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Influence of Management Style on Workers' Productivity in Nigeria Machine Tools, Osogbo, Osun State, Nigeria

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Abstract:

This study shows the significant relationship between management style and workers' productivity in Nigeria Machine Tools, Osun State. This project has the following objectives: (i) to know the relationship between management style and workers' productivity (ii) to examine how incentive can influence workers' productivity (iii) to investigate whether workers involvement in decision making influence workers' commitment to job (iv) to proffer solutions on how management style can influence workers' productivity.

A total of 115 respondents were sampled in Nigeria Machine Tools, Osogbo using stratified and random sampling method. Primary data was used for this study with a questionnaire as the research instrument. The relationship was used to measure independent variable against the dependent variable and Chi-square was used to test the research hypotheses with the aid of Statistical Package for Social Sciences (SPSS).

The result showed that there is a relationship between management style and workers' productivity $X^2c=61.946 > X^2t (0.05) = 12.59$, it also revealed that a relationship exists between incentive and workers' productivity $X^2c =32.476 > X^2t (0.05) =21.03$, and it observed relationship between decision making and workers' commitment to job, $X^2c=28.055 > X^2t (0.05) =12.59$.

Based on the findings the following were recommended among others: (i) Management should employ appropriate leadership style to improve workers' productivity, (iii) Management should adopt an incentive program to improve workers' productivity (iv) Giving workers' the autonomy to make decision - where appropriate – will boost and increase workers commitment to job.

Keywords: Management style, workers' productivity, incentive, decision making, workers' commitment to job

1. Introduction

One of the major challenges to any organization is to promote workers' productivity in organizations. All types of organizations- government establishment, business enterprises, hospitals, cooperative, churches, whether profit making or non-profit making require good management to function effectively. The negative influence of various management styles has indirect impact on workers efficiency and effectiveness (Wong and Cummings, 2007), (Nwachukwu, 2009).

Management style affects productivity when the workers feel they do not belong due to management based on ethnic, religion, race, age and culture, which reduces dedication and commitment to work. The government in many instances has assumed the function of entrepreneurs and taken over the managerial functions with instances abound to convince everyone that the government has not fared well as a good manager and even perform worse than private entrepreneurs. A glance at the performance record of any public corporation will be very convincing. The failure of the three vital corporations- Nigerian Airways, Nigeria Railways and Nigeria Coal Corporation are good examples. In addition, the problem of NITEL (Telecoms) and PHCN (Power) to render adequate services to the society have been the concern of all Nigerians and the problem persist with no adequate solution in- view (Nwachukwu, 2009).

This problem is not limited to the federal level, it cuts across the 36 states of the federation like Nigeria mineral industry- makers of "sun sweet", Mineral drink, Niger steel company Emene, a Nigerian cement company limited and the Agricultural development corporation (ADC) to name a few, this has in part justified the privatization going on in Nigeria. This effect is due to indiscipline, corruption, financial recklessness; fragile social and productive base and lack of proper planning are traceable to absence of visionary leadership. The performance of a corporate organization, which determines its survival and growth depend to a large extent on the productivity of its workforce. Productivity is thus of fundamental importance to the individual workers' to any organization, whether commercial or not and to the national economy at large and accordingly, to the upliftment of the welfare of the citizen and the reduction, if not total eradication of mass poverty. (Yesufu, 2000; Akinyele, 2007).

On the other hand, workers have a very poor attitude to work; the average worker is “not on seat” most with different excuses abound due to personal interest such as going to the bank, pick up children from school, or attending one civic responsibility or the other. So, unmotivated workers indulge in all manner of anti-social behaviours to survive. The managers are neither motivated nor do they know what it takes to motivate the workers. This is because the average manager does not have a daily expectation from its workers; instead, they make excuses for inefficient workers and apologies when they have to demand a fair day’s output for the money the worker receive. On an average a typical Nigerian has no perceived inherent incapacities, which are detrimental to productivity. Many workers lack skill, the experience and the culture of an organization due to inability of managers to harness the talent and abilities possessed by Nigeria workers’, it is this workers’ that required the fatherly patience of manager. Taking a careful look of this effect some managers have no formal training in management and are appointed to run multi-million Naira organization employing thousands of workers’ and this has caused more harm to the economy of Nigeria, due to the problem explained most enterprise are now managed by expatriate on the basis of management contract. From previous study, on workers’ productivity, this study wants to fill the gap of knowledge on how the management of Nigeria Machine Tools can influence workers’ productivity positively. Despite several efforts aimed at improving workers’ productivity, workers’ productivity has not increased. Productivity is identified with organizations and has led to slow economic growth and closing up of the organization. Nigeria Machine Tools is aimed at sustaining national economic growth and no study has been conducted in this organization on the influence of management style on workers’ productivity.

1.1. Objective of the Study

1. To know the relationship between management style and workers’ productivity
2. To examine how incentive can influence workers’ productivity
3. To proffer possible solution on how management style can influence workers’ productivity.

1.2. Research Hypothesis

1. There is a significant relationship between management style and workers’ productivity
2. There is a relationship between incentive and workers’ productivity

2. Literature Review

Management style’ is the overreaching manner in which management exercises control over its workers. (Dimitrova, 2003). Similarly to, Hersey and Blanchard, (1993), management style is the pattern of behaviours that managers display during their work with and through others. Management style is one of the critical antecedents to organizational effectiveness. Management style is simply construed as a way to manage an organization. It is the general approach of a manager in dealing with people at work and exercising of authority over workers’ in an effort to reach organizational goals (Quang, 2002; Hartzell, 2006).

According to Ravindra and Premkumar, (2010), Management styles are collectively learnt behaviours, subject to all the infirmities of human learning. They incorporate both the contents of decision making and the process of decision making and are aligned to goal setting, strategy formulations and strategy implementation. Green (2004), said without effective leadership, it is difficult for an organization to function effectively. The leader defines the goal of an organization, develop the planning and control system that guide and monitor the organization’s destiny. Organization on the other hand functions effectively when there are persons to communicate with each other, who are willing to contribute action, to accomplish a common purpose.

Johnson (2013) identified four types of management style and their function in an organization which are: Autocratic manager makes decisions without the consultation of others, instead serving as a dictator type in communicating orders because they like to be in control of situations. A democratic manager is willing to share work with his workers’ by delegating it to get the job done. Workers’ love this type of management style in business because they feel involved and part of the process. Their job performance is likely to be better than in an autocratic setting, though giving them the authority to do the work may lead some to rely on others to bear the brunt of the work on the project. Participative style sometimes known as consultative management style, this decision making style in management revolves around getting lots of feedback from your workers’ before coming to a conclusion and making a decision. Laissez-faire gives the workers’ freedom to complete the job or tasks in any way they deem it should be done. It is a hand of approach at the management level in terms of direction, but the manager is there to answer questions and provide guidance as needed. On the concept of productivity, Cecunc, (2004) referred to productivity as an index expressed as the ratio of output over input. Also Mali, 1978 sees productivity as the measure of how resources are brought together in organizations and utilized for accomplishing a set of results. Similarly, Tangen, (2002) defined Productivity as the relation of output (that produced goods) to input (that is consumed resources) in the manufacturing transformation process. Productivity is, therefore, closely connected to the use and availability of resources, this means that productivity is reduced if a company’s resources are not properly used or if there is a lack of them. Agoro, (1991) uses the word productivity to mean the output per unit of factor input over a given period of time. It is the ratio between the output of wealth produced and the input of resources consumed in the process of production.

Dozens of organizations have attempted to solve their productivity problems by application of various innovative management techniques, Balas, (2009). Scholars, like Bertrand and Schoar, (2003), argued that management style influences productivity levels, suggesting that the identity of the manager affects workers’ performance, corporate decisions, and thus firm output. This study is premised on the fact that both management and workers of enterprises are less considerate of work environment as having a great influence on productivity of workers as resulting from workers negative attitude to work while the workers view of low productivity

may stem from poor pay system, absence of fringe benefits, inappropriate leadership style, wrong job location, unfavourable organizational change among others. Management found that poor management was the primary cause of low productivity (St. Charles County Business Record, 2005). Also, The National Business Research Institute notes productivity suffers when managers don not keep promises give appropriate credit or blame others for their mistakes.

Kozak and Uca, (2008), were of the opinion that Management style is an important management tool because, if used properly, it can enhance positive relationships with workers, improve the organizational climate, and increase workers' productivity. In accordance Erkutlu, (2008), was of the view that managers' use of different management styles in the workplace is likely to have direct effects on workers' productivity. Transformational leadership as opposed to transactional leadership should result in higher workers' satisfaction, commitment, and productivity. Therefore, effective use of management style should increase the effectiveness of both managers and the organizations at large. Van Dierendonck et al. (2004) investigated management style and Its effects on both job-related affective well-being and context-free psychological well-being, suggesting that high-quality leadership (transformational as opposed to transactional) is associated with increased worker well-being.

3. Theoretical Framework

3.1. Contingency Theory

Fielder's version of contingency theory is been employed in examining the relationship style on workers' productivity.

Fielder's (1967) takes a different approach to leadership. It help explain why a manager may be an effective leader in one situation and ineffective in another; it also suggest what kinds of manager are likely to be most effective in which situation. This theory is of the view that people become leaders not only because of the attribute of their personalities but also because of various situational factors and the interactions between managers and workers. He proposes that leadership can be effective only when situation are changed to match a leader's style, which is believed to be fixed or static.

4. Methodology of the Study

4.1. Research Design

The research design for this study is a descriptive survey and questionnaire was used to elicit information from respondents. This is because the method was deemed appropriate, as the study collected information on the given phenomenon of management style and workers' productivity. Research design helps the researcher to obtain answers to research questions and test the relation among variables. It looks with accuracy at the phenomenon of the moment and prescribes precisely what the researcher sees, making careful record of what is observed so as to analyze the meaning of the information.

4.2. Sample Population and Sampling Method

The population distribution is shown in the table below.

S/N	Departments	Total Population	Sample Population
1	Factory	141	90
2	Fertility	52	15
3	Security	23	8
4	Account	4	2
	Total	220	115

Table 1: Nigeria Machine Tools, Osogbo, Osun State
Researcher's Survey, 2014

4.3. Research Instrument and Techniques of Data Analysis

Questionnaire was the major instrument used to collect data from the respondents in different departments. The analysis was done through frequency counts, percentage and the use of chi-square to measure the relationship between management style and workers' productivity.

5. Results and Discussion

5.1. Personal Information of the Respondents

This section represents the personal information of Management and Workers' in Nigeria Machine Tools, Osogbo.

Sex	Frequency	Percentage
Male	95	82.6
Female	20	17.4
Total	115	100
Age (in years)	Frequency	Percentage
Below 25	21	18.3
25 - 35	31	26.9
36 - 45	39	33.9
46 - 55	23	20
Above 55 years	1	0.9
Total	115	100
Marital Status	Frequency	Percentage
Single	30	26.1
Married	83	72.1
Separated	1	0.9
Divorced	0	0.0
Widow/Widower	1	0.9
Total	115	100
Educational Qualification	Frequency	Percentage
SSCE/WAEC/GCE	33	28.7
OND/NCE/HND	50	43.5
University Education	28	24.3
Others specify	4	3.5
Total	115	100

*Table 2: Distribution of Respondents' by Socio-Demographic Characteristics
Source: Field Survey, 2014*

From Table 2, 82.6% (95) of the respondents are males while 17.4% (20) are females. From the distribution, it can be infer that male dominated the organization making their opinion viewed compare to the female respondents. Meanwhile, 33.9% (39) of the respondents are between 36-45 years, followed by 26.9% (31) of the respondents are between 25-35 years, 20% (23) of the respondents are between 46-55 years, 18.3% (21) of the respondent are below 25years and 0.9% (1) of the respondent is above 55 years. It can be deduced that the active labour force are in the organization which can be as a result of the nature of the work involved in the organization. Also, the Table 2 indicates that 72.1% (83) of the respondents are married which can be seen from the earlier table due to their age, followed by 26.1% (30) of the respondents who are single. Moreover, 43.5% (50) of the respondents educational qualification fall within OND/NCE/HND indicating they are polythenic and college of education graduate, while 28.7%(33) of the respondents have the least educational qualification which is grade six, 24.3% (28) of the respondent have university education and 3.5% (4) of the respondents have other qualification not specify in the options given.

5.2. Management style and Workers' Productivity

This section deals with management style, workers' productivity, management attitude to workers, commitments, decision making process, workers' training and hours of work. It represents how management style can influence workers' productivity in Nigeria Machine Tools.

Relationship between Management and Workers	Frequency	Percentage
Very cordial	29	25.2
Cordial	70	60.9
Not cordial	10	8.7
Can't say	6	5.2
Total	115	100
Management Style	Frequency	Percentage
Autocratic	31	27.0
Democratic	69	60.0
Laissez-faire	15	13.0
Total	115	100
Involvement in Decision Making	Frequency	Percentage
Always	40	34.8
At times	32	27.8
Never	43	37.4
Total	115	100
Management Attitude to Workers Commitment	Frequency	Percentage
Positive	62	53.9
Negative	19	16.5
Average	34	29.6
Total	115	100
Any Training	Frequency	Percentage
Yes	66	57.4
No	49	42.6
Total	115	100
Hours of Work	Frequency	Percentage
Below 5 hours	4	3.5
5-8 hours	65	56.5
Above 8 hour	46	40.0
Total	115	100

Table 3: Distribution of Respondents on Management Style and Workers' Productivity
Source: Field Survey, 2014

The Table 3 indicates that 60.9% (70) of the respondents agreed that the relationship between management and workers are cordial, 25.2% (29) agreed to be very cordial, 8.7% (10) of the respondents are of the opinion that is not cordial. It can be infer that in this organization the relationship is cordial and can be said to be a democratic style. Meanwhile, the dominant management style in Nigeria Machine Tools, Osogbo is democratic management style 60.0% (69), followed by autocratic management style 27.0% (31) and least use management style is laissez-faire 13.0% (15). Also, Table 3 shows that 27.4% (43) respondents are not involved in decision making in the organization, while 34.8% (40) respondents are always involved in decision making and 27.8% (32) are involved in decision making at times. From the table workers' are less involved in decision making. While 53.9% (62) respondents view management attitude toward workers commitment to job to be positive followed by 29.6% (34) respondents and 16.5% (19) respondents viewing management attitude toward workers commitment to job to be average and negative respectively, therefore management attitude toward workers commitment to job is positive which can be a source of motivation for the workers' to be committed to the organization. Moreover, 4.18, 57.4% (66) respondents have had training since their time of employment which can help boost productivity and 42.6% (49) have not had any training since their time of employment in the organization. Inference can be made that workers' are trained after being employed in the organization. Finally, 4.28 validation can be made that 56.5% (65) of the respondents work between 5 to 8 hours a day, which is considered good for workers', 40.0% (46) of the respondents work above 8 hours a day, which can be improve productivity and 3.5% (4) of the respondents work below 5 hours which can be a factor that can reduce productivity. Deduction can be made that workers' work between 5 to 8 hours on an average.

Management Style	Workers' productivity				Total
	High	Moderate	Low	Can't say	
Autocratic	20	11	0	0	31
Democratic	12	51	6	0	69
Laissez-faire	2	4	6	3	15
Total	34	66	12	3	115

Table 4: Relationship between Management style and Workers' Productivity

$$X^2c=61.946 > X^2t(0.05) = 12.59, Df(6), n(115)$$

Null Hypothesis is rejected.

From table 4, the observed value ($X^2c = 61.946$) is greater than the critical value ($X^2t(0.05) = 12.59$) which make the null hypothesis rejected (H_0) and the alternative hypothesis accepted, this shows that there exist a relationship between management style and workers' productivity. The style adopted by management greatly influence workers, productivity when the style of leadership is unfavourable. Hence, Savery, (1994) found that management style related positively to workers' productivity yielding to increased output. In the same vain, Yousef, (2000) shows that leadership behaviour was positively related to job satisfactions which eventually lead to productivity and therefore managers needed to adopt appropriate leadership behaviour in order to improve productivity, contingency view Stoner et al, (2007) concluded that managers must identify which techniques will in particular circumstances and at a particular time best contribute to the attainment of organizational goals. The leadership style used by management greatly influence workers' productivity and attention is called upon managers to know the appropriate style to be used for the workers so as not to affect productivity them negatively, management need to be contingent in their leadership style due to different workers' in the organization.

	Workers' productivity					Total
	Incentives	High	Moderate	Low	Can't say	
Material gift	8	8	0	0	16	
Cash gift	9	5	0	0	14	
Verbal communication	4	14	0	0	18	
Recommendation for normal promotion	13	30	12	3	58	
Others please specify	0	9	0	0	9	
Total	34	66	12	3	115	

Table 5: Relationship between Incentives and Workers' Productivity

$$X^2c = 32.476 > X^2t(0.05) = 21.03, Df(12), n(115)$$

Null Hypothesis is rejected

From table 5, the observed value ($X^2c = 32.476$) is greater than the critical value ($X^2t(0.05) = 21.03$) which make the null hypothesis rejected (H_0) and the alternative hypothesis accepted. Therefore, there is a relationship between incentive and workers' productivity in the way management motivate its workers' to work through incentive not basic salary, it encourages the workers to put in their effort resulting to increased output. To assert this, Ude and Coker, (2012), said when a worker's performance is unsatisfactory, low motivation is often considered to be the problem that could affect that worker's level of productivity. To attest to this statement Lazear, (2000) reported a large increase of 44% in productivity in his case study of a firm that switched from fixed salaries to piece rates, attributing almost a third of this to selection effects as workers' put in their best. This affirms that incentives greatly motivates workers to put in their best.

6. Conclusion and Recommendations

As a result of the findings the following conclusion was made: firstly, the style of leadership determines if workers' would perform well during production. The style adopted by management has a great influence on workers. This can affect productivity in the organization. This study revealed that incentives can influence workers' productivity when they are not encourage properly through financial or non-financial incentives such as (i) recommendation for normal promotion when necessary (ii) poor verbal communication between manager and workers' (iii) never involved in decision making in the organization even in matters that concerns the workers (iv) productivity not fully utilized.

The study also revealed that workers involvement in decision making increases productivity, but from the findings workers are not always involved in decision making especially the junior workers who are at the factory section this was shown from the study organization. However, studies have shown that managers do not really know what productivity is, frequently discussed but rarely define, also unfavourable work environment do not facilitate workers' productivity, but in this study management style of leadership influences workers' productivity as workers do not partake on decision crucial to them.

In view of the above findings the following recommendations were made:

Management should employ appropriate leadership style. This is deemed appropriate for organizations. Management will be able to influence workers' productivity positively as situation demand in the organization. Democratic leadership style is advisable for organization with exceptions on rare situation that demand quick response to assignment. It enables workers' to participate in the organization. This style will increase productivity in the organization as workers' will share their views in the organization. Also the leadership style permits open relationship between supervisors and workers' in an organization.

Management should adopt an incentive program as a method to motivate workers in an organization. These incentives can be financial incentive - such as cash and material gift, - or non-financial incentive- through simple gratitude, promotion, verbal communication and recognition to improve workers' productivity. Management should promote workers regularly every 2-3 years. Management can use food as incentive to motivate workers. This should not be underestimated as a satisfied worker is a hard working worker. Workers will be much more excited to come to work if they know that there will be some food waiting for them. This can be achieved by stocking the welfare office with tea and coffee, bringing of cake or cupcakes on a worker's birthday.

Finally, Management should recognize workers who have truly done something outstanding. Management should take the time to inform the workers. Instead of telling workers that everyone is doing great, take time to reward the worker in term of extrinsic reward – such as additional pay, or intrinsic reward – through sending mail, recognition and issuing letter of recommendation. In the same vein, it should not be limited to a worker but further to groups of workers as a team. This can be achieved by management, recognizing the workers and rewarding them with small gifts. Also annual award night should be encouraged. Different awards such as worker of the year should be given to outstanding workers.

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