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# Challenges Facing Organizational Leaders: A Phenomenological Study of Nigerian Organizational Leaders

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Abstract

Challenging Organizational Leaders: A Phenomenological Study of Nigerian

Organizational Leaders

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Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

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Abstract

In the first decade of the 21$^{st}$ century, the number of functioning business organizations in Nigeria decreased by 45%. The high rate of business failures in Nigeria has left many questions about what is needed for creating business success. The purpose of this qualitative phenomenological study was to explore the influence of internal and external dynamics on leaders in Nigerian microfinance organizations. Twenty leaders from microfinance institutions participated in face-to-face semistructured interviews. The data analysis process involved the use of Moustakas's modified van Kaam method, which resulted in the emergence of 12 themes. The themes that emerged included: (a) staff turnover, (b) financial fraud, (c) knowledge gap, (d) lack of real-time technology, (e) ethical behavior of leaders, (f) organizational bureaucracy, (g) foreign exchange fluctuation, (h) poor state of Nigerian economy, (i) competition from unethical practices of other organizations, (j) constant changes of government policies and poor regulatory controls, and (k) noncompliance with the Microfinance Policy and Framework by stakeholders. There was a common perception among the participants that there was a need for government intervention in providing improved infrastructure and adequate regulatory controls. The findings provide indications from participants' responses that business success is dependent upon business leaders' effectiveness in their roles and ethical practices as perceived by the followers. The study is significant in that its findings may assist businesses and government to focus on the effectiveness of leaders, increase labor relations, and increase the overall success of business which in turn improve the economy of Nigeria.

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Dedication

I dedicate this study to my dearest wife Oluwatoyin; the greatest gift that I could ever receive from God.  Thank you for giving me all reasons to go on in life.  I will forever appreciate you for your love, patience, kindness, understanding, and especially your prayers.

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I would like to appreciate my entire family for their patience and understanding throughout this long journey. I thank my children Oluwaseun, Ifeoluwani, and Oluwafemi, for their understanding and believing in my dreams to succeed. A special thank goes to my best friend, Bolaji Adisa for his support, prayers, and for always encouraging me. I thank my parents, my siblings, my friends, and my mentors-Prince Goke Oladinni, Chief Joop Berkhout, and General Oladayo Popoola, for their confidence, encouragement, andsupport.

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Finally, to God Almighty, the only wise God, that knows the end from the beginning. I thank God, for mercy and grace to complete this study. Mark 10:27 "With men, it is impossible, but with God; all things are possible."

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Chapter 1: Introduction to the Study

Political and business factors in Nigeria pose important leadership challenges.The inherent factors across political and business environments influence leadership effectiveness as a contributor to business survival and success in Nigeria (Lawal, Thompson, & Thompson, 2016; Oparanma, Hamilton, & Opibi, 2010).  The absence of effective leadership, lack of organizational vision, and uninspired employees contribute tobusiness failurein most developing nations (Mahdinezhad, Suandi, Bin, & Omar, 2013).

Researchers have identified external factors that challenge a leader's ability to provide effective leadership in Nigeria because of political corruption, ineffective political policies, and poor funding for organizations.Limited research exists on internal dynamics (e.g., leadership styles, the impact of organizational culture, and the influence of unethical practices on leaders' effectiveness) within organizations in Nigeria that prevent effective leadership (Oluseye, 2014; Oparanma et al., 2010; Latham, 2014). An increased understanding of hindrances of effective leadership caused by internal and external dynamics in Nigerian organizations may assist in improving the economy of the country and, in turn, increasing the quality of life for all of the citizens (Dike, 2014).

Chapter 1 contains a discussion of the background for the study, the problem statement and purpose statement, the nature of the study, limitations, and significance of the study.

**Background of the Study**

Leaders play unique roles in ensuring leadership effectiveness and fostering business success in organizations.Ineffective leadership affectsthe growth of business

organizations (Dike, 2014). One of the challengesforbusiness leaders in Nigeria is understanding the dynamics of the climate within and outside an organization (Oluseye, 2014).Major business failure occurs becauseof the poor professional climate in Nigerian organizations (Adisa, Abdulraheem, & Mordi, 2014).To ensure leadership effectiveness and organizational success, researchers must study the business climate that impactsorganizations (Dike, 2014; Oluseye, 2014).

The high rate of business failures in Nigeria has left many questions about business success in Nigeria unanswered.A good example of a failed company is the case of RizonPalm Company in Kelga, Nigeria, which wasestablishedin 1998 by Rivers State Government (Oluseye, 2014). Rizon Palm company hadthe financial assistance ofN900million ($7Million) including 17,000 hectares of palm oil field assisted by the International Monetary Fundand the World Bank (Oluseye, 2014). Despite efforts of good corporate governance and the implementation of financial regulations by themanagement of the company, Rizon Palm Companyclosed in 1999because of the lack of effective leadership (Oluseye, 2014). Furthermore, Nigerian businesses have failed because of pressure from majority shareholdersof such organizations (Adisa et al., 2014).

The failure of Nigerian business organizations has not only resulted in increased unemployment but has also made people leave the country in search of better livingin developedcountries. Business failures have made many peoplewho invested money in failed organizations experience losses (Oluseye, 2014). As noted by Dike (2014),entrepreneurs who tried to operate businesses since the year 2000 failed to have an adequate number of customers, suppliers, creditors, and workers. Although new

businesses start up everyyear, many fail during the first year of operation (Adisa et al., 2014; Ejere, 2014).The high rate of businesses failure since the year 2000 is so alarming that researchers have enjoined government leaders to assist the private sector of the economy in reducing unemployment and boosting the gross domestic product output (Adisa et al., 2014; Ejere, 2014;Oluseye, 2014).

Towards the end of 20th century, interference and strict regulations by the Nigerian government limited the operational capacity of business organizations. The government regulations created more challenges for smooth operation of business organizations, which resulted in more business failure (Oluseye, 2014). Oparanma et al. (2010) indicated that business failures in Nigeria resulting from both negative internal and external factors limited business leaders' effectiveness. Oparanma et al. identified the need for leaders to understand factors limiting leaders' effectiveness.

A general perception of businesses' failures in Nigeria centers on corruption and poor political leadership, poor government regulations, poor provision of infrastructure, and poor funding that are the main barriers to successful business operations (Dike, 2014).  External factors areconstant environment factors that were in existence before the formation of any business, which promoters of business entities must consider before establishing a business entity.  Researchers have based research on the external factors outside organizations rather than on the directinternal factors (e.g., leadership styles, the impact of organizational culture, and the influence of unethical practices) affecting organizational leadership effectiveness in Nigeria (Dike, 2014; Latham, 2014; Oparanma et al., 2010; Osemeke, 2011).  Internal factors are under the control of the leaders, and if

properly managed will lead to leadership effectiveness. To ensure business success, researchers must study the challenges of organizational leadership and the influence on business leaders' effectiveness and organizational success (Ejere, 2013; Latham, 2014; Oparanma et al., 2010).

Leadership is essentialto the success of any organization. Leaders must know their personality, their role, and their vision in executing their leadership role (McCall, 2010). Leaders set the stage for success in organizations in achieving desired missions, objectives, and goals (McCall, 2010). Tonkham (2013) espoused that the role of leaders is to inspire and motivate others to meet the common objectives of an organization. Leaders with the right tools and strategies will achieve leadership effectiveness that lead to business survival.

The general organizational controls and structures are limiting factor for leadership effectiveness. Oparanma et al. (2010) pointed out that the dependent nature of leaders and weak corporate governance lead to the ineffective running of organizations. Ejere (2013) noted that most business leaders have difficulty in exhibiting the right leadership style that conforms to the culture of an organization to act in the best ethical way for the benefits of the long-term sustainability of an organization. Instead of acting in the best ethical way, leaders act in ways that benefit themselves and the owners of organizations to retain their appointed positions (Ejere, 2013).

Organizations can achieve effective performance by developing a strong organizational culture and leadership that comes from the style of the leader (Malmir, Esfahani, & Emami, 2013). Effective leaders mobilize colleagues in a collective effort to

achieve the corporate vision of an organization (Yukl, 2012). An assumption is that a leadership style, applied by a leader in a particular situation, will result in greater effectiveness than other leadership styles in the same situation (Yukl, 2012). Research results have shown a positive correlation between leadership effectiveness and leadership style (Yukl, 2012).

As the influence of leadership style, ethics, and culture on organizational leadership effectiveness captures the attention of researchers, focused research is required to broaden the understanding of the challenges facing leaders in organizations. In contrast to past research, the focus of this dissertation was what the leaders have lived through as personal challenges rather than general environmental factors.

The focus of this dissertation was the leaders of microfinance institutions in Nigeriaand the current situation in the microfinance institutions and the need for leaders to be more effective as highlighted by the research of Diete-Spiff (2014). The Nigerian microfinance institutions have played a major role in Nigerian private sector growth, and have become a model of business enterprise and leadership for other Nigerian business leaders (Diete-Spiff, 2014). Leaders in the microfinance institutions struggle to make adequate returns on capital employed by shareholders because of leadership ineffectiveness. The finding of this study might enable leaders in microfinance institutions to develop strategies to mitigate against the challenges facing their leadership effectiveness. The results of this dissertation provide opportunities for additional research on effective organizational leadership in Nigeria by contributing to the solutions of obliterating the challenges limiting effectiveness of leaders.

**Problem Statement**

Effective leadership is necessary for growth in organizational performances, yet unsatisfactory leadership continues to be a problem within Nigerian organizations. Nigerian companies fail because of poor leadership arising from external environmental factors and internal challenges (Dike, 2014; Oluseye, 2014). In the first decade of the 21st century, the number of functioning business organizations in Nigeria decreased by 45% (National Bureau of Statistics, 2012). Research into the causes of business failures in Nigeria has been inconclusive (Oluseye, 2014). Past research was able to ascertain the external challenges such as corruption and ineffective government policies as causes (Anyim, Ikemefuna, & Mbah, 2011; Dike, 2014; Ejere, 2013; Latham, 2014; Oparanma et al., 2010); however, research on the internal challenges related to business failures in microfinance business in Nigeria were nonexistent.

The problem addressed by this study was that internal challenges including ineffective leadership styles, unethical behaviors, and organizations' cultures continue to affect organizational leader's performances (Dike, 2014; Latham, 2014; Oluseye, 2014 Osemeke, 2011).Leadership is not only affected by task structure and interpersonal relationships, but also by other situational external dynamicsthat challengea leader's effectiveness towards organization productivity (Sethuraman & Suresh, 2014).

A lack of understanding exists regarding the influence of internal challenges of leadership effectiveness as a contributor to business survival and success in Nigeria. The internal challenges are taken for granted by researchers because of the influence of uncontrollable external factors (Oluseye, 2014). Oluseye (2014) emphasized the need to

study the causes of obstruction that lead to Nigerian business leaders' effectiveness for increasing a competitive edge for their organization. Nigerian leaders deal with a difficult environment, including high costs of business transactions, lack of adequate social infrastructures, over-reliance on government's contracts, and government interference (Dike, 2014).

## Purpose Statement

The purpose of this qualitative phenomenological study was to explore the influence of internal and external dynamics on business leaders in Nigerian microfinance organizations. Obtainingleaders' perceptions of challengesmay assist in a better understanding about what can aid in increasing their effectiveness as leaders. A central concept of this study wasthe need for leaders to understand the internal factors that influence leadership effectiveness in an organization as recommended by Oparanma et al.(2010). The target population was business managers from microfinance institutions in Nigeria with a requisite leadership experience of at least5 years.

## Research Questions

A phenomenological design requires that research questions guide the data collection for a study. The central goal of the study was to explore the lived experience of business leaders regarding the influence of the challenges they face dailythat influence leadership effectiveness. I used asemistructured interview instrument for the collection of data from participants (see interview protocol in Appendix A).

The following were the research questions for the study:

RQ1. How does the lived experience of internal challenges(e.g., leadership styles, ethical behavior, and business culture) influence leadership effectiveness in Nigerian organization?

RQ2. How does a lived experience of external challenges influence leadership effectiveness in Nigerian organization?

RQ3. What changes in internal and external challenges faced by leaders in Nigerian business organization can improve leaders' effectiveness?

## Conceptual Framework

There are many factors to consider when developing a framework applicable to leadership effectiveness in an organization. Some of the factors are the leader's characteristics, the leader's behavior, and the environment. The conceptual framework pertinent to this study was from Fiedler's (1978) contingency model of leadership effectiveness, and transformational leadership constructs from Tokin (2013). The constructs by Fiedler and Tokin focus on interactions between leadership styles with situational favorableness in achieving effective leadership.

Fiedler (1978) noted that some empirically tested theories of leadership effectiveness show complex interactions between leader characteristics, leader behavior, and environmental influence.Fiedler espoused a model of leadership effectiveness, stressing the interaction of leadership of the group that measured leadership style by a least preferred coworker (LPC) score. Task-oriented leaders (low LPC) are more effective in favorable situation conditions; while relations-oriented(high LPC) leaders are efficient in the intermediate range of favorableness (Fiedler, 1978).

Researchers have proposed many leadership styles.The most prominent ones include transactional, contingent, charismatic, and transformational (Tokin, 2013).Transformation leadership, which was articulated by Macgregor in 1978, and later propounded by Bass (1997), takes into consideration a leader's inspiration, intellectual stimulation, and individual consideration (Tonkin, 2013). Transformational leadership focuses on the leadership effectiveness variables of leaders' behavior and characteristics. Transformational leadership emphasizes interactions between the leaders, employees, and the organization (Bass, 1997; Burns, 2004).

The difference between ineffective from effective leaders is the ability to plan, organize, and communicate. Yukl (2012) stated that the ability to plan, organize, and communicate results to effectiveness and influence by leaders. Tonkin (2013) espoused that leaders who exhibited a greater sense of consideration of behavioral styles and initiating structure were more effective than others.

Leadership and ethics are similar inmany aspects when discussing human and organizational development. The transformational leader develops a high ethical and moral understanding within an organization (Van Wart, 2013). An ethical leader can make the right policy decisions and act appropriately in a manner that shows respect for an employee's interest and the organization (Sarwar, 2013).

Ethical practice by leaders enables them to base their decisions and actions primarily on policies that are beneficial to the people in the organization. Rowe (2014) stated that an ethical leader must exhibit the following:

- Demonstrate appropriate conduct such as honesty, trustworthiness, fairness, and cares, in their behavior and model such to followers.

- Make ethics a salient factor; communicate unambiguously about ethics, and provide followers withthe interpersonalprocess to express their views.

- Reward ethical conduct and discipline or punish the disobedient ones.

- Make decisions based on principles and justice. (pp. 120-121).

Organizational culture isan environmental,internal dynamic. The interactions of leaders with others in an organization developa strong culture and effective leadership. Leaders achieve the interactions with employees through the influence of shaping the behavior and the values of others within the organization (Schein, 2009, p.3). Culture is a source of direction and focus that reflects the spirit of an organization and its workforce.

Figure 1 shows the linkages between the conceptual framework and the research questions. The concept map shows how the combined framework of Fiedler's(1978) contingency model and the transformational leadership theory directly connect to the focus of the study and the research questions. The three internal challenges(leadership styles, ethical behavior, and culture), and the external factors,reflect the leadership variables described by Fiedler's model, whereas the transformational leadership theory links to the type of desired leadership styles of the leader. If all the factors are under control, leadership effectivenesswill lead to organizational effectiveness.

The importance of the conceptual models thatformulate the study's framework is that they relate the challenges facing Nigerian business leaders to the components of effective leadership. With the combined framework, leaders can visualize the

understanding of the interactions between internal and external challenges that can help

in understanding how they affect a leader's performance.

**Focus of the Study**
Factors Affecting Organizational Leaders
-Leaders' actions are limited by the inherent internal factors, bordering on their abilities to act rightly within the structured organization

**Fiedler Contingency Model 1978:**
3 Variables that influence leadership and productivity
-There is no one bests leadership style or behavior, both depends on the given environment or situation

**Leadership Styles-RQ 1**
Determination of appropriate leadership style

**Transformational Leadership Theory, Macgregor 1978**
Leader's inspiration, intellectual stimulation and individual consideration

**Leader's Characteristics**
Tasks oriented or Relationship oriented

**Ethical Behavior RQ 1, RQ 2**
Are leaders free to make ethical decision? Do they act with integrity?

**Ethical Behavior**
Leaders promoting integrity and character, Ethical standards, culture of trust, moral codes

**Leader's Behavior**

**Organizational culture RQ1, RQ 3**
What effect is culture having on the day to day running of the organization?

**Environmental Factor**
Leaders act differently in different situation

**External Climate RQ 2, RQ 3**

**Leadership Effectiveness**
Right Decision making, Right Ethical practices, Right Direction, Right relationship with followers

**Organizational Effectiveness**
Organizational survival
Organizational Commitment
Organizational Productivity
Profit & Sales Growth
Employee Well-being
Corporate Social Responsibility

*Figure* 1. Linkages of conceptual framework to data collection.

**Nature of the Study**

I used the qualitative research method with a transcendental phenomenological design for this study. I used semistructured interviews to collect data from the selected organizational leaders. The qualitative research method allowed for in-depth exploration and semistructured interviews of participants' leadership experiences through observations, recordings, and interviews (Gordon, 2012). Participants were 20 Nigerian business leaders in microfinance institutions registered with Corporate Affairs Commission Nigeria and approved by the Central Bank of Nigeria. The exact number of participants depended on when saturation occurred from the interview responses. Saturation occurs when no new data emerges from any additional participant from the data collection method (Denham & Onwuegbuzie, 2013). Saturation occurred when I interviewed the 10th participant.

The qualitative research method was appropriate for the study. Plakhotnik (2012) stated that a qualitative method is appropriate for an investigation into human behavior through responses of participants to open-ended interview questions. Gill (2014) defined qualitative research as an inquiry that explores a social problem and is useful for describing trends. Neither a quantitative or mixed methods approach was appropriate for the research, because quantitative researchers seek to test the hypotheses and identify cause-and-effect relationships (Hammer, 2011). Quantitative research uses numeric descriptions and uses experiential sampling for description and clarification of events (Upjohn, Attwood, Lerotholi, Pfeiffer, & Verheyen, 2013). The interpretive nature of the

qualitative research method provides a human perspective on the phenomenon (Trotter, 2012).

I considered all qualitative designsbefore deciding on the proper design. A review of ethnography, grounded theory, narrative, and the case study designs allowed me to identify the most effective approach to studying the phenomenon of effective leadership. The phenomenology design allowedme to focus on an analysis of individuals' experiences affected by effective leadership in this study. Moustakas (1994) stated that analyzing major issues of leadership required a study of the phenomenon rather than any other narrative design. Phenomenology provided a framework of rational inquiry of the lived experience of participants for assessing effective leadership.

The phenomenological designwas more appropriate for this study than other designs, including case study, narrative, ethnography, or grounded theory. The case study design provides anopportunity to acquire a perspective on an ongoing occurrence and represents a critical test of the occurrence (Yin, 2013). The qualitative narrative design focuses on stories of lived experiences of an individual, while ethnographic design provides a logical way of identifying and understanding behavior within a context (Robinson, 2013). The phenomenology design allows researchers to explore the lived experience of participants and exclude any presumption. The phenomenological design with semistructured interviews allowed respondents to share thoughts and experiences that gave insight into the lived experience of their leadership role in microfinance organizations.

The phenomenon that was the focus of this study was the perceptions of Nigerian microfinance business leaders of external and internal challenges obstructing their efficiency as related to their leadership styles, business ethics, and the business culture of their organizations. The nature of qualitative research method is holistic; all aspects of participants lived experience regarding the challenges facing the leaders can emerge (Thyer, 2012). The one-on-one approach of the qualitative method was an advantage, particularly interviewing participants in their real-lifeenvironment, whichwas relevant for achieving an understanding of the research problem.

Purposeful sampling was appropriate for participant selection in the study. In purposeful sampling, a researcher's judgment is important for selecting units that have a direct relationship to the population (Trotter, 2012). Patton (2002) stated that what a researcher wishes to know that will bring credibility, utilization of the resources, and time, are more important in a qualitative method. Giorgi (2010) argued that the phenomenon is more important than the sample size in a phenomenological study.

Twenty organizational leaders who are senior managers from microfinance institutionswith not less than 5 years' experience in operating abusinessat theexecutive level in Nigerian microfinance institutions were the central focus of this study. The leaders in microfinance institutions struggle to make adequate returns on capital employed by shareholders because of leadership inefficiency (Diete-Spiff, 2014). The financial performance of the selected microfinance organizations formed the basis for the selection of participants; some participants were from financial institutions with dwindling financial performances whereas others were from institutions with sound

financial performances.The consideration of the financial performances was fromfinancial expert's examination of financial records including the balance sheets.

The phenomenological approach with semistructured, in-depth face-to-face interviews, with a well-designed interview protocol,made it easier for the participants to give meaning to their style of leadership within the internal and external challenges bordering on culture and ethics within their organizations.  The participants interviews were digitally recorded.  Validation of responses occurred by member checking and probing questions if needed.  Member checking enabled the leaders to express the effect of the challenges facing them in their words and gave an opportunity forthe me to asked follow-up questions that might be useful for the research.

Qualitative research uses simplified data analysis methods.  Finlay (2012) explained the digital analysis of data is one of the most important aspects of qualitative research.  Thequalitative data analysis software, NVivo (version 11) was applied to the digital analysis of all data generated from the interviews.  Specifically, I used NVivo 11to preparethe raw data for coding and analysis by placing the words and phrases into themes,as suggested by Buchanan and Jones (2010).   The task of organizing and analyzing the data by me was facilitated by NVivo 11 software.  The NVivo 11 software has an efficient mechanism for performing analysis of qualitative data to ensure consistency and validity of the process (Buchanan & Jones, 2010).

**Definition of Terms**

Clarifying the words used in a study leads to a better understanding by readers. Tsang (2013) supported defining words operationally so that the author and readers have

the same understanding of the terms. The following are operational definitions of the

primary terms used in this study.

Developing nations: The low and middle-income nations, with a lower standard of

living, and access to fewer goods and services (Osemeke, 2011).

*External dynamics*: Corruption and effect of poor political leadership, poor

government regulations, poor provision of infrastructure, and poor funding that are the

main barriers to successful business operations (Dike, 2014).

*Financial performance*: Includes consideration of financial statements and

financial ratios (Pal &Torstensson, 2011).

Hausa people: The largest ethnic group in West Africa, numbering more than 20

million (Limbs & Fort, 2000).

Ibo people: The people of the ethnic group of southeastern Nigeria (Limbs & Fort,

2000).

*Internal dynamics*: The directinternal factors (e.g., leadership styles, the impact of

organizational culture, and the influence of unethical practices) affecting organizational

leadership effectiveness in Nigeria (Dike, 2014; Oparanma et al., 2010)

Leadership: The process of influencing other people in an organization to

accomplish organizational goals, and seen as a process rather than a function of a

particular individual (Van Wart, 2013).

*Managers*: Organizational leaders who are senior managers from microfinance

institutions with not less than five years' experience in operating a business at the

executive level in Nigerian financial institutions (Oluseye, 2014).

*Microfinance Institutions*: The small-scale banking institution that allows low-income people in thebanking system as regulated by the Central Bank of Nigeria (Esty, 2011).

Organizational leaders: Includes the chief executive officers and middle management staff of an organization in the Nigerian private sector (Chan, 2010).

Yoruba people: People of Southwestern Nigeria are a nationality of approximately 50 million persons (Limbs & Fort, 2000).

## Assumptions

In this study, four fundamental assumptions were made.  The first assumption was that the challenges facing organizational leaders in Nigeria business environment include more than political corruption and ineffective government policies.  The knowledge of the internal challenges facing leaders is necessary to determine where the focus of the study should be; exploring all areas of effective leadership.  The second assumption was that the semistructured interviews selected for data collection were valid and reliable. Trustworthiness is important to eliminate all forms of bias from data collection. The third assumption was that all journals, books, and secondary data used in the study provided accurate information and represent Nigerian business leaders' experience.  Leadership literature is scanty in Nigeria and the world global literature used in the literature review represents the importance of effective leadership in Nigeria. The fourth assumption was that the views of the participants represented their honest perceptions and have a valid observation of their organization. The assumption of honest perception, is  that

participants were sincere to assist their organizations in finding solutions to the

challenges hindering effective leadership in their organizations.

## Scope and Delimitations

The purpose of this qualitative phenomenological study was to explore the

influence of internal and external dynamics on business leaders in Nigerianmicrofinance

organizations.  Obtaining the leaders' perceptions of those challenges, which are difficult

to resolve,may assist in acquiring a better understanding of what can improve their

effectiveness as leaders.  The study participants were managers with more than 5 years

experience in leadership positions. As a phenomenological study, the outcome can

provide a platform for exploring live experiences with similar phenomenon in other

private organizations.

The delimitation of the study was the narrowness of scope, which was to focus on

20 business leaders from microfinance institutionsof the Nigerian private sector.  The

identification of delimitation in a study is to limit the scope of a study (Suri, 2011).  The

participants for this study were 20 leaders from microfinance institutionsin Nigeria:

6senior managers and 14 middle management staff.  The essence of choosing 14middle

management officers was to form opinions about their experiences at a level directly

below the senior officers.  The study was delimited to only Nigerian microfinance

institutions because most organizations have peculiar operations and customs.

## Limitations

Researchers must identify the weaknesses and limitations in a study. Limitations

of a study show any inherent reservation, probable weaknesses in a study, and an

understanding of where the results of the study will not be applicable (Anosike, Ehrich, & Ahmed, 2012). A limitation of this study was that the data that emerged may not be representative of thegeneral business environment in Nigeria orother developing nations.

Another limitation related to the value of the data collected because of the small non-random sample size. Nigeria has a population of 160 million people and more than 200,000 private companies, but the sample size was from five microfinance financial institutions in Nigeria. Furthermore, the participantswere from only financial institutions registered as microfinance companies with Corporate Affairs Commission, Nigeria and approved by the Central Bank of Nigeria.However, according to Patton (2002), the information consideration determines the size of the sample under purposive sampling.

The research biases in the study include the involvement with some organizations in Nigeria that have difficulties in achieving optimum efficiency. The experience of these organizations could affect the expectations from the managers selected, which could influence the study's results, but I usedthe data and results to prevent any chance of biasthat surface.The focus of the study was limited to the activities of the microfinance managers rather than the general operations of the microfinance organization. The formation and the operational activities of the microfinance organizations were excluded in this study.

## Significance of the Study

### Significance to Practice

The significance of this study was to bring awareness to internal organizational challenges to effective leadership in the environment of selected businesses in Nigeria.

The organizational challenges, which are more than political in nature, are factors such as leadership styles, the impact of organizational culture, and aspects of ethics on leaders' efficiency as related to Nigeria. Researchers have ignored research on organizational leadership in Nigeria regarding the internal organizational challenges, such as organizational culture and ethics (Dike, 2014; Ejere, 2013; Osemeke, 2011).

Instead of focusing on internal organizational issues, previous researchers focused on the political leadership and environmental challenges facing organizational leaders. Solutions proposed from previous studies designed to overcome such political and general environmental challenges (Dike, 2014; Ejere, 2013; Osemeke, 2011).  The major significance of this study is in its espousal of the appropriate leadership roles that may lead to an efficient transformation for Nigerian business leaders.  By gaining, a better understanding of what hinders effective leadership within organizations; leaders developed to deal with the hindrances facing them.  The expected efficient transformational growth may increase the productivity of the businesses and increase profitability, which can from a broader perspective, increase the economy of the country, and develop an increased gross domestic income.

**Significance to Theory**

Although other theories focus on whom a leader is and the functions of a leader, the findings of this study might put emphasis on the challenges that influence leadership and productivity. The findings of the study looked beyond task structure and interpersonal relationships impact on leadership but rather on how situational

circumstancesinfluencesa leader's efficiency.Effective leadership has been a major

challenge across political and business environments in the developing world.

Since 1990, Nigerian private sector activities have been on the decline, which has

caused the general decrease in productivity within the economy (Omolola, 2013).

According to Ejere (2013), the general external factors affecting general business in

Nigeria are unethical and ineffective political leadership, corruption, lack of good

management skills, and nonprovision of an enabling market environment.  Other factors

influencing businesses in Nigeria are high costs of business transactions, lack of

professionals, and nonprovision of basic amenities by the government, and over-reliance

on the central government for patronage.

**Significance to Social Change**

Researchers have failed to consider the challenges facing business leaders in

Nigeria as an academic area that is worth exploring.  Osemeke (2011) stated that research

addressing social change in the Nigerian private sector was sparse and failed to provide

solutions.  The results of this dissertation will help close the gap in the literature on

effective organizational leadership in Nigeria.  Further, the findings are intended

toprovide a direction for future research in internal and external challenges and serves as

a model for environments that share the same identity with Nigeria.

The potential for social change is to assist in the transformational growth in

leaders' effectiveness. The findings of the study have the potential to assist organizational

leaders in focusing on the challenges of effective leadership and developing

transformational strategies that caused the leaders to be more efficient that in turn may provide positive social change to the economy and lives of Nigerians.

**Summary and Transition**

The chapter includes the problem statement, purpose statement, the background of the study, the nature of the study, and significance of the study. The focus of this dissertation study was on making a unique contribution to the field of leadership on effective leadership and relevant to Nigerian leadership, ethics, and culture.Overall, the chapter forms a background for the study regarding challenges facing organizational leaders in Nigeria.

One of the leading causes of organizations' failing in developing nations like Nigeria is the absence of effective leadership. The pressures from internal challenges from the culture and ethics of organizations related to the leadership styles of leaders limit the leaders from achieving optimum performances. Limitations of leaders can result in failure to innovate, creatively address challenges, respond to changes in markets, and sustain high performance from employees. Chapter 2 contains a detailed review of the past literature and pertinent publications on organizational culture, leadership theories, business ethics, leadership styles, and efficiency.

Chapter 2: Literature Review

The purpose of this qualitative phenomenological study was to explore the influence of internal and external dynamics on business leaders in Nigerianmicrofinance organizations.  The focus was the perceptions of Nigerian business leaders regarding internal challenges obstructing their efficiency and effectiveness and whether the challenges originated from the internal or external environment. The internal challenges affect the productivity of the leaders.  The challenges faced by leaders are related to the leadership styles, business ethics, and the business culture of their organizations (Dike, 2014; Osemeke, 2011; Latham, 2014).

The purpose of this literature review was to gain an understanding on internal challenges facing leaders in Nigerian businesses. A lack of understanding exists about the influence of internal challenges on leadership effectiveness contributing to business survival and success in Nigeria (Oparanma, 2010).  How a leader deals with internal challenges influences leadership effectiveness in an organization (Hanlon, Koch, Nyatuga, & Kerr, 2015).

This chapter includes literature reviewed on the topics relating to effective leadership in organizations functioning in the Nigeria environment. The literature review includes a historical overview of Nigeria, the nature of business in Nigeria, organizational culture, ethics, leadership theories, and a discussion ofobstacles to leaders in Nigeria.

**Literature Search Strategy**

The literature searched included articles, books, and research documents. ProQuest and EBSCO literature databases were the sources for peer-reviewed journal

articles and dissertations. The literature on Nigeria businesses and history of Nigeriasearched for foundational studies for my study. This chapter includes a historical overview of Nigeria, the nature of business in Nigeria, organizational culture, business ethics, leadership theories, leadership styles, leadership effectiveness, and obstacles to leaders in Nigeria. The search involved relevant reports from multinational agencies such as World Bank.

The literature review focused on scholarly peer-reviewed journals such as the (a) Journal of Organizational Behavior, (b) The Leadership Quarterly, (c) International Business and Economics, (d) Journal of International Management (e) Academy of Management Journal, (f) International Journal of Business Management, (g) Business Ethics Quarterly (h) American Journal of Social and Management Sciences, (i) Journal of Leadership, Accountability and Ethics, and (j) The Journal of Management History.

An EBSCO Host database search of Business and Management Complete/Premier with the title word Nigeria resulted in 10,457 articles, leadership and Nigeria resulted in 112 articles, and organizational culture and Nigeria resulted in 19 articles. Searches with the term organizational culture resulted in 16,027 articles, leadership produced 96,705 articles, business ethics produced 20,757 articles, leadership effectiveness produced 32,013 articles, and organization, leadership, and culture resulted in 2,682 articles.

The goal of this literature review was to explore resources on effective leadership within organizations. In ensuring recent research, 215 resources were reviewed, of which 85% had a publication date notless than five years from 2017. The literature reviewedincluded evidence of effective leadership to provide an understanding regarding

the influence of the internal challenges on leadership effectiveness as a contributor to business survival and success in Nigeria.

A search of ProQuest with the keyword *Nigeria*resulted in 116 dissertations and 207,067 articles. The search for relevant dissertations relating to Nigeria within the dissertation database of Walden University produced 65 related dissertations. The dissertation by Bayode in 2008 is similar to this study, but the focus was on the challenges facing the private sector in Nigeria. Another similar study conducted by Okechukwu in 2012 focused on the Nigerian local government leadership.

## Conceptual Framework

Researchers must consider several factors when developing a framework applicable to leadership effectiveness in an organization. As described in Chapter 1, the conceptual framework of this study was based on Fiedler's (1978) contingency model of leadership effectiveness, and asexpanded upon by Sethuraman and Suresh (2014). Transformational leadership constructs, as articulated by Bass (1997) and Tokin (2013), further inform the conceptual framework. The constructs of ethical leadership, as espoused by Rowe (2014), further guided the study.The seminal theories applicable to this study focus on leaders and formed a conceptual framework for effective leadership.

Whereas individual and behavioral leadership theories focus primarily on who a leader is and what a leader does, contingent models emphasize the contextual factors that influence leadership and productivity (Sethuraman & Suresh, 2014). Many researchers, such as Strube and Garcia (1981), have tested the seminal work of Fiedler (1978) on contingency theory. The contingency theory model emphasizes the importance of

authoritative power in addition to the structure of the task and how relationships with followers also influence how a leader should behave in a complex environment (Berger, 2013).  The model by Fiedler focuses less on how a leader ought to behave in a given situation and more on how contingencies shape leaders' preferences. Fiedler postulated that not all leaders can adapt their behavior to any situation. Leaders have preferences and need to be able to assess their chances of success given how their preferences match the set of contingencies.

Fiedler's (1978) contingency model of leadership effectiveness stresses the interplay of the leadership style of a leader and the situational favorableness of the followers.Leadership style is measured by a least preferred co-worker (LPC) score and is obtained by the leader rating the follower who least prefers to work (Sethuraman & Suresh, 2014).Situational favorableness is the favorability of a leader's relationships with followers, the amount of legitimate power the leader derives from the position occupied, and the structure of the task (Sethuraman & Suresh, 2014). Task-oriented leaders (low LPC) judged effective in either unfavorable or favorable situational conditions (Sethuraman & Suresh, 2014). Relations oriented leaders (high LPC) judged to be more efficient in the middle range of favorableness (Sethuraman & Suresh, 2014).

Sethuraman and Suresh (2014) stated that despite the popularity of Fiedler's model there is still a need for revision. The interpretations of LPC scores into behavioral terms areinconclusive; behaviors exhibited by the leaders are results predicted by the contingency model (Sethuraman & Suresh, 2014).  Only the short run relationships between leaders and group were considered by contingency model.  The analysis of

leadership processes was not considered by contingency model and fails to allow for

incorporation of other variables (Sethuraman & Suresh, 2014).

Fiedler's (1978) contingency model is often predictive of leadership effectiveness

but only within the range of variables specified by the prevailing methodology. The focus

of the contingency model was to initiate variables that independently related to any of the

main variable sets: leader characteristic, leader behaviors variables, and environmental

variables. Fiedler's (1978) model has been used instudies of group efficiency and the

relationship between leadership and organizational performance. Fiedlerstated that

leaders need to be assessed, if an organization attempts to achieve group effectiveness

through leadership, leaders need to be assessed.  The assessment is the underlying trait of

the situation faced by the leader.

A leader's effectiveness depends on the synergy between the favourableness of

the situational characteristics and a leader's style. The most positive situation is when a

leader gains a strong position of power through positive leader-member relations that

involve a highly-structured task. Leadership researchers were awakened by contingency

model for the understanding of the complexity of the leadership phenomenon

(Sethuraman & Suresh, 2014). For leaders to achieve leadership effectiveness there must

be consideration for follower needs and values, leader personality and behavioral style,

organizational environment, and situational parameters of the task (Sethuraman &

Suresh, 2014).

Transformation leadership, as articulated by Bass (1997), provides an aspect of

the conceptual framework that guided this study.  Past researchers have spent much time

and effort in delineating the functions, characteristics, and methods associated with effective leadership. As expressed by Mahdinezhad et al. (2013), the absence of effective leadership causes organizations to fail, whereas organizations with effective leaders achieved optimum efficiency. Yukl (2010) espoused that different styles of leadership depict the features of an effective leader and the impact on the followers. Transformational leadership promotes interactions between the leaders, employees, and the organization (Tonkham, 2013). Transformational leaders seek to elevate leaders and followers' motivation level that leads to enhancement of organization's productivity (Yukl, 2010).

Although researchers have advocated many leadership styles, the most prominent ones include: transactional, contingent, charismatic, and transformational styles. According to Tonkham (2013), several theories of leadership effectiveness assume interactions among different variables. Tonkham supported the belief that leaders with high levels of behavioral styles and with acapacity of theinitiating structure were often more effective, but this is not always the case.

Another part of the conceptual framework of thisstudy was Rowe's (2014) ethical leadership, whichpromotes integrity and character in leaders; according to Rowe's model, character comes from the strong the personality of a leader and culture of an organization. Rowe observed the urgent need for ethical leadership in organizations for achievements of organizational goals. Rowe believed that the enduring success and survival of an organization rest on ethical leadership.

Rowe's (2014) concept of ethical leadership corresponds to what Trevino, Hartman, and Brown (2000) regarded as two essential pillars of ethical leadership. Trevino et al. (2000) posited that ethical leaders should be moral both personally and professionally in their roles as leaders. Leaders also encourage accountability with a reward system (Rowe, 2014).

The conceptual framework allowed me to understand the challenges facing Nigerian business leaders to the importance of effective leadership.  With Fiedler's (1978) model the leader's behavior were examined through the ethical behavior of the leader. A leader's characteristics arethe type of leadership styles exhibited while the environmental variables related to the effect of the organizational culture (Sethuraman & Suresh, 2014). Despite all the different leadership styles, a major assumption using Fiedler model is that a leadership style (leader characteristics), used in an appropriate situation (leader's environment), will result in greater leadership effectiveness than other leadership styles.

Transformational leaders exhibit a high ethical and moral understanding within an organization (Tonkin, 2013).  An ethical leader can make the right decisions and act appropriately in a manner that reflects respect for employee and organizational interests (Sarwar, 2013).  When leaders use ethical practices, decisions and actions based on policies are beneficial to all involved.

## Organizational Challenges Facing Business Leaders in Nigeria

The complexity of the problem leaders in Nigeria experience can be understood within the context of Nigeria's history and organizational environment.  As stated by

Oluseye (2014), the nature of business formation and transactions determines how well a leader can function independently in any environment. Personal values and beliefs have a pronounced influence on how employers run companies and on how employees behave in a business context.

Nigeria gained independence from Britain in 1960 and became a Republic in 1963. Nigeria has approximately 500 ethnic groups and an estimated population of 160 million with diverse cultures, languages, religions, and identities (Lawal et al., 2016). Nigeria accounts for one-fourth of West Africa's people. Nigeria is one of the largest producers of oil in the world; oil accounts for more than 90% of domestic earnings (National Bureau of Statistics, 2012).

In 1962, Nigerian leaders adopted a 6-year National Development Plan to change from an agrarian economy to an extractive and industrial-based economy because of the availability of steel and oil (Osemeke, 2011). The 6-year plan failed because of the faulty notion of developing government corporations rather than promoting the establishment and development of private sector organizations (Dike, 2014). After thefailure of the National Development Plan to grow the economy, government leaders confronted the problem of foreign ownership of businesses in Nigeria (Dike, 2014).

In 1972, the Nigerian government created the Enterprise Promotion Act to place Nigerians in managerial positions in approximately 70% of the organizations owned by foreign investors (Osemeke, 2011). Nigerians filled major managerial positions without having the specific skills and qualities for managing businesses because they belonged to the right families (Limbs & Fort, 2000). In the quest to place more control of enterprises

in the hands of Nigerians, government leaders introduced strict regulations including

regulations such as the private company status (Schedule I, II, III), royalty transfer laws,

strict immigration laws, and soft capital loan rules (Oluseye, 2014).  Private companies

received incentives of tax breaks for excise taxes. Furthermore, government leaders

started the second-tier foreign exchange market that facilitated exchange controls and

import tariffs. The second-tier foreign exchange market escalated the challenges of

Nigeria's business leaders. Political unrest, policy summersaults, and corrupt leadership

created additional challenges in business environments (Osemeke, 2011).

   Before 2001, the government controlled the Nigerian economy because the State

owned most of the enterprises (Osemeke, 2011).  With the privatization of some of these

enterprises by President Obasanjo, the economy became market-oriented, but the State

retained some controls. The private sector became the major engine of economic growth

in Nigeria with employment of more than one-half the workforce (Ejere, 2013).The

private sector in Nigeria includes manufacturing, agriculture, general merchandise,

health, education, finance and banking, and retail marketing. The private sector had a mix

of opportunities and challenges because of the government's control over retained

holdings (Osemeke, 2011).

   As in other African countries, managers and workers in Nigeria's private sector

choose their occupations, negotiate wages and salaries, and freely change from one job to

the other (Osemeke, 2011). The freedom exhibited by employees and managers also leads

to both challenges and opportunities. An employee may leave work at will or abruptly

without giving notice, thereby disrupting the smooth flow of business (Ejere, 2013). An

employer may suddenly reduce workers' salaries when the market is not profitable. The

freedoms associated with employees pose challenges to business leaders and prevent

them from increasing their performance (Ejere, 2013).

The heavy dependence on imports in Nigeria's private sector is a major weakness

(Ochulor, 2011). The private sector operates mostly with small and medium-sized

enterprises because of limitations of raw materials in the country. The private sector faces

leadership challenges as leaders in various industries strive to improve their performance.

The private sector has received high commendations for contribution to national income,

especially through the large-scale employment of the workforce, despite faced

accusations of propagating environmental pollution (Ochulor, 2011).

Many factors affect business operations in Nigeria. As expressed by Ejere (2013),

the following reflect the business climate in Nigeria:

1. Families own and operate most companies.

2. Nigeria has two forms of organizational structure: (a) the functional and (b)
the decentralized structure. In the functional structure, the founders run and control
organizations using qualified professionals while their children undergo adequate
training before taking over. The decentralized structure evolves when the children of
the founders take over the company, and the founder relinquishes responsibilities
gradually.

3. Women have an equal right for managing companies based on education and
training.

4. Nigeria is a mixed economy country that has a strong market with high

government influence.

  5. Opportunities exist for individual achievements and opportunities for employment with little chance for upward promotion.  Management does not trust workers enough to provide them with management opportunities.

  6. The concept of profit maximization notion has a prominent trend in Nigeria.

  7. Nigeria has struggled in the area of consumer protection.  The government has yet to develop agencies to assist consumers against abuses from sellers. (pp. 38).

  The unique nature of businesses within the general environment in Nigeria has a greater impact on how leaders carry out their activities within an organization.  For example, business leaders in Nigeria need to understand the peculiar nature to be efficient and competitive in the environment in which they operate.  The following section includes a discussion of how the topics discussed above relates to the global challenges faced by organizational leaders to express the challenges of business leaders in Nigeria.

**Contemporary Challenges Faced by Organizational Leaders**

  Rapid technological progress and globalization characterize the global economy and creates problems for local businesses in various local economies.  McCall (2010) posited that rapid technology and globalization resulted in the growth of organizations that challenged leaders. Organizational leaders face challenges and face competition to be effective in their economy. Experiencing the challenges of leadership in organizations is an effective way for leaders to develop leadership skills (Courtright, Colbert, & Choi, 2014).

Leaders' strategic decision-making choices have an impact on the effective performance and growth of organizations (Méndez, Muñoz, & Muñoz, 2013). The use of the Internet has changed decision-making process through changes in communication patterns within most organizations. Communication is essential for leadership to function more efficiently, but the communication skills and other skills needed by leaders have changed.Most practices and operations within organizations change over time because of the infrastructure necessary for Internet connectivity, technology innovations, and the thinking of people within the organization (Méndez et al., 2013).

McCall (2010) noted the tendency to focus on the positive effects of leadership challenges within an organization and to view the impact of challenges through experiential and enactive learning theories.  McCall compared the challenges facing leaders at their initial stage of engagement in the organization to a later stage. Occasionally, leaders might respond negatively to challenges at different stages of their engagement within theorganization (McCall, 2010).

Organizational stakeholders have changed from being just investors to include suppliers, employees, and the organizations' external environment (Denis, Langley, &Sergi, 2012). The combined pressures from the stakeholders' results in high pressure on the activities and output of organizations, which leads to recognition of the importance of the stakeholders by the organizational leaders. Recognition is a zero-sum game by achieving trade-offs and creating value for the efforts of stakeholders (Latham, 2014).

Latham (2014) posited that successful leaders must be able to execute and innovate. For leaders to be successful, leaders must encourage employees to achieve the

two goals of execution and innovation. Leaders must be strong enough to execute their projects and able to embark on new projects through innovation to survive the present and the future. Leaders need to be able to execute and innovate through the efforts of the employees to achieve success in the global market (Denis et al., 2012).

Another challenge is the difficult expectations placed on leaders. One such expectation is high productivity results (Van Wart, 2013). Roles of leaders entail direct core competencies, high difficult requirements, and each often comes with different challenges. Leaders can survive through a balance of tasks carried out by employees with integrity and by recognizing the importance of change (Van Wart, 2013).

Fernandez, Yoon, and Perry (2010) conducted a study involving federal managers and explained that leaders must perform major roles simultaneously. Leaders must lead in task accomplishment, develop capacities of followers, facilitate change, and lead with integrity. The expectations from leaders and challenges are so high that most leaders are overwhelmed, or stagnate as their jobs evolve (Brookes, 2011). Leaders must develop a variety of skills so they can perform their technical functions and can lead effectively. A summary of some of the specific challenges facing leaders within organizations appears in Table 1.

**External Challenges Faced by Business Leaders in Nigeria**

Nigeria faced leadership dilemmas in both government and private industries. Dike (2014) advocated that the leadership problem in Nigeria results from the ethnic compositions, beliefs, cultures, behaviors, tribalism, political formations, and interferences from Western countries.

Table 1

*Contemporary Challenges for Organizational Leadership*

| Leadership focus | Contemporary challenges |
| --- | --- |
| Leading for results | Long-term fiscal stress, need for tough choices<br>Globalization and the penetration of higher levels of competition and market values |
| Leading followers | Increased cynicism of employees<br>Reduced resources to compensate (e.g., reduced benefits packages) |
| Leading organization | Technological revolution and the need for virtual organizations<br>Moreover, leadership skills<br>Redesigning organizations and systems to fit dramatically different public demands |
| Leading systems | Challenges of team-based organizational structures<br>Unraveling social consensus |
| Leading with values | Lack of trust in political and administrative systems<br>Confusion about which paradigm to follow (e.g., hierarchical, market-based, or collaborative) |

Note.  From **"Lessons From Leadership Theory and The Contemporary Challenges of Leaders"**by Van Wart, 2013.*Public Administration Review*,73, 555.Copyright 2013 by Wiley-Blackwell. Adapted,with permission.

Since the post-British era, Nigeria suffered under dictatorships and political unrest (Limbs & Fort, 2000).  Governments at different times in the past promised to move towards a more open economy and deregulate businesses, but without success to-date. The efforts made to solve the problems in the country in the past have not yielded significant results (Ejere, 2013).

In Nigeria, human resource practices and policies exist within the political, legal, economic, and socio-cultural environment. Culture is one of the challenges facing business leaders in Nigeria with some 500 ethnic groups; each has unique and different cultural traits. Knowing the traditions, values, customs, and beliefs of these groups is a

challenge to business leaders (Dike, 2014). Leaders may face difficulties in satisfying all cultures in a cross-cultural working environment. Business leaders in Nigeria face cultural differences directing employees.

The culture of each tribe dictates the leadership style of leaders. Unlike Ibo, who do not have a distinct leadership system, the culture of the Hausa allows emirs to govern them(Dike, 2014). The existing hierarchy and structure among the Yoruba lend itself to the indirect rule of British authority. The Hausas are more likely to prefer the autocratic leadership style whereas Ibo and Yoruba are more liable to opt for the participatory leadership style (Anyim et al., 2011). Leaders face challenges in choosing the most appropriate style to use, especially in a multicultural business or organization (Anyim et al., 2011).

Hofstede's (2010) cultural theory model depicts the influence of culture on business leadership. Nigerians, just as in most African cultures, are high in power distance, whereby employees or followers show respect and fear to their leaders. Business leaders in Nigeria find difficulty in using the transformational leadership style because employees are rarely comfortable working in the presence of their leaders (Osemeke, 2011).

The national culture of Nigeria includes a top-down flow of information from the authorities that the citizens have embraced (Osemeke, 2011). Participatory or transformational leadership, as indicated by Theory Y, which includes an assumption that subordinates know what they are doing may be challenging to leaders (Osemeke, 2011). Leaders must follow the premise of Theory X, which includes an assumption that

individuals have an inherent dislike of work and leaders must compel them to engage in work (Ejere, 2013).

Hofstede (2010) categorized culture as individualism and collectivism. The categorization shows the degree of importance of the personal interests of a group. Nigerians are more collectivist than individualist, which means they are more inclined to a group's interests than interests of individuals (Osemeke, 2011). Business leaders face challenges of developing personal goals and objectives for subordinates in organizations (Orga&Ogbo, 2012). Nigerians like working as a group and achieving group goals and objectives rather than individual objectives (Ochulor, 2011).

Leaders have the responsibility to identify employees in an organization for various training opportunities, for rewarding or promoting or for corrective action but express challenges to single employeesout in a collectivist culture. Ochulor (2011) contended that subordinates in a collectivist culture are more likely to go on a strike when leaders terminate one of them. Strikes by employees are a challenge in Nigeria, especially when business leaders plan to introduce an organizational change (Ochulor, 2011).

Religion differences of is another problem that leaders confront in Nigerian businesses and organizations. For example, Islam influences the Hausa, whereas Ibo are mainly Christians. Islamic culture challenges business leaders of Hausa employees, especially for those who follow Sharia law closely (Anyim et al., 2011). Christian business leaders experience challenges in managing Muslim employees in Zamfara or Kano cities, whereby employees are strict followers of Islamic law. Religious differences

are cultural elements that influence the leadership styles adopted by organizational leaders (Osemeke, 2011).

Communication is also an important aspect of leadership. Flawed communication is a barrier to leadership and organizational change. In addition to formal communication strategies, business leaders in Nigeria must also communicate using an informal or unspoken communication system (Anyim et al., 2011). According to Orga and Ogbo (2012), different cultures have various ways of communicating, and if the leader or the subordinates do not effectively understand those methods, they fail to achieve their collective goals. Some religions, especially Islam, prescribes a mode of dressing whereby women must dress decently. Female business leaders face challenges when dealing with male Muslims because of their beliefs on dress codes (Anyim et al., 2011).

The political environment and government policies in Nigeria can have adverse effects on business leaders. The country has experienced gross misrule from inept and corrupt leaders who have failed to honor the needs and requirements of the people and work for personal, selfish interests (Osemeke, 2011). Ochulor (2011) explained that leaders fail to stop the exploitation of employees, which often leads to dissatisfaction among other employees. The deterioration of corporate ethics in Nigeria is mostly due to the national government's inability to protect employees and society against selfish business people (Ochulor, 2011).

The increased wars by militias against the government in Nigeria cause insecurity and political instability in the nation. The instability also affects businesses and organizations when employees rebel against their leaders. Dike (2014) revealed that

employee turnover rates in manufacturing companies are very high (17% in 2012)

because of the increased employee rebellions against leaders and managers.

Nigeria not only has a low literacy rate among African countries, but also political

instability. For example, insecurity and structural violence perpetrated by terror groups

called BokoHaram, particularly in the northeastern and in the northern part of the

country, have forced many people to migrate south in search of jobs (Dike, 2014; Fajana,

Elegbede&Gbajumo-Sheriff, 2011).  However, the migrants do not maintain their jobs

because they do not respect their leaders because of the political harshness (Fajana et al.,

2011). Business leaders also face challenges of frequent rebellions from disgruntled

employees.  Training newly recruited staff on organizational behaviors and cultures can

help to minimize challenges of rebellious acts by employees.

Human resource management is critical in privatization, however, organizational

leaders experience challenges with employees who previously worked in the public

sector. Dike (2014) noted that overstaffing and low performance occurs in the public

sector; therefore, introducing measures that would increase employee performance and

reduce their compensation to make a profit challenges business leaders.  Major training

needs to be carried out to enhance the capacity of previously engaged employees from

public service.

The sustainable development policy of the Nigerian government requires leaders

of businesses and corporations in the country to reduce environmental pollution

(Omolola, 2013). Policy challenges faced by leaders in the manufacturing industry

include trying to educate and train employees on the best ways to reduce poisonous

gasses, solids, and water released into the environment. The unstable policies also increase the cost of production and results in high prices for manufactured goods and services (Omolola, 2013).

## Organizational Culture and Leadership

The ethical crisis in business is real, and the management of organizational culture is one of the major challenges faced by business leaders.An organizational culture assists the organization in achieving its mission and is crucial for the efficiency and effectiveness of companies due to the diverse behavior of organizations, business environments, and the problem of technology (Sauser, 2013).  Tohidi and Jabbari (2012) stated that organizations with a certain kind of culture not only comply with legal and ethical standards but also internalize them from top to bottom.  Opportunities exist for every member of an organization to become a guardian of integrity. Leaders in organizations that possess a strong moral fiber seek to appoint, develop, and reward others of the same character (Ruiz-Palomino &Martínez-Cañas, 2014).  An efficient and effective culture is a major asset for the leader to maintain as opposed to a culture that causes the employees to hinder the organization from meeting its mission and goals.

Culture is not just the organizational goals proclaimed by management but rather is the whole range of shared models of social action containing real and ideal, formal, and informal elements (Acar, 2012).  Organizational culture appears constant over a given time but is dynamic with varying rates of change. An organization's culture is its foundation; a strong culture based on trust does not happen accidentally, nor will it change easily (Acar, 2012). Culture varies from one organization to the next. Despite

deviations, culture is a source of meaning, direction, and focus for an organization (Sauser, 2013).

Culture is a common way of thinking about and describing an organization's internal world and the means of differentiating one organization from another(Acar, 2012). Organizational culture is the system of shared beliefs and values that develop within an organization and guides the behavior of its members (Sauser, 2013). Sheu and Mahmood (2014) saw organizational culture as a persistent set of values, beliefs, and assumptions that described organizations and their members.  If an organization is not lead by a desired value, an organizational culture can be detrimental and prevent an organization from achieving its mission and goals.

Duke and Edet (2012) viewed culture as a pattern of norms, values, beliefs, and attitude that influences behavior within an organization.  Norms, values, beliefs, and attitudes can either hinder or further the organizational mission. Shah et al. (2011) noted that organizational culture is important for influencing employees and organizational thinking, behavior, the state of mind, norms, and values within an organization.

Schein (2009) discussed the different levels of culture as basic assumptions, values, and artifacts (p.19). The first level of assumptions are the explanatory schemes that people use to identify situations and make sense of ongoing events, activities, and human relationships that form the basis of collective action. At the next level, values are representations of a more visible appearance of culture that shows acceptance as well as identifies what is significant to a group. The last level of culture refers to visible artifacts that may include art, technology, language, and ceremony.Using such important

components of culture as noted by Schein (2009), leaders in organizations must influence members to incorporate and exhibit desirable virtues and behaviors.

Sauser (2013) classified organizational culture into four categories (i.e., defiance, compliance, neglect, and character) on their stance toward ethical behavior in business, moral thought, and action in business.An organization with a culture of defiance would be likely to exhibit behaviors aligned with a strategy of corporate social responsibility (Sauser, 2013). An organization characterized by a culture of compliance would be likely to exhibit behaviors associated with the defensive and accommodative strategies of corporate social responsibility (Sauser, 2013).  The culture of neglect entails a failure to know or understand the laws and ethical codes regulating business.The final of the four types is the culture of character, which refers to the organizational culture whose leaders and members have a true commitment to ethical conduct (Sauser, 2013).

Culture is important for shaping employee and organizational perceptions, attitude, behavior, thestate of mind, norms, and values (Sheu & Mahmood, 2014). Organizational values and norms change through dialogs, procedures, and team wisdom. Organizational culture has a considerable influence on leaders to implement plans and to attain organizational objectives and goals. Sauser (2013) noted that if leaders purposely refine organizational culture, employment atmosphere, andthe organizational capability to accomplish goals expands.

An intimate knowledge and awareness of culture should improve a leader's ability to analyze organizational behavior to manage and lead (Brookes, 2011). Leaders influence followers to accomplish tasks and help to make organizations more consistent

and rational. Individuals do not inherit leadership ability, but from personality attributes that are the essential elements of effective leadership and a strong tool for influencing a group of people toward achieving organizational-specific goals (Brookes, 2011). Leaders can motivate individuals to achieve organizational goals (Shah et al., 2011).

Researchers have postulated the firm relationship between organizational culture and leadership in organizations (e.g.,Acar, 2012; Ojo, 2010).  However, a debate must be considered about how a culture originates and whether leaders have any impact on shaping organizational culture (Sauser, 2013). Some theorists suggest that the culture represents the organization itself.

Schein (2009) suggested that the action by founders and leaders have a potential to create and to shape the organizational culture.  Leadership is critical in modifying and maintaining an organization's purpose, values, and vision. The current role of leaders to implement a change of direction dictated by a vision has a clear potential to maintain and shape organizational culture. The thinking, feeling, and responses of leaders informed by organizational culture (Schein, 2009).

Organizational culture and leadership are intertwined, and the interactions of leaders with others in an organization develop both (Sauser, 2013). Culture acts as a substitute for leadership. The common factor of organization culture and leadership is the interactions with others result in the creation and reenactment of culture by leaders (Sauser, 2013). Leaders achieve interactions through the influence of shaping the behavior and the values of others within an organization (Schein, 2009, p.3). An organization with integrity has the custom of doing the right things always. The

interactions provide a sound base for effective leadership because the workforce performs all actions as outlined in the rules and regulations (Ojo, 2010).

Leadership is the combination of characteristics or attributes such as dominance, ambitiousness, risk taking, independence, assertiveness, self-sufficiency, and self-reliance, and people call those having these attributes leaders (Shah et al., 2011). An effective leader is a person who can stimulate the interest of others to accomplish organizational tasks. An individual cannot complete tasks within an organization in isolation of others. A leader can combine different people into a team and lead them toward the goals of an organization (Shah et al., 2011).

Schein (2009) indicated that a mix-up in the relationship between organizational culture and leadership is afailure to determine the stage of an organization's operations. A leader starts creating a culture by imposing fundamental values in the emerging culture of an organization. Schein maintained that one of the most decisive functions of leadership might be the creation, management, and, when necessary, the transformation of culture. Leaders must recognize the centrality of the nature of culture management within the leadership concept (Schein, 2009, p.3).

Schein (2010) noted that leaders have primary and secondary mechanisms that they can use to embed culture in an organization. The primary mechanisms include (a) what leaders pay attention to on a regular basis to measure and control, (b) reaction of leaders to critical incidents and organizational crises, (c) deliberate role modeling, teaching, and coaching by leaders, (d) how leaders allocate rewards and status, (e) how leaders recruit, select, promote, and excommunicate, and (f) how leaders allocate

resources (p. 236).Schein contended that the primary mechanisms of culture operate in a simultaneous mode and reinforce each other.

Secondary mechanisms include organizational systems and procedures, organizational design and structure, thedesign of the physical space, rituals of the organization, stories about important events and people, facades and buildings, and statements of the organizational philosophy further reinforce them.  A deeper understanding of the secondary mechanisms used by leaders would enable them to take actions for the proper management of their organizational cultures. Schein (2010) believed that the most intriguing aspect of organizational culture resides in the unconscious of individuals and affects the leadership of an organization to a significant degree.

One issue that has engaged researchers is the extent to which leaders can change organizational culture versus the extent to which culture constrains leadership. Jung and Takeuchi (2010) tested two models in their quantitative study through a questionnaire survey of 225 small and medium-sized companies in Japan. The basis of one model was the assumption that supportive leadership will create a harmonious work culture; the other model reflected how organizational culture affected leadership. Jung and Takeuchi found more support for the second model.  The results of the study confirmed that organizational performance achieved when leadership supported by organizational culture.Organizational survival depends on continuous change and adaptation of the culture infrastructure.

**Culture and Organizational Performances**

Organizational culture describes the complex set of knowledge structures that organization members use to generate social behavior. Yazici (2011) defined organizational culture as a set of beliefs, values, behavioral norms, and beliefs shared by employees that provide them with rules and meaning of behavior. Yazici (2011) confirmed that organizations with a strong organizational culture have an emphasis on the main managerial components, and outperform those that do not have these managerial characteristics. The managerial components according to Yazici are customers, stakeholders, employees, and leadership. Shah et al. (2011) noted that a link exists between a strong, positive organizational cultureand increased consensus around strategic direction, heightened employee productivity, and enriched employee commitment. A positive organizational culture contributes to employees' efficiency through role clarity and greater meaning to their work through employee engagement and empowerment (Shah et al., 2011).

Organization culture is the key to organizational performance and can assist in improving the outputof an organization (Ojo, 2010). The relationship between organizational culture and corporate performance has attracted research in strategic management, organizational behavior, and industrial psychology. Past research has been inconclusive about the precise relationship between organizational culture and corporate performance within an organization (Shah et al., 2011).

Ojo (2010) reported the existence of apositive correlation between organizational performance and culture. The purpose of Ojo's survey research design was to examine

organizational culture and ascertain relationships to corporate performance. The conclusion of the study was that organizational culture plays a vital role in an organization's general performance.

Organizational culture binds the actions of all stakeholders in an organization. Organizational culture comes from an organization and is performance driven, which leads to effectiveness and efficiency of organizations (Ojo, 2010). An organization can become more effective if a healthy organizational culture replaces an unhealthy culture. A healthy culture can involve helping people to change their mindsets and attitudes so that the right contributions culture overrides any inherent conflict between interests in the organization (Duke & Edet, 2012).

Yazici (2011) indicated that culture facilitates high levels of business performance. Yazici examined how an organization's culture contributed to perceived business performance. Surveys collected from project executives from 76 U.S. firms revealed the significance of culture in improving performance as measured by project time, budget targets, and customer expectations. The findings of the survey design study reveal that culture facilitates a high performing teamwork environment, cohesive, and results in improved business performance.The findings of the survey was similar to that of Duke and Edet (2012), who surveyed 99 nongovernmental organizations out of 132 operating in Nigeria and reported a positive relationship between organizational culture and a firm's performance.

Culture serves three important functions in organizational performances (Sheu & Mahmood, 2014). First, culture is a deeply embedded form of social control that

influences employee decisions and behavior. Second, culture is the social glue that bonds people together, makes them feel part of the organizational experience, and assists in the sense-making process.  Third, if an organization's culture is to contribute to performance, it must be strong and possess distinctive traits (Sheu & Mahmood, 2014).  Some scholars have claimed that positive cultural traits boost performance in proportion to the strength of their manifestation, which is a view referred to as the strong culture hypothesis (Sheu & Mahmood, 2014).

Yazici (2011) stated that for a firm's culture to provide a sustained competitive advantage and be a source of sustained superior financial performance, the culture must meet three conditions.  First, the culture must be valuable and must add to the financial value of the firm. Superior financial performance is an economic concept. Second, the culture must be rare and must have attributes and characteristics that are not common to a vast number of other firms. Third, a culture must be imperfectly imitable; the culture will be impossible or difficult for other organization to duplicate.

The specific roles and functions of staff members in an organization is aligned through thecreationof a sound organizational culture. Organizational culture strengthens organizational effectiveness (Schein, 2009).  Despite the stated relationships between culture and performances, Schein (2009) posited that a strong culture does not guarantee success in an organization and may be counterproductive. Yazici (2011) indicated that methodological and conceptual flaws in countering the postulations that a strong culture facilitates organizational effectiveness.

The assumed role of culture in shaping organizational life promotes the speculations that a link may exist between cultural factors and organizational performance (Sauser, 2013). Culture must have a distinct trait common to a particular organization, such as values, beliefs, and common behavior patterns (Ojo, 2010). An organization with positive culture generates social forces that empower employees and drives the organization toward superior performance (Ojo, 2010). In organizations with strong cultures, everybody knows the goals and objectives, and the goals of the employees align with those of the management (Ojo, 2010). Adherence to the core values by all stakeholder leads to strong organizational performance (Ojo, 2010).

### Leadership Effectiveness

Effective leadership achieves a seamless partnership that enables customers, employees, and organizations to succeed in the market.  Méndez et al. (2013) posited that in organizations, key leadership tasks are necessary for organizational systems, practices, and cultures. Leaders at all levels in an organization take the initiative to solve problems to ensure the progress of the organization.

Ejere (2013) posited that the human factor is important to achieve organizational goals and objectives. The leader is at the top of the human factor list. Dull (2010), however, noted that leaders are not the only factor influencing organizational success; achieved happiness and satisfaction of followers' needs are also significant to meet organizational goals and objectives. Dull demonstrated that the strong relationship between leadership, employee satisfaction, employee freedom, and perceived performance led to organization success. Van Wart (2013) noted that management often

exaggerates leadership, even when leaders play strong roles; organizational success depends on factors beyond the leaders themselves.

Dull (2010) noted that for a leader to be effective, attention needs to be conducted to ensure clarity of managerial goals, support individuals within the organization to achieve their objectives, and ensure better relationships between followers to create a better working relationship. Méndez et al.(2013) noted that leaders must comply with the following tasks: create the vision and define the mission and the company code of values; be clear about the objectives, responsibilities, and tasks of the personnel; strengthen teamwork, human processes, and the work culture; and systematically improve the organizational climate. Organizational effectiveness is beyond a leaders' influence and likely that leadership will have little bearing on organizational performance, after accounting for the other factors influencing effectiveness (Dull, 2010).

## Leadership Models and Theories

Leadership models offer a universal understanding of leadership, but the challenges faced by leaders remain unique to a region or organization. Tonkin (2013) stressed the importance of understanding leadership theories and models to facilitate understanding the challenges facing organizational leaders. According to Van Wart (2013), leadership continuously changes to meet the challenges from the unstable environment because of an invention, new concepts, and different situational demands. A vital understanding of changes taking place is important for leaders to run any organization effectively.

Practitioners and researchers have proposed various theories of leadership that can be categorized into four major groups: contingency, trait, behavioral, and transformational (Méndez et al., 2013). Other proposed approaches of classification are trait-based, process or behavior based. The trait-based leadership theories show the personality, personal traits, values, and motive that determines a leader's effectiveness. The interactions of leaders with followers are the basis of the process or behaviorbased theories(Tonkin, 2013). Cho and Dansereau (2010) further noted that personal traits such as honesty, integrity, and associated values are crucial elements to a leader's success.

Van Wart (2013) combined all the main elements of the theories and consolidated leadership theories into five major recognized theories: (a) classical management and role theory, (b) transactional leadership theory, (c) transformational leadership theory, (d) horizontal or collaborative leadership theory, and (e) ethical and critical leadership theory.Tonkin (2013) noted that authentic leadership combines the values of transactional leadership and transformational leadership. The focus of authentic leadership is the personal traits of the leader, such as self-awareness, ethics, and transparency, which serve as leadership multipliers (Tonkin, 2013).

**Trait Approach to Leadership**

According to the trait theory, characteristics possessed by successful leaders facilitate their success in the organization. The proponents of this approach believe in selecting, recruiting, and installing individuals with critical leadership characteristics or qualities into leadership positions in organizations (Méndez et al., 2013). Approaching

leadership from the trait model first emerged from the great man theory aimed at

identifying the major qualities of successful leaders (Bennis, 2007; Méndez et al., 2013).

In reviewing the trait theory of leadership, Morgeson, DeRue, and Karam (2010)

sought to understand the qualities or characteristics that distinguish successful leaders

from other individuals in a group and the magnitude of the difference.  Morgeson et al.

(2010) focused on leadership process within a group by summarizing literature and

advance research on how leadership can arise from a group.  Morgeson et al. draw up and

describe 15 leadership functions that regulate group behavior.The Morgeson et al. (2010)

concluded that leader's behavior mediates the relationship between leader's effectiveness and

traits.

Observing the way individual conduct an organization's affairs will tell whether

that person is a good leader. Traits are characteristics that are observable and include

intelligence, educational level, agreeableness, dependability, tolerant of stress, adaptable

to situations, assertive, persistent, decisive, willing to assume responsibility, cooperative,

energetic, achievement oriented, and conscientious (Morgeson et al., 2010).Leaders must

have adequate skills in creativity, social matters, diplomacy, and tact and be

knowledgeable about the tasks of a group and be persuasive (Morgeson et al., 2010).

Van Wart (2013) criticized the trait of leadership by noting that the approach did

not involve considering different situations. Situation and environment shape the traits of

a leader. A leader in a cross-cultural environment has different traits from a leader in a

monoculture environment (Van Wart, 2013). Leaders act according to the situations

presented to them (Van Wart, 2013).  The reviews of literature in Van Wart shows that

the practical challenges of leadership evolve and change according to situations in a particular period rather the traits of a leader. Leaders must deal with employee mistrust fueled by low funding and many responsibilities, communication and technological changes, and the pressure to lead horizontally both inside and outside the organization.

Leaders in developed countries may possess democratic traits because the situations allow democracy, but leaders in war-torn countries use dictatorship, which many consider a negative trait of leadership. Derue, Nahrgang, Wellman, & Humphrey (2013) contended that the trait approach is weak in explaining how the traits of the leaders affect the outcomes of a group or a team. Being intelligent may not positively affect employee performance, especially if employees have not received training and do not feel motivated in their duties. The focus of trait theory is how followers perceive the effectiveness of a leader but not the leader's actual effectiveness (Derue et al., 2013).

**Behavioral Approach to Leadership**

The behavioral theory of leadership was a response to the criticisms of the trait theory. As the characteristics and qualities of leaders received criticism, researchers started evaluating leadership from a behavioral point of view. Derue et al. (2013) evaluated the behaviors of successful leaders to identify the leadership styles used. Derueet al. used an integrated behavioral-trait model of leadership in their evaluation by examining the relative validity of core leader traits and behavior. The researchers concluded that leader's behavior gives more variance in leadership effectiveness than leader's trait.

The behavioral approach mainly involves investigating two primary behaviors: relationship oriented and task oriented.The behaviors of leaders undergo evaluation based on how the leaders undertake their tasks and how they relate to their subordinates. Derue et al. (2013) revealed that some leaders are highly skilled and intelligent in performing their duties, but they fail to initiate and maintain good relationships with subordinates. A successful leader, as demonstrated by theirbehavioral approach, is one who, in addition to improving the performance of an organization or business, improves the relationship with employees by being approachable and receptive to the issues raised by subordinates (Derue et al., 2013).

In Theory X and Theory Y, McGregor assumed that leaders' assumptions about human nature influenced their leadership strategies (Denis et al., 2012). Theory X includes an assumption that individuals have an inherent dislike of work and avoid it as much as possible. The responsibility of the leader is to motivate employees to continue with their jobs. Leaders may experience employees or subordinates leaving their jobs if the leaders fail to understand subordinates' nature and motivate them (Denis et al, 2012).

Fajana and Shadare (2012) noted that African leaders did not adequately understand employees' needs.  The Fajana and Shadareused the qualitative research method and secondary data such as newspapers and collective agreements used with in-depth interviews with employers and employee representatives. The Fajana and Shadareaddressed the positive contributions that social dialogue can make within an organization.

Employees keep working in various organizations because of increasing poverty levels. Leaders may face rebellion from subordinates during organizational change because subordinates have an inherent dislike of work, not understood by their leaders. According to Theory Y, individuals will exercise self-control and self-direction in achieving their goals. Theory X leaders use autocratic or dictatorial leadership style whereas Theory Y leaders use participative leadership style (Denis et al., 2012).

Just like trait theory, thebehavioral theory does not guide identifying what factors might be related to effective leadership behaviors. Denis et al. (2012) stated that behavioral theory failed to consider situational influences that may moderate the relationship between the leader's behavior and his or her success as a leader.Behavioral theories assist leaders in developing specific leadership behaviors but offer little guidance on what constitutes successful leadership in various situations.

**Transformational Approach to Leadership**

Transformational leadership elevates subordinates into leaders by allowing them to offer advice and ideas and convert leaders into moral agents. Transformational leadership theory states that a leader is not the sole director in a group also learns from the group members in a dialog. MacGregor (1978) first introduced transformational leadership, considering the leader's inspiration, intellectual stimulation, and individual consideration.

Fajana and Shadare (2012) in their qualitative research on social dialogue within an organization in Nigeria believed that transformational leadership style is lacking in most African organizations because of ethnocentrism, especially those managed and run

by foreigners. Some leaders may feel that their subordinates are not ready to offer ideas on how to manage an organization or a company and do not allow them to participate in decision-making and problemsolving. As described byAnyim et al. (2011), one of the challenges facing business leaders in Nigeria is that employees feel that they have important contributions to make to their organizations, but the leadership styles used by their leaders hinder them.

Drawing from the humanistic psychology movement, Orga and Ogbo (2012) contended that transformational leaders change, shape, and promote the values, goals, and motives of their followers by attaining significant changes in the process. Most importantly, transformational leadership enables each party to achieve personal goals, and they achieve organizational goals in the process.  Transformational leadership encourages employees' participation.

Yukl (2012) contended that less experienced leaders who are not aware of the best processes and practices to utilize transformational leadership are less efficient. Transformational leaders are more efficient in their operations because they possess special powers that transform their followers into people who jointly adhere to model and end values. However, Cho and Dansereau (2010) concluded that to achieve organizational goals, leaders and followers must collaborate.  Despite the success of transformational leadership, the model fails to eradicate abuses of power and seems to be incomplete for the challenges facing leaders (Tonkin, 2013).

**Horizontal Leadership Theory**

Horizontal leadership had its beginnings in the 1970s with the idea that effective leadership often reduces the need for formal organizational leaders.  Instead,organizations make use of substitutes through capacity building, training, and effectiveproblem-solving and self-managed teams (Wachhaus, 2012).  The basis of horizontal leadership informs the success of teamwork, networking, and partnering. The importance of leadership as a process rather than as an individual is an emphasis on the theory.  The horizontal approach is a useful tool for reduced workforce, providing organic structure, social integration, learning organization, with change at the lowest level possible, and taking other stakeholders into consideration (Van Wart, 2013).

The horizontal approach reduces the workload of leaders and causes them to focus on strategic issues and power sharing within the organization (Wachhaus, 2012).  The horizontal approach eliminates the monopoly of leaders on controlling information flows, which forms dysfunction because good ideas come through informal networking, lateral communication, and nonhierarchical association (Wachhaus, 2012). When successfully implemented, empowerment, through delegation, enhances internal accountability and sense of ownership from the group (Van Wart, 2013). The approach is suitable for nonprofit and public sectors, based on cooperative and win–win perspectives (Van Wart, 2013).

**Ethical and Critical Leadership Theory**

Ethical leadership is easier to discuss than institute it.  For contemporary leaders, instituting ethical leadership has never been more challenging divisive because of the

competing values that leaders face, along with standards and demands that have never

been higher (Van Wart, 2013). The three major concerns about the ethical and crucial

leadership approach are the intent of individuals, selecting the proper means for a goal,

and selecting the proper goal (Van Wart, 2013). Supporters see the ethical theory as the

character, duty, and good of a leader. All three major concerns of ethical theory must

function jointly to achieve effective leadership as a process (Stouten, Van Dijke, & De

Cremer, 2015). As explained by Stouten et al. (2015), the integrity of a leader is another

factor in ethical approach and comes with honesty, fairness, conscientiousness, and

trustworthiness. Leaders with integrity know their set principles and do conform to them,

which brings in dedication to service, commitment to the common good, making rational

exceptions, and dedication to the rules and regulations of an organization (Stouten et al.,

2015). Van Wart (2013) stated that leaders understand that duty is important and comes

with a particularly high standard that includes respect for the law, rules, and professional

norms.

**Authentic Leadership Theory**

The authentic leadership approach is a combination of transformational leadership

and ethical leadership theories. Alternatively, the authentic leadership approach is

transformational leadership theory with ethics added. Norman, Avolio, and Luthans

(2010) discussed the origins of authentic leadership by starting with the Greek definition

of authenticity: "to thine own self be true" (p. 5). Norman et al. (2010) defined authentic

leadership as a process that draws on both positive psychological capacities and a highly

developed organizational context that results in both greater self-awareness and self-

regulated positive behaviors on the part of leaders and associates, fostering positive self-development.

An authentic leader must be self-regulated and meet organizational standards. Leaders must self-regulate their actions and activities in an organizational context (Tonkin, 2013). Authentic leaders emphasize self-awareness and self-improvement, and positive leaders emphasize openness, transparency, and optimism. The self-awareness of leaders comes from their values, emotions, and cognitions (Norman et al., 2010).

## Leadership Styles

Organizations can achieve effective performance by developing strong organizational culture and effective leadership, which partly comes from the leadership style of the leader. Leadership styles come from the leaders' use of leadership theories to mobilize colleagues in a collective effort to achieve the corporate vision of an organization (Malmir et al., 2013). DuBois, Hanlon, Koch, Nyatuga, and Kerr (2015) indicated that a combination of leadership styles is necessary to create a balanced leadership style, which assists a leader in producing an efficient team and satisfactory organizational results.

DuBois et al. (2015) further explained that because humans possess different personalities, leadership styles will also vary according to the leader's personality. Various factors, usually related to the leader's personality, can affect a leader's role in the leadership development process. These factors are: personal background (personality, knowledge, family background, personal values, and qualification for leadership), flexibility in style (an approach to leadership that accommodates the style to that which

the moment requires and takes into account the temperament of the followers), and surroundings (how the social situation will influence decisions taken by the leader).

A new set of leadership styles for the 21st-centuryis needed for management of organizations that puts success in relation to time, quality, and the budget (Walker &Walker, 2011). A leadership style that positions organizations to share knowledge and contributes to the sustainability of organizations is needed (Walker &Walker, 2011). An effective leader must possess behavioral competencies, and required technical skills for the job (Muller, Geraldi, & Turner, 2012). An effective leader also requires ethics, vision, ability to lead change and morality. The possession of the combined qualities results into empowerment and motivation for employees (Walker &Walker, 2011).

Organizational leaders must implement their strategies effectively and efficiently to achieve success. Profit must accompany management's mobilization of resources, and the organization must be adaptable to change in the internal processes of meeting customer and employee needs (Méndez et al., 2013).The research of Méndez et al. (2013) using a Likert-scale questionnaire, using a sample of 49 small construction businesses in Puebla, Mexico to describe the relationship of leadership styles with organizational effectiveness. The research concludes that an indirect link exists between leadership style and effective performance, but a direct link exists between innovative values or traits and performance(Walker &Walker, 2011).

Table 2 highlights the differences and functions of different leadership theories, illustrating the various categories of leadership theories (Van Wart, 2013).

Table 2

Purposes of Leadership

| Leadership focus | Overarching school | Models | Lessons from the school of thought |
|---|---|---|---|
| Leading for results | Management theory | Organizational theory And stratified systems | There are high expectations of leaders to get results. Leadership requires developmental education and training. |
| Leading followers | Transactional leadership | Contingency theory And Exchange theory | Good leaders need to be sure that followers have what they need to do the job. |
| Leading organization | Transformational Leadership theory | Leadership Practice , Charismatic leadership, leadership substitute theory, social change and adaptive leadership theory, ethical leadership, authentic leadership, and responsibility theory | Leaders need to include followers in decision-making and no more. A major and important role of leaders is to facilitate change. Transformational leadership is an addition to transactional leadership. Leaders do not have to know what the change must be while transformational leadership requires passion, commitment, energy, there are dangers for leaders to become egotistical. Sometimes leaders need to foster systems when not needed or leave them alone when they are working well. |
| Leading systems | Horizontal and Collaborative leadership theory | | Horizontal leadership increasingly valued in a well-educated world of fast change. Horizontal leadership is increasingly necessary outside the organization. |
| Leading with values | Ethical leadership theory | | Leaders demonstrate integrity. Good leaders know themselves and emphasize the positive called "authentic" or "positive" leadership. Good leaders know how to lead through service, spirit, sacrifice, and sustainability. |

Note: From "Lessons From Leadership Theory and The Contemporary Challenges of leaders" by Van Wart, 2013.Public Administration Review, 73, p. 561. Copyright 2013 by Wiley-Blackwell. Adapted, with permission.

**Leadership and Ethics**

The moral success and failures of leaders carry a greater weight than those of nonleaders. The issue of ethics is about human relationships and about what is right and wrong in the roles of leaders in an organization (Stouten et al., 2015).Major ethical problems in an organization focus on the exercise of leadership within an organization. Neubert, Wu, and Roberts (2013) expressed out that all leaders are ethically responsible and accountable for all interactions with other people within and outside an organization.

Neubert et al. (2013) stated that within an organization, character matters for leadership. In the long term, leadership provides a moral compass within an organization. The intention of a leader tells you about the morality of the person. The result of an action tells you about the ethics of the action; evil people can do good things, and that good person can lead the way to moral ruin (Trapp, 2011).

Ethical leadership highlights special moral problems. Many moral problems derive from the central place of power in the relationship between leaders and followers (Neubert et al., 2013). Sarwar (2013) posited that power is a strong currency of leadership. Power allows leaders to advance their interests at the expense of the interests of the group (Sarwar, 2013).

A focus on ethics is the interplay between a leader's self-interest and a group's interests (Sarwar, 2013). Because of the risks that power creates for leaders, ethicists who study leadership takes the determination of power's proper limits to be one of their fundamental tasks. One approach to solving the special moral problems of leadership is using ethical considerations to delimit the subject matter (Sarwar, 2013).

**Leadership and Organizational Change**

Organizational change helps to ensure organizational leaders modify their old ways of doing things and embrace new processes. Organizational change is the process by which an organization or business moves from a present situation to a future state with an aim of increasing effectiveness (Burnes and By (2012).For instance, an organization may change from being profit oriented to customer oriented by focusing more on customer satisfaction rather than profit maximization.The changes implemented to address the needs and requirements of an organization are done by the leaders because the implementers (organizational leaders) operate within the organization system (Fajana et al., 2011).

A significant change of any kind is almost impossible without effective leadership within an organization because leaders need other employees to initiate and effectively implement change (Burnes& By, 2012).  Employees of an organization may rebel against change because of uncertainty, but effective leadership offers them an understanding of the importance of the change. Lack of effective leadership within an organization has led to non-implementation of changes initiatives (Fajana et al., 2011).  A strong correlation exists between effective leadership and purposeful change in organizations (Sarwar, 2013).

Leaders implement organizational changes because of the need for better planning, improve employee motivation, need to improve internal communication system, and need to improve intergroup collaboration (Fajana et al., 2011). For effective implementation of changes, leaders must identify a problem and seek the most

appropriate way of implementing the new idea. Radical and incremental approaches are the two major ways through which leaders can implement changes in an organization (Fajana et al., 2011). Radical change is an overhaul of the whole system, and its outcomes can be outstanding, but expensive and not appropriate for large organizations (Fajana et al., 2011). Incremental change is the process of changing gradually in the order of priority. Incremental change approach is less expensive and does not require many resources but may not be effective because, by the time the leader implements the last change, the first one may have deteriorated (Burnes& By, 2012). In the approaches, effective leadership is critical, as it determines whether the implementation of the change will be effective. An effective leader coordinates and directs the efforts of subordinates with the aim of achieving specific goals and objectives (Burnes& By, 2012).

Dike (2014) contended that introducing change to Nigeria's manufacturing industry also involves a lack of employee involvement, inadequate culture-shift planning, and ineffective or flawed communication strategies. Employees are critical in organizations, and leaders should involve them during change implementation. Individuals have an innate fear of change, and as some employees will assume various responsibilities that tend to oppose change. The rebellion from employee arises from the fear of failing in the new role. However, effective leaders always train and coach their subordinates and encourage them to take up new roles. Employees usually accept change when they understand and have an opportunity to try it (Orga&Ogbo, 2012).

The era of globalization and market liberalization has enabled companies and organizations to operate in cross-cultural areas. For instance, Nigeria has more than 500

ethnic groups, with Ibo, Yoruba, and Hausa as the three largest groups (Anyim et al., 2011). Cultural differences exist among ethnic groups, and differences not adequately considered may hinder the introduction of organizational change. Leaders' failure to foresee and plan for the cultural resultant change may lead to rejection of the change (Orga&Ogbo, 2012). At the workplace, the basis of individual decisions is from their intuition and feelings. If leaders overlook employees' intuition and feelings, the outcome is rebellion because not recognizing traditional practices is the same as not respecting them (Orga&Ogbo, 2012).

Effective communication is a prerequisite for the implementation of organizational change. A change may be unsuccessful if the ideal communication strategies used do not attend to the intended message, timing, mode of delivery, and the importance of the information shared (Burnes& By, 2012). Subordinates should communicate change information, rather than leaders.

**Summary and Conclusions**

This chapter includes a detailed review of the literature on organizational culture, leadership theories, business ethics, leadership styles, and efficiency. The review includes a discussion of the conceptual framework of this study along with therelated topic of global challenges facing business leaders in Nigeria. Six leadership approaches and theories provide the basis for different leadership styles applicable for effective leadership within an organization. Leadership style often comes with high managerial constraints. Despite the differences in the leadership approaches, leadership styles still seek to promote the common overall goal among all members of an organization.

The challenges facing Nigerian business leaders should not be limited to the general external factors resulting from the country's general ethnic composition, corruption, beliefs, culture, and behavior, thestate of insecurity, tribalism, political formations, and interferences from Western countries.The complexity of the challenges relates to the context of internal factors in the organizational and the scenarios that instigate those problems.  As a result, an exploration oftheorganizational and political environment, cultural differences, and government policies in Nigeria provide a background and clarity to the problems Nigerian business leaders experience.

In the chapter, the importance and relationships of organization culture and performances are highlighted. Research results indicate that a positive relationship exists between organizational culture and performance. Organization culture is one of the keys to organizational performance and can assist in improving the performance of an organization. The application of healthy organizational culture can turn around an ineffective organization that can change the orientation of the people within the organization.

From the literature reviewed, researches have established a correlation between leadership style, organizational culture, and good ethical behavior of leaders, leadership effectiveness, and business success. The results presented in the literature lead to the conclusion that the effects of an organization's external climate have agreater effect than the internal climate on business leaders' effectiveness.

Chapter 3 includes a discussion of the methodology of the study. Chapter 4 provides the findings, based on interviews conducted. Chapter 5 contains the summary, recommendations, implications, and the conclusions of the completed study.

Chapter 3: Research Method

The purpose of this qualitative phenomenological study was to explore the

influence of internal and external dynamics on business leaders in Nigerianmicrofinance

organizations.  Discussion in this chapter describes the underlying method and design for

the study to ensure the most effective outcome.  This chapter contains (a) the rationale for

the research design used for the study, (b) the role of the researcher, (c) the methodology,

and (d) issues of trustworthiness.

**Research Design and Rationale**

The nature of this study and the research questions follow the qualitative method.

Upjohn et al. (2013) stressed that the quantitative method is not suitable for discovering

the meaning of a phenomenon. The quantitative method involves mostly interval, ordinal,

or ratio methods of measurement to make final judgments using a sufficient number of

participants and predetermined instruments (Cunliffe, 2011).

One aspect of this dissertation study was to explore the essence of the lived

experience of the participants on their day-to-day leadership.  People living through a

certain phenomenon can explain their experience (Anosike et al., 2012). The interview

data collected was in the form of face-to-face interviews. In this study, I investigated the

following research questions:

RQ1.   How does the lived experience of internal challenges (e.g., leadership styles,

ethical behavior, and business culture) influence leadership effectiveness in

Nigerian organization?

RQ2.  How does a lived experience of external challenges influence leadership effectiveness in Nigerian organization?

RQ3.  What changes in internal and external challenges faced by leaders in Nigerian business organization can improve leaders' effectiveness?

Apart from the research questions, other goals that must influence the decision for research design are personal, practical, and intellectual (Cunliffe, 2011).  Other things to consider are the nature of the research questions, the outcomes of the research, sampling methods, and methods of data collection and analysis. I used the qualitative phenomenological design for this study.

Halling (2012) stated that the lived experiences of a participant in a study relate to a method of scientific inquiry and philosophy.  Moustakas (1994) espoused that the interpretive paradigm of phenomenology is suitable for leadership studies because ofability to generate new understandings of complex human behavior such as those investigated in the phenomenon of effective leadership.

The focus of phenomenological design is on describing the essence of a phenomenon fromthe perspective of those who have experienced it (Gill, 2014).The concept of Lebenswelt(lifeworld), the world of everyday lived experience, serves as a foundationfor phenomenological study (Anosike et al., 2012). Researchers use the phenomenological design to examine individuals' lifeworld as participants reflect upon it (Gill, 2014). In this study, I explored the lived experience of Nigerian business leaders' regarding internal and external challenges that influence their effectiveness.

A phenomenological study involves investigating the relationship between individuals and their lived experiences within their cultural, social, and historical contexts. The mentioned contexts influence the ways in which people perceive, understand, and make meaning of their everyday experiences. This phenomenological study of business leaders in Nigeria coincides with an interpretivism paradigm that involves exploring participants lived experiences within an organized environment, which, in this study were the experiences of leaders in the microfinance institutions.

Gill (2014) noted that researchers have only identified one orthodox method of phenomenological research for organizational issues, but other disciples have been able to recognize different methodologies. Most types of phenomenological studies are either descriptive or interpretative approaches to phenomenology. Husserl (2012) referred to the descriptive method as reduction, with the major type being a transcendental reduction, which requires epoché or bracketing. The interpretative approach is a hermeneutics method. Gill (2013) posited that for any study using theinterpretativemethod, interpretation is an integral part of the study.

Gill (2013) noted that the focus of transcendental phenomenology is conscious acts of individuals thatare intentional and directed toward something. Transcendental phenomenology requires a researcher to set aside prejudgments through bracketing (epoché), which allows a researcher to see the phenomenon in its entirety. The focus of the transcendental phenomenological design is on the search for essences, which are *a priori* and visible through intuition or the process of free variation (Gill, 2013).

The focus of hermeneutic phenomenology is the interpretation of the meanings of the participants' lived experience (Gill, 2014). Hermeneutic phenomenology emerged from the need for interpretation in the study of human beings and the fact that everyone exists in a culturally and historically conditioned environment. Culture and traditions form the basis for understanding any experience (Gill, 2014). An interpretive approach to studying human existence denies the possibility of fully detached reflection and thereby disputes Husserl's (2012) idea of bracketing presuppositions to articulate an essence.

Transcendental phenomenology was more useful for this study because the lived experience of the participants was the major focus and because of a greater possibility of eliminating all forms of bias from the data collection process. The application of transcendental phenomenology has four characteristics: descriptive, finding essences, using a reduction method, and intentionality (Giorgi, 2010). Transcendental phenomenology also involves three steps: the phenomenological attitude, the essence of the phenomenon by free imaginative variation, and the description of the discovered essence (Giorgi, 2010).

Two attitudes exhibited toward phenomena in a study reflect the phenomenological attitude that helps bring meaning into awareness: natural and learned attitudes (Giorgi, 2010). The natural attitude, which is unbiased, involves the perception of the live world encountered by participants. The learned attitude is an internal experience based on the concept of intentionality that expresses the consciousness of an action (Cope, 2011).

Another step in transcendental phenomenology is a method developed by Husserl (2012) to identify essences by a process called free imaginative variation (Cunliffe, 2011). The basis of this process is the philosophy that every act of thought has an object with a meaning. This process varies acts and mentally removes one part of a phenomenon to see if the other will change, which will indicate if there are advanced categories with the same meaning (Giorgi, 2010).

The final step of transcendental phenomenology is to describe the essence of the experience that includes the concept of intentionality.  All acts of thought have an object; every time a thought takes place, it is a thought of something (Giorgi, 2010). The reference to an object of an expressed thought contains the meaning of that thought. The directedness between the act of the thought and the object of consciousness is intentional (Gill, 2014).

To determine the best approach to the studying of effective leadership, ethnography, grounded theory, narrative, and the case study were all reviewed.  Finlay (2012) compared phenomenology to other qualitative methods that have lived experience as a focus, but indicated how phenomenology is distinct from them all.  Narrative, grounded theory, ethnography, and the case study design all share the same ontological philosophical framework with the phenomenological design (Finlay, 2012).

The narrative method of inquiry is suitable for biographical research and includes an assumption that people organize their lived experiences into stories. Similar to phenomenology, narrative research allows participants to tell their stories and assign meaning to their experiences through the stories told (Sather, 2012). However, because of

the penetrating, in-depth approach, the focus of narrative research is in the narratives of only one or two participants. Although the narrative and phenomenological design are similar, for studying the challenges facing business leaders, the phenomenological design of inquiry was preferable because it targets multiple perspectives rather than one or two points of view.

Researchers using the grounded theory method adopt a naturalistic and interpretive stance to the world of lived experience (Staller, 2012). Unique in its approach, the aim of the grounded theory research is to generate original theory from raw data. In a manner, counterintuitive to quantitative research, the grounded theoryinvestigator begins the process of data collection with a large number of participants and ends with an empirically grounded hypothesis that can undergofurther tests using eitherquantitative or qualitative methods (Cunliffe, 2011).

Ethnography is from the fields of anthropology and sociology and is the systematic, scientific study of human societies in their natural settings (Ellis, Adams, &Bochner, 2011). In ethnographic research, researchers gather data by immersed in the day-to-day activities of a culture-sharing group. In view of this study's objectives, the ethnographic approach was inappropriate for two reasons: (a) ethnography would fail to answer the primary research question concerning the experiences of business leaders, and (b) ethnography requires extensive time in the field.

The final qualitative method considered was the case study design. Case study research is a systematic investigation of a phenomenon within its real-world context (Tsang, 2013). A case study typically involves a particular group, program, issue, or

social problem. In the case study, the unit of analysis regarding participants may be one

or more individuals, which is a common practice of psychology research. The data

collection process of case study may involve conducting numerous interviews and field

observations, as well as the detailed analysis of internal documents, reports, and artifacts

(Thyer,2012).

Given the nature and objectives of this study, the case study design, like the other

alternative qualitative designs, was not a good fit. Although the case study is valuable for

in-depth, incisive approaches, it requires extensive time, expense, and researcher labor

(Snyder, 2012).  Yin (2013) espoused that case studyinvolves one or multiple cases and

collection of data done through several sources, but the interest of the study is on

perspectives of an individual rather than a group.

Moreover, the other qualitative methodsfail to answer the core phenomenological

question: What are the "lived experiences"of Nigerian business leaders regarding

effective leadership and the challenges facing them in terms of external and internal

dynamics? The phenomenological design is useful for gaining a deep understanding of

the nature of leadership.The phenomenological design with semistructured interviews

allowed respondents to share additional thoughts and experiences that gave more insight

into the lived experience of the respondents.

### Researcher's Role

For any research, the core role of a researcher is to collect, analyze, and interpret

the data collected during the data collection stage.  A researcher has an obligation to limit

all forms of bias.  Hurt and McLaughlin (2012) posited that researchers must be aware of

potential bias in conducting a study. I selected participants with whom I had nopersonal

or professional relationships in order to limit bias.I also adhered to the methods in

qualitative phenomenological design to collect, analyze, interpret, and allowed results to

emerge to ensure standards as espoused by Thyer (2012). I treated all participants with

respect and protected them from any harm associated withthe research.

I used journaling for collecting personal reflections of participants and to record

the collection process to eliminate any form of bias. Tufford and Newman (2012)

suggested the use of journaling to eliminate interviewer bias. The use of the journal

recording eliminated other ethical concern that I could have faced after conducting the

initial face-to-face interviews. The use of journalinghelped to makeallowances for any

anticipated bias instead of ignoring their effect on the study. I formulated new knowledge

about the phenomenon under the study to advance business practice and affect positive

social change.

## Methodology

### Participant Selection Logic

The phenomenon of a study dictates the selection of participants. Purposeful

sampling was the most suitable kind of nonprobability sampling to identify the primary

participants for this study. I selected the sample based on my judgment and the purpose

of the research, which was to look for those who have had experiences relating to the

phenomenon under study, which is leadership effectiveness as defined by financial

performance. Participants were 20 business leaders from microfinance financial

institutions in Nigeria. The microfinance financial institutions were companies registered

with Corporate Affairs Commission, Nigeria and approved by the Central Bank of Nigeria to operate as a financial institution. The basis for selecting the companies was on financial performances. There was no need for any expert's review of the financial statements, because information and analysis of the financial statements of Nigerian microfinance institutions were available on the website of the Central Bank of Nigeria (Central Bank, 2016).

My intention wasto interview business leaders who had lived the experiences of the phenomenon under study, which was leadership effectiveness as defined by my criteria set of financial performance. I assumed thatparticipants understood the dynamics of their environment and had the power to effect changes in their organization.The participants supported the aims of the study and cooperated with the interview method. The leaders participated in recorded interviews that lasted between 20 and 50 minutes. The interview (see interview protocol in Appendix A) took place at their convenience. Participation was purely voluntary. Participants signed a consent letterthat certified their free-will participation in the study.

In qualitative studies,the number of participantsis small. According to Trotter (2012), a focus on a small number of participants is the goal of any qualitative study to elicit profound information from each participant to a point of saturation. Interviewing a few participants of similar background enabled the determination of the saturation point. The determination of saturation point was at the point where participants were repeating the same or similar responses to the interview questions.

Patton (2002) posited that there are no rules for sample size in a qualitative inquiry (p.244). Giorgi (2010) noted that the phenomenon is important than the sample size. The 20 number of participants from the five microfinance institutions chosen in the study was sufficient to generate the themes for analyzing the challenges facing business leaders in Nigeria. But the actual number of participants was dependent on the point of data saturation. Walker (2012) posited that point of saturation is reached in a study at the point when no further information is needed to replicate a study and further theme coding is not feasible again.

Purposeful sampling was suitable for selecting the participants. In purposeful sampling, researchers rely on personal judgment to select units that have a direct relationship to the population (Gill, 2014).The perception of the nature of the phenomenon in this study might be different from one industry to the other and from one participant to the other that might result in a different understanding of the phenomenon.

For this study, the target goal was 20 individuals from microfinance financial institutions in Nigeria. Patton (2002) posited that informational considerations further determine the number of participants in purposeful sampling. If the purpose is to maximize information, sampling finishes when no new information is forthcoming from new sampled units, which makes saturation the primary criterion (Patton, 2002).

**Instrumentation for the Study**

At the start of this study, there was no available similar templates or instruments for an interview suitable for the nature of this study. The instrument developed for this study was a set of researcher-developed semistructured open-ended interview

questionswith a narrative and questions that were related to the challenges experienced by business leaders in Nigeria. I agree with Qu and Dumay (2011) that researchers use open-ended interview questions to learn about the experience of the participants relevant to the phenomenon under study.The detailed interview protocol that served as a guide for the study is found in Appendix A. The detailed interview script containedboth demographic and open-endedquestions. The 11open-endedsemistructured interview questions served as the template for this research study.  The three research questions formed the background for the 11 interview questions as contained in Appendix A.

The interview instrument was suitable to explore the experiences and the meaning attached to the lived experiences of the participants. The instrument for the interview extracts the views of participants to ensure accurate and in-depth analysis (Bluhm, Harman, Lee, & Mitchel, 2011).  Gordon (2012) stated that interviews rely on a better expression of language from participants. I was able to interpret all forms of conversation through careful observations of all forms of expressions by the participants that I recorded in a note book.

I conducted an expert review of the interview template to ensure content validation as sufficient and appropriate to address the research problem in the study. The minimum requirement to participate in the expert review was a manager with a minimum of five yearsof managerial experience.The final selection of questions came from my judgment and the approval of my dissertation committee.  Because the sample size was small and the intention of the study was not to test the adequacy of the

instrument used but to ensure the accuracy of the situation, there was a pilot testing of the template as recommended by Sousa and Rojjanasrirat (2011).

**Pilot Study**

I conducted a pilot study using two middle level managers, with more than five year's leadership experience, from other similar microfinance organizations. All the responses to the interview questions were recorded using a digital audio recorder and I used a digital audio converter for conversion from audio to text. The interview followed the interview protocol (see Appendix A).  In addition, participants for the pilot study were asked: Are the questions and instructions clear to answer? Is there any sense of bias observed in the interview? Should anything be changed in the interview protocol? Putting all the responses from the follow-up questions enabled a better fine turning for the actual interview to change some questions or remain as stated in the actual interview protocol. Apart from the management of interview timing, none of the participants recommended any changes to the set of the 11 semistructured interview questions.  The pilot study data were not in the final study results.

**Data Collection**

Data collection for a phenomenological study requires steps to control the collection of data and strict guidelines that include the exhaustion of resources, the emergence of regularities, and bias (Sather, 2012). Data for this study came from the interview transcripts of the participants. I had 20- to 50-minute interview with each participant and spent two days at each organization, with a total of 14 interview days.

Moustakas (1994) explained the necessity in a phenomenological study for the researcher to record concepts important to the perception of the phenomena rather than facts. Moustakas explainedthat the concepts important to the perception of the phenomena in a study were not easy to translate into data. Savage-Austin and Honeycutt (2011) stated that direct observation of participants during interviews provide a clear perception of the phenomena of a study.

Perceptions of participants emerged into themes thatallowed for thematic coding to determine the categories of the data collected. I clustered the perceptions together into appropriate themes for thematic coding. Through thematic coding, I arranged and organized clusters of words to determine categories of data collected.

After the conditional approval from the University Internal Review Board (IRB) with IRB registration number 12-02-16-0250923, I started a three-step interview process with the selected participants: (a) I contacted the participants through emails or a planned meeting place, (b) reachedagreement with the individuals to participate, and (c) developeda timeline and method of interview.The goal was to complete the interviews within a period of 10 days. I used the same three-step interview method for the pilot interviews.

Data collection was done throughthree sources: field notes, a face-to-face interview, and other follow-up responses by e-mails. I recorded observations made by the participants during the interview in the field notes. The field notescontained significant comments made when the recorder was off, any nonverbal behavior that appeared

relevant to the interview, anything noted assurprising, and my emotional reaction to the interview.

Face-to-face interviewing enabled me to ask follow-up questions and to reconcile unclear statements made during the interviews. Gordon (2012) stated that interviewing enables sharing of information between people that provides a mean of capturing lived experiences during a research study. Opportunities to ask follow-up questions or clarification are limited in other data collection instruments (Gordon, 2012).

In this study, I obtained data on participantslived experiences of their daily activities to understand the essence of the lived experience of the phenomena of internal and external challenges affecting their leadership effectiveness through interview questions shown in Appendix A. The challenges related to leadership styles, leaders' ethical behavior, and organizational culture.

**Data Analysis**

Before embarking on the interview, I oriented myself with all the interview questions, which made me focus on the interview responses.  I stayedfocused on the lived experience of the phenomenon.  Whenever a participant started generalizing, I askedquestions that turned the discourse back to the experience so I could continue the interview.  I was patient and silent after asking each question, and repeated the last sentence by the participants to continue after the break during the interview.

I explained the essence of a semistructured conversational interview using open-ended questions.  I recorded all conversations and transcribed the interview responses using a digital audio converter for conversion from audio to text.  The files were kept

perparticipants' responses to the interview on my password-protected computer and were backed up to cloud storage using Dropbox. The files will be keptby me for five years and at the end of that time destroyed by deleting all related folders containing the files from my computer and Dropbox.

Transcription of the audio recordings was achieved by using the software Hyper TRANSCRIBE. NVivo 11 was used to code and organize the raw data by placing the words and phrases into themes as suggested by Buchanan and Jones (2010). I used the NVivo 11 software package to facilitate the task of organizing and analyzing the data.The software has an effective mechanism for performing analyzes of qualitative data to ensure consistency and validity of the process.

Organizing qualitative data requires segmenting data, discovering themes through coding, and characterizing the data in the form of description, figures, or tables (Holt & Sandberg, 2011). As recommended by Buchanan and Jones (2010) the interview transcripts were transferred into the NVivo 11 software before applying codes. The NVivo 11 software aided in the selection of coded segments of data in one place (nodes) to enable the identification of emerging patterns or perceptions. By using the NVivo 11 software, themes emerged to ascribe meaning to participants' responses.

## Issues of Trustworthiness

The stated issues of trustworthiness in a study allow study readers to substantiate the credibility, dependability, and accuracy of data collected. The term trustworthiness means the openness and sensitivity applied to the phenomenon in a study (Hill, 2012). Carlson (2010) used the term trustworthiness to refer to the credibility, transferability,

confirmability, and dependability of data collected during a study, which implies the

sensitivity applied during data collection. As described by Svensson and Doumas (2013),

trustworthiness refers to the consistency of the research method throughout a study to

eliminate all forms of bias.

Trustworthiness defined by Patton (2002) is traditional scientific research criteria

and includes the following:

1. Objectivity of the inquirer (attempts to minimize bias).

2. Validity of the data, systematic rigor of fieldwork procedures.

3. Triangulation (consistency of findings across methods and data sources).

4. Reliability of codlings and pattern analyses, correspondence of findings to reality.

5. Transferability (external validity).

6. Strength of evidence supporting causal hypotheses.

7. Contributions to theory.(p. 544).

**Credibility**

The credibility of a study relates to internal consistency. Trotter (2012) stated that

credibility ensures rigor in the research steps and the communication of the steps to

others. Credibility achieved by persistent observation in the field; prolonged contact with

participants, the use of peer researchers, researcher reflexivity, negative case analysis,

and participant checks, validation, and member checks. Credibility involves rich

descriptions of participants' experiences of phenomena and the contexts in which those

experiences occur (Trotter, 2012). Researchers can give an assurance that collecting any

additional interview responses will not create substantial changes to the existing

categories of data.Hill (2012) noted the need for stability of findings that describe the concept of data saturation.   I interviewed 20 participants to ensure data saturation.

Other criterions for credibility are reflexivity and subjectivity that refer to the process of managing bias and being aware of self during data collection (Hill, 2012). For phenomenological studies, researchers must make use of bracketing to eliminate all forms of personal bias (Carlson, 2010). There must be a possibility of having another person to review, analyze, and compare the results of the study independently to reduce the threat of invalidity (Carlson, 2010).

Another method of ensuring credibility in qualitative research is the use of triangulation.  Triangulation is a means of checking the integrity of the views made in a study.Brooks and Normore(2015) stated that triangulation involves using multiple methods to view a single object.Triangulation comes with the view that data from different sources must aggregate to reveal the truth about data collected(Schwandt, 2007). Triangulation is four types; theory triangulation, data triangulation, methodological triangulation, and investigator triangulation (Schwandt, 2007).  According to Brooks and Normore(2015), the using of multiple sources of evidence in a research gives converging lines of inquiry for a research.In this study, triangulation was achieved through collection of data from face-to-face interviews from multiple participants with different backgrounds, and at different employment locations.

**Transferability**

Transferabilityrefers to how a reader can generalize the findings of a study and addresses the core issue of a researcher's claims for a general application of the theory in

a study (Halkier, 2012). Transferability is the accuracy of the results of a study if transferred to another setting. Halkier (2012) further stated that transferability occurs when a researcher enables a reader to decide how the findings may transfer provides sufficient information.Judging from the usual small sample sizes and the absence of statistical analyses, qualitative studies areusually not generalizable; thus, illustrating the importance in the presentation of the research not to imply that the findings are generalizable to other populations.

**Dependability**

Dependability deals with the consistency and the core issue of research. Trotter (2012) indicated that research being conducting must be consistent with approaches used by other researchers and methods applied. The research process should be clear and detailed enough so that the study can be repeated in another situation. Dependability involves keeping an audit trail and tracking the research design.

**Confirmability**

Halkier (2012) stated that a researcher must focus on the issue and the situation researched rather than the biases, or personal beliefs. Confirmabilityis from the background that researchers are not always objective.Halkier further stated that confirmability concentrates on the perspective that the integrity of findings in a study lies in the data. Researchers must adequately tie together data collection, data analysis, and final findings to enable a reader to confirm the adequacy of the findings.

Halkier (2012) posited that researchers must provide enough information at the report stage of a study to give a better understanding for any user of the study. The

information must go beyond just clarifying the findings of a study and relate the findings to past research, highlight theoretical issues, give the implications of the findings, and relate to any gap in theliterature. In this study, the challenge facing microfinance leaders in Nigeria wasthe central focus. To address every aspect of this issue exhaustively requires an instrument of investigation that can ensure coverage of all components of the phenomenon.

**Confidentiality and Ethical Procedures**

In a research study, a need existedto protect the confidentiality of all participants. Pereira (2012) emphasized the importance of confidentiality of participants in a study. Confidentiality assuresthat a researcher will not disclose the identity of participants and the source of data collected. This dissertation study was designed to provide adequate provisions for the confidentiality of all participants in this study by the Walden University Institutional Review Board Guidelines.Pereira (2012) stated that adequate consideration of ethical issues and participants' confidentiality is essential to obtain Institutional Review Board approval. The ethical issues involve protection against physical risk and psychological, social, and economic mischief to participants.

I collected written consent and permission to use any information from the participants before the interviews took place. The interview occurred at a convenient time and place so that the participants felt at ease. Pereira (2012) identified five major areas to emphasize when conducting research: voluntary participation by respondents, not harming the participants, maintaining the anonymity and confidentiality of the participants, identifying who is doing the research, and ensuring the researcher follows

the code of professional ethics (p. 12).  I followed the guidelines identified by Pereira

during the interview phase to ensure confidentiality of the participants.

## Summary

This chapter includes a description of the research design and method selected for

the study.  Qualitative research method with a phenomenological research design was

suitable based on the nature of the study and the research questions. I used purposive

sampling to choose 20 participants for the study.  The participants were from the

microfinance institutions in Nigeria who had more than five years of managerial working

experience. The primary research tool wasused face-to-face interviews with the

possibility of following up through e-mail.

Chapter 3 contains a description of the approaches of qualitative research

methods.  The chapter also includes steps taken to ensure the protection of participant

confidentiality, thetrustworthiness of the data, methods of data validation, and ethical

issues involved in conducting the study.Chapter4includestheanalysis and findings of the

data in detail and Chapter 5 includes the conclusions and recommendations of the study.

Chapter 4: Results

The purpose of this qualitative phenomenological study was to explore the influence of internal and external dynamics on business leaders in Nigerian microfinance organizations. Obtaining microfinance leaders' perceptions of daily challenges may assist in better understanding what can aid in increasing leaders' effectiveness in an organization. An increased understanding of hindrances of effective leadership caused by external and internal dynamics may assist in strengthening the economy of the country and in turn increase the quality of life for Nigerians.

The problem addressed in this study was that internal challenges, including ineffective leadership styles, unethical behaviors, and organizations' culture continue to affect organizational leader's performances. Three research questions and 11 semistructuredinterview questions (see Appendix A)were used for the study. The research questions for this studywere as follows:

RQ1. How does the lived experience of internal challenges (e.g., leadership styles, ethical behavior, and business culture) influence leadership effectiveness in Nigerian organization?

RQ2. How does a lived experience of external challenges influence leadership effectiveness in Nigerian organization?

RQ3. What changes in internal and external challenges faced by leaders in Nigerian business organization can improve leaders' effectiveness?

This chapter contains (a) the result of the pilot study, (b) the research setting, (c) the participants' demographics, (d) the data collection method, (e) the data analysis

method, (f) evidence of trustworthiness, and (g) the results of the findings.  The section

concludes with a summary transitioning into Chapter 5.

**Pilot Study**

To check the reliability and the credibility of the semistructured interview

protocol, I conducted a pilot study using two middle level managers with more than 5

year's managerial experience, from other similar organizations participating in the main

study.  Two managers from microcredit institutions participated in face-to-face

interviews, using the 11semistructured interview protocolsand 11 open-ended questions

(see Appendix A).  The two participants signed the consent forms before participating in

the pilot study.

The participants for the pilot study were asked additional questions different from

the interview questions to check the credibility and reliability of the actual interview

questions.  The questions were as follows: (a) Are the questions and instructions clear to

answer?  (b) Is there any sense of bias observed in the interview? (c) Is there need to

change anything in the interview protocol? The intention was to gain a feedback on

possible fine turningon the questions in preparation for the actual interviews.  The results

of the pilot study were not included in the final study results.  Initially, confusion arose in

understanding the meaning of internal challenges in Research Question 1by PA2.  Once

explained to PA2, the participants raised no other issues, and no adjustments needed to be

made to the interview questions.

Apart from the management of interview timing, none of the participants

recommended any changes to the set of the 11 semistructured interview questions.Perthe

initial plan for the study, each interview was expected to be 20-50 minutes. PA1 used 45 minutes while PA2 used 40 minutes. From the pilot study,I observed the need to facilitate effective management of time needed for each interview in the main study. I observed that it was possible for participants to spend more time if I did not control their time management. There was difficulty in balancing time management while helping them to respond to what they felt they needed to express.

## Research Setting

Five microfinance institutions in Nigeria were selected for my study. As listed by the Financial Policy and Regulatory Department of Central Bank of Nigeria, therewere949 microfinance institutions in Nigeria as at July 31, 2015, which are categorized into national, regional, state, and unit microfinance institutions (Central Bank of Nigeria, 2015). The category of the institutions determined the operational scope of each of the selected microfinance institutions, which in turn determined the level of challenges faced by individual manager of the different organizations. For the study, the participants that I interviewed were from three regional and two state microfinance institutions.

The geographical locations for the interviews were Lagos state and Oyo state in Nigeria. The two geographical locations have the highest concentration of microfinance institutions in Nigeria (Central Bank of Nigeria Publication, 2015). The five organizations selected had offices in the two locations. Participants were selected across the two locations from the participating organizations. Forty percent of the chief

executive officers were based in Lagos, whereas the middle level managers were based in

Oyo state.

## Demographics

The composition of the 20 participants is listed in Table 3.Fifteen of the

participants held positions in middle management and five held executive positions.

Each selected participant was assigned a pseudonym number tag running from PB01

through PB20.  The assigned pseudonym number was for research only and for

confidentiality of the participants.

Table 3

*Participant*Demographics

| Participants | Level | Years of experience |
|---|---|---|
| PB 01E | Chief Executive Officers | Above 10 years |
| PB 02M | Middle Manager | Above 10 years |
| PB 03M | Middle Manager | 8 years |
| PB 04M | Middle Manager | 8 years |
| PB 05M | Middle Manager | 6 years |
| PB 06E | Executive Director | Above 10 years |
| PB 07M | Middle Manager | 7 years |
| PB 08M | Middle Manager | 6 years |
| PB 09M | Middle Manager | 6 years |
| PB 10M | Middle Manager | 6 years |
| PB 11E | Chairman/CEO | Above 10 years |
| PB 12E | Executive Director | Above 10 years |
| PB 13M | Middle Manager | Above 10 years |
| PB 14M | Middle Manager | 9 years |
| PB 15M | Middle Manager | 7 years |
| PB 16E | Chief Executive Officer | Above 10 years |
| PB 17E | Executive Director | Above 10 years |
| PB 18M | Middle Manager | 7 years |
| PB 19M | Middle Manager | 9 years |
| PB 20M | Middle Manager | 6 years |

## Data Collection

**Participants**

After the conditional approval from the Walden University Internal Review Board (IRB; Reg. No.12-02-16-0250923), I recruited the 20 managers who met the inclusion criteria from the five organizations selected from the approved list of microfinance institutions in Nigeria. The chief executive officers of the identified organizations senta letter of cooperation (see Appendix B) directly to Walden University IRB. After IRB approval,the invitation letters (see Appendix C) were sent to 20 potential participants by me. The invitation letters contained the signed letter of cooperation, which enhanced the process by expressing the granted authority to carry out the research in the selected organizations. The letter of invitation asked participants to show their intentions to participate by completing and returning consent letters prior to scheduling the interview.

**Data Collection Technique**

Data collection began immediately after receiving the signed informed consents and concluded in 14 days, which was slightly longer than the 10 days anticipated. I conducted face-to-face interviewswith all the 20 participants. Before the start of each face-to-face interview, appreciation was expressed for their participation and a brief overview was providedconcerning the background of the study. Prior to the face-to-face interview and during, I approached each interview with an open mind to ensure that my past experience, understandings,and biases were set aside not to prejudice the interview responses.

I used semistructured interview questions(Appendix A) for the face-to-face interviews. The use of the face-to-face interviewing allowed forinformation sharing and capturing of lived experiences of the participants.In addition to the digital recording of

the interviews, I recorded observations and other significant comments made by the participants during the interview in my field notes. The interview time ranged between 20 to 50 minutes, with an average of 30 minutes.

The transcriptions of collected data were completed within 24 hours of each interview. The interpretation of the data commenced with emailing the transcriptions of the interview responses to each participant. Participants were provided with an opportunityto review the transcripts for corrections and endorsing of facts contained within a specified period. The process of member checking ensured that collected data were correct and relevant to the study. Participants made no change during the member checking.

## Data Analysis

Organization and analysis of databegan when I read the transcribed data of the participants' responses enabling me to cluster common categories that emerged from the responses. The categories were used to develop the textural description usingthe Van Kaam method of data analysis as suggested by Moustakas (1994) to provide textural and structural briefs of the interviewsbefore using the NVivo software as follows:

1. Listed and grouped data collected that involved transcribing the data and listing all expression relevant to the study.

2. Clustereddata into categories by grouping the invariant constituents that involved putting together the themes that were relevant to the study.

3. Identified invariant constituents and themes that involved utilizing research protocols to organize categories from the transcribed interviews.

4. Constructed textural-structural description for each participant's interview for the meanings and essences of the experience, incorporating the invariant constituents and themes.

5. Used the themes to determine the meaning of the lived experiences that involved the key findings and recommendations for the study. (p.121).

**Data Coding and Data Analysis Software**

The transcribed data were uploaded into NVivo 11 software. The process of loading data into NVivo ensured order, structure, and themes classification. The use of NVivo 11 assisted me in my interpretation of data through the development of nodes, clustered code similarity, and word frequency query. The NVivo software processed the coding of the data by segregating into units the frequency of occurrence of themes. Nodes were created in the process of inputting into NVivo, but as more data were inputted, some of the nodes were eliminated to reflect the main themes for the study. The use of the NVivo software clustered data into categories, theme linkages, and the removal of redundant units of data collection.

The coding in NVivo was achieved through assignment of headings for interview responses to the questions as normal standard text. The key terms arising from the interviews were used to develop the emerging themes and relating the themes to the lived experiences of the participants.When the coding was completed,the NVivo report revealed out relevant themes from the data.Twelve major themes emergedfrom the data analysis.

**Categories.**The NVivo 11 application software allowed me torestructure the information from the data collection, explore perceptions of the participants, and categorize data intodifferent concepts for easier access for different information.The intention of the data analysis was to review the responses from the interviews to surface the challenges facing business leaders from their lived experience.

By using NVivo 11 software, common elements of the same category were clustered together. The software further reduced the data into patterns, categories, and themes based on the research questions and the conceptual framework.The first set of categories was from the themes relating to the three research questions, while further categories were from the three items of the conceptual framework applicable to leadership effectiveness in an organization.These were internal challenges, external challenges, and industry environment. When code transcription was completed, the study disclosed no evidence ofdiscrepant cases in the research data. Discrepant data are data from a study that did not align with the findings of the study.

## Evidence of Trustworthiness

### Credibility

I accomplished credibility through peer researchers, member checking, reflexibility and subjectivity, data saturation, and using the method of triangulation during the stage of data collection. I invited external doctoral colleagues, apart from committee members, to review my dissertation and ask relevant questions for the improvement of the dissertation to eliminate any form of bias in my opinion in the study. I used bracketing to eliminate all forms of personal bias. Data saturation occurred during

the data collection after the 10th participant, additional data were not leading to more information, but I followed through with interviews to the 20th participant.

Triangulation was achieved through collection of data from face-to-face interviews from multiple participants from different background as stated in the demographic Table 3. The participants were drawn from state and regional microfinance institutions. The different status of the microfinance institutions provided a base for assessing the situation of the challenges from different perspectives.

Finally, participants were provided with opportunities to check the correctness of the information given during the interviews through member checking.I sent transcribed to participants via email within 24 hours of each interview for reviews and comments before the start of data analysis.

**Transferability**

Full descriptions of the research procedures, method for selection of participants, and general assumptions central to the study were given to the participants to accomplish transferability. The descriptions gave the participants meaning into the phenomenon of the study and the relationships of participant's responses as related to other organizations. The demographic of the selected participants with their roles in their organizations, helped to obtain detailed description of roles from the selected participants. I compared the feedback from the different levels of managers to determine common areas of agreements on the phenomenon of the study.

**Dependability**

The process of dependability was achieved by keeping detailed records of all the interviews conducted, responses of member checking through emails, field notes, and noting my experience of the research in memos during the interviews.  Dependability was also achieved through the conduct of a pilot study to determine the acceptability of the questions and the interview process.The tape recording of the interviews, transcribing, and memos formed part of the method applied for dependability for the data collected.

**Confirmability**

Systematic steps were used for data collection, data analysis, and final findings to enable a reader to confirm the adequacy of the findings.  All forms of personal bias were eliminated by bracketing to ensure validity; therefore, personal opinion and leading questions based on past knowledge were eliminated during the interviewing processes. To achieve confirmability, I used open-ended interview questions.

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**Study Results**

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The narrative results of the interview responsesafter analysis provided a thorough review of the detailed transcriptions of data collected. Twelve themes were identified as relevant to the purpose of the study and the research questions.  Table 4 shows the relationships between the participants' responses, coded themes, and the research questions.  The themes are categorized in relationship to the research questions.

The findings of the study are related to the three research questions that were based on the relationships of participants' responses to the interview questions.  From

Table 4, five of the themes relatedto RQ 1, five related to RQ 2, and two related to RQ 3.

Only themes of 80% or greater as expressed by the participants were considered major

themes.

**Themes for Research Question 1**

RQ1asked how the lived experience of internal challenges (e.g., leadership

styles, ethical behavior, and business culture) influence leadership effectiveness in

Nigerian business organization.  Five themes emerged from the data analysis that related

to the internal challenges affecting the leadership effectiveness of the selected

participants from microfinance institutions in Nigeria.

Table 4

*Themes*(*N*=20)

| Codes | Themes | Research Questions | Participants% |
|-------|--------|--------------------|---------------|
| 001 | Staff Turnover | RQ 1 and RQ 3 | 100% |
| 002 | Strict culture | RQ 1 and RQ 3 | 80% |
| 003 | Technology | RQ 1 and RQ 3 | 80% |
| 004 | Capacity Building | RQ 1 and RQ 3 | 100% |
| 005 | Leadership | RQ 1 and RQ 3 | 90% |
| 006 | External competition/Unethical | RQ 2 and RQ 3 | 90% |
| 007 | Economic Recession | RQ 2 and RQ 3 | 100% |
| 008 | Government Regulations | RQ 2 and RQ 3 | 100% |
| 009 | Corruption | RQ 2 and RQ 3 | 80% |
| 010 | Foreign Exchange Fluctuations | RQ 2 and RQ 3 | 100% |
| 011 | Government Interventions | RQ 3 | 100% |
| 012 | Ethical Practices | RQ 3 | 100% |

**Theme 1: Staff turnover**.Allthe 20 participants recognized staff turnoverand

financial fraud as major internal limiting factors to leadershipeffectivenesswithin their

organization.After spending several yearsbuilding capacity ofstaff withinspecific

departments, better job opportunities withbetter pay lured more ofthe staff away,

which resulted indiscontinuity in operations andresults inoverworking of other staff

members with an increase in stress level of the manager. Staffs werelaid off for

involvement in financial fraudand theft due exposure to cash and moremanually

processing of financial transactions.  The following comments provide support

for Theme 1:

- **PB02M**.High staff turnover rate due to the staff snatching attitude by other

  microfinance institutions through luringstaff with higher emoluments and

  conditions ofservice. Is painful majorly because of loss offunds expended on the

  capacity buildingand training on the concern staff. As a manager, I felt cheated

  because of loss of my timespent on building capacity of the smart staff and must

  start most time all over again withnewer employee.

- **PB08M.** There is a big challenge of getting dedicated staff to recruit and retain

  within the organization. Microfinance industry being a newer business line in the

  country allows for lateral movement of staff within the industry. Employees move

  from one organization to the other for better conditions of service.

- **PB16E.**  For efficient coverage of the market, microfinance institutions open

  branch offices all over the major cities of the country, giving job opportunities to

  experienced staff to move to organizations for better job offers.

- **PB18M.**There is a high level of fraud in most of our operations, due to the

  exposure of staff to large amount of money. Because ofstaff involvement in fraud,

  numbers ofstaff were laid off despite the high time and cost incurred in training

  such staff.

**Theme 2: Strict culture.**Eighty percent of the participants interviewed discussed theissues relating to the culture that affected their leadership effectiveness. The chief executive officers and other senior managers freelydescribed lived experience relating to the effect of the setup culture of the organizations.Other participants restrained from giving concrete opinions concerning the effective of the setup culture as an internal challenge to leaders.  The culture of most of theparticipants' organizations revealed a defined organizational structure and expressedopportunities for employees' development and growth within the organization. Few of the participants complained about the bottle necks being created by the set-up bureaucracy involved in functioning within organizations. The bureaucracy slows down operations of the organization and limits the performances of individual leaders.

- **PB01E.**Our organization is built on the premise of empowering the poor at the bottom of economy pyramid. All our operations and structures are designed to have the primary focus of empowerment of the poor as basis for overall organizational goal.  All the staff educated on the primary focus and the importance of adhering to the focus.  Over the time, our rich culture has affected us positively. Strict compliance to our regulators' operational guidelines. Giving hopes to our staff and all the clients serviced by us.

- **PB06E.**We followed local and globally tested best practices in microfinance operations. All the staff understands the fact that in our organization, we do not bend the rules and have zero tolerance for unethical practices. We do not tolerate

staff discrimination; all staff have equal opportunities for promotion and common benefits.

- **PB07M.**Company products designed based on the primary motives of microfinancing; products for the poor. Services and products carried to the door steps of our clients, we do not wait in the comfort of our offices but reach out to the grassroots areas to meet the target people.

**Theme 3: Technology.**All the participants interviewed pointed outthe effect of technology on the effective processing of daily operational tasks of microfinance institution.  Most of the operations are carried out in manual system, thus making it impossible to get realtime data for effective decision-making and results in a high level of financial fraudwithin the organization.  Rapid changes in technology have affected operations of most organizations due to lack of financial capacity to deplore new technology as needed at the right time.  Lack of real time technology to monitor operations lead to theft and ineffective processing at the branch offices.

- **PB10M.**Deployment of latest technology for data processing and data capture is essentialfor real-time credit processing and other operations of the organization. Thelevel of internet facility in Nigeria is poor and it is difficult to maintain efficient link withour branches. Because of the poor internet facilities, delays arise in coordinating the activities from branches and the head office, which leads to slow turn around timing of serving our clients.

- **PB14M.**Poor infrastructures and unstable electricity supply made it difficult for the company to deplore much needed technology. For example, we deal much in

physical cash instead of the company introducing ATM card for efficient funds

transactions.

- **PB04M.**Non-exposure to new technology and the surrounded poor infrastructures

    is a major step back for company; which have affected our operational costs if

    compared to other companies in our industry. I believed that better technology

    facilities reduce operational costs and prevent fraud among staff.

    **Theme 4:Capacity building.**Ninety percent of the participants agreed thatthere

isa high knowledge gap between the managers and the other staff members.  As stated by

participants, getting qualified staff is a serious problem because of the educational system

of the country and lack of adequate professional experience of the staff.  Most staff are

not dedicated enough to learn the rudiments of the professional but interested in changing

jobs for better benefits.  More skills are needed for the operations of microfinance

operations, creating a need for regular training to boost the knowledge base of staff

members.  Trainings are focused on core operational tasks, time management,

segregationof duties, branch operations, cash operational management, and risks

management.

- **PB16E.**Human resource is one of the important strength of any organization. It

    isessential to have set of skilled staff that knows the rudiments of microfinance

    business. Theeducation system runs in the country did not provide adequate

    trainings towards the nature of microfinance operations. Much funds are deployed

    to capacity building through trainings on core areas of microfinance business. The

    results of the expenditure on training cannot be over emphasis.

- **PB18M.**From experience, we noticed a big gap in knowledge between the senior staff members and other staff members. The knowledge gap came because of the level of education and acquired experience over time in the industry. The fresh graduates' being employed do not have the requisite experience to function well within the organization. Generally, my output level is low due to time spent in building up capacity of junior colleagues in my department.

- **PB11E.**To entrench the core culture and the ethical values of our organization, more time is spent on capacity building. We need to distinguish our organization from the rest in our industry and it is a general belief that we must educate staff on the values and norms of the organization. The training horn the value level of staff and brings in improvement in relationships with clients and external parties.

**Theme 5:Leadership.**Generally, it was difficult for participants to determine their leadership style and difficult to compare their leadership style to fellow managers within their organization.Ninety percent of theparticipants discussed their leadership style as following the lines of transformational leadership andworking within a team with team spirit being the major focus. Teams spirit allow colleagues to offer ideas to leaders and participate in decision-making in an organization. The style allows everyone in an organization to achieve personal goals and to achieve overall effectiveness of the organization. Situation prevailing at different time determined kind of leadership style to applied. All participants agreed that the style applied by them had been favorable for achievement of general goals of theorganizations and their effectiveness. Participants believed that leaders should not be too tough and should or

be too weak and they must serve as a good example for their employees to follow.

- **PB06E.**It is difficult to zeroed on a style.  I practically applied combined style, ranging from leading by example, utilization of team spirit, autocratic, and others. But thesituation at different times determined how to relate to colleagues. If you are tooweak, people will take advantage of you and that will affect the overall performances and if you are too strong on people, it might also bring in negative feelings and negative results.I will say I use situational cases to judge my relationships with colleagues.

- **PB07M.**Human beings are unique and so you cannot predict their behavior always. And to be effective, I think is better to balance how you relate and direct your colleagues.The situation at different times determined how I deal with my colleagues. I ensure I carryeveryone along within the departments in decision-making. We have regular departmentalmeetings and everyone have equal right to share their opinions.  No discrimination against the views of anyone; encourages employees' participation in decision-making.

- **PB13M.**I encouraged team spirit among my staff and delegate appropriately.  I believed that everyone has initiatives and they must be given the opportunity of exhibitingand utilizing their initiatives for the progress of the organization. The opportunity given tostaff build up their confident levels and make them to have sense of belonging. No carrot and sticks approach; staff are rewarded adequately for better performances.

**Themes for Research Question 2**

RQ 2 asked, howdoes the lived experience of external challenges

influence leadership effectiveness in Nigerian business organizations?All

participants described their lived experience as related to the effects of external

challenges on their leadership effectiveness.  Five themes emerged from the data analysis

that related to the external challenges affecting the leadership effectiveness of the

selected participants frommicrofinance institutions operations in Nigeria.

**Theme 6:External competition.**Ninety percent of the participants interviewed

recognizedexternal competition arising from unethical practices of other microfinance

organizations as one of the majorexternal challenges affecting their leadership

effectiveness.  The unethical practices of other microfinance institutions generate a bad

image for all the organizations in the industry.  Major focus on profit making rather than

fulfilling the primary aim of microfinancing business; high rate of loan interest, poor

documentation of clients' records, snatching of employees from other organization, non-

respect for client, poor loan recovering methods, disregarding of clients' debts with

another microfinance institutions, and other unorthodox sharp practices.  Because of the

unorthodox practices, bad images are created for the industry at large. Clients no longer

trust microfinance institutions as being client's friendly or friend of the poor.In general

businesses are lost and result into low level profiting for individual organization.Eighty

percent of the participants perceived that the unethical practices of other organizations

boast performances and draw more clients to their organization.

- **PB06E.**Most of us in the industry have experienced great business losses due to

competition arising from sharp practices of some operators in the industry.  We

have to result in more of commercial banking activities rather than the

microfinancing; lending athigh rate to high-worth clients and involvement in

trading activities to sustained operational costs.

- **PB08M.**  My organization is still very new in the industry, instead of seeing the

  unethical practices and the sharp practices of other organizations in the industry as

  a threat, we are using all their weakness for adjustment of our strength and ways

  of providing better services to the clients.  We restricted our operations purely on

  the core microfinancing operations and adhere to the rules and regulations of the

  Central Bank of Nigeria.

- **PB12E.**Competition is almost forcing us out of business.  The activities of our

  organization are guided by the strict culture that rule throughout our

  organizations. We don't cut corners and everything are done in agreement to the

  laws that governs microfinancing activities. We ensure that our costs are within

  the ranges of our income and try as much as possible to provide best services to

  our clients.

- **PB17E.**We have different types of microfinance institutions in Nigeria; National,

  Regional, and State. My organization have the State Status. The National

  microfinanceinstitutions have better coverage than us and enjoy economy of scale

  from their operations.Because of their net worth, they cut down rates of interest

  on loans and give higher savingsrates to clients.  This make them to enjoy high

  patronage from more people than us.

**Theme 7: Economic recession.**All participants recognizedthe poor state of Nigerian economy as a major external challenge for leadership effectiveness in microfinance institutions.  Participants believed the situation in the country is an accumulation of past economic decisions of former leaders of the Nigerian federal governments, decrease in oil production and oil income, depreciation of federal governments assets, and poor management of economic activities.  Participants believedthat for microfinance business to grow in Nigeria, the economy must be stable and the government must increase economic activities.Economic recession has caused several declines in all government supported infrastructures.  Organizations are now paying more to enjoy basic infrastructure, resulting into decline of profits.

- **PB01E.**The present economic recession in the country has made business activities impossible. The state of the economy is stiff and the purchasing power of people have declined.The culture of savings has declined. The situation has affected our business and forced us to move away from the main microfinancing operations to similar profitable activities.

- **PB04M.**Microfinance business depends more on the ability of clients to save money and able to lend money at the appropriate time. The recession has forced our clients to reduce their savings because they don't have confidence in the economy. Many people haven't received salary for several months and were unable to make their regular savings. Prices of goods and services are raising and clients have reduced their business operations because nobody will be willing to buy from them at high prices. It is a bad season for us in this industry.

- **PB19M.**It is interesting that people are complaining about the economy right now. In my organization, this period is a good period for us because of our focus. We haveanticipated the situation some months ago, and have deployed our efforts into building up savings from our clients. Our clients are the low edge category and they want to take up loans for small business activities, our rates are low and they can patronize our products and we can add values to their activities.

**Theme 8. Government regulations.**All the participants recognizedthe effects of direct and indirect government regulations as a major external challenge forthe leadership effectiveness in microfinance institutions.  The federal government indirectly regulates the activities of microfinance institutionsthrough her policies as it related to business in general; however, in Nigeria the Central Bank of Nigeria directly regulates all microfinance institutions.Participants believed that the constant change of government policies and controls of regulatory agencies has impacted negatively on business organizations in Nigeria.  Generally, participants perceived that appropriate and regulated policies should be designed by the federal government that should aim at improving the performances of microfinance institutions to contribute to the growth of the economy.Participants also believed that business opportunities authorized for microfinance institutions by Central Bank of Nigeria are inadequate to make proper returns on capital invested.

- **PB08M.**In Nigeria, government policies are changed arbitrarily and goes a long way to affect business activities negatively. For example, States government were expected to keep up to 1% of their Annual capital budget with microfinance

institutions for lending to assist economic activities of residents of the state;
however, this expectation has not been followed by any state government.

- **PB04M.**Non-transparency and non-communication of government policies by the appropriate agencies of government made planning so difficult for business people in Nigeria. It is difficult to get the right information at the spot that will aid organization at the planning stage of their business. Most policies are guess work, not straight forward. Different arms of government charge similar taxation and levies.Our organization suffered all forms of double taxation, which cumulate to huge costs at the end of any financial year.

- **PB16E.**The regulatory activities of the Central Bank of Nigeria are so stiff. More time spent in meeting up the conditions of the regulators rather than spending time on our operations. Regulations are set up without consultation with operators of the market. We just must obey for us to remain in business.

- **PB08M.**The inconsistency changes of government policies have posed great challenge to our activities by exposing us to unnecessary rivalry with other financial institutions. In 2007, the Central Bank of Nigeria consolidated banks, within another five years, banks were further reclassified. The reclassification has brought down the operational capacity of some banks to the level of microfinancing, which has posed challenges to us.

- **PB09M.**Though we might say that the regulators are strict on us but I believe the monitoring activities of the regulators have put lot of checking and controls in place that is giving our industry sanity. The Central Bank of Nigeria ensure that

all of us in the industry followed the right practice codes and any erred

organization are punished per the law.

- **PB20M.**The Central Bank of Nigeria is the regulator of not only the microfinance

  institutions but other financial institutions in the country. The multiplicity of the

  Central Bank of Nigeria activities pose a detailed regulation challenges.

  Inspectors from Central Bank are trained not tailored to the microfinance

  activities but on general banking functions, which made it more difficult for them

  to do proper monitoring and control of our activities.

- **PB17E.**We expect the Central Bank of Nigeria to set-up Credit Bureau for

  monitoring of client's credit rating. But this is not the case and clients are taking

  advantage of borrowing funds from different microfinance institutions at the same

  time without ability of repayment.

   **Theme 9: Corruption.**Eighty percent of the participants interviewed stated that

corruption was a major issue in Nigeria and was indirectly challenging leadership

effectiveness in microfinance institutions.  The general belief expressed by participants

was that corruption existed inall areas of business activities in Nigeria.  All arms of

government were seento be corrupt and the cost of business transactions are high

because of all the indirect costs that cannot be accounted for during transactions.

Corruption is not limited to the activities of government agencies but is also found within

corporate governance and the activitiesof stakeholders of the microfinance institutions.

- **PB12E.**Corruption has wrecked-havoc in many sectors of the Nigerian economy.

  The microfinance institutions are not left out of the damages from corruption. For

example, members of our Board use their position to influence activities within the company.  They took up loans above the regulated amount with no intention of paying back such loans.

- **PB17E.**We know that corruption exist and it is important sometimes to pay money to people in government offices to get favor from them. But the culture of our organizationmakes it difficult for us to facilitate such transactions and because of that we experience delays in some areas of our dealings with our regulators.

- **PB20M.**  Politicians in government are using their influences to get the accreditation to set-up microfinance institutions, despite their not meeting up with all requirements.   They pump in money from other sources to run the business of microfinancing and expect immediate returns on their investment.  They used their political positions to influence the operations of their microfinance institutions.

**Theme 10: Foreign exchange fluctuations.**Allthe 20 participants statedthat the foreign exchange fluctuation isone of the most crucial external challenge affecting leadershipeffectiveness in microfinance institutions.  The frequency and inconsistency of foreign exchange policies of the Central Bank of Nigeria have contributed to weakening of international investors' confidence and triggered high requests for repayments of outside investments and putting microfinance institutions in stress. The fluctuations have caused dwindling access to foreign investment because of the reactions by international investors to the foreign exchange situation in Nigeria. The decrease in value of Naira against the U.S dollar has caused depreciation in the general assets valuation of most

microfinance institutions.

- **PB01E**. In October 2015, dollar was being exchanged for about N100 but as February 2017, dollar is being exchanged for N510. This seriously affected our operationsbecause some funds received from International NGOs in dollars' value has grown into large amount and repayment is so difficult. We have serious losses arising from the differential in rates at the time of repayment.

- **PB06E.** Dealing with foreign exchange fluctuations is all about managing risk, as fluctuations are by their very nature unpredictable. At the initial stage, we could structureour foreign indebtedness by making adequate provisions against exchange fluctuations but that has become so difficult and we are not sure of the future of foreign investments.

- **PB09M.** The foreign exchange fluctuations have a positive effect on our business. The high cost of business transactions has discouraged many business people from doing international businesses. That has made them to looked inwards into local businesses and to source for local funding from microfinance institutions.

- **PB20M.** We have lost large number of foreign investors due to the exchange rate fluctuations and our inability to repatriate funds back to foreign investors as at when due.

**Themes for Research Question 3**

RQ 3 was designed for participants to make suggestions on changes that could be made in internaland external challenges that would improve leadership effectiveness in

Nigerian microfinance organizations.  Apart from suggestions relating to themes

identified for RQ 1 and RQ 2, participants suggested that the intervention of government

and improvements on unethical practicesby microfinance institutions would improve

leadership effectiveness.

**Theme 11: Government intervention.**All participants stated that the federal

government of Nigeria need to provide positive actions to improve theshort and long-

termperformance of the economy. Government need to stabilize the foreign exchange

market so that imports and exports activities are improve.  The federal government

should maintain stable regulations and control through the Central Bank of Nigeria.

Participants perceived that there is an urgent need for the federal government of

Nigeria to take a firm position on ensuring that all stakeholders in microfinance business

performs their roles as indicated in the Microfinance Policy, Regulatory and Supervisory

Framework for Nigeria.  The non-compliance of allstakeholders to the framework has

contributed to the slow growth in the microfinance business in Nigeria.

- **PB01E.** If only the Federal governmentwould consider improving the state of all

  social infrastructures in Nigeria and make available electricity 24 hours daily and

  repair our roads, things would be better in Nigeria.Reductions in taxation and

  abolishment of double taxation across the country.

- **PB06E.**  The Central Bank of Nigeria should improve on her regulatory activities

  and show good standard of operations in the industry.

- **PB10M.** The Federal government should do more in regulations than the present

  stage. There should be credit bureau to monitor credits of all clients. This will

assist in effective management of loans and reduce the loses of microfinance

institutions.

- **PB16E.**There should be standardization of foreign exchange in the country.

    Government should pump more forex into the economy to allow for easier

    conversion of currency as at when needed.  The federal government is presently

    using different rates of exchange for different transactions in the country. This has

    caused general problem and have resulted into scarcity of foreign exchange in the

    country. Most of our foreign investors have stopped transacting business with us

    since it has become impossible for them to repatriate their funds after maturity of

    their investments in Nigeria.

    **Theme 12: Ethical practices.**All participants stated that unethical practices by

other microfinance institutions in the industry were causing problem ofmistrust by

clients.  Most leaders in microfinance institutions are putting profit maximization before

the interest of the growth of microfinance business.  Dealings in core banking business

occurs rather than the low interest yielding microfinance activities, which is beyond the

regulated activities of the industry. Leaders are not showing ethical behavior for their

employees to follow.  This has accumulated to the poor image for the industry.  People do

not trust microfinance institution operators again due to the sharp practices of operators.

- **PB06E.**  There is a need for all players in our industry to act in the best way of

    practice. Considering all ethical issues and no sharp practices.

- **PB09M.**Major players in the industry are shifting their focus from the main

    business of microfinancing into other ventures without any punishment from the

regulator. Microfinance institutions were met to cater for the poor but rather than doing that organizations were being run as a normal banking operations, making more profits than servicing the needs of the poor.  Investors are placing their personal gain above the primary duty of microfinancing.

- **PB12E.**Some other company in our industry are given the industry bad image. Some have disappeared with depositors' funds without any action against them or means of paying back the depositors.  Clients have showed dissatisfaction for doing business with microfinance institutions in Nigeria.

- PB18M.The procedures of recovering funds by us are ruthless. We are only concerned with the recovering of the loan rather than the progress or success of our customers.

## Summary

The chapter containsa discussion of the data collection methods and data analysis of data collected through face-to-face interviews, using 11 semistructured interview questions from 20leaders of microfinance institutions.  The 20 participants were recruited through purposive sampling from five microfinance institutions in Nigeria. A pilot study using two managers from a similar organization to test the validity of the questions for the study was conducted.  The results of the pilot study were not included in the data analysis of the study.  The participants in the pilot study raised no issues concerning the interview questions, and no adjustments were madeto the interview questions.  NVivo 11 application software was used for the data analysis of the data collected, which generated 12 themes that were related to the research questions and the

conceptual framework of the study.  Responses to the interviews as related to each of the

research questions were presented.  The chapter alsoincludes steps taken to ensure the

validity of data collected in the study.Chapter 5 includesthe conclusions and

recommendations from the results of the study.

Chapter 5: Discussion, Conclusions, and Recommendations

The purpose of this qualitative phenomenological study was to explore the influence of internal and external dynamics on business leaders in Nigerian microfinance organizations. Obtaining microfinance leaders' perceptions of daily challenges may assist in better understanding what can aid in increasing leaders' effectiveness in an organization. The qualitative research method, with a phenomenological design, was used for the study and involved the use of 11 face-to-face semistructured interview questions to collect data from 20 microfinance managers. Fifteen of the participants held positions in middle management and five held executive positions.

The findings of my study revealed thatthemes of staff turnover, financial fraud, knowledge gap between managersand staff members, lack of real time technology, ethical behavior of leaders, and organizational bureaucracy are major dynamics of internal challenges limiting leadership effectiveness in a microfinance organization.Additional findings from the analysis surfaced from responses of the participants that foreign exchange fluctuation, thepoor state of Nigerian economy, competition from unethical practices of other microfinance organizations, constant changes of government policies and poor regulatory controls, and noncompliance with Microfinance Policy and Framework by stakeholders as the major dynamics of external challenges limiting leadership effectiveness in a microfinance organization.The results further revealed a consensus from 80% of the participants that there is a need for government intervention in providing better infrastructure and adequateregulatory controls in Nigeria.

**Interpretation of the Findings**

The research questions addressed in this study were as follows:

RQ1. How does the lived experience of internal challenges influence leadership effectiveness in Nigerian organization?

RQ2. How does a lived experience of external challenges influence leadership effectiveness in Nigerian organization?

RQ3. What changes in internal and external challenges faced by leaders in Nigerian organization can improve leaders' effectiveness?

The 12 themes generated from the findings of the study were related to the three research questions.

**Theme 1: Staff Turnover**

Employees are essential to the success of an organization. Participants perceived that staff turnover had caused distortions in their operations and resulted in poor overall performances of departments. To ensure leadership effectiveness, leaders must properly monitor the activities of all engaged staff within anorganization. Dike (2014) stressed that staff turnover and staff low performances are challenges of human resources affecting the effectiveness of individual leader in an organization. Staff turnover becomes problematic because of the negative impact on a leader's performances. By understanding the reasons behind staff turnover, leaders can devise retention initiatives that reduce turnover and increase retention.At times the solutionsare beyond the control of the leader, which creates stress and discontinuity in activities of the leader.

Leaders face challenges of disgruntled and dishonest employees. Staff collude

with others to defraud organizations because of weak internal organizational controls, which often results in losses for the organization by laying off staff members involved in fraud because of exposure to large amount of cash. The process of laying off staff for fraudulent activity and recruiting new staff, or deploying staff from other departments creates gaps in the operations of the affected department and the concerned leader. Staff leave an organization for various reasons, including searching forbetter conditions of service, higher pay, not feeling fully engaged, and being poorly managed by leadership. Ochulor (2011) confirmed that employees will leave an organization willingly if their dreams are not achieved.

As noted by participants, to achieve leadership effectiveness, leaders must improve relationships with colleagues, select the right staff, and train staff on the core behavior and cultures of the organization. Leaders must offer additional rewards along with traditional pay to staff and take a proactive approach to employee relationships. Leaders must discussorganization's goals and objectives with staff, improve communication with staff, develop a better performance appraisal system, and properly segregate work duties(Ejere, 2013). Leaders will gain the support and commitments of the employees toward achieving the overall goals of the organization.

To effectively lead staff, a leader must reduce cynicism of employees and increase compensation packages. Van Mart (2013) confirmed that staff who are well-compensated, challenged, engaged and properly managed will likely be loyal, productive members of the organization for years to come.

**Theme 2: Strict Culture**

The management of the culture is one of the challenges facing microfinance business leaders in Nigeria irrespective of the bottlenecks created by the bureaucracy. The culture of an organization starts with the leadership of an organization. Tohidi and Jabbari (2012) confirmed that organizations with an appropriate culture not only comply with legal and ethical standards but also internalize them from top to bottom. With the right culture, leaders within an organization can comply with all legal and ethical standards of an organization and serve as a guardian of integrity. A positive culture made is easier for a leader to maintain than a culture that causes employees to hinder an organization from meeting its mission and goals (Tohidi & Jabbari, 2012).

The findings of this dissertationstudy are evidence that the culture in the organization assists leaders to be successful. The strict culture of an organizationshas been the source of effective management for leaders by ensuring adherence to the norms of an organization, strict compliance to standards, and maintenance of integrity (Sheu & Mahmood, 2014). Most business leaders could solve ethical issues arising from improper transactions by simply abiding to the rules and regulations as portrayed by the organizational culture (Sheu & Mahmood, 2014).

Nigeriansare high in power distance, which means that employees or followers show respect and fear toward their leaders. Dike (2014) emphasized that business leaders in Nigeria have difficulty in achieving much from employees because employees are rarely comfortable working in the presence of their leaders or exhibiting extraordinary skills. Leaders in organizations must possess a strong moral fiber to seek to appoint, develop, and reward others of the same character.Leaders must ensure consideration of

employee's goals with organizational goals and appraise all elements of culture to sustain organizational culture (Sheu & Mahmood, 2014).

**Theme 3: Technology**

Technological innovations are among the factors that triggered the rapid transformation of the economy in Nigeria. The rapid growth in technology has created demand for adaptability of creative leaders to make the transition from manual systems. Effective usage of innovations technology system aids leaders to obtain real time data for strategic decision-making and has a positive impact on their effective performance.

Effective management information systems provide the necessary flexibility that will enable safe and reliable operations in an organization. Das (2013) espoused that a management information system creates a platform for information initiatives that aids operations of automated teller machines, short messaging services, and mobile banking. The management information system enhances operations and creates easy access to financial transactions and safety for microfinance institutional funds.

The absence of regular electricity, an unreliable internet system, limited financial capacity, and the knowledge gap created difficulties for leaders in microfinance institutions to take advantage of the benefits of management information system. Das (2013) encouraged technological advancement for leaders in microfinance institutions training, investment, and researchto help reduce leaders' concerns. With technological innovations, organizationsoften have inspirational trained management, motivated employees, and a sustained culture of innovation (Das, 2013).

Owners of microfinance institutions should inject more capital into their

organizations for capital projects and enhancements of the organization operations.

Support can be derived from international agencies.  The microfinance policy

framework by the Central Bank of Nigeria allows support from international agencies

for technical support and for provision of funds at minimal interest rate for the provision

of technological innovations (Central Bank of Nigeria, 2015).Leaders in microfinance

institutions should take advantage of the provision of the microfinance policy

framework by the Central Bank of Nigeria and make efforts to generate support from

international agencies for technical assistance to improve innovations in technology.

**Theme 4: Capacity Building**

The findings of this study revealeda shortage of qualified human resources and

a wide knowledge gap between the topmanagement and other staff in microfinance

institutions, especially recent graduates who are not well qualified.  Major causes

attributed to the standard of educational system in the country and lack of adequate

professionalexperience of the staff.  Ochulor (2011) espoused that leaders have

the responsibility to identify employees in an organization for training opportunities, for

rewarding or promoting, and for corrective action that express challenges to single

employees out in a collectivist culture.  Selection of employees by leaders for training is a

major issue in collectivist culture in Nigeria.  Some selection might be termed as

favoritism to a selected group despite following the laid down procedures for selection.

Human capital accumulation through on-the-job-training for workers with low

qualification increases productivity and improves competitiveness in an organization.

As Oluseye (2014) noted, improving and upgrading the competencies of employees

is important to an organization.To improve employment, skills of employees need to be enhance through capacity building. As the industry of microfinance in Nigeria grows, the demand for competent middle level managers in the industry will increase.

Latham (2014) pointed out three constraints affecting training for managers: (a) the belief that senior management does not requiretraining, (b) a mindset that senior management does not have the time to attend training, and (c) inadequate capacity of senior management to implement the outputs of training within the industry. Microfinance institutions should see training as an investment for an organization rather than as an expense. Efforts must be put in place for training and capacity building as part of human resources retention in an organization.

**Theme 5: Leadership**

The success of an organization depends on managers and their leadership capabilities. Through the application of appropriate leadership styles,managers can affect employee performance within an organization (Méndez et al., 2013).The findings revealed participants leverage team spirit and practice situational leadership, which is much closer in theory to transformational leadership.  Transformational leadership encourages employee participation.  Fajana and Shadare (2012) believed thatthe transformational leadership style is lacking in most African organizations because leaders may feel that subordinates are not ready to offer ideas on how to manage an organization andtherefore do not allow them to participate in decision-making and problem solving. Participants in my study believed thatif employees are given opportunities, they will participate and contribute to the success of the organization.

The national culture of Nigeria follows a top-down flow of information from the authorities that the citizens have embraced.  Participatory or transformational leadership, as indicated by Theory Y, which includes an assumption that subordinates know what they are doing may be challenging to leaders (Osemeke, 2011).  All staff should be given opportunities to participate in decision-making for the interest of the organizational growth. Transformational leadership encourages employee participation.Tonkham (2013) espoused that the role of leaders is to inspireand motivateothers to meet the common objectives of an organization.Most importantly, transformational leadership enables each party to achieve personal goals while achieving organizational goals in the process.  Through transformation leadership leaders transform their followers into people who jointly adhere to model and end values.

The findings of my study revealed how situations shaped leaders' behavior.  The contingency theory model emphasized the importance of leaders' relationship with followers and how these relationships influenceleaders' behavior in a complex environment (Berger, 2013).  The situational leadership practiced by 80% of the participants let leaders know how to behave in each situation and how contingencies shape leaders' preferences in decision-making. Leaders need to be able to assess their chances of success under any situation and how their preferences match the set of contingencies.

**Theme 6: External Competition**

The external environment of an organization consists of factors that affect business from the outside, including competitionfrom organizations in the same

industry (Abraham & Balogun, 2012). Ninety percent of the participants interviewed recognized external competition arising from unethical practices as one of the major external challenges facing leadership effectiveness in microfinance institutions.

Competition connotes the behavior that another organization exhibits in terms of winning the market by seeking, on a continuous basis, to gain advantage over each other including snatching of employees from other organizations. External competition might affect the operations of microfinance institutions in different ways: (a) indirectly on the industry, and (b) directly on the internal operations of the microfinance institution.

The emergence of miracle or magic banks from time to time has done a great deal of disservice to the image of microfinance banks. Magic or miracle banks spring up without any license,promises to pay outlandish interest on deposits, mobilize deposits from the greedy and disappear. Most of the victims of fraud are customers that microfinance institutions should service but have become skeptical about banking after their miracle bank experience. Many others do not see any difference between those magic banks and the licensed microfinance institutions.The findings of my study revealed that unethical practices of other microfinance institutions generate a bad image for all organizations in the industry.

Abraham and Balogun (2012) asserted that the effective management of unethical practices of other microfinance institutions enable organizationsto adapt to the effect of the competition as desired, thereby capturing the desired competitive edge and sustainable business value. Indicators for competitive edge include required depositors, deposits, disbursed loans, loan servicing rates, arrears rate, loan repayment rate, risk

profile, loan recovery rates, loan loss rate, and client goal attainment.

**Theme 7: Economic Recession**

The findings of my study revealed that the poor state of Nigerian economy is a major external challenge for the leadership effectiveness in microfinance institutions. Economic recession leads to general economic decline and blame for recession falls on the central leadership of a country (Ejere, 2013). Recession affects everything in the economy;once recession affects the purchasing power of clients, the repayment capacity is affected. Clients' inability to pay back loans affects the earnings on microfinance institutions.

The nonperforming loans in the industry is at a high level and clients are willing to pay but the ability is not there because of a lack of money due to the recession.As stated in the Financial Stability report of the Central Bank of Nigeria, financial institutions including microfinance institutions recorded N1.02 trillion bad loans in the first half of 2016. Non-performing loans in the period under review grew by 158% from N649.63 billion at end-December 2015 to N1.68 billion at end-June 2016. The ratio of bad loans to total loans more than doubled to 11.7% in the first six months of the year 2016 from 5.3% at the end of 2015. The economic recession experienced by the country during the year caused the problem, which has resulted into downsizing of staff, reduction in staff salary, and loss of earnings for the microfinance institutions. To experience leadership effectiveness within microfinance and for business to grow in Nigeria, the economy must be stable and government must increase economic activities.

**Theme 8. Government Regulations**

The federal government of Nigeriaregulates business activities through policies in Nigeria, while the CentralBank of Nigeria directly regulates the activities of all microfinance institutions in Nigeria. The constant change of government policies and controls of regulatory agencies have impacted negatively on business organizations in Nigeria (Dike, 2014). Findings indicated that the constant change in government policies have impacted negatively on the abilities of the regulatory bodies for policy monitoring and implementation. All the participants believed that government and regulatory bodies have failed with the Microfinance Policy, Regulatory and Supervisory Framework for Nigeria.

To experience growth in business in Nigeria, appropriate and regulated policies should be designed by the federal government that should aim at improving the performances of microfinance institutions to contribute to the growth of the economy. Government should ensure consistency of policies any time a change takes place in the governmental regulations.

**Theme 9: Corruption**

Corruption is pandemic in Nigeria. Corruption is always associated with some form of dishonesty for personal gain. Corruption has been termed Nigeria's number one problem and a means to accumulate wealth in Nigeria (Dike, 2014).Corruption occurs in many forms and has contributed immensely to the slow growth of microfinance businesses in Nigeria.

Findings revealed that all arms of government were perceived to be corrupt and

microfinance institutions in Nigeria are not alienated from pervading corruption in the country.To create a corrupt free environment, leaders in microfinance institutions should evaluate their operations and decline to provide tolerant environments for corrupt practices.  Leaders should not be party to corrupt practices and need to be quick to report such activities to government agencies charged with the task of eradicating corruption in Nigeria.

**Theme 10: Foreign Exchange Fluctuations**

In Nigeria,shortage offoreign currencies and the inconsistency offoreign exchange policies of the Central Bank of Nigeriahave constrained the activities of microfinance institutions.  The foreign exchange fluctuations have contributed to weakening of international investors' confidence andhave triggered high requests of refunds of outside investments and puts microfinance institutions in stress (Kanu& Isu, 2015).Participants noted that microfinance institutions have great losses from investments from outside the country and the asset base has been reduced due to high foreign exchange rate fluctuations. As one participant responded, "We have lost great number of foreign investors due to the exchange rate fluctuations and our inability to repatriate funds back to foreign investors as at when due."

The Microfinance Policy, Regulatory and Supervisory Framework for Nigeria allowed partnering of microfinance institutions with other stakeholders, especially international donor agencies and investors.  Donor agencies and international investors provide free or subsidized funds for the operations of microfinance institutions in Nigeria. The findings of the study revealed that leaders in microfinance institutions are

having challenges of repaying international agencies and investors at due date. The

exchange rate fluctuations have created huge losses for microfinance institutions.

To alleviate the foreign exchange fluctuation the federal government of Nigeria

must invest more foreign exchange into the economy. The Nigerian government also

needs to put in place policies that would stimulate local production targeted at

exportation that might take the burden of flooding the market with foreign currencies off

the CBN. From the first quarter of year 2017, the CBN has supported the economy by

deploying foreign currencies to balance the forex problems in Nigeria. Rather than

deploying the bulk of the nation's burgeoning foreign reserves and excess crude account

to defending the Nigerian Naira, the government should deploy the resources to putting in

place critical infrastructure that would stimulate and sustain local production.

**Theme 11: Government Intervention**

The findings of my study revealed that there is an urgent need for the federal

government of Nigeria totake firm position on ensuring that all stakeholders in

microfinance business performs their roles as indicated in the Microfinance Policy,

Regulatory and Supervisory Framework for Nigeria. As stated by participants,

some of these roles include:

1. Ensuring the stable macro-economic environment, providing basic infrastructures

   (electricity, water, roads, telecommunications, etc.), political and social stability.

2. Instituting and enforcing donor and foreign aid guidelines on microfinance.

3. Setting aside an amount of not less than 1% of the annual budgets of state governments for on-lending activities of microfinance banks in favor of their residents.

4. Adopt an appropriate regulatory and supervisory framework.

5. Minimizing regulatory arbitrage through periodic reviews of the policy and guidelines.

6. Implementing appropriate training programs for regulators, promoters, and practitioners in the sub-sector, in collaboration with stakeholders.

**Theme 12: Ethical Practices**

The Chartered Institute of Bankers in Nigeria set the Code of Ethics and Professionalism (CBEC) for all bankers including leaders of microfinance institutions. According to the Institute, the overall objectives of the Code of Ethics are to ensure the highest level of adherence to good banking practice and a strong commitment to high ethical standards in the banker-customer relationship. The aim of the CBECis also to enable financial institutions, regulatory bodies, employees of banks and members of the Institute to know in clear terms, what acts, conducts, commissions and omissions and practices are considered unethical and unprofessional and the appropriate sanctions that would apply for non-compliance.Adherence to the standards of the CBEC can bring about discipline and professionalism in the banking and finance industry.

For improvement, all stakeholders in the industry, namely shareholders, directors, top management, the regulators, and the government, should be leading the management of ethical dilemmas in the microfinance industry to be managed.  Regulators must

provide institutional framework for self-regulation of the industry and the enforcement of the CBEC to eliminate charlatans and promote global best practices.

## Limitations of the Study

The study findings, sample size, and issues of trustworthiness may present certain limitations in a study. The first limitation of this study was the honesty of the participants. The participants were encouraged to be truthful in their answers and encouraged to elaborate on responses when deemed necessary absent time constraints. The prolonged engagements with participants during the face-to-face interview added credibility to the study. The recorded and transcribed responses of the participant's perspectives were verified with member checking. The method allowed the participants to check theirtranscripts contained all issues discussed.

The second limitation for this study was the sample size of 20 participants who were from different geographic locations of Nigeria. The sample size reduced the capacity to transfer the findings of the study beyond the study participants. Despite the use of purposeful sampling to identify the participants from the selected five microfinance institutions, securing additional participants was a challenge.

The third limitation of the study is time constraints. Data collection from face-to-face interviews held over a period of 14 days. The timeline and the schedules for the interviews conflicts with official working hours of some participants and interviews were rescheduled to accommodate participants' availability.

**Suggestions for Improving Leadership Effectiveness**

Table 5 provides summary of suggestions for RQ 3 from all the participants for

improving leadership effectiveness in relationship to challenges mentioned in RQ1 and

RQ2 in microfinance organization in Nigeria.

Table 5

*Suggestions for Improving Leadership Effectiveness*

| RQ 1 | Suggestions for Improving Leadership Effectiveness | % |
|------|-----------------------------------------------------|-----|
| RQ 1 | -Empowerment of active poor people at the bottom of the pyramid | 80% |
| | -Designing the right products and services for primary clients | 80% |
| | -Taking services and products to the door steps of clients | 60% |
| | -Improvement in service delivery turnaround | 90% |
| | -Periodic sensitization of customers | 55% |
| | -Following globally tested practices of microfinancing | 90% |
| | -Respect for clients and privacy of client data | 90% |
| | -Manage cash flow of the company | 50% |
| | -Better lending conditions and processing | 90% |
| | -Develop strong database for clients | 98% |
| | -Improve staff recruitments processes and better motivational drives. | 85% |
| | -Staff capacity building and good training system | 70% |
| | -Improvement in staff scope of duties and time management | 90% |
| | -Better internal control systems | 55% |
| | -Funding of technological base of the organization | 64% |
| | -Automation of operations | 98% |
| RQ 2 | -Better supporting infrastructure | 98% |
| | -Establishment of credit bureau | 98% |
| | - Provision of foreign exchange by government | 90% |
| | -Better relationship with all stakeholders; internal and external | 86% |
| | -Effective regulatory functions by Central Bank of Nigeria | 99% |
| | -Reductions in taxes and levies by the federal government | 80% |
| | -Improvement in the economy | 99% |
| | -Standardization of operations in the industry | 99% |
| | -Cooperation between government and practitioners | 99% |
| | -Research and development | 85% |
| | | 90% |
| | | 60% |
| | | 55% |

## Recommendationsfor Further Research

The purpose of this qualitative phenomenological study was to explore the influence of internal and external dynamics on business leaders in Nigerian microfinance organizations. The findings of this study confirmed that both the dynamics of internal and external challenges limits leadership effectiveness and confirmed that leaders' understanding of the solutions to the dynamics will increase leadership effectiveness in microfinance institutions in Nigeria. The findings mayhelp support the solutions to the dynamics for leaders of microfinance institutions, but may not provide leadership effectiveness for leaders in other industries in Nigeria. I recommend further studies on effects of dynamics of internal challenges on leaders in other sectors of the Nigerian economy and a comparative study in other countries.

The focus of the study was on the lived experience of leaders of microfinance institutions that can represent the views of major business leaders in Nigeria. The responses by participants were on the organization rather than the leaders. When assessing leadership effectiveness, among other factors to consider, emphasis must be on the relationships of leaders with followers in achieving a balance between organizational goals and individual goals. The results of the study did not reveal much on the relations between leaders and followers but there appears to be a need for future research on employees' perception of challenges facing organizational leaders.

Government intervention on enforcing the Microfinance Policy, Regulatory and Supervisory Framework for Nigeria was noted as a way of improving the responsibilities of leaders in microfinance institutions and all other stakeholders. A better understanding

of the Microfinance Policy, Regulatory and Supervisory Framework for Nigeria will enhance productivity of leaders in the industry. Future research is necessary on the importance of the Microfinance Policy, Regulatory and Supervisory Framework for Nigeria on leadership effectiveness on microfinance institutions. There is a need for consideration of changingthe methodology for future research. Conducting a study using a case study method instead of a phenomenological study could be useful in comparing the effects of the dynamics of the challenges on leaders in different industries in Nigeria.

The selection of leaders from microfinance institutions is not sufficient to reach a conclusion for the study. Apart from expanding the scope of the research, future research must expand selection of participants to include other participants from other industries in Nigerian private sector. The opportunity to select different participants would give such future research the opportunity to triangulate the research for better reliability and ability to replicate the study in other developing nations.

## Implications for Social Change

Leadership effectiveness has been a major challenge across political and business environments in developing nations. The significant findings of this study confirmed that an increased understanding of hindrances of effective leadership caused by external and internal dynamics may assist in raising the economy of the country and in turn increase the quality of life for citizens. My study did not focus on leaders' tasks structure and interpersonal relationships with employees but rather on how situational circumstances influences leader's efficiency through the essence of the lived experience of the leaders.

At the individual level, business leaders exposed to appropriate leadership

roles and practices can transform to efficient leaders despite challenges faced. The transformation experienced by leaders could make leaders be more productive and have better working relationships with other employees and improve the productivity of the organization. The opportunities provided by leaders have the potential of increasing the motivational level of employees and encourage achievements of goals from all level of staff in an organization. Firmed organizational culture creates better working environment for employees. Better management of the organizational culture will increase employee morale, commitment, and productivity. The management of organizational culture can assist leaders to develop better strategies of employee's engagements in an organization.

At the organizational level, leaders may promote organizational social change by controllingethical issues pertinent to ethical practices in the industry. The ability of leaders to connect ethical leadership, organizational performance, and organization's environment would lead to more stability across the industry. Leaders would focus more on standards and codes of conduct of the industry rather than maximization of profits.The consistency in structuring ethics in business processes can support long-term sustainability in the industry.

At the society level, the expected efficient transformational growth of leaders experienced in organizations may increase the productivity of the businesses and increase profitability, that can from a broader perspective, increase the economy of Nigeria, and develop an increased gross domestic income. Further, the findings of the study provided

a direction for future research in internal challenges and serves as a model for countries

that share the same identity with Nigeria.

The findings of the dissertation study help to bridge the gaps in literature in terms

of areas of effective leadership.  As noted in Chapter 1, researchers have considered

external challenges but rarely considered the effects of internal challenges on the

activities of business leaders in Nigeria.  This study provides insight into the effects of

the dynamics of the challenges limiting the effectiveness of business leaders.  The overall

effect of understanding the challenges is better cooperation among leaders and employees

of an organization, which leads to enhanced productivity, reduction in operational costs,

and increased profitability for the organization.

## Conclusions

The purpose of this qualitative phenomenological study was to explore the

influence of internal and external dynamics on business leaders in Nigerian microfinance

organizations.  For the study, I explored the existing literature, applied a qualitative

research method with phenomenological design, and used 11 semistructured interviews

questions with 20 leaders of microfinance institutions in Nigeria as participants.  Twelve

themes were generated from the interview responses that related to the three research

questions of the study.  The findings of my study described how both internal and

external challenges can affect leadership effectiveness in an organization.

I concluded that better management of the effects of the dynamics of the

challenges may increase leadership effectiveness in microfinance institutions.  To achieve

leadership effectiveness in organizations, leaders need to be ethical, better managers of

organizational culture and discourage all forms of corrupt practices. Ethical and moral behavior can become the norm between leaders and employees to reduce the number of unethical practices in Nigeria.

Despite organizational, political, and the environmental challenges facing leaders in Nigeria, potential exists for increased economic productivity and better standard of living for Nigerians. Government intervention in providing better infrastructure and adequate regulatory control for all industries in Nigeria is critical for organizational success in Nigeria. The overall conclusion is that the dynamics of both the internal and external challenges affect leadership effectiveness. The determination of whether the effects of external challenges are higher than the internal challenges are far from being resolved. There are opportunities for further research with a different scope and methodology.

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Appendix A: Interview Protocol

Dear Sir/Madam,

Thank you for your willingness to be in this research study. My name is Adesina Adegunle. The conduct of thisresearch study is in partial fulfillment of a doctoral degree in management. The information you provide today is important in the area of management because it can contribute to helping leaders like yourself learn more about the internal and external challenges you face on a daily basis in Nigeria companies. By studying the challenges, the results of this research may be beneficial to leaders in similar organization.

The interview will focus on the challenges you are facing as a Nigerian business leader and how you deal with them as an effective leader in your daily work. The 11 interview questions address the three major research questions of the study. I solicit your honest response to the asked questions in this interview. However, if at any time during this interview session you have any concern, please let me know so that we can address them. You may stop at any time, ask for a break, or pass on answering a question. Let us begin.

**Demographic Questions**:

1. What is your gender? _____

2. What is your age bracket? 20-29 ___ 30-39 ___ 40-49___ 50-59___ 60+ ___

3. What is your highest educational degree? _____

4. What is your current position title? _____

5. How many years have you held a management position? _____

6. How many years have you been employed at this organization? _____

7. How many years have held a management position with this organization? _____

**Interview Questions:**

1. What are the major internal challenges in your organization?

2. How do these internal challenges affect you in your daily operations as a leader in your organization?

3. How would you describe the core business culture of your organization and your leadership style?

4. How does the business culture of your organization and your leadership style affect you andyour performance?

5. How do the ethical or perhaps unethical practices in your organization affect you?

6. What are the majorexternal challenges your organization faces?

7. How do these external challenges including government policy, laws, and regulations affect you in your daily operations as a leader in your organization?

8. How would you describe the core business culture of a similar organization and the leadership style of a co-manager in your organization?

9. How does the business culture of other similar Nigerian organizations affect you andyour leadership performance?

10. How do the ethical or perhaps unethical practices in other Nigerian organizations affect you?

11. What changes could be made in internal and external challenges that you believe would have a positive influence on your effectiveness?

Appendix B: Letter of Cooperation

ABC…. Microfinance Nigeria Limited

December 1, 2016

Dear Adesina Adegunle,

Based on the review of the two-page executive summary of your research proposal, I give permission for you to conduct the study entitled "Investigating Challenges Facing Organizational Leadership: A Phenomenological Study of Nigerian Business Leaders" in our organization ABC Microfinance Nigeria Limited.  As part of this study, I authorize you to recruit four participants from our organization (two senior managers and two middle level managers with minimum of five years' managerial experience). Individuals' participation will be voluntary and at their own discretion.  The conducts of the voluntary face-to-face interviews are to during participant's personal time, preferably lunch, and before and after the business workday.  Please note that all information provided by participants is personal judgment as distinct from the organization point views.

We understand that our organization's responsibilities will not include access to all personnel, rooms, resources, and supervision that the researcher will require.  We expect to have a review of the findings of the study after the conclusion of the final reports.  We reserve the right to withdraw the participation of our staff from the study at any time if our circumstances change.

I confirm that I am authorized to approve research in this organization and that this plan complies with our organization's policies. I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the student's (Adesina

Adegunle) supervising faculty/staff without permission from the Walden University IRB.


Sincerely,


Chief Executive Officer

Walden University policy on electronic signatures: An electronic signature is just as valid as a written signature as long as both parties have agreed to conduct the transaction electronically. Electronic signatures are regulated by the Uniform Electronic Transactions Act. Electronic signatures are only valid when the signer is either (a) the sender of the email, or (b) copied on the email containing the signed document. Legallyan "electronic signature" can be the person's typed name, their email address, or any other identifying marker. Walden University staff verify any electronic signatures that do not originate from a password-protected source (i.e., an email address officially on file with Walden).

Appendix C: Invitation Letter

October 4, 2016

Chief Executive Officer
ABCDEF Microfinance Limited
Nigeria.

Dear Sir,

<u>Challenges Facing Organizational Leadership:</u>
<u>A Phenomenological Study of Nigerian Organizational Leaders</u>

This letter is to invite you to participate in a research study addressing challenges facing

organizational leadership with a focus on Nigerian microfinance institutions leaders.  The

selection for your participation is from your position as the chief executive officer/senior

manager in your organization with not less than five years' managerial experience.  The

purpose of the study is to explore the lived experience of Nigerian business leaders from

five microfinance institutions in their daily activities to understand internal and external

challenges affecting their leadership effectiveness.

If you agree to be in this study, you are to participate in an interview session that will last

approximately 20-50 minutes at your convenient location.  Your participation is

voluntary and you can withdraw at any time.  There will be no compensation for

participating in this study. If the results of the study are published, your identity will

remain confidential and your name will not be disclosed to any outside party.  There are

no foreseeable risks. Data collected will be stored in a secure and locked area for five

years.

Kindly let me have your intention to participate in this study via email to

Adesina.adegunle@waldenu.edu. You can call the Walden University representative at 1-

800-925-3368 ext.  1210# from within the USA, +1-612-312-1210 from outside the USA,

or email address irb@waldenu.edu in case you need to discuss anything regarding your

rights as a participant privately.  Upon receipt of your response to participate, a consent

letter forwarded for your signature.


Thank you for your interest.


Yours Faithfully,


**Adesina Olufemi Adegunle**
Researcher