

**THE EFFECT OF LEADERSHIP STYLE AND  
DECISION – MAKING PROCESS  
IN ORGANISATION.**

**A CASE STUDY OF NIGER STATE BOARD OF  
INTERNAL REVENUE**

**BY**

**MUSA MUHAMMED  
PGD/GST/88/2001/2002**

**BEING LONG ESSAY SUBMITTED TO THE  
POSTGRADUATE SCHOOL, FEDERAL  
UNIVERSITY OF TECHNOLOGY MINNA IN  
PARTIAL FULFILLMENT FOR THE AWARD  
OF POSTGRADUATE DIPLOMA IN  
BUSINESS MANAGEMENT TECHNOLOGY  
(PGDBMT).**

**APRIL, 2004.**

## **APPROVAL SHEET**

This research has been approved in partial fulfillment for the Award of Post Graduate Diploma in Business Management of Federal University of Technology Minna – Nigeria.

-----  
**DR. B. A. AYANWALE**  
Project Supervisor.

-----  
**DR. S. K. TSANYA**  
Head of Department and  
Co-ordinator.

## **DEDICATION**

To God Almighty for His goodness and mercy most infinite. And to His Prophet Muhammed (SAW) for his teachings, guidance and emancipation of mankind.

## **ACKNOWLEDGEMENT**

My due and gratitude goes to my project Supervisor, Dr. B. A. Ayanwale for being promptly despite his tight official and private commitments to check and guide me through the process of this work. My Acknowledgement also goes to my colleagues in the PGDBMT (Second set 2001/2002) for the spirit of Co-operation and cross fertilization of ideas. I acknowledge and appreciate the effort of Ms Ijeoma Emenike for her Co-operation and time sparing by typesetting of the work accordingly and professionally.

To God be the Glory.

## **ABSTRACT**

This study was carried out on the effect of Leadership styles and decision making process on the performance of an organization. It examined the impacts leadership style and decision making processes have on subordinates, and application of people oriented management principles in achieving desired organizational goals. Niger State Board of Internal Revenue was chosen as the representative case study with a sample size of 70 respondents made up of 10 Management members of staff, 20 Senior staff and 40 Junior staff respectively. The instrument of data collection used were questionnaire, face to face Interview and personal observation. The data collected from field work were analysed using simple percentage and presented in tabular forms.

The research findings reveals that the Board's Leadership style has a positive effect on output, performance and increase of productivity, the research also reveals that the leaders decision making process in the organization is very effective with Democratic type of leadership as the most prevalent in the Board. Therefore a conscious effort was recommended to sustain on the strong points especially enthusiasm of the workers, through training and retraining so that the effect of the Democratic style of leadership and effective Decision making process in the Board is maintained.

# TABLE OF CONTENTS

	<b>Pages</b>
Approval Sheet.....	i
Dedication.....	ii
Acknowledgement.....	iii
Abstract.....	iv
Table of Contents.....	iv

## CHAPTER ONE

### **INTRODUCTION**

1.1 Introduction.....	1
1.2 Statement of Problem.....	3
1.3 Objectives of the Study.....	3
1.4 Scope of the Study.....	4
1.5 Significance of the Study.....	4
1.6 Research Questions.....	5
1.7 Limitations of the study.....	5

## CHAPTER TWO

### **REVIEW OF LITERATURE**

2.1 Introduction.....	6
2.1.1 Definition of Leadership.....	6
2.1.2 Leadership Ingredients.....	7
2.1.3 Approaches to Leadership.....	8

2.1.4 Trait Approach.....	8
2.1.5 Behavioural Approach.....	10
2.1.6 Rensis Likert's Four systems of Management.....	12
2.1.7 The Management Grid – Blake and Mouton.....	15
2.1.8 Situational or contingency Approach.....	17
2.1.9 Path Goal Approach.....	20
2.1.10 Vroom and Yetton Decision Model.....	21
2.1.11 Decision-making – Definition.....	22
2.1.12 Rationality in Decision-Making.....	23
2.1.13 Limited or bounded rationality.....	24
2.1.14 Elements of Decision-Making.....	25
2.1.15 Decision-making Process.....	25
2.1.16 Classifications of Decision.....	31
2.1.17 Decision-making under certainty, uncertainty and risk.....	32
2.1.18 Modern Approaches to Decision-making under uncertainty....	34
2.1.19 Evaluating the Importance of a Decision.....	38
2.1.20 Decision Supports systems (DSS).....	39

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

3.1 Population of the study.....	41
3.2 Sample size.....	41
3.3 Sampling Technique.....	41

3.4	Method of Data Collection.....	42
3.5	Design of the Research Instrument.....	42
<b><u>CHAPTER FOUR</u></b>		
<b>RESULTS AND DISCUSSION</b>		
4.1	Introduction.....	44
4.2	Data Presentation and Analysis.....	44
<b><u>CHAPTER FIVE</u></b>		
<b>SUMMARY, CONCLUSION AND RECOMMENDATIONS</b>		
5.1	Summary of the Research work.....	56
5.2	Conclusion.....	57
5.3	Recommendations.....	58
<b>REFERENCES</b>		60
APPENDIX: i	Research Questionnaire .....	61
ii	Organisational Chart of Niger State Board of Internal Revenue.....	65



# CHAPTER ONE

## 1.1 INTRODUCTION

Any organisation as a matter of concern operates to achieve some basic and fundamental objectives quantifiable in money terms. Put succinctly, the primary objective of a business organization is profit, the organization strives to achieve a trading result that is over, and above the initial investment put in the venture by owner or owners, so as to justify the said investment. This however is an objective in the short run. A board consideration of organization overtime will reveal that the long term objectives of business organisations is wealth maximization. The extent at which an organisation achieves its objectives of wealth maximization is highly a function of its management.

Management has been defined in various ways by many scholars. However, one of the acceptable definitions is that "Management is the process of designing and maintaining an environment in which individual working together in groups effectively to accomplish selected aims.

A critical analysis or expansion of this definition concludes that:

1. Managers carry the managerial functions of planning, organisations, staffing, heading and controlling.
2. Application of management principles extends to all organisations.
3. All levels of managers in any organisation are involved.

4. The concern of managing is about productivity this implies effectiveness and efficiency.

The management function that is chiefly affected by this study is leading. It can be defined as a process of influencing people to contribute willingly towards the achievements of organizational and group goals. In this study we will attempt to establish the importance and effect of leadership style and decision making process in enhancing corporate performance.

It is generally appreciated that every corporate or business entity is an artificial person i.e. a creation of law and only function through the acts and reactions of natural persons who operate it. Among the people in organisation, a structure of direction, responsibility and authority exists. The structure referred to as organizational structure or hierarchy. It defines the flow of communication, responsibility and authority. It can then be inferred that the performance of an organisation has a lot to do with the leadership and decision making abilities or skills of the person or the chief executive officer.

Therefore this research will utilize both leadership styles and theories and at the same time decision making process approaches to examine their effects on corporate performance in any given organisation.

## **1.2 STATEMENT OF PROBLEM**

There has occurred a number of corporate failures in Nigeria in recent past especially within the banking and finance sector. A close look at the causes and effects analyses if the failures shows a common problem i.e the inability to identify or react timely to apparent indicators of adverse situations so as to nip the problem in the bud, and failures of top management to provide sound leadership.

This study will attempt to sound out the vital issues of leadership and decision making processes that can constitute a check on the tendency to fail.

## **1.3 OBJECTIVES OF THE STUDY**

As the subject matter of the research indicates, the research is centered on the effects of leadership styles and decision making process on corporate performance as its objectives.

1. To highlight the roles leadership and decision making styles can play in the development and success of corporate organizations.
2. To examine the impacts the leadership style and decision making process have on subordinates to achieving organizational sets targets.
3. To show that application of people oriented management principles will bring about enthusiasm in willingly achieving organisational objectives

#### **1.4 SCOPE OF THE STUDY**

The study will focus on strategic or top management of organisations. The leadership styles and decision making processes or techniques of chief Executive officers and/or Board of directors in their various perspectives and contexts will be analysed so as to assess their effect or impact on the people in the organizations and overall performance indicators e.g profitability corporate image, growth, employees morale to narrow down or give direction to coverage area, practical inferences will be made to a section of corporate organizations in relevant areas, but with a case study of Niger State Board of Internal Revenue.

#### **1.5 SIGNIFICANCE OF THE STUDY**

The study's significance is relevant to the need for improved corporate performance in Nigeria. It is aimed at drawing attention to an important angle which more often than not have been ignored in considering the reasons behind the situation in which, a different economies across industries, some organisation are dominating in performance, others are just doing well, while some others are not performing at all or even collapsing. There is therefore a compelling need to eliminate the problems that impede growth and performance through improved leadership and decision making.

## 1.6 RESEARCH QUESTIONS

The research was carried out critically based on the following two management perspective and assumptions.

1. Does a good leadership styles and effective decision making techniques of a superior officer, will bring about corporate performance and would help to achieve a greater height of an organization?.
2. Does the inability of a superior officer to use the two management ingredients mentioned above in their positive perspective will lead to the failure of an organization or business?.

## 1.7 LIMITATIONS OF THE STUDY

The topic of this project is such that every business organization is a relevant area of concern for case studies. However, the amount of work, time and financial resources that would be involved in conducting an all embracing research across the country can only be imagined. Bouyed by this constraints, this study will rely on Niger State Board of Internal Revenue for most information.

In the same vein theoretical or technical data would be sourced through professional, Journals, National and International publications, text books, questionnaires etc.

## **CHAPTER TWO**

### **REVIEW OF LITERATURE**

#### **2.1 INTRODUCTION**

A consideration of the position or theories of some literary authorities or issues relating to the topic of study is necessary at this stage, to further enable deeper grasp of the issue at stake. The following therefore is the outcome of extensive library research on leadership and decision making.

##### **2.1.1 DEFINATION OF LEADERSHIP**

The concept of leadership according to Nwachukwu (1988) in management: Theory and practice, is defined in various ways. To him leadership is a social influencing process for the attainment of goals. Therefore a leader is the most influential person in an organisation who provides direction, guides groups activities and ensure that group objectives are attained.

Wehrich and Koontz (1993) in management: "A global perspective, defined leadership as influence, that is the act or process of influencing people so that they will strive willingly and enthusiastically towards the achievement of group goals". This defination if analysed further brings to the fore the need for people to be encouraged to develop not only willingness to work, but also willingness to work with enthusiasm, confidence and zeal. Enthusiasm here means a longing to

act, confidence is a reflection of experience and technical ability and zeal, is earnestness and intensity to work.

The desire of leaders is to assist or help a group to attain objective by maximally utilizing or applying the groups capabilities. A leader is not to stay behind and prod, but to be in front so as to facilitate progress and thus inspire the group to achieve it's objectives. An example is the captain of a football team, who functions to produce a cordinated approach to every match through the inspirational integration of the efforts of all teammates in the field of play. The team will respond to the directions of the captain depending on his ability and quality.

### **2.1.2 LEADERSHIP INGREDIENTS**

Koontz and Wehrich (1988) described the first leadership ingredient as power; the second ingredient as a fundamental understanding of the people; the third as a rare ability to inspire followers to apply their fully abilities to a project, and the fourth ingredient according to them has to do with the style of the leadership of the leader and the climate he/she develops.

It is often said that any group of people that in performance achieves near its total capacity, has someone at its head who is skilled in the act of leadership. The skilled reffered to here, depends on about four major ingredients associated with leadership as follows:

1. The ability to use power effectively and in a responsible manner.

2. The ability to comprehend that human beings have different motivational forces at different times and instances.
3. The ability to inspire, and
4. The ability to act in a manner that will develop a climate conducive to responding to and arousing motivations.

### **2.1.3 APPROACHES TO LEADERSHIP**

Different approaches have been identified towards understanding leadership. The perspectives of various theories are considered below:

### **2.1.4 TRAIT APPROACH TO LEADERSHIP**

In the period prior to 1948, leadership studies were mostly premised on the identification of traits that leaders possessed. Starting with the “great man” theory that leaders are borne not made, a belief from the ancient Greek’s and Romans, researchers came out with physically, mental and personality traits of various leaders. However, the advent school of behavioural school of psychology greatly remove emphasis on or acceptance of a “great man” theory.

Stogdili (1974) in a “Handbook on leadership” A survey of theory and research, various researchers have identified traits related to leadership ability. They are:-

- (1) Physical traits which include energy, appearance, height.
- (2) Intelligence and ability traits



- (3) Personality traits such as adaptability, aggressiveness, enthusiasm, confidence,
- (4) Task-related characteristics that include Cooperativeness, interpersonal skill and administrative ability.

In a more recent work on trait by Patrick and Locke (1991) the following key leadership traits were pointed out:

- (i) Drive; including achievement, motivation energy, ambition, initiative and tenacity).
- (ii) Leadership motivation (the aspiration to lead but not to seek power as such)
- (iii) Honesty and integrity
- (iv) Cognitive ability
- (v) An understanding of the business.

The impact of activity, flexibility and charisma on leadership effectiveness was not concluded upon. For this and other facts is generally realized that, the study of leadership traits has not been very fruitful approach to explaining leadership. It is not all leaders that possess all the traits and many non leaders may possess most of them. The trait approach has also failed to prescribe how much of any trait a person should possess to be a leader.

## 2.1.5 BEHAVIOURAL APPROACH TO LEADERSHIP

Robbins (1996), pointed out that the trait approach did not offer solution to leadership question. This was abandoned and researchers then moved to research behaviours.

This approach is the outcome of attempts by theorists to view leadership styles from the angle of how leaders use authority.

Empirical research studies conducted by Lippitt and White (1953) three major leadership styles namely:- autocratic, Democratic and free-rein or laissez – Faire leaders.

- 1) Autocratic leader;- He commands and expects compliance He is dogmatic and positive and leads by the ability to withhold or give rewards and punishment. The style is work-centred.
- 2) Democratic or participative leader. The democratic or participative leader consult with subordinates on proposed actions and encourages participation from them. This type of leaders encompasses the one that does not take action without the concurrence of subordinates and the one who makes decisions but consults with subordinates before doing so, the style is said to be people oriented.
- 3) Free-rein or Laissez-Faire leader:- The Leader here according to Lippitt and Waite (1953) uses power very little. He or she gives subordinates a high degree of independence on their operations.

A lot of dependence on subordinates to set their own goals and the means of achieving them is the norm. The Free-rein leader sees his or her role as one of aiding the operations of followers by furnishing them with information and acting primarily with the groups external environment.

Within the simple classification of leaders above there are variations. Some leaders of autocratic genre are seen as “benevolent autocrats”. They may listen considerably to their subordinates’ opinions before making a decision, but the decision they make is theirs as established by Lippitt and White (1953) that is to say, they may be willing to loan and consider subordinates’ ideas and concerns but during decision making, they are more autocratic than benevolent.

A variation of the participative leader is the one who is supportive. This category of leaders may look at his task as not only consulting with subordinates or followers and carefully considering their opinions but also doing all he can to support subordinates in accomplishing their duties.

Particularly, the use of any leadership style depends on the situation. It is possible that a manager is highly autocratic in an emergency, it is not likely that a fire chief will hold a long meeting with the crew to determine the best way to fight a fire that is ranging when

managers alone have the answers to certain questions they may also be autocratic.

By consulting with subordinates the leaders may gain ample knowledge and a better commitment from the work force. This will work in developing verifiable objectives under systems of managing by objectives. Also a manager may apply a free-rein style when leading a group of experts e.g research Scientists to enable them develop their enquires and experiments. The same manager may become autocratic in a rule stipulating that employees wear a protective covering when handling hazardous objects or chemicals.

#### **2.1.6 RENSIS LIKERT'S FOUR SYSTEMS OF MANAGEMENT**

The four system of management is the theory propounded by Likert (1961) etal. After studying the patterns and styles of leaders and managers for three decades, in the course of the research Likert developed some ideas and approaches important to understanding leadership behaviour. He views an effective manager as strongly oriented to subordinates working as a unit. All members of the group including the manager or leader adopt a supportive attitude in which they share in one author's common needs, values aspirations, goals and expectations. Since this appeals to human motivations Likert views the approach as the most effective way to lead a group. He therefore

suggested, as guidelines for research and clarification of the four system of management.

**SYSTEM 1 – Exploitative – Authoritative:** This posits that managers are highly autocratic and have little trust in subordinates. They motivate people through fear and punishment and only occasionally rewards. They engage on downward communication and limit decision making to the top.

**SYSTEM 2 – Benevolent – Authoritative:** Managers of this category have patronizing confidence and trust in subordinates and motivate with rewards and some fear and punishment they permit some upward communication, solicits some ideas and opinions from decision making but with close policy control.

**SYSTEM 3 – Consultative:** The system 3, managers have substantial but incomplete confidence and trust in subordinates ideas and opinions and use rewards for motivation with occasional punishment and some participations. They engage in communication both down and up and make broad policy and general decisions at the top, while allowing specific decisions to be made at lower levels and consults in their ways.

**SYSTEM 4 – Participative Group:** This system is seen by Likert as the most participative of all. Managers of this system have complete trust and confidence in subordinates and use them constructively. They give

economic reward based on group participation and involvement in areas such as setting and appraising progress towards goals.

They engage on so much downward and upward communication and with peers encourage decision making at all level throughout the organisation and operate among themselves and their subordinates as a group.

Likerts conclusion was that generally those managers who applied system 4 approach had the greatest success as leaders. More over, he observed that departments and organisations whose management applied system 4 approaches were most effective in setting goals and achieving them and were more productive. This success he ascribed mainly to the degree of participative and the extent to which the practice of supporting subordinates was maintained.

There are some criticisms of system 4 theory and they are as follows:

- 1) The research focus is on small groups yet the dicussion is frequently extrapolated and applied to total organisation.
- 2) The research having been previously based on lower organisation levels may not be supported when data from top level managers are separated.

- 3) There is apprehension of the occurrence of role conflict and uncertainty in view of suggestion of matrix departmentation in view of the need for clarity in the role definition.

### **2.1.7 THE MANAGEMENT GRID (BLAKE AND MOUTON 1964)**

The management grid is an approach of defining leadership styles based on research findings which showed the importance of managers having concern both for production and for people. The grid which is described as a clear device to dramatize this concern was devised by Blake and Mouton 1964

#### **THE FOUR EXTREME STYLES:**

The four extreme styles recognised by Blake and Mouton (1964) are as follows:-

##### **1.1. Style of "impoverished or management"**

Here managers concerns themselves very little with either people or production and have minimum involvement in their jobs, invariably, they have abandoned their jobs and only mark time or act as messengers, communicating information from superiors to subordinates.

##### **1.2 Style or "Team Manager"**

These are managers in the extreme who display in their actions the highest possible dedication both to people and to production. They

are real team managers who are able to mesh the production needs of the individuals in the organisation.

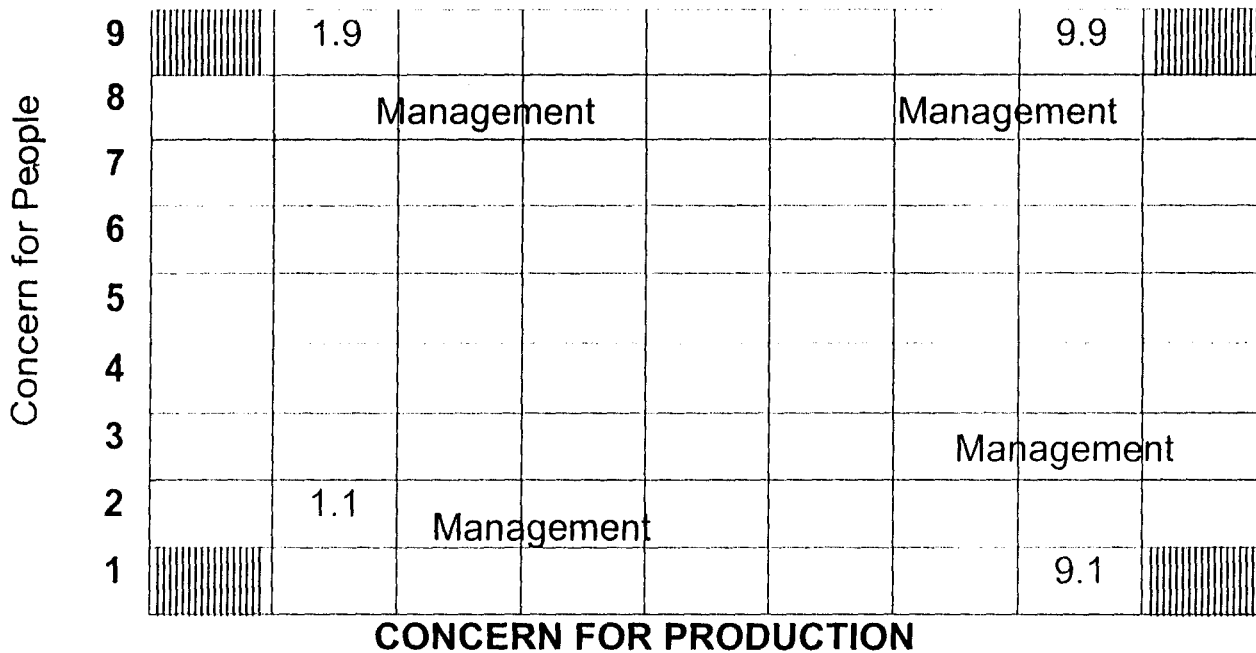
1.3 Style or “country club management”. This portrays managers as having little or no concern for production but are concerned only for people. They promote an environment in which everyone is relaxed, friendly and happy and no one is concerned about putting forth co-ordinating effort to accomplish enterprise goals.

### 9.1 Style or Autocratic task Managers”

These managers are concerned with only developing an efficient operation and have little or no concern for people. They are quite autocratic in their styles of leadership using these four extremes as points of reference, every managerial technique, approach or style can be placed somewhere on the grid. Point 5.5 managers having medium concern for production and for people. They obtain adequate but not outstanding morale and production.



## THE MANAGERIAL GRID



SOURCE: Wehrich and Koontz (1993).

Although the managerial grid is a useful device for intensifying and classifying managerial styles. It does not tell why a manager falls into one part or another.

### 2.1.8 SITUATIONAL OR CONTINGENCY APPROACH:

This approach came about due to the disillusionment which trailed the "great man" and trait approach to leadership. It was informed by the rise of great leaders in the 1930's. Such as Adolph Hitler in Germany, Musolini in Italy, Franklin Rosevelt Delano in USA and Mao Tsetung in China.

The approaches recognised that there exists an interaction between the groups and the leader. It supports the followers theory that

people tend to follow those whom they perceive (rightly or wrongly) as offering them a means of accomplishing their own personal objectives or desires. The leaders then becomes the person who recognises these desires and does things or fashion programmes designed to meet them.

## **FIEDLERS CONTIGENCY APPROACH**

Fiedler etal. (1967) at the University of illinois, suggested a contingency theory of leadership. The thought of the theory is that people became leaders not just because of attributes of their personality but also because of some situational factors and the interaction between leaders and the group members.

To determine what style of leadership will be the most effective.

Fiedler etal (1967) recommended three critical dimension as follows:

### 1) Position Power

This refers to the degree to which the power of a position comparatively with other sources of power e.g Personality, expertise, enables a leader to comply with directions. In an organization, this type of power arises from organization authority. It is assumed thus that a leader with clear and considerable position powers can obtain good followership more easily than one without such power.

### 2) Task Structure

This concerns the extent to which tasks can be clearly spelt out and people held responsible for them. The assumptions is that if tasks

are clear (rather than vague and unstructured), the quality of performance can be more easily controlled and group members can be held more definitely responsible for performance.

### 3) Leaders/Member Relations

This dimension was regarded as the most important from a leader's point of view. It has to do with the extent to which group members like, trust and are willing to follow a leader.

## **LEADERSHIP STYLES**

Two major styles of leadership were identified by Fiedler et al. (1967) as follows:

### 1) Task - Oriented

The leader here gains satisfaction from seeing tasks performed.

### 2) Inter-Personal Relations – Oriented.

It is directed primarily towards achieving good inter personal relationship and attaining a position of personal prominence.

## **FAVOURABLENESS OF SITUATION**

It is defined by Fiedler et al. (1967) as degree to which a given situation enables a leader to exert influence over a group. Fiedler et al (1967) used two sources as basis for measurement of leadership styles and determining whether a leader is task oriented.

### 1) Scores on the least preferred co-worker (LPC) scale:

They are ratings made by persons in a group as to those with whom they would least like to work.

2) Scores on the Assumed similarities between opposite (Aso) Scale:-

Rating are based on the degree to which leaders see group members like themselves on the assumption that people will like best and work best with those who are seen as most like themselves.

Conclusively, Fiedler etal. (1967) found out from his studies that people who rated their co-workers high (i.e favourable derived satisfaction from successful inter-personal relations while those who rated theirs "least preferred co-worker" low (i.e unfavourable) derived from satisfaction task performance.

### **2.1.9 PATH GOAL APPROACH TO LEADERSHIP EFFECTIVENESS**

House (1972) established that the main functions of the leader is to clarify and set goals with subordinates, help them to find the best path to achieving the goals and remove obstacles. However, acknowledged that the theory is based on the various motivational and leadership theories of various authors. The situational factors which contributes to effectiveness of leadership are considered as:

1) Characteristics of subordinates such as their needs, self confidence and abilities, and

2) The work environment including task, reward and relationship with co-workers. Leader behaviour are categorized into four groups namely:

- i) Supportive leadership: It considers the needs of subordinates.
- ii) Participative leadership: Allows subordinates to influence decisions of their superior.
- iii) Instrumental leader: Given Specific guidance to sub-ordinates and clarifies what is expected of them.
- iv) Achievement-oriented Leadership: It involves setting challenging goals seeking improvement of performance and having confidence that subordinates will achieve high goals.

The path goal theory rather than suggest one best way, states that the appropriate style depends on the situation.

#### **2.1.10 VROOM AND YETTON LEADERSHIP DECISION MODEL**

The Vroom-Yetton Leadership decision model (1964) focusses on the decision making process. The model introduces five possible styles a manager may apply to make a decision.

- 1) He solve the problems or make decision himself using information available at the time.
- 2) Obtain necessary information from subordinates and use same to decide on the solution to the problem.

- 3) Share the problem with relevant subordinates individually, getting their ideas and suggestions without bringing them together as a group.
- 4) Share the problem with the sub-ordinates ideas and suggestions from them and later solve the problem alone.
- 5) Share the problem with subordinates as a group. Together with them generate and evaluate alternatives and attempt to reach an agreement on a solution together. The leader in this case merely acts as chairman. He does not attempt to influence the decision as in the four styles above.

#### 2.1.11 **DECISION – MAKING DEFINITION**

Decision making is defined by Wehrich and Koontz (1993) as the selection of a course of action from many alternatives, it is the core of planning. For a plan to exist, a decision, a commitment of resources direction or reputation must have been made. Decision making can be said to be central job of managers because for most times they make choice for what is to be done, who is to do it and when, where and sometimes, how it will be done. However, decision making is only a step in planning when it is done quickly and with either thought as when it influences action for only a few minutes. It is also part of every person's daily living. There is hardly any course of action that can be judge alone. This is because initially every decision must be geared to other plans.

### **2.1.12 RATIONALITY IN DECISION MAKING.**

It is usually assumed that effective decision making must be rational. Rationality according to Wehrich and Koontz (1993) means attempting to reach a goal with reasonable action depicting the intention. When people act or decide rationally, it is expected that they have a clear understanding of alternative courses of action by which a goal can be reached under existing circumstances and limitations. They must also have information and the ability to analyse and evaluate alternatives focusing on the goal sought. The desire to select the best solution to the problem from among alternatives must be prevalent.

It should be noted that complete rationality is seldom achieved in managing. First, decision must operate for the future, since decisions are not made to affect the past and future involves uncertainty. Secondly, it is difficult to recognize all the alternatives that will be followed to reach a goal. This is true when decision-making involves opportunity to do something that has not been done before.

### **2.1.13 LIMITED OR "BOUNDED" RATIONALITY**

A manager must necessarily seek for rationality or "bounded" rationality. "Bounded" rationality refers to the situation of limitation of information time and certainty, which limits rationality even when a manager tries to be completely rational. Since managers can not be completely rational in practice, they at times allow their dislikes of risk:-

The desire to play it safe to interfere with the desire to reach the best solution under the circumstances. That is what Simon (1988) referred to as "satisficing" in the book "organisation" – March and Simons (New York (1966) that is picking a course of action that is satisfactory or good enough under the circumstances. Although many managerial decisions are made with a desire to "get by" as safely as possible, most managers do attempt to make the best decision they can within the limit of rationality and in the light of the size and nature of the risks involved.

#### **2.1.14 ELEMENTS OF DECISION - MAKING**

There are four elements within the process of decision making as follows:-

- 1) **Choice:-** It is the opportunity to select from many alternatives. There can be no decision-making without a choice.
- 2) **Alternatives:-** They are the possible course of action among which choices are made. There can be no choice if there are no alternatives.
- 3) **Organisational goals;** They are the ends which the organisation seek to reach. A person who takes decision has some ways of determining which is the best among several alternatives. That which most contributes to the achievement of organisational goals.
- 4) **Consequences:-** The assumption that people often have that decision is an isolated phenomenon, has been check mated by the



system view point which states that problems have multiple causes and decisions have intended and un-intended consequences.

### 2.1.15 **DECISION - MAKING PROCESS**

The process of decision making has been identified by Schwenk (1984) in a management journal, "cognitive simplification process in strategic decision making" to follow this pattern:

- 1) Problem Awareness
- 2) Problem Diagnosis
- 3) Development of solutions
- 4) Evaluation of alternatives
- 5) Selecting an alternative (choice)

#### 1. Problem Awareness

This is a situation in which an individual or an organisation perceives that things are not working as expected. It can be for example that:

- a) Turnover is in decline
- b) Profit level is falling
- c) Productivity of workers is on downward trend.

The situations sighted above, according Schwenk (1984), present a picture of deviation from normal or expected trend in a prosperous

setting. An awareness or discovering of such at a stage will bring about a reaction i.e a decision to turn things around for the better.

## 2) Problem Diagnosis

Diagnosis of a problem entails:

a) Information gathering, i.e obtaining data that will aid in determining clear facts about the problem and the opinion of higher authority about the problem.

b) Problem Resolution:

It entails sourcing the views or consensus of the very dramatic personnel of the organisation itself on the solution to the problem.

Debates and discussions facilitates this.

3) Development of solutions.

a) Search for alternatives:

There are almost always alternatives to any courses of action. If there seems to be only one way to do a thing that way is probably wrong. The ability to generate alternative solutions for a problem is as important as being able to select the right solution among the alternatives developed. On the other hand, ingenuity, research and common sense will often bring about so many ideas that cannot be evaluated adequately. To make a choice, the manager needs help. The concept which assists the manager or decision maker to choose the best alternative, is the concept of limiting factor or strategic factor.

Limiting factors means something that stands in the way of accomplishing a desired objectives. When those factors are identified it becomes possible to narrow the search for alternative to those that will overcome the limiting factors.

The principle of limiting factor provides that "by recognizing and overcoming those factors that stand initially in the way of a goal, the best alternative courses of action can be selected.

b) Design of Solution.

This is a situation where custom made solution is designed as opposed to choosing from ready made – solutions.

4) Evaluation of alternatives.

After finding appropriate alternatives the next step is the evaluate them and select the one that will best contribute to the goals or objective. This is also known as the point of ultimate decision making.

Evaluation Methods.

Some of the methods used to evaluate alternatives prior to selection of the best are as follows:

a) Quantitative and Qualitative Factors:

When comparing alternative plans to achieve a goal one is more likely to think exclusively about quantitative factors. They are factors that can be measured in numerical terms eg. Fixed and variable cost. On the other hand, qualitative factors (also called

intangible factors) are those factors that are difficult to measure numerically eg the risk of change in technology, quality of labour relations, political climate, etc.

b) Marginal Analysis

In the evaluation of alternatives techniques, marginal analysis can be utilized to compare additional revenues arising from additional costs. Where the objective is to maximize profits, this goal can be reached when additional revenue and additional cost are equal.

Further more, if the additional or incremental revenues of a large quantity are greater than its additional costs, more profit will be made by producing more. However, if the additional revenues of the larger quantity are less than its additional costs a larger profit can be made by producing less.

c) Cost effectiveness analysis.

Cost effectiveness analysis or cost benefit analysis is an improvement of the additional marginal analysis.

It seeks the best ratio of benefits and costs. That is, for instance finding the least costly way of reaching a set objective or setting greater value for given expenditures. It is in simplest terms a technique for choosing the least plan when the objectives are less specific than sales, costs or profits.

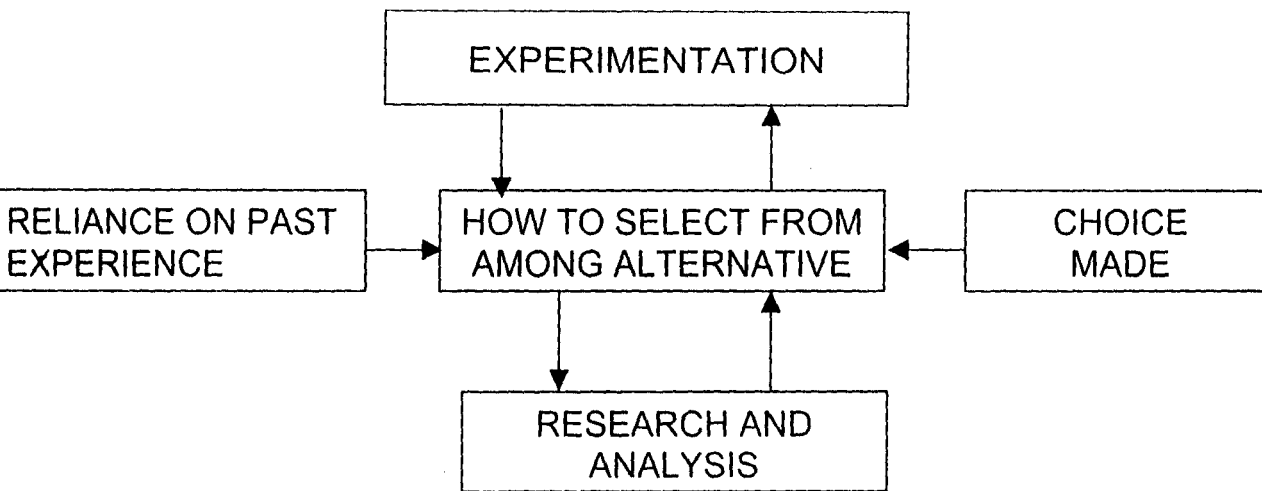
(5) selecting an alternative Wehrich and Koontz (1993) identified three (3) basis approaches that managers can use when selecting among alternatives they are:

a) Experience

It is probably true that reliance on past experience plays a larger role than necessary in decision making often experienced managers believe without realizing the things they have successfully accomplished and mistakes they have made, furnish almost infallible guides to the future, this attitude becomes more apparent, the more experienced one had and the level has risen in the organisation. To a large extent, experience has proved to be the best teacher. The fact that a manager risen to his position seems to justify his past decision. It may however, be more dangerous to rely on past experience as a guide for future action.

This is because:

- 1) People do not recognised the underlying reasons for their mistakes or failures, and
  - a) The lesson of experience may be entirely in applicable to new problems.
  - b) Experimentation: This approach according to Wehrich and Koontz (1993) means deciding to try one of the alternatives and seeing what happens. Experimentation is most applicable in strategic



**FIG. 3. BASIS FOR SELECTION FROM AMONG ALTERNATIVES COURSES OF ACTION SOURCE: WEHRICH AND KOONTZ ( 1993).**

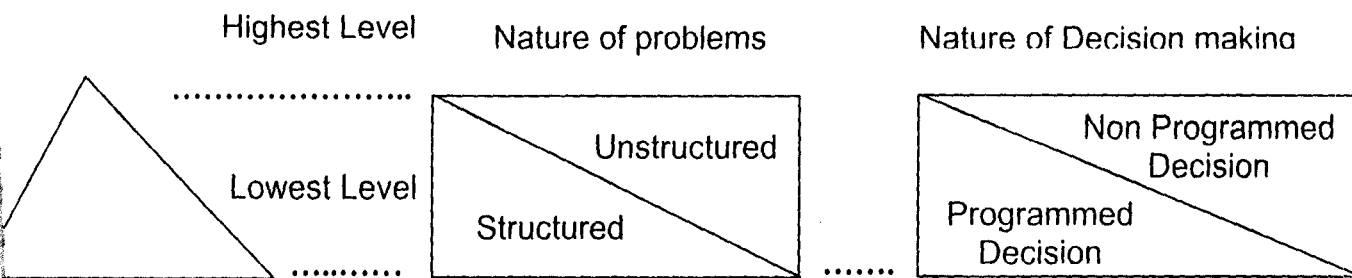
### 2.1.16 CLASSIFICATIONS OF DECISION

Decision are classifiable into programmed and non programmed i.e. depending on the frequency of occurrence. Wehrich and Koontz (1993). Programmed/structured decisions on routine problems. For example, lather operators have specification and rules by which they can tell when to accept or reject the part or product made. Also programmed decision is applied in inventory control i.e. reordering of items. This kind of decision is used for reparative or routine works which rely on already established criteria. That is to say decision making is based on precedence.

Non programmed/unstructured decisions. The are novel, ill-defined and unstructured situations of a non-re-curring nature. Examples include a development of a 4 – wheel – drive, passenger car by Audi Corporation and marketing of a small video camera by Kodak.

It is generally accepted that all strategic decisions are basically non-programmed since subjective judgements are required.

However, most decisions are neither completely programmed, they are a combination of the two. As shown in fig. 4 below, upper level managers take most non-programmed decisions; while the lower level manager's take most programmed decisions. This is because upper level managers deal with unstructured problems while lower level managers deal with structured problems which require less discretion.



**FIG. 4 NATURE OF PROBLEMS AND DECISION MAKING IN THE ORGANISATION.**

SOURCE: Wehrich and Koontz (1993)

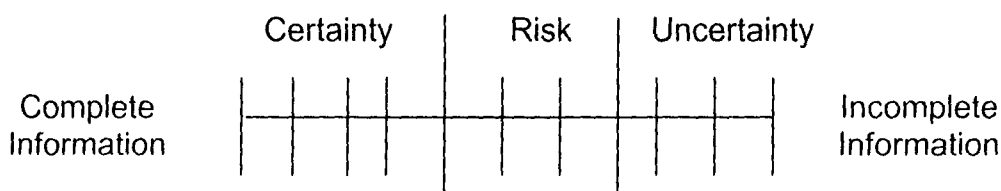
**2.1.17 DECISION - MAKING UNDER CERTAINTY, UNCERTAINTY AND RISK.**

Decisions are made virtually in an environment of at least some uncertainty (Wehrich and Koontz 1993). The degree will however, vary from relative certainty to great uncertainty. There are certain risks involved in decision making.

In a situation of certainty, people are to a reasonable extent sure about the outcome of the decision they make. This is because the information is available and is considered to be reliable with the cause of effect relationship known.

In an uncertainty situation, only a meagre data base is available. It is not known whether the data available are reliable or not and it is unsure whether or not the situation may change. Moreover, the interactions of the different variables cannot be evaluated. For example, a company that wants to expand its activities in a strange country may know little about the culture, laws, economic environment and politics of the country. The political situation may be so volatile that even the experts cannot predict possible change in government.

In a risk situation, partial information may exist but may be incomplete. To improve decision making, one may estimate the objective probabilities of an outcome using for example, mathematical models.



**FIG. 3 CONDITIONS UNDER WHICH DECISION ARE MADE**

**SOURCE: HANDOUT FROM BUK (PDGM99/2000)**



## 2.1.18 MODERN APPROACHES TO DECISION - MAKING UNDER UNCERTAINTY

There are a number of modern techniques, which improve the quality of decision making under the normal conditions of uncertainty.

The most important of the techniques

- 1) Risk analysis
- 2) Decision trees and
- 3) Preference theory, are consider below:

### **Risk Analysis:**

This approach according to Schwenk (1986) involves trying to know the size and nature of the risk being taken in choosing a course of action. One identified deficiency in using the traditional approach of operational research in that much data is used in a model are merely estimates and others are based on probabilities. The ordinary practice is to have staff specialist come up with "best estimates" However, new techniques that give a more precise view of risk have been developed.

Every decision is based on the interaction of a number of important variables many of which have an element of uncertainty but perhaps a fairly high degree of probability. Thus the wisdom of launching a new product might depend on a number of initial variables. The cost of producing it, the capital investment that will be required the price that

can best be set for the product, the size of potential market, and the share of the total market that it will represent.

## Decision Trees

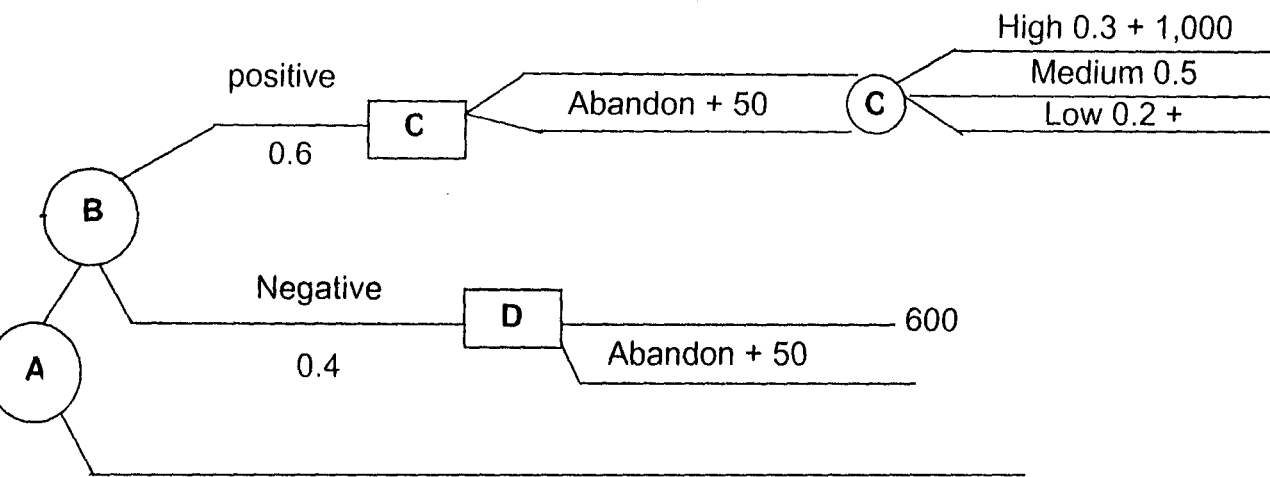
Wehrich and Koontz (1993), in management: A global perspective" reported that one of the best ways to analyse a decision is to use a so-called decision Tree. Decision Tree are diagrams which illustrates the choices, and possible outcomes of a decision. The two stages in preparing a decision tree are:

- a) Drawing the tree itself, to show choice and outcomes.
- b) Putting the numbers: The probabilities out come values and expected values (EVS) expected value is given (calculated) as probability X outcome.

For example, if you have 1% chance of wining ₦100 the expected value (EV) the wining is  $1\% \times ₦100 = ₦1$

Below is an hypothetical decision tree (figure 6) of XYZ Ltd, on the introduction of a new product into the market two courses of action are open to the company:-

- i) To test market the product or
- ii) To abandon it. If the company test markets the product the cost will be ₦100.000.00 and the market response may be positive or negative with probabilities of 0.60 or 0.40 respectively.



All Values is N : 000

- Decision point
- Outcome point
- Termination point

Source: ICASA study Text on "Management Practice" BPP(1999)  
London.

**FIG. 6 DECISION TREE**

The Decision tree approach makes it possible to see at least the major alternatives and the fact that subsequent decision may depend on the events in the future.

Preference Theory Wehrich and Koontz (1993). This approach also known as utility theory is based on the notion that individuals attitudes towards risk will vary. While some people are willing to take greater risks (i.e. "gamblers"). The technique provides that purely statistical probability as applied to decision making rest on the assumption that

decision makers will follow them. In other words, it might seem reasonable that if there were 60% chances of decision being the right one, a person may take it. This may not be necessarily true, since the risk of being wrong is 40%, the individual may not wish to take the risk. Managers, typically avoid risk particularly if the penalty for being wrong is severe, whether it be in terms of monetary loss, reputation or job security. Personal risk or preference curve. While not much is known about personal attitudes towards risks, two things are certain.

- i) Some people are “risk averters” in some situations and “gamblers” in others.
- ii) Some people have by nature, high aversion for risk while others have a low one.

Figure 7, below shows a typical personal risk or preference curve. The graph shows both “risk averters” and “gamblers” curves as well as what is referred to as a “personal curve”. The latter of course implies that most people are “gamblers” when small stakes are involved, but that they soon become “risk averters” when the stakes arise.

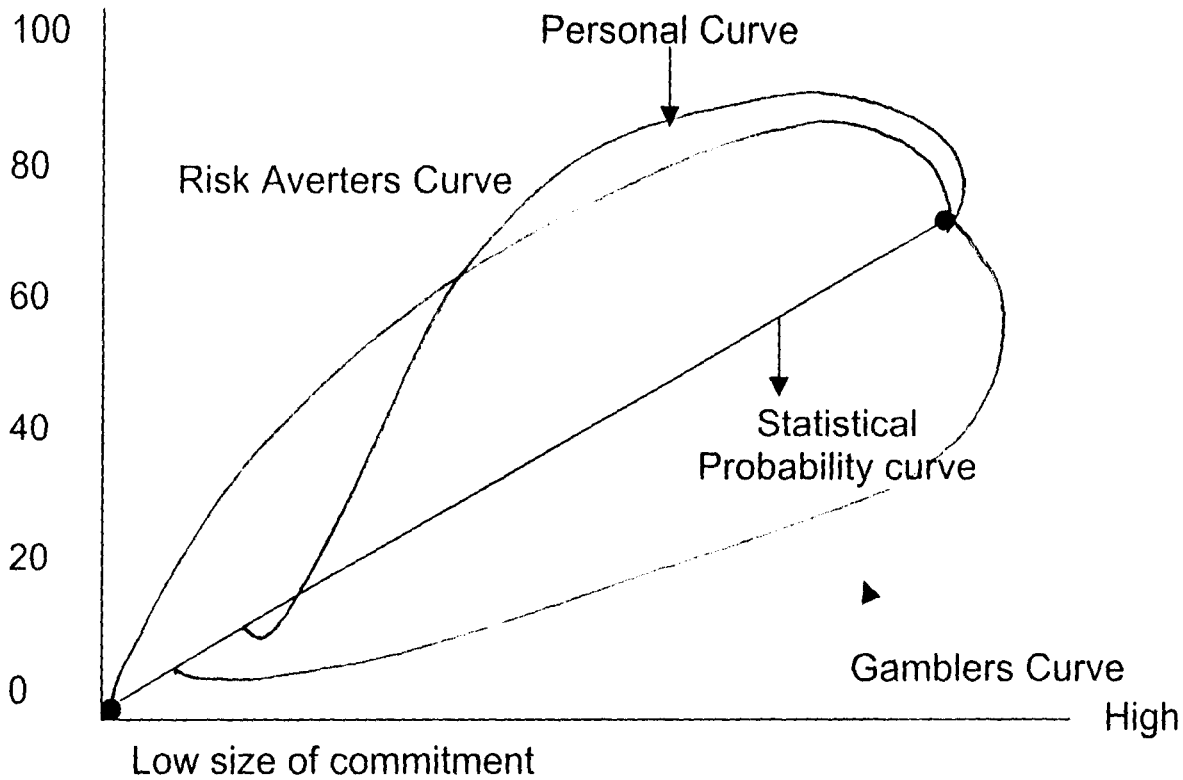


FIG. 7. Sample Preference curves

SOURCE: Wehrich and Koontz (1993).

### 2.1.19 EVALUATING THE IMPORTANCE OF A DECISION.

Robbins (1996) pointed out that since managers do not just make correct decisions, but make them as needed and as economically as possible and since they must do this often, guidelines to the relative importance of decision become useful. Less important decision do not require thorough analysis and research and they may even be safely delegated without endangering a managers basic responsibility. The importance of decision depend on the extend of responsibility, and so,

what may be practically of no importance to a company's chief executive may be of great importance to a sectorial head.

If a decision commits an enterprise to a heavy expenditure of funds or to an importance personal programme such as a programmed for management appraisal and training or if the commitment can be fulfilled only over a long period, such as by the construction of a new chemical plant, it should be subjected to suitable attention at top management level. There are plans that can easily changed. There are also some that have in-built the possibility of future change of direction and others involve action that is difficult to reverse. Clearly, decisions that involve inflexible course of action, must be carefully evaluated than decisions that can be easily changed.

In situations where the impact of a decision on people is great, Koontz (1998), stated that its importance is high. A doctor's mistake in a Hospital can be fatal to a patient. No one making a decision that affects others can afford to over look the needs of those people who accept the decision.

#### **2.1.20 DECISION SUPPORTS SYSTEMS:**

Decision supports systems involve the use of computers to facilitate the decision making process of semi-structure tasks. The

systems are designed not to replace managerial judgement but to support it and to make the decision process more effective.

Litter (1978) stated that computer technology help the speed with which solutions can be formed and the scope of the problem that can be considered to have both taken a quantum jump, it opened a powerful possibility of creating computer simulation of problems that permit testing various alternatives.

Decision support systems (DSS) also help managers react quickly to changing needs. It is clear then, than the design of an effective system requires a thorough knowledge of how managers make decisions.

The availability of mini computer as well as of communication network, make it possible to access and utilize a great deal of information at little cost. Thus, DSS; give managers an important tool for decision making under their own control.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

Research works generally involved data collection, arrangements, analysis and drawing of conclusions based on findings. This project would not be an exception to this rule. Data would be obtained from both primary and secondary sources.

#### **3.1 POPULATION OF THE STUDY**

The population for this study will be 70 respondents out of entire 400 members of staff of the Niger State Board of Internal Revenue, made up of 35 Management Staff, 54 Senior Staff and 311 Junior Staff . A public parastatal saddled with the responsibility of generating and collecting revenue for the state government.

#### **3.2 SAMPLE SIZE**

A sample size of 70 was considered as being representative of the population. Factors which influenced the sample size due consideration was given to ensure fair representation of the different levels of staff that constitute the population. The sample size was made up of 10 management staff, 20 senior staff and 40 junior staff.

#### **3.3 SAMPLING TECHNIQUE**

The random sampling techniques was used for its advantage of giving equal chance being included to all components of the population such as age, level, sex and length of service.



### **3.4 METHOD OF DATA COLLECTION**

This was looked at on the basis of the type of data being considered. Data was sourced from both primary and secondary sources.

#### **Primary Data**

The methods used in gathering primary data were distribution of questionnaire, face-to-face interview and personal observation. The questionnaire was the main research instrument and it was drawn up based on the objective and research questions of the study. The questions on the questionnaire were also used in the face-to-face interview (where applicable).

#### **Secondary Data**

Data of a secondary nature were mainly obtained from financial statement, bulletins and reports of Niger State Board of Internal Revenue.

### **3.5 DESIGN OF THE RESEARCH INSTRUMENT**

The questionnaire of research instruments for this study was designed to collect relevant raw data in their primary state. In all 12 questions which bother on the leadership style and decision making at different managerial levels were asked. Members of staff in subordinate positions were required to give their opinions of the superior officers. Thus the management staff gave their opinion to the Chief Executive

Officer (CEO), while the senior staff answered in respect of the management staff. In the same vein the operatives or junior members of staff gave their opinions on the Senior staff.

The questionnaire was designed with multiple choice options for the reason of making it easier for the respondents to give their opinion unencumbered.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **4.1 INTRODUCTION**

This chapter involves giving meaning to the research work. The objective of the study can only be appreciated if and when the results are presented in form that conveys meaning to the reader or user. Thus following editing, and recording, the results of the research are presented in tabular forms, that analysed and interpreted. It is hoped that through the mechanisms of leadership style and decision-making processes in Niger State Board of Internal Revenue as representative case study, their effects on corporate performance generally would be clarified and appreciated.

#### **4.2 DATA PRESENTATION AND ANALYSIS**

Presented here, are data obtained through responses to questionnaire sought from management and other members of staff of Niger State board of Internal Revenue, and calculated with simple percentage, aimed at necessary to answering the research questions.

## A. RESULT

**TABLE 1: PERSONAL INFORMATION BASED ON AGE OF RESPONDENTS.**

<b>AGE GROUPS (YRS)</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGES</b>
21 – 30	20	28.60
31 – 40	25	35.70
41 – 50	15	21.40
51 And – Above	10	14.30
	<b>70</b>	<b>100.00</b>

**Source: Research Interview**

Table 1 indicates that the age range of 31 – 40 years has the highest frequency of 25 (35.7%), followed by 21 – 30 years with 20 (28.6%). The next in descending order of frequency is the 41 – 51 years range which has 15 (21.4%). The range with the lowest frequency is 51 and above, which has 10 (14.3%).

The foregoing shows that the workers of Niger State Board of Internal Revenue are very active with 60 (80%) of the respondents being under 50 years of age.

**TABLE 2. CLASSIFICATION OF RESPONDENTS BASED ON THEIR RANKS IN THE ORGANIZATION.**

<b>RANKS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGES</b>
Management Staff	10	14.00
Senior Staff	20	29.00
Junior Staff	40	57.00
	<b>70</b>	<b>100.00</b>

**Source: Research Interview**

Table 2 shows the ranks of those interviewed in the organisation. They are 10 (14%) management staff, 20 (29%) senior staff and 40 (57%) junior staff. The researcher's quest to have diversified and balanced opinion of all categories of staff informed the drawing of respondents from all ranks. The implication is that the outcome of this research would be reflective of all the workers of the board irrespective of rank of hierarchy.

**TABLE 3: CLASSIFICATION BASED ON SEX OF RESPONDENTS**

<b>SEX</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGES</b>
Female	10	14%
Male	60	86%
	<b>70</b>	<b>100.00</b>

**Source: Research Interview**

The sex of respondents was considered to avoid any form of bias or discrimination. This 10 (14%) female were interviewed along with 60

(80%) males. The percentages of females and males on sample is reflective of the ratio of employees of the Board.

**TABLE 4: OPINION OF RESPONDENTS ON LEADERSHIP STYLE IN THE ORGNISATION.**

STYLE OPTION	RESPONDENTS					
	MANAGEMENT STAFF		SENIOR STAFF		JUNIOR STAFF	
	NO.	%	NO.	%	NO.	%
Democratic	5	50.00	12	60.00	25	62.50
Autocratic	3	30.00	5	13.00	10	25.00
Dictatorial	2	20.00	3	7.00	4	10.00
Laissez Faire	0	0.00	0	0.00	1	2.50
	<b>10</b>	<b>100.00</b>	<b>20</b>	<b>100.00</b>	<b>40</b>	<b>100.00</b>

**Source: Research Interview**

In the opinion 5 (50%) of management staff, 12 (60%) of senior staff and 25 (62.5%) of junior staff, have opted for democratic type of leadership as the most prevalent in the Board. Table 4 shows that Managers of the Board apply people oriented management principles which brings about enthusiasm to willingly achieve. However, a level of autocracy is also prevalent in the system so concluded 3 (30% management staff, 5 (13%) of Senior staff and 10 (25%) junior staf respondents. Dictatorial leadership exists to a lesser extent according to 2(20% Management staf, 3(7%) senior staff and 4 (10%) Junior Staff respondents. Laizzez-Faire type of leadership happened to be

unpopular as only 1(2.5%) junior staff described the superior officers type as laissez-Faire.

**TABLE 5: THE IMPACTS OF LEADERSHIP STYLES ON THE RESPONDENTS.**

OPTION	RESPONDENTS					
	MANAGEMENT STAFF		SENIOR STAFF		JUNIOR STAFF	
	NO.	%	NO.	%	NO.	%
No Impact	0	0	0	0	0	0
Positive Impact	8	80	17	85	35	87.5
Negative Impact	2	20	2	10	4	10
No Opinion	0	0	1	5	1	2.5
	<b>10</b>	<b>100.00</b>	<b>20</b>	<b>100.00</b>	<b>40</b>	<b>100.00</b>

**Source: Research Interview**

Table 5 conveys the message that all management staff respondents believed that the leadership style of the chief Executive officer (CEO) impacts on them either positively or negatively while 8 (80%) saw the impact on them as positive 2(20%) have negative impacts. In consideration of the ratio of responses, it can be said that the (CEO) exhibits good leadership qualities. The senior staff opinion of the impact of the style of the management staff followed almost the same pattern with 17 (85%) feeling positively impact. However, 1 (5%) senior staff expressed no opinion. For the junior staff respondent, 35 (87%) has positive impacts, 4 (10%) had negative impacts while 1 (2,5%) had no

opinion. It may be reasoned that those under dictatorial leadership style may have returned the “negative impact” and “no opinion” options.

**TABLE 6: THE EFFECT OF LEADERSHIP STYLES ON OTHER MEMBERS OF STAFF.**

OPTION	RESPONDENTS					
	MANAGEMENT STAFF		SENIOR STAFF		JUNIOR STAFF	
	NO.	%	NO.	%	NO.	%
No Effect	0	0	1	5	0	0
Positive Effect	8	80	17	85	36	90
Negative Effect	1	10	2	10	3	7.5
No Opinion	1	10	0	0	1	2.5
	<b>10</b>	<b>100.00</b>	<b>20</b>	<b>100.00</b>	<b>40</b>	<b>100.00</b>

**Source: Research Interview**

The pattern of responses shown in Table 6 are similar to those of table 5. However, slight differences exist. It is instructive that 1 (5%) senior staff felt that there was no effect of leadership style on colleagues. In the opinion of 8 (80%) management staff, 17 (85%) senior staff and 36 (90%) junior staff leadership style has positive effect on colleagues. Nevertheless, 1 (10%) management staff, 2 (10%) senior staff and 3 (7.5%) junior staff gave verdict of negative effect. No opinion was expressed by 1 (10%) management staff and 1 (2.5%) junior staff. Over all, the statistics indicates that the effect of leadership style of the superior officer on colleagues of respondents, is positive.



**TABLE 7: THE EFFECT OF LEADERSHIP STYLES ON CORPORATE PERFORMANCE.**

OPTION	RESPONDENTS					
	MANAGEMENT STAFF		SENIOR STAFF		JUNIOR STAFF	
	NO.	%	NO.	%	NO.	%
No Effect	0	0	0	0	2	5
Positive Effect	9	90	18	90	37	92.5
Negative Effect	1	10	2	10	1	2.5
No Opinion	0	0	0	0	0	0
	<b>10</b>	<b>100.00</b>	<b>20</b>	<b>100.00</b>	<b>40</b>	<b>100.00</b>

**Source: Research Interview**

Table 7 indicates no effect of leadership style by only 2 (5%) junior staff respondents. To 9 (90%) management staff, 18 (90%) senior staff and 37 (92.5%) junior staff, the leadership style under which they worked has positive effect on output or performance. Majority of the respondents agreed on this. However, some respondents staff felt that the effect on performance was negative. That was the view of 1 (10%) management staff, 2 (10%) senior staff and (2.5%) of the junior staff. It appeared that the responses have been an assessment of the type of leadership style practiced by the superior officer. Apparently, those with negative views happen to be under dictatorial leadership.

**TABLE 8: RESPONSES ON DECISION MAKING SKILL OF THE LEADERS.**

OPTION	RESPONDENTS					
	MANAGEMENT STAFF		SENIOR STAFF		JUNIOR STAFF	
	NO.	%	NO.	%	NO.	%
Meeting (in House consultations)	5	50	12	60	20	50
Individualism	3	30	6	30	15	37.5
Inaction	3	30	6	31	15	5.0
External Consultant	2	20	2	10	3	7.5
	<b>10</b>	<b>100.00</b>	<b>20</b>	<b>100.00</b>	<b>40</b>	<b>100.00</b>

**Source: Research Interview**

Table 8 shows responses of subordinates in respect of the likely action of their leader when the need arises for a vital decision to be made. 5(50%) management staff, 12 (60%) senior staf, and 20 (50%) junior staff respondents expressed the same opinion that the leader would most likely call on in-house meeting to discuss and arrive at the decision. On the other hand, 3(30%) of management staff, 6 (30%) senior staff and 15 (37.5%) junior staff opined that the leader may not consult anybody and may take a sole decision. Whereas, 2 (20%) management staff, 2 (10%) senior staff, and 3 (7.5%) junior staff respondents felt the leader would contract out i.e call in external consultants, 2 (5%) junior staff indicated that their superior officer may not take any action. This may be likely in the event that the officer would

expect higher authority to make the decision. This is a likely occurrence in a dictatorial or autocratic leadership tendency where authority is strictly centralised, and where employee morale is at the lowest ebb.

**TABLE 9: RESPONSES IN THE DECISION-MAKING PROCESS OF THE SUPERIOR OFFICERS.**

OPTION	RESPONDENTS					
	MANAGEMENT STAFF		SENIOR STAFF		JUNIOR STAFF	
	NO.	%	NO.	%	NO.	%
Very Effective	6	60	10	50	25	62.5
Quite Effective	3	30	5	25	10	25
Less Effective	1	10	3	15	3	7.5
Ineffective	0	0	2	10	2	5.0
	<b>10</b>	<b>100.00</b>	<b>20</b>	<b>100.00</b>	<b>40</b>	<b>100.00</b>

**Source: Research Interview**

Assessing the leader's decision making process, the Table 9 reveals that 6 (60%) management staff, 10 (50%) Senior Staff, and 25 (62.5%) junior staff respondents described their superior officer's decision making process as being very effective. In the view of 3 (30%) management, 5 (25%) senior staff and 10 (25%) junior staff respondents, the description is "quite effective". The opinion "less effective" was chosen by 1 (10%) of the management staff, 3 (15%) senior staff and 3 (7.5%) junior staff respondents. Only 2 (10%) of the senior staff and 2 (5) of the junior staff described their superior officers decision-making process as "ineffective".

It is clear based on the positive returns of “very effective” and quite effective” by most respondents that the research has proved the leaders as being effective in their decision making process.

**TABLE 10: RESPONSES ON THE RELATIONSHIP BETWEEN SUPERIOR OFFICERS AND SUBORDINATES.**

OPTION	RESPONDENTS					
	MANAGEMENT STAFF		SENIOR STAFF		JUNIOR STAFF	
	NO.	%	NO.	%	NO.	%
Most Cordial	5	50	11	55	30	75
Very Cordial	4	40	7	35	6	15
Less Cordial	1	10	1	5	2	5
Not Cordial	0	0	1	5	2	5
	<b>10</b>	<b>100.00</b>	<b>20</b>	<b>100.00</b>	<b>40</b>	<b>100.00</b>

**Source: Research Interview**

It is apparent from Table 10 that 5 (50%) of the management staff, 11 (55%) senior staff, and 30 (75%) junior staff respondents indicated a relationship existing between superior officers and subordinates. Those who felt the relationship were “very cordial” were 4 (40%) management staff, 7 (35% senior staff and 6 (15%) junior staff. In the opinion of the 1 (10%) management staff, 1 (5%) Senior staff, and 2 (5%) junior staff respondents, the relationship is “less cordial”, 1 (5%) senior staff and 2 (5%) junior staff respondents saw the existing relationship as “not cordial”.

The foregoing indicates that a positive cordial relationship exists between the superior and subordinate officers given that overwhelming majority of respondents opted for either “most cordial” or “very Cordial”.

**TABLE 11: RESPONSES ON EXTENT OF ADMIRATION OF SUPERIOR OFFICERS LEADERSHIP STYLE.**

OPTION	RESPONDENTS					
	MANAGEMENT STAFF		SENIOR STAFF		JUNIOR STAFF	
	NO.	%	NO.	%	NO.	%
Very High	5	50	14	70	28	70
High	3	30	3	15	9	22.5
Low	0	0	1	5	1	2.5
Very Low	2	20	2	10	2	
	<b>10</b>	<b>100.00</b>	<b>20</b>	<b>100.00</b>	<b>40</b>	<b>100.00</b>

**Source: Research Interview**

Table 11 shows that 5 (50%) of the management staff, 14 (70%) Senior staff and 28 (70%) junior staff respondents admire the leadership style of their superior officers to a “very high” extent. Also 3 (30%) of the management staff, 3 (15%) senior staff and 9 (22.5%) junior staff who responded showed “high” admiration. No management staff that responded showed “low” admiration, unlike 1 (5%) senior staff and 1 (2.5%) junior staff. However, 2 (20%) management staff returned “very low” admiration so did 2(10%) senior staff and 2 (5%) junior staff respondents.

The import of this analysis is that most respondents appeared to harbour positive admiration for the leadership of their superior officers as indicated in 'very high' and 'high' response options.

**TABLE 12: RESPONSES ON THE EXEMPLARY LEADERSHIP QUALITY OF OFFICERS**

OPTION	RESPONDENTS					
	MANAGEMENT STAFF		SENIOR STAFF		JUNIOR STAFF	
	NO.	%	NO.	%	NO.	%
Very Exemplary	6	60	16	80	26	65
Quite Exemplary	2	20	2	10	11	27.5
Least Exemplary	1	10	0	0	0	0
Un Exemplary	1	10	2	10	3	7.5
	<b>10</b>	<b>100.00</b>	<b>20</b>	<b>100.00</b>	<b>40</b>	<b>100.00</b>

**Source: Research Interview**

Table 12 conveys a favourable disposition of respondents so much so that 6 (60%) management staff, 16 (80%) Senior staff and 26 (65%) junior staff attested to the quality of leadership of their superior officers. The significance of this is that most respondents see their leaders as role models. Furthermore, 11 (27.5%) of the junior staff, 2 (10%) of the Senior staff and 2 (20%) of the management staff opted for "quite exemplary". It is clear that they tried to be caution but the positive import of their thoughts is quite apparent. On the other hand, only 1 (10%) management staff respondents opted for 'least exemplary' while 2 (10%) management staff described their leaders as being unexemplary.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 SUMMARY OF THE RESEARCH WORK.**

The study and analysis of the responses obtained in the course of this research led to some findings about the case organization – Niger State Board of Internal Revenue. They are summarized as follows:

1. The Board maintains a very active work force. This is evident in the fact that about 80% of the workers fall within the 20 – 50 years age bracket.
2. The staff of the Board consists of 5% management staff 25% senior staff and 70% junior staff.
3. Opportunity is given to both sexes in the organization as the population consists of 14% females and 86% males.
4. Democratic style of leadership is most prevalent in the organization. This makes for a participative system of management.
5. Corporate performance or output is greatly enhanced by the leadership style of the Management.
6. Decision-making is by cross fertilization of ideas and objectivity under the direction of the unit or departmental or divisional organizational head as the case may be.

7. To a large extent human relation principles are practiced by the leaders, this shows in the optimum level of cordiality existing between the superior officers and their subordinates.
8. Decision-making processes are adjudged very effective.
9. For their style and effectiveness the management are admired by their subordinates and so most are taken as role models.
10. To varying positive degrees the leadership style in the Board is exemplary.

## 5.2 CONCLUSION

The Hallmark of a successful organization is leadership that combines the right style with sharp skill in decision making. Leadership is about bringing out the best in the human beings in the organization in a willing and enthusiastic undertaking. Making the right choice among competing alternatives depends on the extent of consideration of issues bordering on effectiveness and efficiency. A manager who is a leader of a business entity should know and respect the vital importance of the workers of the organization in the functioning and growth of the business. In other words, management should see workers as partners in nurturing and growing the organization. This is the kind of setting that is bound to have positive effect on corporate performance.

Considering Niger State Board of Internal Revenue, it can be inferred from the findings of the research that the Board's management



succeeded in creating an environment in which the workers felt free in expressing their potentials within their level of authority and responsibility. This is more than anything else endeared the leadership and the lead to the extent that organizational objectives are seen as everybody's objectives.

If we take a peep into the macro economic set up of the private sector in Nigeria we are likely to discover that the success story of notable organizations like Zenith International Bank Ltd, Omega Bank Plc and Bank of North, Plc, has root in the integration and motivation of the work force on the plans and the direction of management of particular mention is Omega bank Plc (formerly Owena Bank Plc) which was among the Bank distressed in 1992. Its position then was due to what was described as "Fundamental weaknesses in management style and leadership that obstinate the original intention of the funding fathers of the financial institution. (The Punch Newspaper, December, 12, 2000 page 15.).

### **5.3 RECOMMENDATIONS**

Although the case organization, Niger State Board of Internal Revenue can be said to have relatively fared well from findings of the research there are still areas of improvements can be made and noted as successes initiated. The following recommendations are therefore made for the attention of the top management.

1. Within the system there are some Head of departments who do not seem to be in tune with the popular styles of leadership. This includes those using dictatorial and Laissez-Faire styles, which are impacting negatively in subordinates and performance. A re-orientation for such departmental Head will be necessary to finally remove clogs in Board's wheel of progress.
2. Productivity in modern times is linked to information technology. It will be necessary for the organization to fully update its Headquarters and area offices with modern information gadgets (Computers)
3. A conscious effort should be made to sustain on the strong points especially enthusiasm of the workers. This can be done through programmes of training and retraining so that the culture of the organization is maintained.
4. The Board should as well try to be innovative. The processes should be varied to create new challenges from time to time.

## REFERENCES

- Blake R.R. and J.S. Mouton (1964). "The Managerial Grid" (Houston, Tex: Gulf Publishing company). Page 10.
- Fiedler, F. E. (1967). "A theory of leadership Effectiveness" McGraw – Hill Book Company, New York. Page 41 & 261.
- Herbert, S. and March (1966) Organisation John Willey and Sons, New York. Page 169.
- House R. J. (1972) "A Path-Goal theory of leadership Effectiveness", Administrative Science Quarterly. Page 321 – 338, 533 – 540.
- Koontz, H. and Weihrich H. (1993) "Management: A global Perspective" McGraw-Hill International Editions, (Highstown). Page 199 – 222, 490 – 509.
- Koontz H. and Weihrich H. (1988) "Management", McGraw Hill International Editions (Highstown 1988) Page 436-455 and 134 – 152.
- Likert, R. and G. Likert (1976) "New ways of Managing conflict" McGraw-Hill Book Company New York. Page 74.
- Lital, B. (1983) "The Corporate Culture Vultures, Fortune, Page 66 – 72.
- Schwenk, C.R. (1984) "Cognitive simplification Proceses in Strategic Decision making": Strategic Management Journal. Page 111 – 128.
- Stogdill, R. M. (1974) Handbook of leadership: A survey of theory and Research". The Free Press New York. Page 35 – 71.
- Vroom, V. H. (1964). "Work and Motivation" John Wiley and Sons New York. Page 67 – 87.
- White, R. and Ronald, L. (1953), Leaders Behaviour and member- Reactions in three social climates in Group Dynamics. Illinois Row Petterson.

## APPENDIX 1

### POSTGRADUATE SCHOOL FEDERAL UNIVERSITY OF TECHNOLOGY MINNA

#### RESEARCH QUESTIONNAIRE

Dear Sir/Madam,

I am a Postgraduate student of Federal University of Technology Minna. I am conducting a research on the "Effect of Leadership Style and Decision-Making Process on Corporate Performance" (a case study of Niger State Board of Internal Revenue). I solicit your kind assistance to give answers to the following scheduled Interview questions in your most candid opinion. By so doing you would be helping in providing valid information for this research work which is partial fulfilment for the award of Postgraduate Diploma Management (PGDM) of Federal University of Technology, Minna.

Every information provided will be treated in confidence as they will be employed solely for academic purposes.

#### DEMOGRAPHIC DATA

1. **AGE GROUP**

a. 20 – 30

b. 31 - 40

c. 41 - 50

d. 51 and above

2. **RANK**

a. Management Staff

b. Senior Staff

c. Junior Staff

3. **SEX GROUP**

a. Female

b. Male

4. **DESCRIBE THE TYPES OF LEADERSHIP IN THE ORGANIZATION**

Management Staff

Senior Staff

Junior Staff

a. Autocratic

b. Dictatorial

c. Democratic

d. Laizzez - Fair

5. **What Impact does the type of Leadership have on you**

Management Staff

Senior Staff

Junior Staff

a. No Impact

b. Positive Impact

c. Negative Impact

d. No Opinion

6. **How does the officers Leadership style affect the members of staff?.**

Management Staff

Senior Staff

Junior Staff

a. No effect

b. Positive effect

c. Negative effect

d. No opinions

7. **What is the effect of the Leadership style on Corporate**

**Performance?.**

	Management Staff	Senior Staff	Junior Staff
a. No effect	<input type="text"/>	<input type="text"/>	<input type="text"/>
b. Positive effect	<input type="text"/>	<input type="text"/>	<input type="text"/>
c. Negative effect	<input type="text"/>	<input type="text"/>	<input type="text"/>
d. No opinion	<input type="text"/>	<input type="text"/>	<input type="text"/>

8. **Face with need to make a vital decision about the organization**

**what action would your superior officer likely take?**

	Management Staff	Senior Staff	Junior Staff
a. Call a management or Staff meeting where the issue would be discussed and decision reached.	<input type="text"/>	<input type="text"/>	<input type="text"/>
b. Goes about the work exclusively alone.	<input type="text"/>	<input type="text"/>	<input type="text"/>
c. Pretends there is no problem and take no decision.	<input type="text"/>	<input type="text"/>	<input type="text"/>
d. Invite external consultants			

9. **Qualify the decision making process of your superior officer?**

	Management Staff	Senior Staff	Junior Staff
a. Very effective			
b. Quite effective	<input type="text"/>	<input type="text"/>	<input type="text"/>
c. Less effective	<input type="text"/>	<input type="text"/>	<input type="text"/>
d. In-effective	<input type="text"/>	<input type="text"/>	<input type="text"/>

10. Describe the relationship that Exists between superior officers and other members of staff?.

	Management Staff	Senior Staff	Junior Staff
a. Most Cordial			
b. Very Cordial	<input type="text"/>	<input type="text"/>	<input type="text"/>
c. Quite Cordial	<input type="text"/>	<input type="text"/>	<input type="text"/>
d. Not cordial	<input type="text"/>	<input type="text"/>	<input type="text"/>

11. To what extent do you admire the leadership style of the officers of this Organisation?.

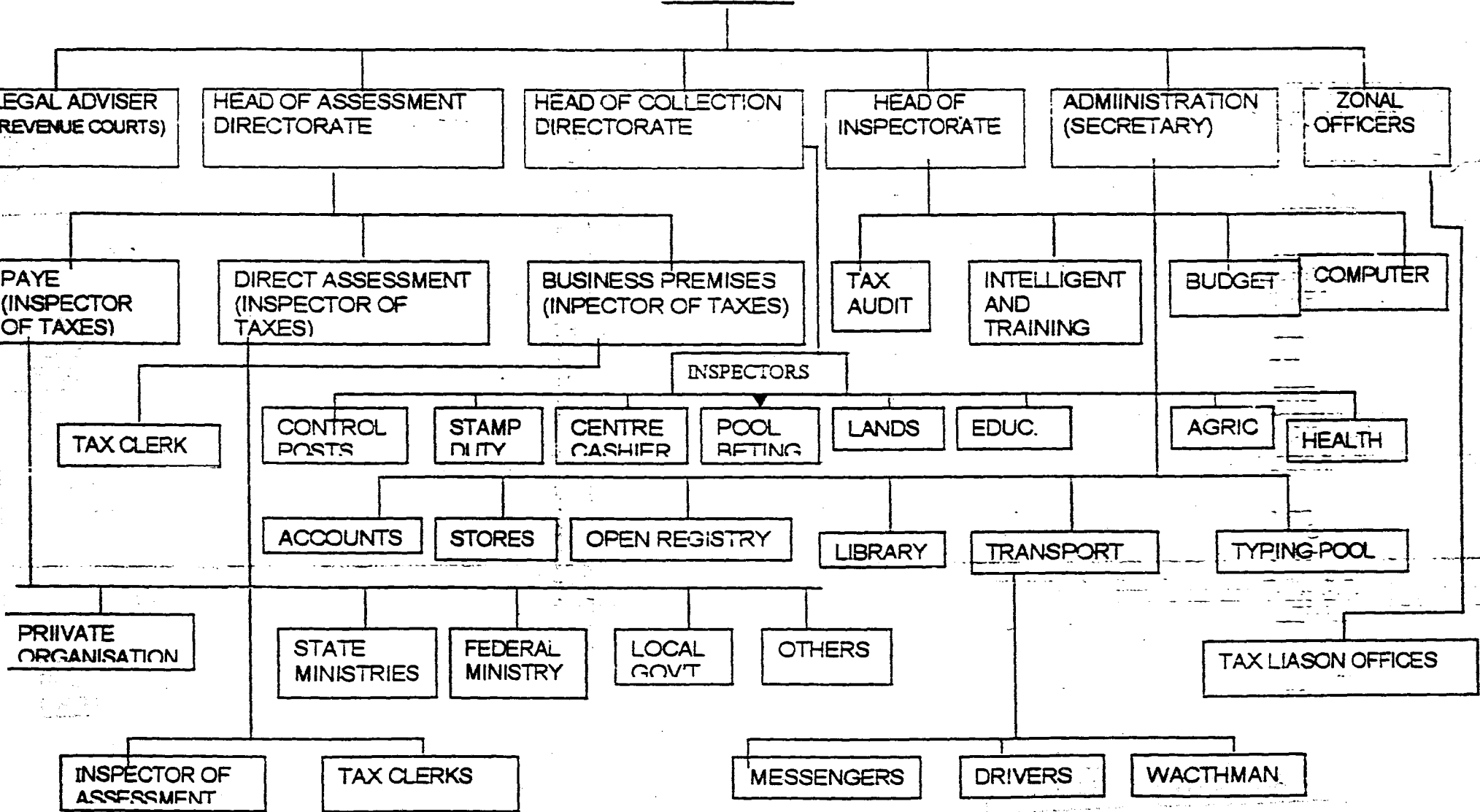
	Management Staff	Senior Staff	Junior Staff
a. Very well			
b. Well	<input type="text"/>	<input type="text"/>	<input type="text"/>
c. Fairly	<input type="text"/>	<input type="text"/>	<input type="text"/>
d. Poorly	<input type="text"/>	<input type="text"/>	<input type="text"/>

12. How exemplary is the leadership style of the officers?.

	Management Staff	Senior Staff	Junior Staff
a. Most exemplary			
b. Quite exemplary	<input type="text"/>	<input type="text"/>	<input type="text"/>
c. Less exemplary	<input type="text"/>	<input type="text"/>	<input type="text"/>
d. None exemplary	<input type="text"/>	<input type="text"/>	<input type="text"/>

**BOARD OF INTERNAL REVENUE  
ORGANIZATIONAL CHART**

**CHAIRMAN**



65