

RESEARCH ARTICLE

LEADERSHIP AND EMPLOYEE PERFORMANCE: THE DUNNING-KRUGER EFFECT.

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Abstract

Leadership connotes influence; because the decisions made by leaders that influences others. This study looks at how leadership-decision making affects employee performance. This theoretical paper is anchored on the Dunning-Kruger effect and theory X and Y which explains the interaction between leadership (independent variable) and employee performance (dependent variable). The study is an exploratory study and did an extensive review of literature. The comparison of literatures showed that leadership has a significant effect on employee performance and therefore suggests that organisational leaders and managers should adopt effective leadership styles that will lead to unbiased decision-making, improved employee performance and organisational efficiency and effectiveness.

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Introduction:-

The importance of leadership all over the world cannot be overemphasized. It has been a determining factor in the success or failure of any group, organization or nation globally. In the World War II, it was the strong leadership of Winston Churchill the prime minister of Britain that drove the allied forces to victory over Nazi Germany and therefore proved that leadership style is an important factor in the attaining of set goals and objectives (Thamrin, 2016). Companies like General Electric and Chrysler have had their fortunes transformed from being on the brink of liquidation to becoming two of the world's most profitable organisations through the leadership styles adopted by their CEOs namely Jack Welch and Lee Iacocca respectively (Robbins & Coulter, 2007). Furthermore, in Nigeria, leadership styles have proven to be an important of debate among organizations both in the public and private sector of the economy. Many have opined that Nigeria has not progressed as a country due to the failure of the leadership at the hem of affairs since independence (Olayiwola, 2014; Igbokwe, 2015). Many have suggested corruption and negligence as traits of most Nigerian leaders that have seen the country move backwards rather than forward (Ilesanmi, 2008). This has also trickled down to the parastatals in the public sector and has left many public service companies redundant. Further, the treatment of employees in the public sector has led many to questions if the leadership style being adopted in the public sector is effective.

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Employees are the bed rock of any organization and the success or failure of an organization is largely dependent on the employees. This is so because without the foundation of high quality human resources, an organization wouldn't be able to run optimally (Thamrin, 2012). According to Ulrich and Lake (2010), the importance of human resources existence in an organization is not primarily related to its tactical role in deciding the dynamic of the organization, it is also an asset for the organization. Furthermore, an organization needs it employees to perform at

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their maximum capacity with utmost commitment. Therefore, the way in which the employees are handled, treated and led is a vital in producing attainment of set organization goals.

The leadership style adopted by a business organization is a key factor that plays a significant role in enhancing or regressing the interest and commitment of employees in the organization. Therefore, Glantz (2002) emphasized the necessity for managers to find their leadership style as the leadership style is a significant determinant of organizational performance.

Furthermore, there have been studies that have focused on the effect of Leadership style on employee performance and produced varying degree of results. Nanjundeswaraswamy and Swamy (2014) studied the impact of leadership styles on employee performance. The study proved that style of leadership has a significant positive impact on the style of performance. Furthermore, Dola showed in her work that the leadership style adopted in the public sector was important in shaping their organizational efficiency. In accordance, Ali, Abdul & Hussein (2015) showed that leadership styles adopted had a significant relationship with the performance of companies in the telecommunications sector. This shows majority of the studies concur that the leadership styles adopted by an organization is significant in determining both the employees' performance and the organizational performance. However, most of the studies have not concentrated on leadership and employees' performance in the psychological aspect. Therefore, this study will aim to fill this gap by anchoring it on the Dunning-kruger effect and X and Y theory of managing people.

The overestimation of individual abilities or skills seems to be part of the reality of human beings (Bunay, Siguenza & Flores 2018), though assessment of self-perceptions has been one of the popular methods of evaluating information literacy skills (Mahmood, 2016). Decision making is a cognitive process of selecting a course of action or belief among multiple alternative choices. However, pressures of time, circumstance can create a situation where an ostensibly illogical choice overtakes rational decision making (Siems, 2016). These illogical choices can translate into regular routines that will reflect a leader's day to day position. Open communication is key to the flow of information, which in turn addresses the crux of the Dunning-Kruger Effect: Those with correct information are hesitant to speak up, and those with short sighted or incorrect information are outspoken (Sharp, 2015). Being outspoken doesn't always translate to the Dunning-Kruger effect; however, a leader who is short sighted and out spoken can influence an employee's performance.

Why are some leaders typically so convinced that they are more capable than they are? When recent literature has grown to explain errors in self-assessment (Ehrlinger, Johnson, Banner, Dunning & Kruger, 2008). Unskilled individuals tend to overestimate their abilities while the most knowledgeable or skilled individuals often underestimate their abilities (Pavel, Robertson & Harrison, 2012). A Leader-follower relationship usually suggests a master-student relationship were the leader knows it and the follower wants to learn. If this assertion is anything to go by, then it can explain why some followers even though knowledgeable, often underestimate their ability just to maintain the Leader-follower relationship. This may also explain why some Leaders with cognitive bias continue to ignore their followers' ideas, suggestions and perceptions to pursue a non-effective agenda.

Some may argue that the leadership style affects a leaders approach to issues. Example, an autocratic leader may approach a situation differently from a democratic or laisse-faire leader. A democratic leader is often known to be willing to listen to followers before making a decision. Nevertheless, leadership is more about influence than the style even though the style may not be ruled out entirely. Therefore, to understand the Dunning-Kruger effect on leadership as it influences employee performance, we have to understand leadership.

Theoretical Foundations

This study is anchored on the Dunning-kruger effect and the X and Y theory to explain the interaction between leadership and performance. However it considers major theories of leadership as seen below:

Great man theory

This theory focuses on great leaders by elucidating that leaders are born and not made, which portrays leaders as heroic and destined to rise to leadership heights when they are needed (Ololube, Dudafa, Uriah & Amaele, 2013). Leadership under this theory was thought of primarily as a male quality and this was rampant in the military leadership. The great man theory was propounded by Thomas Carlyle in 1840 who commented that the world history is but the biography of great men in his book "On heroes, hero-worship and the heroic in history" where he

explains that the key role in history lies in the actions of the "Great Man". The theory stated that leaders possess leadership characteristics borne out of social, political or economic circumstances. Scholars believed that the theory is childish, primitive and holds no scientific position and that the society has great influence in shaping a great man. The theory was also opposed that great men being born are imaginary.

Trait theory

In reviewing the extant qualitative literatures, taking drastic different view of the driving forces behind leadership, the scholars found out that some traits were common. Their findings opined that people who are leaders in a particular situation may not be able to be leaders in a completely different situation. New methods were developed after some series of reviews that re-establish trait theory as a viable approach to the study of leadership (Cano and Librado, 2010; Lussier and Achua, 2010). Also around 1980 statistic advances allowed researchers to conduct meta-analyses which enable researchers to quantitatively analyze and opined their findings which allows traits theories to create a comprehensive picture of early research findings rather than qualitative researches been carried out. With the advent of this new methods they were able to state that there is a significant relationship that exist between leadership emergence and such individual traits such as intelligence, extraversion, conscientiousness, openness to experience Chin (2015).

Scholars have opined that the theory fails to change from situation to situation when it comes to the intelligence, assertiveness or physical attractiveness of the leader. Scholars pin pointed that each main traits can be applied in different organizational circumstances or situation. For example people with determination and drive most times tend to wholeheartedly go after their goals and objectives and people with cognitive capacity like intelligence, analytical and verbal ability, behavioral flexibility and good judgment often tends to easily find solutions in times of bottlenecks and self-confident people have the trait of high self-esteem, emotional stability and self-assurance.

Competency perspective/theory

The seven competencies of effective leaders are emotional intelligence, integrity, drive, leadership motivation, selfconfidence, intelligence and knowledge of the business. Although the competency perspective is gaining popularity (again), it assumes that all leaders have the same personal characteristics and that all of these qualities are equally important in all situations. This is probably a false assumption; leadership is far too complex to have a universal list of traits that apply to every condition. Some competencies might not be important all the time.

Servant Leadership theory

The notion of "Servant Leadership" emphasizes the leaders' duty to serve his/her followers - leadership thus arises out of a desire to serve rather than a desire to lead. Robert Greenleaf, founder of the Center for Servant Leadership describes it as follows:

"The servant-leader is servant first. It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. He or she is sharply different from the person who is leader first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions. For such it will be a later choice to serve – after leadership is established. The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature".

Transformational leadership theory

This theory encourages leaders and followers setting aside personal interest for benefit of the whole group. Under this theory, it is expected that a leader pays attention to the needs of his or her followers, by motivating and inspiring them to achieve the organizational goals in an extraordinary manner. The theory is anchored on making positive change and taking care of followers' interest or group as a whole. It is a theory that fosters morale and improved performance of followers by connecting the followers' sense of identity to the collective identity of the organization, being a role model, understanding the strength and weaknesses of followers and challenging them to take greater ownership of their work.

Diaz-Saenz (2011) and Charry (2012) supported this theory by stating that leaders of this style often have high ethical and moral standards and positively influences followers and organizational performance. Scholars' critiqued the theory of transformational leadership by stating the weakness of the theory. According to Yukl (1999) who stated the vagueness underlying in influence and processes, the theory fails to capture the interacting variables between transformational leadership and positive work outcome and also clearly stating the basis for differentiating

among the behaviours. There is no précised examination of what a leader will say or do that will influence the cognitive process or behaviour of their workers or followers.

According to Rickie (2009), transformational theories emanated from the divine purpose of Jesus Christ which is to transform and make those who He transforms to transform the world by becoming fishers of men to God's kingdom. Also by living an exemplary lifestyle in righteousness. The life of Jesus to the world until his crucifixion was to transform the world out of sin, hatred to God's love. The author stated that the disciples dedicatedly followed Jesus Christ because they believe He is the Lamb of God. Jesus throughout his leadership developed his relational capital with His followers. This theory falls under theory Y in which leaders are supposed to support their followers with tools they need to excel and assume the best for their subordinates.

To expand on the critic on Yukl (1999) that the theory fails to capture situational variables such as moderators between transformational leadership and followership, stability of the environment and entrepreneurial cultures, the theory also does not capture the religious beliefs of both leaders and followers. The personality of the members is not also being captured in this theory in which some followers can react to particular styles of leadership. Some who have an understandable sense of direction will wish to advance in their careers and enjoy participating in organizational decision making processes. They also tend to be more inclined towards open and collaborative leadership styles.

Transactional leadership theory

This is a managerial role which focuses on the duty of group and organizational supervision and their performances. It is a style of leadership in which compliance is been promoted by the leader through both reward and punishment to his or her followers. This theory does not focus on changing the future but merely keeping things as the same. There is no effort of making changes or paying keen attention to workers or followers so that the leader can find faults and deviations. According to Hagis, Wyatt and Piotrowski (2001) transactional leadership stresses specific task performance in which poor work done can be punished until it is rightly done. The leaders under this theory are interested with processes instead of forward thinkers, focusing on contingent reward or contingent positive reinforcement or penalization such as suspension are given when the set goals are not being achieved or the quality of organizational performance has fallen below expectation or production laid down standards. Lamb (2013) in support opined that there must be a structure created by the leaders in which it is understood by the followers that there is a consequence for not achieving the required expectation. According to Burns (1978) the theory originated from the marketplace of fast, simple transactions that demanded reciprocity, flexibility adaptability and real time analysis of cost and benefits. This is the theory that gives room for followers to fulfill their own self-interest, reduce anxiety in workplace and concentrate on the organizational objectives such as putting more efforts in improving quality, reducing cost or increasing unit of goods and services produced (Sadeghi & Pihie, 2012).

Scholars have critiqued this theory stating that it leads followers to short term relationship of exchange with the leader, the relationship tends toward shallow, temporary gratification heading most times into resentments between the leader and his or her subordinates. The theory is also criticized that it utilizes a one –size –fits- all universal approach to leadership theory construction that disregards situational and contextual factors related organizational issues (Yukl & Mahsud, 2010).

Emerging theories of leadership include:

Charismatic leadership theory

An aspect of referent power, charisma is a special quality that reaches people on an emotional, non-rational level, motivating them to extraordinary efforts. John F. Kennedy, Mahatma Ghandi Barack Obama and Winston Churchill are frequently cited as charismatic leaders. They all possessed magnetic charm that set them apart from others. By contrast, the three American presidents –Lyndon Johnson, Richard Nixon and Gerald Ford are generally considered to have had less charisma.

Charismatic leaders enable followers perform better. In particular, an assumption is that charismatic leaders are seen as engendering favourable outcomes by modelling a value system for followers, exuding competence and success, articulating an inspirational goal that is ideological rather than pragmatic, exhibiting high expectations, showing confidence in followers and arousing their motivation.

Critics say that effective leadership does not depend on charisma. Dwight D. Eisenhower, Jimmy Carter, and Harry S. Truman were singularly effective leaders, but none of them was especially charismatic. At the same time, John Kennedy was one of the most charismatic leaders and presidents to occupy the White House but not as effective. Effective leaders can evidently either be people who command attention and motivate others or those who quietly inspire through technical ability, insight, honesty, and other noteworthy virtues. In Africa, some notable charismatic leaders include Nnamdi Azikwe (Zik of Africa), Kwame Nkruma, Nelson Mandela, Julius Nyerere etc.

Leader-Member Exchange Theory

This theory holds that leadership is a one-on-one exchange in which leaders behave differently with different group members rather than the same with each member. It further holds that followers based on the quality of their interpersonal relationships (exchanges) with a leader, form different groups, an in-group (higher quality) and an out-group (lower quality).

Insiders and outsiders experience very different work outcomes. Leader interactions with insiders resemble social transactions, with leaders and followers exchanging resources and enjoying higher levels of trust and support. For example, in return for leader-provided rewards such as job autonomy, confidence and participation in decision-making, followers may expend greater than required time and energy and accept more responsibility. In this way, leader and follower become reciprocally interdependent.

Research suggests that, as a consequence of such contrasting treatment, in-group members perform better than outgroup members. More importantly, it underscores the fact that leader behaviour originates, in part in followers. Hence, leadership is a mutual-influence process whereby leaders respond differently to different followers and both leaders and followers alter their behaviour depending on the performance of the other.

The Dunning-kruger effect

Dunning-Kruger effect is a psychological concept that infers that some members of an organization hold overly optimistic views of their expertise and performance and this has been identified as a phenomenon that is prevalent among those least skilled in a given domain. It is a type of cognitive bias in which people believe that they are smarter and more capable than they really are. Essentially, low ability people do not possess the skills needed to recognize their own incompetence. The combination of poor self-awareness and low cognitive ability leads them to overestimate their own capabilities (Cherry, 2018).

The term lends a scientific name and explanation to a problem that many people immediately recognize—that fools are blind to their own foolishness. As Charles Darwin wrote in his book **The Descent of Man**, "Ignorance more frequently begets confidence than does knowledge."

This phenomenon is something you have likely experienced in real life, perhaps around the dinner table at a holiday family gathering. Throughout the course of the meal, a member of your extended family begins spouting off on a topic at length, boldly proclaiming that he is correct and that everyone else's opinion is stupid, uninformed, and just plain wrong. It may be plainly evident to everyone in the room that this person has no idea what he is talking about, yet he prattles on, blithely oblivious to his own ignorance.

The effect is named after researchers David Dunning and Justin Kruger, the two social psychologists who first described it. In their original study on this psychological phenomenon, they performed a series of four investigations and found that people who scored in the lowest percentiles on tests of grammar, humor, and logic also tended to dramatically overestimate how well they had performed. Their actual test scores placed them in the 12th percentile, yet they estimated that their performance placed them in the 62nd percentile. In one experiment, for example, Dunning and Kruger asked their 65 participants to rate how funny different jokes were. Some of the participants were exceptionally poor at determining what other people would find funny—yet these same subjects described themselves as excellent judges of humor.

Incompetent people, the researchers found, are not only poor performers, they are also unable to accurately assess and recognize the quality of their own work. These low performers were also unable to recognize the skill and competence levels of other people, which is part of the reason why they consistently view themselves as better, more capable, and more knowledgeable than others. This is the reason why leaders in Nigeria who have led poorly sometimes feel that they deserved a 2nd term. They overestimate their own knowledge and ability and are incapable of seeing the poorness of their performance.

"In many cases, incompetence does not leave people disoriented, perplexed, or cautious," wrote David Dunning in an article for **Pacific Standard**. "Instead, the incompetent are often blessed with an inappropriate confidence, buoyed by **something** that feels to them like knowledge."

This effect can have a profound impact on what people like leaders believe, the decisions they make, and the actions they take. In one study, Dunning and Ehrlinger found that women performed equally to men on a science quiz, and yet women underestimated their performance because they believed they had less scientific reasoning ability than men. The researchers also found that as a result of this belief, these women were more likely to refuse to enter a science competition. As Dunning has suggested, the very trouble with ignorance is that it can feel just like expertise.

Theory X and Y

Theory X and Theory Y were first explained by McGregor in his book, 'The Human Side of Enterprise,' and they refer to two styles of management – authoritarian (Theory X) and participative (Theory Y). If you believe that your team members dislike their work and have little motivation, then, according to McGregor, you'll likely use an authoritarian style of management. This approach is very "hands-on" and usually involves micromanaging people's work to ensure that it gets done properly. McGregor called this Theory X.

On the other hand, if you believe that your people take pride in their work and see it as a challenge, then you'll more likely adopt a participative management style. Managers who use this approach trust their people to take ownership of their work and do it effectively by themselves. McGregor called this Theory Y. The approach that you take will have a significant impact on your ability to motivate your team members. So, it's important to understand how your perceptions of what motivates them can shape your leadership style.

Conceptual And Empirical Review Of Leadership

Leadership is the ability to evaluate and or forecast a long term plan or policy and influence the followers towards the achievement of the said strategy while management refers to the functional process of accomplishing goals of the organisation through the help of others (Ogundele, 2010). There are almost as many definitions of leadership as there are persons who have attempted to define the concept.

According to Napoleon Bonaparte, French soldier, statesman, revolutionary (1769-1821), A leader is a dealer in hope." "A leader is best when people barely know that he exists, not so good when people obey and acclaim him, worst when they despise him. 'Fail to honour people' they fail to honour you.' But of a good leader, who talks little, when his work is done, his aim fulfilled, they will all say, 'We did this ourselves."'- Lao Tzu, Chinese founder of Taoism, author (6th Century BC)

"Leadership (according to John Sculley) revolves around vision, ideas, direction, and has more to do with inspiring people as to direction and goals than with day-to-day implementation. A leader must be able to leverage more than his own capabilities. He must be capable of inspiring other people to do things without actually sitting on top of them with a checklist.

Leadership is a process of influencing other people to achieve group or organisation goals. Leaders are different from managers. According to Williams (2000), the main differences are that a leader emphasises on the quality of work so that the treatment given is fair, having a long-run focus, more inclined towards changes and give inspiration and is able to motivate other people in overcoming their problems. Meanwhile, a manager emphasises more on performing a matter in the correct way, having short run focus, maintaining the status quo and acts in solving other people's problems.

Leaders have different styles of providing direction, implementing plans, and motivating people. Different leadership styles exist in work environments. Advantages and disadvantages exist within each leadership style. The culture and goals of an organization determine which leadership style fits the firm best. Some companies offer several leadership styles within the organization, dependent upon the necessary tasks to complete and departmental needs. Koontz and Weihrich (2010) identified five different styles of leadership: Laissez-faire, autocratic, participative (cross cultural), transactional and transformational.

Cole (2006) stated that leadership is the process of influencing groups to achieve goals, while a leader is someone who can influence others. A leader is a person who influences, directs, and motivates others to perform specific tasks and also inspire his or her subordinate for efficient performance towards the accomplishment of the stated corporate objectives (Obiwuru, Okwu, Akpa & Nwankwere, 2011). According to Thamrin (2012), a qualified leader has the ability to utilize company's resources optimally and direct employee's activities to achieve company's objectives. Therefore, leadership style is the manner and approach of providing direction, implementing plans, and motivating people (Avolio, Bass, Walumba & Zhu, 2002). The importance of leadership style is seen through the creation of positive employee behavior with a view to improving employee performance in order to achieve set organizational goals and objectives. Therefore, several studies have suggested various styles of leadership which are appropriate to be adopted in various organizational settings and environment with the aim of maximizing employee performance. However, according to Puperhart and Malah (2013) while no leadership style is more appropriate than the other, the most popular style of leadership adopted by business and administrative organizations is the transformational leadership.

According to Minja and Muathe (2015), a word synonymous with transformational leadership is renewal. Its major goal and aim is to give a business a new lease of life. The concept of transformational leadership centers on leadership that creates dynamic change in the followers by taking care of each other's interests and acting in the interests of the group as a whole (Warrilow, 2012). Transformational leadership can be described as a process that changes and transforms individuals through an exceptional form of influence that moves followers to accomplish more than what is usually expected (Bass & Riggio, 2008). It is an ability possessed by leaders that are able to influence their followers to raise awareness on the importance of work results, prioritizing group significance, and to raise the needs of their subordinates to a higher degree to achieve better quality of life (Krishnan, 2008). Furthermore, a transformational leader is one that transforms the value, needs, aspirations, followers' priorities and also motivates their followers to exceed expectations (Bass & Avolio, 2004). A transformational leader is a person who stimulates and inspires followers to achieve extraordinary outcomes (Robbins & Coulter, 2007).

Transformational leadership is more than just a mere exchange process with employees. It creates challenges and expectations as well as allowing other people to achieve higher levels of performance. Similarly, Bass (2004), stated that the aim of transformational leadership is to transform people and organizations inside a literal sense, to alter them in the mind and heart, enlarge vision, insight and understanding, clarify reasons, make behavior congruent with values, concepts and bring about changes which are permanent, self-perpetuating and momentum building.

The public sector of any country plays a significant role in the economic development of that country. It has a primary role of providing a supportive general framework for private sector activity to thrive (Shrodgen, 2003). Therefore, it is expedient that they function optimally. However, the same cannot be said of the parastatals in the Nigerian public sector. Most public enterprises in Nigeria are plagued by swards of problems that often hamper their ability to deliver on their core mandate. Many of them have had below par performances by not discharging their duties diligently and efficiently (Onuorah & Okonkwo, 2016). Also there have been complaints raised by the public about the attitude of the employees working in the public sector. They have been described as being petulant, lazy and unproductive in their work (Agabi & Orokpo, 2014).

Voon et al (2011) showed that leadership styles play a vital role in influencing employees' job satisfaction. Different leadership styles engender different working environment and directly affects the job satisfaction of the employees (Timothy and Ronald, 2004). Bass (1985) proposed that transformational leadership might intrinsically foster more job satisfaction, given its ability to impart a sense of mission and intellectual stimulation. Transformational leaders tend to encourage and motivate their followers to take on more responsibility and autonomy thereby enhancing employees' sense of accomplishment and satisfaction with their job (Emery & Barker, 2007). Transactional and transformational leadership have been widely linked to positive individual and organisational consequences (Bass, 1990). These leadership styles are found to correlate positively with employee perceptions of job, leader and organisational satisfaction (Felfe & Schyns, 2006). Employees are most satisfied when they perceive their supervisors as exhibiting both relational and task oriented behaviours.

Yousef (2000) reviewed details about the relationship between leadership style and job performance and that the results are not consistent i.e inconsistent results were positive relationships, negative relationships and no relationships. Radu & Nastase (2009) investigated leadership and gender differences between male and female. It was demonstrated that females are more open to feedback related to performance and open towards new and established standards. Females typically are found to be motivated by a more complex set of objectives for starting

business than their male counterparts which stimulates and determines their pattern of leadership (Cinamon and Rich, 2002). Gallant (2014) investigated the issue of gender stereotypes in leadership styles and found that the definition of a leader and leadership are associated with female soft skills as female leaders are good communicators, relationship-oriented and nurturers but male leaders are attributed with hard skills.

An empirical study by Rowe, Canella, Rankin and Gorman (2005) examined the impact of leader succession on organisational performance. The study found that leader succession does affect performance and that leaders do matter. The finding is in line with several researches (Boal & Hooijerg, 2000; Canella & Rowe, 1995; Giambatista, 2004). Conversely, Voon, Lo, Ngui and Ayob (2011) conducted a study on the influence of leadership styles on employees' job satisfaction in public sector organisations in Malaysia and their findings show transformational and transactional leadership styles have direct links with employees' job satisfaction. However, while no leadership style is more appropriate than the other, the most popular style of leadership adopted by business and administrative organisations is the transformational leadership.

Finally, leadership can also have a relationship with innovation as seen in Ricardo and Rozaine (2011) where they found out that innovation initiated by public servants had a positive correlation with strongest support from immediate supervisors, thereby increasing commitment. This is in congruence with Zehir, Schitoglu and Erdogan's (2012) study of the positive effect of leadership, supervisory commitment, innovation and organisational performance

Conceptual And Empirical Review Of Employee Performance

Employee Performance

The performance of an employee is an important determinant of the organizational success or failure. According to Vasaan (2015), the active role they play towards a company's success cannot be underestimated. Employee performance is defined as the outcome or contribution of employees to make organizations attain their goals (Herbert, John & Lee 2000). Afshan et al. (2012) define performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Employee performance can be manifested in improvement in production, easiness in using the new technology, highly motivated workers. Liveir (2012) stated that employee's performance is measured against the performance standards set by the organization. There are a number of measures that can be taken into consideration when measuring performance. For example, the use of productivity, efficiency, effectiveness, quality and profitability measures (Ahuja, 2012).

Productivity is an average measure of the efficiency of production (Liam, 2008). It can be expressed as the ratio of output to inputs used in the production process. Employee productivity is an assessment of the efficiency of a worker or group of workers. Typically, the productivity of a given worker will be assessed relative to an average for employees doing similar work. Productivity is about the effective and efficient use of all resources (Jade, 2011). Furthermore, employee productivity is a measure employed at individual level based on the assumption that the overall productivity can be broken down to increasingly smaller units until, ultimately, to the individual employee, in order be used for example for the purpose of allocating a benefit or sanction based on individual performance (Daemons, 2009). Employee productivity is a measurement or calculation between inputs and outputs. If the outputs are equivalent to the inputs, the employee is considered productive (Sheehan, 2013).

According to Higgins et al., (2012) employee engagement has to do with the extent to which employees allocate importance to their work and to the involvement in their roles. Kahn (1990) defines employee engagement as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances". The cognitive aspect of employee engagement concerns employees' beliefs about the organisation, its leaders and working conditions. The emotional aspect concerns how employees feel about each of those three factors and whether they have positive or negative attitudes toward the organisation and its leaders. The physical aspect of employee engagement concerns the physical energies exerted by individuals to accomplish their roles. Thus, according to Kahn (1990), engagement means to be psychologically as well as physically present when occupying and performing an organisational role.

Furthermore, employee creativity has to do with the imaginative capacity of an employee. Employee creativity contributes significantly to organizational innovation, effectiveness and survival (Amabile, 2006). Creativity is generally viewed as a positive construct by nearly all cultures yet variation across cultures can be observed regarding its relative importance, social role and function and forms and domain of relevance. Krippner and Arons (2013) described a creative employee as predatory in the sense that he grasps the insight for a specific purpose. A process-oriented rather than a product oriented creative person would use insight-producing states to obtain enlightenment (Sarasvathy, 2001). Westwood and Low (2003) make the case that creativity is not only the result of individual traits such as skills, personality, education, cognitive factors or motivation but it also has a social dimension which is not properly accounted for in research.

Empirically, Jiang, Zhao and Jiogbing (2017) studied the impact of transformational Leadership on employee Sustainable Performance. Their findings revealed that employee sustainable performance is positively influenced by transformational leadership. Elegal (2014) also studied the influence of transformational leadership on employee performance using the economics and business faculty employee at university of Muhammadiyah Malang as a case study. The results indicate that transformational leadership positively effects employee motivation, job satisfaction, and employee performance.

Moreover, Dola (2015) studied the effect of transformational leadership on the performance of employees in Kenya: the case of Kenya wildlife service. The findings indicated that there were inspirational motivation and recognition of individual effort as a result of transformational activity. Transformation way of leadership in Kenya Wildlife Service has improved employee productivity in the sense that staff are more aware of their expectation, how to carry out their duties and taking the right action.

Conclusion And Suggestions:-

The importance of the good leadership styles adopted by managers in any organization cannot be overemphasized because good leadership begets good performance and sustainability of the organization. More so, the Nigerian public sector for instance is in dire need of transformation. To cause transformation in the public sector and improve employees' performance is the adoption of transformational leadership style. The study showed that leaders are more likely to improve the performance of employees through continuous learning and training and questioning what you know instead of over-stating your abilities. While we are all prone to experiencing the Dunning-Kruger effect, learning more about how the mind works and the mistakes we are all susceptible to might be one step toward correcting such patterns.

Dunning and Kruger suggest that as experience with a subject increases, confidence typically decline to more realistic levels. As people learn more about the topic of interest, they begin to recognize their own lack of knowledge and ability. Then as people gain more information and actually become experts on a topic, their confidence levels begin to improve once again. Thus it can be concluded that good leadership especially transformational leadership is significant in effecting improvement in employee performance.

Leaders be it government or public and private sector organizations should be made to undergo leadership training and development programmes regularly. This training and development programmes will boost their leadership skill and acumen and enable them to make the right decisions at the right time. Leaders should ensure they lead by example for their employees with their attitude to work and their conduct at work. For instance, managers of public organizations should not come late to work and expect their employees not to follow suit. It also means that many times they must partake in the tasks given to employees.

Leaders should also study their subordinates and adopt suitable motivation techniques that would inspire the employees to perform at their best. Different employees are motivated by various factors, thus it is the job of the leader or manager to understand these factors and adopt them when motivating employees.

During the recruitment or promotion of employees to managerial slots, the leadership traits of the employees should be a significant criteria used to the judge the candidates. This implies that candidates with transformational leadership traits should be employed instead of those without transformational leadership traits.

The study has provided the foundation for leaders and managers in their respective workplaces to adopt the practice of transformational leadership that involves setting an example for employees, being role models, providing individual support, inspiring confidence and motivation in employees, and stimulating and enhancing employees' intellectual capabilities that can help enhance their subordinates' performance on the job instead of overestimating your abilities. Further studies should focus on the integration of successful leadership strategies that can provide a nexus for leadership and organisational performance in diverse contexts.

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