

HUMANISTIC LEADERSHIP STYLES AND PROFITABILITY OF SELECTED FOOD AND BEVERAGES-MANUFACTURING FIRMS IN SOUTHWEST NIGERIA

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Abstract

Globally, the food and beverage industry face challenges in the ever-evolving market, necessitating innovative approaches for enhanced competitiveness. In Nigeria, the sector, despite being crucial for economic transformation, is confronted by market pressure. Even with technological advances, the sector's slow performance persists. This highlights the critical role of leadership style in influencing profitability. Hence, this study examined the effect of humanistic leadership styles (democratic and transformational types) on the profitability of selected food and beverage manufacturing firms in southwest Nigeria. This study adopted a descriptive research design. The study population comprised 2406 employees of selected food and beverage companies in the southwest of Nigeria. A stratified random sampling technique was employed to select employees in the selected firms, and a validated questionnaire was employed as the instrument for data collection. The findings revealed that humanistic leadership styles had a significant effect on the profitability of the selected firms (Adj R²= 0.063, F(2,414)= 15.027, p= 0.000). This study recommends that food and beverage manufacturing firms in southwest Nigeria should consider promoting leadership approaches that prioritize employee well-being and collaboration. In addition, encouraging leaders to adopt these styles can enhance firms' financial performance.

1.1 INTRODUCTION

Globally, unrestricted market competition and trade liberalization have compelled manufacturing companies to constantly devise new approaches to driving performance and achieving corporate goals (Robinson & Onuoha, 2023). It is a challenge for most dynamic manufacturing firms to find new sources of increasing competitiveness under the current economic circumstances to find new sources of increasing competitiveness (Basit et al., 2018). The challenge of increasing the food and beverages sector's performance has become

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necessary because it is one of the key sectors for the transformation of the Nigerian economy, apart from oil and gas (Robinson & Onuoha, 2023). This is because the industry is at the forefront of the manufacture of household products in the country but has presently come under significant pressure from the Nigerian market. Today's food and beverage firms aim to achieve better product quality, increased production, and optimum performance (Akanmu & Ghozali, 2023; Chen & Voigt, 2020). The era of responding to these challenges through process automation is perhaps gone, and if the food and beverage industry wants to maximize performance, it is imperative for the sub-sector to adopt a paradigm shift in leadership styles and the creation of a good corporate culture by management (Ukaidi, 2016).

An appropriate leadership style and healthy organizational culture can influence and ensure high-performance manufacturing firms (Abiso et al., 2016). The reason for this is that performance is an important construct in leadership that determines how manufacturing industries can be managed effectively. In an organizational context, it is a very broad concept that reflects the heterogeneous nature, circumstances, goals and objectives of an organization at a given time. Performance is synonymous with efficiency, effectiveness, and competitiveness in business organizations (Akpa et al., 2021). This makes the meaning of firm performance an open subject for further inquiry, and as such, defining firm performance requires sound judgment and interpretation of how current actions would affect future results. In summary, performance is the ability to assess the success of a business organization. As such, performance comprises the result of an organization or the actual or intended output of goals and objectives. Firm performance is also defined as an organizational ability to achieve its goals in an efficient and effective manner. In this regard, performance is a vital determinant of goal accomplishment in manufacturing setups as an indicator of success (Akpa et al., 2021).

The food and beverage industry remains critical to the Nigerian economy, accounting for a significant share of the country's manufacturing output (Flanders Investment & Trade Market Survey, 2020). However, the industry has slow performance indices (National Bureau of Statistics, 2020). The food and beverages sub-sector of the manufacturing industry grew by 4.03% in Q2020, contributing 15.87% to the overall manufacturing sector. This represents an 0.87% increase from the 3.16% growth recorded in the same period in 2019. The report also showed that the sector's contribution to the Gross Domestic Product (GDP) was 4.18% in Q4 2020 (National Bureau of Statistics, 2020). Despite technological advancement, manufacturing firms in the food and beverage sector continue to face a variety of obstacles, including a lack of inventive culture and strategic leadership (Flanders Investment & Trade Market Survey, 2020). Leadership is the backbone of every organization because it influences firm performance and profitability. Several existing studies have separately linked leadership style and profitability (Akpa et al., 2021; Dewi & Wibowo, 2020; Debebe, 2020; Ogutu & Okeyo, 2020). There is scarce literature evidence of leadership styles being employed in understanding a firm's profitability, and the few existing empirical studies often produce mixed results without consensus on the determinants of the profitability of food and beverage firms. Therefore, this paper fills this gap by expanding the knowledge frontier. Hence, the objective of this study is to examine the effect of humanistic leadership styles (democratic and transformational) on the profitability of selected food and beverage manufacturing firms in southwestern Nigeria. This is investigated using the following null hypothesis:

H₀: Humanistic leadership style (democratic and transformational types) has no significant effect on the profitability of selected food and beverage manufacturing firms in southwest Nigeria.

I. LITERATURE REVIEW

2.1 Humanistic Leadership Style

This study considered humanistic leadership styles under two categories: democratic and transformational.

Democratic leadership style

The democratic style of leadership encourages one or more employees to be part of the decision-making process, determining what to do and how to do it (Mgbeze, 2018). Nevertheless, it is the leader who makes the

final decision and maintains authority. The democratic style strengthens the position of a leader admired by his employees. Managers are not expected to be familiar with everything in an organization that is why they employ knowledgeable and competent employees. The democratic leader sees subordinates as partners in progress and encourages participation in matters/decisions affecting subordinates. Democratic leaders achieve results through team work (Ukaidi, 2016). The subordinates' job performance is usually high under this type of leadership because team members feel involved or are part of decision-making and enthusiastic work. Leadership, in which decision-making is decentralized and shared among subordinates, is termed democratic leadership (Ukaidi, 2016). Although this leadership style gives room for inclusion, this is also one of the shortcomings of this leadership style because everyone in the organization assumes that they have an equal stake and say in an outcome or share the same level of expertise during decision-making.

The democratic leadership style involves one or more employees in the decision-making process (determining what to do and how to do it) (Idoko, 2018). However, leadership maintains the final decision-making authority. The democratic leadership style addresses the relationship between the organization and the roles of employees and stakeholders at all levels of organizational decision-making (Sadia & Aman, 2018). Maintaining reasonable levels of effectiveness, productivity, innovativeness, and employee motivation in an organization are the main concerns of a democratic leadership style (Abdullah et al., 2021). Participation is an important ingredient in gaining employee commitment on an overall basis. Greater goal concern involving reducing conflicts, improving cooperation and enhancing conditions without the need for elaborate control or systems for checking and correcting difficult behavior are inherent in democratic leadership styles. Under this style, criticism and praise are objectively given, and a feeling of responsibility is developed within the group, leading to enhanced productivity (Al Khajeh, 2018). In this regard, in democratic leadership styles, performance and employee effectiveness are usually high.

Transformational leadership styles

The concept of transformational leadership was first introduced by James McGregor Burns in 1978. Burns (1978) posits that a transformational leader may be characterized as an individual who elevates the cognitive awareness of his/her followers about the significance of particular targeted outcomes and the methods employed to achieve those outcomes. Bass and Bass (2008) further contribute to the aforementioned definition by asserting that transformational leaders possess the ability to effectively influence their followers, motivating them to transcend their personal interests and prioritize the collective interest of the organization. Simultaneously, these leaders address the lower-level concerns of their followers and elevate them to higher-level aspirations, such as the pursuit of personal achievement and the realization of one's maximum capabilities (Oyelade & Akpa, 2022).

The overarching concept of transformational leadership posits that leaders who exhibit transformational qualities facilitate elevating personnel from average performers to exceptional performers (Oyelade & Akpa, 2022). Transformational leadership facilitates the transition of followers from conventional modes of thinking to novel perspectives, thus fostering innovation within the organizational context. Behery (2008) asserted that transformational leadership focuses on several aspects, such as motivation, goal achievement, teamwork, and behaviors, that facilitate workers in finding significance in their work and experiencing job satisfaction simultaneously. Somboonpakom and Kantabutra (2014) defined transformational leadership styles as activities aimed at modifying workers' attitudes and beliefs regarding an organization's aims and strategy. According to Northouse (2016), transformational leadership is characterized as a dynamic process that brings about change and transformation, exerting influence on personnel to successfully achieve organizational goals.

2.2 Profitability

Profitability is defined as the earnings a business entity earns from its resources over time (Muya & Gathogo, 2016). Scholars opine that profitability reveals the ability to generate income from the use of assets for a specified period (Arokodare et al., 2019). Scholars differ from earlier definitions because they consider profitability to be a relative term that touches on how efficient the firm's operations are (Margaretha & Supartika, 2016). Researchers have stressed that profitability is the proficiency of an organization to generate earnings on sales, accomplish desired returns on investment, and have human resources employed in running business operations (Greer, 2021; Owusu-Boadi, 2019). Firm profitability is considered a significant feature to assess how effective and successful an entity runs its business operations (Murty & Chowdary, 2018). Profitability indicates the capacity to function effectively in a fast-changing environment. Profitability as a measurement of how well an organization utilizes its assets from its primary mode of business to generate income is the ability of firms to generate earnings (Niresh & Velnampy, 2014). Overall, profitability represents the proficiency of the management in transforming firm-level capabilities to profits over time (Mule et al., 2015).

One common feature of profitability is its capacity to determine the going-concern status of profit-making organizations. In aligning with this narrative, Nzewi and Ojiagu (2016) opined that profitability is a prerequisite to survive and succeed in the economic activities over a long period. Profitability is measured using an income statement (Bodhanwala & Bodhanwala, 2018). This is primarily a listing of income less expenses through a period for the entire business. Profitability is an essential feature in the financial reporting of many companies because it reveals the efficacy of management decisions (Agha et al., 2017). It is a measure of income and expenses (Abasilim et al., 2019). Profitability has the potential to attract prospective investors to explore a business line (Çetin et al., 2012).

Profitability becomes necessary for cost absorption, reinvestment, attracting further funds, retaining public confidence, and inspiration for expansion (Chen & Waters, 2017), ensuring a noble position for the firm. Like other performance indicators, profitability in itself does not connote negativity; however, the lack of it or the inability of a company to run a profitable business becomes a matter of concern. One argument that scholars support is that profitability is an evaluation of past events. This implies that today's firm performance is specifically related to the achievements or failures of past business dealings. Moreover, Machado (2016) asserted that profitability has considerable advantages because it ensures sustainability and enhances the firm's position in the industry. This study views profitability as the capability to generate sustainable financial rewards or earnings through efficient use of firm resources through a well-coordinated management process and effective decision-making over a given period (Fasola et al., 2013).

2.3 Empirical Review

Adeniji et al. (2017) found that good leadership is positively related to firm profitability in the Nigerian food and beverage industry. The authors noted that transformational leaders could inspire and motivate employees, resulting in increased productivity and overall organizational performance. The authors argued that democratic leaders can involve employees in decision-making processes, resulting in increased employee commitment and motivation (Oyewole, & Oyinlola, 2018). However, it was found that autocratic leadership is negatively related to firm profitability in the Nigerian food and beverage industry. The authors noted that autocratic leaders tend to micromanage employees, resulting in decreased employee motivation and productivity (Omotayo & Ajagbe, 2018).

Contrasting these findings, we found no significant relationship between leadership style and firm profitability in the Nigerian food and beverage industry. The authors argued that other factors, such as market competition and technological advancement, may have a greater impact on firm profitability than leadership style alone. In a

different context, transformational leadership was found to be positively related to firm profitability in the Malaysian food and beverage industry. Adewuyi et al. (2018) suggested that transformational leaders can create a supportive organizational culture, resulting in increased employee motivation and job satisfaction.

Similarly, it was found that the use of democratic leadership in the Nigerian food and beverage industry is positively related to firm profitability. Kahar et al. (2017) argued that democratic leaders could involve employees in decision-making processes, resulting in increased employee motivation and commitment. In contrast, Akinyele and Adetayo (2019) found that transactional leadership is positively related to firm profitability in the Nigerian food and beverage industry. They argued that transactional leaders could provide clear performance expectations and rewards for employees, resulting in increased employee motivation and productivity. In another study, Kwasi and Boakye (2019) found that the use of laissez-faire leadership in the Ghanaian food and beverage industry was negatively related to firm profitability. The authors noted that laissez-faire leaders tend to provide little direction or support to employees, resulting in decreased employee motivation and productivity.

2.4 Theoretical Framework

The theoretical framework of this study is anchored on contingency theory and trait theory to provide a comprehensive understanding of the dynamics between leadership styles and organizational profitability in selected food and beverage manufacturing firms in Southwestern Nigeria. Contingency theory posits that effective leadership is contingent on situational factors, emphasizing the adaptability of leadership styles to specific circumstances (Shala et al., 2021). In the context of this study, it offers a lens to examine how humanistic leadership styles can adjust to the challenges and opportunities unique to the southwest Nigerian business environment, contributing to a deeper understanding of leadership dynamics in this regional context. In addition to contingency theory, this study incorporates trait theory, which suggests that certain inherent qualities or traits in leaders contribute to their effectiveness. By integrating trait theory, the study explored how individual leader characteristics, such as empathy and communication skills associated with humanistic leadership, may impact organizational outcomes (Shala et al., 2021). This approach allows for a comprehensive analysis of the interplay between contextual factors and individual leader attributes in shaping organizational profitability within the food and beverage industry. The synthesis of these theories offers a holistic perspective on leadership dynamics, addressing both the situational adaptability and inherent traits of leaders in the specified context. Through an in-depth exploration of leadership practices within the southwest Nigerian food and beverage manufacturing sector, this study provides valuable insights for scholars and practitioners, offering guidance on effective leadership strategies tailored to the unique needs of this regional industry. The findings may inform organizational practices and contribute to the ongoing discourse on leadership effectiveness in specific cultural and industrial contexts.

2.5 Conceptual Framework

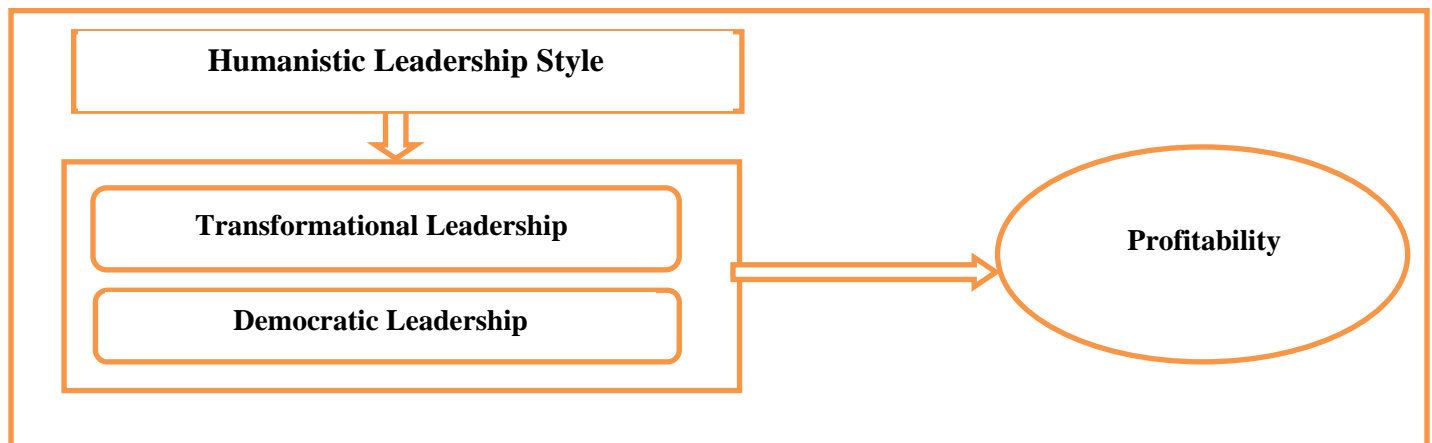


Figure 1: Research Conceptual Model**II. METHODOLOGY****3.1 Research Design**

This study adopted a descriptive research design. The study population comprised 2406 employees of selected food and beverage companies in southwest Nigeria. About 88% of Nigeria's top food and beverage companies are headquartered in Lagos State, with Ogun State and Oyo State (all in the southwest region) increasingly housing manufacturing sites. Cadbury Nigeria Plc, Nestle Nigeria Plc, Consolidated Brewery, and Nigeria Distilleries Limited were chosen as the food and beverage firms to include in this study.

3.2 Sampling Procedure, Validity, Reliability and Analysis

The Taro Yamane method was adopted, and a sample size of 446 was found usable. A stratified random sampling technique was used. A structured and validated questionnaire was used for data collection. Cronbach's alpha reliability coefficients for the constructs ranged from 0.715 to 0.872. Response rate: 93.50% Data were analyzed using descriptive and inferential (multiple regression) statistics. The hypothesis was tested using multiple regression analysis. The principal factors investigated were measured on a four-point Likert scale, ranging from Strongly Agree (SA) to Strongly Disagree (SD), for the independent variables and dependent variables. A multiple regression equation was developed using dependent and independent variables.

III. FINDINGS**4.1 Demographic characteristics**

A total of 446 questionnaires were administered, and 426 were returned. After sorting the questionnaire, only nine copies were considered improperly filled; hence, 417 copies were certified as duly filled and considered usable. The useable questionnaire represented 93.50% response rate.

Table 1: Demographic Characteristics

Variable	Category	Frequency	Percentage
Gender	Male	262	62.8%
	Female	155	37.2%
Age	20-25 years	16	3.8%
	26-30 years	64	15.3%
	31-35 years	145	34.8%
	36-40 years	132	31.7%
	41 and above	60	14.4%
Employment status	Junior level	153	36.7%
	Senior staff	162	38.8%
	Management staff	93	22.3%
Higher education attainment	WASSCE	25	6.0%
	OND/NCE	89	21.3%
	HND/BSc	238	57.1%
	MA/MSc	61	14.6%
	PhD	4	1.0%

Source: Field Survey Results

This section presents the background and respondents' information, which describes basic characteristics such as gender, age, employment status, and higher education attainment. The results are presented in Table 1. The demographic and personal profiles of respondents as shown for gender indicated that 262 respondents (62.8%) were male, while 155 respondents (37.2%) were female, indicating that most respondents were male. In addition, 16 respondents representing 3.8% were between 20 and 25 years, 64 respondents representing 15.3% were between 31 and 35 years, 132 respondents representing 31.7% were 36-40 years, and 60 respondents

representing 14.4% were 41 years and above. Furthermore, 153 respondents representing 36.7% were junior level, 162 respondents representing 38.8% were senior staff, and 93 respondents representing 22.3% were management staff. In addition, 25 respondents representing 6.0% had WASSCE, 89 respondents representing 21.3% had OND/NCE, 238 respondents representing 57.1% had HND/BSc, 61 respondents representing 14.6% had MA/MSc, 4 respondents representing 1.0% had PhD and BSc, and 285 respondents representing 66.0% had Master qualifications.

4.2 Descriptive Statistics of Independent and Dependent Variables

Table 2: Descriptive Analysis of Responses on Humanistic Leadership

Transformational Leadership	SA	A	D	SD	Mean
My leader inspires me to excel in my roles	200 (48.0%)	132 (31.7%)	39 (9.4%)	46 (11.0%)	3.17
My leader motivates me to pursue a shared vision for the future.	131 (31.4%)	206 (49.4%)	54 (12.9%)	26 (6.2%)	3.06
The leader fosters a sense of pride and ownership in the team's accomplishments.	175 (42.2%)	156 (37.4%)	57 (13.7%)	28 (6.7%)	3.15
I feel personally empowered and motivated by the leader's actions and words.	168 (40.3%)	169 (40.5%)	42 (10.1%)	38 (9.1%)	3.12
Leaders encourage innovative thinking and creative problem-solving within teams	176 (42.2%)	156 (37.4%)	60 (14.4%)	25 (6.0%)	3.16
Mean Transformation leader					3.13
Democratic Leadership	SA	A	D	SD	Mean
My leader involves team members in decision-making.	199 (45.3%)	143 (34.3%)	38 (9.1%)	47 (11.3%)	3.14
The leader values the input and feedback from team members when making decisions.	173 (41.5%)	159 (38.1%)	60 (14.4%)	25 (6.0%)	3.15
I feel that my voice is heard and respected by the leader.	191 (45.8%)	146 (35.0%)	30 (7.2%)	50 (12.0%)	3.15
Team members have a say in setting team goals and objectives.	218 (52.3%)	119 (28.5%)	63 (15.1%)	17 (4.1%)	3.29
The leader promotes a culture of open communication and collaboration.	115 (27.6%)	213 (51.5%)	65 (15.6%)	25 (5.8%)	3.00
Mean Democratic leader					3.15
Grand Means for Humanistic Leadership					3.14

Decision rule 1-1.49= strongly disagree, 1.50-2.49= disagree, 2.50-3.49= agree, 3.50-4.00= strongly agree

Note: SA: Strongly agree, A: agree, D: disagree, SD: Strongly disagree

Source: Field Survey Results

According to the results in Table 2, 48.0% of the respondents strongly agreed that their leader inspired them to excel in their role, 31.7% agreed, 9.4% disagree, and 11.0% strongly disagree. On average, the respondents

indicated that their leader inspired them to excel in their role had a mean of 3.17. Results also indicated that 31.4% of the respondents strongly agreed that their leader motivates them to work toward a shared vision for the future, 49.4% agree, 12.9% disagree, and 6.2% strongly disagree. On average, the percentage of respondents who indicated that their leader motivates them to work toward a shared vision for the future was 3.06. Results also indicated that 42.2% of the respondents strongly agree that the leader fosters a sense of pride and ownership in the team's accomplishments, 37.4% agree, 13.7% disagreed, and 6.7% strongly disagreed. On average, the respondents indicated that the leader fostered a sense of pride and ownership in the team's accomplishments, with a mean of 3.15. Results also indicated that 40.3% of the respondents strongly agreed that they felt personally empowered and motivated by the leader's actions and words, 40.5% agreed, 10.1% disagree, and 9.1% strongly disagree. On average, the respondents indicated that they felt personally empowered and motivated by the leader's actions and words, with a mean of 3.12. Results also indicated that 42.2% of the respondents strongly agreed that the leader encouraged innovative thinking and creative problem-solving within the team; 37.4% agreed, 14.4% disagree, and 16.0% strongly disagree. On average, the respondents indicated that the leader encourages innovative thinking and creative problem-solving within the team, with a mean of 3.16.

According to the results in Table 2, 45.3% of the respondents strongly agreed that their leader involves team members in the decision-making process, 34.3% agreed, 9.1% disagree, and 11.3% strongly disagree. On average, the respondents indicated that their leader's involvement in the decision-making process had a mean of 3.14. Results also indicated that 41.5% of the respondents strongly agreed that the leader values input and feedback from team members when making decisions, 38.2% agreed, 14.4% disagree, and 6.0% strongly disagree. On average, the respondents indicated that the leader values input and feedback from team members when making decisions, with a mean of 3.15. Results also indicated that 45.8% of the respondents strongly agreed that they felt that their voice was heard and respected by the leader, 35.0% agreed, 7.2% disagree, and 12.0% strongly disagree. On average, the respondents indicated that they felt that their voice was heard and respected by the leader has a mean of 3.15. Results also indicated that 52.3% of the respondents strongly agreed that team members have a say in setting team goals and objectives, 28.5% agree, 15.1% disagree, and 4.1% strongly disagree. On average, the respondents indicated that team members had a say in setting team goals and objectives, with a mean of 3.29. Results also indicated that 27.6% of the respondents strongly agreed that the leader promoted a culture of open communication and collaboration, 51.5% agreed, 15.6% disagreed, and 5.8% strongly disagreed. On average, the respondents indicated that the leader promotes a culture of open communication and collaboration, with a mean of 3.00. Overall, the Grand Mean for Humanistic Leadership is 3.14, suggesting that the respondent largely agrees with the statements concerning transformation and democratic leadership, which form the basis of the humanistic leadership observed with the food and beverage manufacturing firms in southwest Nigeria.

Table 3: Descriptive Analysis of Profitability Responses

Profitability	SA	A	D	SD	Mean
Our organization consistently achieves its financial goals.	217 (52.0%)	196 (47.0%)	-	4 (1.0%)	3.50
The profitability of our organisation has been improving steadily	171 (41.0%)	242 (58.0%)	-)	4 (1.0%)	3.39
We efficiently manage our expenses to ensure profitability.	218 (52.3%)	195 (46.8%)	-	4 (1.0%)	3.50
The sales return for our organization is satisfactory	241 (57.8%)	168 (40.3%)	4 (1.0%)	4 (1.0%)	3.55
Our organization adapts quickly to changes in market conditions to improve profitability.	225 (54.0%)	179 (40.8%)	14 (3.4%)	8 (1.9%)	3.47

Weighted Mean

3.48

Decision rule 1-1.49= strongly disagree, 1.50-2.49= disagree, 2.50-3.49= agree, 3.50-4.00= strongly agree**Note:** SA: Strongly agree, A: agree, D: disagree, SD: Strongly disagree**Source: Field Survey Results**

According to results in Table 3, 5.20% of respondents strongly agree that their organization consistently achieves its financial goals, 47.0% agree, and 1.0% strongly disagree. On average, respondents indicated that their organization consistently achieves its financial goals, with a mean of 3.50. Results also indicated that 41.0% of respondents strongly agreed that the profitability of their organization has been improving, 58.0% agreed, and 1.0% strongly disagreed. On average, respondents indicated that the profitability of their organization has been improving steadily, with a mean of 3.39. Results also indicated that 52.3% of respondents strongly agreed that they efficiently managed their expenses to ensure profitability, 46.8% agreed, and 1.0% strongly disagreed. On average, respondents indicated that they efficiently managed their expenses to ensure profitability, with a mean of 3.50. Results also indicated that 57.8% of the respondents strongly agree that the return on sales for their organization is satisfactory, 40.3% agree, 1.0% disagree and 1.0% strongly disagree. On average, the respondents indicated that the return on sales for their organization is satisfactory, with a mean of 3.55. Results also indicated that 54.0% of respondents strongly agree that their organization adapts quickly to changes in market conditions to enhance profitability, 40.8% agree, 3.4% disagree, and 1.9% strongly disagree. On average, respondents indicated that their organization adapts quickly to changes in market conditions to enhance profitability, with a mean of 3.47.

4.3 Hypothesis Testing

The earlier hypothesis was tested using a multiple regression analysis. Table 4 presents the results of the hypothesis testing.

H₀: Humanistic leadership styles (democratic and transformational leadership styles) have no significant effect on the profitability of selected food and beverage manufacturing firms in southwestern Nigeria.

The data for humanistic leader styles were generated by summing the responses of all items for transformational and democratic leaders, respectively, while that of profitability was generated by adding the responses of all items used to measure the variable. The results of the regression test are presented in Table 4.

Table 4: Summary of Regression Analysis for effect of Humanistic Leader styles (Transformational & Democratic) on profitability of the Selected Food and Beverage Manufacturing Firms in southwest Nigeria

Path Coefficient	The unstandardized Beta coefficient	F(df)	T-Statistics	P-Values
Constant model	3.148	15.027 (2,414)	49.892	.000
Transformational leader → Profitability	.186		2.313	.040
Democratic Leader → Profitability	.021		.318	.751
R-squared model	R	R ²	Adj R ²	ANOVA
Profitability	.260 ^a	.068	.063	Sig 0.000

Dependent variable: Profitability.

Independent variables: Image, Identity, Reputation, and Positioning

Source: Researcher's Field Results

Table 4 presents the results of multiple regression analysis for the effect of humanistic leader styles on the profitability of selected food and beverage manufacturing firms in southwest Nigeria. Table 4 presents a model summary that establishes how the model equation fits into the data. $Adj R^2$ was used to establish the predictive power of the study model. From the results, humanistic Leader styles (transformational and democratic) have a positive but weak relationship with the profitability of selected food and beverage manufacturing firms in southwest Nigeria ($R = 0.260$, $p=0.000$). The Adjusted coefficient of determination ($Adj. R^2$) of 0.063 indicates that humanistic leader styles explained 6.3% of the changes experienced in profitability of selected food and beverage firms under study, while the remaining 93.7% of the changes in profitability are explained by other external factors different from humanistic leader styles considered in this study. This result suggests that humanistic leader styles influence 6.3% of the profitability of selected food and beverage manufacturing firms in southwestern Nigeria.

Table 4 presents the results of the ANOVA (overall model significance) of the regression test, which revealed that the combined humanistic leader styles have a significant effect on the profitability of selected food and beverage manufacturing firms in southwest Nigeria. This can be explained by the F-value (15.027) and low p-value (0.000) which is statistically significant at the 95% confidence interval. Hence, the result posits that the humanistic leadership styles adopted by food and beverage manufacturing firms in West West Nigeria influence profitability.

Furthermore, the results of the regression coefficients revealed that a positive effect was reported for the humanistic leader styles except the democratic leader, which showed an insignificant relative effect. Specifically, the results revealed that, at the 95% confidence level, transformational leader ($\beta = 0.186$, $p=0.040$) of the food and beverage firms were statistically significant, as the p-values were less than 0.05 and the t-values were greater than 1.96. Based on coefficient of regression table 4.12, the regression model is reformulated as follows:

$$PR = 3.148 + 0.186TL \dots \dots \dots \text{Eq. (i)}$$

Where: PR = profitability.

TL = Transformational Leader

According to the regression equation above, taking all factors constant at zero, the profitability of food and beverage manufacturing firms in southwestern Nigeria is 3.148. The result also indicates that taking all other independent variables at zero, a unit change in transformational leadership leads to a 0.186 increase in the profitability of food and beverage manufacturing firms in southwest Nigeria, given that all other factors are held constant. Overall, the results indicate that transformational leaders have the highest positive relative effect on the profitability of food and beverage manufacturing firms in southwest Nigeria, with a coefficient of 0.186 and a t-value of 2.313. Based on the results, this study concludes that humanistic leader styles significantly influence the profitability of food and beverage manufacturing firms in southwest Nigeria. On the strength of this result ($Adj R^2 = 0.063$, $F(2,414) = 15.027$, $p = 0.000$), this study rejects the null hypothesis one (H_01), which states that humanistic leader styles have no significant effects on the profitability of selected food and beverage manufacturing firms in southwest Nigeria.

IV. CONCLUSIONS

The results of the multiple regression analysis for the effect of humanistic leadership styles on the profitability of selected food and beverage manufacturing firms established that humanistic leadership styles have significant effects on the profitability of these firms. Conceptually, humanistic leadership's positive impact on organizational culture is a crucial element, as it prioritizes employee well-being, open communication, and

collaboration, fostering a work environment in which employees feel valued and engaged (Effendi et al., 2019). This, in turn, can lead to increased job satisfaction, motivation, and higher productivity. Furthermore, an emphasis on understanding individual employee needs and aspirations can boost innovation and problem-solving within the organization (Melé, 2016).

Humanistic leaders often encourage employees to share ideas and engage in creative problem-solving, which can lead to process improvements, product development, and cost-saving strategies, all contributing to profitability (Siregar et al., 2022). Additionally, these leadership styles can also extend their positive influence to customer and stakeholder relations, building strong connections that result in increased sales, customer loyalty, and favorable partnerships. Finally, the long-term perspective that humanistic leadership typically embodies, with a focus on employee development and well-being, can lead to sustained and improved profitability over time as a satisfied and skilled workforce adapts to changing market conditions and challenges (Torres et al., 2017).

The findings of this study support the empirical literature. For instance, scholars studied the relationship between humanistic leadership-management and corporate social responsibility and the study found that managerial humanistic attention positively affects corporate social responsibility (Hu et al., 2018). A similar finding was also presented, that is, humanistic leadership styles affect the organizational citizenship behavior of employees (Abun et al., 2021). In a similar vein, scholars have studied the effect of leaders' pro-social orientation on organizational affective commitment and organizational citizenship behavior, and the study found that leaders' pro-social behavior, in which leaders pay attention to the needs of employees, has significantly affected affective commitment and organizational citizenship behavior (OCB) (Wang et al., 2021). This is also confirmed by a study whereby organizations that practice humanistic responsibility have a significant impact on profitability (Vui-Yee, 2016).

Similarly, their study on the financial performance of manufacturing and service companies in China determined that transformational leadership influences their financial performance. They also found that transformational leadership affects financial performance more effectively than operational performance (Son et al., 2020). Furthermore, scholars argued that transformational leadership has a positive impact on a company's financial performance because it motivates leaders to initiate and implement significant changes in the company meant to encourage employees to work better (Strukan et al., 2017; Thomson et al., 2016). Both studies are consistent with prior studies. In addition, in their meta-analysis comprising 25 years of research, scholars showed that transformational leadership is closely and positively related to organizational performance and needed for better organizational performance (Wang et al., 2011).

From a theoretical standpoint, both contingency theory and trait theory are strengthened. Contingency theory asserts that the effectiveness of leadership is contingent on the specific organizational and environmental context (Akpa et al., 2021). In this context, the food and beverage industry, characterized by its reliance on a dedicated workforce and the significance of product quality, may particularly benefit from leadership styles that prioritize employee well-being, open communication and collaborative work environments. The emphasis on creating a positive workplace culture and empowering employees can result in heightened job satisfaction, increased commitment, and a motivated workforce (Changar & Atan, 2021). These can lead to higher-quality products and operational efficiencies, thus positively impacting profitability. Moreover, trait theory suggests that leadership effectiveness is shaped by the personal traits and qualities of leaders (Aalateeg, 2017). Humanistic leadership styles often manifest traits like empathy, effective communication, and strong commitment to employee development (Aalateeg, 2017). These inherent characteristics can foster positive relationships with employees, contributing to their job satisfaction and commitment to the organization. Such

traits not only enhance workplace morale but also motivate employees to excel in their roles, leading to the production of higher-quality products and, subsequently, to improved financial performance for food and beverage manufacturing firms.

V. CONCLUSION AND RECOMMENDATIONS

The study concludes that there is a statistically significant effect of humanistic leadership styles, such as democratic and transformational leadership styles, on the profitability of the selected Food and Beverage manufacturing firms in southwest Nigeria. The study recommends that food and beverage manufacturing firms in southwest Nigeria should consider promoting leadership approaches that prioritize employee well-being and collaboration. Encouraging leaders to adopt these styles can lead to improved financial performance. While this study focused on the food and beverage manufacturing industry in southwest Nigeria, future research could expand the scope by conducting cross-industry comparative analyses. This would allow for a broader understanding of the impact of leadership styles and corporate culture on firm performance across various sectors, highlighting potential variations and commonalities.

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