

**THE EFFECT OF LEADERSHIP STYLES ON BUSINESS SUSTAINABILITY:  
A STUDY OF SMES IN BENIN CITY**

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**DECEMBER, 2025**

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**A RESEARCH PROJECT WRITTEN AND SUBMITTED TO THE  
DEPARTMENT OF BUSINESS ADMINISTRATION, FACULTY OF  
MANAGEMENT SCIENCES, UNIVERSITY OF BENIN, BENIN CITY, IN  
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF  
BACHELOR OF SCIENCE (B.Sc) DEGREE IN BUSINESS ADMINISTRATION**

**DECEMBER, 2025**

## **DECLARATION**

I, **Favour Cynthia IDIAGHE** do hereby declare that this project work is entirely my own work and composition. The work embodied in this project has not been submitted in candidature for any degree and is not concurrently being submitted for any other degree. All references made to works of other persons have been duly acknowledged.

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## CERTIFICATION

This is to certify that this project work was carried out by **Favour Cynthia IDIAGHE** with Matriculation Number: **MGS2104823** in the Department of Business Administration, Faculty of Management Sciences, University of Benin, Benin City.

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## **DEDICATION**

This project is dedicated to God Almighty for His grace and mercies while I was an undergraduate.

## ACKNOWLEDGEMENTS

I would like to begin by expressing my deepest gratitude to God Almighty for His guidance, strength, and endless blessings throughout the course of this research project. Without His divine grace, this accomplishment would not have been possible.

I am profoundly thankful to my supervisor, Dr. S.O. Omigie, whose expert guidance, patience, and constructive feedback were invaluable in shaping this study. His encouragement and insightful suggestions challenged me to deepen my understanding and refine my work to a high academic standard. I am truly grateful for his unwavering support and mentorship.

I also wish to extend heartfelt appreciation to my parents, Mr. and Mrs. Idiaghe, for their unconditional love, prayers, and moral support. Their constant encouragement motivated me to persevere through every challenge encountered during this journey. Their belief in me has been a steadfast pillar of strength.

To my siblings, Gabriel and Desmond Idiaghe, thank you for your understanding and moral encouragement. Your support and belief in my abilities helped me stay focused and determined.

Lastly, I am grateful to all my course mates, whose camaraderie and shared experiences made this academic endeavor less daunting. Their collaboration and encouragement fostered a supportive environment throughout our studies.

To everyone mentioned and beyond, I sincerely appreciate your contributions and support in bringing this project to successful completion.

## TABLE OF CONTENTS

Cover page	-	-	-	-	-	-	-	-	-	i
Title Page	-	-	-	-	-	-	-	-	-	ii
Declaration	-	-	-	-	-	-	-	-	-	iii
Certification	-	-	-	-	-	-	-	-	-	iv
Dedication	-	-	-	-	-	-	-	-	-	v
Acknowledgements.	-	-	-	-	-	-	-	-	-	vi
Table of Contents	-	-	-	-	-	-	-	-	-	vii
List of Tables	-	-	-	-	-	-	-	-	-	xi
Abstract	-	-	-	-	-	-	-	-	-	xii

### CHAPTER ONE

1.1	Background to the Study	-	-	-	-	-	-	-	-	1
1.2	Statement of the Problem	-	-	-	-	-	-	-	-	4
1.3	Objectives of the Study	-	-	-	-	-	-	-	-	6
1.4	Research Questions	-	-	-	-	-	-	-	-	7
1.5	Research Hypothesis	-	-	-	-	-	-	-	-	7
1.6	Significance of the Study	-	-	-	-	-	-	-	-	8
1.7	Scope of the Study	-	-	-	-	-	-	-	-	8
1.8	Limitations of Study	-	-	-	-	-	-	-	-	10
1.9	Definition of Terms	-	-	-	-	-	-	-	-	12

## **CHAPTER ONE**

1.1	Background to the Study	-	-	-	-	-	-	1
1.2	Statement of the Problem	-	-	-	-	-	-	5
1.3	Objectives of the Study	-	-	-	-	-	-	7
1.4	Research Questions	-	-	-	-	-	-	7
1.5	Research Hypothesis	-	-	-	-	-	-	8
1.6	Significance of the Study	-	-	-	-	-	-	8
1.7	Scope of the Study	-	-	-	-	-	-	9
1.8	Limitations of Study	-	-	-	-	-	-	10
1.9	Definition of Terms	-	-	-	-	-	-	10

## **CHAPTER TWO: LITERATURE REVIEW**

2.1	Introduction	-	-	-	-	-	-	12
2.2	Conceptual Review	-	-	-	-	-	-	12
2.2.1	Business Sustainability	--	-	-	-	-	-	12
2.2.2	Concept of Leadership	--	-	-	-	-	-	14
2.2.3	Leadership Styles	-	-	-	-	-	-	15
2.2.4	Transformational Leadership Style and Business Sustainability	--	-	-	-	-	-	17
2.2.5	Transactional Leadership Style and Business Sustainability	--	-	-	-	-	-	20
2.2.6	Participative Leadership Style and Business Sustainability	-	-	-	-	-	-	23

2.3 Theoretical Review	-	-	-	-	-	-	-	-	26
2.4 Empirical Review	-	-	-	-	-	-	-	-	29
2.5 Research Gap	-	-	-	-	-	-	-	-	32

### **CHAPTER THREE: METHODOLOGY**

3.1 Introduction	-	-	-	-	-	-	-	-	35
3.2 Research Design	--	-	-	-	-	-	-	-	35
3.3 Population of the study	--	-	-	-	-	-	-	-	35
3.4 Sample Size and Sampling Technique	-	-	-	-	-	-	-	-	36
3.5 Source of Data	-	-	-	-	-	--	-	-	36
3.6 Research Instrument	--	-	-	---	-	-	-	-	37
3.7 Operationalisation and measurement of variables	--	-	-	-	-	-	-	-	37
3.8 Reliability Test	-	-	-	-	-	--	-	-	38
3.9 Validity of the Research Instrument	-	-	-	-	-	-	-	-	39
3.10 Data collection method	--	-	-	-	-	-	--	-	40
3.11 Data of Data Analysis	-	-	-	-	-	-	--	-	40

### **CHAPTER FOUR: DATA PRESENTATION, ANALYSIS, AND INTERPRETATION**

4.1 Introduction	-	-	-	-	-	--	-	-	42
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4.2 Data analysis and Interpretation -	-	-	-	-	-	-	-	42
4.3 Regression Result -	-	-	-	-	-	--	-	56
4.4 Test of Hypothesis -	-	-	-	-	-	--	-	59
4.5 Discussion of findings -	-	-	-	-	-	--	-	61
<b>CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATION</b>								
5.1 Introduction	-	-	-	-	-	-	-	64
5.2 Summary of Findings	-	-	-	-	-	-	-	64
5.3 Conclusion	-	-	-	-	-	-	-	65
5.4 Recommendations -	-	-	-	-	-	-	-	66
5.5 Contribution to Knowledge	-	-	-	-	-	-	-	67
5.6 Suggestion for Further Study	-	-	-	-	-	-	-	68
<b>REFERENCES</b>	-	-	-	-	-	-	-	<b>69</b>
<b>APPENDIX I-</b>	-	-	-	-	-	-	-	<b>84</b>
<b>APPENDIX II</b>	-	-	-	-	-	-	-	<b>88</b>

## LIST OF TABLES

Table 3.1 Operationalisation and Measurement of Variables - - -	37
Table 3.3 Cronbach's Alpha Reliability Test Results for the Variables Under Consideration - - - - - - - - -	39
Table 4.1: Gender - - - - - - - - -	43
Table 4.2: Age - - - - - - - - -	43
Table 4.3: Marital Status - - - - - - - - -	44
Table 4. 4 - Table 4. 23: Presentation of Items -- - - - - -	44
Tale 4.5 Model Summary - - - - - - - - -	56
Table 4.6 ANOVA - - - - - - - - -	57
Table 4.7 Coefficients - - - - - - - - -	58

## **ABSTRACT**

This study investigated the effect of leadership styles on business sustainability among SMEs in Benin City, Edo State. It aimed to evaluate the impact of transformational, transactional, and participative leadership styles on the long-term viability and operational stability of these enterprises. The research adopted a descriptive survey design, using structured questionnaires administered to 147 employees across four selected SMEs within the Ugbowo axis. Data analysis involved descriptive statistics, correlation, and multiple regression techniques to test relationships and hypotheses at a 0.05 significance level.

The findings revealed that transformational leadership significantly enhanced business sustainability by promoting vision, motivation, and innovation, thus contributing to long-term growth and adaptability in SMEs. Transactional leadership played an important role in ensuring short-term stability and effective operational control but showed limited influence on sustained business growth. Participative leadership positively affected goal commitment and team involvement, though its impact was more effective when combined with transformational leadership practices.

Based on these results, it was recommended that SMEs should prioritize developing transformational leadership competencies to inspire and motivate their workforce and drive innovation crucial for sustained success. Additionally, transactional leadership techniques should be integrated to maintain operational consistency and manage daily business challenges efficiently. Furthermore, fostering participative leadership by encouraging inclusive decision-making and employee engagement was advised to enhance collective responsibility and strengthen overall business sustainability.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

Small and Medium Enterprises (SMEs) are important to the economic development of emerging economies, contributing greatly to employment generation, poverty reduction, and innovation. In Nigeria, and specifically in Benin City, SMEs face multifaceted challenges, including limited access to finance, volatile markets, and rapidly changing business environments. Amidst these challenges, the sustainability of SMEs-defined as their ability to maintain long-term economic viability while balancing social and environmental responsibilities-has become a critical concern (Parida & Wincent, 2019; Schaltegger et al., 2017).

Business sustainability, rooted in the Sustainable Development Theory, encompasses the integration of economic, social, and environmental objectives into business strategies and operations. The triple bottom line framework-economic prosperity, environmental stewardship, and social equity-guides organizations to create value not only for shareholders but also for society and the environment (Parida & Wincent, 2019). For SMEs, sustainability is not merely about survival; it is about thriving in a competitive landscape while contributing positively to the broader community and ecosystem (Schaltegger et al., 2017).

Leadership plays a decisive role in shaping the sustainability trajectory of SMEs. The leadership style adopted by SME owner-managers influences organizational culture, employee engagement, innovation, and ultimately, the long-term success and sustainability of the enterprise (Okeke, 2019). Given the relatively small size and close-knit structure of SMEs, leadership behaviors and decisions have a pronounced impact on business outcomes (Boukamcha, 2019). In this context, understanding the effect of various leadership styles-transformational, transactional, and participative-on business sustainability is essential for fostering resilient and competitive SMEs in Benin City.

Business sustainability refers to the capacity of an organization to operate in a manner that ensures its long-term economic success while simultaneously advancing social and environmental objectives. The concept is anchored in the Sustainable Development Theory, which emphasizes the integration of economic, social, and environmental dimensions into business decision-making (Parida & Wincent, 2019). Sustainable businesses are those that not only generate profit but also minimize negative environmental impacts and contribute to societal well-being. This holistic approach is encapsulated in the triple bottom line model, which encourages organizations to pursue economic growth, social inclusion, and environmental protection concurrently (Schaltegger et al., 2017). For SMEs, achieving sustainability is particularly challenging due to resource constraints and heightened vulnerability to market fluctuations. However, SMEs that embed sustainability into their core strategies are better positioned to innovate, attract and retain talent, build stronger stakeholder relationships, and adapt to regulatory

and market changes (Smith et al., 2022). Leadership is a key enabler in this process, as it determines the vision, values, and practices that drive sustainable business behavior.

Transformational leadership is characterized by the ability to inspire and motivate employees to exceed their own self-interests for the sake of the organization, fostering a culture of innovation, learning, and continuous improvement (Al Maalouf & El Achi, 2023; Rojak et al., 2024). Transformational leaders articulate a compelling vision for sustainability, encourage creativity, and empower employees to take ownership of sustainability initiatives (Çop et al., 2020; Asad et al., 2021). Research indicates that transformational leadership significantly enhances SMEs' capacity to innovate and adapt to sustainability challenges, resulting in improved financial performance, employee satisfaction, and organizational resilience (Asuzu, 2024; Uzougbo, Ikegwu & Adewusi, 2024). By fostering an environment of trust, intellectual stimulation, and individualized consideration, transformational leaders drive the adoption of sustainable business practices and facilitate the achievement of long-term sustainability goals (Viana Feranita et al., 2020; Smith et al., 2022). In the context of Benin City, where SMEs operate in a dynamic and often uncertain environment, transformational leadership can be a critical factor in achieving business sustainability (Okeke, 2019).

Transactional leadership is based on a system of rewards and punishments, where leaders set clear goals and expectations, monitor performance, and provide feedback based on outcomes (Okeke, 2019). This style facilitates accountability and operational efficiency

through contingent rewards and management by exception, which ensures task clarity and performance monitoring (OmniHR, 2025; OfficerND, 2024). While transactional leadership can promote short-term financial and operational goals, its impact on sustainability is mixed. Transactional leaders may prioritize immediate results over long-term environmental and social objectives, potentially neglecting broader sustainability implications (Dong et al., 2023; Ali Abasi et al., 2024). Nevertheless, transactional leadership contributes to sustainability when paired with explicit sustainability goals and tying those goals to performance incentives (Kafetzopoulos & Gotzamani, 2022; Piwowar-Sulej & Iqbal, 2023). By linking measurable sustainability targets to rewards and penalties, transactional leaders can motivate participation in sustainable practices. However, literature suggests that transactional leadership alone is insufficient to drive the deep organizational cultural and behavioral transformation necessary for holistic business sustainability, which often requires transformational leadership elements (Iqbal et al., 2020; Abbas, 2024). Participative leadership, also known as democratic leadership, involves the active engagement of employees in decision-making processes. This style fosters a sense of ownership, collaboration, and shared responsibility among team members (Smith et al., 2022). Participative leaders solicit input from employees, encourage open communication, and value diverse perspectives, which can enhance problem-solving and innovation. In the context of business sustainability, participative leadership enables SMEs to leverage the collective knowledge and creativity of their workforce to identify and implement sustainable solutions. By involving employees in

sustainability initiatives, participative leaders build commitment and alignment around sustainability goals, leading to more effective and enduring outcomes (Smith et al., 2022). This approach is particularly relevant for SMEs in Benin City, where resource constraints necessitate collaborative and innovative approaches to sustainability challenges. It is against this backdrop that this study seeks to examine the Effect Of Leadership Styles on Business Sustainability: A Study of SMES in Benin City.

## **1.2 Statement of the Problem**

Business sustainability remains a significant challenge among Small and Medium Enterprises (SMEs) in the modern economic scenario, particularly in developing regions such as Benin City, Nigeria. It has been widely observed that many SMEs fail to survive beyond their early years of establishment, and those that manage to persist often experience difficulties in maintaining consistent growth and operational stability (Agwu, & Okechukwu, 2020) This situation has triggered concern among business experts, policymakers, and scholars who seek to understand the underlying factors influencing the longevity and sustainability of SMEs. Among the many variables that could potentially influence business sustainability, leadership style has emerged as a particularly critical factor. Studies and anecdotal evidence suggest that the leadership approach adopted by entrepreneurs or business managers significantly impacts strategic decision-making, employee engagement, resource allocation, and ultimately, business

performance and resilience over time, Al-Sharif, Hareeza, Jaharuddin, Abdulsamad, & Jandab (2023).

According to researchers and business analysts, such as Agwu & Okechukwu (2020), Abdulsamad & Jandab (2023) Matsh (2025), Oladele & Akeke (2014), Olorube (2024), Adebajo, Adegbola, and Adejuwon (2025), there is growing recognition that effective leadership is indispensable for achieving long-term business goals and adapting to market fluctuations. However, in many SMEs within Benin City, there appears to be a lack of consistent and strategic leadership practices. Some business leaders are either autocratic or excessively laissez-faire, failing to create a conducive environment for innovation, accountability, and team cohesion (Smith et al., 2022). The inconsistency in leadership styles often leads to poor organizational culture, high employee turnover, inefficient use of resources, and inability to respond adequately to external business pressures. This raises a critical question about how different leadership styles influence the sustainability of SMEs in this region. Furthermore, many SME owners may lack formal leadership training or the strategic foresight necessary to steer their businesses through the complex challenges of modern commerce. It is this observable concern about the unstable nature of SMEs and the perceived leadership deficiencies within them that has prompted the current research. The study aims to investigate the effect of leadership styles, such as transformational, transactional, and participative on the sustainability of SMEs in Benin City.

### **1.3 Research Questions**

The following research questions would guide the study:

1. What impact does transformational leadership has on business sustainability?
2. To what extent does transactional leadership style influence business sustainability?
3. What is the relationship between participative leadership style and business sustainability?

### **1.4 Research Objectives**

The main purpose of this study is to investigate the Effect of Leadership Styles on Business Sustainability; specifically, this study seeks to:

1. Evaluate the impact of transformational leadership style on business sustainability.
2. Determine the influence of transactional leadership style on business sustainability.
3. Examine the relationship between participative leadership style and business sustainability.

## **1.5 Research Hypothesis**

The hypotheses are stated in the null form:

Ho1: Transformational leadership style does not have significant impact on business sustainability.

Ho2: Transactional Leadership Style have no significant impact on business sustainability.

Ho3: Participative leadership style has no significant influence on business sustainability.

## **1.6 Significance of the Study**

The study when completed will greatly benefit SME owners and managers, Policy Makers, and Customers. SME Owners and Managers are primary beneficiaries, as the study will offer them a clearer understanding of how different leadership styles influence sustainable business practices. This knowledge would guide them in adopting leadership approaches that enhance long-term viability, improve resource management, and foster innovation, thereby strengthening their competitive edge and resilience in the market.

Policy Makers will also benefit from the findings by gaining evidence-based knowledge into how leadership within SMEs affects sustainability outcomes. Such information can inform the design of targeted support programmes, training initiatives, and policies that promote effective leadership development and sustainable business practices, ultimately contributing to regional economic development and environmental stewardship.

Customers stand to gain as well, since sustainable business practices driven by effective leadership can lead to improved product quality, ethical operations, and environmental responsibility. This fosters greater trust and loyalty among customers well-being through responsible business conduct.

### **1.7 Scope of the Study**

The Effect of Leadership Styles on Business Sustainability will be the subject of this investigation. The study will focus on SMEs within Benin City, Edo State. The research will be conducted within the year 2025.

### **1.8 Limitation of the Study**

One potential limitation of this is the geographic and contextual focus. By concentrating solely on SMEs within Benin City, the findings may not be fully generalizable to other regions or larger enterprises, where leadership dynamics and sustainability challenges could differ significantly. Additionally, the study may face constraints related to data collection, such as limited access to detailed records or reluctance of SME leaders to share candid information about their leadership approaches and sustainability practices. Moreover, the research's emphasis on quantifiable leadership styles might overlook nuanced, qualitative factors like organizational culture, employee morale, and informal leadership influences that also play critical roles in sustainability outcomes. The case study approach, while rich in contextual detail, may limit the breadth of data and reduce the ability to draw broader conclusions across diverse SME sectors. Finally, focusing

primarily on business sustainability as the outcome variable might exclude other relevant success indicators, such as financial performance, market competitiveness, or social impact, potentially narrowing the overall understanding of how leadership styles affect SME viability and growth.

## **1.9 Definition of Terms**

**Leadership Style:** refers to the characteristic way in which a leader motivates, directs, and manages people to achieve organizational goals (Northouse, 2021).

**Transformational Leadership:** refers to a leadership approach that inspires and motivates followers to exceed expectations through vision, intellectual stimulation, and individualized consideration (Bass & Riggio, 2019).

**Transactional Leadership:** is a leadership style based on contingent rewards and management-by-exception, focusing on performance monitoring and task completion (Judge & Piccolo, 2020).

**Participative Leadership:** involves leaders actively involving subordinates in decision-making processes to enhance collaboration and ownership (Somech, 2019).

**Business Sustainability:** is the ability of a business to maintain long-term economic viability while integrating social and environmental responsibilities into its operations (Elkington, 2018).

**Small and Medium Enterprises (SMEs):** are defined as businesses with a limited number of employees and turnover, playing a critical role in economic development and innovation (OECD, 2022).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter is divided into three sections; conceptual review, theoretical review and empirical review. The conceptual review shall discuss concepts related to leadership Styles and its effects on business sustainability. The theoretical review shall include relevant theories on leadership Styles and its effects on business sustainability. The chapter concludes with the review of empirical literature by presenting studies conducted in relation to leadership Styles and its effects on business sustainability as well as their findings.

#### **2.2 Conceptual Review**

##### **Business Sustainability**

Business sustainability is a contemporary concept that refers to the ability of a business to operate in a manner that ensures long-term viability while minimizing negative impacts on the environment, society, and economy. It integrates social, environmental, and economic considerations into corporate decision-making processes to create lasting value for organizations, their stakeholders, and the broader community (Tenny, 2024). Sustainability in business emphasizes the importance of aligning economic growth with responsible stewardship of natural resources and social well-being, ensuring that the

needs of the present are met without compromising the ability of future generations to meet their own needs (Elkington, 2019; Henderson, 2020).

At the heart of business sustainability is the triple bottom line framework, which measures organizational success not only by financial profits but also by social and environmental outcomes (Elkington, 2019). This approach encourages businesses to pursue profitability alongside social responsibility and environmental protection often termed people, planet, and profit (Tenny, 2024; Henderson, 2020). Sustainable businesses adopt practices such as reducing waste, energy consumption, and emissions, while simultaneously promoting fair working conditions, human rights, and community engagement (Hammid, 2023; Clark, 2022). These integrated efforts foster resilience, drive innovation, and align company purposes with broader societal goals, including combating climate change and resource depletion.

Business sustainability also requires companies to transition from the traditional profit-driven models to approaches incorporating long-term strategic planning and stewardship of resources (Tenny, 2024). By investing in green technologies and sustainable supply chains, companies reduce their ecological footprints and gain competitive advantages through enhanced reputation and regulatory compliance (Clark, 2022; Hammid, 2023). Furthermore, sustainable business strategies contribute to value creation for investors, customers, employees, and other stakeholders by strengthening trust and social license to operate (Elkington, 2019; Henderson, 2020). This holistic view emphasizes that

sustainable business growth depends on balancing economic objectives with environmental integrity and social equity.

### **Concept of Leadership**

Leadership is a complex concept that can be broadly defined as the ability to influence, motivate, and guide individuals or groups toward achieving common goals. It encompasses a social process through which a leader inspires commitment and coordinates efforts to realize a shared vision (Center for Creative Leadership [CCL], 2025). Fundamentally, leadership involves not only directing others but also fostering an environment where individuals willingly participate and contribute positively to group objectives (Delia, 2019). Conceptually, leadership is distinguished by several core attributes essential to effective practice. One primary characteristic is vision. A leader must have a clear vision of the future and the ability to communicate this compellingly to their followers, providing direction and purpose (Reactive Executive, 2025). Alongside vision, motivation is central, as leaders inspire and energize their teams by aligning personal and organizational goals (Study.com, 2019). This motivational capacity is often linked with empathy, the leader's skill in understanding and responding to the emotions and perspectives of others, which fosters trust and cohesion within the group.

Another significant attribute is effective communication, which ensures transparency and clarity in the leader's intentions and expectations. Good communication facilitates openness and active listening, helping leaders to engage with diverse viewpoints and

promote collaborative problem-solving (Emeritus, 2024). Additionally, leadership entails creativity and flexibility, enabling leaders to navigate challenges innovatively and adapt to changing environments (Study.com, 2019). This adaptability is crucial in sustaining progress and encouraging continuous improvement.

Integrity and emotional intelligence are equally vital leadership qualities. Integrity involves acting ethically and building trust, while emotional intelligence encompasses the leader's ability to manage their own emotions and those of others to maintain a positive team dynamic (Reactive Executive, 2025). Together, these attributes underpin the leader's credibility and influence.

### **Leadership Styles**

Leadership styles represent distinct approaches leaders take to guide, motivate, and influence their followers. Among the most studied and applied leadership styles are Transformational, Transactional, and Participative leadership. Each style has unique characteristics, conceptual foundations, and implications for organizational performance and employee engagement.

Transformational Leadership Style is characterized by its visionary and inspirational approach to leading followers. Burns (1978) initially conceptualized transformational leadership by identifying how leaders inspire followers to transcend their self-interest for the sake of the organization. Modern scholarship advances this by emphasizing leaders' ability to motivate followers through vision, intellectual stimulation, and individualized

consideration (Bass, 1990; Zacher & Rosing, 2019). Transformational leaders foster creativity and innovation by encouraging followers to challenge the status quo and engage in critical thinking. They also provide personal mentorship and attention, thereby enabling followers' professional and personal development (Bass & Riggio, 2019). This style champions authentic leadership qualities such as integrity, empathy, and self-awareness, creating emotional connections that increase followers' trust and motivation (Northouse, 2021). Transformational leadership is often regarded as ideal for organizations undergoing significant change or those that require sustained innovation, as it cultivates an adaptable and committed workforce (Smith et al., 2022).

Transactional Leadership Style differs markedly from transformational leadership in its practical and structured approach. James MacGregor Burns (1978) described transactional leadership as a system of exchanges where leaders provide rewards or punishments contingent on performance. This approach operates within established organizational frameworks and clear hierarchies, emphasizing adherence to existing processes and short-term goal attainment (Bass & Riggio, 2019). Transactional leaders monitor subordinate performance closely, rewarding compliance and correcting deviations promptly. They rely on extrinsic motivation, using contingent rewards like bonuses and penalties to influence behavior (Judge & Piccolo, 2020). This leadership style is particularly effective in environments requiring routine tasks, stability, and efficiency, such as manufacturing or crisis situations where clear direction is necessary (Zacher & Rosing, 2019). However, transactional leadership may limit creativity and

intrinsic motivation as it does not focus on developing followers' potential beyond task completion (Northouse, 2021).

Participative Leadership Style, also known as democratic leadership, centers on collaboration and inclusivity in decision-making processes. Unlike transactional leadership, which is directive and top-down, participative leadership encourages leaders to share power and responsibility with subordinates (Somech, 2019). This style promotes open communication, trust-building, and engagement by involving team members in identifying problems and creating solutions (Wu et al., 2023). Participative leaders are skilled communicators who create an environment where feedback is welcomed, and employees feel valued for their contributions (Lee & Chuang, 2021). This leadership approach enhances team cohesion and collective accountability, making it effective in dynamic settings or organizations emphasizing innovation and employee satisfaction (Yammarino & Daniell, 2020). Challenges include the potential for slower decision-making and difficulties maintaining spontaneous communication in virtual or decentralized teams (Somech, 2019). Overall, participative leadership fosters empowerment and a sense of ownership among followers, which can lead to higher morale and better performance (Lee & Chuang, 2021).

### **Transformational Leadership Style and Business Sustainability**

The impact of transformational leadership style on business sustainability is a widely studied area with significant implications for the long-term success and resilience of

organizations. Transformational leadership is defined by a leader's ability to inspire, motivate, and intellectually stimulate followers, fostering commitment to organizational goals while encouraging innovation and change (Bakker et al., 2023). This leadership style strongly influences business sustainability by embedding a culture of continuous improvement, environmental stewardship, and social responsibility.

Conceptually, transformational leadership drives sustainable business practices through fostering high employee engagement and authenticity in organizational values. Leaders exhibiting transformational qualities inspire employees to transcend self-interest for the sake of collective goals, including environmental and social sustainability (Agbenyegah et al., 2024). This style promotes a shared vision that aligns organizational operations with sustainable development objectives, such as resource conservation, waste reduction, and social equity. By articulating a compelling vision and role modeling sustainable behaviors, transformational leaders cultivate an organizational climate conducive to sustainability-oriented innovation and collaboration.

Empirical studies have increasingly focused on the "green transformational leadership" variant, where leaders emphasize sustainability as a core component of their vision. For instance, Agbenyegah et al. (2024) demonstrated that green transformational leadership significantly improves green corporate performance by increasing employee participation in sustainability initiatives and enhancing environmental stewardship. These leaders provide intellectual stimulation around sustainability challenges,

encouraging teams to think creatively about reducing environmental impacts, thereby improving organizational ecological footprints over time.

Further, Zhao and Huang (2022) found that transformational leaders' emphasis on environmental sustainability enhances organizational support for green initiatives, which translates into better sustainable business performance measurable through energy efficiency, waste reduction, and compliance with environmental regulations. Such leadership not only advances ecological goals but also produces tangible financial benefits, reinforcing the business case for sustainability.

Transformational leadership also acts as a catalyst for building organizational resilience through its focus on adaptive change. The style's emphasis on innovation, learning, and ethical conduct supports sustainable business models that are responsive to shifting market demands and regulatory landscapes. Mehmood et al. (2024) highlighted that a transformational leadership climate facilitates new product development processes oriented toward sustainability, improving both the organization's competitive advantage and environmental responsibility. This dynamic leadership congruent with strategic flexibility enables firms to navigate uncertainties while sustaining growth.

Additionally, transformational leadership fosters organizational cultures with elevated trust, openness, and moral integrity values central to sustainability. Huang et al. (2021) observed that transformational leaders in high power distance cultures successfully integrate empowerment and ethical standards, thus fostering equitable participation and

ethical decision-making crucial for sustainable outcomes. The embodiment of such values in everyday business practices helps organizations maintain a balanced approach to economic success, environmental protection, and social equity.

In practical terms, companies led by transformational leaders are more likely to invest in continuous education on sustainability issues, empower employees with meaningful participation in green initiatives, and allocate resources toward eco-friendly innovations (Achmada, 2024). The positive employee attitudes nurtured by transformational leadership thus generate higher levels of commitment to sustainable business goals, ultimately ensuring longevity and societal acceptance.

### **Transactional Leadership Style and Business Sustainability**

The transactional leadership style exerts a significant, multifaceted impact on business sustainability, primarily through its focus on structured exchanges between leaders and followers, clear goal-setting, and performance-based rewards or punishments. Transactional leadership is grounded in a system of contingent reinforcement, where leaders set explicit expectations and monitor performance closely to ensure compliance with organizational objectives (Mamsa, Innocent & Elkanah, 2019). This style's pragmatic approach has been found to promote certain aspects of sustainability by enforcing discipline, adherence to standards, and efficient management practices within business operations.

Transactional leadership's emphasis on clear contracts between leaders and subordinates helps maintain operational stability and control, which are essential for sustaining business activities over time. For companies aiming to meet sustainability goals, particularly in regulated industries or those with strong corporate social responsibility (CSR) mandates transactional leaders provide the managerial rigor to ensure policies and sustainable practices are followed consistently (Abbas, 2024). Dai et al. (2022) highlight that transactional leadership positively impacts long-term organizational sustainability by implementing reward and punishment mechanisms that enforce environmental and social compliance, thereby embedding sustainability into everyday business processes.

Yet, transactional leadership's impact on sustainability differs from more visionary leadership styles like transformational leadership. While transformational leadership inspires innovation and higher commitment toward sustainability, transactional leadership tends to maintain the status quo by motivating employees through extrinsic rewards linked to performance targets (Iqbal et al., 2020). This pragmatic approach ensures that business activities align with explicit sustainability standards but may fall short in driving proactive, innovative sustainability strategies. Nevertheless, within many African business contexts, where resource constraints and regulatory frameworks necessitate strong managerial oversight, transactional leadership remains effective in fostering sustainable business practices by safeguarding compliance and encouraging accountability (Ogbonna & Akinlabi, 2021).

Employee satisfaction, a key mediator in sustainable business performance, is also influenced by transactional leadership. As Mamsa et al. (2019) describe, transactional leadership operates on a "give and take" exchange where rewards such as salary increments and promotions motivate employees. This approach can generate employee commitment to business goals, including sustainability objectives, provided that employees perceive these rewards as fair and achievable. However, transactional leadership may also breed dissatisfaction if it overlooks intrinsic motivation and fails to engage employees meaningfully, which could negatively affect innovation and long-term sustainability outcomes (Sunarsi et al., 2021).

Moreover, transactional leadership has been identified as a positive driver of organizational readiness for change, a crucial factor for integrating sustainable innovation into business models. Mekonnen (2023) found that the contingent reward component of transactional leadership builds clear performance expectations and accountability structures, preparing organizations to implement necessary sustainable changes. This is pivotal during periods of transformation where adherence to new sustainability standards requires disciplined efforts and clear communication from leadership.

Despite these strengths, transactional leadership alone may not fully unlock the potential for sustainable business growth. In a comparative analysis, studies show that transformational leadership generally has a stronger correlation with business

sustainability because it goes beyond compliance to inspire creativity, commitment, and proactive environmental stewardship (Hammid et al., 2020; Agyabeng, 2025). However, transactional leadership provides an essential foundation for implementing sustainability initiatives by ensuring discipline and operational efficiency, which can be particularly impactful in industries requiring stringent regulatory compliance.

Africans have contributed to understanding the significance of transactional leadership in sustainability within contexts marked by socio-economic challenges and evolving governance structures. Ogbonna and Akinlabi (2021) demonstrate that transactional leadership facilitates sustainable business outcomes in Nigerian firms by enforcing compliance with environmental and labor regulations. Their findings suggest transactional leadership fosters resilience and continuity in African SMEs by balancing resource limitations with the imperative to meet external sustainability demands.

### **Participative Leadership Style and Business Sustainability**

The relationship between participative leadership style and business sustainability is a pivotal area of study in contemporary organizational and management research. Participative leadership, often referred to as democratic leadership, is characterized by leaders who share decision-making powers with employees, fostering involvement, collaboration, and shared responsibility within the organization (Wang, 2022). This leadership approach directly influences business sustainability the ability of a business

to endure and prosper over the long term while balancing economic, social, and environmental concerns.

Participative leadership creates a conducive environment for sustainable business practices by engaging employees at all levels in decisions that affect organizational outcomes. According to Wang (2022), participative leaders encourage employee engagement and input in problem-solving, which leads to more informed and effective organizational decisions. This inclusion not only enhances employee motivation and satisfaction but also cultivates innovative solutions that support long-term sustainability goals. By involving employees, participative leaders tap into diverse perspectives and expertise, enabling organizations to adapt to rapidly changing market conditions and environmental challenges, which are critical for sustainability.

Sustainable business practices require leaders who are committed to integrating corporate social responsibility (CSR) and environmental stewardship into their strategic decisions. Research indicates that participative leadership positively influences CSR activities, which in turn enhances business sustainability (Belás Jr., 2024). Specifically, Belás Jr. (2024) finds that SMEs with a participative management style are better able to integrate social and environmental factors voluntarily into their business models. This integration, supported by inclusive leadership, leads to a stronger alignment between business operations and societal expectations, thereby reinforcing the firm's sustainability credentials.

Leadership style also mediates the effects of green practices on business sustainability. A study on the restaurant industry demonstrated that leadership styles described as instrumental, participative, and supportive notably mediate the relationship between green initiatives and business sustainability outcomes (Fawehinmi et al., 2020; Hammid et al., 2020; Cho & Yoo, 2021). Participative leadership enhances the impact of green practices by fostering a culture of environmental consciousness that permeates the organization. This culture motivates employees to adopt sustainable behaviors, contributing to reduced environmental footprints and enhanced economic viability over time.

Participative leadership aligns well with systems theory, which emphasizes the interconnectedness of organizational components and their environment. Arora (2024) highlights that effective participative leadership strategies promote collaboration, community engagement, and technology integration, all of which are necessary for sustaining a business in competitive and dynamic environments. By engaging stakeholders including employees and the wider community in decision-making, participative leaders facilitate holistic approaches that consider economic performance alongside social and environmental impacts. This balanced approach reinforces the principles of the triple bottom line (people, planet, profit), which is fundamental to business sustainability.

In addition, participative leadership improves employee collaboration and engagement, which are crucial for sustainable organizational performance. Arora (2024) emphasizes that leadership which promotes employee involvement enhances decision-making quality and operational efficiency, thereby supporting longevity and resilience. Enhanced employee engagement under participative leadership reduces turnover and builds organizational commitment, two factors that positively influence sustainable business growth.

Participative leadership also encourages transparency and trust within organizations, fostering an ethical culture that supports sustainable practices. Huang et al. (2021) argue that open and democratic leadership styles are vital in organizations with high power distance cultures where employee participation is not traditionally emphasized. Encouraging employee participation through this leadership style mitigates power imbalances and leads to more equitable and sustainable organizational practices. The supportive environment nurtured by participative leaders embeds sustainability into the organizational fabric, ensuring that environmental and social concerns are not sidelined in favor of short-term profits.

### **2.3 Theoretical Review**

The concept of leadership Styles and its effects on business sustainability can be supported through three major theoretical frameworks. Each of these theories provides a lens through which the dynamics of leadership Styles and its effects on business

sustainability can be better understood. These theories include: Transformational Leadership Theory, Transactional Leadership Theory, and Servant Leadership Theory. Each of these theories offers a unique perspective on leadership dynamics and their impact on sustainability outcomes in business organizations.

### **2.3.1 Transformational Leadership Theory**

Transformational Leadership Theory, originally conceptualized by James MacGregor Burns in 1978 and further developed by Bernard Bass, emphasizes inspiring and motivating followers to exceed their own self-interests for the sake of the organization, fostering innovation and long-term vision (Northouse, 2021). This theory assumes that leaders can transform their followers' attitudes and behaviors by articulating a compelling vision, providing intellectual stimulation, and offering individualized support. Criticisms of this theory highlight its potential for idealizing leaders and overemphasizing charisma, which may overlook practical constraints and follower autonomy (Matsuo, 2025). In the context of business sustainability, transformational leadership underpins this study by highlighting how visionary leadership can foster resilience, innovation, and ethical practices that balance economic, social, and environmental goals, driving sustainable growth (Odumeru, 2013; Burawat, 2019).

### **2.3.2 Transactional Leadership Theory**

This theory is based on the work of Burns and later refined by Bass, focuses on the exchanges between leaders and followers, where compliance and performance are

motivated by rewards or punishments (Agrawal & Dhamija, 2024). It assumes that clear goals, monitoring, and contingent rewards are effective for maintaining order and achieving short-term objectives. However, critics argue that this approach may lead to limited creativity and intrinsic motivation, as it often focuses narrowly on compliance rather than engagement or transformation (Mamsa et al., 2019). In relation to business sustainability, transactional leadership supports the study by explaining how structured management practices and performance incentives can ensure operational efficiency and compliance with sustainability standards, which are essential for maintaining sustainable business practices (Santhosé & Lawrence, 2023).

### **2.3.3 Servant Leadership Theory**

Introduced by Robert Greenleaf in 1970, centers on the leader's role as a servant who prioritizes the growth and well-being of followers and stakeholders over self-interest (Kenton, 2023). The theory assumes that leadership is fundamentally about serving others, fostering community, and ethical stewardship. Criticism includes its perceived lack of focus on organizational outcomes or authority, possibly leading to ambiguity in leadership roles. Despite this, servant leadership is deeply relevant to business sustainability as it encourages leaders to embed social responsibility, environmental care, and long-term ethical considerations into business strategy, promoting sustainable development and stakeholder trust (Melinda et al., 2019; Awasthi & Walumbwa, 2023).

Together, these three theories provide a comprehensive foundation for understanding how different leadership styles affect business sustainability. Transformational leadership brings the visionary and innovative dimension necessary for sustainable strategic change, transactional leadership ensures structured motivation and compliance essential for operational sustainability, and servant leadership embeds a moral and ethical framework that aligns business activities with broader societal and environmental goals.

## **2.4 Empirical Review**

The research leadership Styles and its effects on business sustainability has gained researchers' consideration. Some of the studies are reviewed and presented empirically below. One significant study by Okeke (2019) examined, Leadership Style and SMEs Sustainability in Nigeria: A Multiple Case Study investigated SME owner-managers' leadership styles and their effect on long-term performance and growth in Nigerian SMEs, including those in Benin City. This qualitative study used a multiple case study design to deeply investigate six SME owner-managers across manufacturing, education, and trading sectors with less than 200 employees. The research question focused on the role of leadership styles in long-term SME success. Data were collected through interviews and analyzed using cross-case synthesis that facilitated within-case and cross-case comparison. The study found that SME owner-managers did not adhere to a specific leadership style but tended to exhibit characteristics of transformational and transactional leadership, with more inclination to transactional leadership. The research highlighted

the positive social change implications by emphasizing how appropriate leadership styles could enhance SME performance and sustainability, thereby increasing employment capacity (Okeke, 2019).

Another relevant study is by Omolayo and Sanusi (2021), investigated the effect of leadership styles on sustainable performance of SMEs in Benin City, Edo State. The study adopted a survey research design, sampling registered SMEs in Benin City, focusing on the impact of autocratic, democratic, and laissez-faire leadership styles. It included five research hypotheses and utilized structured questionnaires validated through expert review and pilot testing that reported high reliability via Cronbach's alpha. The sample size comprised 150 SME owners, selected through stratified random sampling. Data analysis employed descriptive statistics and regression analysis. Findings indicated that the democratic leadership style had the most significant positive effect on business sustainability, followed by transformational leadership traits embedded in democratic leadership. The study recommended SMEs adopt participative leadership to enhance sustainability and competitiveness in Benin City markets (Omolayo & Sanusi, 2021).

In a broader regional study, Pham (2019) examined the effect of leadership styles on business performance of SMEs in the South-Eastern region of Nigeria. Employing a quantitative research design, the study surveyed 212 SME managers using a simple random sampling method. Instrumentation involved a Likert-scale questionnaire validated through factor analysis and reliability tests (Cronbach's Alpha). The study

tested 12 research questions through multiple linear regression and partial least squares methods. Results demonstrated that transformational and democratic leadership styles significantly boosted business performance and long-term sustainability, while autocratic leadership had a moderate yet positive influence. The study emphasized leadership's critical role in business sustainability and advised SMEs to foster employee empowerment and innovation via democratic and transformational approaches (Pham, 2019).

A closely related empirical study by Musa et al. (2022) focused on Kaduna State SMEs but provided insights applicable to SMEs in Benin City. The investigation used a survey design with 200 SME owner-managers drawn through purposive and stratified sampling from registered SMEs under SMEDAN. Three research hypotheses tested the effects of authoritarian, democratic, and laissez-faire styles on firm performance. Instruments were questionnaires with established validity and reliability reported via Cronbach's alpha exceeding 0.80. Data analysis included descriptive statistics and multiple regression. Results revealed democratic leadership positively and significantly influenced SMEs' sustainable performance, while autocratic leadership showed mixed results depending on organizational context. The findings encouraged SME leaders to adapt leadership styles situationally to optimize sustainability outcomes (Musa et al., 2022).

Lastly, Johnson and Smith (2020) investigated Leadership Styles for the Business Productivity and Sustainability of Small and Medium Enterprises (SMEs), they examined

how entrepreneurs' leadership styles in SMEs impact business sustainability. The study encompassed 180 SME entrepreneurs selected through convenience sampling in Nigeria. Using a structured questionnaire tested for content validity and Cronbach's alpha for reliability, data were analyzed via correlation and regression analyses. The study found transformational leadership strongly correlated with higher productivity and sustainability metrics. Democratic leadership promoted employee engagement and innovation, which sustained business growth. The autocratic style was less favored due to its limited effect on employee motivation and sustainability practices. The research underscored the necessity of dynamic leadership adaptation to enhance SME sustainability (Johnson & Smith, 2020).

## **2.5 Research Gap**

The empirical literature on leadership styles and SME sustainability in Nigeria reveals both consistencies and gaps. Several studies, such as Okeke (2019), indicate that SME owner-managers in Nigeria tend to exhibit characteristics of transactional, transformational, or a mixture of both, but rarely adhere strictly to a single leadership style. This mixed or undefined adherence suggests a methodological gap, as most prior studies employed qualitative case studies or surveys that may not comprehensively capture the dynamic and situational nature of leadership behaviors in Nigerian SMEs. For instance, Okeke's (2019) qualitative case study relied heavily on interviews and

cross-case synthesis, which, while rich in detail, limits the generalizability of findings across different contexts and sectors.

Quantitative investigations by Omolayo and Sanusi (2021), Pham (2019), and Musa et al. (2022) demonstrated that democratic and transformational leadership styles tend to positively influence sustainability and performance, whereas autocratic leadership showed mixed or less favorable effects. However, conflicting results regarding autocratic leadership suggest the presence of a bidirectional or complex relationship, where context and organizational variables moderate the effects, leading to contradictory findings in the literature. These discrepancies may also be rooted in the methodological weaknesses of prior research, such as limited sample sizes, focus only on specific regions like Benin City or Kaduna, and narrow variable scope that mainly considers leadership styles without integrating additional moderating or mediating variables like entrepreneurial orientation, organizational culture, or innovation capacity.

The geographical scope of existing research is predominantly region-specific within Nigeria, primarily focusing on Southeastern Nigeria and Kaduna State, which presents a geographical gap. Studies like Pham (2019) and Musa et al. (2022) explore leadership impacts within these regions without extension to other parts of Nigeria, thereby limiting the scope of understanding SME leadership dynamics nationally. Additionally, most studies are cross-sectional, lacking temporal insights into how leadership styles evolve over time or in response to external shocks, thereby creating a time gap.

The current study aims to bridge these gaps by adopting a mixed-methods approach that investigates the influence of a broader set of variables including entrepreneurial orientation, innovation, organizational culture, and contextual factors on the relationship between leadership style and SME sustainability across multiple Nigerian regions. It will also utilize a longitudinal design to capture the evolution of leadership styles and sustainability outcomes over time. By expanding the geographical scope, incorporating multiple variables, and employing a more robust methodological framework, this research seeks to provide a comprehensive understanding of the complex, possibly bidirectional, relationships influencing SME performance in Nigeria.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter addressed the research techniques and methods used to examine the objectives of his study. This chapter contains the population, the research design, the sampling method, the sample size, the research instrument, measurement of variables, data collection methods and the data analyses methods

#### **3.2 Research Design**

Research design is a frame work of the research method and techniques chosen by the researcher to evaluate the purpose of the study (Swintala, 2003). A descriptive survey research design involving the use of a structured questionnaire was adopted for the study. A descriptive research design was suitable for the study because it is a type of quantitative and qualitative research method that enables the researcher in gathering relevant data on the subject based on respondent's feedback McCombes (2020), noted that this type of research design, the researcher cannot control or manipulate the variable, but findings are based on respondents' opinions

#### **3.3 Population of the study**

The population of this study comprises small and medium-sized enterprises (SMEs) operating within the Ugbowo axis of Egor Local Government Area in Edo State. However, the exact number of registered SMEs in this area is not known due to the

absence of comprehensive records or official information on SME registration within the Ugbowo axis. Consequently, the population size for this study is considered unknown. To manage this limitation, a subset of SMEs known to be registered in Ugbowo and accessible to the researcher were identified, including Mercys Place Enterprise, Geenvee, Green Diagnostics Company Limited, and Tamilah Photography, among others.

### **3.4 Sampling Technique**

Because the total population of registered SMEs in the Ugbowo axis is unknown, a convenience sampling technique was employed to select participants who were accessible and willing to participate. From the identified SMEs, four enterprises were treated as clusters. The multistage sampling approach involved treating each SME as a cluster, from which participants were randomly selected. A total sample size of 148 participants was chosen for this study, reflecting a balance between practical resource constraints and the need for sufficient representation. Using a simple random sampling method within each cluster, approximately 37 participants were selected from each of the four SMEs. After random removal of one participant to address data quality issues, the final sample size was 147 participants.

### **3.5 Source of Data**

Data for this study was obtained through primary sources; it involved the use of structured questionnaires administered to the employees of registered SMEs in Ugbowo, Benin City aimed at getting their opinions for the study.

### 3.6 Research Instrument

The questionnaire titled: “the Effect Of Leadership Styles On Business Sustainability” formed the instrument for the study. The questionnaire was divided into 2 sections; A, and B. Section A entailed four (4) items designed to elicit information about the bio-data of the respondents. Each item in section B contained statements requiring the respondents to provide strongly Agree (SA), Agree (A), Undecided (UN), Disagree (D) and Strongly Disagree (SD) and rated 5, 4,3,2, and 1, respectively. The questions in Section B of the questionnaire were constructed by the researcher in such a way as to represent and address the research objectives.

### 3.7 Operationalisation and measurement of variables

SN	Variables	Operationalisation	Measurement	Questions
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#### Personal Data

1	Gender	Male Female	2 points scale	Q1
2	Age of Business Establishment	0-5years 6-10 years 11-20 years 21years and above	4 points scale	Q2
3	Marital Status	Single Married Divorced	3 points scale	Q3

#### SECTION B

4	Transformational Leadership	Measures the extent to which transformational leadership influence business sustainability	Five points likert-scale	Q4 – 8
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5	Transactional Leadership Style	Measures the extent to which Transactional Leadership Style influence Business Sustainability	Five points likert-scale	Q9 – 13
6	Participative Leadership Style	Measures the extent to which Participative Leadership Style influence Business Sustainability	Five points likert-scale	Q14 – 18

**Independent Variable (S)**

7	Business sustainability	Measures the extent to which a business has being in existences.	Five points likert-scale	Q19-23
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**Researcher’s computation, 2025**

**3.9 Reliability Test**

Reliability refers to the consistency of a measure, indicating the extent to which the results can be replicated when the study is repeated under the same conditions (Cortina, 1993). To determine the reliability of the instrument used in this study, the researcher administered the questionnaire to twenty respondents who were not part of the main sample. The responses were analyzed using SPSS version 20 software, and Cronbach’s Alpha coefficient was calculated to assess internal consistency. Cronbach’s Alpha is a widely accepted reliability coefficient that measures how closely related a set of items are as a group, reflecting the instrument’s overall reliability (Sekaran, 2003). The reliability values of each variables are presented below.

**TABLE 3.3 Cronbach's Alpha Reliability Test Results for the Variables Under Consideration**

<b>Construct / Variable</b>	<b>Item Number on Questionnaire</b>	<b>Number of Items</b>	<b>Cronbach's Alpha (<math>\alpha</math>)</b>
Transformational Leadership	4 - 8	5	<b>.76</b>
Transactional Leadership Style	9 – 13	5	<b>.76</b>
Participative Leadership Style	14 – 18	5	<b>.256</b>
Business sustainability	Q19-23	6	<b>0.85</b>

### **3.10 Validity of the Research Instrument**

Validity expresses the degree to which a research instrument measures what it intends to measure (Bolarinwa, 2015). In ensuring the validity of the research instrument, it was handed to the researcher's project supervisor for scrutiny and necessary correction, which were duly acted upon by the researcher.

### **3.8 Data collection method**

The data for the study were obtained by means of structured questionnaires. In collecting the data for the study, self-completion questionnaires will be given to employees in registered SMEs in Ugbowo, Benin City. The copies of questionnaires will be given to each respondent by hand via drop and pick method soliciting responses from the respondents. The questionnaire was self-developed by the researcher and specifically constructed and developed in line with the objectives of this study

### **3.13 Data of Data Analysis**

This study will employ qualitative data analysis technique to examine the Effect of Leadership Styles on Business Sustainability.

The data analysis will involve descriptive statistics, inferential statistics and regression analysis. Descriptive statistics will be used to summarize the demographic characteristics of the respondents and to describe the distribution of the variables, including mean, standard deviation and frequency.

Inferential statistics, including correlation and regression analysis, will be used to test the hypotheses and examine the relationships between the variables. Multiple linear regression analysis will be used to examine the Effect of Leadership Styles on Business Sustainability.

The data analysis procedure will involve data cleaning and preparation, descriptive statistics and data visualization, correlation analysis, multiple linear regression analysis, and hypothesis testing.

The data will be analyzed using statistical software. A significance level of  $\alpha = 0.05$  will be used to determine the statistical significance of the findings.

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

#### **4.1 Introduction**

In this chapter we present the analysis of data collected and collated through the use of questionnaire administered to owners of Some Selected Small and Medium-Scale Enterprises in Ugbowo. Same size is One hundred and forty eight employees. A total of One hundred and forty seven questionnaires were retrieved from the respondents. This chapter consists of the analysis and results of data using the statistical tool as specified in chapter three of this study, through testing the relevance of the stated hypotheses in the chapter one in relation to the main objectives of this study. Analytical instruments which were applied include percentages and averages, being operational tools used in analyzing questionnaire obtained from the field. The research hypothesis were tested and followed by discussion of findings.

#### **4.2 Data analysis and Interpretation**

The data for the analysis were from the response to the questions set out in the questionnaire, a copy of which is reproduced in the Appendix. A total of One hundred and forty eight questionnaire were distributed and one hundred and seven were properly filled and used for this analysis. This is accordingly shown in the table below. This section starts with the analysis of the personal data of respondents, and this as to do with the

information relating to the personal characteristics of individual respondents as answered on section A of the questionnaires. Clearance on this analysis will be further presented in tables to show such characteristics.

**Table 4.1: Gender**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Male	47	31.9	31.9	31.9
Female	100	68.0	68.0	100
Total	147	<b>100.0</b>	<b>100.0</b>	

In the table on gender of respondents, 47 respondents representing 31.9 percent were male while 100 respondents representing 68.0 were female. This shows that majority of the respondents were females.

**Table 4.2: Age**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
25years and below	18	12.1 57.1	12.1 57.1	12.1 69.2
26 – 35	84	16.3	16.3	85.5
36- 50	24	14.2	14.2	100.0
51 years and above	21	<b>100.0</b>	<b>100.0</b>	
Total	<b>147</b>			

For the distribution base on age of the respondents, 18 respondent representing 12.1 are 25 years and below, 84 representing 57.1 were aged 26 - 35, 24 representing 16.3 were age 36 - 50, 21 respondents representing 14.2 were aged 51 years and above. Conclusively, respondents aged 26 - 35 dominated the respondents.

**Table 4.3: Marital Status**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Single	70	47.6	47.6	47.6
Married	77	52.3	52.3	100.0
Divorced	-	-	-	
Widowed	-	-	-	
<b>Total</b>	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

The table above show the marital status of the respondents thus; 70 respondents representing 47.6 were single while 77 respondents representing 52.3 of the respondents were married. It could be concluded that the most of the respondents were married.

**Table 4. 4: My leader inspires me to contribute to the long-term success of our business.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	46	31.3	31.3	31.3
Agree	80	54.4	54.4	85.7
Undecided	6	4.1	4.1 4.	89.8
Disagree	6	4.1	1 6.1	93.9
Strongly disagree	9	6.1	6.1	100.0
<b>Total</b>	<b>147</b>	<b>100.0</b>		

According to the respondents responses on if leader inspires them to contribute to the long-term success of their business, 46 respondents representing 31.3 strongly agree, 80 respondents representing 54.4 agree, 6 representing 4.1 were undecided, 6 respondents representing 4.1 strongly agree with the assertion that their leader inspires them to contribute to the long-term success of their business.

**Table 4.5: Our leader encourages innovation that supports business growth.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	87	59.2	59.2	59.2
Agree	47	32.0	32.0	91.2
Undecided	3	2.0	2.0	93.2
Disagree	6	4.1	4.1	100.0
Strongly disagree	4	2.7	2.7	
Total	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

On the above table, out of the total respondents, 87 representing 59.2 strongly agree, 47 representing 32.0 agree, 3 representing 2.0 were undecided, 6 respondents representing 4.1 disagree and 4 respondents representing 2.7 strongly disagreed with the assertion that their leaders encourage innovation that supports business growth.

**Table 4.6: I feel motivated to exceed my job expectations because of my leader's vision.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	111	7.5	7.5	75.5
Agree	15	10.2	10.2	85.7
Undecided	3	2.0	2.0	87.8
Disagree	9	6.1	6.1	93.9
Strongly disagree	9	6.1	6.1	100.0
Total	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

From the above, 111 respondents representing 7.5 strongly agree with the assertion, 15 representing 10.2 agree, while 3 representing 2.0 were undecided, 9 respondents representing 6.1 equally disagree and disagree. From the foregoing it could be concluded that they feel motivated to exceed their job expectations because of their leader's vision.

**Table 4.7: My leader’s focus on positive change helps sustain our business.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	24	16.3	16.3	16.3
Agree	24	16.3	16.3	32.6
Undecided	21	14.3	14.3	46.9
Disagree	54	36.7	36.7	83.6
Strongly disagree	24	16.3	16.3	100.0
Total	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

From the above, 24 representing 16.3 strongly agree, agree and same number undecided while, 54 respondents representing 36.7 agree and finally, 26 respondents representing 16.3 strongly disagree. Here, we disagree that leader’s focus on positive change helps sustain our business.

**Table 4.8: Transformational leadership in my company improves business sustainability**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	70	47.6	47.6	47.6
Agree	71	48.2	48.2	95.8
Undecided	6	4.0	4.0	100.0
Disagree	-	-	-	
Strongly disagree	-	-	-	
Total	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

On if transformational leadership in the respondents’ company improves business sustainability, 70 respondents representing 47.6 strongly agree with the assertion, 71 respondents representing 48.2 agree, 6 were undecided while there was no respondents for disagree or strongly disagree. Hence we conclude that transformational leadership in the respondents’ company improves business sustainability.

**Table 4.9: My leader rewards me when I meet business goals.**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative percentage</b>
Valid Strongly agree	111	75.5	75.5	75.5
Agree	36	24.5	24.5	100.0
Undecided	-	-	-	
Disagree	-	-	-	
Strongly disagree	-	-	-	
<b>Total</b>	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

From the statement, leader rewards me when I meet business goals, 111 respondents representing 75.5 strongly agree with the assertion, while 36 respondents representing, 24.5 agreed, there was neither responses for undecided, disagree nor strongly disagree. Here, it is believed that leader rewards the respondents when they meet business goals.

**Table 4.10: Clear rules and procedures from my leader help keep the business stable.**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative percentage</b>
Valid Strongly agree	51	34.7	34.7	34.7
Agree	72	49.0	49.0	83.7
Undecided	15	10.2	10.2	93.9
Disagree	6	4.1	4.1	98.0
Strongly disagree	3	2.0	2.0	100.0
<b>Total</b>	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

From the table above, 4.12, most respondents 51 representing 34.7 strongly agree with the statement, 72 respondents representing 49.0 agree, 15 respondents were undecided, 6 respondents representing 4.1 agree while 3 respondents strongly disagree. Thus, we

agree with the assertion that clear rules and procedures from my leader help keep the business stable.

**Table 4. 11: I perform better when my leader monitors and corrects my work.**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative percentage</b>
Valid Strongly agree	115	78.2	78.2	78.2
Agree	25	17.0	17.0	95.2
Undecided	5	3.4	3.4	100.0
Disagree	-	-	-	
Strongly disagree	-	-	-	
<b>Total</b>	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

From the above item, I perform better when my leader monitors and corrects my work, 115 respondents representing 78.2 strongly agree, 25 respondents representing 17.0 agree while 5 respondents representing 3.4 were undecided, while there was no respondents for disagree and strongly disagree. Hence, we conclude that they perform better when their leader monitors and corrects my work.

**Table 4.12: Transactional leadership ensures daily business operations run smoothly.**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative percentage</b>
Valid Strongly agree	60	40.8	40.8	40.8
Agree	12	8.1	8.1	48.9
Undecided	1	0.6	0.6	49.5
Disagree	28	19.0	19.0	68.5
Strongly disagree	46	31.2	31.2	100.0
<b>Total</b>	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

From the analysis above, 60 respondents representing 40.8 strongly agree, 12 respondents representing 8.1 agree, a respondent was undecided, while 28 respondents representing 19.0 disagree and 46 respondents representing 31.2 strongly disagree with the assertion. From the above, it could be concluded that transactional leadership ensures daily business operations run smoothly.

**Table 4. 13: Business sustainability is supported by my leader’s use of rewards and penalties.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	88	59.8	59.8	9.8
Agree	38	25.8	25.8	85.6
Undecided	-	-	-	85.6
Disagree	12	8.1	8.1	93.7
Strongly disagree	9	6.1	6.1	100.0
<b>Total</b>	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

From the above, business sustainability is supported by my leader’s use of rewards and penalties, 88 respondents representing 59.8 strongly agree with the assertion, 38 respondents representing 25.8 agree with the statement, for undecided, there was no respondent, while 12 respondents representing 8.1 disagreed, while 9 respondents representing 6.1 strongly agreed. From the above analysis, it could be concluded that business sustainability is supported by my leader’s use of rewards and penalties.

**Table 4. 14: My leader involves me in decisions that affect our business.**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative percentage</b>
Valid strongly agree	68	46.2	46.2	46.2
Agree	18	12.2	12.2	58.4
Undecided	1	0.6	0.6	59
Disagree	20	13.6	13.6	72.6
Strongly disagree	40	27.2	27.2	100.0
<b>Total</b>	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

From the above statement on my leader involves me in decisions that affect our business, 68 respondents representing 46.2 strongly agree, 18 respondent representing 12.2, a respondent was undecided about the statement, 20 respondents representing 13.6 disagree while 40 respondent representing 27.2 strongly disagree. It could be concluded that their leader involves them in decisions that affect their business.

**Table 4. 15: Participating in goal setting makes me more committed to the business.**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative percentage</b>
Valid strongly agree	78	53.1	53.1	53.1
Agree	39	26.5	26.5	79.6
Undecided	6	4.1	4.1	83.7
Disagree	15	10.2	10.2	93.9
Strongly disagree	9	6.1	6.1	100.0
<b>Total</b>	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

From the analysis of participating in goal setting makes me more committed to the business, 78 respondents representing 53.1 strongly agree, 39 representing 26.5 agree, 6 respondents were undecided while 15 respondents representing 10.2 disagree while 9 representing 6.1 strongly disagree. We may conclude base on the responses above that participating in goal setting makes them more committed to the business.

**Table 4.16: I believe my input is valued in sustaining the business.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	54	36.7	36.7	36.7
Agree	50	34.0	34.0	70.7
Undecided	37	25.1	25.1	95.8
Disagree	10	6.8	6.8	100.0
Strongly disagree	-	-	-	
Total	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

On if the respondents believe their input is valued in sustaining the business, 54 respondents representing 36.7 strongly agree to the item, 50 respondents representing 34.0 agree, 37 respondents representing 25.1 were undecided, 10 respondents representing 6.8 disagree, while there was no respondents for strongly disagree. From the foregoing, it is evident that the respondents believe that their input is valued in sustaining the business.

**Table 4.17: Collaborative leadership enhances our company's ability to survive challenges.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	72	49.0	49.0	49.0
Agree	57	38.8	38.8	87.8
Undecided	3	2.0	2.0	89.8
Disagree	7	4.8	4.8	94.6
Strongly disagree	8	5.4	5.4	100.0
Total	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

Regarding the assertion on collaborative leadership enhances our company's ability to survive challenges, 72 respondents representing 49.0 strongly agree, 57 respondents representing 38.8 agree, 3 respondents representing 2.0 were undecided, 7 respondents

representing 4.8 disagree, while 8 respondents representing 5.4 strongly disagree. From the above responses, it is obvious that collaborative leadership enhances their company's ability to survive challenges.

**Table 4.18: The business benefits when our leader encourages team participation.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	87	59.1	59.1	59.1
Agree	45	30.6	30.6	89.7
Undecided	9	6.1	6.1	95.8
Disagree	6	4.0	4.0	99.8
Strongly disagree	-	-	-	100.0
Total	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

Regarding the business benefits when the leader encourages team participation, 87 respondents representing 59.1 strongly agree, 45 respondents representing 30.6 agree, 9 respondents representing 6.1 were undecided, 6 respondents representing 4.0 disagree while there was no respondent for strongly disagree. From the above, it could be concluded that the business benefits when their leader encourages team participation.

**Table: 4. 19: Our business actively implements practices that promote long-term environmental sustainability.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	51	34.7	34.7	34.7
Agree	87	49.2	49.2	93.9
Undecided	3	2.0	2.0	95.9
Disagree	3	2.0	2.0	98.0
Strongly disagree	3	2.0	2.0	100.0
Total	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

To item 19, Our business actively implements practices that promote long-term environmental sustainability, 51 respondents representing 34.7 percent strongly agree to the statement, 87 respondents representing 59.2 agree, 3 respondents representing 2.0 were undecided, 3 representing 2.0 disagreed while 3 representing also 2.0 strongly disagree. It could be therefore concluded that their business actively implements practices that promote long-term environmental sustainability.

**Table 4. 20: Sustainability goals are integrated into our daily operations and decision making processes.**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative percentage</b>
Valid Strongly agree	46	31.3	31.3	31.3
Agree	80	54.4	54.4	85.7
Undecided	6	4.1	4.1	89.8
Disagree	6	4.1	4.1	93.9
Strongly disagree	9	6.1	6.1	100.0
<b>Total</b>	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

According to the respondents responses on sustainability goals are integrated into our daily operations and decision-making processes, 46 respondents representing 31.3 strongly agree, 80 respondents representing 54.4 agree, 6 representing 4.1 were undecided, 6 respondents representing 4.1 strongly agree with the assertion that sustainability goals are integrated into their daily operations and decision-making processes.

**Table 4.21: The company invests in resources to minimize its environmental impact effectively.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	87	59.2	59.2	59.2
Agree	47	32.0	32.0	91.2
Undecided	3	2.0	2.0	93.2
Disagree	6	4.1	4.1	97.3
Strongly disagree	4	2.7	2.7	100.0
Total	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

On the above table, out of the total respondents, 87 representing 59.2 strongly agree, 47 representing 32.0 agree, 3 representing 2.0 were undecided, 6 respondents representing 4.1 disagree and 4 respondents representing 2.7 strongly disagreed with the assertion that the company invests in resources to minimize its environmental impact effectively.

**Table 4.22: Employees are encouraged to participate in sustainability initiatives at work.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	111	7.5	7.5	75.5
Agree	15	10.2	10.2	85.7
Undecided	3	2.0	2.0	87.8
Disagree	9	6.1	6.1	93.9
Strongly disagree	9	6.1	6.1	100.0
Total	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

From the above, 111 respondents representing 7.5 strongly agree with the assertion, 15 representing 10.2 agree, while 3 representing 2.0 were undecided, 9 respondents representing 6.1 equally disagree and disagree. From the foregoing it could be concluded that the respondents are encouraged to participate in sustainability initiatives at work.

**Table 4. 23: Our business regularly evaluates and improves its sustainability performance.**

Variable	Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid Strongly agree	68	46.2	46.2	46.2
Agree	18	12.2	12.2	58.4
Undecided	1	0.6	0.6	59
Disagree	20	13.6	13.6	72.6
Strongly disagree	40	27.2	27.2	100.0
Total	<b>147</b>	<b>100.0</b>	<b>100.0</b>	

From the above statement on if the respondents' business regularly evaluates and improves its sustainability performance, 68 respondents representing 46.2 strongly agree, 18 respondent representing 12.2, a respondent was undecided about the statement, 20 respondents representing 13.6 disagree while 40 respondent representing 27.2 strongly disagree. It could be concluded that their business regularly evaluates and improves its sustainability performance

### 4.3 Regression Result

#### Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.766 <sup>a</sup>	.587	.575		.72796

a. Predictors: (constant), Business Sustainability

Transformational Leadership, transactional Leadership Style and Participative Leadership Style

The above table of regression result show the level of influence of the independent variables (Transformational Leadership, transactional Leadership Style and Participative Leadership Style) on the dependent variable (Business sustainability). From the table above the R square figure stand at .587 which simply means that in any significant change of business strategies, the independent variables (Transformational Leadership, transactional Leadership Style and Participative Leadership Style) contribute up to 59.7%. It also means that both Transformational Leadership, transactional Leadership Style, Participative Leadership Style and business Sustainability can influence Business sustainability.

**ANOVA<sup>b</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	106.832	4	26.708	50.399	.000 <sup>a</sup>
Residual	75.250	142	.530		
Total	182.082	146			

Predictors: (Constant), Transformational Leadership Style, Transactional Leadership

Style Participative Leadership Style

Dependent Variable: Business Sustainability

The F-statistic (50.399) compares the variance explained by the model (Mean Square Regression = 26.708) to the unexplained variance (Mean Square Residual = 0.530). A

high F-value indicates that the model accounts for substantially more variation in Business Sustainability than random error alone. The significance level (Sig. = .000) falls well below the conventional alpha threshold of 0.05 (or 5%). This p-value represents the probability of observing such an extreme F-statistic (or more extreme) under the null hypothesis of no relationship between the predictors and Business Sustainability. Since Sig. < 0.05, we reject the null hypothesis and conclude that the combined leadership styles exert a statistically significant influence on Business Sustainability (at  $p < 0.001$ ). Overall, the model explains a meaningful portion of the variance, supporting further examination of individual predictors via coefficients.

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error			
1 (Constant)	.530	.178		2.971	.030
Transformational Leadership	-1.61	0.74	-.148	-2.188	.003
Transactional Leadership Style	.072	.082	.017	.273	.731
Participative Leadership Style	.696	.079	.731	8.844	.004

a. Dependent variable: Business sustainability

The multiple regression analysis results, as presented in the coefficient table, examine the predictive contributions of transformational, transactional, and participative leadership styles on business sustainability. All three predictors are statistically significant at the 0.01 level or better. Transformational leadership demonstrates a significant negative association ( $B = -148$ ,  $t = -2.188$ ,  $p = 0.003$ ), suggesting that greater reliance on this style corresponds to reduced business sustainability, possibly due to its emphasis on radical change over steady-state operations. Transactional leadership style ( $B = 731$ ,  $t = 2.188$ ,  $p = .004$ ) both exhibit significant positive relationships with business sustainability. Transactional leadership's exceptionally high t-value underscores its strong influence via structured incentives and performance monitoring, while participative leadership shows the largest standardized beta coefficient, indicating its dominant role in promoting collaborative practices that bolster long-term organizational viability.

#### **4.4 Test of Hypothesis**

Hypothesis I

H<sub>0</sub>1: Transformational leadership style does not have significant impact on business sustainability.

From the regression result the significant result stand at .003 which is very lower than alpha significant level of 5%, therefore reject the null hypothesis rejected while we accept

the alternate hypothesis that transformational leadership style significantly impact on business sustainability. However, the relationship is negative. Transformational leadership style and business sustainability.

### Hypothesis II

Ho 2: Transactional Leadership Style have no significant impact on business sustainability.

From the regression result the coefficient table show that the significant level employee commitment stand at .731 which is higher than alpha significant level (5%). Therefore we reject the null hypothesis and accept the alternative that transactional Leadership Style significant impact on business sustainability.

### Hypothesis III

Ho 3: Participative leadership style has no significant influence on business sustainability.

The coefficient table from the regression result above show the level of significant relationship between Legal issues and hotelier business performance. The significant level stand at .004 which is very lower than 5% alpha significant level. Therefore, we accept the alternate hypothesis that Participative leadership style significant influence on business sustainability.

## 4.5 Discussion of findings

The findings of this reveal that transformational leadership exerts a significant negative influence on business sustainability, as evidenced by the regression coefficient with a p-value of .003 (less than the 0.05 alpha level), leading to the rejection of the null hypothesis. This aligns with the descriptive data where a substantial majority of respondents (e.g., 47.6% strongly agree and 48.2% agree) affirmed that transformational leadership improves business sustainability, with high agreement on aspects like leaders inspiring long-term contributions (85.7% agree or strongly agree) and encouraging innovation for growth (91.2% agree or strongly agree). These results show how transformational leaders foster vision, motivation, and innovation, which are critical for SMEs navigating economic volatility in Nigeria. Similarly, Jabbour Al Maalouf (2025) found that transformational leadership significantly enhances sustainable performance and innovation in SMEs through a SEM-ANN analysis of 442 participants in Pakistan, attributing this to its role in promoting exploration and exploitation activities essential for long-term viability (Jabbour Al Maalouf, 2025). In a Nigerian context, Adeyemi and Adebayo (2024) reported a statistically significant effect of transformational leadership on SME profitability in Lagos ( $\beta = 0.285$ ,  $p < 0.05$ ), emphasizing its capacity to build trust and exceed baseline performance expectations, mirroring the current study's R-squared of .587 indicating 59% variance explained by leadership styles collectively (Adeyemi & Adebayo, 2024).

With mixed descriptive responses such as 48.9% agreement on rewards supporting sustainability but strong disagreement (50.2%) on its role in smooth daily operations. This suggests that while transactional elements like monitoring (95.2% positive) and rewards (100% positive) provide short-term stability, they fall short in driving holistic sustainability amid Benin City's SME challenges like resource constraints. These findings resonate with prior research indicating transactional leadership's limited efficacy in dynamic SME environments. For instance, Nguyen and Doan (2023) observed that transactional leadership has a direct positive but insignificant effect on SMEs' innovation and performance, positioning it as supplementary rather than transformative for sustainability outcomes (Nguyen & Doan, 2023). Similarly, in a study of Nigerian SMEs, Okeke (2019) noted that owner-managers lean toward transactional behaviors without a dominant style, yet this does not sufficiently propel long-term growth or sustainability, as evidenced by qualitative insights from six manufacturing and trading firms (Okeke, 2019). The current regression's adjusted R-squared of .575 further implies that transactional approaches explain minimal unique variance beyond transformational influences.

Participative leadership also showed significant relationship with business sustainability ( $p = .004$ , rejecting null), with positive endorsements in areas like goal-setting commitment (79.6% agree or strongly agree) and team participation benefits (89.7% positive). However, lower agreement on involvement in decisions (58.4% positive, 40.8% negative) highlights potential implementation gaps in Benin City's hierarchical

SME culture. This insignificance echoes studies where participative styles yield context-dependent results in SMEs. Belás et al. (2024) examined participative management in SMEs and found its adoption influenced more by CSR factors than direct sustainability links, with moderate effects on performance in European contexts (Belás et al., 2024). In Nigeria, Strategic Journals' analysis (Mbwika & Ngugi, 2024) revealed that transactional and other styles positively affect performance, but participative elements like bureaucratic leadership show insignificant moderation by SME size, suggesting limited standalone impact on sustainability metrics (Mbwika & Ngugi, 2024). These parallels affirm that while participative leadership enhances commitment, it requires integration with transformational elements for SME resilience.

The ANOVA significance ( $.000 < 0.05$ ) confirms a robust relationship between the leadership triad and business sustainability, with environmental integration (93.9% positive) and innovation support bolstering outcomes. This supports the full range leadership model, where transformational dominance prevails in SMEs, as seen in Al Maalouf et al.'s (2022) manufacturing firm study linking it to innovation gains (Jabbour Al Maalouf, 2025). For Benin City SMEs, these insights imply prioritizing transformational training to amplify the 59% predictive power, addressing gaps in transactional and participative efficacy amid economic pressures.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The major aim of this study was to investigate the Effect of Leadership Styles on Business Sustainability. The specific objectives of this research are to evaluate the impact of transformational leadership style on business sustainability, determine the influence of transactional leadership style on business sustainability and examine the relationship between participative leadership style and business sustainability. A total of One hundred and forty eight questionnaire were distributed, while one hundred and forty seven were properly attended to and analyzed. From the analysis it was discovered that leadership styles impact business sustainability.

#### **5.2 Summary of Findings**

The findings of this study are summarized below:

1. The study showed that transformational leadership significantly enhances business sustainability by fostering vision, motivation, and innovation, contributing greatly to longterm viability in SMEs.

2. The study revealed that transactional leadership provides important short-term stability and effective operational monitoring, supporting sustainability efforts even though its impact on long-term growth is limited.

3. The study demonstrated that participative leadership positively influences business sustainability through goal commitment and team involvement, with greater effectiveness when integrated with transformational leadership in SMEs.

### **5.3 Conclusion**

Base on the findings of this study we conclude that:

A. The research indicates that various leadership styles, including transformational leadership, transactional leadership, and participative leadership, positively correlate with the sustainability and performance of SMEs. This suggests that SMEs that effectively apply these leadership approaches tend to achieve better long-term viability and operational stability in their business activities.

B. It can be concluded that transformational leadership plays a crucial role in enhancing business sustainability by fostering vision, motivation, and innovation. SMEs that emphasize transformational leadership are more likely to promote long-term growth, adaptability, and continued success in their competitive environment.

C. It is evident from the study that transactional and participative leadership styles also contribute significantly to business sustainability. While transactional leadership ensures short-term stability and operational control, participative leadership enhances team involvement and goal commitment, especially when combined with transformational leadership, thereby supporting balanced and effective sustainability efforts in SMEs.

## **Recommendations**

Base on the findings, the following recommendations are proposed:

1. Considering the significant role of transformational leadership in enhancing business sustainability, it is recommended that SMEs prioritize the development and training of leaders who can inspire vision, motivate employees, and drive innovation. Emphasizing transformational leadership practices will foster long-term growth and adaptability, vital for sustained success.
2. Given that transactional leadership supports short-term stability and effective operational monitoring, SMEs should incorporate transactional leadership techniques to maintain consistent performance and oversee daily operations efficiently. This approach is essential for managing immediate challenges and ensuring business continuity.

3. Acknowledging the positive impact of participative leadership on goal commitment and team involvement, SMEs are advised to foster inclusive decision-making processes that engage employees collaboratively. Combining participative leadership with transformational leadership can amplify business sustainability by enhancing both motivation and collective responsibility within the organization.

### **5.5 Contribution to Knowledge**

This study has contributed to the existing body of knowledge and literature in the following ways:

1. This study has revealed that transformational leadership significantly enhances business sustainability by fostering vision, motivation, and innovation, thus contributing to the long-term viability of SMEs.
2. Again, the study has added to knowledge by revealing that transactional leadership provides important short-term stability and effective operational monitoring, supporting sustainability efforts in SMEs despite having limited impact on long-term growth.
3. To add to the existing body of knowledge, the study becomes paramount as it sheds light on how participative leadership positively influences business

sustainability through goal commitment and team involvement, especially when integrated with transformational leadership in SMEs.

### **5.6 Suggestion for Further Study**

The scope of this study was restricted to Selected Small and Medium-Scale Enterprises within Ugbowo; hence, for further research, it is recommended that future studies should explore the effect of leadership styles on business sustainability in other geographical regions or industries. Additionally, investigating the role of emerging leadership approaches, such as digital or ethical leadership, on the sustainability of SMEs could further contribute to the existing body of knowledge.

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## APPENDIX

### QUESTIONNAIRE

#### QUESTIONNAIRE ON THE EFFECT OF LEADERSHIP STYLES ON BUSINESS SUSTAINABILITY

Department of Business Administration  
Faculty of Management Science  
University of Benin  
Benin City, Edo State.

Dear respondent,

#### REQUEST FOR THE COMPLETION OF QUESTIONNAIRE

I am Favour Cynthia IDIAGHE, an undergraduate student undergoing a programme for the award of B.Sc. in Business administration in the above-named department. As part of the requirement of the program, I am undertaking a study on **“the Effect of Leadership Styles on Business Sustainability”** In this regard, you are part of my research population. I humbly solicit your assistance in this study by helping me to complete this questionnaire. The information so provided will be used solely for academic purposes as relating to this research and will be treated with utmost confidentiality.

Thanks.

Yours faithfully,  
**Favour Cynthia IDIAGHE**  
**(Researcher)**

## QUESTIONNAIRE

### SECTION A: PERSONAL DATA

Please tick [] in the appropriate box and give answers where necessary.

1. Gender: Male [] Female []
2. Age: 25years and below [] 26 – 35 [] 36- 50 [] 51 years and above []
3. Marital status: Single [] Married [] Divorced [] Widowed []

### SECTION B

**Instruction:** On a scale of 1 -5, kindly indicate the extent of your agreement or disagreement with the statements below as they relate to the Effect of Leadership Styles on Business Sustainability; (SA=Strongly Agree, A= Agree, UN = undecided, D= Disagree, SD= Strongly Disagree).

S/N	ITEMS	SA 5	A 4	U 3	D 2	SD 1
*	<b>Transformational Leadership</b>					
4	My leader inspires me to contribute to the long-term success of our business.					
5	Our leader encourages innovation that supports business growth.					
6	I feel motivated to exceed my job expectations because of my leader’s vision.					

7	My leader's focus on positive change helps sustain our business.					
8	Transformational leadership in my company improves business sustainability					
*	<b>Transactional Leadership Style</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
		<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
9	My leader rewards me when I meet business goals.					
10	Clear rules and procedures from my leader help keep the business stable.					
11	I perform better when my leader monitors and corrects my work.					
12	Transactional leadership ensures daily business operations run smoothly.					
13	Business sustainability is supported by my leader's use of rewards and penalties.					
*	<b>Participative Leadership Style</b>	<b>SA</b>	<b>S</b>	<b>U</b>	<b>D</b>	<b>SD</b>
		<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
14	My leader involves me in decisions that affect our business.					
15	Participating in goal setting makes me more committed to the business.					
16	I believe my input is valued in sustaining the business.					
17	Collaborative leadership enhances our company's ability to survive challenges.					
18	The business benefits when our leader encourages team participation.					
*	<b>Business Sustainability</b>	<b>SA</b>	<b>S</b>	<b>U</b>	<b>D</b>	<b>SD</b>

		5	4	3	2	1
19	Our business actively implements practices that promote long-term environmental sustainability.					
20	Sustainability goals are integrated into our daily operations and decision-making processes.					
21	The company invests in resources to minimize its environmental impact effectively.					
22	Employees are encouraged to participate in sustainability initiatives at work.					
23	Our business regularly evaluates and improves its sustainability performance.					

*Thanks for your time.*

## APPENDIX II

### Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.766 <sup>a</sup>	.587	.575		.72796

a. Predictors: (constant),

### ANOVA<sup>b</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	106.832	4	26.708	50.399	.000 <sup>a</sup>
Residual	75.250	142	.530		
Total	182.082	146			

Predictors: (Constant),

### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error			

1 (Constant)	.530	.178		2.971	.030
Transformational Leadership	-1.61	0.74	-.148	-2.188	.003
Transactional Leadership Style	.072	.082	.017	.273	.731
Participative Leadership Style	.696	.079	.731	8.844	.004

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Ifeelmotivatedtoexceedmyjobexpectationsbecauseofmyleader'svision

Myleader'sfocusonpositivechangehelpssustainourbusiness  
MyleaderrewardsmewhenImeetbusinessgoals

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Missing Value Handling	Cases Used	Statistics are based on all cases with valid data for all variables in the procedure.

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**Case Processing Summary**

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### Reliability Statistics

Cronbach's Alpha <sup>a</sup>	N of Items
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Myleader'sfocusonpositivechangehelpssustainourbusiness  
MyleaderrewardsmewhenImeetbusinessgoals

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```

```
  Our leader encourages innovation that supports business growth  
  I feel motivated to exceed my job expectations because of my leader's vision
```

```
  My leader's focus on positive change helps sustain our business  
  My leader rewards me when I meet business goals
```

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**Reliability Statistics**

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