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LEADERSHIP STYLE AND VIABILITY OF AUTOMOBILE SERVICE FIRMS IN SOUTH EAST NIGERIA

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Abstract

This study investigates the relationship between leadership style and the viability of automobile service firms in South-East Nigeria, focusing on innovation capacity, strategic flexibility, and employee retention. Guided by three research objectives and hypotheses, the study employed a cross-sectional survey design within a mixed-methods framework. The population comprised 2,635 employees drawn from five purposively selected automobile firms, with a sample size of 347 respondents. Data were collected through structured questionnaires and semi-structured interviews, complemented by secondary sources such as journals and reports. Descriptive and inferential statistics, including Pearson correlation and regression analysis, were conducted using SPSS version 23.The findings revealed that leadership style has a strong and positive relationship with organizational viability dimensions. Specifically, leadership style significantly influenced innovation capacitydemonstrating its role in fostering creativity and adaptability. Similarly, leadership style was positively associated with strategic flexibility, underscoring its importance in helping firms adapt to environmental uncertainties and competitive pressures. Finally, leadership style exhibited a very strong relationship with employee retention, indicating that effective leadership practices enhance job satisfaction, loyalty, and workforce stability. The study concludes that leadership style is not only a management practice but also a strategic resource that drives the long-term viability

Keywords:
Leadership style, innovation capacity, strategic flexibility, employee retention, organizational viability, automobile service firms, South-East Nigeria

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of automobile service firms. It recommends that firms in the region invest in leadership development, adopt participatory management practices, and integrate leadership effectiveness into strategic planning to strengthen resilience, competitiveness, and sustainable growth.

Introduction

Leadership style has long been recognized as a critical determinant of organizational outcomes, influencing performance, employee behavior, and overall sustainability. Scholars such as Northouse (2021) and Yukl (2013) describe leadership as the process of guiding individuals and groups toward achieving collective goals, with leadership styles ranging from autocratic and transactional to democratic and transformational. These styles determine how leaders motivate, direct, and retain employees, thereby shaping organizational resilience and long-term viability.

Organizational viability, which reflects the ability of firms to sustain operations, adapt to changes, and remain competitive in dynamic environments, is closely tied to effective leadership. Viability is often assessed through indicators such as innovation capacity, strategic flexibility, and employee retention (Barney, 1991; Teece, 2018). Research has shown that leadership style plays a central role in fostering these capabilities by influencing decision-making, resource allocation, and the organizational climate (Bass & Riggio, 2006).

In the automobile service industry, leadership style is particularly crucial due to the sector's exposure to technological disruptions, regulatory shifts, and workforce challenges. Studies in emerging economies suggest that firms in this industry require leaders who combine adaptability with strategic foresight to remain viable in competitive markets (Adelekan&Ogundele, 2020; Oladipo et al., 2021).

In South-East Nigeria, the automobile service industry has gained prominence as both a service provider and a contributor to regional economic development. Companies such as Innoson Vehicle Manufacturing, Cavem Investment Limited, Abia State Computerized Vehicle Inspection Service, Solomento Auto Services, and Tebenaj Automobile Solutions serve as significant players in the region. However, the viability of these firms depends not only on external factors such as market demand and regulation but also on the leadership styles adopted in managing employees, fostering innovation, and responding to market dynamics (Nwakoby&Egbunike, 2019).

Thus, examining the relationship between leadership style and the viability of automobile service firms in South-East Nigeria provides valuable insights into how managerial practices shape organizational sustainability within a sector facing unique technological, regulatory, and economic challenges.

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Statement of the Problem

Leadership style has consistently been identified as a critical determinant of organizational effectiveness, shaping employee motivation, innovation, and long-term viability.Agazu, Sackey, and Danso (2025) argue that leadership styles influence how firms respond to uncertainty, allocate resources, and sustain performance. In the same vein, Hoang, Roulet, and Tavis (2024) maintain that transformational and entrepreneurial leadership foster organizational adaptability, employee commitment, and innovation capacity, which are indispensable for survival in competitive industries.

In today's volatile business climate, the automobile service sector faces heightened pressures from technological disruptions, regulatory changes, and customer expectations. Leadership style is therefore not merely a management preference but a strategic necessity. Agazu, Sackey, and Danso (2025) stress that leadership in service-oriented firms is critical to organizational resilience, while Oladipo, Nwakoby, and Okoye (2021) report that Nigerian firms with adaptive leadership styles demonstrate stronger employee retention and innovation outcomes compared to those with rigid, transactional approaches.

Within South-East Nigeria, the automobile service industry holds growing economic importance, with key players such as Innoson Vehicle Manufacturing, Cavem Investment Limited, Abia State Computerized Vehicle Inspection Service, Solomento Auto Services, and Tebenaj Automobile Solutions providing jobs, services, and technological support to the regional economy. However, these firms face leadership-related challenges ranging from poor employee motivation to low innovation culture. Okeke and Okechukwu (2020) found that many auto-based firms in the region struggle with outdated management practices, resulting in high staff turnover and weak strategic flexibility. Similarly,Nwakoby and Egbunike (2019) highlight that weak leadership structures in Nigerian automobile firms reduce their ability to compete with global brands and adapt to regulatory shifts.

Despite the recognition of leadership style as a determinant of organizational viability, there remains a gap in empirical studies focusing on the automobile service sector in South-East Nigeria. Much of the existing scholarship has concentrated on manufacturing, banking, and oil and gas industries, while relatively little attention has been given to service-based firms in the automotive domain. This lack of context-specific research has limited the understanding of how leadership styles directly shape viability indicators such as innovation capacity, strategic flexibility, and employee retention within this regional industry

Objectives of the study

The main objective of this study is to examine the relationship between Leadership style and viability of automobile service firms in South-East, Nigeria. The specific objectives are to:

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Prof. R. Rena [South Africa]

1. examine the association between leadership style and innovation capacity
2. determine the relationship between leadership style and strategic flexibility.
3. asses the nexus between leadership style and employee retention.

Research Questions

1. To what extent does leadership style affect innovation capacity?
2. What is the relationship between leadership style and strategic flexibility?
3. To what extent does leadership style affect employee retention?

Research Hypotheses

In order to give direction to this research project, the following set of hypotheses has been formulated;

Ho_1: Leadership style is not significantly related to innovative capacity

Ho_2. Leadership style is not significantly related to strategic flexibility

Ho_3. There is no significant relationship between Leadership style and employee retention

Scope of the Study

This study is delimited in scope along three dimensions: content, geography, and units of analysis. In terms of content, the research focuses on examining the relationship between leadership style and the viability of automobile service firms in South-East Nigeria. Leadership style is conceptualized as the independent variable, with particular emphasis on transformational, transactional, autocratic, democratic, and entrepreneurial approaches. The dependent variable, organizational viability, is assessed through three key indicators: innovation capacity, strategic flexibility, and employee retention. Geographically, the study is situated within the South-East region of Nigeria, comprising Abia, Anambra, Ebonyi, Enugu, and Imo States. This region was selected because of its growing importance in the Nigerian automobile service industry and its concentration of firms that provide essential services, generate employment, and contribute significantly to regional economic development. To ensure representation, five firms were purposively selected: Innoson Vehicle Manufacturing (Anambra), Cavem Investment Limited (Enugu), Abia State Computerized Vehicle Inspection Service (Abia), Solomento Auto Services (Imo), and Tebenaj Automobile Solutions (Ebonyi). In terms of units of analysis, the study concentrates on the workforce of the selected firms, including managerial staff, supervisors, and operational employees who directly experience leadership practices in their daily work.

REVIEW OF RELATED LITERATURE

This section reviews relevant literature on leadership style and the viability of automobile service firms, drawing on conceptual, theoretical, and empirical perspectives. It situates leadership style as a central organizational practice and explores its link to the major

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

dimensions of firm viability (innovation capacity, strategic flexibility, and employee retention). The review is anchored on three theoretical frameworks: Resilience Theory, Dynamic Capabilities Theory, and the Resource-Based View (RBV). Together, these perspectives provide a foundation for understanding how leadership practices foster adaptability, competitiveness, and long-term sustainability in organizations. In addition, empirical studies from both international and Nigerian contexts are critically examined to illuminate prevailing debates, highlight existing gaps, and situate the contribution of this research within the broader discourse on organizational effectiveness. The operational conceptual model illustrating the relationship between leadership style and organizational viability is presented in Figure 2.1.

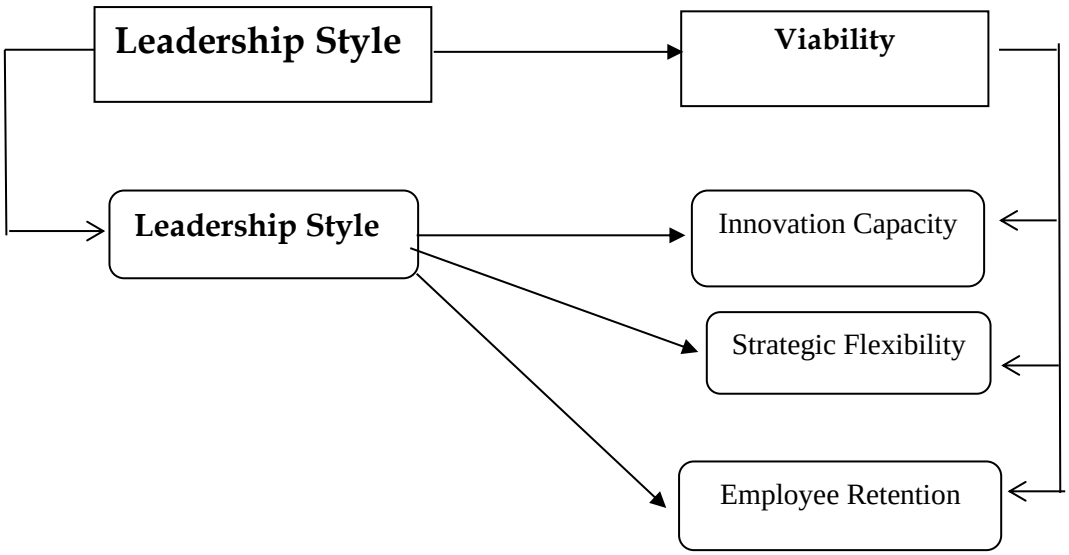


Figure 2.1:Operational Conceptual Framework
Source: From the researcher's desk, 2026

Concept of Leadership Style

Pawar (2019) opines that change is an unavoidable constant in the corporate world. With ever-changing markets and unpredictable external pressures, leaders must foster resilience and flexibility. These characteristics not only promote personal development but also contribute considerably to the organization's success. Resilient leaders may recover from setbacks and challenges by viewing them as opportunities for learning and progress. They can modify their plans and approaches to match the shifting demands of the business environment. Similarly, adaptable leaders are open to new ideas and willing to change their plans and goals as needed. This capacity to pivot fast and embrace change enables them to stay ahead of the competition and navigate through unpredictable times with agility (Pawar, 2019). Finally, company leaders that prioritize resilience and flexibility

are better suited to lead their teams through hardship. They recognize that adaptability is critical for long-term success in today's fast-paced and uncertain world (Dweck, 2019).

A. Dimensions of transactional leadership:

- Contingent rewards:

Performance based on rewards, where a leader offers the rewards to subordinates, and exchanges it with the goals that he establishes. Subordinate will get what has been agreed if the goal of the leader is achieved, otherwise there will be punishment if the lead goal is not achieved which is called the contingent punishment (Odumeru&Ifeanyi, 2023), in other word punishment for poor performance

- Management by exception (active and passive):

Corrective action by leaders when subordinates makes a mistake. In active management means leaders will anticipate problems, progress monitoring of work, and corrective on the work. In passive management means leaders will fix the problem only if the problem exists

B- Dimensions of transformational leadership:

- Influence Idealism: Leader behavior that is a role model for subordinates. Therefore, the leader becomes a figure that is admired and imitated by the subordinates. Also, this relationship then consists of trust and confidence.

- Intellectual Stimulation:

How leaders reply to existing troubles, and how they deal with subordinates' minds, furthermore the subordinates are given space for expression in thought. The purpose of the freedom that they give is so that they can face problems and be able to develop their thinking toward the future. In other words, this system is not a standard, but this is a process to achieve organizational goals, so if found things that hinder the goal, then the leader can overcome or change the existing methods.

- Individual Consideration:

This style prioritizes teamwork, and means every individual who contributes to the organization. Furthermore, they understand the needs of the subordinates personally and professionally. This dimension contains the consideration of individual needs and the development of followers' individual strengths (Ameen &Kamsuriah, 2021). Also, focuses towards the leader's procedure on how the leaders monitor subordinates in achieving their targeted level of potential.

Hence leader plays an important role as an advisor and proposes the subordinate to accept the challenge for development growth (Bass, Waldman, &Avolio, 2019), (Bass B., 2019). (Yukl, 2019) explained that the leaders developed individual behaviors through support and encouragement as well as provide training for his followers.

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Prof. R. Rena [South Africa]

- Inspirational Motivation:

Leaders expose of behaviour to motivate and inspire employees by providing a shared challenging task to their subordinates (McCleskey, 2024).

Concept of Organizational Viability

Organizational viability refers to an organization's ability to survive, adapt, and thrive while fulfilling its mission and vision in a dynamic environment (Schwaninger, 2022; Leonard-Barton, 2019). It goes beyond survival to include maintaining a stable identity, anticipating changes, and sustaining long-term growth. The Viable System Model (Beer, 2019) emphasizes that organizations require integrated structures and processes to remain viable, highlighting governance, adaptability, and alignment with external environments as essential features.

Viability is multifaceted, encompassing resilience, adaptability, innovation, and effective risk management. Zahra (2023) notes that viable organizations possess the resources, foresight, and trustworthiness necessary to achieve long-term goals, while Antoncic and Hisrich (2021) emphasize the role of innovation in enabling continuous renewal. Similarly, Adham (2022) stresses adaptability to market dynamics and environmental pressures as a critical determinant of sustained performance. Together, these perspectives show that organizational viability is not static but an evolving capacity that requires balancing internal strengths with external opportunities and risks.

The importance of organizational viability lies in its contribution to strategic management and sustainability. Organizations that prioritize viability are better equipped to anticipate risks, capitalize on opportunities, and foster resilience through innovation, flexibility, and employee engagement (Davies, 2020; Adham, 2022). Professionals such as risk managers, strategic planners, and sustainability experts play central roles in embedding these principles into strategy, ensuring that organizations remain competitive and sustainable over time.

Measures of Organizational Viability

Organizational viability can be assessed through **innovation capacity, strategic flexibility, and employee retention,** each reflecting critical aspects of a firm's ability to adapt, compete, and sustain growth.

1. Innovation Capacity: Innovation capacity refers to an organization's ability to generate, implement, and institutionalize new ideas, products, or processes that add value to both the firm and its customers (Olsson, 2019; Schramm, 2019). It encompasses technological, organizational, and process innovations, enabling firms to improve efficiency, competitiveness, and resilience. Innovation relies on leadership, employee knowledge, idea generation, and the integration of external knowledge, creating a continuous cycle

of learning and improvement. High innovation capacity ensures that firms can respond proactively to changing market demands, emerging risks, and competitive pressures, thus supporting long-term viability.

2. Strategic Flexibility: Strategic flexibility is the organization's ability to adapt to environmental uncertainties, reconfigure resources, and implement timely strategic changes (Abbott and Banerji, 2023; Shimizu and Hitt, 2004). It includes operational, market, and competitive flexibility, allowing firms to absorb disruptions, exploit opportunities, and maintain alignment with evolving market conditions. Organizations with high strategic flexibility can rapidly adjust their strategies, processes, and structures in response to internal and external pressures, enhancing their resilience and sustaining long-term performance.

3. Employee Retention: Employee retention reflects the organization's capacity to maintain a committed, skilled, and motivated workforce over time (Zineldin, 2000; Logan, 2000). Retaining employees contributes to continuity, institutional knowledge, productivity, and organizational culture. Factors influencing retention include fair remuneration, career development opportunities, supportive work climate, motivation, and alignment with organizational values. High retention ensures that firms sustain human capital, critical for innovation, strategic execution, and overall resilience

Theoretical Review

This study is anchored on three key theories: Resilience Theory (RT)

Resilience Theory

Resilience Theory explains the ability of organizations to withstand, adapt, and recover from disruptions. Introduced by C.S. Holling in 1973, it encompasses ecological, psychological, and organizational dimensions, focusing on absorptive capacity, adaptive capacity, recoverability, and transformability. RT emphasizes concepts such as vulnerability, robustness, agility, and adaptability, and is applied in risk management, business continuity, supply chain management, and organizational development. Models like the Business Resilience Model and Organizational Resilience Model identify factors contributing to resilience, including leadership, culture, strategic flexibility, learning, innovation, and adaptability (Adler, 2020).

Empirical Review

Several empirical studies have been conducted examining the relationship between Leadership style and organizational viability, as well as exploring the individual contributions of key dependent variables including employee retention, innovative capacity, and strategic flexibility. Abdulhasanov (2024) investigated the relationship

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Prof. R. Rena [South Africa]

between leadership styles and organizational performance with a particular focus on innovation. The study revealed that transformational and participative leadership styles significantly enhance employee motivation, adaptability, and openness to new ideas. These leadership approaches create an enabling climate where employees are encouraged to experiment, share knowledge, and implement creative solutions, thereby strengthening innovation capacity and overall organizational viability.

Hoang, Roulet, and Tavis (2024) explored transformational and entrepreneurial leadership within volatile business environments and found that adaptive leadership styles are crucial in enhancing strategic flexibility, as they enable firms to anticipate change, mobilize resources, and respond effectively to environmental uncertainties. By fostering a culture of adaptability, such leaders prepare organizations to navigate dynamic competitive landscapes.

In a similar line of inquiry, Al Khajeh (2018) examined firms in the United Arab Emirates and found that transformational leadership exerts a strong positive influence on innovation capacity. Leaders who demonstrate vision, inspire trust, and promote creativity were shown to foster openness to change, which in turn enables firms to introduce new products, services, and processes. This study underscores the global relevance of leadership in driving innovation within competitive sectors.

Gap in Literature

Despite the growing body of empirical literature on leadership style and organizational viability, a number of critical gaps remain, particularly in relation to the study of leadership style and viability of automobile service firms in South-East Nigeria.

First, most existing studies such as Abdulhasanov (2024), Hoang, Roulet, and Tavis (2024), and Al Khajeh (2018) have largely focused on organizational performance and innovation in a broad sense, with limited attention given to the multidimensional concept of organizational viability, especially in terms of innovation capacity, strategic flexibility, and employee retention combined within a single framework. This creates a conceptual gap, as viability extends beyond performance to include long-term sustainability and adaptability.

Second, a contextual gap exists, as the majority of these studies were conducted in developed or emerging economies outside Nigeria, such as the United Arab Emirates and other global business environments. The socio-economic, technological, and institutional realities of South-East Nigeria differ significantly from these contexts, thereby limiting the applicability of their findings to the Nigerian automobile service sector.

Third, there is a clear sectoral gap. Previous studies have predominantly focused on manufacturing firms, multinational corporations, or general business organizations, with little or no emphasis on automobile service firms, which operate under unique conditions

characterized by technical specialization, service delivery challenges, and evolving customer expectations.

Fourth, a methodological gap is evident, as many prior studies relied heavily on either quantitative or conceptual approaches without integrating qualitative insights. This limits a deeper understanding of how leadership styles practically influence organizational processes and viability in real-life organizational settings.

Finally, there is a geographical and empirical gap in the literature, as limited studies have specifically examined the interplay between leadership style and organizational viability within South-East Nigeria, a region experiencing rapid growth in automobile services and increasing competitive pressures.

METHODOLOGY

This section outlines the methodology adopted for the study, presenting a comprehensive description of the research design, target population, sample size, and data collection procedures. It further explains the research instrument employed, along with the processes undertaken to ensure its validity and reliability. Finally, the section details the data analysis techniques applied, demonstrating their suitability for addressing the stated research objectives.

This study adopted a cross-sectional survey research design within a mixed-methods framework to examine the relationship between leadership style and organizational viability in automobile service firms in South-East Nigeria. The design enabled data collection at a single point in time while combining quantitative (questionnaires) and qualitative (interviews) approaches to enhance the depth and reliability of findings.

The **population** comprised 2,635 employees drawn from five purposively selected automobile service firms across the South-East region.

Table showing the Population on each automobile servicing firms

S/N	Firm Name	Location	State	Number of Workers
1	Innoson Vehicle Manufacturing Company	Nnewi	Anambra	1,800
2	Cavem Investment Limited (Dealers of Diana Motors)	Enugu	Enugu	232
3	Abia State Computerized Inspection Service Center	Umuahia	Abia	153
4	Solomento Auto Services Centre	Owerri	Imo	50
5	Tebenaj Automobile solutions Services	Abakaliki	Ebonyi	400
	Total			**2635**

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Using **Taro Yamane's formula**, a sample size of **347 respondents** was determined.

Taro Yamene's formula (1984) for small samples will used as a guide to determine the accurate sample size from the population. Let the sample size be n, population size N and allowable error of sampling be e (e = 5% or 0.05)

Then:

$$n = \frac{N}{1 + Ne^2}$$

Where: n = Sample size

N = Population size (2,635)

e = Proportion of the sampling error (we assume 0.05)

1= Constant figure

Given that the researcher has chosen 5% or 0.05 as a level of significance the sample size can be calculated thus:

There:

$$n = \frac{2635}{1+2635(0.05)^2}$$

$$n = \frac{2635}{1+2635(0.0025)}$$

$$n = \frac{2635}{7.5875} = 347$$

Hence, the total sample size used for the study becomes 347 respondents. Base on the calculation, the sample size is **347 respondents.**

Data were collected from both **primary and secondary sources**. Primary data were obtained through a structured questionnaire based on a 4-point Likert scale, while secondary data were sourced from relevant academic and professional materials. The instrument was administered with the assistance of trained research aides across the selected firms.

To ensure **validity**, the questionnaire was subjected to expert review, while **reliability** was established using **Cronbach's Alpha**, with all variables exceeding the acceptable threshold of 0.70, indicating strong internal consistency.

Data analysis was conducted using **descriptive statistics** (frequencies, percentages, means, and standard deviations) and **inferential statistics** (Pearson correlation and regression analysis) with the aid of SPSS version 23. Hypotheses were tested using the **Pearson Correlation Coefficient** at a 0.05 level of significance, with decisions based on p-values to determine the presence or absence of significant relationships between variables.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

The Pearson correlation coefficient (r) is given by:

$$r = \frac{\sum(X_i - \bar{X})(Yi - \bar{Y})}{\sqrt{\sum(Xi - \bar{X})^2 \sum(Yi - \bar{Y})^2}}$$

Where:

Xi = each individual value of variable X

Yi = each individual value of variable Y

$\bar{X}$ = mean of variable X

$\bar{Y}$ = mean of variable Y

$\sum$ = summation over all observations

Interpretation of r:

r = +1: perfect positive linear relationship

r = –1: perfect negative linear relationship

r = 0: no linear relationship

DATA PRESENTATION, ANALYSIS AND INTERPRETATIONS

This section focused on data presentation, analysis and interpretation. The analysis was based on the copies of questionnaire collected. The hypotheses were also tested and the research findings discussed. It should be noted that out of 347 copies of questionnaire distributed, only 323 were returned in usable form.

Data Presentation

The data collected in the questionnaire were presented in this section. Three hundred and forty-seven (347) copies of questionnaire were prepared by the researcher and administered to the respondents (employees) of the selected automobile service firms operating in South-East Nigeria. The questionnaire administration and the collection rate were presented in the Table 4.1 below:

Table 4.1: Questionnaire Administration and Collection

Respondents	Questionnaires		Percentage
	No. Administered	No. Collected	
Senior Staff	179	169	48.70%
Junior Staff	168	154	44.38%
Total	347	323	93.1%

Source: Field Survey, 2025

Table 4.1 shows how the 347 questionnaires were administered to the respondents (senior staff and junior staff) of the selected automobile service firms operating in South-

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Prof. R. Rena [South Africa]

East Nigeria s and their collection rate. Out of the 347 questionnaires administered to the respondents, 179 copies were distributed to senior staff of the companies and 169 copies were collected from them which represents 48.7% collection rate; while 168 copies were assigned to junior staff and 154 copies were retrieved from the respondents which represents 44.38% collection rate. Generally, the administered questionnaires received 93.1% return rate.

Hypotheses Testing

Hypothesis 1

Ho_1: Leadership style is not significantly related to innovative capacity

Table 4.2: Result of Bivariate Analysis between Leadership Style (LS) and Innovation Capacity

		LEADERSHIP_STYLE	INNOVATION_CAPACITY
LEADERSHIP_STYLE	Pearson Correlation	1	.914**
	Sig. (2-tailed)		.000
	N	323	323
INNOVATION_CAPACITY	Pearson Correlation	.914**	1
	Sig. (2-tailed)	.000	
	N	323	323

**. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS-Generated Output (See Appendix)

Table 4.2 presents the result of the bivariate analysis performed between Leadership style (LS) and Innovation Capacity (IC). The p-value is 0.000, which is less than the level of significance (0.05), hence, the null hypothesis which states that between Leadership style (LS) is not significantly related to Innovation Capacity (IC) is rejected. With a correlation of 0.914, it implies that Innovation Capacity (IC) strongly and positively correlates with Leadership style, Thus, the conclusion is that Leadership style (LS) significantly relates with Innovation Capacity (IC).

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Hypothesis 2

Ho_2: Leadership style is not significantly related to strategic flexibility

Table 3: Result of Bivariate Analysis between Leadership Style (LS) and strategic flexibility

		LEADERSHIP_STYLE	STRATEGIC_FLEXIBILITY
LEADERSHIP_STYLE	Pearson Correlation	1	.918**
	Sig. (2-tailed)		.000
	N	323	323
STRATEGIC_FLEXIBILITY	Pearson Correlation	.918**	1
	Sig. (2-tailed)	.000	
	N	323	323

**. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS-Generated Output (See Appendix II)

Table 4.3 presents the result of the bivariate analysis performed between Leadership style (LS) and strategic flexibility (SF). The p-value is 0.000, which is less than the level of significance (0.05), hence, the null hypothesis which states that Leadership style is not significantly related to strategic flexibility is rejected. With a correlation of 0.918, it implies that strategic flexibility (SF) strongly and positively correlates with Leadership style, Thus, the conclusion is that strategic flexibility (SF) significantly relates with Leadership style (LS).

Hypothesis 3

Ho_3: There is no significant relationship between Leadership style and Employee Retention

Table 4.4: Result of Bivariate Analysis between Leadership Style (LS) and Employee Retention

		LEADERSHIP_STYLE	EMPLOYEE_RETENTION
LEADERSHIP_STYLE	Pearson Correlation	1	.934**
	Sig. (2-tailed)		.000
	N	323	323
EMPLOYEE_RETENTION	Pearson Correlation	.934**	1

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

		LEADERSHIP_STYLE	EMPLOYEE_RETENTION
	Sig. (2-tailed)	.000	
	N	323	323

**. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS-Generated Output (See Appendix II)

Table 4.4 presents the result of the bivariate analysis performed between Leadership style (LS) and Employee Retention (ER). The p-value is 0.000, which is less than the level of significance (0.05), hence, the null hypothesis which states that Leadership style is not significantly related to Employee Retention (ER) is rejected. With a correlation of 0.934, it implies that Employee Retention (ER) strongly and positively correlates with Leadership style, Thus, the conclusion is that Employee Retention (ER) significantly relates with Leadership style (LS).

Discussion of Findings

With respect to the hypothesis one and research question, the bivariate analysis performed between Leadership Style and innovation Capacity (IC) shows a p-value of 0.00, which is less than the level of significance (0.05), hence, the null hypothesis which stated that there is no significant relationship between Leadership Style and innovation Capacity (IC) is rejected. With a correlation of 0.914, it implies that Leadership Style (LS) is strongly and positively correlated to innovation Capacity (IC). Thus, the conclusion is that Leadership Style (LS) significantly relate with innovation Capacity (IC). This study alien with the work of **Abdulhasanov (2024) who**conducted a study titled *"Leadership Styles and Their Impact on Organizational Performance"*. The study affirms that **leadership styles** strongly relates with **employee motivation, job satisfaction, retention,** and **organizational adaptability** all of which are critical indicators of organizational viability.

With respect to the second hypothesis and research question, the bivariate analysis performed between Leadership Style and Strategic Flexibility shows a p-value of 0.00, which is less than the level of significance (0.05), hence, the null hypothesis which stated that there is no significant relationship between Leadership Style and innovation Capacity (IC) is rejected. With a correlation of 0.914, it implies that Leadership Style (LS) is strongly and positively correlated to Strategic Flexibility. Thus, the conclusion is that Leadership Style (LS) significantly relate with Strategic Flexibility.

The estimated p-value of Leadership Style (LS) and Employee retention (ER) for hypothesis three was obtained as 0.00, which is less than the level of significance (0.05), hence, the null hypothesis which stated that there is no significant relationship between Leadership Style and Employee retention (ER) in is rejected. With a correlation of 0.960,

it implies that Leadership Style is strongly and positively correlated to Employee retention (ER). Thus, the conclusion is that Leadership Style significantly relate with Employee retention (ER).

Conclusion

This study examined the relationship between leadership style and the viability of automobile service firms in South-East Nigeria, focusing on innovation capacity, strategic flexibility, and employee retention. The findings provide strong empirical evidence that leadership style is a critical determinant of organizational viability.

First, the results show that leadership style significantly enhances innovation capacity, indicating that effective leadership encourages creativity, adaptability, and the implementation of new ideas within firms. Second, leadership style was found to have a strong positive relationship with strategic flexibility, underscoring its role in enabling organizations to adapt quickly to environmental uncertainties and remain competitive in a dynamic market. Third, the study revealed that leadership style has an exceptionally strong influence on employee retention, suggesting that effective leadership not only motivates and satisfies employees but also fosters loyalty and workforce stability.

Overall, the conclusion of this study is that leadership style is not merely a management tool but a strategic resource that directly drives the long-term viability of automobile service firms. By shaping innovation capacity, promoting strategic flexibility, and enhancing employee retention, effective leadership becomes the foundation upon which firms in the South-East can build resilience, competitiveness, and sustainable growth.

Recommendations

Based on the findings and conclusion of this study, the following recommendations are proposed:

1. **Promote Leadership Development Programs:** Automobile service firms should invest in continuous leadership training and capacity-building initiatives that emphasize innovation-driven, flexible, and people-centered leadership approaches. This will equip leaders with the skills required to foster creativity, adaptability, and employee engagement.
2. **Encourage Participatory Leadership Practices:** Managers should adopt participatory leadership styles that involve employees in decision-making processes. This will not only enhance innovation capacity and strategic flexibility but also increase job satisfaction, thereby improving retention.
3. **Integrate Leadership into Strategic Planning:** Firms should incorporate leadership effectiveness as a core component of their strategic planning frameworks. By aligning leadership practices with long-term organizational goals,

firms can better manage uncertainties, retain top talent, and sustain competitiveness in the automotive service industry.

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