

THE EFFECT OF LEADERSHIP STYLE ON THE SURVIVAL OF QUANTITY SURVEYING FIRMS

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Historical documentation of the development of the quantity surveying (QS) profession in Nigeria in the last 50 years revealed that most of the private QS firms did not survive for long. This aroused the need to investigate the root cause. The aim of this study is to assess the effect of leadership style on the survival of QS firms in Lagos, Nigeria. The study utilised a questionnaire survey to obtain information from QS firms regarding the types of leadership styles they adopt and the age of their firms. The data collected were analysed using mean score analysis, analysis of variance and regression analysis. Results revealed the top-ranking leadership styles as transactional, democratic and transformational leadership styles. Results further showed that firms' age had impact on the adopted leadership style. A regression model that was formulated revealed that the survival age of a firm could be predicted when a combination of the leadership styles in use are known. The model will prove useful in determining a combination of leadership styles that will ensure a long-term survival of QS firms.

Keywords: analysis of variance; leadership style; Nigeria; quantity surveying firm; survival

INTRODUCTION

The Nigerian Institute of Quantity Surveyors (NIQS) celebrated 50 years of her existence in 2019. As part of her celebrations, a historical group was commissioned to document the history of the development of the profession in Nigeria. A shocking discovery from the documentation was that whilst many private Quantity Surveying (QS) firms have sprung up within the 50 years of existence of the profession in Nigeria, only one indigenous firm had survived for over 40 years. This shocking discovery aroused the need to investigate the root cause of the short-term survival of the QS firms in Nigeria. A search of the extant literature also showed that there is paucity of studies in this area. That makes this study a veritable one. Whilst it is recognised that there are many factors that could influence the survival of the QS firms in Nigeria, the focus of this study was to use the lens of leadership style to investigate the survival of QS firms in Nigeria. This stems from the notion that many of the firms that did not survive for long were more of one-man band and a few in partnership arrangement. Lagos metropolis was considered appropriate for this study

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because most of the countries' QS firms are based there, Lagos being the commercial capital of Nigeria.

Leadership can be defined as the ability to influence and guide others towards a common goal or vision, leveraging both personal qualities and expertise to inspire and motivate individuals or teams (Higginbottom 2017). It entails providing a clear vision and direction, setting goals, outlining strategies to achieve them and aligning the efforts of others to work towards its realisation (Higginbottom 2017). According to Naber and Moffett (2017), leadership is one key driving force for improving performance and ensuring the survival of organisations. Leadership plays a pivotal role in shaping the trajectory of any profession, and the field of quantity surveying is no exception. Quantity Surveyors are essential in the construction industry, tasked with managing costs and ensuring efficiency throughout a project's lifecycle. However, the survival and growth of this profession heavily rely on effective leadership styles within its ranks.

Leadership style refers to the different approaches or methods that leaders employ to interact with their team members, make decisions, and achieve objectives. The style of leadership differs, depending on the personality of the leader and the conditions of the business enterprise (Woodcock 2017). Consequently, leadership style might be defined by means of the type of conduct and aptitude that the leader possesses, which permits leaders to interrelate with workforce to attain objectives (Mulder 2016).

LITERATURE REVIEW

Many leadership styles have been applied in the management of construction firms and professional firms. These include autocratic, democratic, laissez faire, transformation, bureaucratic, servant leadership, transactional, situational, cross cultural, and charismatic leadership styles (Oluseye 2023).

Autocratic leadership style is a style where an organisation is run in a top-down way in power and authority rest in the hands of the leader and the senior management team (Oluseye 2023). That is, all major decisions and instructions are given to the staff, the staff is mandated to implement those decisions and instructions without inputs. The authoritarian style creates a clear separation between the leaders, the managers and the employees (Northouse 2018). This kind of style reduces follower's dedication and commitment towards goals. While autocratic leadership is rarely very popular with employees, it's the preferred strategy in organisations where employees perform streamlined functions, where control is more critical to success than creativity, and where there is scanty threshold for error.

The democratic leadership style is a leadership style where leaders and followers shared power in decision making (Arhan 2014). The leaders focus on followers by getting their opinions and creating a friendly atmosphere. In a democratic leadership style, while organisational hierarchy may still exist, influence, power and the ability to contribute to decisions may be widely distributed across tiers and departments within the organisation (Northouse 2018)

Laissez-faire leadership is a leadership style where leaders adopt a hands-off approach, allowing team members considerable freedom and autonomy to make decisions and manage their tasks independently (Northouse 2018). It is the direct opposite of autocratic leadership. The leader provides minimal guidance or supervision, trusting in the expertise and self-motivation of the team. This style of

leadership gives organisational members wide latitude in managing projects, solving problems, and resolving disagreements.

Transformational Leadership is a leadership style where leaders inspire and motivate their team members by articulating a compelling vision and fostering a sense of purpose and passion (Higginbottom 2017). Transformational leaders empower individuals to reach their full potential, encourage innovation and change, and cultivate a culture of growth and development (Higginbottom 2017). It takes great courage to be a transformational leader, one who challenges old ways of doing things in favour of the better, more efficient, and more intuitive strategies (Korejan and Shahbazi 2016).

The bureaucratic leadership style according to Nikolksi (2015) refers to a style of a highly formalised set of processes, procedures, and structures. Here, rules, policies, and hierarchies form a clear set of expectations as well as an explicit chain of command (Hill 2015). Bureaucratic leaders lead by channelling established rules, enforcing existing structures, and presiding over specific segments of the hierarchy. Bureaucratic leadership is useful in organisations where employees do routine task that involves serious safety risks (Naber and Moffett 2017).

Servant Leadership is a leadership style where leaders prioritise the needs of others and focus on serving their team members' interests and well-being. They lead by example, demonstrating humility, empathy, and a commitment to serving the greater good, rather than seeking personal recognition or advancement (Woodcock 2017). This is an approach to leadership developed in contrast to the drive for power or material acquisition, rather, it places the leader on the front lines of day-to-day operation. From this vantage, the leader works directly with organisational members at every level to make decisions (Khumalo 2015). Servant leaders empower employees, interact directly with clients, and recognise their organisation's role as part of a community (Kabashiki 2014). According to Woodcock (2016), a servant leader excels more in small businesses, particularly in a brokerage company, where the organisation is comprised of smart, talented, and experienced financial advisers and stockbrokers and where customer satisfaction is of top priority.

Transactional Leadership is a leadership style where leaders focus on clarifying roles, expectations, and goals, and establish clear structures for rewards and consequences based on performance (Khumalo 2015). Transactional leaders use contingent rewards and corrective measures to motivate team members and ensure adherence to established standards (Oluseye 2023). According to Arhan (2014) transactional leadership succeeds best in a system of order, structure, and rigid hierarchy. While it may sound similar in name to transformational leadership, it is almost exactly the opposite. Here, roles are clearly and strictly defined, the leader develops the vision (possibly collaboratively), sells the vision and leads the way, (Khan *et al.*, 2013). The job of a transactional leader is to ensure individuals or groups perform their roles correctly, effectively, and produce positive outcomes (Jamal 2014).

Situational leadership is a leadership style where leaders are flexible and responsive, able to navigate change and uncertainty by adjusting their approach based on evolving circumstances (Kim and Brymer 2011). They encourage innovation, resilience, and agility, and empower their team to adapt to new challenges and opportunities. Situational leadership refers less to one specific style of leadership but rather viewed more as the idea of leadership with an inherently adaptable responsibility. Situational leadership, also known as adaptive leadership, remains highly flexible at all times, and

is capable of adjusting strategies, procedures, and vision according to an organisation's circumstances, demands, and even to a shifting culture per time (Khumalo 2015).

Charismatic Leadership is a leadership style where leaders possess a magnetic personality and strong interpersonal skills, enabling them to inspire and influence others through their charm, confidence, and persuasiveness (Kabashiki 2014). They often articulate a compelling vision and use their charisma to rally support and commitment from followers. The truly charismatic leader effectively creates a sense of shared purpose, nurtures the passions of organisational members, and unites personnel behind a single vision (Bell 2013). They are self-confident leaders, who have the desire to influence. This type of leader will inspire others through commitment, conviction, and positive example (Northouse 2018). Charismatic leaders will usually possess strong communication skills, the capacity for exceptional personal empathy, and the strength of personality to positively define company culture (Khumalo, 2015). This style of leadership is often particularly valuable in times of crisis.

According to Kabashiki (2014), to be an effective leader, it is advisable to use appropriate style or in some cases a combination of multiple styles to be successful in guiding and inspiring employees and to obtain stated objectives. Hill (2015) stated that effective leaders possess special vision, mission and values that drive their purposes, and they equally encourage their followers to do so.

Liphadzi, *et al.* (2015) investigated the relationship between leadership styles and project success in the South African construction industry. The study concluded that there is a positive relationship between transactional leadership and project success. The results further revealed that there is no relationship between Laissez faire leadership style and construction project success. Limsila and Ogunlana (2008) investigated the performance and leadership outcome correlates of leadership styles and subordinate commitment in the Thailand construction industry. The study concluded that the transformational leadership style has a positive association with work performance and organisational commitment of subordinates more than the transactional style. The study also concluded that transformational leaders produce higher leadership outcomes as well. Opoku *et al.*, (2015) investigated if there is any leadership style associated with intra-organisational leaders within UK construction organisations charged with the promotion of sustainability practices. The study concluded that while there was no one best leadership style for all situation, most leaders charged with the role of promoting sustainable construction were strategic in their style or behaviour.

According to Northouse (2018) organisational survival is concerned with how long an organisation can stay afloat, generating enough revenue or attaining its goals while continuing to expand or maintain its current standing. According to Hill (2015), to keep up with survival, each organisation requires coping with the dynamics of the society as organisation work in society and changes around society will always influence organisations particularly where such changes benefit them and suite their interest and goals, makes them to accept and support those changes. The conjecture being explored in this study is that there is a relationship between leadership style and the survival of QS firms.

METHOD

The study employed a quantitative research method involving a cross-sectional questionnaire survey. The survey was self-administered to all the 128 QS firms that were registered with the Quantity Surveyors Registration Board of Nigeria (QSRBN). Data were collected regarding the profile of the QS firms, including the number of years they have been in existence. Data were also collected regarding the leadership styles adopted by the firms surveyed. A total of 10 leadership styles were identified from related literature and respondents were requested to provide opinion on their extent of usage of each identified leadership style on a 6-point Likert-type extent scale of 0-5. Valid responses were received from 91 QS firms. This represents 71% response rate which was considered adequate for this study.

The data collected were analysed using mean score analysis (MSA) and analysis of variance (ANOVA). Further analysis was carried out using multilinear regression analysis. The mean score analysis was carried out using the formula in Equation 1.

$$MS = \frac{5n_5 + 4n_4 + 3n_3 + 2n_2 + 1n_1 + 0n_0}{n_5 + n_4 + n_3 + n_2 + n_1 + n_0} \quad (\text{Equation 1})$$

where MS = Mean Score

Where n_0 = no of respondent who answered “leadership style not used”

n_1 = no of respondent who answered “very low extent of usage of leadership style”

n_2 = no of respondent who answered “low extent of usage of leadership style”

n_3 = no of respondent who answered “Moderate extent of usage of leadership style”

n_4 = no of respondent who answered “high extent of usage of leadership style”

n_5 = no of respondent who answered “very high extent of usage of leadership style”

Mean score analysis was carried out to determine the extent of usage of the identified leadership styles by the respondents. ANOVA was used to examine the statistically significant differences in the opinions of the respondents based on age grouping of the QS firms surveyed. Multilinear regression analysis was also carried out to examine any relationship that may exist between the age of the firms, representing how long the firm has survived and the leadership styles they employ.

FINDINGS

To test the reliability of the survey instrument, a reliability test was carried out using Cronbach’s Alpha which measures the internal consistency of the survey questionnaire. This gave a figure of 0.837 which is far more than the threshold of 0.700 (Paul *et al.*, 2021). This is an indication that the data gathering instrument could be relied upon. Presented in Table 1 is the respondents’ background information as well as information regarding the QS firms surveyed.

From the Table, it is evident that 82.6% of the respondents are at the level of Senior QS, Partner and Principal Partner. The Table also shows that the respondents have a mean QS working experience of 34 years and a mean working experience of 25 years in their present firm. It is also evident from the Table that about 99% of the respondents were professionally registered as Members and Fellows of the Nigerian Institute of Quantity Surveyors. As a result, the information provided by them could

be relied upon. It is also evident from the Table that 84.6% of the firms surveyed have been in existence for over 10 years.

Table 1: Respondents' Background Information

Background Information	Parameters	Frequency	Percentage	Cumulative %	Mean
Status in Firm	Ass QS	16	17.6	17.6	
	Senior QS	30	33	50.6	
	Partner	22	24.1	74.7	
	Principal Partner	23	25.3	100	
	Total	91	100		
Age of Firm	5 - 10	14	15.4	15.4	
	11 - 20	44	48.3	63.7	29
	Above 20	33	36.3	100	
	Total	91	100		
Years of Working Experience as QS	5 - 15	9	9.9	9.9	
	16 - 25	16	17.6	27.5	
	26 - 35	28	30.8	58.3	34
	36 - 40	15	16.4	74.7	
	Above 40	23	25.3	100	
Total	91	100			
Year of Working Experience in Present Firm	5 - 15	20	22.0	22.0	
	16 - 25	36	39.6	61.6	
	26 - 35	19	20.7	82.3	25
	36 - 40	14	15.5	97.8	
	Above 40	2	2.2	100	
Total	91	100			
Professional Membership Level	Probationer	1	1.1	1.1	
	Associate	66	72.5	73.6	
	Fellow	24	26.4	100	
	Total	91	100		

An analysis was carried out using mean score analysis to determine the extent of usage of the 10 leadership styles identified from literature and from discussion with practising QSs. The result of the analysis is presented in Table 2. From the Table, it

is evident that by overall mean ranking, transactional leadership style ranked 1st in extent of usage with the highest mean score (MS = 3.96). This is followed by the democratic leadership style which ranked 2nd (MS = 3.91), transformational leadership ranked 3rd (MS = 2.85), charismatic leadership style ranked 4th (MS = 2.64) and servant leadership ranked 5th (MS = 2.25). The leadership style with the least extent of usage is autocratic leadership which ranked 10th (MS = 0.32)

Table 2: Leadership Styles in QS Firms

Leadership Style	Overall Mean	Rank	Age 5-10 Mean	Rank	Age 11-20 Mean	Rank	Age Above 20 mean	Rank	F-Stat	P-Value	sig
Transactional	3.98	1	4.46	1	3.69	2	3.96	1	4.693	0.004	*
Democratic	3.91	2	4.36	2	4.07	1	3.69	2	0.769	0.514	
Transformational	2.85	3	2.57	3	2.97	3	2.85	3	0.831	0.48	
Charismatic	2.59	4	2.50	4	1.31	6	2.79	4	3.573	0.001	*
Servant Leadership	2.26	5	2.29	5	2.21	4	2.29	5	0.239	0.869	
Situational	1.27	6	1.29	6	1.52	5	1.12	7	1.351	0.263	
Laissez Faire	1.09	7	1.07	7	0.93	7	1.19	6	1.832	0.147	
Bureaucratic	0.86	8	0.29	8	0.69	9	1.12	8	0.373	0.772	
Cross Cultural	0.74	9	0.14	10	0.76	8	0.90	9	1.338	0.267	
Autocratic	0.32	10	0.21	9	0.21	10	0.42	10	1.053	0.373	

*Significant at 5% level

It is not surprising that transactional leadership style topped the list. This is because it is a leadership style where leaders focus on clarifying roles, expectations, and goals, and establish clear structures for rewards and consequences based on performance (Khumalo 2015). As such, QS firms that exist to make profit would naturally find transactional leadership style suitable for their purpose. In a related study, Liphadzi, *et al.*, (2015) who investigated the relationship between leadership styles and project success in the South African construction industry, for the same reason, also concluded that there is a positive relationship between transactional leadership and project success. It is also not surprising to have democratic and transformational leadership styles coming up as part of the top-ranking leadership styles used by QS firms. This is because they are leadership styles that allow the subordinates to contribute to the running of the QS firms. This is a healthy outcome because the nature of the QS profession is that it is ever changing and continually evolving. As such, inputs from the subordinates are very important. In a related study, Limsila and Ogunlana (2008) who investigated the performance and leadership outcome correlates of leadership styles and subordinate commitment in the Thailand construction industry, for the same reason concluded that the transformational leadership style has a positive association with work performance and organisational commitment of subordinates.

A further analysis was carried out, using ANOVA. The hypothesis being tested here is that there is no statistically significant difference in the scoring of the respondents from young firms (5-10 years), old firms (11-20 years) and older firms (over 20 years). The result of the analysis showed that there is a statistically significant difference in the scoring of transactional leadership style by young, old and older firms (p-value < 0.05) at 5% level of significance. Whilst this leadership style ranked 1st overall, it also ranked 1st under the young firms but it ranked 2nd under the old firm and ranked 1st under the older firms. This indicates that while transactional leadership is of paramount importance to young and older firms, it is of less paramount importance to old firms with 10-20 years age grouping which ranked democratic leadership 1st (MS=4.07). This therefore seem to reveal that age of firm plays an important part in the leadership style they adopt. The pattern that has

emerged seems to be starting from transactional leadership style in the early years of establishment and transiting to democratic leadership style preference later (11 -20 years) and then later back to transaction leadership style as the firms get older (20 years and above). This seems to support the views of Jamal (2014) who submitted that transactional leadership finds great relevance in organisations where mission is high, the organisation is complex, and the chain of command is important. Result further showed that there is a statistically significant difference in the scoring of charismatic leadership style by young, old and older firms (p-value < 0.05) at 5% level of significance. Whilst this leadership style ranked 4th overall, it also ranked 4th under the young and older firms, but it ranked 6th under the old firm (11-20 years). It appears that when firms reach the 11-20-year age bracket, they tend to explore other leadership styles.

To determine the effect of leadership styles on the survival of QS firms, multiple linear regression analysis was used to determine the relationship between leadership styles and age of firm. This was based on the premise that if a relationship could be established, that could be helpful in predicting the survival of the QS firms. The top-ranking leadership styles from Table 2 with mean score of 2.25 and above were selected as predictor variables while the age of the 91 QS firms that participated in the survey was selected as the dependent variables. Table 3 presents the coefficient of the regression analysis.

Table 3: Coefficient Table of relationship between leadership style and age of firms

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	4.086	0.86		4.753	0.000
Democratic	-0.283	0.11	-0.291	-2.565	0.012
Transformational	0.164	0.13	0.138	1.26	0.211
Servant Leadership	0.019	0.141	0.015	0.138	0.891
Transactional	-0.228	0.155	-0.157	-1.47	0.145
Charismatic	0.068	0.112	0.068	0.611	0.543
R squared	0.128	Adjusted R ²	0.077		

From Table 3. it is evident that a relationship exists which can be expressed with the multi linear regression equation (Equation 2) in the form:

$$Y = 4.086 - 0.283X1 + 0.164X2 + 0.019X3 - 0.228X4 + 0.068X5 \dots\dots(\text{Equation 2})$$

Where Y = Age of firm, X1 = Democratic leadership style, X2 = Transformational leadership style, X3 = Servant leadership style, X4 = Transactional leadership style and X5 = Charismatic leadership style.

The regression equation shows that when the extent of usage of the 5 leadership styles in the multi linear regression equation are known on a scale of 0 to 5, then, the survival age of the QS firm could be predicted. From Equation 2, it is evident that the leadership style that contributes the most to the survival age of the firm is transformational leadership style with a coefficient of 0.164. This is followed by charismatic leadership style (coefficient of 0.068) and then servant leadership style (coefficient of 0.019). The fact of transactional leadership style contributing the most to the survival of a firm was confirmed in a related study by Limsila and Ogunlana (2008) who investigated the performance and leadership outcome correlates of leadership styles and subordinate commitment in the Thailand construction industry. The study concluded that the transformational leadership style was found to have a

positive association with work performance and organisational commitment of subordinates more than the transactional style. Table 3 shows the predictive ability of the regression model, R² and Adjusted R² to be 0.128 and 0.077 respectively. These figures are not as high as one would have expected. They show that a relationship exists but weak. The weak relationship will not be unconnected with the limited data sets available, especially from the younger QS firms (5 - 10 years in existence). With the availability of more data sets and the use of artificial intelligence modelling tools like Artificial neural network or machine learning, there is a possibility of arriving at a model with better predictive ability.

CONCLUSIONS

The study offers two conclusions. First, regarding the adoption of leadership styles, the study concluded that while transactional leadership style is the most widely used in QS firms, other forms of leadership styles are also in use to varying degree. It was also concluded that the survival age of firms has a lot to do with the leadership styles adopted by QS firms at different stages of their existence.

Second, regarding the effect of leadership styles on the survival of QS firms in the study area, the study concluded that a relationship exists between the type of leadership styles adopted by QS firms and their survival. This led to the formulation of a predictive multi linear regression model which has the possibility of determining the survival age of the QS firm depending on the extent of usage of a combination of leadership styles being embraced by the firm. The implication of the formulated model is that it will be useful for QS firms in determining the survival age of their firm depending on the extent of usage of a combination of leadership styles that they employ. It will also be useful in helping them to know which leadership styles to embrace to a higher extent to increase the long-term survival of their firms.

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