be characterized as someone who unlashes energy and enthusiasm by crating a vision that others find inspiring and motivating. This requires a clear commitment to a course, clarity of direction, focus on break through rather than incremental change willingness to share responsibility with others ability to translate and complex to simple and continuous demonstration of empathy, honesty and trust to those all around him/her.

The next role is serving as role model for others by “walking the talk”. This requires being clear about what we stand for and communicate it regularly, understanding how others perceive our actions and always looking for ways to demonstrate our convictions, bearing in mind that leaders judge themselves by their intentions, but others judge leaders by their action.

The next critical role to that of customer advocate. This involves developing and maintaining close customer ties, articulating customers needs and keeping priorities in focus with the desires and expect actions of the customers.

The role of facilitator requires bringing together the necessary trolls, information and resources to get job done. As a barrier buster the leaders needs to open doors and ran interference, challenge the status quo to get the job done. As a barrier ideas and bring constantly plosed and break down those barrier which impede that people from being successful.

The business analyzer role obviously is a call on leaders to understand the dynamics of finance, commerces and regulation. This is to understand the big picture and be able to translate changes in the business environment into opportunities for the organization.

Finally his role as a coach means being able to teach others and help them develop their potentials, and be able to judge themselves by their intentions, but others judge leaders by their action.

The next critical role is that of customer advocater this involves developing and maintaining close customers, articulating customers needs and keeping priorities in focus with the desires and expectations of the customer.

The role of facilitator requires bringing together the necessary job done. As a barrier buster, the leaders needs to open doors and iron interference, challenge the status quo to make fresh ideas and bring constantly pursued and break down those barriers which impede their people from being successful.

The business analyzer role obviously is a call on leaders to understand the big picture and be able to translate changes in their business environment into opportunities for the organization.

Finally his role as a coach means being able to teach others and help them develop their potential, and be able to maintain an authority balance and ensure accountability in others, according to Ferries (1997:20) the completeness we need to develop to equip us for the future and to effectively fulfill the roles of the next generation includes having the strategic insight,

interpersonal effectiveness, ability to tolerate and manage ambiguity, customer sense, self confidence and equilibrium risk management, human resource management technological acumen and humanes.

Strategic insight is the ability to look out of the window and identify what is most visible but not seen to decide what is importance, to anticipate what will differentiate the winners and losers and have courage to chart a course into the future.

Interpersonal effectiveness includes strong communication skill. The leaders should have the ability to tolerate and manage ambiguity by being patient and impatient simultaneously, passionate about causes and dispassionate to make good decision and judgement.

As a risk manager, he should have the ability to take the right risk, and make right investment decisions to keep the business and organization growing core competencies. This requires portfolio analysis, clear understanding of options and choices investments strategies and contingency planning. The leader must have technological acumen. In this information age, the computer literate cannot survive in positive or corporate information, communication speed, cost reduction and business growth are both fundamental and a key strategic weapon to take drive competitiveness, whatever your business.

According to Coleman (1998:94) Intelligence quotient and technical skills are important but emotional intelligence is the sine qua non of effective leadership. Most effective leaders are different in one crucial way: they all have a high degree of emotional intelligence. It is not that IQ and technical skills are irrelevant, they do matter but mainly as threshold capabilities without emotional intelligence a person can have the best training in the world; an incisive analytical mind and an endless supply of smart ideas but he still won't make a good leader. The five components of emotional intelligence at work include; self awareness, self regulation, motivation, empathy and social skills.

However, certain factors affect leadership effectiveness. This includes sizes of organization, degree of interaction on organization, personality of leaders, congruence of organizational goals, level of decision making and the health of the organization, all of them have significant effects on leadership effectiveness (Fulmer, 1985).

## **EMPLOYEE EMPOWERMENT**

Employee empowerment is one concept from the domain of human resource management that has in recent years become popular all over the world. In the past few years one nearly over 30,000 articles about

empowerment have appeared in a wide variety of print media, from the local great journal to national magazines, restaurant items (Coeffector 1899). According to Pastor (1991:1) everybody talk about empowerment these days and many company leaders claim to be practicing it, but there are a great number of managers and employees who do not really understand what empowerment involves and as a result problem like confusion over decision making authority and access to information reign supreme.

There are numerous definitions of just what empowerment actually is. According to Pastor, the best way to define empowerment is to consider it as a part of a process or an evolution that goes on what ever you have two or more people in a relationship personally or professionally.

Empowerment is not statis “event” but rather a dynamic evolution. Any process on which the manager, employee and team are all involved. According to Maurry (1996:16) this simple idea says that employee at all level of an organization take full responsibility for their work and for the organizations performance and should therefore be given the authority to make decision about their work idea is that if employees are given some degree of ownership over their jobs, they will be there to do these job well to satisfy their customers and participate fuller in the life of the organization.

Maurry observed that personal responsibility and delegated authority are certainly not new. However, the difference between participative management and empowerment lies mainly in the reason behind the concept rather than any major divergences in the concept themselves. The need for empowerment does not arise from management desired to make employee more satisfied to enhance productivity as was the case in the 1960's, when theory was popular and self management gained currency.

Today, the case for employee empowerment comes from business needs that are central to the success of company. Fast response to customers, strong cross functional link at multiple levels and the need to take opportunities that are too local, too fleeting or too many in number to permit a centralized decision making process. According to Peters (1991:340) the organization's survival in the 21<sup>st</sup> Century will develop upon quality flexibility and upon the employee must become the primary source of value added, not a factor of production to be optimized, minimized and/or eliminated but rather or empowered.

If decisions are too close to the top, employee will be hampered in fulfilling their responsibilities and exercising their authority on a timely manner. On the other hand, if many decisions are pushed too far down the

organization, it runs the risk of being disjointed with different parts of the whole coming into conflict.

If empowerment means giving power to make decisions, then exactly what decision employees should make? Maurry considers that at a fundamental level, the answer must be whatever decision the employee thinks atimes is appropriate for him or her to take” without this level of discretion, employee cannot be said to be truly empowered. There is a certain amount of risk attached to it for both the employee and the manager. The employee is more exposed and the manager less in control.

## **EMPOWERMENT MECHANICS**

According to Hademan (1996:16) crucial indicator of an empowered workforce comprises the employee show of an awareness of the goods of the organization, the interest beyond fundamental specialty, paying attention to company publication, press report, financial and competitive data. They discuss work inform of how it fits into the company’s overall mission. The employee talks personal responsibility for the outcome of his work showing by his behaviour that the limitative to help people in other areas to improve his performance.

To achieve all these, the organization would have to change its traditional structure and leadership styles that favour empowerment, the kind of hiring practices, which result in employees with knowledge and skills required making critical business decision. This all encompassing as it involves all facts of management, ranging from value system, structures, decision-making processes, human resource management, control etc.

According to Peters (1991:339) the company must become a flexible, responsive and adoptive organization where people must become the primary source optimized, minimized and or eliminated. The following are the basic empowerment mechanics:

- (a) **Ethics and Share values:** Ethics are principles of conduct used to govern the decision making and behaviour of an individual or a group of individuals. Codes of ethics are written documents that outline the principles of conduct to be used in decision making within an organization. These codes may be based on principle of justice, principles of individual rights and principles of utilitarianism. Based on all these, an organization arrives at its vision and mission statement. For effective empowerment, the code of ethics should be communicated to all staff. These shared values should enable the employee to understand the organization's position on all issues at all

times. Chief executive officer (CEO) Royer Small emphasized that they founded the company that embodied the principles of fairness, integrity, social responsibility and fun, that putting these principles into action has create something unique on ecosystem of real empowerment. The CEO stated that they adopted the shared value approach just because the mechanics flow from there. Roger warned that it takes time and commitment, because it is not easy to give up power and is easy to fall back to conventional ways of doing things. He concludes that empowerment without value is not empowerment (Waffacifer, 1999).

- (b) Organizational Structure:** One of the factors that affect the success of failure of employee empowerment is the kind of organizational structure in place. companies with fall structures, in which hierarchies are rigid and customers responses quite show variably have more difficulty moving to an empowered model of work than those with reputation for quality services. At ages Ewes (AES) corporation, the system started with lack of hierarchy they abhorred layer because with more authority figures, it is more likely that decision will not be taken by subordinates. So age Ewes (AES) organized employees around

small teams, which have total responsibility for its area both in terms of operation and maintenance (Maurry, 1996, Weltlayfer 1999).

(c) **Recruitment and Training:** This is the most important aspect of the empowerment mechanics. The success and failure of an organization is dependent on the people. Therefore, turning the right people is essential for employee empowerment success. The whole system would fall apart if people who do not care about becoming business people were hired. In fact people who are interested in gaining power or moving up in traditional hierarchy will never fit-in in an empowered organization (Watlaufer 1999).

(d) **Compensation:** Peter suggested that companies should provide incentive pay for everyone because involvement or skilled workers on a graduate scale is essential to achieving future competitiveness. To further enhance worker commitment to proactively seeking constant improvement we must provide bold financial incentives for every incentives pay for everyone is the “clinches”, the ultimate recognition for a contribution to improve company performance. But incentive programmes must be accompanied by a genuine and clearly perceived opportunity to influence the result. Incentive pay must focus on the work group.

(e) **Self Managing Terms:** According to Peter (1991:348) empowered corporation should organize as much as possible around terms, to achieve, enhance, focus, task orientation, innovativeness and individual commitment. The self managing teams should become the basis of team work potential, should be paid for performance and the bureaucracy around them cleared up so as to dramatically change the role of middle managers and staff experts. He concludes that if the span of control is not drastically widened and the supervisor's job content not shifted, the self managing team concept will not work. People in teams can get to learn virtually every one else's task, and be done with little fuss and under enlightened leadership can readily achieve unit cohesion and spirit.

(f) **Communication Flow:** For empowerment to be effective, information should flow freely and frequently both vertically and horizontally financial and market information must be widely circulated. This is because information is needed to make good decision. The empowerment system works where people volunteer information or share knowledge. Formal and informal devices aimed at spurring intense proactive listening should be developed. These should range from a chat with the "chairman" to extensive formal

survey. Regular get-together at least bio monthly, for all hands in each faculty should be lavishly invested and this should be supported with auxiliary devices. Such as weekly/or more frequent new batters, video or bulletins, each month (Peter 1991, Maurry 1996).

- (g) **Bureaucracy:** According to Peters, companies should eliminate bureaucracy rules and humiliating conditions. Quick response to perpetual turmoil is now a competitive necessity. People's involvement, commitment and empowerment, in turn are the keys to speed organizational action. Training, team configuration, reduced structure and new role for middle managers said speed by action taking, but if the bureaucratic rigmarole remains, the entire amount to nothing.

## **BENEFITS OF EMPLOYEE EMPOWERMENT**

Maurry's (1996:16) opinion is that the only way to get real advantage in this kind of business where the main asset wealth in and out the door each day is having everyone giving low percent effort and alignment rarely results from a top down management model.

Only a system of distribution decision making can provide the flexibility and motivation for people to maintain peak performance level when an organization's overall direction is clear and its overall structure and

resources base are adequate to its needs. It is then that an empowered workforce with responsibility and authority for most day to day decision can have the following advantages.

### **BETTER CUSTOMER SERVICES**

The employee in content with the customer will be able to make decisions themselves and provide an appropriate response especially where customer and customer loyalty to the company. The employee will also give customer the “correct” impression that the customer is dealing with someone who has power and influence in the organization.

### **FLEXIBILITY AND SPEED**

Empowered employees are ready to respond to change and take opportunities as they rise. Since there is no ready make solution and more so in a dynamic world like ours, where customer needs are ever changing. The employee will have that flexibility to adopt the best solution. For that particular case without recourse to top management. This also increase the timeliness of operation.

### **CROSS FUNCTIONAL LINKS**

Maury observed that without having the raise must operational issues up the hierarchy, employees are forced to make the horizontal connections

appropriate to their business. Cross functional teams can form and reform as necessary without top management approval. Since these links are not officially resourced, they will tend to be efficient. Benefits came out from being on the team itself but from what the team contributes to the employee's regular work. If a link ceases to add value, the participants drop it.

## **MORALE**

Many employees will feel better about their work if they know that they have more control over it. Individual high moral, if widely shared, can also give an organization a positive quality that is often visible to outsiders such as customers and is reciprocated by them, resulting in a feedback loop of increasing positive.

## **COMPENSATION FOR LIMITED CAREER PATH**

Many employees in an organization now face the prospects of limited advancement given recent demographic trends and the tendencies towards flatter hierarchies. If promotion is unavailable companies need to find other ways of increasing employee responsibilities and authority is one way to accomplish this. Empowered employees may find their jobs challenging and rewarding enough, that promotion ceases to be their only criterion for remaining loyal to the organization.

## **LIMITATION OF EMPLOYEE EMPOWERMENT**

According to Maurry (1996:16) most of the potential difficulties associated with empowerment are the converse of the advantage and are as follows:

### **POTENTIAL FOR CHAOS**

The same local action can lead to increased customer services and across departments. One employee may be willing to go further than the next in taking care of a particular need, leaving customer with different level of services department may evolve different policies on everything from office hours to choice of word processor. Sometimes, these conflicts will have to be resolved by statements of company policy. However, the more often this happens, the more the distribution of authority is under it.

### **LACK OF CLARITY**

The flexibility and speed that result from distributed decision making are likely to lead to a lack of clarity about who is responsible for what. Job definition becomes less useful and people often find themselves under more pressure, because there are fewer limits to this responsibilities. A need for

“more breathing room” is a common complaint of employees in empowered organizations (Maurry, 1996).

## **BREAKDOWN OF HIERARCHICAL CONTROL**

The emergency of more cross functional links often signals the breakdown of formal hierarchy to carry out any decision. Control ends up being shared not only across hierarchical level but across functional boundaries as well. Cross Functional Team may do an excellent job of problem solving (although this is by no means assured) but managers with ultimate responsibility for functional units are likely to fall.

## **DEMORALIZATION**

Although empowerment is attractive to many people not every employee wants the responsibility that comes with. Managers have a habit of assuming everyone is like them, desirous of more power and the commit and rewards. This is only true for the people others would prefer not to be burdened with additional authority and the decision that come with it. These people may become seriously demoralized if they are forced to make a more active role in management of their organization.

## **BANKING IN NIGERIA**

The banking sector of any economy plays a major role in the macro economic policies of that nation. The sector is primarily concerned with mobilizing financial resources from the surplus units of the economy and channeling it to the deficit unit, generally for investment purpose. Through financial inter-mediation, banks bring about capital formation and thereby become a vehicle for economic growth and development (Nwankwo, 1980, Adegbite 1991).

Moreover, banks have been useful tool for implementation of reforms in an economy. (Adegbite 1991, Ebhodaghe, 1991).

The operating environment of the banking system in Nigeria has remained a serious threat to its survival and a great challenge to its management. The environment is characterized by highly materialistic societal values capable of resulting in fraud and unethical behavioural/poor management culture, political uncertainty, policy inconsistency. Government interference and intervention in the running and management of banks, greed and boardroom crises, financial indiscipline, poor supervision by monetary authorities, in the banking sector etc (Usman 1995). This kind of environment resulted in the distress syndrome in the Nigeria Banking sector.

Arah (1995:67) argues that ineffective leadership and absent share value are the major cause of the distress experienced in the Nigeria Banking

sector. Wanless (1989:36) maintain that success in the banking industry is dependent on the people staff management. He concluded that the greatest challenge facing banks is getting the right people with right training to the right job in the right place.

Onwalu (1996:72) emphasized that skilled and experienced manpower is necessary for a safe and sound financial service industry. This is because the banking industry was labour intensive and the level of service provided for its varied customers largely depends on the quality of people employed.

The leadership question is therefore a very patient question to banks in Nigeria. Its lack is considered as one of the major problems in the Nigeria Banking sector today. The banks used for the study are Diamonds Bank Limited, Oceanic Bank International Plc, Union Bank of Nigeria Plc, United Bank of Africa and Intercontinental Bank Plc.

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## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This chapter relates to the design, the population, samples size, data collection method and analysis procedure.

#### **3.1 RESEARCH DESIGN**

The study was designed to use the survey research method. The study focused on the relationship between leadership style, employee empowerment and organizational performance in Nigeria. The banking sector was studied and for practical reasons, limitation of time and resources. three commercial banks in Nigeria were selected to represent the banking industry. Enugu State was selected to represent Nigeria because of its strategic business position.

#### **3.2 SOURCES OF DATA**

The study used both primary and secondary data the primary source of data are mainly questionnaires designed to administer to the middle management staff of the five works studied. Secondary sources included annual reports, books, journal, newspaper, magazines etc.

### **3.2.1 PRIMARY SOURCE OF DATA**

This was mainly obtained through oral interview questions to the management. In addition to oral interview; questionnaires were used to collect information in the demography.

### **3.2.2 SECONDARY SOURCE OF DATA**

The secondary source of data includes the following;

- (i) Annual reports
- (ii) Books
- (iii) Journals
- (v) Magazines
- (vi) Newspaper

### **3.3 THE POPULATION OF STUDY**

The target population for the study were made up of three commercial banks in Enugu State. accordingly, there are over 25 commercial banks with an estimated population of about 400 workers (source field survey 2012).

Among the Banks, Ecobank Limited, Union Bank of Nigeria Plc, and Diamond Bank Plc has the estimate workers population of about 365.

In practical team, the target population for the study was made up of commercial managers, accountants, marketing manager, production manager, cashiers and security men found in those three (3) commercial banks numbering 365.

### **3.4 SAMPLE DESIGN AND DETERMINATION OF SAMPLE SIZE**

The yaro yamani formular for determining sample size was used. These were made up of 122 respondents from each of the three banks.

The sample size was determined using the formula for sample size determination with a sampling error of 5 percent. Using Yaro Yamani theory of sample size.

The formular

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

Where

N = the population

E = sampling error

n = sampling size

There

$$\begin{aligned} N &= \frac{365}{1 + 365 (0.05)^2} \\ &= \frac{365}{1 + 365 \times 0.0025} \\ &= \frac{365}{1 + 0.9125} \\ &= \frac{365}{1.9125} \\ &= \underline{190} \end{aligned}$$

Therefore the sample size is 190

### **3.5 METHOD OF DATA COLLECTION**

Research work of this nature which requires an in depth study can definitely not be conclusive on the method of investigation. The researcher used the following methods of investigation.

- (i) Questionnaire
- (ii) Interviews

## **QUESTIONNAIRES**

In the course of the investigation, questionnaires were distributed to the target consumer. This enables them to express themselves about employee empowerment.

## **INTERVIEWS**

The researchers also administered interview to some employee. This interview was done in the course of information discussion.

### **3.5.1 QUESTIONNAIRE DESIGN, DISTRIBUTION AND COLLECTION OF RESPONSE**

A total number of three hundred and sixty five (365) questionnaires were distributed and collected by the researcher. The researcher collected the questionnaire personally after there responses for the respondents. The number of the questionnaire collected was (190) one hundred and ninety, thereby having a hundred percent return rate.

### **3.5.2 SECONDARY METHOD OF DATA COLLECTION**

The researcher used textbooks, journals, and newspapers in the collection of the secondary data. The researcher equally visited different

libraries and made use of the internet facilities in the collection of the secondary data.

### 3.6 METHOD OF DATA PRESENTATION AND ANALYSIS

The variables for this study were analyzed and the researcher presents the data in tabular as frequency distribution in analyzing the data the sample statistical technique of frequencies and percentage were used as shown below:

$$\frac{F}{N} \times \frac{100\%}{1}$$

Where

N = total response

F = frequency of a particular response

% = percentage

In testing of hypothesis, the statistical test applied was the chi-square of goodness of fit where

$$\chi^2 = \frac{\sum (O - E)^2}{E}$$

Q = observed frequency

E = expected frequency

The test was conducted at 5% significance level using 2 degree of freedom.

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## CHAPTER FOUR

### 4.1 DATA PRESENTATION AND ANALYSIS

This chapter deals with the presentation analysis of data collected, from the field. Responses are classified according to their personal data which includes sex, marital status, age educational qualification, length of service and position in the organization. These were compared according to the banks, studied. These characteristics are presented in frequency distribution tables. The responses to the question or relevant variables and do the counter check question were equally analyzed and tabulated.

#### 4.1.2 DEMOGRAPHIC CHARACTERISTICS

**TABLE 1: AGE DISTRIBUTION OF RESPONDENTS**

<b>Age Range</b>	<b>No. of Respondents</b>	<b>%</b>
Under 35	42	22
25-35	53	28
35 – 45	53	28
Over 40	42	22
Total	190	100

Source: Field Survey, 2012

Analysis of table 1 reveals that 107 out of 191 respondents or 56% of fall within the rage range of 25 – 45.

Generally, people in the age range, from 25 to 35 and 36-45 are considered matured by society and their perception are assumed to have some value and are capable of objective reasoning.

**TABLE 2: GENDER DISTRIBUTION OF RESPONDENTS**

<b>Gender</b>	<b>No. of Respondents</b>	<b>%</b>
Male	99	52
Female	92	48
Total	190	100

Source: Field Survey, 2012

Analysis of table 2 reveals that 52 percent of the respondents are male while 48 percent are female. This is expected in a society that men dominate in many areas of human endeavour.

**TABLE 3: DISTRIBUTION OF RESPONDENTS BY MARITAL**

<b>Marital</b>	<b>No. of Respondents</b>	<b>%</b>
Single	61	32
Married	76	40
Widowed	32	17
Divorced	21	11
Total	190	100

Source: Field Survey, 2012

Analysis of table 3 reveals that 62 respondents of 32 percent are single, while 76 respondents of 40 percent are married. The higher proportion of married respondents is a reflection of the value attached to marriage in the society that believes that a married person is ready for higher responsibility.

**TABLE 4: DISTRIBUTION OF RESPONDENTS BY QUALIFICATION**

<b>Qualification</b>	<b>No. of Respondents</b>	<b>%</b>
NCE/OND	42	22
1 <sup>st</sup> Degree	57	30
Masters	48	25
Degree	0	0
Ph.D	43	23
Total	190	100

Source: Field Survey, 2012

Analysis of table 4 shows that 30 percent of the respondents have minimum of first degree certificate, therefore they could be literally or academically sound enough to understand and be objective about the questions presented before them.

**TABLE 5: DISTRIBUTION OF RESPONDENTS BY POSITION**

<b>Position</b>	<b>No. of Respondents</b>	<b>%</b>
Manager	42	22
Deputy	52	27
Manager	0	0
Ass. Manager	53	28
Bank Officer	43	28
Total	190	100

Source: Field Survey, 2012

Table 5 shows that 53% of the respondents fall within assistant manager to manager level whereas 23% are within the office level. These groups are closer to management and are charged with the responsibility of implementing company policies. The respondent will therefore understand

the leadership and empowerment issues raised on the questionnaire and respond appropriately.

**TABLE 6: DISTRIBUTION OF RESPONDENTS BY NUMBER OF YEARS IN BANK**

No of years	No. of Respondents	%
Under 1	36	19
1-3 years	48	25
4-7 years	56	30
Over 7 years	50	26
Total	190	100

Source: Field Survey, 2012

Table 6, above reveals that 48% respondents have been in their branch for over three years. This may mean that most of the respondents have grown into management position from within their bank. It is assumed that within this period they would have been sufficiently familiar with leadership practices and organizational structure to be able to assess them.

Question 1-7 deals with respondents perception of leadership style prevalent in the organization. It equally tests respondents position on the impact of leadership style or employee empowerment. Question 8 tests

respondents view of employee empowerment in his/her organization. Question 9 specifically checks the respondents opinion on relationship between employee empowerment and employee performance.

Question 10, measures the performance of the bank by way of achieving set target as perceived by respondents, and links performances of the banks to leadership style, employee empowerment and employee performance.

Responses concerning these questions were measured in the likert attitudinal scale from strong agree (SA). 5 points, Agree (a) -4 points neutral (N) -3 points, disagree (D) -2points to strongly disagree(SD) -1 point.

Strongly agree and disagree responses are collapsed to the measure of positive view points while disagree and strongly disagree were collapsed to the measure of negative perceptive. Neutral was left alone as a measure of respondent perspective the score for each class type of perspective is computed by adding the weighed responses for that category and dividing by the number of question calculated to the nearest whole number. This is then expressed as a percentage (%) of all respondents to that question (S) calculated to one decimal point. The negative and neutral responses were collapsed to obtain the non-positive response. The results of the analysis were used to answer the research question.

The first research design deal with the relationship between leadership style and employee performance.

#### **4.1.2 PRESENTATIONS ACCORDING TO KEY RESEARCH QUESTIONS**

**TABLE 7: RESPONSES ON IMPACT OF RECEIVED LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE**

<b>Question No 1</b>	<b>No. of Respondents</b>	<b>%</b>
Positive	186	98
Negative	0	0
Neutral	4	2
Total	190	100

Source: Field Survey, 2012

Table 7 shows that 98% of the respondents feels that leadership style affects employee performance.

The second question 8 was used to answer the question. The analyzed data is presented as table 8.

**TABLE 8: RESPONSES ON EMPLOYEE EMPOWERMENT VERSE  
EMPLOYEE PERFORMANCE**

<b>Question No 1</b>	<b>No. of Respondents</b>	<b>%</b>
Positive	144	76
Negative	14	7
Neutral	32	17
Total	190	100

Source: Field Survey, 2012

Table 8 shows that 75.9% of respondents feel that employee empowerment result in positive employee performance.

The third question tests whether employee in the banking industry are empowered or not.

Question 2 to 8 try to establish this as shown in table 9.

<b>Question No 2,3,4,5,6,7,8</b>	<b>No. of Respondents</b>	<b>%</b>
Positive	77	40.8
Negative	52	27.5
Neutral	61	32
Total	190	100

Source: Field Survey, 2012

The employee in the banking industry does not feel empowered, although they believe empowerment will result in better performance.

The fourth research question ties to establish a relationship between employee performance in banking industry in Nigeria.

Question 9 specifically addressed this by asking the respondents if their organizational performance has a direct relationship with employee performance. The analysis is shown in table 10.

**TABLE 10: RESPONSES ON EMPLOYEE PERFORMANCE AND ORGANIZATIONAL PERFORMANCE**

<b>Question No. 9</b>	<b>No. of Respondents</b>	<b>%</b>
Positive	103	80.6
Negative	9	4.7
Neutral	28	14.7
Total	190	100

Source: Field Survey, 2012

Table 10 reveals that 80.6% of the respondents feels positive that 9 relationship exists.

From the analysis of the questionnaire or research questions shown in the tables above, greater percentage (%) of the respondents feel that the

banks top management has a clear picture of their banks future. Furthermore, it is established that a direct relationship exist between leadership style practiced and employee.

The analysis also received that employees in the banking industry do not feel empowered, although it is established that employee empowerment results in positive employee performance.

The study also established that an organizations performance has a direct relationship with employee performance etc.

## **4.2 ANALYSIS BASED ON RESEARCH HYPOTHESIS**

### **HYPOTHESIS TESTING**

In this research work, the researcher tested her research hypothesis using chi-square technique. The level of significance is 0.05(5%).

### **SOLUTION:**

Statement of hypothesis

Ho: There is no relationship between the employee empowerment and organizational performance

Test Status:

$X^2 =$  Chi squared

Formular  $X^2 = \frac{\sum O - E^2}{E}$

Where

$X^2$  = chi square

O = observable data

E = expected data

$\Sigma$  = Sigma

### **Assumption**

Level of significance 0.00

### **Decision Rule**

Accept Ho if the calculated value of  $X^2$  is less than critical value otherwise reject Ho.

### **Table 4.11**

Level of significance 0.05

### **Decision Rule**

Accept Ho if the calculated value of  $X^2$  is less than critical value otherwise reject Ho.

**Table 4.11**

<b>Response</b>	<b>(O)</b>	<b>(E)</b>	<b>(O-E)</b>	<b>(-E<sup>2</sup>)</b>	<b>(O-E)</b>
Yes	120	95	25	625	6.6
No	70	95	-25	625	6.6
Total	190	190	0	1250	13.2

Source: Field Survey , 2012

Degree of freedom

$$Df = (e-1)(c-1)$$

Where

R = Row

C = Column

$$At = (2-1)(2-1)$$

$$Dc = 1$$

Calculated value of  $X^2 = 13.2$

Table value of  $X^2 = 3.841$  compare the two variable  $X^2$  critical 13.2

Critical value = calculated value  $13.2 > 3.841$

**Decision:** Since the table value is less than the calculated value ( $X^2$ ) then the null hypothesis is rejected and the alternative hypothesis accepted.

## Solution

Statement of Hypothesis 2

Ho: The employment are not fully empowered in the banking industry.

**Table 4.12**

Chi-squared

Response	(O)	(E)	(O-E)	(-E <sup>2</sup> )	(O-E)
Yes	140	95	55	3025	31.8
No	40	95	-55	3020	31.8
Total	190	190	0	6050	13.2

Source: Field Survey , 2012

Calculated value =  $X^2 = 63.6$

Table value of  $X^2 = 3.841$

Compare the two variable  $X^2$

Critical  $X^2 = 3.841$

**Decision:** Since the table value is less than the calculated value ( $X^2$ ) then the null hypothesis is rejected and the alternative hypothesis accepted.

### Table 4.13

Test of hypothesis 3

#### Solution

Statement of Hypothesis 3

Ho = There are no factors that are for employee empowerment in the organization.

Chi Square

Response	(O)	(E)	(O-E)	(-E <sup>2</sup> )	(O-E)
Yes	160	95	65	4525	44.5
No	30	95	-65	4225	44.5
Total	190	190	0	8450	13.2

Source: Field Survey, 2012

Calculated value =  $X^2 = 89$

Table value of  $X^2 = 3.841$

Compare the two variable  $X^2$

Critical  $X^2 = 3.841$

Calculated  $X^2 = 89$

## **DECISION**

Since, the table value is lesser than the calculated value ( $X^2$ ) then we reject the null hypothesis and accept the alternative hypothesis.

## **SUMMARY OF RESULT**

### **HYPOTHESIS ONE:**

We accept the alternative hypothesis that an organizations performance has a direct relationship with employee performance.

### **HYPOTHESIS TWO**

The conclusion drawn from the second hypothesis is that employee in the banking industry feel empowered because it established that employee empowerment result in positive employee performance therefore we accept the alternative hypothesis.

### **HYPOTHESIS THREE**

The conclusion drawn from the third hypothesis is that there are no factors that calls for employee empowerment in the organization. Therefore we accept the alternative hypothesis.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION**

#### **5.1 SUMMARY OF FINDINGS**

The research work was carried out in the Nigerian Banking industry, to determine the prevalent leadership style, the relationship between leadership style and employee performance, whether the employee is empowered, the relationship between employee empowerment and organizational performance. Three banks were used for the study, these includes Union Bank of Nigeria, Diamond bank Limited, Eco Bank. Questionnaire and oral interviews were used where necessary and based on the analysis of the research questions. The following conclusion were drawn

1. Management of the banks studied has a clear picture of this banks future.
2. There is a direct relationship between leadership style and employee performance between organizational performances.
3. There is a direct relationship between employee empowerment and employee performance.
4. Employees in the banking industry do not feel empowered although they feel empowerment will enhance the performance.

5. There is a direct relationship between employee performance and organizational performance.

## **5.2 CONCLUSION**

In the Nigeria Banking sector, employee performance and organizational performance are dependent on the corporate leadership style practiced and employee empowerment.

To succeed, an effective leader would have to be focused and highly flexible to be able to adopt appropriate leadership and keep good people, the leader must be articulate, energetic, and empowering.

## **5.2 RECOMMENDATION**

Based on the finding and result of this research the researcher makes the following recommendations:

1. Corporate leader especially in the Banking Industry should review the leadership style practiced in their organization and ensure that it creates the enabling environment to achieving the set goals, bearing in mind that leadership style affects employee performance and ultimately organizational performance. As such, success or failure of the organization depends on the corporate leader and leadership style.

2. The corporate leader, especially in the Banking Industry realizing that the employee is the primary source of competitive advantage, should create the enabling environment for employee empowerment by having a code of ethic, standard value which is understood by every staff and communicated to everybody. Free flow of information is essential, from top management to employee and verse-versa, by eliminating unnecessary bureaucracy and rigid hierarchies, training and retaining employee and ensuring they are paid well above industry average and allowing employee take full responsibility to their job and become owner of the job. This way the employee will be empowered and this will ultimately result in positive employee performance and organizational performances.
3. Further research into empowerment to check the effect of personal traders, social and environmental factors on empowerment because even when some are empowered, where as some other person who are not empowered, step beyond their bounds to exercise such power.

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## **APPENDIX I**

Caritas University,  
Amorji Nike,  
Enugu State,  
Nigeria.

Sir/Madam,

### **RESEARCH QUESTIONNAIRE**

I am a student in the department of Business Administration of the above institution conducting a research. The research is a corporate governance/leadership practices and Employee Empowerment as it affects organizational performance in the Banking sector.

Kindly study this questionnaire and provide the information requested in relation to your bank as perceived by you.

All information supplied will be treated in absolute confidence and will be used for the purpose of this study only.

Thank you.

Benedict Lewachi

Section A: Personal Data (Please tick as appropriate)

1. Age (years)
  - (a) Less than 25yrs ( )
  - (b) 26 – 35 yrs ( )
  - (c) 36 – 45 ( )
  - (d) Above 45yrs ( )
  
2. Sex
  - (a) Male ( ) (b) Female ( )
  
3. Marital Status
  - (a) Married ( ) (b) Single ( ) (c) Divorced ( ) (d) Widow ( )
  
4. Educational/qualification
  - (a) WASC, GCE or SSCE ( ) (b) NCE/OND ( )
  - (c) HND, BSC, BA ( ) (d) Ma, MBA, M.Sc ( )
  - (e) Ph.D ( ) (f) Others (specify).....
  
5. No of years in the bank
  - (a) Under 1 year ( ) (b) 1-3 years ( ) (c) 4-7yrs ( ) (d) over 7yrs ( )
  
6. Position in the Bank
  - (a) Manager ( ) (b) Deputy manager ( ) (c) Assistant Manager ( )
  - (d) Any other specify ( )

Section B: Please indicate your degree of agreement or disagreement with each of the following statement by indicating your view about the statement using the following codes.

Strongly Agree = SA

Agree = A

Neutral = N

Disagree = D

Strongly Disagree = SD

1. Governance style affects employees performance
2. The bank has a code of ethics and shared values which is understood by the staff and communicated to everybody.
3. I am allowed to take any decision without.

