

Influence of Leadership Styles and Capacity Development on the Performance of Agricultural Enterprises in Kenya: A Literature Review

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Abstract

Globally, leadership styles are endorsed as factors that determine the performance of enterprises. Certain approaches to leadership continue to be implemented despite facing widespread disapproval. A systematic literature review was conducted to guide a study aimed at evaluating the performance of agricultural enterprises in Kenya. The influence of leadership styles and capacity development on the performance of enterprises has been set out. An assessment that considers financial and non-financial parameters has been proposed. Literature review identified The Path Goal Theory, The Transformational Leadership Theory, and the Systems Theory as the three theories that guided the Study. Four Leadership Styles Transformational, Transactional, Democratic and Autocratic have been singled out as independent variables, capacity development as a moderating variable while agricultural enterprise performance as the dependent variable. Explanatory sequential mixed methods approach was identified as an appropriate research approach using cross-sectional survey design to collect quantitative and qualitative data. Quantitative data were gathered using closed-ended questionnaires, while qualitative data were gathered using interview guides and focused group discussion guides. Stratified random sampling and purposive sampling were identified as techniques for quantitative and qualitative data collection. Results from the Study will guide donors, governments, and capacity building organizations to enhance engagement with enterprises to fight poverty and hunger.

Keywords: Leadership Styles, Financial and Non-financial parameters, Agricultural Enterprises

1. Introduction

Agricultural companies exist to make money for their owners, just like any other type of business. Agricultural businesses offer a variety of products and services that farmers can select from. Among the services offered are post-harvest, aggregation, access to farm supplies, and things for crop and animal protection. The Central Bank of Kenya (2023) reports that many agricultural operations are microenterprises, meaning they employ fewer than ten people and bring in less than five million Kenyan Shillings annually. The success of these businesses will depend on how well they accomplish their goals. As such, the company's business divisions are managed by several people. Many factors have been found to influence a business's capacity to meet its organisational goals. Research has shown that the leadership philosophies employed by agricultural enterprises have an impact on employee performance, which in turn has an impact on the organization's ability to achieve its objectives (Northouse, 2019).

Owing to the diverse backgrounds of agricultural business owners, an assessment was required to determine the extent to which they comprehended the types of leadership philosophies that may most effectively facilitate the expansion of their enterprises. Operators of agricultural enterprises in Kenya are not required by law to register their companies and run them in compliance with any regulations. This is the reason why many of the agricultural businesses of today lack well-defined organisational structures that incentivize staff to provide services on a regular basis. This has led to the growth of numerous businesses that prosper for a short while before stalling or even collapsing because of a lack of leadership. Consequently, companies that work with these organisations ought to try putting corporate leadership development into practice. Studies on the impact of different leadership philosophies on corporate success have been conducted (Northouse, 2019). Based on scholarly investigations, leaders ought to employ many leadership philosophies to tackle diverse organisational difficulties. According to Veliu et al. (2017), leaders must use the best leadership style for the circumstances within the organisation to achieve the best possible organisational results. Numerous academicians have contended that proficient leaders need to modify their approach to suit the requirements of their group and the circumstances. Adopted leadership philosophies have been shown to have a direct impact on the company's ability to attain sustainable organisational performance, either by improving or decreasing worker performance.

Africa and Asia have extremely different business contexts than those found in Europe and America, where most of the leadership study has been conducted. Research revealed that informal organisational frameworks were prevalent in Asia and Africa (Kurtulmuş, 2017). Thus, scholars from many countries ought to investigate backgrounds that could influence leaders' inclination to participate in unethical and dishonest behaviour that goes against the real interests of companies and workers. Research has shown that some leadership ideologies place constraints, rules, and requirements on employees and enterprises that reduce productivity (Arendt, et al., 2021). Research from these backgrounds has praised leadership philosophies such as transformational and democratic leadership as the solution to high-performing organisations and people, even though these philosophies are rarely applied by African backgrounds. Most agricultural businesses in Kenya are informal since the procedures in place do not oblige owners to abide by rules (Kenya National Bureau of Statistics, 2023).

Highly performing Agricultural Enterprises generate sufficient financial resources to facilitate employment creation for skilled and unskilled workers. Kenya National Bureau of Statistics (2020) postulates that the Agriculture Sector remains a key employer accounting for 34.5% of Kenya's Gross Domestic Product (GDP), employing over 10 million people. Increased

profitability of agricultural enterprises leads to low staff turnover from the enterprise, high levels of commitment by all workers. This leads to high levels of product production resulting to owner satisfaction to invest more in the enterprise. A highly performing agricultural enterprise therefore pay government taxes and levies on time, provide market outlets for inputs, products, or services to her clients which in return leads to sustained business growth. Performing agricultural enterprises influence investor confidence which leads to high levels of capitalisation to expand the business lines that generate highly demanded products and services. Development partners such as donor agencies, non-governmental organizations and faith-based organizations invest in performing Agricultural Enterprises to fight poverty through investing in capacity enhancement programs that address the needs of smallholder farmers who are key to the development of a vibrant agricultural sector. Central Bank of Kenya (2021) indicates a rising number of loans taken by the Micro, Small and Medium-Sized Enterprises (MSME) sector in Kenya to expand their businesses. In 2020, there were 915,115 active loans taken by the MSME sector in Kenya. Despite the significance of the agriculture sector in Kenya, it only received an allocation of 3.7 percent while trade, real estate and transport sector took a lion share of 66.4 percent. Adoption of appropriate leadership styles that motivate and empower employees influence them to perform their tasks at their best which leads to sustained enterprise performance on increased sales volumes, higher profitability, expanded market outlets, satisfied investors, governments and donors and low staff turnover.

Even though they are important to many nations, agricultural enterprises have a history of collapsing or stagnating, which makes it challenging for owners to keep offering their services to customers (Jackson, 2021). a deficiency in leadership that could offer strategic guidance on how to manage staff so they may effectively complete their jobs and improve corporate performance. According to KNBS (2023), there are 7.4 million micro and small businesses in Kenya that support the country's economy by producing goods and services, creating jobs, and selling goods to Kenyans (International Development Association (IDA), 2023). It is challenging for a business to predict its demands for working capital and human resources when there is a lack of leadership ability, and this can result in business stagnation or even collapse (World Bank, 2016). Many these businesses lack the ability to take the lead and drive business expansion. Research has revealed a pattern whereby three out of every five businesses fail due to subpar leadership at all levels of the organisation. According to Muthimi and Kilika (2018), an enterprise fails when there is a deficiency of leadership at the top. Numerous research studies examining the impact of leadership styles on organisation success have embraced quantitative methodologies, neglecting qualitative approaches that could potentially shed light on the reasons behind underperforming enterprises. It is challenging to translate the research findings from the primarily European and American contexts to the Kenyan setting. Investors become discouraged when unsuitable leadership styles are adopted since they result in low capitalization, low profitability, and low product sales. The failure of an enterprise is the result of poor business performance caused by poor leadership, which results in the loss of key personnel, revenue, and ultimately closure. Inappropriate leadership styles also contribute to high staff turnover and the inability of the enterprise to meet its financial obligations, including timely staff salary payments and late or non-payment of government taxes and levies. Finding the mechanism and explanation for the impact of leadership styles on the success of Kenyan agricultural businesses was the aim of this study. The purpose of the study was to ascertain the moderating influence of the relationship between Kenyan agricultural firms' performance and their leadership styles. As a result, a model that will act as a roadmap for enhancing leadership qualities to attain superior organisation performance.

2. Leadership Styles Capacity Development and Performance of Agricultural Enterprises

2.1 Capacity Development and Enterprise Performance

Capacity development served as the study's moderator. The goal of the study was to determine how much capacity development improves business performance. Within this framework, capacity building examined the different approaches taken to develop an organization's members' ability to lead. They consist of coaching, mentoring, and training. The methods used to educate leaders and their staff about current leadership styles are referred to as leadership development. It explains the application of the leadership principle and the reasons why the use of leadership philosophies affects business performance. Using Conger's methodology, Goldman et al. (2021) describe the evolution of leadership capacity. Employees and leaders get the chance to acquire leadership principles through Conger's methodology, which they can then apply to enhance team member engagement. One of the most important things that helps members of an organisation develop their personal abilities is feedback from leaders and employees (Sawe et al., 2021).

The owners or proprietors of agricultural enterprises face a myriad of challenges while managing their enterprises considering many of them do not have formal training to enhance their leadership capacity. Registration of agricultural enterprises does not require them to be proficient in people management for enhanced achievement of enterprise objectives. This has led to poor firm performance of many firms. Some highly performing enterprises have been found to develop a network that helps enterprise owners and managers form a peer group that help them share their experiences and expertise of running their businesses (Smith et al., 2019). This strategy has helped a series of businesses develop systems that make them identify gaps in their leadership which helps them to seek practical help whenever it is required.

A study conducted by Suriyani et al. (2023) in Indonesia among Weaver Groups revealed capacity improvement to greatly influence the performance of the firms. The study utilised a qualitative descriptive methodology and used in-depth interviews and document analysis to acquire data for analysis. According to the study's findings, public institutions ought to put aside funds to support the private sector. They recommend that top leaders in companies embrace coaching and mentoring to improve the long-term use of employees' creative ideas. Similar findings were made by Akolgo-Azupogo et al. (2021) in their research conducted in Africa, where they discovered that capacity building positively increases employee skills, enabling them to better perform their responsibilities and improve organisational performance. Among the several industries they studied, agriculture was one of the primary ones. They concluded that if businesses desire to perform better, capacity development ought to be required.

A study on the influence of Capacity Building and Women-owned Small and Medium Enterprises (SMEs) from Southwest, Nigeria found capacity building components to be a good predictor of the performance of Women owned SMEs enterprise (Sajuyigbe et al., 2021). The study adopted a quantitative approach using questionnaires to collect data. An assessment on the influence of training programmes on the performance of youth agricultural enterprises in Nigeria, found a strong correlation between training and performance (Adeyanju et al., 2021). Adopting quantitative survey, using a well-structured questionnaire on Kobo Collect, administered to 977 respondents 455 of whom were program participants and 522 non program participants. Data were analysed using the Endogenous Treatment Effect Regression (ETER) Model. These studies suggest there is a positive correlation between capacity development and enterprise performance from the African Context.

To pinpoint SME capacity shortfalls and forge strategic alliances with other like-minded organisations, Kenya established the Micro and Small Enterprises Authority (MSEA) with the goal of strengthening MSMEs' leadership capabilities. This tactic has made it easier for recently founded

businesses to find the leadership development programmes and other types of training that managers and owners require to grow their businesses. To assist in locating the gaps, businesses have created instruments for organisational capacity assessments. For example, SCOPEinsight is a company that has created capacity assessment tools that businesses can use to find any gaps and utilise those gaps to create a training programme. Following the identification of capacity shortages, an organization's managers can enhance their leadership abilities through the implementation of three strategies. The application of training, coaching, and mentoring has been recognised as a crucial approach to enhance the leadership abilities of company executives.

Training refers to specific initiatives put in place by organizations to educate their staff on specific aspects (Armstrong & Taylor, 2020). In most cases, training is planned after specific gaps have been identified, normally through surveys and administration of capacity assessment tools. Trainings are planned to provide general principles that will help employees improve how they lead and are led by their supervisors.

Zuberbühler et al. (2023) assert that coaching can enhance worker performance, development, and wellbeing. Leadership that incorporates coaching is becoming more popular in organisations. The usage of coaching-based leadership (CBL) evaluation techniques, which include coaching into leadership, is becoming more and more respectable. In their second study, a sample of 252 employees' links between CBL and workplace-related outcomes was investigated. The results of structural equation modelling shown that CBL, through the mediation of psychological capital, is positively connected with work engagement and both in- and extra-role performance. The findings help to address important questions about the possible advantages of CBL as a workplace resource that can improve workers' productivity and well-being.

Coaching is a one-to-one method to help workers to grow their skills and knowledge which leads to improved enterprise performance (Jones et al., 2016). Formal or informal performance appraisals are typically the source of the requirement for coaching (Theeboom et al., 2014). Everyday interactions between supervisors and their staff present coaching opportunities. In coaching, controlled delegation is the process of making sure that people understand what is expected of them and what they need to know to perform their tasks to a satisfactory standard. Workplace coaching is a one-on-one learning and development technique that focuses on professional results through a thoughtful, goal-focused, cooperative partnership. Coaching is viewed as an executive development activity in modern organisations. Following a performance evaluation, the coachee's line manager determines which areas require assistance to help them perform better. The coachee is not limited to managers and executives; they might be line managers or other officers.

The method of using well-chosen and trained personnel to offer direction, practical counsel, and ongoing assistance to assist an individual or individuals assigned to them in learning and development is known as mentoring (Armstrong & Taylor, 2020). According to Jones et al. (2016), mentoring is a long-term relationship between an experienced mentor and a mentee who lacks experience. Employees that have mentors in place are better equipped to perform in the future and are groomed for higher and greater things in terms of professional growth. According to Brimah et al. (2020), mentoring can be a significant component in developing leadership potential. To help recently hired or promoted managers become effective managers, senior managers interact closely with them (Susanto & Sawitri, 2023). The mentee can ask questions at any time during the comprehensive mentoring process. The mentee is given the chance to attempt the practice, make mistakes, and gain experience to become effective. The mentor, who is typically a line manager, makes sure the mentee knows how the processes work. Schools that involved principals and leadership groups in action research projects as a leadership role appeared to be more successful in

realising their potential as a collective leadership team for enacting educational reform, according to Aas and Vennebo (2023).

Agricultural entrepreneurs who have been in business long enough are trained to mentor newly recruited entrepreneurs. By attaching newly recruited entrepreneurs to seasoned ones, the new entrepreneurs learn quickly and become experts in their business. This has been seen to increase sales and therefore, motivates new entrepreneurs to quickly take up sales with ease. This study therefore sought to establish the extent to which capacity development influences each of the selected leadership styles on the performance of agricultural enterprises in Kenya.

2.2 Leadership Styles and Enterprise Performance

Research has indicated that empowering leadership can contribute to a rise in sales in global marketplaces (Colovic, 2022). It was found that directive and empowering leadership increase sales in foreign markets in a study on the role of business model innovation and leadership in late internationalising SMEs in the Japanese environment (Colovic, 2022). A leader's style is characterised by a blend of different traits, behaviours, and attributes that they utilise to interact with their support personnel (Al Khajeh, 2018). According to other academics, a leader's style is how they inspire and direct their team members as they carry out business strategies (Okorji & Epetuku, 2019). Likewise, Kariuki and Wachira (2017) define leadership styles as the strategies and tactics that managers adopt to direct staff members as they carry out organisational goals. Employees are influenced in different ways by different leadership philosophies. Miloloža (2018) discovered a significant correlation between the financial performance of businesses and democratic leadership in their investigation into the impact of leadership style on business financial performance in Croatia. According to the report, managing businesses at a stagnation stage requires the adoption of a variety of leadership philosophies. Thus, to determine which leadership style would have the greatest impact on financial success, comparable research in agricultural firms is required. Miloloža (2018), for example, claims that a leader's style has a significant impact on how well small businesses operate. According to Berraies and Bchini (2019), employees' capacity for innovation is influenced by their leadership style. Both transactional and transformational leadership philosophies are linked to higher levels of follower innovation and better organisational outcomes. It has been discovered that employees that wish to embrace exploratory innovation are not greatly impacted by transactional leadership. The kinds of strategies that businesses implement to direct their operations and meet their goals are determined by their leadership styles.

Some academics divide leadership styles into two main groups based on whether the attention is on the leader or the subordinates (Gandolfi & Stone, 2017). Autocratic, charming, and transactional are examples of leader-centered styles. The inclusivity of the democratic leader is emphasised by all follower-centered leadership philosophies, such as servant, transformational, and participative leadership. However, according to Northouse (2019), there are three main groups of leadership styles that researchers have identified: participative, authoritarian, and laissez-faire. This aligns with the classification made by early leadership academics into three main categories: laissez-faire, democratic (sometimes called participative), autocratic, or authoritarian, and democratic. Leadership studies are based on their classification. Autocratic leaders assume accountability and establish explicit guidelines for what, how, why, and when tasks should be completed. Autocratic CEOs do not take their staff members' opinions into account and are solely accountable for all choices made within the company. However, because they encourage employee participation in decision-making processes in both large and small organisations, democratic leaders are thought to be the most successful. Under democratic leadership, staff members' contributions to the achievement of goals and projects are valued.

In contrast to authoritarian leaders, who only communicate in one direction, democratic leaders use a two-way interactive process between their staff and themselves (Gandolfi & Stone, 2017). Whatever the leadership style, there are benefits and drawbacks, making it challenging to determine which would best enable an organisation to achieve its objectives. According to Velu et al. (2017), organisations are designed to accomplish goals that call for employee intervention to be met. Organisational members are influenced by leaders to voluntarily participate to the achievement of definite aims and objectives. As a result, when support employees carry out their duties to meet goals, the leader has the biggest impact on them.

2.3 Empirical Studies on Leadership Styles and Enterprise Performance

2.3.1 Transformational Leadership Style and Enterprise Performance

According to research, transformational leaders around the world have an impact on their staff members by inspiring people to follow new ideas and practices while carrying out their duties (Kalsoom et al., 2018). Transformational leadership is a way to change the way that leadership is currently practiced. It entails showing the staff the shortcomings of the current structure and creating a compelling mental image of the future organisation. It is associated with performance enhancement and transformation instigation (Daud, et al., 2022). Transformational leadership has been connected to improvements in support staff (Ding et al., 2017). Employees are inspired, motivated, and stimulated by the leader to believe in their own strengths and contribute to a group vision, which causes them to perform above their inherent capacity (Ouko, 2022). Akkaya (2020) defines transformational leaders as those who possess the four mutually reinforcing and symbiotic traits. Four essential qualities that a leader possesses are charisma, expressive influences that elicit admiration, confidence, enthusiasm, and dedication from staff members, and the ability to create and exhibit an enticing capacity for forward-thinking (Bass, 1990; Munyiva & Kihara, 2018). Visionary leaders provide clarity on how specific objectives will be met and serve as role models for others to follow (Katsaros et al., 2020).

According to research conducted by scholars globally, corporate performance and transformative leadership are positively correlated (Widodo et al., 2017). Weller et al. (2020) found that in their German study, transformational leadership had a favourable effect on high performance work systems and customer satisfaction. Transformative leadership and company performance are closely intertwined, as proved by Al Khajeh's (2018) investigation into the effects of several leadership philosophies on the operations of UAE businesses. A strong positive correlation has been regularly observed between employee competency, transformational leadership, and the overall performance of the organisation, according to research conducted in Malaysia on the effects of this type of leadership on employee and organisational performance (Atan & Mahmood, 2019). It has been discovered that transformational leaders consistently enhance employees' capacity to carry out their jobs more effectively, helping businesses accomplish their objectives. According to research, transformational leadership significantly affects business success in the United Arab Emirates (Alkhazraji, 2022). Leaders who practice transformational leadership inspire their staff to apply their creative and technology ideas to advance any economic sector.

Other African studies found that some components of transformative leadership affected business performance more than others. In a study on Tunisian SMEs, for example, Boukamcha (2019) discovered that employees are positively impacted by intellectual stimulation and inspirational motivation. Employee innovativeness, their propensity to explore new business

opportunities, and their level of proactive behaviour inside the company have all been observed to increase in leaders that embrace the elements of transformational leadership.

Employee job satisfaction in the Kakamega County government of Kenya has been proven to be impacted by transformational leadership (Barasa & Kariuki, 2020). These findings align with those of other researchers who have demonstrated that transformative leadership affects organisational outcomes. Furthermore, dynamic leaders establish elevated benchmarks for accomplishment, guaranteeing that staff members are committed to imitating their elevated levels of self-assurance. The ability of a leader to instil happiness in their team members is known as inspirational motivation. This approach encourages workers to perform above and beyond their own interests and contributes to the success of the organisation by showing them that obstacles can be overcome, and extraordinary results can be achieved (Munyiva & Kihara, 2018). The ability of a leader to challenge the status quo in a particular context is referred to as intellectual stimulation. Employees that possess this skill can approach problems in novel ways, which makes it easier for them to come up with creative solutions. The capacity of a leader to help staff members grow by recognising their strengths and shortcomings and proactively assisting them in enhancing their job performance is known as individualised consideration (Ogola, 2017).

Employees under the direction of transformational leaders are encouraged to be innovative and actively participate in organisational decision-making. Big businesses, with their structures designed to draw in top talent, compete with smaller businesses for highly skilled people. Only an organization's favourable working environment will inspire highly skilled employees to stay on staff. Working conditions in a company are directly impacted by the decisions made by its executives. Workers like working for companies that provide them the freedom to do their jobs as they see fit. According to Kamau (2020), the success of Kenya's commercial banks is directly correlated with the adoption of the four components of a transformational leadership style. The research verified that transformational leadership facilitates inclusive support plans, a common vision, and a strong bond with multiple stakeholders for bank executives. To determine whether the results hold true, comparable studies in the agricultural sector must be carried out.

2.3.2 Transactional leadership Style and Enterprise Performance

According to Al Khajeh (2018), transactional leadership is a form of leadership where the support staff and the leader trade goals and rewards. In return for their workers' labour, transactional leaders provide them with something. These managers encourage their support personnel to dedicate themselves to the accomplishment of company objectives by offering them incentives such as salary increases, promotions, performance-based prizes, and additional duties Frangieh and Rusu (2021). The idea that transactional leaders use rewards and recognition as well as punishment to encourage their staff to adopt fresh perspectives and methods for effectively carrying out their duties has been validated by Kalsoom et al. (2018).

By providing incentives for consistent target attainment, transactional leaders establish and maintain an organisational environment that fosters employee retention. A direct benefit of reaching their goals is that support staff members earn both material and immaterial rewards. Despite receiving rewards for meeting organisational objectives, support staff members find it difficult to fully utilise their talents and, as a result, do not meet the organization's expectations. This is because their originality and invention are not highly valued. According to Akkaya (2020), there are three kinds of transactions under which transactional leadership might occur. The initial kind of incentive is conditional, describing the agreements and discussions that are made between the boss and staff members and outlining mutual expectations. The goals in this situation can only be reached if certain requirements are fulfilled in the leader-follower relationship. The leader concentrates on

maintaining performance and fixing errors in the second exchange, which is known as management by exception. Resolving errors is the leader's exclusive duty. The leader only steps in to address issues once they are determined to be significant, a practice known as active management by exception in the third exchange. From this vantage point, the leader is a watchdog.

Research conducted in Asia on the production of fast food has proven beyond dispute that transactional leadership has an impact on workers' performance (Kalsoom et al., 2018). Transactional leaders incentivize staff members by offering rewards that encourage them to complete duties and contribute to the successful accomplishment of organisational goals. Ebrahimi et al. (2017) discovered that transactional leadership improves employee creativity in the education sector based on similar studies conducted in Iran. Transactional leadership has been shown in other Nepalese studies to have a detrimental effect on organisational performance (Thapa & Parimoo, 2022).

Transactional leadership and organisational performance have been found to be inversely correlated in an African study on the effects of leadership styles on enterprise performance. According to Al Khajeh (2018), employees lack the opportunity or autonomy to apply their intelligence to improve task performance. This runs counter to the findings of other international investigations.

Research on the effect of transactional leadership on private university academic achievement in Kenya has found a strong and positive link (Kubai et al., 2022). Chege and Gakobu (2017) found a positive link in similar research that looked at the effect of leadership styles on Safaricom enterprise performance. Kabiru and Bula (2020) discovered a positive association between the performance of employees and the transactional leadership style. According to the studies mentioned above, transactional leadership can improve employee performance, which in turn benefits businesses. When they anticipate awards from their superiors, workers appear to be driven to increase their productivity and effectiveness as a team. This runs counter to other research that has shown transactional leadership to have no effect on business performance or to have a negligible or negative link with it.

2.3.3 Democratic Leadership Style and Enterprise Performance

Research conducted worldwide indicates that firm performance and democratic leadership are positively correlated. Dyczkowska and Dyczkowski (2018) discovered a favourable correlation between democratic leadership and SME performance in Poland. Democratic leaders get their employees' approval before making choices. In addition to providing advice by enabling their staff to apply their skills and abilities, Democratic leaders place a high value on the social aspects of the workgroup. Rather of criticising their employees, Democratic leaders collaborate with support staff to discover solutions to issues and reward them for their commitment. Employees are therefore held to a very high standard for achieving their goals. Democratic leaders who involve their staff in discussions about company projections and anticipated setbacks inspire employees to be more devoted to their work by encouraging their innovation and fostering a culture of excellent delivery of goods and services to clients. According to Al Khajeh (2018), democratic leadership improves organisational performance by providing opportunities for support personnel to express and implement their creative ideas. Research conducted in Malaysia by a private company on the effect of leadership styles on worker performance revealed a high positive correlation (Basit et al., 2017). Convenient sampling was used, and closed-ended questionnaires were used to focus on three different leadership styles.

A study conducted in the United Arab Emirates on the relationship between leadership styles and firm performance found an unbreakable link between democratic leadership and business

performance (Cherian et al., 2020). Democratic leadership gives support staff members a voice and encourages them to share their ideas and opinions with their leaders. This encourages them to take ownership of the processes and use their best efforts to produce better results. Giving staff members a say in the company's decision-making process makes them feel valued, which encourages them to share their creative ideas.

The claim that democratic leadership has an unquestionably favourable impact on support staff performance is supported by comparable research conducted in Ghana's non-governmental sector in Africa (Akpaprep et al., 2019). Employee engagement in decision-making increases their commitment to their work, which improves firm performance. Support staff members are more engaged and committed to organisational projects when they are given the chance to voice their opinions and ideas, according to their assessment of how leadership styles affect the performance of businesses at TumaKavi Development Association in Tamale, Northern Region of Ghana. Depending on the circumstances, leadership philosophies can have a favourable or detrimental impact on the functioning of an organisation. In certain circumstances, they claim, adopting autocratic and laissez-faire leadership styles can aid in achieving goals. In a similar vein, Akonkwa et al.'s (2022) investigation on the influence of democratic leadership on the success of family-owned businesses in the Democratic Republic of the Congo revealed a robust positive correlation between participative leadership and business performance. Similar research on the effect of leadership philosophies on Eritrean school performance found that democratic leadership had a significant favourable impact on academic achievement (Tedla & Redda, 2021). Similar research conducted in Eritrea to examine the relationship between school principals' leadership philosophies and academic achievement discovered that democratic leadership has a favourable effect on academic achievement (Weller et al., 2020).

In Kenya, similar studies found contrary results. For instance, Kariuki and Wachira (2017) found the application of democratic leadership style to be inappropriate in financial institutions where quick decisions must be made. Democratic leadership requires time to consult before decisions are made which would lead to loss of revenue if it were to be applied in situations where time is a limiting factor. On the other hand, (Bwonya et al., 2020) found democratic leadership to exert a positive influence on the performance of enterprises in Kenya. These contradictory findings call for studies to establish which of the findings hold in other settings.

Comparable investigations in Kenya produced different findings. For example, Kariuki and Wachira (2017) concluded that financial organisations, where decisions need to be made quickly, are not the right places to apply democratic leadership styles. Should the democratic leadership's requirement for time to consult precede decision-making be implemented in circumstances where time is of the essence, money would be lost. However, Bwonya et al. (2020) discovered that democratic leadership had a favourable impact on Kenyan businesses' performance. Studies are necessary to determine which of these contradicting findings holds true in different contexts.

2.3.4 Autocratic Leadership Style and Enterprise Performance

According to Al Khajeh (2018), autocratic leaders don't have a lot of faith in their staff. Autocratic managers set the tasks, procedures, and methods that support employees must follow and then insist that they carry them out exactly as prescribed (Katsaros et al., 2020). These managers simply encourage one-way communication and seldom support creativity, which has a detrimental effect on their staff members' happiness and excitement. The performance of the company is adversely affected by autocratic leaders' escalation of organisational conflicts. They impede workplace exchanges and communication, which are crucial building blocks for business success. Autocratic managers are successful in the short term and can thereby improve company

performance. The implementation of short-term initiatives by corporations that have deadlines for completion makes the autocratic leadership style effective. When certain measures could mean the difference between winning and losing a commercial deal, or when emergency response calls for quick action, autocratic leadership can be helpful (Katsaros et al., 2020). It should only be used sparingly though, as it leads to complaints from members of the organisation.

Research conducted in Asia on the impact of authoritarian leadership on private sector employees' performance has shown a negative correlation (Basit et al., 2017). Decisions are made by autocratic leaders without consulting their staff members (Dyczkowska & Dyczkowski, 2018). They impose strict guidelines, manage procedures, and opt for formal, business-like interactions with staff members. Because they don't have time for staff consultations, autocratic leaders miss out on the contributions that their followers can make to the company, which puts it at risk from rivals. An autocratic boss prevents staff members from developing and applying their skills to enhance the company's client services.

Studies conducted in Africa produced different findings. To determine the impact of leadership styles on employee performance in a family-owned manufacturing company in Ghana, Amegayibor (2021) conducted a study in West Africa and found a positive correlation between autocratic leadership and the performance of enterprises. Amoah-Mensah and Darkwa (2020) conducted a study on the effect of autocratic leadership on employee performance in Ghana and found a positive association between the two. Under the direction of an autocrat, workers are directed to perform their duties in a particular way, and their primary concern is ensuring that their task is completed according to the specifications. It was discovered that family-owned businesses in the Democratic Republic of the Congo did not perform any better when its CEOs adopted an autocratic approach (Akonkwa et al., 2022). Autocratic leadership is positively correlated with organisational success, according to an African investigation of the impact of several leadership philosophies on business performance (Al Khajeh, 2018).

Research on how authoritarian leadership affects performance in Kenya has produced inconsistent findings. One study, for example, examined the relationship between autocratic leadership style and the effectiveness of Primary Teachers Training Colleges (PTTCs) and discovered a negative one (Lumumba et al., 2021). Conversely, authoritarian leadership and student achievement in schools in Awendo, Sub-County, Migori County, Kenya, were found to be positively correlated by Oyugi and Gogo (2019) in their study on the impact of principals' leadership styles on students' performance in high schools.

Scholars have discovered that in smaller businesses, authoritarian leadership typically wins out. Democratic leadership is used less frequently in small businesses. The small business owner works directly with employees, inspiring them to be creative in the process of putting their creative ideas into action (Mihai et al., 2017). As they provide their business solutions, SMEs are better able to adapt to the always changing business environment because they typically lack the formal structures and processes that huge organisations demonstrate. Collaborating in small groups, wherein team members closely supervise one another, facilitates communication and collaboration. Because of their strong working relationship, all the firm's employees are more motivated to complete their jobs and feel that their contribution to the business is being felt and recognised.

Although authoritarian leaders are generally associated with negativity, research has shown that they can give detailed instructions to their staff on what is expected of them in particular circumstances, including what the leader wants the staff to do. When it's thought to be crucial, autocratic leaders' clear instructions enable staff members to do jobs efficiently, address issues as they arise, and reach goals on schedule. In the short term, autocratic executives have been found to quickly improve business performance due to their clear instructions. It is believed that autocratic

leaders exhibit bad behaviours, which leads to undesirable outcomes (Harms et al., 2018). Autocratic leaders have been shown to be highly appreciated by their staff members in their communities and to have delivered positive results in several cases. Contrary to popular belief, authoritarian bosses are not aggressive or unfriendly towards their staff. Directive leadership, often known as dictatorial leadership, has been found to function extremely well in certain situations.

3. Conclusion

Extensive literature review established a series of gaps from a contextual, empirical, and theoretical standpoint. It is evident that capacity development at the enterprise level significantly enhances the performance of enterprises globally, regionally, and locally. Much as there exists extensive research in large corporates, there is scanty literature on micro and small enterprises where agricultural enterprises in Kenya belong. Most studies have adopted quantitative approaches and left out qualitative approaches that would better explain the results. Since the agriculture is a key industry in Kenya, there is a need to conduct studies using mixed methods approach to better guide the leadership of the enterprises. Results from the study would guide enterprise development initiatives to fight poverty and hunger among Kenya's population.

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