Leadership Style and Performance of Manufacturing Industries in Kenya. A Case of Bidco Africa

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Abstract
Developing countries are faced with a mountainous task of working strategically towards the realization of global development goals. Manufacturing has consequently become a focus of attaining economic growth as outlined in the Sustainable Development Goals (SDGs). In Kenya manufacturing was listed among the Big Four Agenda of the Jubilee government through which the nation expected to attract foreign investment and increase the employment rates in the country. This is further anchored in the economic pillar of Kenya's Vision 2030 whose objective is the development of a strong, diversified and competitive manufacturing sector. To enhance their performance, most manufacturing organizations have adopted varied leadership styles. Despite this, they still face a myriad of challenges in their daily operations that have adverse effects on their performance. This study was purposed to establish the relation between leadership style and manufacturing company's performance in Bidco Africa. The study's objective was to examine the effect of leadership style on the performance of Bidco Africa in Kenya. This research study was anchored on a quantitative research philosophy. The use of a descriptive research design explained the existing relation between the study variables. The target population constituted of 171 employees in the departments of production, sales, technical, marketing and human resource based at the headquarters in Thika. Using stratified and simple random sampling, a sample size of 120 was selected. Structured questionnaires were utilized in collecting primary data that was analyzed with the help of both descriptive statistics as well as inferential statistics by the aid of SPSS computer software version 24. The hypothesis was tested to assess the link between the independent and dependent variables in this study. Hypothesis was tested using ANOVA at a 0.05 confidence level. Leadership style was found to be significant in influencing the performance of manufacturing industry. The study's findings are of great benefit to all stakeholders in the manufacturing industry since they will provide information necessary in formulating and implementing strategies to spur the performance of business firms.
Keywords*: Leadership, Style, Performance, Manufacturing Industry*

1.0 Introduction

Manufacturing is a key industry for the economic growth of developing and developed countries. In today's world manufacturing industry has become a pillar of production in most countries. This has been necessitated by development in technology coupled with high levels of creativity and innovations which have consequently resulted to increased production of the manufacturing industries (Wang, 2020). Despite this positive developments the manufacturing sector continue to face challenges even in industrialized (Kapoor, 2018).

In Japan, the manufacturing industry has been responsible for about 90 percent of its exports. Japan's manufacturing companies have been accelerating operations abroad and increasing overseas production percentages. This has significantly led to improvement of the Japanese economy. Japan's economy is based on processing imported raw materials and exporting commercial products. The manufacturing industry is high-density integrated (Kanten & Ulker, 2013). Despite the positive contributions of the manufacturing industry in developing the economy, severe competition and technology leakages are some of the main challenges facing the Japanese manufacturing companies (Ministry of Economy Trade and sIndustry, 2010).

In Yemen, manufacturing firms could be a significant source of the nation's income. This industrial sector is bound to facilitate the creation of employment opportunities to Yemeni people. However manufacturing in Yemen requires a lot of improvement in many sectors. The success of the sector requires enhanced employee's skill and quality control, the commitment of the employees. there is need to make the organizations more

efficient and effective to increase the organizational performance. All these require a vibrant leadership that would result to strong organizational performance if properly executed (Mohamed et al, 2018).

In china, manufacturing industries have been in the forefront in enhancing economic growth. In 2021, manufacturing accounted for 27% of China's GDP, making it an indispensable industry in China's economic development (Li, 2018). Compared with the impact of the COVID-19 pandemic in 2020, China's manufacturing industry has recovered very quickly, which is an important condition to support the healthy development of the real economy and promote China's sustainable development (Erjavec et al., 2018). The sending and distribution of workers and supplies were significantly hampered when COVID-19 occurred, disrupting the global manufacturing industry lacked methodical management and skilled leadership to lead it through the crisis and was thus seriously (Muenjohn et al., 2018). Good leadership has been cited to one of the important factors of sustainable development. However , due to ineffective management, the performance level of multiple manufacturing companies is low, resulting in the proportion of China's manufacturing industry in GDP decreased from 28.95% in 2015 to 26.18% in 2020 (Siagian et al., 2020). Management roles create unfair workplace and ineffective employee management, direct changes in operational productivity and company performance (Yu and Huo, 2018). Different leadership has different ways to build employee loyalty and trust. When a business is poorly run, it can do lasting damage to employee relations and lead to a toxic and unsavory work atmosphere that leads to poor business performance (Yu et al., 2018). Many companies' management failed to detect internal signs of disappointment and external changes in business decline (Bavoso, 2018). Due to poor management, many companies are faced with unethical practices, poor financial performance and high attrition rates that make it difficult to achieve set goals (Romule et al., 2020).

In Philippine, manufacturing industry remains the most important sector for long-term productive employment, value-added generation, and innovation. It has the highest multiplier effect to the economy compared to other sectors. Manufacturing is regarded the engine of the economy. Many services exist because of manufacturing; and many service jobs will disappear if manufacturing lapses. Manufacturing creates more quality and gainful employment, as it has extensive linkages not only among its sub-sectors, but also with other industries. The increment of manufacturing activities have led to spillover effects of inducing additional demand from the agriculture and resource-based industries. The Manufacturing Industry contributes to 23.25% of the Philippines' 2015 GDP, employing more than 3.2 million in the workforce. As of the third quarter of 2016, manufacturing industry had contributed to 23.8% of total GDP (Batungbacal, 2011; PSA, 2017).

In Africa, Manufacturing production is increasing across Africa but with varying experiences across countries. While the share of manufacturing in gross domestic product declined from 18% in 1975 to 11% in 2015, manufacturing production has nearly doubled since 2000, from $85 billion in 2000 to more than $160 billion in 2015. African manufacturing has grown at 3.5% annually in real terms over the past decade, more than in developed countries. This notwithstanding not all African countries have done well in recent years. Nigeria and South Africa have recently faced declining growth. Africa's manufacturing share increased marginally, from 0.8% to 0.9%. Manufacturing Foreign Direct investment (FDI) rose in nine selected African countries between 2003–2006 and 2010–2014, apart from Nigeria. Despite major challenges, African manufacturing has also recorded notable successes, ranging from automobile production in South Africa and garments in Mauritius and East Africa to other specific examples in footwear, agro-processing, food and beverages and consumer goods (African Transformation Forum, 2018).

Many African countries have a desire to industrialize, as witnessed in national and regional policy statements. Significant progress is being made in selected countries. For instance real manufacturing value added grew at around 7% annually over 2005–2015 in Ethiopia, Rwanda and Tanzania. However, without a greater practical focus on implementing a consistent strategy to promote manufacturing, many African countries deem to miss the significant opportunities presented by their comparative and natural advantages, rising wages in Asia and growing regional markets. Nevertheless, Africa as a whole remains a small player in global exports of

manufactures. The continent's share of world manufacturing exports is less than 1%, and has declined marginally since 2010 There are, however, some manufacturing sub-sectors in which Africa holds a larger share of global exports (Balchin et al., 2016a).

The largest manufacturing bases in absolute terms can be found in Nigeria and South Africa, followed by Kenya, Democratic Republic of Congo, Côte d'Ivoire, Ethiopia and Tanzania. In terms of growth, the data clearly show strong growth in Ethiopian manufacturing. Mauritius is perhaps the most widely cited success case in African manufacturing. Through a well managed transition away from plantation agriculture, the country managed to develop an export-oriented manufacturing sector – focused mostly around textile and garment production. This was achieved through an unorthodox two-track strategy in which the government pursued both import substitution and export promotion policies simultaneously (Ansu et al., 2016b). The government reduced protection for the domestic garment industry (including through tariff reductions) while also creating a well-managed export processing zone (EPZ) and harnessing the advantage of preferential market access into the EU, to attract foreign direct investment into the sector and generate employment. This approach was supported by a well-designed combination of enabling and targeted policies (McMillan et al., 2017).

In South African, the manufacturing industry a pivot of enhancing employment in the country. The South African manufacturing competitive advantage has been necessitated by government support through subsidies and tariffs, and the low labor cost, affordable and reliable power supply. However these advantages have not been sustainable (Bhorat & Rooney, 2017). Bhorat and Rooney (2017) argues that South African manufacturing sector has been stagnant several challenges including skill shortage and a plentiful cheap labor supply from foreign countries. This problem is occasioned by a high demand of skilled jobs, whereby semi-skilled and low skilled occupations are being suppressed (Kaplan, 2019).

Ethiopia has embarked to strongly to establish a manufacturing sector to complement and follow the growth of the dominant agriculture sector by focusing on labor intensive and relatively low-tech manufacturing activities with strong backward linkages to agriculture (Ansu et al., 2016b). In a similar manner to the implementation of industrial policy in successful Asian industrialisers, senior policy-makers in Ethiopia have led the implementation of these development plans. At a practical level, interventions to support manufacturing have involved pro-active targeting of foreign investors through a range of incentives (Brautigam, 2016), together with substantial investments to improve infrastructure and human capital. These policies have contributed to enormous growth in Ethiopia's manufacturing exports over the past decade. They have also helped provide a significant boost to manufacturing employment since 2003 (Ansu et al., 2016a). Despite this the Ethiopian manufacturing industry faces challenges in its operations (Dametew & Ebinger, 2017).

In Kenya, manufacturing has been prioritized by the government. The government strongly believes that this can enhance economic growth by raising revenue and employment creation to Kenyans. Kenya had pursued a strategy of import substitution in which the state provided tariff protection and support for the industrial sector. The strategic import substitution successfully established manufacture ring industries in the country which are being dominant until today. Kenya's Vision 2030 puts much emphasis on manufacturing. The country's objective is to develop a strong, diversified and competitive manufacturing sector. The realization of this objective is done by emphasizing on local manufacturing, expanding in the regional markets, and identifying a niche for Kenya in global markets (Ngui, Chege, & Kimuyu, 2021). The Kenyan manufacturing industry is relatively robust compared to countries with the same economic level of development. Kenya's manufacturing sectors remain to be fundamental suppliers in the rapidly urbanizing East African market (Signé & Johnson, 2018). Nevertheless, Kenyan manufacturing industries face challenges in their operations in regards to. The world Bank Kenya Economic Update (2016) stated several gaps inherent in kenya's manufacturing industries (Were, 2016). The country lacks of clarity on the implementation of strategies because it is difficult to prioritize and identify which social issues to address. Therefore, the aim of this research study was examine the effects leadership styles on performance of manufacturing industry in Kenya with a focus on Bidco Africa.

1.1 Statement of the Problem

Successful companies in the globe have adopted 7s of McKinsey model to boost their performance in the global market that is dominated by stiff competition. This model provides a structure of identifying the realignments that are significant to improve performance, especially when adopting new changes related to leadership styles among other strategies (Jharotia, 2019). Improved organizational performance is attained when the McKinsey's element of leadership style is properly integrated to enhance the industrial ability and therefore make the industry more competitive. The performance of manufacturing industries is therefore dependent on the nature and type of leadership style put in place in the organization.

The Kenyan government has instituted significant measures to revitalize manufacturing in the country. The participation of both private and public in production is enormous. The government strongly believes that manufacturing is pivotal in enhancing economic growth as envisaged in the national development goals. Adequate initiatives have been initiated to promote private manufacturing in the country. Despite this, most manufacturing industries continue to face a lot of challenges in executing their duties. This is a big blow to the government's effort of implementing the Big 4 agenda of which manufacturing is a key component (Wachira et al., 2020). Immediate solutions are needed to rectify these conditions otherwise both national and international goals targeting on manufacturing will be gradually halted. Therefore, this study was to purposely assess the effect of leadership style on the performance of Bidco Africa's manufacturing industry in Kenya. The study was necessitated by the lack of a comparable study at the research site. Other studies have been carried out but different set ups. This study was designed to pack this contextual gap.

1.2 Research Objective

This study's objective was to determine the effect of leadership style on the performance of Bidco Africa manufacturing industry in Kenya

This study was based on alternative hypothesis:

H_1: There is a significant relationship between leadership style and performance of Bidco Africa in Kenya

2.1 Underpinning Theory

The study was based on the theory of Transformational Leadership and Market Based View Theory

2.1.1 Theory of Transformational Leadership Theory

This study was based on the transformational leadership theory. This theory was discovered in 1978 by James MacGregor Burns to assist leaders and their followers achieve higher levels of motivation and morale (Burns, 1978). Burns (1978) stated that the transformational theory established changes in the life of organizations in the manner that it reshaped perceptions and values, and altered aspirations of employees and their expectations. This theory emphasized on the leader's traits, personality and ability to influence change through articulation of an energizing vision and challenging goals and showing example. The transformational theory has been extended by Bass (1985) who added to the concepts of Burns the measurement of the theory as well as the impact it has on the follower motivation and performance. Bass (1985) stated that the influence of leaders to their followers is a great indicator of their efficiency, in the way that it can be used to motivate them and provide them with inspiring vision and mission which fosters uniquely creative ways to challenge the status quo and adjust to the environment.

This study used transformational theory as base to establish nature of leadership practiced at Bidco Africa to motivate workers in order to attain desired performance. The theory further provided a framework to establish the extent to which leadership styles influenced performance at Bidco Africa, Kenya.

2.1.2 Market Based View Theory

This theory which is among the various aspects that explain profitability, was created by Mason and Bain in 1950 to advocate that the organizational success depends on its environment not on its internal capabilities. The Market Based view theory lies on the foundation that the profitability of a firm is driven by factors such as the number of players within an industry, the barriers of entry and the demand elasticity. In the same manner, the competitive advantage of an organization is sustained based on the industry structure which propels the firm to take advantage of available opportunities (Base, 2021).

The theory of market based view provided the foundation to establish measures taken by Bidco Africa to enhance profitability and competitive advantage of the comapany

2.2.1 Leadership Style and Organizational Performance

Scholars have established significant relationships between leadership styles and organizational performance**.** Leadership style was defined by Gandolfi and Stone (2016) as the way a leader intentionally engages people in an organization for a wider understanding of the future state different from the current one. They clarified that the definition shows not necessarily a better future but a different future from the current situation. Al Khajeh (2018) analyzed different styles of leadership and the impact they have on organizational performance, namely democratic leadership, bureaucratic leadership, transformational leadership, laissez-faire leadership and strategic leadership. Democratic leadership affects the performance of an organization since the leadership style promotes decision-making at all levels and also develops a sense of responsibility among followers. This leadership style is encouraged to take place in organizations as it affects the organizational performance. Bureaucratic leadership is known to be the style of policy and procedures following. This style is viewed to negatively affect the organizational performance because it expects employees to work in a systematic way and does not motivate nor develop the employees. Transformational leadership holds a beneficial impact on organizational performance as it is characterized by a healthy relationship between the leader and followers as well as increased development of the followers. Laissez-faire leadership enhances the organizational performance as it gives free will to act with less supervision to employees because the work environment is friendly and encourages creativity for the sake of the organization's success (Suong, Thanh, & Dao, 2019). Strategic leadership through strategic orientation and strategic execution is a factor that contributes to the performance of organization in consideration of performance measures such as profitability. Strategic leadership creates strategic changes by empowering organizational members and sustainability (Rahman et al., 2018) .

Al-khaled and Chung (2020) stated that the adoption of the relevant leadership style contributes to the employees' well-being and offers the opportunity to employees to get involved in decision-making. Furthermore, Al-khaled and Chung (2020) also mentioned that a leadership style permits the accomplishment of organizational goals in an effective way by allocating the necessary tools to the employees and by giving incentives to a well done task. They asserted that the lack of leadership is susceptible to increase the errors affecting the organization's success, and analyzed that the availability of opportunities influences positively the desire to accomplish objectives which leads to the creation and transformation of the organizational culture.

2.2.2 Organizational Performance

Competitive advantage is viewed as the organization's capacity to outperform another competitor because of the ability of managers to create more output from the resources at their disposal. Competitive advantage results from skills, core competences and abilities of the manager in value-creation activities like management of new technology, organizational design and change, research and development or manufacturing (Jones, 2013). Jones (2013) continued to state that a competitive advantage of an organization can exist in any or all of an organization's functions, that it can get exceptional managerial talent, superior low-cost production, or a leading Research and Development department.

According to Wagner and Hollenbeck (2010), one of the most efficient ways of securing competitive advantage is to make the best use of the skills, knowledge, and other assets possessed by the employees of the company. They argued that advantage is obtained when a firm does something difficult for its competitors to duplicate and then, competitive advantage is therefore secured when competitors are not in the position to duplicate the firm's special ability at all. Furthermore, competitive advantage is determined by the conditions and dimensions that would result from a relation between values expected by the customers, the company's values as well as the values from the competitors (Hosseini, Soltani, & Mehdizadeh, 2018). It was figured out by Hosseini et al. (2018) that if customers' expected values are closer to the company's values in comparison to the values offered by competitors, it means that, in one or more indices, the firm has competitive advantage over its competitors. They further argue that an organization's competitive advantage is existent when there is a higher profit rate compared to the average rate of a similar industry and to have maintained competitive advantage when the higher profit rate is retained for several years. It is imperative to mention that a competitive advantage can be in terms of low cost production, differentiation of products or services from others, and a focus on a specific group of people that a company wants to serve.

3.0 RESEARCH METHODOLOGY

3.1 Research Design

A research design is the structure that a researcher uses in integrating the diverse study components in a rational and coherent manner in order to address the study questions (De Vaus, 2001). This study employed a descriptive research design to assess the effect of leadership style on the performance of Bidco Africa manufacturing industry. This design was specifically chosen because it would yield valuable data that could be useful to enrich the study. This design further helped the researcher to get a view of the phenomena as they existed by accurately portraying the true characteristics of the situation**.** Using this design therefore the researcher attempted to seek answers to research questions by assessing how leadership style affected performance of manufacturing companies.

This research was done at Bidco Africa headquarters in Thika, Kiambu County. The choice of Bidco Africa was purposely selected because it is one of the largest manufacturing industry in Kenya and has sustained its operations in many markets for several years. The targeted population constituted 171 employees at the headquarters drawn from the departments of production, investment, technical, marketing and human resource as shown in Table 1.

Table 1: Target population

Department	Number of workers
Production	47
Sales	36
Technical	31
Marketing & HR	57
Total	171

Source: Bidco Africa (2022)

A sample size of 120 was used consisting of employees from the production, investment, technical, marketing and human resource departments. The sample size was computed using Yamane (1967) sampling frame formula from the target population of 171 employees as follows:

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

Where:
n: sample
N: population
e^2: margin error $(0.05)^2$
n= 120
Stratified sampling was used to choose respondents proportionnally. Individual respondents were chosen by use of simple random sampling, which was to be done using random numbers generated by a computer programme as shown in Table 2.

Table 2: Sample size

Department	Target population	Stratified sampling	Sample size
Production	47	33	33
Sales	36	25	25
Technical	31	22	22
Marketing & HR	57	40	40
Total	**171**	**120**	**120**

Source: The researcher (2022)
Gupta (2008), suggested that a sample is regarded as large if it exceeds 30 and therefore 120 was considered an appropriate size for this study.

This study utilized primary and secondary sources. Primary data collection was done using structured questionnaires since the study was founded on a quantitative research philosophy. Different literature sources provided secondary data and were helpful in explaining the study's variables. The questionnaires had closed ended questions that were convenient to analyze. A Likert scale of five response categories was adopted in measuring the research questions. Self-administered structured questionnaires were used to obtain opinions from the respondents. This helped in collecting information that was to be analyzed and expressed using figures. The questionnaires were arranged in sections comprised of demographic questions followed by questions framed according to the research objectives. Piloting was carried out to pretest research questions. Under this study, piloting was carried out on 10% of the sample size. It constituted respondents that were not be used in the final study. The pilot results were helpful in correcting pitfalls in the questionnaire.

Cronbach Alpha coefficient was used in a reliability test to assess the consistency of the respondents' answers. SPSS version 24 was used for this purpose. A coefficient of 0.85 was found reliable and significant for this study. To test validity, the research questions were tested and pretested to randomized sample for accuracy by use of content validity. This ensured that the questions accurately measured what is needed. The quantitative data in this research was analyzed by descriptive and inferential statistics with the aid SPSS version 24. In this study, descriptive statistics included frequencies and percentages based on Likert scale of 5 responses. Furthermore, the data was evaluated inferentially using ANOVA and a regression analysis was employed in order to assess the correlation between the research variables. The hypothesis of this research was be tested at 0.05 confidence level. This informed the basis of rejecting or accepting the null hypothesis. The analyzed data was presented in ways that ease the understanding of the results using suitable graphs and tables by aid of Microsoft excel software.

The model $y = \alpha + \beta_1 X_1 + u$ was subjected to a test using linear regression to establish whether leadership style were a predictor of performance of manufacturing industry.

Where Y =dependent variable (performance of manufacturing industry)

$X_{1=}$ independent variable (leadership style)

α = constant

β_1 =the coefficient of the independent variable

u = the error term.

The ethics were taken into consideration in this study at all levels to avoid inconveniences. The researcher sought the permission from the school after the presentation of the proposal, and an introductory letter was provided to allow the data collection at the research site (Bidco Africa). The researcher followed all the steps needed to collect data to meet the ethical standards that are requested to proceed with the research. The researcher ensured that the confidentiality of the respondents was kept, participation was voluntary and that no respondent was coerced to answer the research questions.

4.0 Findings

The study identified the following findings:

4.2 Response Rate

One hundred and twenty (120) respondents were targeted to respond to research questions, but only 98 respondents responded. This represented a response rate of 82 %. As shown in Table 3. Mugenda and Mugenda (2012) and Kothari (2014) observe that a response rate of 50% is adequate for a study.

4.3 Descriptive analysis of Leadership Style on the Performance Manufacturing Industry

Effect of leadership style on organizational performance was assessed as indicated in Table 3. Most of the respondents 47.4% agreed that organizational performance is achieved through the execution of strategic changes, 37% strongly agreed while 3.1% disagreed. To establish on whether working freely enhances the performance of the organization, majority of the respondents strongly supported by 39.2%, 32% agreed while the least 8.2% were uncertain on the statement.

To ascertain on whether strict observance of rules and procedures contributes to the performance of the organization, majority of the respondents agreed and strongly agreed by 38.1% and 34% respectively. 16.5% of the respondents were not sure; 5.2% disagreed while 6.2% strongly disagreed. To ascertain on whether freedom to make decisions enhances the performance of the organization, 37.8% strongly agreed, 32.7% agreed, 8.2% were not sure, 4.1% disagreed while 17.3% strongly disagreed.

Finally, on whether leadership style influences the organization to perform better, 56.7% strongly agreed, 21.6% agreed, 4.1 % were not sure, 4.1% disagreed while 31.4% strongly disagreed.

Table 3: Leadership Style on Organizational Performance

	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree	
	F	%	F	%	F	%	f	%	F	%
Organizational performance is achieved through the execution of strategic changes	36	37.1%	46	47.4%	7	7.2%	3	3.1%	5	5.2%
Working freely enhances the performance of the organization	38	39.2%	31	32.0%	8	8.2%	9	9.3%	11	11.3%
Strict observance of rules and procedures contributes to the performance of the organization	33	34.0%	37	38.1%	16	16.5%	5	5.2%	6	6.2%
Freedom to make decisions enhances the performance of the organization	37	37.8%	32	32.7%	8	8.2%	4	4.1%	17	17.3%
The leadership style influences the organization to perform better	55	56.7%	21	21.6%	4	4.1%	4	4.1%	13	13.4%

Source: Researcher (2022)

4.3.1 Regression Analysis of Leadership Style and Performance of Manufacturing Industry

The model $y = \alpha+\beta_1X_1+u$ was subjected to a test using linear regression to establish whether leadership style was a predictor of performance of manufacturing industries. Algebraically the model is as follows:

$y = \alpha+\beta_1X_1+u$

y =dependent variable (performance of manufacturing industries)

$X_{1=}$ independent variable (leadership style)

α = constant

β_1=the coefficient of the independent variable

u = the error term.

Table 4 represents a regression model on leadership style and the performance of manufacturing industries. As shown in the table, the coefficient of determination R square is 0.72 and R is 0.751, while Adjusted R Square 0.075 at 0.05, significance level. The coefficient of determination indicates that 0.075% of the variation on leadership style influences the performance of manufacturing industries. It means that 7.5% of the variation in the performance of manufacturing industries is explained by leadership styles. This implies existence of a significant positive relationship between leadership styles and the performance of manufacturing industries.

Table 4: **Model summary on Leadership Style**

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.751[a]	.723	.075	1.3005530

a. Dependent Variable: organizational performance

b. Independent Variable: leadership style

Source: Field Data (2022)

The correlation between the leadership and the organizational performance was 75.1% while R squared of 72.3% indicates goodness in model fitting.

The ANOVA results indicated in the Table 5 confirmed further the appropriateness of the model fit for this data. The calculated p value 0.003 is small compared to the critical value of 0.05. This computation implies strong and positive significant relationship between leadership style and performance of manufacturing industries. The F-statistics of 2.558, showed that the results were highly significant (P<0.001) and it was very unlikely that they were computed by chance.

Table 5: ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.636	5	4.327	2.558	.003[b]
	Residual	153.921	91	1.691		
	Total	175.557	96			

Source: Researcher (2022)

There was a statistical relationship between the leadership styles and the organizational performance since the p value obtained was 0.003 which was less than 0.05.

4.3.2 Regression Summary of Leadership Style and Organizational Performance

A statistical regression summary was computed to establish correlation coefficient of each indicator of leadership style on organizational performance as shown in the Table 6

Table 6: Regression summary

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	1.729	.332	5.210	.000
	Organizational performance is achieved through the execution of strategic changes	.488	.163	3.005	.003
	Working freely enhances the performance of the organization	.137	.159	.859	.393
	Strict observance of rules and procedures contributes to the performance of the organization	-.131	.138	-.949	.345
	Freedom to make decisions enhances the performance of the organization	-.037	.127	-.293	.770
	The leadership style influences the organization to perform better	-.136	.149	-.910	.365

The execution of strategic changes has the highest correlation (0.488) on organizational performance while the influence of leadership styles least correlation of -0.136.

4.3.3 Hypothesis Testing

To determine whether leadership style influences performance of manufacturing industries, H_1 hypothesis which states that "There is significant relationship between leadership style and the performance of manufacturing industries" was tested.

Decision rule: If the calculated p value is found to be smaller than the critical value of 0.05, then the null hypothesis is rejected. ANOVA results indicated in Table 5 confirmed the appropriateness of the model fit for this data since the computed p value of 0.003 is much smaller compared to critical value of 0.05. These findings implied the existence of a significant relationship between leadership style and performance of manufacturing industries. This led to a rejection of the null hypothesis and the adoption of an alternative hypothesis which states that, "There is a significant relationship between leadership style and performance of manufacturing industries" is accepted.

4.4 Discussion of findings

This study sought to examine leadership style on organizational performance. The findings obtained showed that majority of respondents agreed that organizational performance was achieved through the execution of strategic changes. The respondents revealed that working freely enhances the performance of the organization statement was supported by the majority of the respondents. The study also revealed that strict observance of rules and procedures contributed to the performance of the organization. Furthermore, the results established that freedom to make decisions enhanced the performance of the organization. Finally, majority of the study participants agreed the expression that leadership style influences the organization to perform better. The ANOVA tabulation indicated that there was a statistically significant relationship between the leadership style and the organizational performance since the p value obtained was 0.003 which was less than the critical value of 0.05 as shown in Table 5.

These findings were in agreement with Al Khajeh (2018) study that established democratic, autocratic and transformational styles of leadership positively influenced on organizational performance while bureaucratic, charismatic and transactional of leadership negatively influenced organizational performance in the organizations. This leadership style is encouraged to take place in organizations as it affects the organizational performance. The study is also in agreement with Suong, Thanh, & Dao, (2019) and Rahman et al., (2018) who

established that leadership holds a beneficial impact on organizational performance as it is characterized by a healthy relationship between the leader and followers as well as increased development of the followers. They also observed that leadership enhances the organizational performance as it gives free will to act with less supervision to employees because the work environment is friendly and encourages creativity for the sake of the organization's success. They further argued that leadership is a factor that contributes to the performance of organization in consideration of performance measures such as profitability. It empowers organizational members and sustainability.

The results also concurred with Ibrahim et al., (2019) who asserted that effective change in leadership style enhances organizational performance. The findings were further in line with Al-khaled and Chung (2020) study who argued that a leadership style permits the accomplishment of organizational goals in an effective way by allocating the necessary tools to the employees and by giving incentives to a well done task. The study is further linked to Al-khaled and Chung (2020) who stated that the adoption of the relevant leadership style contributes to the employees' well-being and offers the opportunity to employees to get involved in decision-making. Furthermore, they noted that leadership style permits the accomplishment of organizational goals in an effective way by allocating the necessary tools to the employees and by giving incentives to a well-done task. They asserted that the lack of leadership is susceptible to increase the errors affecting the organization's success, and analyzed that the availability of opportunities influences positively the desire to accomplish objectives which leads to the creation and transformation of the organizational culture.

5.0 Conclusion

The findings of this study established a significant positive relationship between leadership style and performance of manufacturing industries. The general implication is that the use of efficient leadership styles helps to improve organization performance of manufacturing companies. From the study findings, it can be concluded that leadership styles have positive effect on the performance of manufacturing industries.

5.1 Recommendations

The study recommends that manufacturing companies should identify and embrace efficient leadership styles in management of the industries to enhance organizational performance.

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