

# **INFLUENCE OF ORGANIZATIONAL LEADERSHIP ON ORGANIZATIONAL PERFORMANCE IN THE SERVICE SECTOR IN NIGERIA**

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## **Abstract**

*Leaders are a key human resource in any organization. Leadership is an act of influencing organizational employees to perform conducts aimed at achieving organizational performance. However, since every person as a leader in organization must take practical measure, steps and actions to succeed. There is a universal consensus about business organizations competing by means of goods and services, but they perhaps compete more by means of their leadership strategies than their goods and services. Better leaders develop better employees and together develop better products. The importance of leadership and performance in any organization cannot be overemphasized, hence, business managers must influence team work*

*for organizational accomplishment. This study explored the influence of organizational leadership on organizational performance in the service sector in Nigeria. The study adopts a qualitative approach to data collection, examines through secondary data collection from existing empirical articles the foundational theory, styles of leadership and performance of organizations. The primary data for this study was collected by interviewing about 21 participants who hold key responsibilities among 200 employees at MM Sheriff Nigeria, Limited, Maiduguri, Borno State. Transcribed data were analyzed through content analysis of the interview responses and thematic findings discussed. Findings revealed that organizational performance is derivable from a strong blend of series of organizational attributes that influences organizational leadership. The factors identified in this study are value creation, improved profitability, organizational innovation, improved shareholders return and increased market share. Hence, organizational leaders are advised to select outstanding leadership teams because they have a high correlation with business performance.*

*Keywords: Organizational Growth, Leadership behavior, Transformational Leadership, Transactional Leadership, Organizational Culture*

## **INTRODUCTION**

This study investigates the dynamic linkage between leadership style and organizational attainment. Bass (1990) stated that the connection between transformational leadership and organizational performance has been proven in a variety of sectors, such as government, education, and manufacturing, and its effects is satisfaction, work effort, and performance. Ackerman & Anderson (2013) argued that every individual whether corporate or personal wants to succeed in life in order to achieve a certain goal but the truth is success does not come on a platter of gold. There must be a high commitment on the part of the individual that need to succeed thus for such individual to succeed there must be a concerted effort toward that effort (Copland, 2012; Bono, 2012). However, formal leadership entails the exercise of authority conferred upon such individual by an organization pursuant to the individual's status in the organization. An example of formal leadership is the capacity of a company president to exert control over employees, which is centered upon his position as president of the company. Avolio (2007) opined that formal leadership has four key concepts. In the first instance, formal leaders are selected by the organization, the organization's formal rules, procedures and institutionalized customs are important basis for defining a formal leader's latitude of power. These rules, procedures and customs also constrains a formal leader's behaviour. Barling et al.

(1996) added that formal leadership is often needed if an organization is to interact with external entities. The authority imposed on formal leadership is restricted, indicating that the power is within the domain of the firm's constitution (Bodla & Nawaz, 2010; Bolden & Terry, 2002; Barling et al., 1996). Hence, the concept of leadership is the action of leading people in an organization towards attaining organizational goals. This article will be arranged in the following manner; the next section consist of the literature review where topics discussed are concept of leadership, leadership approaches, leadership and management, organizational culture and organizational growth. The methodology section follows after this and topics such as interview analysis and themes emerging from the interview transcript are analyzed. Finally the study ends with the discussions and conclusion sections. Followed by the reference section where key authors cited in the text are fully referenced.

## REVIEW OF RELEVANT LITERATURE

### Concept of Leadership

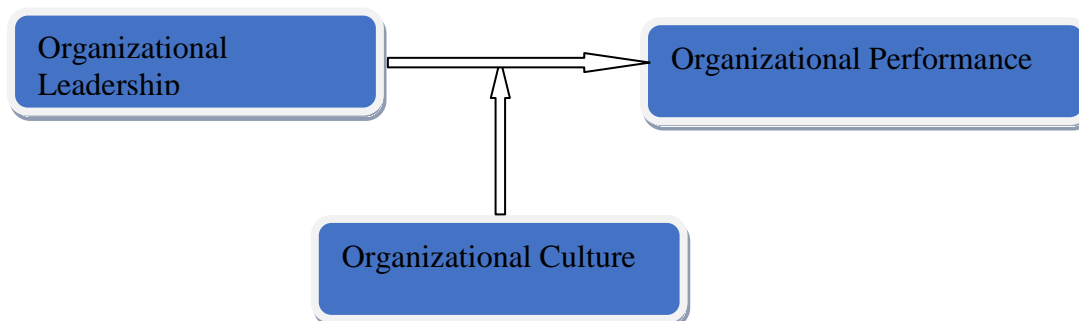
Bodla & Nawaz (2010) argued that the concept of leadership has been in existence since the advent of human interaction. This concept has received wide attention from past scholars for about 30 years. Long et al. (2012) stressed that the urge for effective leadership in our society and companies was as a result of the need to provide rules, regulations to people and the need to influence followers to attain laid down objectives. Hersey & Blanchard (1993) posited that leadership had the inclination to view the leader as the focus of a synchronized activity. The leader streamlines the complications, proposes clarifications to the challenges, creates priorities and initiates developmental activities (Bass, 1990). Hence, leadership was connected with power of the manager involved. Leaders are however, perceived as someone with a wide array of outstanding traits of character and personality. Avolio (2007) reported that the present explanations of leadership no longer consider only personal attributes or alterations. Cho et al. (2016) added that it is a process, a means and not a characteristic an individual is born with, but it is a communication between leaders and their followers. Solomon et al. (2012) stated that the leaders influence and are influenced by their followers. Hence, leadership is available to everyone and not restricted to the individual in position of authority alone.

Grant (2012) argued that leadership is an essential variable for making an organization prosperous. This current study emphasizes on the individual organizational manager as an organizational leader. Nonetheless, leadership alters prospective into certainty. Sutcliff (1999) mentioned that leaders are an important human resource in any organization. Generally, companies competing based on their services and products are thought of, however, they could better compete by means of the quality of leadership. In view of this, effective leaders build

more reliable personnel and both build better brands. Holland et al. (2012) contributed that the relevance of leadership in business management cannot be overstressed. This indicates that for work to be properly executed by employees, the right leadership must be provided in the company. Hence, there is need for team-work among employees for the laid down goals to be accomplished. Through proper leadership, organizational managers must motivate the team for assigned task to be attained.

Bodla & Nawaz (2010) argued that although leadership aids authority. However, the researchers added that there are restrictions to the adoption of power in deriving optimum performance amongst organizational employees. Grant (2012) stated that authority alone is not capable of creating satisfactory characteristics for enhanced firm performance. This is as a result that its main dependence on influence, leadership is important to obtain prosperous job performance. Nonetheless, the inability of top managers to provide strong leadership may lead to appearance of informal leadership which will cultivate and ultimately adjust the attitude of the staffs. In addition, such behavior could result to organizational conflict, which is between top management and their subordinates. Hereafter, with effective leadership in organizations, organizational personnel's fulfilment and commitment would result to substantial performance. Sutcliff (1999) found that commitment of organizational members would surely result to a satisfactory workforce and retention of useful skills. This is because the company could create a consistent team of workforce who cooperate by understanding their strengths and weaknesses. This understanding would result to enhanced organizational communication among employees and support for the team members in the company. Figure 1 reveals the research conceptual framework comprising the interaction between the dependent variable, effective leadership and the independent variable, organizational performance and organizational culture as mediating variable.

Figure 1: Research Conceptual Framework



## **Approaches to Organizational Leadership**

Bodla & Nawaz (2010) opined that the communications between middle level managers and their subordinates now differ. The researchers go further that leaders in recent times do not depend so much on their legitimate authority to influence individuals to do as they are directed but take part in communicating with their subordinates or they widen and raise the concern of their personnel. Hence, this section will consider the two broad contemporary leadership styles such as transformational and transactional approach to leadership as suggested by (Grant, 2012; Holland et al., 2007).

### ***Transformational Leadership Approach***

Holland et al. (2007) defined transformational leadership as a kind of leadership in which discussions among members that are interested are coordinated around a joint aim in a manner that transform, motivate, and encourage the actions and ethical intentions of subordinates in the organization. In addition, it is that style of leadership that aspire for positive transformations in employees who follow and that achieves intended alterations by adopting laid down strategy and structure of the firm. Bass (1990) opined that transformational leadership is branded by certain categories of behavior. Firstly, it adopts the charisma of leaders in order to gain the respect and trust of stakeholders and to instill pride in them. Secondly, it adopts inspiration through which leaders use symbols to redirect followers' efforts by expressing in a simple way the essential aim of the transformation process. Thirdly, it uses intellectual stimulation whereby organizational leaders brilliantly stimulate subordinates by focusing on rational and creative problem-solving strategies. Lastly, it allows for individualized consideration where leaders treat their personnel individually giving them personal attention, hence providing coaching and mentoring where necessary. Sutcliff (1999) concluded that transformational leadership can be contrasted with transactional leadership.

Bodla & Nawaz (2010) stated that transformational leadership can be emphasized at the individual and team levels. The objectives here is to strengthen them such that they are able to develop their full capabilities, improve their abilities, skills, self-efficacy and self-esteem. However, such leaders try to understand the abilities of their employees, knowledge, and needs, and mentor and coach them to be able to overcome their weaknesses. Hersey and Blanchard (1993) stressed on the concept of charismatic leadership. They authors added that charismatic leadership is a value-based style that results to emotional bonds between leaders and their subordinates. The latter go beyond their self-interests due to the fact that they belief in joint ambition. Nonetheless, transformational leadership anticipates future trends, inspires to understand and embrace new possibilities and builds the organization into a community of

challenged and rewarded learners (Hersey & Blanchard, 1993; Sutcliff, 1999; Bodla & Nawaz, 2010).

### ***Transactional Leadership Approach***

Waldman et al. (2001) considered transactional leadership approach as that which entails reciprocity and an exchange strategy in which individualized stakeholders could benefit. Ogbari et al. (2016) added that it can be branded by various components not essentially needed. Hence, the initial approach is the identification of achievement by rewarding efforts and good performance. Another is an effective coordination by exception which is directed at managing the process. Ajagbe et al. (2016b) posited that leaders monitor the lack of compliance with laid down rules and regulations, and when needed undertake corrective strategies. Transactional leadership can also emphasize on passive coordination by exception. In view of this, organizational leaders are expected to intervene only in circumstances in which assigned tasks are not attained. In the laissez-faire approach to leadership, which is regarded as the last attribute of transactional leadership, leaders are reported to avoid making decision and such leaders relinquish all responsibilities. Transactional leadership encourage and guide subordinates by appealing to their own self-interest. The emphasis here is on basic management processes such as controlling, organizing and short-term planning (Bass, 1990; 1999; Waldman et al., 2001; Ogbari et al., 2016).

### **Leadership and Management**

Ajagbe et al. (2016a) argued that the two concept of leadership and management are perceived as overlapping and are often confusing. They researchers added that the two concepts are unique and matching systems of action taken by organizational managers aimed at achieving laid down goals and objectives. There are certain circumstances where these two concepts have been seen to be complementary in actions (Waldman et al., 2001; Ogbari et al., 2016). However, Leadership entails the development of a vision of the future and having a sense of direction for the organization. The big picture of an organization has to be clarified by those in leadership positions. For management, it adopts the management processes, such as planning and budgeting, to set the pathway for the organization. Carneiro (2008) stressed that management is the development of the capacity to comprehend plans in firms by building an organizational structure. Hence, the people in the organizations are aligned by the leaders and ensure they share the new pathway, communicate goals, seek commitment and build groups and coalitions (Chandler & Hanks, 1994; Chen, 2004; Chen et al., 1995). The most fundamental attributes of leadership which make sure that organizations keep progressing in the intended

direction is known as motivation and inspiration of the people. These attributes highlight unmet needs and empower followers. Cho et al. (2016) found that leadership and management are required in an organization, hence, this study focuses on leadership as an independent variable because setting direction, alignment, motivation and inspiration of people are required to keep employees satisfied and committed to the performance of the organization.

### **Organizational Culture**

Dubkēvičs & Barbars (2010) stressed that organizational leaders must adhere to the concept of organizational culture which extant literature has considered as complex phenomenon for the performance of any organization. They authors concluded that the concept is a very wide one and could be viewed from several dimensions. Ajagbe et al. (2016a) put forward that many descriptions of the concept of organizational culture are bound in empirical literature. Nonetheless, some authors have considered the concept as a value system which governs attitude. Chen (2004) opined that organizational culture is a pattern of shared basic assumptions, invented, discovered, or developed by a given group, as it learns to cope with its problems of external adaption and internal integration, that has worked well enough to be considered valid and, hence is to be taught to new members as the correct way to perceive, think and feel in relation to those problems. Chen et al. (1995) added that organizational culture is the shared understanding of the beliefs, values, norms and philosophies of how things work.

Chandler & Hanks (1994) mentioned that culture management is one of the most important strategy that leaders adopt to manage all aspects of both internal and external environment of an organization. Culture management however, requires that leaders are able to fathom the meaning of organization's culture and to align that culture to attain the requirement of the organization as it advances. Ajagbe et al. (2016b) reported that organizations that have tried to proactively exploit new opportunities in the environment encounter prosperous cultural transformation. Carneiro (2008) added that the rise of the professional manager over the past few years entails that having an array of active management and leadership skills is high on the schedule for effective culture management. Solomon et al. (2012) mentioned that new knowledge is required in today's leaders so that they will be able to manage the organization's culture effectively. Hence, leaders must be capable of prosperously managing the internal environments of the locations they oversee through coordination of such characteristics as budgeting, project management, cost of labor, retention and recruitment, procedures and policies, state and federal standards.



## Organizational Performance

Long et al. (2012) stated that organizational performance is not only measured in terms of number of staffs or financial capacity of sales revenue. They authors added that performance is not only linked to size, and could also involve an enhancement in a quality or process emanating from a positive business environment. Chen (2004) stressed that firms rapidly undergoing transformation may transition faster than they can sustain and may, nonetheless, hit a "wall" in growth. Adrian (1990) argued that since power has been described as the ability to influence others. Leadership could also be perceived as the process of influencing the operations of an individual or a team in efforts toward goal attainment. Allen and Meyer (1996) also viewed leadership as the process in which a manager uses power to influence others. Agreeing that a leader must use authority to influence others, and given that leadership is assessed based on the extent to which the leader influences others to attain intended outcomes. However, there may be an interdependent connection between leadership styles and organizational performance.

Blackler & Kennedy (2003) recognized organizational leadership as an essential element in the study of organizational performance. The authors also added that employee behaviour also matters in the ability of an organization to perform and achieve its objectives. Nevertheless, organizational leadership among the most flexible influence during individual and organizational interaction. Berendt et al. (2012) concluded that the ability of management to implement collaborated effort depends on the capability of leadership. Bodla & Nawaz (2010) stressed that outstanding leaders not only motivates subordinate's ability to improve efficiency but also meets their needs in the process of attaining organizational goals. In view of this, the authors defined leadership as the individual behaviour to direct a group of people to achieve the common goals of the firm. Blackler & Kennedy (2003) described leadership as adoption of leading techniques to allow inspiring motive and to improve the potential of the employees for growth and development.

Organizational performance is the ability of an organization to accomplish laid down goals such as profitability, acceptable product quality, enhanced market share, positive financial returns, and survival considering relevant strategy and action (Adrian, 1990; Adler, 1991; Allen & Meyer, 1996). Organizational performance can also be perceived as how the firm sustains in area of degree of profitability, market share and quality of product in connection to competitors. Gesell (2010) posited that organizational performance is a replication of productivity of employees of a company assessed in terms of revenue, profit, growth, development and organizational expansion. The researcher stressed that studying the impact of organizational leadership on organizational performance is also essential because leadership is perceived by



certain scholars as among the drivers for enhanced firm performance. Hence, leadership effectiveness is viewed as a potent source of management development and sustained competitive advantage for organizational performance enhancement (Avolio, 1999; Bolden & Terry, 2002; Zhu et al., 2005).

## RESEARCH METHODOLOGY

Dana & Dana (2005) argued that research methodology is a section of a research study that reveals the strategy and techniques of data collection. Hence, this study will primarily be based on single case study based qualitative research. The reason for selecting the case study strategy is because of the exploratory and qualitative nature of the study. Creswell (2003) stressed that case studies have become one of the most common strategies to carry out qualitative inquiry. He added that qualitative research also involve participant observation which is appropriate for collecting data on naturally occurring behaviors in their characteristic circumstances. Ajagbe et al. (2015) put forward that in-depth interviews are appropriate for collecting data on individuals' personal histories, perspectives, and experiences, especially when profound themes are being explored. The authors included that focus groups are useful approach in extracting information on the cultural attributes of a group of respondents and in building wide impressions of problems of concern to the cultural groups or subgroups studied. In this study, one of the reasons for using the case study approach is its quality of flexibility and this enables the investigator to adopt multiple data gathering techniques. This also because flexibility is often the foremost strength of the case research approach in terms of understanding and securing access to the stated locations (Chandler & Lyon, 2001; Creswell, 2007; Creswell, 2012).

This study also used secondary sources to gather information from documented literature such as empirical articles, conference articles, newspaper and magazines (Chandler & Lyon, 2001). In this study, document and content analysis was also adopted by the researcher as an important technique to compliment the data analysis process. This purpose is important in order to enhance triangulation of data and strengthen the research results. Creswell (2003) also referred to document and content analysis as a "text based analysis process" that involves varying kinds of academic, textual and online articles. The main purpose of interviews is to connect the cases with the themes identified in the literature sourced through content analysis. Adopting the interview process is also essential to compliment document analysis and encourage further enquiries for analysis (Chandler & Lyon, 2001; Creswell, 2007; Creswell, 2012). The next section of this study presents discussions of themes that emerged from the transcript analysis of this study and further connection to existing literature. Hence, the themes

that would be discussed here are as follows; value creation, improved profitability, organizational innovation, improved shareholders return and increased market share.

## **INTERVIEW ANALYSIS PROCESS**

Information were gathered based on questions asked from the employees and managing director (MD) of the case study organization that is MM Sheriff and Sons Nigeria Limited situated in the capital city (Maiduguri) of Borno State, Nigeria. The main aim of the research is to understand the influence of organizational leadership on organizational performance. In addition, conducting this study afforded the researchers to understand how the firm grows towards success and achieves targets with the help of leadership style, culture, attitude of the employees and behaviors and different types of leadership perspective were discussed. The researcher interviewed the MD of the case study company through a proxy. There are over 200 employees working at MM Sheriff and Sons Limited, out of whom 21 responded to the tape recorded interview. The researcher stopped the interview when he observed that saturation point has been reached (Dana & Dana, 2005; Ajagbe et al., 2015). This point is when additional responses could not yield new information from the respondents. Among the respondents, 15 of them are males while 06 are females. Interviewing this organization was important because it is one of the fastest growing organizations in the service sector in the Northeastern region of Nigeria. The information gathered from the tape recorded interview was transcribed and analyzed using thematic analysis of the interview transcript.

## **DISCUSSION OF FINDINGS**

### **Value Creation**

When respondents in this study were asked what they understand by the term value creation and how their organization creates business value for sustainable performance. Majority of the respondents (85%) mentioned that the business value indicates any type of value that will add to the long-term health and success of a business organization. They further added that business value is more than simply economic value, and includes forms of value, such as customer good will, employee satisfaction, supplier value, managerial skills and experience and ethical or community value. This is in agreement with the findings of Sutcliff (1999), who found that that commitment of organizational members would surely result to a satisfactory workforce and retention of useful skills, hence organizational performance will improve. In addition, the remaining 15% of the interviewed respondents posited that business value include intangible as well as tangible assets, such as intellectual property and the business plan. These group of respondents added further that it includes making and keeping realistic promises on service,

quality and delivery. This characteristics gives the organization credibility with all his customers and business partners. In another view, by making and keeping promises to his employees, the organization is able to build employee loyalty, confidence and morale. Keeping promises and delivering consistent results is a key to proving the reliability of your company, product or service. The interviewed participants also mentioned that though the MD of the organization is not well schooled, he believes and has invested heavily in the use of information and communication technology (ICT) for enhanced business performance. The respondents opined that the adoption of ICT has resulted in improved transaction speed, allow easier and faster information sharing, and are adaptable to changing business needs and conditions can also add value by increasing productivity and performance. Above all, the MD of the sampled organization encourages effective decision making practices by his employees. This he achieved through leadership training programs, delegation of responsibility, and encouraging and supporting employees to take more day-to-day control of their own duties and responsibilities. This is in line with transactional leadership approach which emphasize on allowing employees certain degree of freedom to discharge their duties (Bass, 1990; 1999; Waldman et al., 2001; Ogbari et al., 2016). This leaves top management free to focus more on strategic issues, and gives employees more experience and confidence, so they can step into higher roles.

### **Improved Profitability**

The purpose of this question is to find out how the sampled organization improved profitability through leadership. Hence, when this question was posed to the interview respondents, about 75% of the interviewed participants stated that the managers of the organization emphasizes more on new markets and customers. They mentioned that allotting more time to serving new customers helps them to develop loyal and consistent customers which eventually result to enhanced profitability for the business. Grant (2012) argued that leadership is an essential variable for making an organization prosperous. However, about 25% of the participants believe that time allocated to administrating and soliciting customers, costs money, hence, they think that profitability may not really improve notwithstanding the kind of leadership. Obviously, more profitable businesses spend the least amount of time as possible on business activities that do not bring in money. Nonetheless, majority of the respondents mentioned that managers in the organization adopts outsmarting strategy by outsmarting keen competitors. The organization manages the cost of the company by close management of costs, by this the company is able to drive profitability. Holland et al. (2012) contributed that the relevance of leadership in business management cannot be overstressed. This indicates that for work to be properly executed by

employees, the right leadership must be provided in the company. Because most businesses can find some wastage to reduce, it's important not to cut costs at the expense of the quality of services. However in this study, among the most important areas of expenditures that is considered are suppliers cost, finance cost, premises and production infrastructures, hence, this areas need to be taken care of by effective leadership.

### **Organizational Innovation**

The purpose of this question is to understand the usefulness of organizational innovation to the sampled organization, and how it has enabled the managers to stay ahead of competition in the service sector. In trying to answer this question, about 65% of the interviewed participants believes that adopting innovation in MM Sheriff has helped them in keeping competitors in checks and increasing market share and profitability for their firm. They further opined that the successful exploitation of new ideas is crucial to a business being able to improve its processes, bring new and improved products and services to market, increase its efficiency and, most importantly, improve its profitability. This findings tallies with that of Chandler & Hanks (1994), who mentioned that culture management is one of the most important strategy that leaders adopt to manage all aspects of both internal and external environment of an organization. Culture management however, requires that leaders are able to fathom the meaning of organization's culture and to align that culture to attain the requirement of the organization as it advances. Ajagbe et al. (2016b) reported that organizations that have tried to proactively exploit new opportunities by adopting innovation culture in the environment encounter prosperous cultural transformation. Carneiro (2008) added that the rise of the professional manager over the past few years entails that having an array of active management and leadership skills is high on the schedule for effective culture management. However, another group of managers sampled added that domestic and international markets have become highly competitive. Competition has increased due to wider access to new technologies and increased trading and knowledge-sharing opportunities offered by electronic technology such as the World Wide Web (WWW). Nonetheless, in order to move the organization forward, 35% of the respondents said that the MD run a successful innovation programs that can be divided into three separate dimensions. The opined Leverage innovation networks of internal and external partners to increase the influx of ideas and ready to use solutions to business problems. Ensuring visibility across the entire innovation value chain and set up processes to track the success of innovation initiatives so that innovation project managers can anticipate downstream challenges and make informed calls on go no-go decisions (Carneiro, 2008; Ajagbe et al., 2016b).

### Improved Shareholders Return

The respondents interviewed for this study were asked to discuss how shareholders return has improved in the organization. In answering this question, about 75% stated that the managers of the organization has announced plans to adopt a series of strategies and innovation to ensure improved returns on investments for its shareholders in the years ahead. Long et al. (2012) stated that improved shareholders returns can only happen when organizations perform in terms of increased revenue and market expansion. Chen (2004) also found that performance is not only linked to size, and could also involve an enhancement in a quality or process emanating from a positive business environment which the author mentioned that would in the end result to enhanced returns for the shareholders. According 25% of the respondents there are strategies put in place by the company that would enable it stay ahead of competition and help ensure increased returns for shareholders. Most of the respondents mentioned that the company assured that processes are already being put in place to improve the company's revenue stream although the introduction of more consumer-friendly refined services into the market. In addition, the current global economic crisis and the increasing prices of products amongst others have posed a major challenge to performance in recent times. The board of directors is mindful of its impact on the current business year; barring these circumstances, the board is hopeful for a better performance in the coming years. The chairman also assures shareholders that this year will not be different. Existing literature opined that studying the impact of organizational leadership on organizational performance is also essential because leadership is perceived by certain scholars as among the drivers for enhanced firm performance. Hence, leadership effectiveness is viewed as a potent source of management development and sustained competitive advantage for organizational performance enhancement (Avolio, 1999; Bolden & Terry, 2002; Zhu et al., 2005). The earlier argument supports the opinion of the MD who stated thus *"We will continue to declare healthy dividend in line with our consistent dividend strategy,"* He said further that the company has embarked on business diversification programme that cuts across industries and geography.

### Increased Market Share

The participants of this survey were asked to describe how the organization was able to increase market share and stay relevant through innovation. However, in this study about 96% of the participants mentioned that market share has substantially increased due to adoption and implementation of innovation. This entails that among the important ways to win a large market share is to identify new trends ahead of competitors. Hence, there is need to carefully listen when chatting with friends, watching the news, or listen to people talk about what they like.

However, Adrian (1990) stressed that organizational performance is the ability of an organization to accomplish laid down goals such as profitability, acceptable product quality, enhanced market share, positive financial returns, and survival considering relevant strategy and action. Hence, leadership effectiveness is viewed as a potent source of management development and sustained competitive advantage for organizational performance enhancement (Avolio, 1999; Bolden & Terry, 2002; Zhu et al., 2005). In another dimension, about 4% do not believe that adoption of innovation has increased market share. However, majority of the participants opined that there is also need to think about how new technology would help to change the service sector and enable you stay ahead of competitors and eventually win more loyal customers. The organization adopts rapid response strategies to solve complaints of their clients. Hence, putting customers at the center of their business is an important business philosophy in MM Sheriff Nigeria Limited. Customer's contributions by way of suggesting new ideas helps the company in designing new services for the organization. Service differentiation has helped the company in a great manner and hence resulted to increase share of the textile sector. In other words, differentiating your business means being able to clearly define the specific value creation processes of your business and deciding the particular area you want to specialize on. After all is said and done, it is the business, company, product or service that is known to the target customers that will gain a large market share (Chen, 2004; Long et al., 2012). This is a very vital element of the steps needed to increase the business market share.

## CONCLUSIONS

This study explored the influence of organizational leadership on organizational performance in the service sector in Nigeria. In this study, findings showed that organizational performance is derivable from a strong combination of series of organizational factors that influences organizational leadership. The factors identified in this study are value creation, improved profitability, organizational innovation, improved shareholders return and increased market share. In this study, another important findings is that having good leaders is not good enough but what is important is leadership excellence. Business organizations with outstanding leadership teams have a strong relationship with revenue growth, while those with solid but unexceptional leaders do not have such relationship. Hence, organizational leadership is always relative, and competencies for determining performance differ from organization to organization and also depending on appropriate implementation of selected business strategy. Further results indicates that business value means any type of value that will add to the long-term health and success of a business organization. In addition, business value is more than simply



economic value, and includes forms of value, such as customer good will, employee satisfaction, supplier value, managerial skills and experience and ethical or community value. It also include intangible as well as tangible assets, such as intellectual property and the business plan. Finally, the current study concludes that organizational performance is derivable from a strong blend of series of organizational attributes that influences organizational leadership. Hence, organizational leaders are advised to select outstanding leadership teams because they have a high correlation with business performance.

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