

Achievement Oriented Leadership Style and Performance of Manufacturing Small and Medium Enterprises (SMEs) in Nairobi County, Kenya

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Cite: Ochieng, L.A., Koshai, J., & Bellows, S. (2024). Achievement Oriented Leadership Style and Performance of Manufacturing Small and Medium Enterprises (SMEs) in Nairobi County, Kenya. *The University Journal*, 6(2), 77-93.

Abstract

This study sought to examine the influence of achievement oriented leadership (AOL) style on organizational performance of manufacturing SME's in Nairobi, Kenya. Positivism research philosophy and descriptive correlational research design were used. The target population of interest in the study comprised of managers/owners from 425 SME's listed members of the Kenya Association of Manufacturers based in Nairobi region. A sample size of 369 managers/owners was derived using stratified random sampling technique. From this, a total of 367 participated in the study, giving a response rate of 99%. Data was collected using self-administered questionnaires. The descriptive statistics covered were mean, standard deviation, skewness and kurtosis while inferential statistics used for data analysis included:-pearson's correlation, chi-square and binary logistic regression. Binary logistic regression (Cox and Snell R squared) showed that 5.9 % of the probability of organizational performance was explained by achievement oriented leadership style. The parameter estimates indicated that AOL style positively and significantly predicted organizational performance, $\beta = 2.450$, $p = .000$, $p < 0.05$. Hence, the study rejected the null hypothesis that AOL style does not influence organizational performance in manufacturing SME's in Nairobi. From the conclusion, AOL style significantly influenced organizational performance in manufacturing SME's Nairobi, Kenya. The findings provide insights to the owners/managers of manufacturing SME's on influence of AOL for better performance. This study recommends further research on SME's from specific manufacturing categories in Kenya, the inclusion of demographic variables and a longitudinal approach to reveal the impact of AOL style on organizational performance over time.

Key words: Achievement Oriented Leadership (AOL), Organizational Performance, Manufacturing, SME's.

Introduction

House and Mitchell (1974) path goal leadership theory is founded on the principle that employee perception of expectations between his work and performance was greatly affected by the leader's behavior. Based on expectancy motivation theory, the philosophy envisages that motivation is the basis of job satisfaction and performance.

Northouse (2017) characterizes achievement-oriented leadership as leaders who challenge followers to perform work at the highest level possible. The leader creates a high standard of excellence for followers and seeks continuous improvement. Achievement oriented leaders show high degree of confidence that followers are able to establish and accomplish challenging goals in addition to expecting a lot from their followers. The achievement-oriented leaders

provide challenges to the followers who have high expectations and need to excel. To accomplish the goals, the leader motivates the followers as they have high potential for success. The tasks are generally vague and complex and require increased motivation for task completion (House & Mitchell, 1974).

Small and medium sized enterprises (SME's) leaders must be cognizant of the changes in the global environment as no business endures and thrive without a clear vision established by the organization's leadership supported by entrepreneurial actions. To attain this goal, organizations leaders must understand their own capabilities, competencies and leadership style. (Sawaeana & Alib, 2019).

Adam et al. (2020) argued that lack of understanding in the application of effective leadership styles has been claimed to be one of the root of cause problems in companies today. The leadership influence encourages company innovation because good leadership enables employee innovation and this brings forth new ideas in accordance with the goals set by the company. Palalic (2017) earlier posited that intelligent leaders of organizations utilize their skills and capabilities to achieve growth and rapid development of their firms whilst creating competitive advantage and sustainable business.

The sustainability of manufacturing SME's is dependent on the development of innovation culture through staff development, in addition to enabling skilled and professional leaders participate in the implementation of strategic business goals (Mkheimer, 2018).

Statement of the problem

The factors that determine both failure and success of small business include substantive and legitimate leadership behaviors and learning strategies. These factors may be among the principal reasons why some small businesses succeed, while others fail to understand the learning strategies, leadership knowledge, and skills used by successful small business leaders (Mersha & Avenew, 2018).

Despite the high levels of resilience exhibited by the SME sector as evidenced by job creation abilities in a tough environment as well as significant contribution to GDP at over 30 percent, SME's still face serious challenges that impede their growth. A survey conducted by the Kenya National Bureau of Statistics released in 2018 indicated that approximately 400,000 micro and small enterprises do not celebrate their second birthday; they found that very few MSME's reach their fifth year, which leads to concerns of how to sustain this crucial sector.

The lack of sustainability efforts in the SME manufacturing sector is largely attributed to SME characteristics, which are seen as lack of awareness, expertise, skills and finance among others (SDG, 2019). Wandiri, Nyangau and Ochieng (2020) added that as Kenya positions itself to achieve the sustainable development goals, there is a need to revisit the contributions of manufacturing SME's. The diversity in business environments and the heterogeneity of the SME population poses great challenges that would require fundamental SME policy re consideration.

The heterogeneity of the SME population, the diversity in the business environments and the pressing challenges requires a fundamental reconsideration of the SME policy. The government approach through enhancement of monitoring and evaluation will be the key factor in ensuring success in the SME sector (OECD, 2019).

Globally, leadership scholars (Saleem et al., 2020; Dokony et al., 2020; Lal'Arya, 2017) conducted studies on achievement oriented leadership in different contexts with varied outcomes. In Kenya, scholars such as (Mutonyi et al., 2021; Mwaisaka et al., 2019; Rana et al., 2019) studies on achievement oriented in large organizations focused on innovative behavior, organizational commitment, employee satisfaction and employee performance. Evidently, there is need for additional research on leadership styles and organizational performance in manufacturing SME's taking into consideration the gaps in policy, literature and context of the studies. The study therefore sought to examine the influence of achievement oriented leadership styles and organizational performance in manufacturing SME's in Nairobi, Kenya.

Literature Review

This study was grounded on path-goal leadership theory, which was developed by Robert House and published in 1971. The model does not have a leader trait and behavior variable because the leader is supposed to use the appropriate leadership style regardless of his/her preferred traits and behavior to motivate employees to enhance their performance (Northouse, 2017). Northouse (2016) alludes that path goal theory is a process where leaders select specific behaviors that are best suited to the employees needs and the work environment so that they may guide the employees through the path to the attainment of their daily work goals. Pathgoal theoretical framework includes; achievement oriented leadership, directive leadership, participative leadership and supportive leadership style. This study specifically focused on achievement oriented leadership style.

Goal setting theory developed by Locke and Latham (2013) explains that an individual performance is determined by the goals they set. Achievement oriented leaders seek to ensure that employees complete their work on time and is even more useful for team members who struggle to manage their time and put their efforts together in accomplishing the tasks given (Anzalone, 2017). A survey done by Van der Hoek, Groeneveld and Kuipers (2018) on goal clarity, goal setting and team performance in the Dutch public sector revealed that both goal clarity and self-management have a positive effect on team performance. They also found out that goal clarity effect on team performance is not affected by teamwork, however, it is shown by insignificant moderation effects of information explanation and self-management. Moreover, Zwikael and Meredith (2019) argued that goal setting in projects is an important operational process as effective goal setting aligned to the strategy will enhance the project's success linking it to overall performance of the project.

Ashford (1986) defined feedback as a subset of information that is available to employees at work that specifies the correctness of their conduct in achieving various organizational goals. Most recently, according to Auh, Menguc, Imer and Uslu (2019), companies use a direct and formal system of appraisal to provide feedback to employees. This, however, because of the poor timing can make employees more reliant and have a passive attitude as they wait for the supervisors to give them feedback on performance before taking any action. Notably, performance feedback significantly alleviates the negative relationship between uncertainty of the roles and job satisfaction (Jong, 2016). Most importantly, employees will readily accept feedback from their supervisors on their performance when they see that the feedback given is useful for the accomplishments of tasks (Christensen-Salem et al., 2018).

Ryu and Hong (2020) studied the relationship between constructive performance feedback and perceived fairness of performance appraisal with a mediating effect of trust. The findings showed that trust and constructive performance feedback significantly and positively related with perceived fairness of performance appraisal. Moreover, employee trust if supervisors mediated the above relationship. Zhang and Zhu (2019) on the other hand in their study sought to build and confirm the impact mechanism of leadership development feedback on employee performance. The conclusions showed that supervisor development feedback has a significant positive effect on employee performance and feedback seeking behavior as emotional intelligence played a mediating role.

Reward management is a strategy used by human resource managers to attract and retain suitable employees in addition to facilitating them to improve their performance. Martono et al. (2018) concur that reward management system has a focal point in any organization in defining employee’s welfare and performance. Their study focused on the impact of remuneration reward system on employee performance with job satisfaction and motivation as the mediating variables. The results indicated that job satisfaction and remuneration had a positive impact on performance. Furthermore Pang and Lu (2018) assessed the effect of motivation on job satisfaction and organizational performance of container shipping companies in Taiwan. The findings showed that the remuneration and job performance had a positive effect on financial performance indicators such as profitability, turnover and return on assets, whereas the job environment and autonomy had a positive influence on non-financial performance. This infers that employee’s value financial incentives in addition to a positive work place environment.

Northouse (2018) uphold that achievement-oriented leaders let their subordinates know their expectations, set clear goals with high performance standards, in addition to trusting the capabilities of their subordinates and encourage continued performance improvement. Moreover, achievement-oriented leaders help their followers to feel that their efforts will yield results that can be rewarded.

Conceptual Framework

The conceptual framework for this study shown in Figure 1 explains the relationship between the independent variable as achievement oriented leadership behavior measured by goal setting, feedback and rewards and the dependent variable is organizational performance measured by an increase in revenue, sales production and number of new inventions as the key performance indicators derived from Kalpan and Norton (2001) balance score card perspectives.

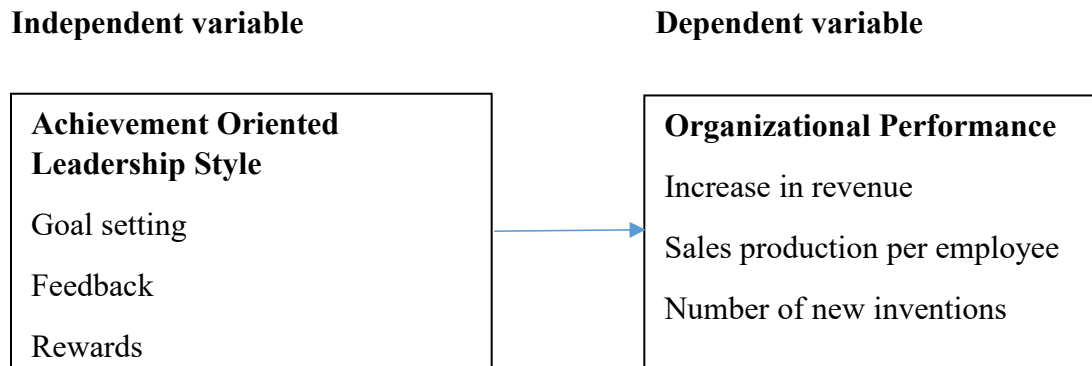


Figure 1. Conceptual Framework

The independent variable for this study was achievement oriented leadership style. The dimensions of achievement-oriented leadership style in the study were; goal setting, feedback and rewards. The dependent variable was organizational performance amongst manufacturing SMEs. The study used increase in revenue, sales production per employee and number of new inventions as the key performance indicators from the balance score card perspectives (Kaplan & Norton, 2001). This is because they have quantitative metrics, measurable and are numerically comparable.

Methodology

The study applied positivism research philosophy and descriptive correlational design. Descriptive correlational design provided an effective and accurate representation of the variables relevant to the research questions and established the extent of predictability of each independent variable (Creswell & Creswell, 2018). This design was used in establishing the relationship between independent variable (achievement oriented leadership styles) and the dependent variable (organizational performance).

The study targeted managers/owners from 425 SMEs listed members of the Kenya Association of manufacturers based in Nairobi Region as per the Kenya Manufacturers and Exporters Directory 2020-2021 edition. Stratified random sampling technique was used to select the sample of 369 respondents from a population of 425 SME's from different categories grouped into 14 homogenous strata. (Katialem et al., 2018). Further, purposive sampling technique was used in each stratum to select the unit of analysis (owners/managers) of the manufacturing SME as they were the best fit participants in the study (Dudafa, 2021). Yamane (1967) formula was used to define the sample size for each strata.

Self-administered questionnaires were used to collect data from the respondents. The questionnaires adopted a five-point likert scale where the scale ratings used to gauge achievement oriented leadership and organizational performance were as follows: 1 = Not at all, 2 = Rarely, 3 = Sometimes, 4 = Often, 5 = Always. Descriptive statistics for this study included; mean, standard deviation, skewness and kurtosis. Various techniques used to perform inferential analysis in the study included; factor analysis, validity and reliability tests, correlation analysis, chi-square and binary logistic regression.

Results

A total of 367 out of 369 owners/managers participated in the study, giving a response rate of 99%. Descriptive statistics used in the study to determine the demographic information included, the duration within the organization, gender, age of the respondents, position in the firm and level of education. The demographic results presented in Table 1

Table 1. Demographic Information

Variable	Description	Percentage
Duration in the organization	0-1 years	11.7%
	2-3 years	24.8%
	4-5 years	24.8%
	6-8 years	11.7%
	9-12 years	8.7%
	13-15 years	10.4%
	Over 15 years	8.4%
Position in the firm	Managers	62%
	Owners	38%
Gender	Male	70%
	Female	30%
Age of the respondents	18-25 years	5.8%
	26-30 years	10.1%
	31-35 years	11.0%
	36-40 years	26.8%
	41-50 years	30.7%
	51-60 years	7.4%
	61-70 years	5.2%
Level of education.	Over 70 years	3.0%.
	High school diploma	7.9%
	Certificate	22.7%
	Diploma	35.2%
	Undergraduate	24.9%
	Master's degree	7.7%
	PhD	1.1%

The descriptive statistics covered were mean, standard deviation, skewness and kurtosis. As presented in Table 2. The mean value of all the questions on Achievement Oriented Leadership style ranged from 2.97 to 3.69 which when converted to zero decimal place was M=3. Similarly, the SD ranged from .770 to 1.085, hence most of the respondents highly agreed on the questions on Achievement Oriented Leadership style as the independent variable of study. The skewness and kurtosis of the data was also <1 hence data on the Achievement Oriented Leadership style was normally distributed.

Table 2. Statistics

N	I let my employee's know what is expected of them to perform at their highest level.	I set goals for employee's performance that are quite challenging.	I encourage continual improvement in employee's performance.	I do not show doubt about my employee's ability to meet most objectives.	I consistently set challenging goals for employee's to attain.
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N	Valid	367	367	367	367	365
Mean	Missing	0	0	0	0	2
Median		3.69	2.97	3.39	3.41	3.22
Std. Deviation		4.00	3.00	3.00	3.00	3.00
Skewness		.770	1.085	.977	1.033	1.063
Std. Error of Skewness		-.588	-.044	-.111	-.351	-.149
Kurtosis		.127	.127	.127	.127	.128
Std. Error of Kurtosis		.857	-.581	-.425	-.245	-.650
		.254	.254	.254	.254	.255

Factor Analysis for Achievement - Oriented Leadership Style

The exploratory factor analysis (EFA) was performed on the Achievement Oriented Leadership style as the construct of the independent variable using the Principle Component Analysis (PCA) as the extraction method to determine the strength of the sampling adequacy, extract the pattern matrix that informed the viability of constructs included in the study, and to identify the questions on each matrix. Questions that did not fit the matrix were dropped. The Achievement Oriented Leadership style had five questions and all were closed ended and measured in five point likert scale.

As shown in Table 3 the Kaiser-Meyer-Olkin test of sampling adequacy was 0.736 with significant Bartlett’s test of Sphericity at $X^2(10) = 379.775, p < .000$. This result shows the Achievement Oriented Leadership style was adequate for extraction since Kaiser-Meyer-Olkin Measure was greater than 0.6 and the Bartlett’s test was significant ($p < .000$). On the total variance explained, only one component was extracted with the Eigenvalue of >1 and 48.167 % of variance.

KMO and Bartlett's Test, Total Variance Explained

Table 3. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.736
Bartlett's Test of Sphericity	Approx. Chi-Square	379.775
	df	10
	Sig.	.000

Table 4. Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.408	48.167	48.167	2.408	48.167	48.167
2	.971	19.423	67.589			
3	.652	13.049	80.638			
4	.555	11.109	91.747			
5	.413	8.253	100.000			

Extraction Method. Principal Component Analysis

Correlation Analysis

Correlation test was conducted to test for significant relationship between achievement oriented leadership style as an independent variable and Organization performance as the dependent variable. As shown in Table 5, the relationship was statistically significant.

Table 5. Correlation between Achievement Oriented Leadership and Organization Performance

Achievement Oriented Leadership		Organization Performance
I let my employee’s know what is expected of them to perform at their highest level.	Correlation Coefficient	1.000
	Sig. (2-tailed)	.000
	N	367
I set goals for employee’s performance that are quite challenging.	Correlation Coefficient	.560**
	Sig. (2-tailed)	.282
	N	367
I encourage continual improvement in employee’s performance	Correlation Coefficient	.364**
	Sig. (2-tailed)	.000
	N	367
I do not show doubt about my employee’s ability to meet most objectives.	Correlation Coefficient	.154**
	Sig. (2-tailed)	.003
	N	367
I consistently set challenging goals for employee’s to attain.	Correlation Coefficient	.133**
	Sig. (2-tailed)	.000
	N	365

Chi-Square Tests for Achievement Oriented Leadership and Organizational Performance.

Further, to determine the strength of association between Achievement Oriented Leadership style as the independent variable and the organization performance as the dependent variable, chi-square test was performed. As shown in Table 6, the organization performance had strong and positive significant association ($p < 0.05$) with the Achievement Oriented leadership style, $\chi^2 (18) = 217.105$, $p < .000$. This is consistent with the correlation test done where the organization performance had significant relation with the Achievement Oriented Leadership style.

Table 6. Association between Achievement Oriented Leadership and Organizational Performance

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	217.105 ^a	18	.000
Likelihood Ratio	56.221	18	.000
Linear-by-Linear Association	32.718	1	.000
N of Valid Cases	367		

a. 24 cells (63.2%) have expected count less than 5. The minimum expected count is .02.

Binary Logistics Analysis and Regression Assumptions tests

Binary logistic regression Analysis and the assumption tests were conducted to determine whether achievement oriented leadership style predicted organizational performance in manufacturing SME’s in Nairobi, Kenya. The assumption tests conducted before the binary logistics regression were; test of proportional odds, test of multi- collinearity, test of linearity, normality test.

Test of Proportional Odds

To test the proportion odds assumption, the test of parallel lines was conducted. This submits that the correlation between independent variable and dependent variable do not change for dependent variable categories. The Chi- Square results presented in Table 6 are $\chi^2 (3) = 34.123$, $p < .05$ and significant level .000 ($p < .05$) indicating that the assumption was violated hence the need for further tests.

Table 7. Test of Parallel Lines^a

Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Null Hypothesis	149.506			
General	115.383	34.123	3	.000

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.

^a Link function: Logit.

Test of Multi-collinearity

The test for Multicollinearity was conducted to test whether the values of Achievement Oriented Leadership style and Organizational performance were highly correlated. Using VIF, the value of 1 to 10 indicates absence of Multicollinearity. As shown in Table 7 the value of VIF was 1.000 signifying that there was no Multicollinearity between Achievement Oriented leadership style and Organizational performance.

Table 7. Coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	AOLS1	1.000	1.000

^a. Dependent Variable: Binary of OP (1 and 0)

Test of Linearity

Box-Tidwell (1962) procedure was used to test for linearity between the predictors and the logit. This was achieved by the addition of log- transformed interactions terms between the continuous independent variables and the equivalent natural log in the model. As observed in Table 8. The Achievement Oriented leadership: log Achievement Oriented leadership interaction term had a *p* value of 0.166 which is not statistically significant since $p > 0.05$. This implied that Achievement Oriented leadership style as an independent variable was linearly related to the logit of the outcome variable (Organizational performance) and the assumption was thereby satisfied.

Table 8. Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	AOLS1	.519	.579	.803	1	.370	1.680
	AOLS1 by AOLS1_LN	.864	.624	1.919	1	.166	2.373

^a. Variable(s) entered on step 1: AOLS1, AOLS1 * AOLS1_LN .

Normality test

One –Sample Kolmogorov-Smirnov test was used to test if the sample came from a population that was normally distributed. When data is normally distributed then it should not be significant. Table 9 shows Sig. (2-tailed) .000 for Organizational Performance and .000 for Achievement Oriented Leadership style indicating that the data was not normally distributed.

Table 9. One-Sample Kolmogorov-Smirnov Test

		Organization Performance	AOLS1
N		367	367
Normal Parameters ^{a,b}	Mean	3.6818	3.2495
	Std. Deviation	.52090	.78249
	Absolute	.139	.121
Most Extreme Differences	Positive	.085	.077
	Negative	-.139	-.121
Kolmogorov-Smirnov Z		2.664	2.327
Asymp. Sig. (2-tailed)		.000	.000

^{a.} Test distribution is Normal.

^{b.} Calculated from data.

Binary Logistic Regression and Hypothesis Testing

Binary logistic regression analysis was conducted to determine whether Achievement - Oriented style predicted organizational performance of Manufacturing SME’s in Nairobi, Kenya. The hypothesis tested was:

H01: *Achievement – Oriented Leadership Style does not influence organizational performance in manufacturing SME’s in Nairobi.*

The binary logistics results for Achievement Oriented Leadership Style was presented in the form of dependent and independent variable measures, hosmer and lemeshow tests, model summary and variables in the equation.

Dependent and Independent Variable Measure

In this study, the questions on the dependent and independent constructs had categorical measurement. The measurements were in five likert scale format; Not at all, rarely, sometimes, often and always. The questions retained for analysis after the factor analysis were categorized into two; Yes and No (binary) and the distribution of the organization performance were; 97.5% agreed while 2.5% disagreed as shown in Table 10.

Table 10. Binary OP after FA

	Frequency	Percent	Valid Percent	Cumulative Percent
No	9	2.5	2.5	2.5
Valid Yes	358	97.5	97.5	100.0
Total	367	100.0	100.0	

Model Summary

Cox & Snell is an analogous static in logistic regression to the coefficient of determination of R square in linear regression. The model summary provides some approximation of R statistics in logistic regression. The result of Cox and Snell R squared shown in Table 11 suggest that 5.9 %

of the probability of organizational performance is explained by Achievement Oriented leadership style.

Table 11. Model Summary

Cox & Snell R Square	Nagelkerke R Square
.059	.287

^a. Estimation terminated at iteration number 8 because parameter estimates changed by less than .001.

Hosmer and Lemeshow

Hosmer and Lemeshow indicate a poor fit if the significance p value is less than .05. In this case the model did not adequately fit the data as the *p* value was less than .05 (.000) and there is some difference between observed and predicted model.

Table 12. Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	34.384	8	.000

Classification Table^a

The classification table provides an indication on how well the model is able to predict the correct category once the predictor variables are added to the study. In this case the model correctly classified 97.5 % of the cases overall. It is the degree to which observed outcome are predicted by the model. Overall the accuracy was good as the model exhibit good sensitivity among those persons who chose Yes over No at 100 % based on the model.

Table 13 . Classification Table^a

	Observed	Predicted		Percentage Correct
		Binary of OP (1 and 0)	Binary of OP (1 and 0)	
Step 1	Binary of OP (1 and 0)	.00	0	.0
		1.00	0	100.0
	Overall Percentage		358	97.5

a. The cut value is .500

Variables in the Equation

Table 14 shows the relationship between the predictor variable Achievement Oriented Leadership style and the outcome variable Organizational Performance. The results showed that the coefficient of Achievement Oriented leadership was (2.450, *p* =.000) was statistically significant. The Exp (B) for Achievement Oriented leadership style was 11.589. This implied

that organizational performance was likely to be influenced by Achievement Oriented leadership style 11.589 times

Table 14. Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	AOLS1	2.450	.645	14.430	1	.000	11.589
	Constant	-2.730	1.430	3.647	1	.056	.065

^a.Variable (s) entered on step 1:AOL1

Discussion of Results

The study sought to determine the influence of Achievement Oriented leadership style on Organizational performance in manufacturing SME’s in Nairobi, Kenya. The correlation analysis findings showed a statistically significant relationship between Achievements oriented leadership style and organizational performance. In the study, there was a positive statistically significant correlation between organizational performance and manager/owners letting employees know what is expected of them to perform at their highest level $r(367) = 1.000, p < .05$. Employees readily accept feedback from their supervisors on their performance when they see that the feedback given is useful for the accomplishments of tasks (Christensen-Salem *et al.*, 2018). The results conform to the findings in Ryu and Hong (2020) who investigated the relationship between constructive performance feedback and perceived fairness of performance appraisal with a mediating effect of trust. Correlation analysis revealed that constructive performance feedback significantly and positively related with perceived fairness of performance appraisal ($r = 0.61, p < .05$) while trust in supervisors had a significant correlation with perceived fairness of performance appraisal ($r = 0.56, p < .05$).

Zhang and Zhu (2019) study add that supervisor development feedback has a significant positive effect on employee performance and feedback seeking behavior as emotional intelligence played a mediating role. Further in support of the study findings Hong (2019) explored organizational responses of Korean public agencies to their annual feedback on performance. Conclusions from both Ordinal Least Square regression model (OLS) and Regression Discontinuity (RD) revealed that providing feedback on performance could have a significant influence on public organizations drive to improve on their performance in future.

From the correlation results, organizational performance had a positive relation when managers/owners set goals for employees performance that are challenging $r(367) = .056, p > .05(.282)$ and when they consistently set challenging goals for employee’s to attain $r(367) = .133, p < .05$. These findings were supported by a study conducted by Van der Hoek *et al.*, (2018) on goal clarity, goal setting and team performance in the Dutch public sector. The results revealed that both goal clarity and self-management had a positive effect on team performance. They also found out that goal clarity effect on team performance was not affected by teamwork, however, it was shown by insignificant moderation effects of information explanation and self-management.

Zwikael and Meredith (2019) agree that goal setting in projects is an important operational process as effective goal setting aligned to the strategy will enhance the project’s success linking it to overall performance of the project.

Furthermore, correlation analysis showed that organizational performance had a positive relationship when managers encouraged continual improvement in employees performance $r(367) = .364, p < .05$ and lastly when managers/owners did not show doubt about employees ability to meet the most objective $r(367) = .154, p < .05$. These findings are consistent with Northouse (2018) who upheld that achievement-oriented leaders let their subordinates know their expectations, set clear goals with high performance standards, in addition to trusting the capabilities of their subordinates and encourage continued performance improvement. Besides, achievement-oriented leaders help their followers to feel that their efforts will yield results that can be rewarded. Additionally, Martono *et al.*, (2018) concur that reward management system provides a focal point in any organization in defining employee's welfare and performance. The results showed that job satisfaction and remuneration had a positive impact on performance. Job satisfaction and motivation were also found to be significantly positively influenced by remuneration.

Chi- Square results revealed a strong and positive association between organizational performance and achievement oriented leadership style, $\chi^2(18) = 217.105, p < .000$. The findings align with Rana *et al.*, (2019) whose study sought to determine whether the association between employee performance and Achievement Oriented Leadership style. They results also revealed a statistically significant association between the two variables. $\chi^2(28) = 263.021, p < .05$.

Binary Logistic Regression was conducted to determine whether achievement oriented leadership style predicted the organizational performance of managers/owners of manufacturing SME's. The result of Cox and Snell R squared showed that 5.9 % of the probability of organizational performance was explained by Achievement Oriented leadership style. Hosmer and Lemeshow test showed the model did not fit the data as the p value was less than .05 (.000). The parameter estimates results indicated that Achievement Oriented leadership style positively and significantly predicted organizational performance, $\beta = 2.450, p = .000, p < 0.05$. Based on the findings, the study, rejected the null hypothesis which stated that "Achievement Oriented leadership style does not influence organizational performance in manufacturing SME's in Nairobi." These findings are supported by Saleem *et al.*, (2020) who investigated the effects of private secondary school principal leadership style on teacher's job performance in Lahore, Pakistan. The findings from the structural equation modelling revealed that achievement-oriented leadership styles significantly and positively predicted various aspects of teacher job performance; classroom organization ($\beta = 0.64, p < 0.01$), teaching planning ($\beta = 0.62, p < 0.01$), teacher leadership ($\beta = 0.53, p < 0.05$), monitoring and evaluation ($\beta = 0.57, p < 0.05$) and classroom atmosphere and discipline ($\beta = 0.65, p < 0.01$). In general, the findings presented that path goal leadership styles of principals in private school were categorized by achievement-oriented leadership style, directive leadership style and supportive leadership style which led the teachers to better performance. The findings in Ngugi and Bula (2019) are also in harmony with the study results. Their focus was on the performance management practices and employee performance in certain public schools in Kiambu County in Kenya. The p value and the regression coefficient showed that continuous feedback had a significant effect on employee performance in those schools ($\beta = 0.698, p < 0.05$).

Conclusions and Recommendations

The study results established that achievement oriented leadership style significantly influenced organizational performance. Binary Logistic Regression, Cox and Snell R squared revealed that 5.9 % of the probability of organizational performance was explained by achievement oriented

leadership style. Hosmer and Lemeshow test showed the model did not fit the data as the p value was less than .05 (.000). The parameter estimates results indicated that Achievement Oriented leadership style positively and significantly predicted organizational performance, $\beta = 2.450$, $p = .000$, $p < 0.05$. As a result, the null hypothesis that stated that achievement oriented leadership style does not influence organizational performance in manufacturing SME's in Nairobi was rejected. Hence, the study concluded that achievement oriented leadership style significantly influenced organizational performance in manufacturing SME's Nairobi, Kenya.

The study found out that Achievement Oriented Leadership style positively and significantly influenced organizational performance in manufacturing SME's in Nairobi, Kenya. Therefore, the study recommends that owners/ managers of manufacturing SME should set challenging goals for employees to perform at their highest level, they should encourage continuous development and trust employee's ability to achieve most objectives in addition to offering incentives to boost organizational performance.

The study sought to determine the influence of achievement oriented leadership style on organizational performance of manufacturing small and medium enterprises (SME's) in Nairobi, Kenya. The target population for the study was limited to manufacturing SME's in Nairobi, registered under Kenya Association of Manufacturers (KAM) from different categories grouped into 14 homogenous strata. This study therefore recommends further studies to be conducted to examine the influence of achievement oriented leadership style on organizational performance in one specific category of manufacturing SME's in Kenya.

The study was limited to achievement oriented leadership styles, therefore the study further suggests research in other contexts and the inclusion of demographic variables such as gender and age in relation to organizational performance which could produce insightful outcome. In addition, future researchers could use a longitudinal approach as the current study was cross sectional to reveal the impact of achievement oriented leadership style and organizational performance over time.

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