
AUTOCRATIC LEADERSHIP STYLES ON EMPLOYEE PRODUCTIVITY IN PHARMACEUTICAL COMPANIES IN NIGERIA

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Abstract

The study examined the effect of autocratic leadership styles on employee productivity in pharmaceutical companies in Nigeria. Survey research design was adopted for the study. Data were analyzed and hypotheses were tested with regression analysis. The result shows that autocratic leadership style has a positive significant effect on employee productivity in pharmaceutical companies in Nigeria. Based on this, the study recommended that the human resource managers should pay attention to their employees' leadership style needs if they want to improve employee productivity.

Keywords: Leadership, Autocratic leadership style and Employee productivity

Introduction

The leadership function is required for coordinating all of a group's initiatives and goals. A group cannot function without a leader, and a group cannot function without a leader (Ibid). This is happening because an organization's success is dependent on both concepts. Indeed, different people have different perspectives on what it means to be a leader. Leadership practices are those that contribute to the formation of a social phenomenon. Leadership is a distinct type of direction that influences and inspires a person in an organization in all types of social situations, particularly in the real claim that motivates people to work together to achieve shared goals and objectives (Sakiru, D'Silva, Othman, DaudSilong, and Busayo, 2013). The performance of the product is measured in relation to all other production factors required to produce the desired output. Employee diligence greatly improves the efficiency of a single employee's productivity as well as the overall aspects of businesses. Different communities have prioritized the links between a leader's behavior or leadership style and their followers. As a result, the type of leadership style influences how organizations deal with increasing productivity as a strategic goal, either positively or negatively (Sougui, Bon, and Hassan 2015). The study's leadership styles are charismatic, transformational, transactional, autocratic, bureaucratic, and democratic. The reason for selecting these leadership styles is that they are the most commonly used leadership styles around the world, and if any new ideology is developed through research, it can improve these leadership styles even further and bring organizations even more success.

Current and future leaders charged with the responsibility of utilizing organizational resources (particularly human capital) to achieve organizational goals and objectives will benefit from an understanding and identification of dominant leadership styles and how they influence employee productivity. Numerous studies have found that leadership and leadership philosophies have a significant impact on employee morale (Rego, Sousa, Marques and Cunha, 2012, Singh 2015). Furthermore, the absence of motivational factors such as bonuses and incentives may have contributed to the firm's problem. It could also be due to the organization's leadership style. This study examines the effect of autocratic leadership styles contributes to employee's productivity in pharmaceutical companies in Nigeria.

Review of Related Literature

It has been empirically proven that more productive workers benefit from higher pay and better working conditions. Furthermore, increased productivity is likely to improve an organization's competitive edge by lowering costs and improving output quality (Wright, 2004). Every leadership style influences organizational culture change and/or development. Each style has both short-term and long-term consequences (Amofa, Okronipa and Boateng, 2016). For example, the authoritative approach may produce excellent results quickly. Prolonged abuse of authority, on the other hand, will reduce output. People either give up and quit or become trapped in a cycle of monotonous, repetitive tasks devoid of imagination and originality. A participatory approach, on the other hand, will be ineffective in the short term. However, a corporation might become more productive the longer this style of leadership is practiced.

Leadership has been extensively studied over the years. However, there is still a lack of a universally accepted definition. According to (Talate et al, 2015), leadership is a detailed process that describes authority, responsibility, and delegation of power. Leaders direct, guide, and assist their followers (employees) in achieving their personal and organizational goals and objectives for the benefit of the organization and the individual. It asserts that leadership is a broad process that includes authority, responsibility, and power delegation. Leaders assist their followers (employees) in achieving their personal and organizational

goals and objectives by directing, guiding, and persuading them. As a result, leadership styles include all aspects of dealing with people both inside and outside of a company, managing and handling conflicts, and assisting and directing employees.

Autocratic Leadership and Employee Performance

Autocratic leadership is one of the oldest types of leadership. This style is task-oriented and focuses on completing tasks. The leader wields absolute power, making all decisions, providing direction, and delegating tasks to subordinates (Kagwiria, 2016). Autocratic leaders are charismatic and self-assured individuals who do not need the approval of their followers. "Autocratic leaders use their position to pursue aggressive and visionary goals, and their power to praise their initial success through organizational culture, press, and media" (Men & Stacks, 2013). The autocratic leadership style is best suited to situations in which the leader possesses expert knowledge (e.g., an experienced surgeon leading medical interns) or where the leader is an authority figure with absolute authority (e.g., a dictator). The main advantage of autocratic leadership is that tasks are completed quickly and the leader's supremacy is ensured. However, if followers are not properly utilized, they may become dissatisfied, which may have an impact on organizational results.

Because of the "do as I say" categories, autocratic leaders are very common. Typically, these leaders have little experience with having a driving force thrust upon them in the form of a proxy position or task that engages people in running. Autocratic leaders retain ultimate decision-making authority. They can irreparably harm an organization by forcing their 'followers' to execute strategies and services in a very narrow way, based on a subjective idea of what success looks like. There is no shared vision, and there is little motivation other than coercion.

Commitment, creativity and innovation are typically eliminated by autocratic leadership. In fact, most followers of autocratic leaders are often described as biding their time, expecting the inevitable failure this leadership produces and therefore the removal of the leader that follows Michael (2010).

Employee Productivity

Productivity is defined as the efficiency with which factors of production (i.e. inputs) produce desired outcomes. Successful organizations have a high level of productivity; they are businesses that have achieved a competitive advantage in the utilization of available resources to achieve desired outputs. In recent years, one of the areas where organizations seek a competitive advantage is in human resources. Human resources and human resource management deal with the practice of recruiting, motivating, and managing employees in order to maximize employee productivity and achieve organizational goals. Employee productivity is directly related to organizational success, according to Hassan (2016) and Singh (2015).

The primary goal of any organization is to improve its employees' work performance in order to survive in this highly competitive environment. Performance can be a multidimensional concept and a critical criterion in determining organizational success or failure. Prasetya and Kato (2011) define performance as the outcomes of actions taken by employees who perform in a given situation. According to Pattanayak (2005), an employee's performance is his or her resultant behavior on a task that can be observed and evaluated. Employee performance, according to Pattanayak, is an individual's contribution to the achievement of organizational goals.

Employees are the tools that management employs to achieve their goals, and their actions or inactions have an impact on the profitability and viability of organizational success. Employee productivity is a measure of an organization's effectiveness and efficiency. Successful organizations recognize the value of workplace productivity; increased employee productivity leads to greater utilization of a company's human capital. Organizations have traditionally used remuneration, bonuses, pay for performance, and wage increases to motivate employees and ensure increased productivity. According to Mangale (2017), remuneration is insufficient to retain and motivate employees; attractive remuneration may attract employees, but it is not guaranteed to ensure retention and improved productivity because employees may perceive remuneration as an entitlement rather than a motivator. Furthermore, the studies confirmed that the relationship between top management/leadership and employee productivity influences employee productivity. This assertion has been challenged by researchers such as Ojeleye (2017), Mwangi (2014), Wilfred, Elijah, and Muturi (2014), who assert that remuneration attracts, retains, and motivates employees and that for "compensation of an organization to succeed, the organization's goals must be aligned with the goals of the employees whom the organization wishes to attract" (Wilfred et al., 2014).

Methodology

The study used a Qualtrics survey research design because it required the distribution of questionnaires to the intended respondents. This backs up Nwogu's (2009) claim that correlational survey research is appropriate for investigating relationships or associations between two or more variables or sets of scores.

The study's population consists of twenty (20) pharmaceutical companies in Nigeria. The sample size was determined using the purposeful sampling technique. The sample is chosen in this method based on what the researcher believes is appropriate for the study. During the data collection process, ten (10) employees were chosen from each of Nigeria's twenty (20) pharmaceutical companies.

Method of Data Collection

The research relied on primary data collection to achieve its objectives. The researcher created a Qualtrics research instrument for primary data collection. These surveys were completed and returned to the researcher, allowing him to conduct data analysis.

Model Specification

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

$$Y = \beta_0 + \beta_1 x_1 + \varepsilon \dots \dots \dots i$$

Where:

Y = Employee productivity,

β_0 = the constant of regression,

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

x_1 = Autocratic leadership style,

ε = error term.

Method of Data Analysis

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

Decision Rule

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

Data Analysis and Result

Table 1: Summary of the data generated from the respondents

S/N	Employee productivity	SA	A	N	D	SD
1	The outcomes of our sports are frequently demonstrated by our norms.	47	48	2	1	0
2	Successful businesses are distinguished by a high level of productivity; this high level of productivity reinforces the work performance of its personnel in order for it to survive.	74	29	2	0	0
3	My overall performance has improved as a result of the control.	33	60	4	6	2
4	The outcomes of our sports are frequently demonstrated by our norms.	30	46	14	15	0
5	Successful businesses are distinguished by a high level of productivity; this high level of productivity reinforces the work performance of its personnel in order for it to survive.	32	49	14	7	2
Autocratic leadership style						
6	Getting responsibilities completed is under our control.	41	51	4	8	1
7	Power is concentrated in the hands of the chief, who makes all decisions.	30	49	11	14	1
8	Our advanced use their position to pursue competitive and visionary goals, as well as their power through organizational culture.	45	48	9	3	0
9	With us in charge, there may be no shared imagination or foresight, and little motivation other than coercion.	13	46	24	18	3
10	The command directs the project and assigns it to subordinates.	42	58	7	9	3

Table 2: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
EPP	5	4.00	232.00	103.4000	110.87741	.567	.913	-3.177	2.000
ALS	5	8.00	252.00	107.6000	100.80823	.797	.913	-1.142	2.000
Valid N (listwise)	5								

Source: SPSS 20.0 output, 2022

Interpretation

The descriptive statistics for the dependent variable, employee productivity (EPP) and independent factors Autocratic leadership style (ALS) are presented in the above table. The mean is used to establish a baseline. The deviation/dispersion/variation from the mean is represented by the standard deviation. It is a risk indicator; the greater the standard deviation, the greater the risk. The standard deviation is a metric that expresses how much each item in a dataset deviates from the mean. The standard deviation in the enterprises is 110.88 and 100.81 for EPP and ALS respectively. The table shows that the variables have positive value or skewed.

Test of Hypothesis

H₀₁: An autocratic leadership style has no positive significant effect on employee's productivity in pharmaceutical companies in Nigeria.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.968 ^a	.938	.917	31.99549

a. Predictors: (Constant), ALS

A regression analysis was used to investigate the association between employee productivity and autocratic leadership style in Table 3. The coefficient of determination, or adjusted R squared, shows us how much variation in the dependent variable is caused by changes in the independent variable. The value of adjusted R squared was 0.917, indicating that there was 92 percent fluctuation in autocratic leadership style to variations in employee productivity, according to the findings in table 3. This means that only 92% of changes in firms autocratic leadership style can be described by employee productivity, with the remaining 9 percent explained by unknown variables not included in the model.

Table 4: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	46104.065	1	46104.065	45.036	.007 ^b
Residual	3071.135	3	1023.712		
Total	49175.200	4			

a. Dependent Variable: EPP

b. Predictors: (Constant), ALS

Table 5: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-11.192	22.278		-.502	.650
	ALS	1.065	.159	.968	6.711	.007

a. Dependent Variable: EPP

In table 5, it reveals that the probability of the slope coefficients indicate that; P –value (0.007<0.05). The t-statistics of = 6.711, for employee productivity, implies that autocratic leadership style is positively related to employee productivity and this is statistically significant at 5%, hence the p-value is less than the 5%

A positive link between pay and employee productivity is shown in table 5 with a correlation coefficient of 0.968. The coefficient of determination (R) is used to determine how much variance the two variables share. The value of R is $0.968 \times 0.968 = 0.937$. It means that autocratic leadership style can account for 94 percent of the variation in employee productivity in pharmaceutical companies. The study concludes that there is a high level of confidence between autocratic leadership style and employee productivity, and the correlation coefficient is significant at the 0.05 level. As a result, autocratic leadership style has a favorable impact on employee productivity of pharmaceutical companies in Nigeria.

Decision

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

Conclusion

The study examined the effect of autocratic leadership styles on employee productivity in pharmaceutical companies in Nigeria. Data were generated from the questionnaires distributed and analyzed using five point likert scale. The regression analysis was performed using SPSS version 20.0. Hypothesis one discovered that autocratic leadership has a positive and significant effect on employee productivity in Nigerian pharmaceutical companies. This finding is consistent with the findings of Olanrewaju, Alhaji, Okpara, and Abdulraheem (2019), who discovered a significant positive correlation between leadership styles (participatory and charismatic) and employee productivity variables. This finding contradicts Rehman et al. (2018), who argue that neither autocratic nor democratic leadership styles can influence employee productivity. If human resource managers want to improve employee productivity, the researcher suggests that they pay attention to their employees' leadership style needs.

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