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Influence of Transactional Leadership Style on Performance of Agricultural Enterprises in Kenya

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16 June 2024 The influence of Transactional Leadership Style on the Performance of Agricultural Enterprises in Kenya has been evaluated. The assessment of agricultural enterprises' performance encompassed both financial and non-financial indicators. The microenterprise sector, a significant catalyst for economic expansion in Kenya and numerous other countries, has been overlooked in prior research that concentrated on large corporations. The overarching theory was the Path Goal Theory of Leadership. Academics have predominantly adopted quantitative methodologies, neglecting the potentially explanatory value of qualitative approaches. The objective of the study was to assess the influence of the transactional leadership style on the performance of agricultural enterprises in Kenya with a null hypothesis linked to it. The Study utilized explanatory sequential mixed methods approach. Quantitative data were gathered using closed-ended questionnaires, while qualitative data were gathered using interview guides and focused group discussion guides. The study employed a cross-sectional survey design. The research sample consisted of 222 leaders and employees out of the population of 525 from a census of 105 agricultural enterprises for the quantitative study. Qualitative research adopted a sample of 40 participants. The quantitative was analysed using the Statistical Package for Social Scientists (SPSS) version 28.0.1. Inferential statistics was used to test the hypothesis while qualitative data was analysed using content analysis to arrive at conclusions and recommendations. The results revealed that Transactional Leadership Style significantly influenced the performance of agricultural enterprises in Kenya. The study concludes that agricultural enterprises in Kenya can significantly enhance their performance by incorporating transactional Leadership Style. Capacity building organizations, donor agencies and government agencies wanting should develop policies that help enterprises to adopt transactional leadership style for enhanced performance to address challenges of food security.

Keywords:
*Transactional
Leadership Style,
Agricultural
Enterprise
Performance*

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INTRODUCTION

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

Due to the wide range of backgrounds among agricultural business owners, an evaluation was necessary to ascertain how well they understood the kinds of leadership philosophies that may best support the growth of their companies. There is no legal requirement in Kenya for agricultural enterprise operators to register and manage their businesses in accordance with any standards (Maingi et al., 2019). Because of this, a lot of today's agricultural enterprises don't have clear organisational structures that motivate employees to supply services consistently. This has resulted

in the proliferation of companies that flourish for a brief period before stagnating or collapsing entirely due to a lack of leadership. Therefore, businesses that collaborate with these organisations should attempt to implement corporate leadership development. Research has been done on how various leadership philosophies affect the performance of businesses (Northouse, 2019). According to research, leaders should apply several leadership philosophies to address various organisational challenges. As per Velu et al. (2017), to achieve optimal organisational results, leaders need to employ the most appropriate leadership style based on the specific circumstances within the organisation. Several scholars have argued that effective leaders should adapt their style of leadership to the needs of their team and the unique situation. It has been demonstrated that adopted leadership philosophies directly affect how the company achieves sustained organisational performance, either by enhancing or detracting from worker performance.

Africa and Asia have extremely different business contexts than those found in Europe and America, where most of the leadership study has been conducted. Research revealed that informal organisational frameworks were prevalent in Asia and Africa (Kurtulmuş, 2017). Thus, scholars from many countries ought to investigate backgrounds that could influence leaders' inclination to participate in unethical and dishonest behaviour that goes against the real interests of companies and workers. Research has

shown that some leadership ideologies place constraints, rules, and requirements on employees and enterprises that reduce productivity (Arendt et al., 2021). Research from these backgrounds has praised leadership philosophies such as transformational and democratic leadership as the solution to high-performing organisations and people, even though these philosophies are rarely applied by African backgrounds. Most agricultural businesses in Kenya are informal since the procedures in place do not oblige owners to abide by rules (Kenya National Bureau of Statistics, 2023).

Statement of the Problem

High-performing agricultural businesses generate enough income to cover the cost of recruiting both skilled and unskilled personnel. As per the 2020 report by the Kenya National Bureau of Statistics, the agriculture sector in Kenya employs almost 10 million people and accounts for 34.5% of the nation's GDP (Kenya National Bureau of Statics, 2020). Profitable agricultural enterprises have happier owners who are prepared to increase their company's investments, decreased employee turnover, high levels of employee dedication, and higher product production. A well-performing agricultural company will, therefore, provide her clients with marketplaces for inputs, commodities, or services and pay taxes and levies to the government on time, all of which will support the long-term development of the business. Investor confidence is boosted by prosperous agricultural enterprises, allowing for the establishment of business lines that generate in-demand goods and services and higher capitalization levels. Development partners—donor agencies, non-governmental organisations, and faith-based organizations—fund effective agricultural businesses to fight poverty by providing funding for programmes that strengthen the capacity of smallholder farmers, who are crucial to the expansion of a prosperous agricultural sector.

Data from Kenya's Central Bank (2021) indicates that more money is being borrowed by Kenya's MSME sector to expand their businesses. Kenya's

MSME sector actively took out 915,115 loans in 2020. The trade, real estate, and transportation sectors accounted for 66.4 percent of the allocation, while Kenya's agriculture economy received only 3.7 percent despite its significance. The adoption of successful leadership styles that empower and motivate staff to perform at their maximum level is the key to achieving sustainable corporate performance. As a result, there is a decrease in employee turnover and an increase in sales volumes, profitability, and market outlets. Investors, governments, and contributors are also satisfied.

Agricultural businesses have a history of failing or stagnating, despite their significance to many countries, which makes it difficult for owners to continue providing their services to clients (Jackson, 2021). A lack of leadership that provides strategic direction in the management of employees to perform their work efficiently and boost company performance has been noted to be a significant gap. Kenya has 7.4 million micro and small companies, according to KNBS (2023), that contribute to the economy of the nation by manufacturing goods and services, employing people, and selling items to other Kenyans (IDA, 2023). A lack of leadership competency has been associated with enterprise stagnation and even failure since it makes it hard for the organisation to anticipate its needs for working capital and human resources. Many of these companies are incapable of taking the initiative and propelling growth. Three out of every five firms fail because of poor leadership at the top and throughout the organisation, according to research. An enterprise collapses when there is a lack of leadership at the top, claim Muthimi and Kilika (2018). Many studies investigating how leadership styles affect the success of organisations have used quantitative approaches, ignoring qualitative approaches that can provide insight into the causes of underperforming businesses. Applying study findings from environments that are predominantly European and American to the Kenyan situation is difficult. Adopting inappropriate leadership styles results in low capitalization, low profitability, and low product

sales, which depresses investors. High staff turnover, the company's inability to pay salaries on time, late or non-existent tax and levy payments to the government, and eventually the company's failure are all consequences of ineffective leadership methods. Due to subpar corporate performance brought on by inept leadership, businesses fail to satisfy their financial obligations, which leads to the loss of key personnel, financial losses, and ultimately closure. The purpose of this study was to identify the mechanism and explanation for how leadership types affect Kenyan agricultural firms' success. It also sought to offer a model that might serve as a guide for improving leadership abilities to achieve better outcomes.

Research Objective

The objective of the study was to assess the influence of the transactional leadership style on the performance of agricultural enterprises in Kenya.

Research Hypothesis

H₀₂: Transactional leadership style does not influence the performance of agricultural enterprises in Kenya.

LITERATURE REVIEW

Transactional Leadership Style and Enterprise Performance

Transactional leadership can be defined as a leadership style that exchanges targets and rewards between the leader and the support staff (Al Khajeh, 2018). Transactional leaders give something to their employees in exchange for work performed. Such leaders reward their support staff with an increment in pay, a promotion, performance-based rewards, and added responsibilities that stimulate their support staff to commit to the achievement of organizational goals (Frangieh & Rusu, 2021). This notion about transactional leadership has been confirmed by Kalsoom et al. (2018) who confirm that transactional leaders use recognition and rewards, and punishment to motivate their

employees to use new viewpoints and techniques to efficiently perform their responsibilities.

Transactional leaders create and sustain an organizational context where support staff are maintained by rewarding them for their sustained achievement of targets. Support staff receive both tangible and intangible benefits as a direct benefit for achieving their targets. Despite support staff being rewarded for their achievement of organizational goals, their creativity and innovation are not encouraged making it difficult for support staff to fully utilize their talents and hence do not perform as per the expectations of the organization. Some scholars classify transactional leadership into three types of exchanges (Akkaya, 2020). The first is a conditional incentive which defines the exchanges and deals reached between the leader and employees setting out what is expected of each other. In this case, the leader-follower relationship has conditions that need to be met to achieve desired goals. The second exchange is referred to as management by exception where the leader focuses on how to correct faults and maintain performance. The leader's sole responsibility is to solve faults. The third exchange is referred to as active management by exception where the leader only intervenes when problems are established to be considerable. The leader acts as a monitor in this perspective.

Studies in Asia in the fast foods manufacturing sector established an irrefutable influence between transactional leadership and the performance of employees (Kalsoom et al., 2018). Transactional leaders motivate employees with rewards that make them want to perform their tasks leading to high achievement of organizational objectives. Similar studies in Iran found transactional leadership to enhance employee creativity in the education sector (Ebrahimi et al., 2017). Other studies in Nepal found transactional leadership to exert a negative influence on organizational performance (Thapa & Parimoo, 2022).

An investigation conducted in Africa concerning the impact of leadership styles on enterprise

performance identified an inverse relationship between transactional leadership and organizational performance. There were no opportunities or autonomy for employees to utilize their intellect to enhance task performance (Al Khajeh, 2018). This is contrary to what other studies found on the global arena.

In Kenya, research investigating the impact of transactional leadership on the academic performance of private universities has identified a robust and favourable correlation (Kubai et al., 2022). Similar research examining the impact of leadership styles on Safaricom enterprise performance discovered a positive correlation (Chege & Gakobu, 2017). A study on the influence of transactional leadership style on the performance of employees found a positive correlation (Kabiru & Bula, 2020). Studies listed here point to the fact that transactional leadership can have a positive influence on the performance of employees and by extension the enterprises. Employees seem to be motivated to become more productive and efficient as team members when expecting rewards from their leaders. This is contrary to other studies elsewhere where transactional leadership has been found to exert no influence or a negative or insignificant relationship with firm performance.

The Path Goal Theory of Leadership

Martin Evans proposed the path goal theory in 1970, and House improved it a year later in 1971 (Evans, 1970; House, 1971). According to the path goal theory, a leader becomes effective by influencing the routes that direct subordinates towards the accomplishment of goals that they have set for themselves. Employee motivation for excellent performance and reaching the established targets is influenced by achievement expectations (Nzeneri, 2020; Cote, 2017). The theory focuses on the nature of employees' work duties and how they are driven to complete them, which improves employee happiness and performance (Northouse, 2019).

The method through which leaders encourage, inspire, and guide their teams to accomplish their

objectives is known as leadership. The organization's future vision is developed and communicated by the leader, inspiring workers to do their tasks. As a result, they become more involved with the organisation as they work towards their common objective. The path goal theory acknowledges that managers create objectives and utilise them to establish goals for their staff members. The staff members then engage in tasks that help them reach predetermined productivity goals, which may be monitored to see how well the goal is being achieved (Northouse, 2019).

Four leadership styles are identified by the path goal theory: directive, supportive, participative, and achievement oriented (Nzeneri, 2020). A modified and implemented questionnaire was suggested by the path goal leadership theory to gather data. The information was examined to determine how each leadership stance taken by company executives affected the output of their staff members. The investigation was guided by an adaptation of the path goal theory questionnaire.

The path goal theory has been applied in a variety of settings by various academics. The theory's directive and achievement-oriented components, for example, are the most frequently recognized, according to Rohimin and Hariri's (2022) usage of the theory in the field of education. To determine whether the results held true, similar research in other industries, such as the agriculture industry, was required. For agricultural operations to become lucrative and sustainable, they must achieve certain goals (Kalsoom et al., 2018). To accomplish this, leaders must decide what the objectives are, establish the plan of action for achieving them, and make sure that their support staff members are helped and led through difficult situations.

This study was guided by the Path goal theory of leadership, which offered a framework for evaluating the leadership philosophies employed by farming businesses. The theory was also applied to determine how managers in particular businesses motivate their support workers to do

their tasks. It is expected of leaders to establish clear objectives and lay out a plan for the team to follow to achieve the goals. By using this strategy, team members can encourage the group to complete work by addressing bottlenecks as they arise. This idea was used to explain why certain businesses outperform others and, as a result, have greater success than others. This served as the study's main theoretical framework. The theory was applied to explain why having a senior leader who supports capacity building within the organisation aids in the establishment of a learning culture among different staff cadres. This is in line with Farhan (2017) claim that learning cannot occur in a company until one of the executives embraces it and spreads it to other employees. It is the duty of a leader to foster an atmosphere that is favourable to learning and that promotes ongoing information exchange, development, and progress. The organization's growth should be supported by the design of this space.

RESEARCH METHODOLOGY

Research Philosophy

The study adopted a pragmatic methodology. The finest research techniques should be combined to address the goals and questions of the study. The optimum response to research questions is given by the pragmatic approach (Creswell & Clark, 2018). Because there are multiple ways to address the research question, the study combined quantitative and qualitative methods. A mixed-methods, explanatory sequential approach was employed. To assess the influence of Transactional Leadership Style on the performance of Kenyan agricultural enterprises, quantitative data was gathered and examined.

Qualitative viewpoints were gathered to show how Transactional Leadership Style influences the Performance of Agricultural Enterprises in Kenya. To determine the rationale behind support staff's actions, qualitative data was gathered and examined in accordance with the leadership style that their senior leadership has chosen. Qualitative data were employed to provide clarification and

interpretation for the quantitative study's results. A thorough explanation of the results was made possible using qualitative research.

Research Design and Approach

The cross-sectional survey design was chosen because it yields results from the stratified random sample that are definitive and applicable to the intended audience. Studies using cross-sectional surveys are conducted to collect information from participants at a certain moment to address a research issue (Sekaran, 2003). The cross-sectional survey approach was the most appropriate for this study because it was conducted over a four-week period and the data obtained was intended for academic research. Due to budgetary and time constraints, longitudinal studies that collect data over an extended period at various periods would not be appropriate for this investigation (Sekaran, 2003).

To ascertain the statistical connections between the variables in this case, a simple description of the variables was combined with statistical modelling (Saunders et al., 2016). A questionnaire consisting of closed-ended questions was designed to be the main research instrument. A stratified sample of executives and employees representing each stratified sample of Kenyan agricultural enterprises was used to gather the data.

After it was found that Transactional Leadership Style positively influences the performance of agricultural enterprises, a small sample of supervisors and support staff members were deliberately chosen to participate in in-depth interviews and a qualitatively focused group discussion. Through in-depth interviews and targeted group discussions, the application Nvivo 14 was utilized to analyse qualitative data. The data was coded, categorized into themes, and put into preset forms to help with interpretation (Creswell & Poth, 2017). The findings were utilised to elucidate the influence of Transactional Leadership Style on the Performance of Agricultural Enterprises in Kenya.

Target Population and sample size

In scientific study, the population refers to the whole set of subjects or components that the researcher wants to consider while drawing conclusions (Sekaran & Bougie, 2016). There should be a minimum of one common feature among the elements. 525 leaders and their staff members from 105 agricultural businesses involved in post-harvest activities in Western, Upper Eastern, and Lower Eastern Kenya under the Bountifield International Mavuno Bora Programme made up the study's target group. The probability sampling techniques were used in the study because it was anticipated that the data would accurately reflect the opinions of each agricultural enterprise's members and that the data would represent complete organizations (Taherdoost, 2017). In this manner, the study's bias was reduced. For quantitative data, 222 employees and their supervisors were included in the sample. We collected qualitative data from 40 leaders and employees. The study's participants were restricted to the managers and support personnel of the farming businesses that offer post-harvest services to farmers in the ten Kenyan counties that were chosen. The agricultural firms in Kenya were the unit of analysis, while the leaders and support personnel working for them served as the unit of observation (Taherdoost, 2017).

The qualitative approach necessitated selecting a small sample using the non-probability sampling method to decipher the answers from the supervisors and their support personnel in the agricultural operations. A deliberate sampling strategy was used. The best examples that yield the best data for the study are pursued through purposeful sampling. To sample a variety of leaders and support personnel with varying viewpoints on the leadership philosophies employed in the agricultural enterprise, maximum variation sampling was employed (Creswell & Creswell, 2018).

Data Collection Method and Procedures

Data was gathered during the time frame that the National Commission for Science and Technology Innovation (NACOSTI) authorized.

Precise and methodical data collection was employed to get pertinent information necessary to meet the study goals (Sekaran & Bougie, 2016). Written consent was requested from the study participants and responders. A consent form allowing the study to be conducted at their companies was also signed by the management of relevant agricultural enterprises. Respondents and participants gained the courage to take part in the study in this way. The questionnaire was accompanied by a brief letter outlining the study's objectives from the researcher. Respondents received physical copies of the questionnaires, and they had at least one day to complete them before they were picked up. Respondents who were proficient with technology completed the online forms and uploaded them as Google Forms. The researcher and research assistants were able to get the respondents' support for the study by physically distributing questionnaires and explaining its purpose. There was enough time for respondents to individually complete the questionnaire. The respondents had time to consider the procedure when they were given the option to reply as they saw fit. The correctness of the collected data was checked.

Using guiding questions, eight executives and staff participated in four focused group discussions to gather qualitative data (Creswell & Creswell, 2018). A facilitator guided the concentrated group talks using an organized set of questions centred around three themes. The enterprise's leadership style, performance, and capacity building are among the themes. To identify the main themes, the main conversation points raised by the participants were taped and transcribed. Every concentrated group conversation lasted for around an hour.

Participants selected from certain agricultural firms participated in eight key informant interviews. The facilitator used an interview schedule containing leading questions to elicit data that addressed the study issue. The interviews were scheduled ahead of schedule to guarantee that participants had enough time to take part in the research. It took at least 30 minutes for each key informant interview.

RESULTS AND DISCUSSION

Transactional Leadership Style

To evaluate the existence of transactional leadership in an agricultural enterprise, respondents were asked to fill the four attributes of transactional leadership. The scores are summarized in *Table 1*.

The findings reveal that the leader's capability to direct followers towards accomplishing predetermined objectives received the highest average score of 3.51, followed by the assurance of a reward at 3.25. The leader's capability of monitoring progress to ensure agreed-upon objectives are met received a score of 2.99. Conversely, the leader's inclination to intervene

solely when team members encounter challenges in completing their tasks received the lowest score of 2.89. The transactional leadership style obtained an average score of 3.16, accompanied by a standard deviation of 1.404. When the means of transactional leadership were compared to those of other leadership styles, transactional leadership had the highest mean. This indicates that agricultural organizations in Kenya employ this style of leadership frequently. Leaders in the surveyed agricultural enterprises provide the required guidance to provide their services and promise and deliver rewards which confirms why enterprises that were found to practice this leadership style performed better than those that did not.

Table 1: Transactional leadership style

Transactional Leadership style	Mean	SD
My supervisor promises a prize whenever we achieve our targets.	3.25	1.571
My supervisor guides us as we strive to achieve our targets.	3.51	1.311
My supervisor partially checks our work to ensure we achieve the agreed upon targets.	2.99	1.404
My leader only intervenes when team members find it difficult to perform their tasks.	2.89	1.329
Average	3.16	1.404

Agricultural Enterprise Performance

Two broad parameters of agricultural enterprise performance were considered separately. The evaluation of agricultural enterprise performance encompassed both financial and non-financial

indicators. The first set of statements considered the financial performance while the second set considered non-financial parameter of agricultural enterprise performance. The financial aspects of the performance of agricultural enterprises are summarized in *Table 2*.

Table 2: Financial parameters of agricultural enterprise performance

Financial parameters of agricultural enterprise performance	Mean	SD
Enterprise assets have increased in the last three years	3.58	0.656
Enterprise profits have increased in the last three years.	3.59	1.381
The enterprise better managed expenses in the last three years.	2.83	1.273
The cost of production has decreased in the last three years.	2.86	1.180
The enterprise increased working capital in the last three years	2.78	1.455
Enterprise sales have increased in the last three years	3.06	1.529
Enterprise introduced new products in the last three years	3.44	1.586
Enterprise attracted new customers in the last three years	3.88	1.134
Average	3.25	1.274

The financial parameters exhibited a mean value of 2.5575. The highest mean for financial parameters was recorded for enterprise attraction of new customers at 3.88 followed by enterprise

profits increase at 3.59 asset increment at 3.59. Introduction of new products scored a mean of 3.44 followed by increased sales at 3.06, followed by reduction of the cost of business at 2.86

followed by better management of expenses at 2.83. The lowest mean was recorded for enterprise capital increment at 2.78. Introduction of new products had the highest standard deviation (1.586) while enterprise assets increment had the lowest standard deviation (0.656). Considering the mean score is 3.25 which is higher than 2.5, the results indicate that a good number of agricultural enterprises surveyed were performing above average.

Non-financial Parameters of Agricultural Enterprise Performance

Respondents were requested to fill the questionnaire on the second part of the statements which represented non-financial performance parameters of agricultural enterprise performance. Four statements were used to evaluate the non-financial performance parameters of agricultural enterprise performance. *Table 3* summarizes the results:

Table 3: Non-financial Parameters of Agricultural Enterprise Performance

Non-financial parameters of agricultural enterprise performance	Mean	SD
Employees Do not Leave the Firm	2.75	1.358
Customers are always happy with your products and services.	3.78	1.008
Enterprise owners are always happy with the progress	3.82	1.113
You are happy with the way you are treated in the firm	4.07	0.864
Average	3.605	1.058

Non-financial parameters of measuring agricultural enterprise performance generated four means with job satisfaction among employees attaining the highest mean of 4.07 followed by owner satisfaction at 3.82, customer satisfaction at 3.78, and employee staff turnover attaining the lowest mean of 2.75. The average mean for the four parameters was 3.605. Staff turnover had the highest standard deviation while employee job satisfaction had the lowest standard deviation.

The results indicate that non-financial parameters had a higher mean score compared to the one for financial parameters. This means that the employees of the agricultural enterprises surveyed identified more with non-financial attributes compared to the financial attributes.

Hypothesis Testing

H₀₂: Transactional leadership style does not influence the performance of agricultural enterprises in Kenya.

The second hypothesis H₀₂: stated that transactional leadership style does not influence the performance of agricultural enterprises in Kenya. A combination of the variables that constitute transactional leadership style that were measured were computed and a linear regression

analysis utilised to measure the collective influence of transactional leadership style on the performance of agricultural enterprises in Kenya. *Table 4* summarises the model summary, the ANOVA results and the coefficients of correlation computed to guide in the decision to either reject or accept the null hypothesis.

The following linear regression model was used to test the null hypothesis.

$$Y = \beta_0 + \beta_2 TL_2 + \epsilon$$

where AEP= agricultural enterprise performance, TL₂= Transactional leadership style ϵ is the standard error.

To test the hypothesis, the performance of agricultural enterprises in Kenya was regressed on transactional leadership style. The model results were summarised in *Table 4*.

The study obtained an R value of 0.673 and an R² of 0.453. The results presented in *Table 4* illustrate the statistically significant influence of transactional leadership style on the performance of agricultural enterprises in Kenya. An analysis of the data reveals that a transactional leadership style variation accounts for 45.3 percent of the variance in agricultural enterprise performance (R²= 0.453). Supplementary variables, which

were not taken into consideration in this study, are responsible for the remaining 54.7 percent.

Table 4 illustrates the existence of statistical significance in the proportion of agricultural enterprise performance that could be accounted for by the transactional leadership style ($F=142.399$, df 1,172 $p= 0.001<0.05$). The

obtained p-value was 0.001, which is smaller than the 0.05 significance level. Consequently, the research rejected the null hypothesis. The study findings indicate the existence of a positive relationship between transactional leadership and the performance of agricultural enterprises in Kenya.

Table 4: Influence of Transactional Leadership on the Performance of Agricultural Enterprises in Kenya

Model Summary							
Model		R	R Square	Adjusted R Square		Std. Error of the Estimate	
1		.673a	0.453	0.45		9.544	
ANOVA							
Model		Sum of Squares		Df	Mean Square	F	Sig.
1	Regression	12971.15		1	12971.15	142399	.001b
	Residual	15667.488		172	91.09		
	Total	28638.643		173			
<i>a. Dependent Variable: Enterprise Performance</i>							
<i>b. Predictors: (Constant), Transactional Leadership</i>							
Coefficients							
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
1		B	Std. Error	Beta			
		(Constant)	18.612	1.973		9.433	0.001
		Transactional Leadership	1.719	0.144	0.673	11.933	0.001

A multiple linear regression analysis was developed using the coefficients obtained in Table 4. The model resulting from the stepwise regression modelling would be as follows once the constant term and beta values were substituted as follows:

$$AEP=18.612+0.673TL_2 + 1.973 \quad [1]$$

where AEP= agricultural enterprise performance, TL_2 = Transactional leadership style ϵ is the standard error.

The coefficient associated with the transactional leadership style is positive, suggesting that a one-unit adjustment in transactional leadership style leads to a 0.673-unit improvement in the performance of agricultural enterprises. The findings are consistent with those of Kubai et al. (2022), who observed that private universities in Kenya experienced a favourable impact on their performance when transactional leadership was implemented. Chege and Gakobu (2017) equally found a positive correlation between transactional leadership and the performance of Safaricom

Enterprise. Kabiru and Bula (2020) found similar positive results between transactional leadership and the performance of enterprises in their study in Kenya.

On the contrary, several studies found transactional leadership to exert a negative influence on the performance of enterprises. For instance, Thapa and Parimoo (2022) found a negative relationship between transactional leadership and the performance of enterprises in Nepal. Similarly, Al Khajeh (2018) in an investigation conducted in Africa concerning the impact of leadership styles on enterprise performance identified an inverse relationship between transactional leadership and organizational performance. They attributed the results to the fact that employees do not get opportunities or autonomy to utilize their intellect to enhance task performance. From the results demonstrated, it looks like the influence of transactional leadership is dependent on the context and sector in which the leadership style is applied.

Results of the qualitative study conducted after the quantitative study explain why transactional leadership influences the performance of agricultural enterprises in Kenya. Both focussed group discussions and in-depth interviews identified three themes that explain why transactional leadership influences the relationship. Participants cited rewards as a great motivation for employees to better perform their tasks. The exchange of a reward for a service well provided is consistent with the findings of Akkaya (2020). A conditional incentive lays down the agreements and transactions that have been made between the supervisor and the operator outlining expectations for each party. Some participants explained how they are promised bonuses for every extra bag of grains processed or every sale achieved beyond the contractually agreed targets.

The second theme that qualitative research results established that motivates employees to perform better was management to meet targets. Transactional leaders guide their employees on how best to perform their tasks also came out as one of the key reasons why transactional leaders influence high performing teams. Kabiru and Bula (2020) found a positive association between the performance of employees and the transactional leadership style. According to the studies, transactional leadership can improve employee performance, which in turn benefits businesses. Consequently, agricultural enterprises adopting this leadership style consistently posted higher performance which enables them to meet their business goals. Participants expressed the need for the enterprise management to provide adequate guidance on how to organise their work either as teams or as individuals. Whenever proper guidance is provided by the supervisors, employees easily meet their targets. One participant said the following quotation “My supervisor knows that for me to be successful, I need the support of colleagues. My supervisor allocates us with resources and ensures we are guided to work together to provide excellent service to our farmers. This has helped us to work better as a team which our farmers enjoy and refer us to other farmers”. However, when such

leadership is missing, they are unable to meet their targets. One participant expressed this quotation: “Last season my team engaged more than 100 farmers because we knew our supervisor would be happy if we met our targets which helped our agricultural enterprise to meet another target of aggregation to sell to our buyer for grains”.

CONCLUSIONS

The research revealed that the transactional leadership style had the greatest impact on the performance of agricultural enterprises in Kenya, as it had the highest R-value (0.673) and R-squared value (0.453) with an ($F=142.399$, $p=0.001<0.05$) thus rejecting the null hypothesis. The study found transactional leaders to assert the highest influence among the four leadership styles. Transactional leaders enhance the achievement of targets by guiding the employees and promising rewards when they achieve their targets. Employees carry out their tasks in a guided manner which enables them to achieve their targets which are measured to gauge their level of achievement. The Path Goal Theory explains how such leaders set goals and use them to set targets for their employees.

Recommendations

The study set out four recommendations to enterprise owners, capacity building organizations and policy makers as follows: First the study found Transactional leaders to assert the highest influence among the four leadership styles. It is therefore recommended that enterprises adopt Transactional Leadership Style to enhance the performance of their enterprises. Secondly, governments should adopt the recommendation provided in this study to develop and implement new policies that would guide the development of oversight guidelines of micro, small and medium-sized enterprises which play a key role in employment creation. Thirdly, the study presents recommendations to senior management and enterprise owners on what human resource management practices needs to be put in place for enhanced enterprise growth. Finally, further engagement with employees in the

enterprises that were found to predominantly practice transactional leadership identified guidance provided to followers and the promise of a reward upon successful completion of tasks to be the most important attributes. It is therefore important for agricultural enterprises to adopt active management and contingent reward as precursors of enhancing enterprise performance.

Suggestions for Further Research

Therefore, the study suggests that more research be done in this area to identify the other elements influencing Kenya's agricultural firms' performance. As a result, the studies' conclusions will ensure that every element affecting Kenya's agricultural firms' performance has been sufficiently considered.

To find out if the results hold true, the paper suggests conducting comparable research on different industries and regions. Analogous research employing a mixed methods approach can be implemented in various settings and regions to validate the accuracy of the findings.

AUTHOR CONTRIBUTION

This article is based on the PhD. dissertation of Geoffrey Rogito Nyamota, the primary researcher, and the guiding supervisors. Conceptualization, methodology, data collection, data analysis and writing. The author has read and agreed to publish the final version of the manuscript.

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