

# PERFORMANCE OF LISTED MANUFACTURING COMPANIES IN KADUNA METROPOLIS: THE EXIGENCY OF IDEALIZED INFLUENCE AND INSPIRATION MOTIVATION

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## ABSTRACT

Though organizations put in significant amount of effort to get the right leaders to steer them to success, adopting the right leadership style is still difficult as firms struggle to know which leadership style works best. This study therefore examine the role of idealized influence and inspiration motivation on organizational performance of manufacturing firms in Kaduna metropolis. The study employed descriptive research design and collected data using questionnaire. The study used multiple regression to test the hypotheses formulated. The study discovered that idealized influence and inspirational motivation all have moderate and statistically significant effect on organizational performance. The study therefore concludes that idealized influence and inspirational motivation affect organizational performance. The study recommends manufacturing firms in Kaduna metropolis should inspire and motivate employees to do better at all times to ensure that organizational objectives are met.

**Keywords:** Idealized influence, inspirational motivation, organizational performance, transformational leadership

## INTRODUCTION

Globally, organizations are created with the intention to generate profit while carrying out business operations efficiently and effectively. This is because the performance of the business is important for its survival. Managers position business activities to achieve set goal (Sheikh et al., 2018). In other words, business goals are aligned with key points of achievement which are measurable and achievable overtime. To build a strong organization, managers develop internal structures to capture opportunities in the environment (Rehman et al., 2019). Though performance is important to survival in the business environment, organizations in developing countries struggle to focus and track their performance (Savovic et al., 2021). In order for organizations to understand and boost their performance, they must implement different drivers of performance which have been suggested in literature, including transformational leadership in terms of idealized influence and inspirational motivation.

Idealized influence is a key aspect of transformational leadership which aims to inspire and motivate employees to achieve exceptional performance (ALmahasneh et al., 2022). To maintain such leadership style, leaders in the organization try to develop the ability to become role models that influence followers through their personal qualities and behavior. The leader using such an approach needs to build trust and credibility while establishing a positive example, to inspire loyalty and commitment in employees. When such capabilities are displayed, it translates to employee commitment and engagement, and leads to the attainment of organizational goal.

Inspirational motivation on the other hand, employ facilitation as a means of developing a learning organization (Harb & Sidani, 2019). In this type of leadership, the leader is expected to have the capability to inspire employees to learn and communicate with high standards. Leaders who inspire their employees to learn, tend to experience increased productivity and performance, this therefore makes it an important leadership trait to consider when considering to increase a firm's performance overtime.

The manufacturing industry contributes to the development of economies all over the world. It is thus an important sector to consider. However, a growing number of manufacturing firms are experiencing decline in performance (Wahab, 2022). Here in Nigeria, the manufacturing industry has witnessed a

decline in performance due to Covid-19 and other economic factors like exchange and interest rate (Teniola & Irete, 2021). This trend has accentuated the need from manufacturing firms in Nigeria to be managed by leader that prioritize employee motivation and institute plans to navigate threats in the business environment as well as capture available opportunities. In other word, manufacturing firms in Nigeria require transformational leaders with idealized influence and inspirational motivation.

Several previous studies have examined different leadership styles. However, very few studies have examined components of formational leadership, such as idealized influence and inspirational motivation on organizational performance; and even fewer studies have focused on the manufacturing industry in Kaduna metropolis. Therefore, the objective of this study was to examine the effect of idealized influence and inspirational motivation on performance of manufacturing firms in Kaduna metropolis. The study was guided by the following null hypotheses:

Ho<sub>1</sub>: Idealized influence has no significant effect on performance of listed manufacturing companies in Kaduna metropolis.

Ho<sub>2</sub>: Inspirational motivation has no significant effect on performance of listed manufacturing companies in Kaduna metropolis, Niger.

## LITERATURE REVIEW

### Organizational Performance

Organizational performance is complex multi-dimensional phenomena in business literature (Ran, 2020). Although the concept is common in literature, there is no unanimous agreement on its definition and measurement. Alsayyed et al. (2020) defined organizational performance as the level of an organizations' work achievement following efforts. It is seen from this definition that effort will be made by the organization in order to attain performance. This effort is the ability of the firm to use its resources (financial and non-financial) to carry out daily activities. In concert with Alsayyed et al. (2020), Hilton et al. (2023) defines organizational performance as the ultimate result achieved by the firm through the deployment of available resources. Thus, the performance of a firm is a function of the resources possessed and deployed by the firm. The firm will have to make efficient use of the resources in order to achieve reasonable performance levels. Overall, performance of organizations stems from the relation between resources utilized and realized output.

### Concept of Idealized Influence

Idealized influence is an aspect of transformational leadership that refers to leader's ability to act as a role model of high ethical behavior, vision, and confidence that followers admire and respect (Kariuki, 2021). In other words, leaders that have idealized influence the behaviour of their followers to imitate their actions and behaviour in their drive to achieve the objective of the firm. This study views idealized influence as a leader's capacity to display confidence, vision and high level of discipline in carrying out leadership role which in turn motivates followers (employees) to practice the said activities and align it with the objectives of the firm.

### Inspirational Motivation

Inspirational motivation is a type of leadership trait that spur curiosity and motivation (Kariuki, 2021). It is associated with leaders who are intrinsically motivated and treat learning like play. Such leaders approach learning from a different angle and are driven by the need to find answers to problems as well as mastering concepts. This shows that when the firm has a leader that pushes inspirational learning, then the firm is guided by transformational leadership style. Herein, inspirational motivation is defined as ability of a leader to motivate followers through inspiring them to be curious and motivate them to find solutions to problems using creative approaches.

Inspirational motivation is used by leaders to change a current situation by identifying those who follow the organization's problem using inspiration, persuasion and excitement to achieve a high level of clear vision for the purpose of recognizing common goal. Inspirational motivation describe leaders that inspire and motivate followers and when it is combined with idealized influence, becomes a source of transformational leader's charisma. According to Chebon et al. (2019), inspirational motivation is the

capacity of a leader to inspire assistants to strive to attain lofty goals by encouraging their creativity and supporting positive mind-set.

### **Empirical review**

Hilton et al. (2023) examined dimensions of transformational leadership on organizational performance in Ghana, using the role of job satisfaction as a mediator. The study discovered that transformational leadership dimensions affect organizations performance and that job satisfaction plays mediates the relationship. The study provides a gap to be explored in methodology because it used purposive sampling technique. This therefore gives room for exploring a different technique of sampling that supports quantitative approaches.

ALmahasneh et al. (2022) examined the role of idealized influence and inspirational motivation on organizational performance in the Jordanian information technology industry. The study, which adopted a structural equation modelling approach, discovered a positive effect of idealized influence and inspirational motivation on organizational performance. The study also discovered that organizational culture mediates the relationship. Though the study focused idealized influence and inspirational motivation to explain performance, it was conducted in the information technology sector in Jordan, hence, create room for this study.

Hosna et al. (2021) examined the relationship between dimensions of transformational leadership on sustainable employees' performance and discovered that idealized influence and inspirational motivation are dimensions of transformational leadership that have positive effect on sustainable employee performance. This study outlined the basis for the conceptual framework of a study of this nature however, the methodology used cannot support generalization, and hence the need for an empirical study like the current one.

Sutanto et al. (2021) examined the effect of idealized influence and inspirational motivation on human resource performance in Indonesia. The study employed the use of quantitative approach and the data was collected with the aid of questionnaires. The study however made use of purposive sampling which is not a probability sampling method thereby giving room for improvement. Multiple regression analysis was employed and it was discovered that idealized influence and inspirational motivation has positive effect on performance in Indonesia.

Alsayyed et al. (2020) examined the impact of transformational leadership on organizational performance in Jordan. The study collected information from 280 administrative employees at the University of Jordan. The study employed multiple regression and the result showed that idealized influence, inspirational motivation and intellectual simulation all have positive effect on organizational performance. The study therefore provides a basis for the current study.

Ran (2020) examined the mediating effect of organizational citizenship behaviour on the relationship between transformational leadership and organizational performance of small and medium sized enterprises of China. The study employed a quantitative approach and collected data using questionnaires. The study analyzed the data using structural equation modelling. The study discovered that organizational citizenship mediates the effect of transformational leadership on organizational performance. The study can however be improved looking at the response rate. Its approach to non-response bias can be improved upon to get a more robust representation of the population.

Chebon et al., (2019) examined effect of inspirational motivation and idealized influence on employee performance in Kenya. The study employed quantitative approach and collected data using questionnaire. The study used correlation and regression to analyze the data collected, and discovered that inspirational motivation and idealized influence has positive effect on employee performance. Though this study employed a quantitative approach, it concentrated on employee performance which therefore provides room for more studies in the areas of organizational performance.

The foregoing suggests that most studies on the subject of idealized influence and inspirational motivation and their role in organizational performance are conducted in countries other than Nigeria,

in industries other than manufacturing, and focused more on structural models with just a few looking at direct relationships. This therefore provided a gap which the present study seek to bridge.

### **Theoretical framework: Path goal theory of leadership**

Path goal theory of leadership (Zaccaro, 2008) is a contingency theory of leadership that is hinged on the idea the motivation of subordinates depend on their belief that increased effort will result to improved performance, and that improved performance is instrumental to obtaining positive rewards and avoiding negative outcomes. The theory suggests that a leader needs to influence follower's perception of work goals, self-development goals and paths to goal attainment. This implies that a leader must be able to support workflow and operations of the organization in ways that facilitate the attainment of stated performance goals.

Path theory further outline four leadership behaviors: directive, supportive, participative and achievement oriented. The theory holds that directive leaders" let subordinates know what is expected of them and gives them specific direction; "supportive leaders" employ friendliness with subordinates, treat employees as equals and show concerns for their welfare; "participative leaders" make consultations with subordinates and consider their suggestion before making a decision; while "achievement-oriented leaders" are concerned with setting challenging goals, and seeks improved performance from subordinates. Path theory aligns with the current study because it provides a framework on which the study was the roles of idealized influence and inspirational motivation in performance of manufacturing firms can be understood.

## **METHODOLOGY**

This study adopted a descriptive research design to investigate the association contribution of idealized influence and inspirational motivation to performance of manufacturing firms. Questionnaire was employed to collect primary data from test units. The population of the study comprised 437 staff of 3 listed manufacturing companies (Northern Noodles Limited, Honeywell Flour Mills and Nigeria Breweries) in Kaduna Metropolis (Nigeria Stock Exchange [NSE], 2020). A sample size of 284 staff was determined using Krejcie and Morgan (1970) Table for sample size determination, while the Bowley stratified sampling technique was adopted to arrive at the test units. See Table 1 for details.

**Table 1: Sample Distribution**

<b>Companies</b>	<b>Total Population</b>	<b>Sample Size</b>
Honeywell Flour mill	74	48
Northern Noodles	104	68
Nigerian Breweries	258	168
<b>Total</b>	<b>436</b>	<b>284</b>

The study employed correlation to analyze the relationship between the variables and understand whether multicollinearity issues exist and then proceeded to make use of multiple regression analysis to test the hypotheses developed. The analysis was carried out using SPSS version 23.

## **ANALYSIS, REUSLTS AND DISCUSSION**

A total of 284 copies of questionnaire were administered to respondents, out of which, 276 copies were filled and returned. This is 97.2% rate of response. The percentage returns and response were considered reasonable enough for comprehensive analysis and generalization. The descriptive statistics result showed that the data was normally distributed. Organizational performance (OP) has a minimum value of 1 and 5 as the maximum value, this indicates that 1 is the lowest value in the data set while 5 is the highest value. This also signify that there are no outliers in the data set. The average value of the OP is 2.9627 with standard deviation of 0.86028, indicating that the data deviate from both side of the mean value by approximately 0.860. This implies that there is dispersion of the data from the mean, because of the value of standard deviation which is not close to the mean. The skewness value is at 1.058 and the Kurtosis value is at 4.903. Therefore, the descriptive statistics for organizational performance reveals that the nature of the variable is dispersing from the mean and as a result, shows no indication of outliers.

The results also indicate that the minimum and maximum values of idealized influence are 1 and 5 respectively. This indicates non-existence of outliers' from the data set. The mean value of 3.1973 and standard deviation of 0.87592 implies that there is dispersion from the mean value by approximately 0.88. The skewness value is at -0.610 and the Kurtosis value is at -0.425. Therefore, the descriptive statistics for idealized influence reveals that the nature of the variable is dispersing from the mean and as a result, shows no indication of outliers.

The results further indicate that the minimum and maximum values of the inspirational motivation are 1 and 5 respectively. This indicates non-existence of outliers from the data set. The mean value of 2.1599 and standard deviation of 0.75746 in the data implies that there is dispersion from the mean value by approximately 0.76. The skewness value is at 0.843 and the Kurtosis value is at 0.791. Therefore, the descriptive statistics for inspirational motivation reveals that the nature of the variable is dispersing from the mean and as a result, shows no indication of outliers.

**Table 2: Descriptive Statistics of Study Variables**

Descriptive Statistics									
	N	Min.	Max.	Mean	Std. Dev.	Skewness	Kurtosis		
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Std. Error
Idealized Influence	276	1.00	5.00	3.1973	.87592	-.610	.198	-.425	.394
Inspirational Motivation	276	1.00	5.00	2.1599	.75746	.843	.198	.791	.394
Organizational Performance	276	1.00	5.00	2.9627	.86028	1.058	.198	4.903	.394
Valid N (listwise)	276								

In order to conduct regression analysis, the study employed correlation to analyze the relationship between the variables. The correlation matrix in Table 2 reflects the relationship between the independent variables and the dependent variable. The Table shows that idealized influence has moderate positive relationship with organizational performance as denoted by the value 0.585. Also, inspirational motivation has moderate and positive relationship with organizational performance with the value of 0.582. The results imply that a relationship exists between the independent variables and the dependent variable, as well as between the independent variables. The relationship between idealized influence and relationship with organizational performance as denoted by the value 0.585. Also, inspirational is moderate, this shows the absence of multicollinearity as suggested by Salmeron-Gomez et al. (2020) and Shrestha (2020). The result is presented in Table 3.

**Table 4: Correlation between**

		Organizational Performance	Idealized Influence	Inspirational Motivation
Organizational Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
Idealized Influence	N	276	1	
	Pearson Correlation	.585**		
Inspirational Motivation	Sig. (2-tailed)	.000		
	N	276	276	1
Inspirational Motivation	Pearson Correlation	.582**	.601**	
	Sig. (2-tailed)	.000	.000	
	N	276	276	276

Source: SPSS Output



After the correlation analysis, the study proceeded to conduct the multiple regression analysis. The result further showed that approximately 54% of organizational performance of manufacturing firms was explained by idealized influence and inspirational motivation combined. This was justified by an R-square of 0.536 at 5% margin. The result further showed that idealized influence had a positive and significant effect on organizational performance with a coefficient of 0.18 and a p-value of 0.04, while inspirational motivation had a coefficient of 0.29 and a p-value of 0.03, signifying that inspirational motivation has a positive and significant effect on organizational performance. The results are presented in Table 4 and 5 respectively.

**Table 4: Model summary**

R-Square	Adj R-square	Est Error
0.536	0.356	0.331

Source: SPSS Output

**Table 5: Coefficients**

	Coefficient	P-value
Idealized Influence	0.181	0.04
Inspirational Motivation	0.297	0.03

Source: SPSS Output

Table 5 shows that idealized influence have positive and statistically significant effect on performance of listed manufacturing companies in Kaduna metropolis. Table 4 shows that the t-value for idealized influence is 1.925 and a coefficient value of 0.181 with a significant value of 0.04 (at 5% significance level). This signifies that idealized influence positively and significantly impact on performance of listed manufacturing companies in Kaduna metropolis, Nigeria. The results supports the view of Ran (2020) that idealized influence can improve organizational performance.

The Tables also indicate that inspirational motivation and performance of listed manufacturing companies has positive significant relationship. Based on the regression result in Table 4, inspirational motivation has a coefficient value of 0.297, t-value of 3.241 and a significance value of 0.03. This implies that inspirational motivation positively and significantly influence performance of listed manufacturing companies in Kaduna metropolis, Nigeria. This is in line with the outcome of study of Chebon et al (2019) which shows that inspirational motivation positively affect organizational performance.

## CONCLUSION AND RECOMMENDATIONS

Based on the findings, the study conclude that idealized influence and inspirational motivation affect organizational performance positively because leaders in the organizations studied, lead by example and motivated their employees to work towards achieving organizational goals. The study also conclude that the presence of the two concepts is not very strong in the studied firms, hence, the moderate effect of the variables on organizational performance.

Based on the conclusion reached, the study proffer the following recommendations

- i. Management of the manufacturing firms should train leaders on key components of transformational leadership idealized leadership which can be done through regular training and implementation of leadership practices.
- ii. Management of the manufacturing firms should inspire and motivate employees to do better at all times. This can be done by tracking employees' KPIs to ensure that the organizational objectives are met.

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