

## Influence of Supportive Leadership Style on Performance of Manufacturing Small and Medium Enterprises (SMEs) in Nairobi, Kenya

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### Abstract

*This paper is based on a study that was conducted to examine the influence of supportive leadership style on organizational performance of manufacturing SMEs in Nairobi County, Kenya. Guided by the path goal leadership theory, the study employed use of a positivism research philosophy and descriptive correlational research design to determine the relationship between the two variables. The study targeted listed SME members of the Kenya Association of Manufacturers comprising 425 managers/owners of the organizations in Nairobi region. A sample size of 369 managers/owners was obtained from the population through stratified random sampling of the manufacturing SMEs. Data collection was done using self-administered questionnaires with a follow up analysis using both descriptive and inferential statistics. The descriptive statistics included mean, standard deviation, skewness and kurtosis while inferential statistics included Pearson's correlation, chi-square and binary logistic regression. Binary logistic regression (Cox and Snell R squared) showed a 12 % probability of organizational performance being explained by adoption of supportive leadership style. The study indicated a significantly positive relationship between supportive leadership style and organizational performance ( $\beta = 4.114$ ,  $p = .000$ ,  $p < 0.05$ ) rejecting the null hypothesis "Supportive leadership style does not influence organizational performance in manufacturing SMEs in Nairobi." The study therefore concludes that supportive leadership style significantly influenced performance of manufacturing SMEs in Nairobi County. These findings provide a new understanding to the owners/managers of manufacturing SMEs on how supportive leadership impacts on organizational performance. Nonetheless, the study recommends further research in a wider context of SMEs in Kenya taking note of demographic features and the use of a longitudinal approach in conducting the study.*

**Key words:** Supportive leadership, Performance, Small and Medium Enterprises (SMEs), Kenya.

### Introduction

The implementation of strategic business goals is one of the objectives that organizations including manufacturing SMEs seek to achieve so as to remain sustainable (Mkheimer, 2018). In this respect, Mkheimer (2018) argue that maintaining a culture of innovativeness through staff development and the employment of skilled and professional leaders is crucial. To this effect, manufacturing SME to strive hard to maintain a strong association between the style of leadership they adopt and performance if they are to achieve the strategic development goals. Leaders in SMEs must be aware of the changes in the global environment with particular interest

on support of employees as businesses cannot thrive without a committed workforce. Consequently, there is need for these leaders to adopt a style that enhance support and recognition to the employees engaged in achieving the strategic goals established by the organization's leadership. It is also imperative that leaders have an understanding of their own competences and different types of leadership styles to achieve business success (Sawaena & Alib, 2019).

According to House and Mitchell (1974) on the path goal theory, how employees perceive work and performance is highly principled on the behavior of their leaders. The theory makes a key assumption on the level of employee work motivation and assumes that role ambiguity is an unpleasant and stressful experience, therefore mitigating the ambiguity results to high employee performance and satisfaction. The model describes four leadership styles namely; achievement oriented, supportive, directive and participative styles responsible for maximizing both performance and job satisfaction.

Supportive leadership entails being friendly and approachable as a leader and it includes attending to the well-being and human needs of the follower. Leaders who are supportive go out of their way to make the work pleasant for their followers and treat their followers equally giving them respect for their status (Northouse, 2017). Followers may need to be part of a group, may be unsatisfied or may need human intervention as motivation. Consequently the tasks are generally mundane, repetitive in nature and unchallenging (House & Mitchell, 1974). Staub et al. (2019) describes supportive leadership as a people-oriented form of leadership. The main behavior of supportive leaders depends on maintaining compatible, friendly relations with subordinates. A climate of supportive leadership is one where members of the organization perceive that leadership is equally highly supportive of them and encourages their empowerment and development.

### ***Statement of the Problem***

Leadership behavior, skills and qualities are essential factors that influence the survival and growth of manufacturing SME's (Mkheimer, 2018). According to Razak et al. (2018), the behavior of the leaders affect their ability to direct, influence, encourage and control employees to accomplish the task set for them in order to achieve the organizational goals. Ogola et al. (2017) confirm that the problem of poor performance in SMEs is strongly linked to the leader's style in an organization. From the foregoing, it is therefore important that researchers explore more leadership studies to address the challenges in the SME sector, an objective that this study partially covers in respect to supportive leadership style.

Small and Medium Enterprises in Kenya account for 90% of private sector enterprises, 24% Gross Domestic Product (GDP) and 93% of the total workforce. Therefore, the development of this sector is vital to the realization of Kenya's Vision 2030 among other development goals. Despite past and existing policy interventions, SME's have consistently faced challenges ranging from regulations, obsolete technology, poor governance structures, and lack of access to markets among other emerging issues that inhibit the development and performance of this sector (Republic of Kenya, 2020).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

would be the key factor in ensuring success in the SME sector (OECD, 2019). Hence the need for more research and better data, as well as stronger evidence on policy alliances.

Covid 19 pandemic exacerbated the challenges facing the SME sector. It was viewed as one of the concurrent financial and public health crises in modern times leading to sharp decline in the consumption of goods and services and in consumer confidence (OECD, 2020). Kenya Economic Survey (2021) adds that the performance of the manufacturing sector in the year 2020 was adversely affected. This was attributed to a slowdown in economic activities resulting from the protocols set up by the government to control the spread of COVID 19 thereby reducing the demand for both locally and internationally manufactured goods. The sector contracted by 0.1 percent in comparison with the growth realized in the sector of 2.5 percent in 2019. To respond to the crisis, governments and leaders of SMEs needed to adapt accordingly by issuing guidelines and directives on how the sector would be sustained during the unprecedented time.

A review on leadership literature globally (Bickle, 2017; Dokony et al. 2020; Lal'Arya, 2017; Saleem et al., 2020) in different contexts presented gaps that informed further research. In Kenya, leadership scholars (Mutonyi et al., 2021; Ogola et al., 2017) provided recommendations for further research in the SME sector. This therefore, prompted the requirement for more research on supportive leadership style and organizational performance in manufacturing SMEs taking into consideration the gaps in policy, knowledge, and context of the studies. The study therefore sought to examine the influence of supportive leadership style and organizational performance in manufacturing SMEs in Nairobi County, Kenya.

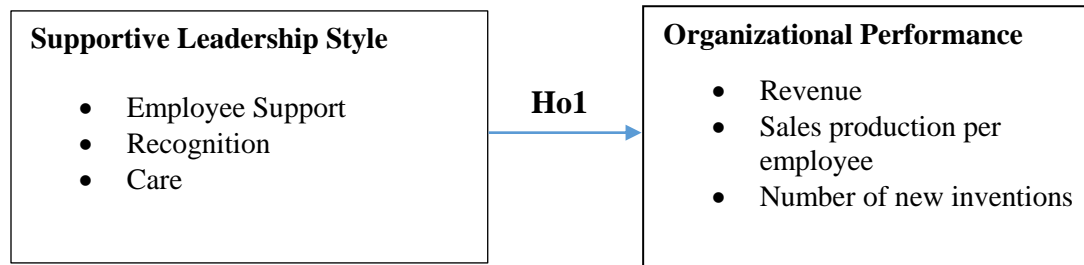
## **Literature Review**

### ***Theoretical review***

This study was anchored on Path-goal leadership theory proposed by Robert House in 1971. He describes how leadership behavior impacts on the performance and satisfaction of followers. The foundation of Path-Goal model was Vroom's (1964) expectancy theory, which assumes that one's behavior comes from conscious choices among alternatives. According to Vroom, an employee's performance is based on individual factors such as knowledge, personality, skills, abilities and experiences. House (1971) intention was to resolve prior conflicting findings regarding relationship oriented leadership behavior and tasks. This study specifically focused on supportive leadership style.

### ***Conceptual Framework***

In this study, the conceptual framework consisted of the independent variable as supportive leadership style measured by employee support, recognition and care as the sub constructs. Organizational performance as the dependent variable was measured by increase in revenue, sales production per employee and number of new inventions as the key performance indicators from Kalpan and Norton (2001) balance score card perspectives. Figure 1 shows the relationship between the independent variable (supportive leadership) and the dependent variable (organizational performance).



**Figure 1. Conceptual Framework**

## **Empirical Literature**

### ***Supportive Leadership and Organizational Performance***

Employee support is required to boost performance in any organization as posited by (Staub et al., 2019) in a study of micro and small-scale printing houses in Istanbul. They confirmed that supportive leadership increases innovativeness and there was a strong relationship between innovation and entrepreneurship in the printing firms. Leaders who respected their subordinate's way of doing things tended to improve their outputs. Additionally, Diamantidis and Chatzoglou (2019) looking at factors affecting employee performance reported that job environment and support from management had the strongest influence on job performance.

Leaders need to recognize employee effort to encourage performance. Lal'Arya (2017) investigation on the leadership styles of school principal that affect the effectiveness of teachers determined that supportive leadership encourages teachers to work better and the principals should praise and encourage the teachers especially on important occasions in addition to being friendly. In agreement, El Masri and Suliman (2019) examined how talent management and employee recognition influenced performance in research institutions in the state of Qatar. Results from the empirical research indicated that both talent management and employee recognition had a positive significant association with employee performance.

Previous research similarly, confirm that employee's wellbeing is crucial to the performance of an organization. De Neve et al. (2019) meta-analysis of 339 independent research accumulated by Gallup showed that there was a strong and positive correlation between employee wellbeing and firm performance. The study focused on the following four key performing indicators: customer loyalty, employee productivity, profitability measures such as revenue or sales, profits and staff turnover. Nevertheless, Rana et al., (2019), in their study on the influence of path goal leadership styles on employee performance in coffee trading companies found out that supportive leadership style did not significantly predict employee performance.

## **Methodology**

Positivism research philosophy was applied in this study. This is because it allowed the application of quantitative techniques to determine the degree of how supportive leadership influenced organizational performance. Descriptive correlation design was adopted as it determines if the two variables were correlated. The design was used to establish the relationship between independent variable (supportive leadership style) and dependent variable (organization performance).

The target population comprised of owner/managers from 425 SME's listed members derived from Kenya Association of Manufacturers Kenya Manufacturers and Exporters Directory 2020-2021 edition. Stratified random sampling technique was used to select a sample of 369 respondents based on the percentage of each stratum. The organizations from different categories were grouped into 14 homogenous strata before sampling (Katialem et al., 2018). Yamane (1967) formula was used to define the sample for each strata.

A self-administered structured questionnaire was used to collect data from each owner/manager of manufacturing SMEs. To gauge supportive leadership and organizational performance. The study used close-ended questions with a five point Likert scale to measure the respondents answers with a scale rating of : 1 = Not at all, 2 = Rarely, 3 = Sometimes, 4 = Often, 5 = Always. Descriptive studies used for the study included: mean, standard deviation, skewness and kurtosis. Inferential analysis used in the study included; validity and reliability tests, factor analysis, correlation analysis, chi square and binary logistic regression. SPSS version 22 data analysis tool was used in the study.

## **The Study Results**

A total of 367 out of 369 owners/managers participated in the study, giving a response rate of 99%.

### ***Descriptive Statistics***

To examine the demographic information of the respondents and their institution of work, descriptive statistics were used. The variables captured were; position in the firm, level of education, duration in the organization, gender and age of the respondents. From the study results, the managers were 62% of the respondents while the owners were 38%. Most of the respondents were diploma holders at 35.2%, 24.9% were undergraduates, certificate holders were at 22.7%. 7.9% were in high school, 7.7% at Masters Level, PhD at 1.1% and 0.5% in other levels. 24.3% of the respondents had been in the institution for 2-3 years, 11.7%, for 0-1 years, 6-8 years for 11.7% and 10.4% had worked for 13-15 years, 9-12 years were at 8.7% and 8.4%, had worked for over 15 years. The female respondents were 30% while the male respondents were 70% of the sample. More than two thirds were Male 70 % while the females constituted 30 % of the sample. 30.7% of the respondents were aged between 41-50 years of age, 36-40 years at 26.8%, 11.0% aged between 31-35years, 26-30 years at 10.1%, 51-60 years at 7.4%, 5.8% aged 18-25 years, 61-70 years at 5.2% and 3.0% were aged over 70 years.

The descriptive statistics covered as shown in Table 1 were: mean, standard deviation, skewness and kurtosis. The mean value of all the items on supportive leadership style ranged from 3.20 to 3.64. Equally, the Standard Deviation ranged from .866 to 1.043 indicating that the respondents highly agreed on the questions on supportive leadership style as the independent variable of

study. The skewness and kurtosis of the data was also  $<1$  implying that data on the supportive leadership style was normally distributed.

**Table 1: Descriptive Statistics on Supportive Leadership Style**

		I maintain a friendly working relationship with employees.	I do little things to make it pleasant to be a member of the group.	I do not say things that hurt employee's personal feelings.	I help employee's overcome problems that stop them from carrying out their tasks.	I behave in a manner that is thoughtful of employee's personal needs.
N	Valid	365	365	364	365	367
	Missing	2	2	3	2	0
Mean		3.58	3.20	3.57	3.53	3.64
Median		4.00	3.00	4.00	4.00	4.00
Std. Deviation		.866	1.043	.975	1.028	.956
Skewness		-.387	-.256	-.499	-.413	-.595
Std. Error of Skewness		.128	.128	.128	.128	.127
Kurtosis		.173	-.323	.030	-.136	.222
Std. Error of Kurtosis		.255	.255	.255	.255	.254

### ***Inferential Statistics Results***

#### ***Factor Analysis for Supportive Leadership Style***

Exploratory factor analysis (EFA) was performed on the supportive leadership style as a construct of the independent variable using the Principle Component Analysis (PCA) as the extraction method. Questions that did not fit the matrix were dropped.

#### ***Total Variance Explained, KMO and Bartlett's Test of the Supportive Leadership***

Supportive leadership style had a total of 5 questions. Factor Analysis test were; KMO and Bartlett's test, the Total variance explained and the Pattern matrix. As shown in Table 2 the Kaiser-Meyer-Olkin test of sampling adequacy was 0.756 with significant Bartlett's test of Sphericity at  $X^2(10) = 301.535, p < .000$ . The results indicated that supportive 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 in Table 3, only one component was extracted with the Eigenvalue of  $>1$  and 46.044 % of variance. The implication is that the sample for supportive leadership was adequate since the KMO measure was greater than 0.05 and the Bartlett’s test was significant.

**Table 2: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.756
Bartlett's Test of Sphericity	Approx. Chi-Square	301.535
	df	10
	Sig.	.000

**Table 3: Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.302	46.044	46.044	2.302	46.044	46.044
2	.843	16.868	62.911			
3	.770	15.399	78.310			
4	.607	12.144	90.454			
5	.477	9.546	100.000			

*Extraction Method.* Principal Component Analysis.

**Correlation Analysis**

Correlation test was conducted to test for significant relationship between the supportive leadership style as the independent variable and organization performance as the dependent variable. As shown in Table 4, the relationship was statistically significant. Organization performance had a positive relation with; ‘I maintain a friendly working relationship with employees’  $r(365) = 1.000, p < .05$ , ‘I do little things to make it pleasant to be a member of the group’  $r(365) = .158, p < .05$ , ‘I do not say things that hurt employee’s personal feelings’  $r(365) = .236, p < .05$ , ‘I help employee’s overcome problems that stop them from carrying out their tasks’  $r(364) = .225, p < .05$ , and lastly, ‘I behave in a manner that is thoughtful of employee’s personal needs.’  $r(365) = .330, p < .05$ . This implies that, organization performance as the dependent variable had perfect positive and significant correlation in one item ( $r=1$ ) with one item on supportive leadership style, significant low positive correlation ( $r = .3$  to  $.5$ ) with one item on the supportive leadership style and a significant but very low positive correlation ( $r < .1$  to  $.3$ ) with three items on the supportive leadership style.

**Table 4: Correlation between Supportive Leadership and Organization Performance**

	Supportive Leadership	Organization Performance
I maintain a friendly working relationship with employees.	Correlation Coefficient	1.000
	Sig. (2-tailed)	.000
	N	365
I do little things to make it pleasant to be a member of the group	Correlation Coefficient	.158**
	Sig. (2-tailed)	.002
	N	365
I do not say things that hurt employee's personal feelings	Correlation Coefficient	.236**
	Sig. (2-tailed)	.000
	N	364
I help employee's overcome problems that stop them from carrying out their tasks.	Correlation Coefficient	.225**
	Sig. (2-tailed)	.000
	N	365
I behave in a manner that is thoughtful of employee's personal needs.	Correlation Coefficient	.330**
	Sig. (2-tailed)	.000
	N	365

#### ***Chi- Square Tests for Supportive Leadership Style and Organization Performance***

Chi-square test was performed to determine the strength of association between supportive leadership style (independent variable) and the organization performance (dependent variable). Table 5 shows that organization performance had a strong and positive significant association ( $p < 0.05$ ) with the supportive leadership style,  $\chi^2 (19) = 236.762$ ,  $p < .000$ . The inference was that there existed a statistically significant relationship between the variables. The results also showed consistency with the correlation test done where the organization performance had significant relationship with the supportive leadership style.

**Table 5: Association between Supportive Leadership and Organizational Performance**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	236.762 <sup>a</sup>	19	.000
Likelihood Ratio	61.599	19	.000
Linear-by-Linear Association	52.392	1	.000
N of Valid Cases	367		

<sup>a</sup>. 26 cells (65.0%) have expected count less than 5. The minimum expected count is .02.

### Binary Logistics Regression Analysis and Assumption tests

Binary logistic regression was conducted to determine whether supportive leadership style predicted organizational performance of manufacturing small and medium enterprises in Nairobi County, Kenya.

#### *Binary logistic regression Assumption Tests:*

Different regression assumption tests were conducted on supportive leadership style and organizational performance to understand the model used in answering the research hypotheses. The assumptions of the regression test conducted were: test of linearity, test of multi-collinearity, tests of normality, distribution variable and test of proportional odds.

#### *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 6. The supportive leadership: log supportive leadership interaction term had a  $p$  value of 0.58 which was not statistically significant since  $p > 0.05$ . The implication was that supportive leadership style as an independent variable was linearly related to the logit of the outcome variable (Organizational performance) and the assumption was thus satisfied.

**Table 6: Variables in the Equation**

	B	S.E.	Wald	df	Sig.	Exp(B)	
Step	SLS	19.902	8.803	5.112	1	.024	439889551.887
1 <sup>a</sup>	SLS by SLS_LN	-8.243	4.351	3.589	1	.058	.000
	Constant	-27.460	11.674	5.533	1	.019	.000

<sup>a</sup>. Variable(s) entered on step 1: SLS, SLS \* SLS\_LN

#### *Test of Multi-collinearity*

The test for Multicollinearity was conducted to test whether the values of supportive leadership style and organizational performance were highly correlated. Using VIF, the value of 1 to 10

indicates the absence of multicollinearity. As shown in Table 7 the value of VIF was 1.000 signifying no multicollinearity between supportive leadership and organizational performance.

**Table 7: Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	SLS	1.000	1.000

<sup>a</sup>. Dependent Variable: Binary of OP (1 and 0)

### **Normality test**

One –Sample Kolmogorov-Smirnov test was used to test if the sample came from a population that was normally distributed. Data that is normally distributed should not be significant. Which means that the  $p$  value should be greater than 0.05 ( $p > .05$ ). Table 8 shows Sig. (2-tailed) .000 for Organizational Performance and .000 for Supportive Leadership style indicating that the data was not normally distributed.

**Table 8: One-Sample Kolmogorov-Smirnov Test**

		Organization Performance	SLS
	N	367	367
Normal Parameters <sup>a,b</sup>	Mean	3.6818	3.5033
	Std. Deviation	.52090	.65881
Most Extreme Differences	Absolute	.139	.111
	Positive	.085	.073
	Negative	-.139	-.111
Kolmogorov-Smirnov Z		2.664	2.122
Asymp. Sig. (2-tailed)		.000	.000

<sup>a</sup>. Test distribution is Normal.

<sup>b</sup>. Calculated from data.

### **Distribution of Variables**

Distribution of variables assumption states that the dependent variable must be dichotomous while the independent should be ordinal, categorical or continuous. The questions on the dependent and independent constructs had categorical measurement. The measurements were in five point likert scale format; 1= Not at all, 2 = Rarely, 3= Sometimes, 4 = Often, and 5 = 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.

### **Test of Proportional Odds**

To test the proportion odds assumption, parallel lines test was conducted. This states that the correlation between independent variable and dependent variable do not change for dependent variable categories. The Chi- Square results presented in Table 9 are  $\chi^2 (3) = 10.856$  and

significant level .013 ( $p < .05$ ) signifying that the assumption was violated. There is need for further analysis when the tests of parallel lines assumption is violated. The violation implies that the influence of supportive leadership on organizational performance varies significantly across the cut-point equation in the regression model and the coefficients of the model cannot be reduced to a single set of the outcome categories.

**Table 9: Test of Parallel Lines<sup>a</sup>**

Model	-2 Likelihood	Log Chi-Square	df	Sig.
Null Hypothesis	103.077			
General	92.221	10.856	3	.013

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

<sup>a</sup>. Link function: Logit.

**Binary logistic Regression and Hypothesis Testing**

Binary logistic regression analysis was conducted to determine whether the independent variable (supportive leadership) predicted the dependent variable (organizational performance) of Manufacturing SMEs in Nairobi County, Kenya.

The hypothesis tested was:

***Ho 1:** Supportive leadership style does not influence organizational performance in manufacturing SMEs in Nairobi County.*

The results binary logistics regression for supportive leadership was presented in form of dependent and independent variable measure, model summary, hosmer and lemeshow test, classification table and variables in the equation.

**Dependent and Independent Variable Measure**

Questions on the dependent and independent constructs had categorical measurement. The measurements were in five point 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. The implication is that 97.5% of the respondents replied Yes while 2.5% of the respondents replied No to the study questions.

**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 for Supportive Leadership Style**

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. Cox and Snell R squared results shown in Table 11 submit that 12 % of the probability of organizational performance was explained by a supportive leadership style.

**Table 11: Model Summary**

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	37.514 <sup>a</sup>	.120	.584

**Hosmer and Lemeshow Test**

Hosmer and Lemeshow indicate a poor fit if the significance *p* value is less than .05. As shown in Table 12, the model adequately fitted the data as the *p* -value was more significant than .05 (.064) which means that there was no difference between the observed and predicted model  $\chi^2 (7) = 13.344, p = .064, p > .05$ .

**Table 12: Hosmer and Lemeshow Test**

Step	Chi-square	df	Sig.
1	13.344	7	.064

**Classification Table**

The classification table indicates how well the model can predict the correct category once the predictor variables are added to the study. Table 13 shows that the model correctly classified 98.9 % of the cases overall and it is the degree to which the model predicts observed outcome. The implication is that, overall the accuracy was good as the model exhibited good sensitivity among those who chose Yes over No at 99.7 based on the model.

**Table 13: Classification Table**

Step	Observed Binary of OP (1 and 0)	Predicted			Percentage Correct
		Binary of OP (1 and 0)			
1	Binary of OP (1 and 0)	.00	6	3	66.7
		1.00	1	357	99.7
	Overall Percentage				98.9

<sup>a</sup> The cut value is .500

**Variables in the Equation**

The relationship between the predictor variable, supportive leadership style and the outcome variable, organizational Performance is shown in Table 14. The results revealed that the

coefficient of supportive leadership (4.114,  $p = .000$ ) was statistically significant. The Exp (B) for supportive leadership style was 61.194. This implied that organizational performance was likely to be influenced by supportive leadership 61.194 times.

**Table 14: Variables in the Equation**

	B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)		
							Lower	Upper	
Step 1 <sup>a</sup>	SLS	4.114	.958	18.456	1	.000	61.194	9.366	399.806
	Constant	-7.440	2.173	11.727	1	.001	.001		

<sup>a</sup>. Variable(s) entered on step 1: SLS.

Binary logistic model used to test the hypothesis of the study was as follows;

$$\text{Logit}(\pi) = \beta_0 + \beta_1 X_1$$

Where :

Logit ( $\pi$ ) = the Probability of Organizational Performance.

$\beta$  = regression coefficient  $\beta_1$

$X_1$  = Supportive Leadership Style

## Discussion of Results

### *Supportive Leadership Style and Organizational Performance*

The study sought to determine the influence of supportive leadership style on organizational performance in manufacturing SMEs in Nairobi, Kenya. Pearson correlation results indicated that organizational performance had a positive relation when managers helped employees to overcome problems that could stop them from carrying out their tasks  $r(364) = .225, p < .05$ . These findings are supported by Nazir and Islam (2017) research findings that revealed that perceived organizational support had a positive influence on employee performance and affective commitment while employee engagement mediated the associations. Staub et al., (2019) in a study targeting micro and small-scale printing houses in Istanbul confirmed that supportive leadership increased innovativeness and there was a strong relationship between innovation and entrepreneurship in the printing firms. They concluded that managers concern for employee personal development resulted in employees feeling valued influencing their enthusiasm for work thereby resulting in high levels of performance.

Organization performance also had a positive relationship when managers/owners maintained a friendly working relationship with employees'  $r(365) = 1.000, p < .05$  and when they did little things to make it pleasant to be a member of the group'  $r(365) = .158, p < .05$ . These findings are in line with the research findings by Shin et al. (2016) who argued that supportive leadership consists of four characteristics; concern for followers needs and feelings, acknowledgement of their achievements, encouragement to express their interests and offering positive feedback that will help in the reinforcement of their job skills. Contrary to the study findings, Rana et al., (2019) in their study on the influence of path goal leadership styles on employee performance in coffee trading companies concluded that supportive leadership style did not significantly predict employee performance.

Correlation analysis further revealed a positive relationship between organizational performance and when managers/owners do not say hurtful things that affect employees feelings  $r(365) = .236, p < .05$  and lastly when they behave in a manner that is thoughtful of employees needs  $r(365) = .330, p < .05$ . De Neve et al., (2019) support this findings, in their meta-analysis of 339 independent research accumulated by Gallup, the results showed that there was a strong and positive correlation between employee wellbeing and firm performance.

Chi-Square results revealed a strong and positive association between organizational performance and supportive leadership style  $\chi^2(19) = 236.762, p < .000$ . These findings were supported by El Masri and Suliman (2019) empirical research results that indicated that both talent management and employee recognition had a positive significant association with employee performance which contributes to the overall organizational performance. Binary Logistic Regression was conducted to determine whether supportive leadership style predicted the organizational performance of managers/owners of manufacturing SMEs. The result of Cox and Snell R squared revealed that 12 % of the probability of organizational performance was explained by supportive leadership style. Hosmer and Lemeshow test showed the model adequately fitted the data as the  $p$ -value was greater than .05 (.064). The parameter estimates indicated that supportive leadership style positively and significantly predicted organizational performance,  $\beta = 4.114, p = .000, p < 0.05$ . Based on the results, the study rejected the null hypothesis; "Supportive leadership style does not influence organizational performance in manufacturing SMEs in Nairobi." These results were consistent with the findings in Simorangkir et al. (2019). Path Analysis results showed that supportive leadership had a positive effect on the job performance of teachers in Tangerang. On the contrary, Rana et al., (2019), multiple linear regression analysis revealed that employee performance could not be significantly predicted by supportive leadership style. The results showed a different opinion on the direction of the relationship between employee performance and supportive leadership style.

## Conclusions and Recommendations

The study established that supportive leadership style positively and significantly influenced organizational performance in manufacturing SMEs in Nairobi County, Kenya. Therefore, the study recommends that owners/ managers of manufacturing SMEs need to adopt supportive behaviors such as maintaining a friendly working relationship with employees, recognizing their efforts and caring for their feelings/ needs to boost morale and engagement leading to better performance.

The target population for the study was limited to manufacturing SMEs in Nairobi County, registered under Kenya Association of Manufacturers (KAM). This study therefore recommends further studies to be conducted to examine the influence of supportive leadership style on organizational performance of manufacturing SMEs in Kenya taking into consideration a larger SME population. Further research needs to be done in other contexts with the inclusion of demographic variables such as gender and age in relation to organizational performance which could produce diverse outcomes. In addition, future researchers could use a longitudinal approach and other data analysis methods to provide new insights in the SME sector.

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