International Journal of Advanced Research in Global Politics, Governance and Management | IJARGPGM
p-ISSN: 2636-686X | e-ISSN: 2636-6878
Volume 6, Number 1 July, 2026

Institutional Constraints and the Effectiveness of Leadership Styles in Managing Industrial Conflicts in Public Universities

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Article DOI: 10.48028/iiprds/ijargpgm.v6.i1.03

Abstract

Recurring industrial conflicts remain a major challenge in public universities across Southwest Nigeria, largely due to the interaction between leadership practices and institutional constraints. While previous studies have examined the influence of leadership styles on industrial conflict management, limited empirical evidence exists on the moderating role of institutional factors in the Nigerian university system. This study investigated the effects of bureaucratic constraints, financial limitations, governance and union influence, and regulatory rigidity on the relationship between leadership style and industrial conflict management. A cross-sectional survey design was adopted, involving 396 academic and non-academic staff selected through proportionate stratified sampling from twelve public universities. Data were analyzed using Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings indicate that leadership style significantly enhances industrial conflict management, although its effectiveness is weakened by financial constraints, union influence, and regulatory rigidity, while reducing the adverse impact of bureaucratic constraints.

Keywords: *Institutional constraints, Leadership style, Industrial conflict management*

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Background to the Study

Industrial conflicts in Nigerian public universities have become recurrent and harmful. Strikes by the Academic Staff Union of Universities (ASUU), Senior Staff Association of Nigerian Universities (SSANU), Non-Academic Staff Union (NASU), and National Association of Academic Technologists (NAAT) have caused disruptions in the academic schedule, delay in graduating students, and poor quality of tertiary education (Adebayo & Fapohunda, 2023; Onuigbo & Soba, 2025). Such strikes are continuous and despite multiple government interventions, they suggest that such conflicts have deep structural, institutional, and interpersonal nature. The role of the leadership style in resolving industrial conflicts has gained popularity in academic literature recently. According to previous studies, transformational or democratic leaders who value negotiation, inclusiveness, and win-win situation tend to reduce the number of industrial disputes, while autocratic or laissez-faire leaders contribute to the occurrence of disputes (Kimani, 2024; Bakare, 2021). Yet, such leader-oriented approach cannot be sufficient enough in the case of industrial conflicts in public universities.

Institutional constraints in this case, refer to the formal and informal structural constraints that affect the leadership flexibility and organizational adaptation and have been empirically overlooked by the Nigerian higher education conflict researchers. While there is empirical evidence regarding the wide-ranging impacts of government funding, bureaucratic processes, and trade union structures on conflict dynamics (Nwikpo & Francisca, 2022; Targba & Osuji, 2023), it is important to highlight that the moderating impact of these constraints on the leadership style and conflict management relationship still requires further investigation. It is in this context that this paper aims to contribute to the literature through the use of the primary data collected from 396 members of the teaching staff of the twelve selected public universities in the Southwest part of Nigeria, using PLS-SEM, and focuses on answering the following research questions: (i) How do bureaucratic constraints, financial constraints, governance and trade union influences, and regulatory rigidity influence industrial conflict management? and (ii) What is the moderating impact of leadership styles on the relationship between these institutional constraints and conflict management?

Literature Review

Institutional Constraints Defined

Institutional constraints denote the set of structural, regulatory, and organizational factors that impose limits on the options open to the leadership and the administration (North, 1990). With regard to public universities, the constraints include: (a) bureaucratic constraints resulting from procedural rigidity, approval processes, and lengthy procurement cycles; (b) financial constraints emerging from underfunding, delayed payments, and failure by the government to cash back; (c) governance and unions representing the influence of organized labor and the complexities associated with shared governance arrangements; and (d) regulatory rigidity as manifested in labor laws and regulations limiting managerial flexibility. The constraints are not mere contextual factors but rather they influence conflict prevention and management in very significant ways. According to Targba and Osuji (2023), the misalignment between IPPIS and university-specific payroll structures led to an increase in conflict due to its use becoming a major point of contention that led to renewed industrial action. Similarly, Nwikpo and Francisca (2022) noted that failure to pay or delay in paying budgeted amounts, especially Earned Academic Allowances, was one of the main predictors of industrial actions.

Leadership Style and Industrial Conflict Management

Leadership style is defined as behavioral patterns, decision making processes, and personal interactions used consistently by the leader in managing the followers (Gupta & Tripathi, 2024). Each of the leadership styles reviewed in the literature, namely transformational, transactional, laissez-faire, and servant leadership, has different implications for managing industrial conflicts. Transformational leadership style, which involves inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence (Burns, 1978; Bass, 1985), is associated empirically with higher levels of organizational commitment and trust and lower likelihood of having industrial problems (Ozopelide et al., 2024). Transactional leadership, based on the idea of exchange, where the rewards are offered in exchange for compliance and sanctions are applied in case of deviation from rules, is efficient in bureaucratic environment and helps in managing conflicts due to its strict structure and clear roles (Nwakoby, 2023). Laissez-faire leadership style, involving passive non-interference, is generally associated with increase in conflicts and role ambiguity (Skogstad et al., 2007).

The Institutional Constraint Leadership Interaction

According to the Contingency Theory (Fiedler, 1967), the success of leadership is contingent upon how well the style of a leader matches the situational factors which include task structure, leader-member relations, and availability of positional power. With regard to the application of this theory in universities, it suggests that any leader who is good in terms of being transformational or servant would have limitations in dealing with conflicts due to restrictive regulations, lack of resources, and unions that oppose the management. The Human Relations Theory by Mayo in the 1930s also shows that structural and social factors influence how the efforts of leaders materialize in organizations. In situations where, institutional restrictions hinder the well-being of employees in terms of delayed payment, poor facilities, and unresponsive bureaucracy, any attempt by the leadership to manage through participation would not make sense, thus increasing conflict (Nwokike, 2025; Jung et al., 2025).

There are limited empirical works that have analyzed this link. In their studies analyzing 240 respondents from Harvard Trade Union Program, Michelle (2024) indicated that transformational and servant leadership qualities are the best predictors of unions' effectiveness, but no consideration has been made on how institutional environment plays moderating role here. From the study done in Vietnam in the public sector, Nguyen (2025) found out that task illegitimacy in bureaucracy limits innovative behavior among workers and trust in leadership moderates this effect. This study will extend such findings by analyzing moderating impact of four types of institutional constraints.

Methodology

Research Design and Study Area

The study employed the cross-sectional survey research design. The study location was Southwest Nigeria, which comprises six states, namely Ekiti, Lagos, Ogun, Ondo, Osun, and Oyo. The chosen location has the highest number of public universities in Nigeria and is known to have a record of major labor disputes in higher education institutions. Two universities from each of the six states were chosen purposefully.

Population, Sample, and Sampling Technique

Target Population

The population was made up of all members of staff (academics and non-academics) in the chosen twelve universities making 35,881 people. The sample size was calculated using the Yamane (1967) formula for a 5% error level, giving the minimum sample size as 396. In order to cater for any non-response, 35 more units were incorporated, hence the target population size became 431. Multi-stage sampling technique was used; the first two stages involved the use of purposive sampling while the third stage entailed stratified random sampling. Proportionate allocation was done using the Kumaran (1976) formula.

Data Collection and Instrument

The data was collected through a structured questionnaire adapted from Multifactor Leadership Questionnaire by Bass and Avolio (1995) and supported by an instrument designed to measure institutional constraints and industrial conflict management. The instrument was divided into sections covering demographic characteristics, factors influencing conflict management, mediating mechanisms, and scales for each of the four leadership styles and the institutional constraint dimensions. Content and face validity were established through expert review. Reliability was confirmed via Cronbach's alpha coefficients ranging from 0.70 to 0.81 for key constructs.

Model Specification

The study's third objective evaluating institutional constraints as moderators was operationalized using the following interaction model:

$$ICM = \beta_0 + \beta_1 LS + \beta_2 RR + \beta_3 BC + \beta_4 CE + d_1(LS\times RR) + d_2(LS\times BC) + d_3(LS\times CE) + \varepsilon$$

Where ICM = Industrial Conflict Management; LS = Leadership Style; RR = Regulatory Rigidity; BC = Bureaucratic Constraints; CE = Combined financial and governance/union constraints; and d_1–d_3 = interaction (moderation) coefficients. The null hypothesis tested was: H_{03}: Institutional constraints do not significantly affect the relationship between leadership style and industrial conflict management in the study area.

Analytical Method

Data were analyzed using PLS-SEM via SmartPLS software, supported by descriptive statistics processed in SPSS. PLS-SEM was preferred for its robustness in examining complex, multi-path models with latent constructs and interaction terms. Model validity was assessed using Average Variance Extracted (AVE) values all exceeding the 0.5 threshold and Variance

Inflation Factor (VIF) diagnostics, with values ranging from 1.014 to 4.262, well below the 5.0 collinearity threshold. The coefficient of determination (R^2) was used to evaluate overall explanatory power.

Results and Discussion

Respondent Profile

There were 396 valid questionnaires that were filled and analyzed. Out of this number, 52.3% came from the state universities while 47.7% came from the federal universities. The sample population was 61.4% males and 38.6% females. The respondents were highly educated where 68% of them had postgraduate qualifications. Very important for the study is the fact that over 70% of them had worked for over ten years in the university and 36.1% for over sixteen years in the university.

Structural Model Overview

The structural model used to assess the impact of institutional constraints on the ICM by leadership style had high explanatory power with an R^2 of 0.724 and adjusted R^2 of 0.695. This showed that leadership style, institutional constraints, and their interaction together explained 72.4% of the variance of ICM. The direct influence of leadership style on ICM was the most prominent influence in the model ($\beta = 0.841$, $t = 18.283$, $p < 0.001$). This supported the assertion that leadership, particularly participative and transformational leadership, was key to successful conflict management.

Direct Effects of Institutional Constraints on ICM

As shown in Table 1, the complete findings for PLS-SEM were as follows: out of four types of constraint dimension related to institutions, only two had a statistically significant impact on industrial conflict management:

Regulatory Rigidity ($\beta = 0.033$, $p = 0.003$), which represents the formal rules and procedures, had a small positive effect on ICM that was statistically significant. Institutional theory (North, 1990) stresses the stabilizing effect of the formal institution. In case of university, grievance procedures, dispute resolution procedure, and labor laws have structural basis, which can help in resolving conflicts rather than hindering them. Governance and Union Influence ($\beta = -0.192$, $p = 0.075$): It was near significance level ($p = 0.075$). The negative sign showed that greater union organization and complex governance led to negative impacts on industrial conflict management. This finding corroborates with previous literature where cohesive structure of trade unions increases cost and prolongs conflict management process (Onuigbo & Soba, 2025).

The Bureaucratic constraint ($\beta = -0.012$, $p = 0.924$) and the Financial constraint ($\beta = 0.163$, $p = 0.206$) failed to have any direct effect on ICM. This might sound contradictory considering the fact that funding problems play an important role in causing industrial unrest in Nigerian universities. This implied that the two constraints function mainly as moderators of leaders' behaviour.

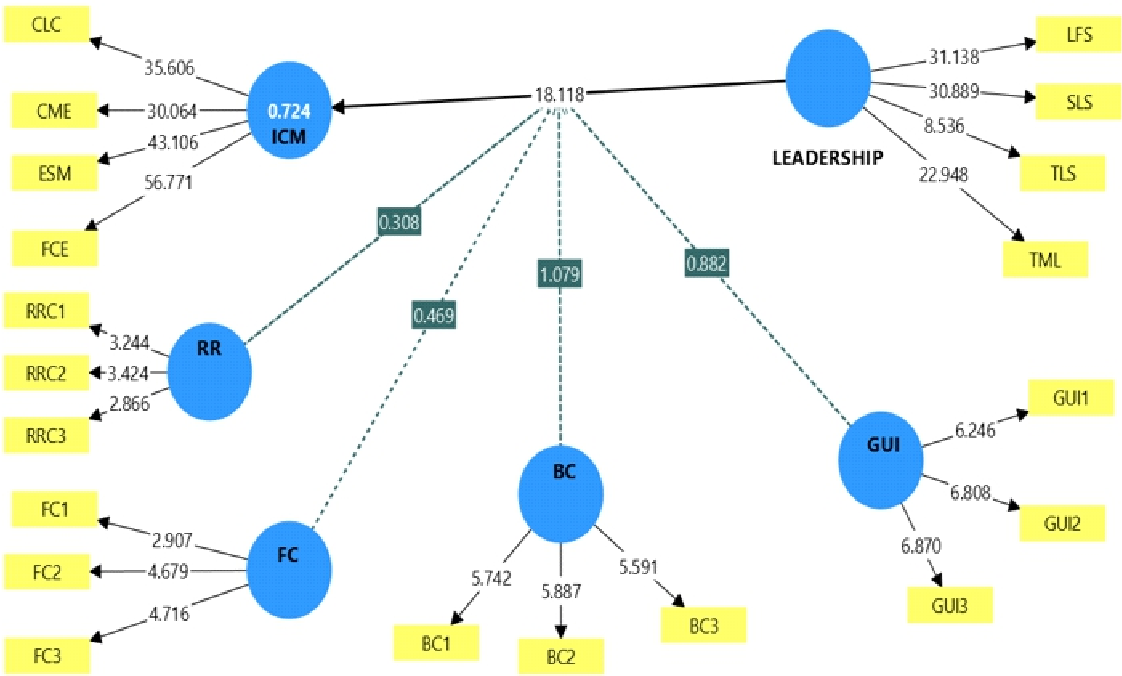

Figure 1: Path coefficient showing Moderating Role of Institutional Constraints on Leadership Style and Industrial Conflict Management
Source: Authors Computation 2026

Table 1: Moderating Role of Institutional Constraints on Leadership Style and Industrial Conflict Management

Variables	β (Original Sample)	Sample Mean (M)	STDEV	T-statistic	p-value
Bureaucratic Constraints	−0.012	0.051	0.029	−0.414	0.924
Financial Constraints	0.163	0.063	0.129	1.264	0.206
Governance & Union Influence	−0.192	−0.164	0.108	−1.778	0.075†
Leadership Style	0.841***	0.847	0.046	18.283	< 0.001
Regulatory Rigidity Constraints	0.033**	0.026	0.011	3.084	0.003
Bureaucratic Constraints × Leadership Style	0.158*	0.176	0.071	2.225	0.035
Financial Constraints × Leadership Style	−0.064***	−0.103	0.014	−4.672	0.001
Governance & Union Influence × Leadership Style	−0.090*	−0.087	0.033	−2.752	0.031
Regulatory Rigidity × Leadership Style	−0.034**	−0.010	0.011	−3.091	0.003
$R^2 = 0.724$; Adjusted $R^2 = 0.695$					

*Note: †p < 0.10; *p < 0.05; **p < 0.01; ***p < 0.001. Source: Authors' Computation (2026)*

Moderating Effects of Leadership Style

The moderation results showed a complex and non-homogeneous manner in which the leadership style and the different types of constraints interacted.

Leadership Style × Bureaucratic Constraints ($\beta = 0.158, p = 0.035$)

Since the interaction effect was positive and significant, it shows that the impact of bureaucracy on conflict resolution was diminished through effective leadership. This result is consistent with contingency theories stating that adaptive leaders are able to maneuver around the problems associated with organizational red tape by facilitating communication channels, shortening decision-making chain in an informal manner, and creating trust as an alternative to procedure. Bureaucratic processes had a lesser impact on the IR outcomes when university leaders used the principles of participative and transformational leadership. It means that developing leadership skills is a viable way to cushion the negative impact of bureaucracy in the short run.

Leadership Style × Financial Constraints ($\beta = -0.064, p = 0.001$)

In contrast to the findings of bureaucracy, the relationship between leadership style and financial restrictions was negative and extremely significant. This meant that the use of leadership in situations of extreme financial distress increased rather than reduced worker dissatisfaction. It seems to be possible to argue that the implementation of leadership interventions by leaders who promise something that financial restrictions do not allow them to keep creates credibility issues and thus fosters conflict. This is in line with the experiences of Nigerian universities, where management-labor union agreements about Earned Academic Allowances and infrastructural improvements were made impossible due to financial difficulties at the state level, leading to further strikes (Nwikpo & Francisca, 2022). It should also be noted that the results found agree with the research conducted by Nguyen (2025), who showed how relationship-based trust may paradoxically enhance the negative effect of institutional constraints. In institutions with extremely low resources, transformational speech without mobilization of resources may increase the conflict processes.

Leadership Style × Governance and Union Influence ($\beta = -0.090, p = 0.031$)

The negative and statistically significant moderation effect by the governance and union influence implies that where there was good organizational strength of unions and complex governance arrangements, leadership efficiency in conflict management was ineffective and sometimes even counter-productive. Such an inference fits into the picture of multi-stakeholder university governance in Nigeria, where unions enjoy autonomy, have branch systems and are well-coordinated at a national level. In such a scenario, individual institutional leaders will inevitably be confronted by structural constraints that make it difficult for them to arrive at any settlement without changing national policies (Onuigbo & Soba, 2025). Leadership styles that are heavy-handed and not sufficiently consultative in high-union-influence settings will backfire.

Leadership Style × Regulatory Rigidity ($\beta = -0.034$, $p = 0.003$)

The adverse effect of regulation rigidity on the interaction highlights the extent to which leadership's effectiveness in handling conflict became compromised in an environment that featured an inflexible legal and compliance regime. Although regulation rigidity exhibited an insignificant positive effect on conflict outcomes as a result of its role in the maintenance of order through formal rules, its interaction with leadership style was negative, indicating that such a rigid regulatory environment put a restriction on the ability of leaders to engage in conflict management in a more creative way. The results have a direct bearing on the IPPIS debate since a rigid payroll regulation system restricted vice-chancellor from negotiating an allowance system with the union representatives.

Hypothesis Testing

The null hypothesis, stating that institutional constraints have no significant impact on the association between leadership styles and management of industrial conflicts, is hereby rejected. With the R^2 of the entire model being 0.724 and the significance of four out of eight terms, both interaction and direct effect, it can be concluded that institutional constraints do have a significant moderating effect on the leadership-conflict management nexus.

Discussion

The results from this research have contributed greatly in explaining leadership and industrial conflict in public universities.

1. First, the dominance of the leadership style as the most significant predictor ($\beta = 0.841$) further affirmed the transformational literature on leader behavior as the most proximate organizational factor in managing conflicts (Bass & Riggio, 2006; Ozopelide et al., 2024). Yet the moderation effects have substantially qualified this finding, in that leadership effectiveness is situational and contextual. The discrepancy between the positive interaction effect of bureaucratic constrains and negative interaction effects of financial, trade union and legal constraints identified the leadership effectiveness frontier, where there are some organizational challenges that effective leaders are unable to handle in the absence of institutional reform.
2. Second, the negative effect of financial constrains in moderating the ICM relationship of leadership is highly relevant to the structural criticism of the managerial literature on conflict. In under-funded organizations, the integrity of the leaders' commitments is constantly at risk due to state budgeting decisions. From the policy implication point of view, investment in leader training without organizational reform will yield diminishing returns and possibly intensify cynicism of the workers that cause industrial action.
3. The third implication concerns the policy implication of regulatory rigidity. In the case of IPPIS, it is clear that centrally mandated compliance processes deprive local leaders of the scope to negotiate and create harmony in the industry. In this regard, regulatory changes that would allow contextual flexibility in terms of specific institutional peculiarities in payroll processing could broaden the area of influence of effective leadership.

4. The fourth implication of the findings is that regulation rigidity positively moderates ICM while negatively moderating leadership, thus implying a complicated double-edged role of the formal regulatory framework. On one hand, it provides a basic framework within which conflict management is stabilized, but, on the other hand, it limits the flexibility of leadership required to solve conflicts. These findings require considering not only the institutional perspective on the role of formal regulations as conflict stabilizers but also the contingency approach regarding the constraints on effective leadership imposed by rigidity of regulations.

Conclusion

In this research work, the study has established the moderating impact of institutional constraints on the association between leadership style and conflict management strategies in public universities in Southwest, Nigeria. It was revealed that while the leadership style remains the most crucial factor in conflict management outcome ($R^2 = 0.724$), such an influence is considerably dependent on the institutional context. In this regard, effective leadership serves as a means of overcoming the negative impact of bureaucratic constraints. However, in case of extreme financial constraints, the impact of leadership becomes limited and even counterproductive. Therefore, based on the obtained results, it was stated that a sustainable industrial harmony in the public universities cannot be achieved solely by leadership development. Instead, structural changes in financing universities, labor relations systems, and governance should become a co-requisite condition to achieve the desired results. Consequently, the suggested dual-track approach consists of developing leadership qualities of transformational, participative, and servant orientation and overcoming the institutional barriers.

Recommendations

From the findings, the following policies and institutional suggestions emerge:

i. The university governing bodies and NUC need to include an institutional constraint analysis in their leadership development programs to help them understand that escalation tactics are not appropriate in situations where there is scarcity of resources or strong opposition from the unions.
ii. The Ministry of Education and the Ministry of Finance at federal level need to create an exclusive Tertiary Education Conflict Prevention Fund to guarantee that any negotiated settlement (e.g. Earned Academic Allowances) is fully funded at the specified time.
iii. IPPIS model needs revision to reflect institutional differences by designing a module that will give room for vice chancellors to negotiate allowance structures within prescribed ceilings so as to restore local leadership agency in industrial relations.
iv. Institutionalization of dialogue process involving all staff unions, where negotiations occur at different levels even outside times of crisis through joint management-union councils that operate continuously is another strategy for addressing relational deficits created by poor institutional arrangements.
v. Researchers may conduct studies using longitudinal and comparative designs to explore how institutional change interacts with leadership style change over several

conflict cycles, and whether the moderating effect patterns noted herein apply to other parts of Nigeria's geopolitical zones.

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