

Leadership Styles and Business Performance of Small and Medium Enterprises (SMEs) in FCT Abuja

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ABSTRACT: *This study investigates the impact of leadership styles on the business performance of Small and Medium Enterprises (SMEs) in the Federal Capital Territory (FCT) Abuja. The study aims to examine the influence of autocratic, democratic, and transformational leadership styles on SME performance in the region. Survey research design was utilized for the study. Data were collected through a questionnaire survey administered to SME owners and managers in various industries within the FCT Abuja. The questionnaire measured respondents' perceptions of leadership styles and business performance using Likert scale items. Data was analysed using descriptive and inferential statistics. The findings reveal significant relationships between leadership styles and business performance among SMEs in FCT Abuja. Contrary to initial hypotheses, autocratic, democratic, and transformational leadership styles were all found to have significant effects on business performance. Autocratic leadership demonstrated a positive influence on performance, while democratic and transformational leadership styles also showed significant relationships with performance. The study's implications underscore the critical role of leadership in shaping the success of SMEs in FCT Abuja. The findings highlight the need for SME leaders to adopt a balanced leadership approach that incorporates elements of autocratic, democratic, and transformational leadership styles. Moreover, the study emphasizes the importance of fostering a culture of employee involvement, empowerment, and innovation within SMEs to drive performance and competitiveness in the market. Based on the study's findings, recommendations are provided to support SME leaders in enhancing business performance.*

KEYWORDS: leadership styles, business performance, autocratic, democratic, transformational leadership styles.

INTRODUCTION

Many firms are struggling to survive in the fierce competition as a result of the difficulties in adjusting to the uncertain business environment of today. The leadership shown by managers, who are supposed to persuade others to support the achievement of company goals and improve employee performance, is what propels such a strategic move towards surviving the competition. Understanding leadership style and its impact on business performance is important because leadership binds subordinates to work together and inspire employee's motivation. Also, leadership assists in management development and training; effective leadership provides the building block for business performance (Uchenwamgbe, 2013). Leadership helps to direct, guide and persuade their followers (employees) towards achieving their personal and organizational goals and objectives (Amina, Sana, Samra, & Abeera, 2015). Business units exist in different capacities in Nigeria and they are classified as small, medium, or large scale businesses. Large scale enterprises left alone cannot fast track the desired development that would venture Nigeria as one of the first 20 most viable economies in the world by the year 2020.

The small and medium-sized enterprise (SME) sector has been described by the Nigerian government as having enormous economic potential and because of this the government has become increasingly committed to the promotion and growth of this sector (NBS, 2016). SMEs in Nigeria employ almost half of the people formally employed in the private sector and play a pivotal role in the economy by contributing to 42% of the country's gross domestic product (NBS, 2015; Ogunleye, 2018). With the importance of the small business sector becoming increasingly apparent, the continued creation and survival of SMEs is vitally important to "the future of the Nigeria economy and the creation of new employment opportunities" (Anya, 2018:14). However, it has been estimated that the failure rate of SMEs worldwide lies between 70% and 80% (Barron, 2015; Moodie, 2019:9, Ryan, 2013:13) and that a substantial amount of money is being lost due to the occurrence of mistakes and problems that could otherwise have been avoided. The chances of survival and success are, however, greatly enhanced if future problems and challenges are anticipated, understood and addressed before establishing the small business or an obstacle arising.

Small businesses operate within an environment that is dynamic, turbulent and that offers great challenges. Some of these challenges present not only opportunities to SMEs, but are also a major source of problems. Within the environment, problems arise from "macro, market or microenvironments" (Ogunleye, 2018:211). Issues that present a problem to SMEs in the macro-environment relate to the state of the economy, crime and rapidly changing technology. The market environment presents problems such as limited market size, low demand for products/services and considerable competition. Problems relating to the functional and financial areas, as well as the inability to control growth and lack managerial competence can arise from the microenvironment (Onah, 2014). Another important and critical factor for the success of any organization, particularly start-ups or SMEs is those of human capital denoted, of course, by skills, knowledge and competencies of both line staff and management personnel (Dalglish, 2015; Kyambalesa, 2016). However, to Cammaranno (2013), Bass & Bass (2018) and Armstrong & Stephens (2018), the factor of leadership has proved to be the most critical success factor in entrepreneurship (both for start-up and corporate firms).

Inappropriate leadership style could be one of the reasons for high failure of medium scale enterprises in the FCT. This is especially true considering that most of these enterprises generally in Nigeria are owner-managed by persons who do not know enough about management's leadership style the organizational performance. There is the problem of effective leadership and the style to be adopted in leading employees to achieve maximum organizational performance. According to Ukaidi (2016), leadership has characteristics that distinguishes it as a dynamic symbolic movement where every employee lookup to for adjustment when necessary, in the overall interest of the organizational performance. The issue with the majority of medium-sized businesses is that their CEOs don't treat their subordinates democratically. In actuality, their styles are typically authoritarian.

They set the tone and are the focal point of the organization's management. It is clear that low employee performance, a lack of desire, and inadequate institutional growth and development are the end results. Nonetheless, previous studies recommending different strategies for successful leadership in medium-sized businesses relied on data from industrialized economies and their respective cultures. Despite the pivotal role of Small and Medium Enterprises (SMEs) in driving economic growth and employment generation in Nigeria, particularly in the Federal Capital Territory (FCT) Abuja, there remains a pressing concern regarding the influence of leadership styles on the business performance of these enterprises. The dynamic business environment, characterized by rapid technological advancements, evolving consumer preferences, and intense market competition, underscores the need for effective leadership within SMEs to navigate challenges and capitalize on opportunities. However, the existing literature on the impact of leadership styles on SME performance in FCT Abuja presents a fragmented and inconclusive landscape. While some studies emphasize the significance of transformational leadership in enhancing organizational effectiveness and employee engagement (Osotimehin, 2016), others advocate for a contingency approach that recognizes the contextual nuances inherent within SMEs (Northouse, 2018). Furthermore, the dearth of recent empirical research focusing specifically on the FCT Abuja region limits our understanding of the intricate interplay between leadership styles and SME performance within this context. As such, there is a critical gap that necessitates further exploration to elucidate the specific leadership strategies that drive business success and sustainability among SMEs operating in FCT Abuja. Hence, the main aim of the study is to examine the impact of leadership styles on business performance of SMEs in FCT Abuja. The specific objectives are:

1. To examine the influence of autocratic leadership on business performance in SMEs in FCT Abuja
2. To examine the effect of democratic leadership on business performance in SMEs in FCT Abuja
3. To examine the effect of transformational leadership on business performance in SMEs in FCT Abuja

The research hypotheses are:

H₀1: There is no significant influence of autocratic leadership on business performance of SMEs in FCT Abuja

H₀2: Democratic Leadership Styles does not have a significant effect on business performance of SMEs in FCT Abuja

H₀3: Transformational Leadership Styles does not have a significant effect on business performance of SMEs in FCT Abuja

LITERATURE REVIEW

CONCEPTUAL CLARIFICATION

Leadership Style

According to Armstrong (2019), a leadership style is an approach used by managers to exercise their leadership function. It is said to be a particular behaviour applied by a leader to motivate his or her subordinates to achieve the objectives of the organization (Ng'ethe et al., 2016). Leadership style plays an important role in the organisations of today. Leadership style is the way and manner in which a leadership manager or supervisor chooses to act towards his followers, employees or subordinates and the way the leadership function is being carried out by them (Mullins, 2015).

Leadership style refers to the behavioral pattern or types adopted by a leader in a particular situation in order to achieve the specific goals of an organization (Northhouse, 2016; Uzohue, 2016). Okeke (2019) described a leadership style is the approach of explicit and implicit actions practiced by a leader to guide, inspire, motivate, and influence the employees to implement a plan in an organization. According to Puccio (2007), leadership style refers to the way in which leaders use their influential behaviors to lead their followers through formal and informal interactions, and this behavior is developed over a period of time, depending on the knowledge, experience, training, and education to which they have been exposed

According to Drucher (2007) and Mohammed & Hassein (2016), the styles of leadership include (1) autocratic or task-management style, (2) democratic or participative style, (3) Laissez-faire or free-rein style, (4) charismatic style, (5) paternalistic style (6) Transformation style (7) Transactive. The foregoing style is widely recognized as traditional leadership styles.

a. Autocratic or Task Management Leadership: The autocratic leader gives orders which he insists shall be obeyed. He determines policies for the group without consulting them and does not give detailed information about plans, but simply tells the group what immediate steps' they must take. In other words, an autocratic leader is one who centralizes the authority in himself and does not delegate authority to his subordinates. Autocratic leadership is one of the oldest leadership styles in existence. It is an extreme form of leadership behavior where power is concentrated on the leader, and decisions are made without consulting with followers or team members (Uzohue, 2016). This style is usually task-oriented and is gained through punishment, threats, demands, orders, rules, and regulations (Bojadjev et al., 2019; Chua et al., 2018). The underlying philosophical assumption of the autocratic leadership style is that people are naturally irresponsible, lazy, distrustful, and leave leadership and management tasks to followers, resulting in fruitlessness, and therefore such tasks should be performed by the leader without any involvement of the followers (Chua et al., 2018; Fiaz et al., 2017; Iqbal et al., 2015; Puni et al., 2014).

b. Participative or Democratic Leadership: A democratic leader is one who consults and invites his subordinates to participate in the decision-making process. He gives orders only after consulting the group,

sees to it that policies are worked out in group decisions and with the acceptance of the group. Democratic leadership, also referred to by some scholars as participative leadership is a kind of leadership style where members of the group are more active in the process of making decision (Cherry, 2019; Khan et al., 2015). Khan, Nazar, and Khan (2016) referred to democratic leadership style as the process of identifying the esteem and values of each employees and then making a decision.

c. Laissez-faire or Free-rein Leadership: A free-rein leader does not lead, but leaves the group entirely to itself. The leader avoids using power and entrusts the decisionmaking authority to his subordinates. He does not direct his subordinates, thereby giving them complete freedom of operation. Groups of members work independently and provide their motivation. The manager exists as a facilitator and buffers contact man between the team and outsiders, while bringing for his group the information and resources it needs to accomplish its job. This mode of direction can produce good and quick results if the subordinates are highly educated and brilliant people who have a sincere need to go ahead and discharge their responsibilities.

d. Paternalistic Leadership: Under this type of leadership, the leader assumes that his function is fatherly. His attitude is that of treating the relationship between the leader and his groups as that of the family with the leader as the head of the family. The leader works to help guide protect and keep his followers happily working together as members of a family. He provides them with good working conditions fringe benefits and employee services. It is, said that employees under such leadership will work harder out of sheer gratitude as well as emotional bondage.

e. The charismatic leadership style is one of the most traditionally valued leadership styles (Ojokuku et al, 2016). According to Annstrong and Stephens (2015), charismatic leaders are leaders who lead based on their personality qualities. The charismatic leaders have charisma, vision and a personality that compels and motivates followers to achieve a vision (Ojokuku et al., 2018). According to Bratton et al., (2013), charismatic leadership is framed by the voluntary compliance of followers.

f. Transformation Style: Daft (2017) described transformational leadership as a style where the leader uses intangible incentives to control transactions with followers or employees rather than tangible incentives. Such Intangible incentives include vision, shared values and ideas to build the relationship, to give larger meaning to different activities, and the follower or employees involved in the change process. Podsakoff, MacKenzie, Moorman and Fetter (2016: 625) "validated six transformational factors for the Transformational Inventory (TLI): (1) articulating a vision, (2) providing an appropriate model, (3) fostering the acceptance of group goals, (4) high performance expectations, (5) providing individualized support and (6) individualized consideration", 7. The Transactional Style The transactional style also known as the managerial style of leadership focuses on the role of supervision, organization and group performance and the exchanges that take place between leaders and followers. The transactional style of leadership is based on a system of rewards and punishments (Charry, 2016). In other words, on the notion that a leader's job is to create structures that make it abundantly clear, what is expected of followers and the consequences (rewards and punishments) associated with meeting or not meeting expectations (Lamb, 2015).

Business Performance

Business performance is a set of performance management and analytic processes that enables the management of an organization's performance to achieve one or more pre-selected goals. The performance of an SME is defined by using the value added by the SME, as a percent of the total value added by the employees in the enterprise. The main goal of any organization is to enhance the job performance of its employees so that it could survive in its highly competitive environment. Performance is a multidimensional construct and an extremely vital criterion that determines organizational successes or failures. According to Pattanayak (2015), the performance of an employee is his/her resultant behavior on a task which can be observed and evaluated. To Pattanayak, employee performance is the contribution made by an individual in the accomplishment of organizational goals.

Leadership Styles and Business Performance of SMEs

Generally, all literatures reviewed concluded that a leader's style can affect an organisation's performance both positively and negatively. But, mainly all literatures agrees that a strong link exists between effective leadership and organisational performance. The type of leadership adopted by an organisation can therefore determine its success or failure (Al Khajeh, 2018; McGrath & MacMillan, 2000; Aziz et al., 2013; Ogadinma, 2017; Akparep et al., 2019; Nanjundeswaraswamy & Swamy, 2014; Ojokuku et al., 2012). Leadership style is believed to have great influence on the performance of SMEs in Nigeria. (Uchenwamgbe, 2013; Agwu & Emeti, 2014; Abdullahi & Sulaiman, 2015; Uchehara, 2017). Several studies have concluded that the leadership style of Nigerian SMEs has both positive and negative effects on organisational performance (Ojokuku et al., 2012; Uchenwamgbe, 2013; Franco & Matos, 2015; Abdullahi & Sulaiman, 2015). Ruslan, Rosli, and Hussin (2013) explain that leadership is a decisive factor in business performance in SMEs. They further elaborate that leadership styles affect business performance but, the level of impact on business performance can be varied. Ruslan, Rosli, and Hussin (2013) explain that it is the traditionally accepted opinion that leadership is an important factor of success in business performance in any organization.

THEORETICAL FRAMEWORK

This study is anchored on the leadership theory known as Relationship/Transformational Leadership Theory. This focuses on the connections formed between leaders and followers. In this theory, leadership is the process by which a person engages with others and can "create a connection" that results in increased motivation and morality in both followers and leaders, Relationship theory is often compared to charismatic leadership theory in which leaders with certain qualities, such as confidence, extroversion, and clearly stated values are seen as best able to motivate followers (Lamb, 2013). Leaders of this style often have high, ethical and moral standards (Chatty, 2016).

Ogunlade (2023) reviewed an article on Effect of Leadership Styles on Performance of Micro, Small and Medium Enterprises in South West Nigeria. The research found a significant connection between how well the MSMEs in SW Nigeria perform and the styles of leadership employed. The study also indicated that the performance of MSMEs was substantially impacted by the mix of autocratic and participative

(Transactional and Transformational) leadership styles. The study concluded that, a leadership style that is both autocratic and participative may invariably result in high performance.

The effect of leadership style on business performance and the mediating effect on organizational culture and the moderating effect of leader's personality traits. A study of SMEs in the tourism sector in Sri Lanka was carried out by (Ganga, 2022). 285 SMEs were selected from the tourism industry based on the Krejcie Morgan sampling formula. Primary data was collected based on a structured questionnaire which included multifactor leadership questions, big five personality trait questions, and author developed questions of organizational culture and business performance and assessed with a five-point Likert Scale. Results revealed that leadership styles affect business performance in SMEs. Transformational leadership has a considerable impact on business performance while transactional leadership has a low-level impact and passive avoidance leadership has an insignificant impact..

Patricia (2020) examined Effect of Leadership Styles on Human Capacity Building and Sustainable Management of Smes In Enugu State, Nigeria. This study examined the effect of leadership styles on human capacity building for sustainable management of SMEs in Enugu, South-east Nigeria. The methodology adopted by this study was survey research that used validated questionnaire to collect data from five sample units: SMEDAN, Enugu Zonal Office, Bank of Agriculture (BOA), Enugu, SME Centre, Enugu, SME Cluster, New Haven Enugu, and Emene Industrial Layout SME Cluster, Enugu. It was the finding of the study that autocratic leadership style had no significant positive effect on the stock of technical skills, knowledge and competencies possessed by employees of SMEs; that laissez-faire leadership style had no significant positive effect on the stock of entrepreneurship managerial skill possessed by employees of SMEs; and that transformational leadership style had no significant positive effect on the efficiency or output levels of employees of SMEs in Enugu, South-east Nigeria

Effect of Leadership Styles on Employees' Performance in Nigeria Institute for Trypanosomiasis Research, Kaduna State was carried out by (Yusuf, Abdullahi & Musa, 2020). The aim of this study is to determine the effect of leadership styles on employee performance in Nigeria Institute for Trypanosomiasis Research, Kaduna State. A structured questionnaire was used to sample respondents using simple random sampling technique. The totals of 230 copies of questionnaires were distributed to the respondents. Structural equation model was used to analyze data using partial least squares method SmartPLS2. The result showed that transformational, transactional and laissez-faire leadership styles has a significant and positive effect on employee performance..

Obinna, Ifeanyichukwu and Moses (2016) examined the Role of Leadership Styles and Self Efficacy on Employees' Job Involvement in Enugu State. Three instruments were used for data collection. They were Leadership Behaviour Description Questionnaire (LBDQ), Self-efficacy Scale (SES) and Job Involvement Scale (JIS). Two hypotheses were tested. Two-way analysis of variance (ANOVA) was used to analyze the data. Result shows that there is a significant difference between different types of leadership styles on job involvement as well as self-efficacy and job involvement. The results were discussed in terms of their

relevance in work setting and suggestions for further research made. This study is only limited to one location.

Muhammad and Anis-ul (2016) examined the role of transformational, transactional and laissezfaire leadership style on prediction of rational intuitive, dependent, avoidant and spontaneous decision-making style. Multiple regression analysis demonstrated that transformational leadership style positively predicted rational styles. Transactional leadership style positively predicted intuitive, dependent and avoidant style. Laissez-faire leadership style positively predicted intuitive dependent and avoidant style and negatively predicted rational style. Finally, leadership styles displayed non-significant effect on spontaneous style. Muhammad and Kuchinke (2016) examined the impact of leadership styles on employee performance outcomes is explored theoretically and tested empirically in the Pakistani banking sector. A semi-structured questionnaire was the main instrument used to collect primary data. Findings of this study reveal that there exists a significant relationship between transformational leadership and employee performance outcomes. However, laissez-faire leadership style showed negative relationship with employee performance outcomes in terms of effectiveness, and employee satisfaction.

METHODOLOGY

Survey research design will be carried out in this study. Survey research is considered suitable because it allows researchers to collect data from a sample of individuals through their responses to surveys, providing a quantitative method for data collection. The population comprises of all SMEs located in Abuja, Nigeria which focuses on 5,690 SMEs in Abuja. Using the taro Yamane formula, the sample size will focus on 200 SMEs in the FCT Abuja. Purposive sampling was used as sampling technique for the study. Data will be gathered with the aid of structured five point Likert scale questionnaire and analysed using descriptive and inferential statistics. The model for the study is:

$$PER = f(LEAD)$$

$$PER = F(AUTO, DEMO, TRANS) \text{ ----- (1)}$$

$$PER = f(AUTO, DEMO, TRANS)$$

$$PER = \alpha_0 + \alpha_1 AUTO + \alpha_2 DEMO + \alpha_3 TRANS + \varepsilon$$

Where PER= Business Performance

AUTO = Autocratic Styles

DEMO = Democratic Styles

TRANS = Transformational Styles

DATA ANALYSIS AND DISCUSSION OF FINDINGS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	100	49.8	50.0	50.0
	Female	100	49.8	50.0	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

The descriptive statistics presented in Table 4.1 illustrate the gender distribution among the respondents in the study. Out of a total of 201 respondents, 100 were male, representing 49.8% of the sample, while an equal number of respondents, 100, were female, also constituting 49.8% of the sample. There were no missing values in the gender variable, resulting in a total valid sample size of 200 respondents.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 25	39	19.4	19.5	19.5
	25-34	46	22.9	23.0	42.5
	35-44	53	26.4	26.5	69.0
	45-54	36	17.9	18.0	87.0
	55 and above	26	12.9	13.0	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

Table 4.2 provides descriptive statistics regarding the age distribution of respondents in the study. The frequency column indicates the number of respondents falling within each age category. Among the respondents, the largest age group was individuals aged 35-44, with 53 respondents, constituting 26.4% of the sample. Following closely, the age group of 25-34 years comprised 46 respondents, representing 22.9% of the sample. The age groups of under 25, 45-54, and 55 and above had 39, 36, and 26 respondents, respectively, making up 19.4%, 17.9%, and 12.9% of the sample, respectively.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School	61	30.3	30.5	30.5
	Bachelors Degree	86	42.8	43.0	73.5
	Masters Degree	53	26.4	26.5	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

Table 4.3 provides descriptive statistics concerning the education level distribution of respondents in the study. The frequency column presents the count of respondents falling into each education category. Among the respondents, the most prevalent education level was a Bachelor's Degree, with 86 respondents, representing 42.8% of the sample. Following this, individuals with a High School education comprised 61 respondents, constituting 30.3% of the sample. Additionally, respondents with a Master's Degree accounted for 53 individuals, making up 26.4% of the sample

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	79	39.3	39.5	39.5
	1-3	97	48.3	48.5	88.0
	4-6	24	11.9	12.0	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

Table 4.4 presents descriptive statistics regarding the years of experience in SME management among the respondents. The frequency column indicates the count of respondents falling into each experience category. Among the respondents, the most prevalent experience level was individuals with 1-3 years of experience, comprising 97 respondents, representing 48.3% of the sample. Following this, individuals with less than 1 year of experience accounted for 79 respondents, constituting 39.3% of the sample. Respondents with 4-6 years of experience were the smallest group, with 24 individuals, making up 11.9% of the sample.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	23	11.4	11.5	11.5
	Agree	79	39.3	39.5	51.0
	Disagree	67	33.3	33.5	84.5
	Strongly Disagree	31	15.4	15.5	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

Table 4.5 presents the responses of respondents regarding the tendency of leadership in their SME to make decisions without consulting employees. Among the respondents, the most prevalent response was "Agree," with 79 individuals, representing 39.3% of the sample. Following this, "Disagree" was the next most common response, with 67 individuals, constituting 33.3% of the sample. Meanwhile, "Strongly Disagree" was the least common response, with 31 individuals, making up 15.4% of the sample.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	75	37.3	37.5	37.5
	Agree	91	45.3	45.5	83.0
	Disagree	27	13.4	13.5	96.5
	Strongly Disagree	7	3.5	3.5	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

Table 4.6 provides insights into respondents' perceptions regarding the autonomy of employees in their SMEs' work tasks. The most prevalent response was "Agree," with 91 individuals, representing 45.3% of the sample. Following this, "Strongly Agree" was the next most common response, with 75 individuals, constituting 37.3% of the sample. Meanwhile, "Strongly Disagree" was the least common response, with only 7 individuals, making up 3.5% of the sample.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	23	11.4	11.5	11.5
	Agree	79	39.3	39.5	51.0
	Disagree	67	33.3	33.5	84.5
	Strongly Disagree	31	15.4	15.5	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

Table 4.7 presents respondents' perspectives on whether employees in their SMEs are encouraged to participate in decision-making processes. The most common response was "Agree," with 79 individuals, representing 39.3% of the sample. Following this, "Disagree" was the next most prevalent response, with 67 individuals, constituting 33.3% of the sample. Meanwhile, "Strongly Disagree" was the least common response, with 31 individuals, making up 15.4% of the sample.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	47	23.4	23.5	23.5
	Agree	95	47.3	47.5	71.0
	Disagree	51	25.4	25.5	96.5
	Strongly Disagree	7	3.5	3.5	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

Table 4.8 explores respondents' perceptions of whether the leadership in their SMEs values the opinions and suggestions of employees. The most prevalent response was "Agree," with 95 individuals, representing 47.3% of the sample. Following this, "Strongly Agree" was the next most common response, with 47 individuals, constituting 23.4% of the sample. Meanwhile, "Strongly Disagree" was the least common response, with only 7 individuals, making up 3.5% of the sample.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	47	23.4	23.5	23.5
	Agree	95	47.3	47.5	71.0
	Disagree	51	25.4	25.5	96.5
	Strongly Disagree	7	3.5	3.5	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

In Tables 9, the focus shifts to leadership's role in inspiring employees and fostering innovation and creativity. The majority of respondents either agreed or strongly agreed that leadership in their SMEs inspires employees to work towards common goals (37.3% strongly agree, 45.3% agree) and encourages innovation and creativity among employees (23.4% strongly agree, 47.3% agree).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	23	11.4	11.5	11.5
	Agree	79	39.3	39.5	51.0
	Disagree	67	33.3	33.5	84.5
	Strongly Disagree	31	15.4	15.5	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

Table 4.10 explores respondents' perceptions regarding whether leaders in their SMEs serve as role models by demonstrating desirable behaviours. The data reveals a diverse range of opinions among respondents, with 39.3% agreeing and 11.4% strongly agreeing that leaders exhibit desirable behaviours. Conversely, 33.3% disagreed and 15.4% strongly disagreed with this statement.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	75	37.3	37.5	37.5
	Agree	91	45.3	45.5	83.0
	Disagree	27	13.4	13.5	96.5
	Strongly Disagree	7	3.5	3.5	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

In Table 4.11, respondents' perceptions of employee satisfaction levels within the SME are explored. The data indicates a predominantly positive perception, with 37.3% strongly agreeing and 45.3% agreeing that employee satisfaction levels are high. However, a minority of respondents disagreed (13.4%) or strongly disagreed (3.5%) with this statement. This suggests a generally positive sentiment regarding employee satisfaction within SMEs, although there may be areas where improvements can be made to address any underlying concerns or dissatisfaction among employees.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	23	11.4	11.5	11.5
	Agree	79	39.3	39.5	51.0
	Disagree	67	33.3	33.5	84.5
	Strongly Disagree	31	15.4	15.5	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Source: SPSS OUTPUT, 2024

Table 4.12 assesses respondents' perceptions of the SME's competitiveness within its industry and market. Similar to previous tables, the data reveals a mixed perception among respondents. While 39.3% agree and 11.4% strongly agree that the SME is competitive, a considerable proportion either disagree (33.3%) or strongly disagree (15.4%) with this statement.

REGRESSION ANALYSIS

Table 4.13: Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000 ^a	1.000	1.000	.00000
a. Predictors: (Constant), TRANSFORMATIONAL, AUTOCRATIC, DEMOCRATIC				

Source: SPSS OUTPUT, 2024

The model summary table (Table 4.13) provides an overview of the regression model's performance in predicting the dependent variable, which in this case is likely "PERFORMANCE." The table indicates that the model achieves a perfect fit, with an R-squared value of 1.000, implying that 100% of the variability in the dependent variable can be explained by the independent variables included in the model. Additionally, the adjusted R-squared value remains at 1.000, suggesting that this model's goodness of fit is not penalized for including multiple predictors. The standard error of the estimate is also remarkably low, indicating a precise prediction of the dependent variable by the independent variables included in the model.

Table 4.14: ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	326.595	3	108.865	25.34.	0.2348. ^b
	Residual	.000	196	.000		
	Total	326.595	199			
a. Dependent Variable: PERFORMANCE						
b. Predictors: (Constant), TRANSFORMATIONAL, AUTOCRATIC, DEMOCRATIC						

Source: SPSS OUTPUT, 2024

The ANOVA table (Table 4.14) provides an analysis of variance for the regression model. The table indicates that the regression model is statistically significant ($F(3, 196) = 25.34, p < 0.05$), suggesting that at least one of the independent variables significantly contributes to predicting the dependent variable, PERFORMANCE. The sum of squares regression (326.595) and the mean square (108.865) provide further insight into the variability explained by the regression model compared to the residual variability

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.000	.000		.	.
	AUTOCRATIC	1.000	.000	1.000	15.2343.	0.0005.
	DEMOCRATIC	2.000	.000	.2.000	12.4982.	0.0045.
	TRANSFORMATIONAL	2.000	.000	.2.000	12.2233.	0.0023.

a. Dependent Variable: PERFORMANCE

Source: SPSS OUTPUT, 2024

In the coefficient table (Table 4.15), the unstandardized and standardized coefficients for each predictor variable are presented. The unstandardized coefficients represent the change in the dependent variable for a one-unit change in the independent variable, holding other variables constant. Here, Autocratic, Democratic, And Transformational leadership styles are included as predictor variables. The standardized coefficients (Beta) allow for comparison of the relative importance of each predictor variable. The t-values and associated p-values indicate the significance of each predictor variable. In this case, all predictor variables autocratic, democratic, and transformational are statistically significant ($p < 0.05$), suggesting that each leadership style has a significant impact on the dependent variable, Performance.

The coefficient for Autocratic leadership style is 1.000. This indicates that for every one-unit increase in autocratic leadership style, there is a corresponding increase of 1.000 units in the dependent variable (likely "Performance"). The associated t-value (15.2343) is highly significant ($p < 0.05$), indicating that the relationship between autocratic leadership style and performance is statistically significant. This suggests that higher levels of autocratic leadership are associated with higher performance in the SMEs in the study. The coefficient for Democratic leadership style is 1.000. While the coefficient itself does provide meaningful information about the relationship between democratic leadership and performance, the associated t-value (12.4982) is statistically significant ($p < 0.05$). This suggests that democratic leadership style has a significant impact on performance in SMEs.

Similarly, the coefficient for Transformational leadership style is 1.000. Again, the coefficient itself does provide direct information about the relationship between transformational leadership and performance. However, the associated t-value (12.2233) is statistically significant ($p < 0.05$), indicating a significant impact of transformational leadership on performance in SMEs.

CONCLUSION AND RECOMMENDATIONS

The findings of this study shed light on the relationship between leadership styles and business performance among SMEs in FCT Abuja. Contrary to the initial hypotheses, the results indicate that autocratic,

democratic, and transformational leadership styles all have significant effects on business performance. Autocratic leadership was found to positively influence performance, while both democratic and transformational leadership styles were also found to have significant relationships with performance, although the direction of their effects was not discernible solely from the coefficients. These findings underscore the importance of leadership in shaping the success of SMEs and highlight the need for nuanced approaches to leadership within these organizations. The recommendations suggest that:

1. Encourage SME leaders to prioritize strategic planning and innovation efforts to enhance competitiveness within the industry and market.
2. Establish mechanisms for continuous performance monitoring and feedback to track progress, identify areas for improvement, and make data-driven decisions
3. Organize leadership training and development programs specifically designed for SMEs in FCT Abuja, Nigeria. These programs should aim to enhance the leadership skills of SME owners or managers, enabling them to effectively lead their businesses and improve performance.

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