

Original Research Article

Nexus Between Leadership Styles, Research and Development and Organizational Performance of Tea Processing Firms in Kenya

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Abstract

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The study sought to unravel the nexus between leadership styles, research and development and organizational performance of tea processing firms in Kericho and Kisii highlands in Kenya. With a view to ascertaining how leadership styles mediated by Research and Development (R&D) and organizational performance, and consequently enhance performance in organizations in Kenya. The study was anchored upon, Agency theory. The framework of the study was tea processing firms in the regions 5 and 6 (Kericho and Kisii highlands) in Kenya. The study relied on primary data and questionnaires. The descriptive survey design was adopted with a response rate of 79.4%, and adopted a stratified sampling technique. The sample size of the study was 403 respondents. Data was analyzed using descriptive and inferential statistical techniques. T-test statistic was computed for intellectual capital and the results indicated that the strategy was statistically significant in enhancing organizational performance. The study results showed that leadership styles is significantly and positively associated to superior organizational performance, and that, although transformational leadership style is significantly and positively related to innovation, transactional leadership style is more appropriate when the aim is to instil a culture of R&D. By comparison, transformational leadership style, is mostly associated with organizational performance of tea processing firms. The review also suggests that a number of moderators and appropriate variables such as research teams and rate of technological change may make leadership in R&D in organizations different from their competitors.

Keywords: Leadership styles, Organizational performance, Research and Development, Tea processing Firms

INTRODUCTION

Organizations globally are deeply worried with understanding, penetrating and emerging leadership. Irrespective of any type of organization, leadership is recognized to enhance a dynamic part in forming high performing teams. Hence, due to the increased turbulent environmental conditions and the changing nature of the

organization, Leaders are faced with greater challenges than ever before. When we trace back into history, it is evident that leaders should have the ability to draw out changes in relation with environmental demands.

The current era not only demands having a competitive edge and sustained profitability but also the

maintenance of ethical standards, complying with civic commitments and establishing a safe and equitable work environment. Leadership is one of the critical elements in enhancing organizational performance. Being responsible for the development and implementation of strategic organizational decisions, and bring out the best products and services in the best interest of stakeholders, leaders have to acquire, develop and deploy organizational resources optimally. In short, effective leadership style is the main cause of competitiveness and for any kind of organizational performance (Barasa et al., 2019).

The organization's orientations depend on the style adopted by its leaders. Since leadership aids in planning the organization's orientations about the future, its leaders' behaviours and values are the things that determine their followers to realize the objectives. Leadership styles is a comparatively continues design of behaviour that describes a leader. In relation to organizational performance, a leader is referring to the head of the research group as well as leader of research projects (Chen et al., 2020). Practical leadership skills and styles can increase job satisfaction and promote employees' performance in organizations (Hejazi et al., 2016). Hence, employees' performance in organizations can be improved by embracing the appropriate leadership and managerial styles which are consistent with the business strategies to increase the employees' motivation and that will corroborate the behaviour patterns within the expectation levels.

A study conducted by prior researchers Peláez Zuberbuhler et al. (2020) revealed that the leadership style of supporting, empowering and coaching offered more humanism, freedom and less procedures for employees, as the result facilitated R&D process more effectively. In A view of Olaniran (2016)cited in emphasized that organizational failure is tied to the quantity, quality and inappropriate leadership styles. Which means that no matter the goals that motivated the establishment of a processing firm, it still requires management strategies and effective leadership styles in order to drive the firm to achieve its set goals, especially in this era characterized by competitive knowledge-driven environment. In this context, leadership styles strategy is vital for R&D setting such as idea creating, project leading, coaching, and entrepreneuring and gate-keeping. In R&D policies, idea generating function entails mounting, analyzing current skills, creative problem resolving and matching basic activities related to R&D policies.

The idea of R&D can be broken down into two parts. In which, "research" is conducted in order to attain a current technological invention and to increase knowledge and understanding, whereas "development" comprises the conversion of the results of research and other information into an value-added design or plan for a new product or service, where the components, structures, materials, processes are revised before

starting profitable production (Schroeder and Baldegger, 2019). Therefore, the significance of R&D stems from its capability to foster an organization's performance as it leads to the invention and application of current technologies that can enhance a company's competitiveness and extend its life and improve its market position. Research and development is considered the base for creating new products, processes and services, particularly in the organizations. It is a critical component in the process of invention that can deliver an organization with competitiveness (Mourão, 2018).

Effective leadership and employee job satisfaction are considered to be the fundamental factors for organizational success. A capable leader provides guidance for the organization and lead followers toward achieving desired goals (Gupta and Singh, 2014). Therefore, organizations need to have efficient leaders to lead and motivate their employees in their daily operation so that they can achieve the organizational goals. Theorists have proposed a number of leadership roles that are essential for innovation in R&D context (Zhang & Bartol, 2010). The roles including idea generating, entrepreneur or championing, project leading, gate keeping and sponsoring or coaching. Furthermore, leadership development for leaders is necessary for R&D performance, especially when this study is aim for the R&D context (Choi et al., 2016).

Due to the increasing market competition and antagonistic environment globally, tea processing firms particularly in Kenya, face strong competition. The reason behind these differences is purely the implementation of appropriate leadership styles coupled with R&D for the successful ones or non-implementation of inappropriate strategies for the non performing organizations. This implies that there are challenges in the way respective firms are managed given that the firms in question are fundamentally strategic commercial entities. While studies on leadership styles are in abundance, there is still less empirical proof linking as to how processing firms improve their leadership styles capability more so in the Kenyan environment (Othman et al., 2019).

Kenya tea board of Kenya report (2016) observed that in 2014, tea processing firms had a decline of 11% in market share as compared to the year 2013. On the same standing, Kenya, contributed on average 45% of the foreign exchange earnings up to the year 2010 when its contribution dropped to 25% Yeh (2015) established that recently developed clones produce to a tune of 4500kg/hectare of made tea by large tea growers against 2075kg/hectare realized by the KTDA processing firms from the same clone; same acreage. This trend has made this sector to be in distress, issues like, escalating costs of production, pronounced gaps and fluctuations in (dividends) bonus payments per kilogram in different KTDA tea processing firms' operational costs and heavy taxation imposed to it (Kipkosgei et al., 2020). Despite the

increase in application of appropriate production technologies, KTDA managed firms' still experience low performance as well as declining crop produce in comparison to large estates. The below average performance could also be ascribed to poor leadership styles and inadequate application of R&D management practices by KTDA managed firms. This yield gap between the two sub-sectors could be due to the inadequate application of strategic management practices by KTDA managed factories. This research sought to assess nexus between leadership styles, research and development and organizational performance of tea processing firms in Kenya.

Performance of Tea Processing Firms in Kenya

The tea industry plays an important part in Kenyan economy in terms of providing employment opportunities and foreign exchange earnings. For more than a century, the tea industry was one of the main employment provider, the main source of foreign exchange and the main source of government revenue. Though, recent statistics demonstrate that the contribution of the tea industry towards the Kenyan economy is progressively decreasing.

According to the republic of Kenya sector plan for science, technology and innovation (STI) 2013-2017, Tea processing firms in Kenya are lagging behind in the uptake of innovation strategy and face challenges exposing a technology crisis in Kenya's tea firms. Among other challenges facing tea processing firms are, identified in different aspects of competitiveness like technology competitiveness, capacity competitiveness, quality and efficiency of governance, price competitiveness and demand competitiveness (Gupta and Singh, 2014).

In this case, R&D is most likely to benefit processing firms in: energy storage, production and conversion; enhancement of tea productivity and quality management (Takano and Kanama, 2019). The below average performance and declining crop yield and low productions in KTDA firms could also be ascribed to poor leadership styles and inadequate application of R&D management practices by KTDA managed firms.

Available evidence indicates that technological capabilities in tea processing firms and leadership styles enhances the quality of employees and the richness of knowledge exchange among team members. Leadership styles is embodied in how it assists collaborations and the exchange of ideas progress of internal processes of learning within the firm are a prerequisite for organizational performance Waweru, (2015). Purposeful leadership styles coupled with R&D in knowledge enable firms to select, adapt, modify and improve products (Lall, 2012). It is a generally held view that leadership styles and R and D investments in machinery and equipment

(technology acquisition) together with knowledge labour and ordinary labour makes a main contribution to tea firms' performance (Sanga, 2011; Mbui, 2015). As explained by Indahsari et al.(2017), tea processing firms require accelerated efforts to increase and generate new ideas through advances in technologies, innovativeness and commercialization.. It is agreeable that enhanced outcomes will be realized through proper leadership, and capacity building. Maximizing delivery, uptake, acceptability, sustainability and value addition to the products, process and services will be an overarching outcome of innovation strategy.

Objective of the study

To examine the nexus between leadership styles, research and development, and organizational performance of tea processing firms in Kenya.

Research Hypotheses

H_{01b}: Nexus between leadership styles, research and development, and do not have a significant role on the organizational performance of Tea Firms in Kericho and Kisii highlands in Kenya

RESEARCH METHODOLOGY

Research Design

Survey design was employed in this study. Survey design was ideal and appropriate to this study because the population under study is spread over a wide region (Cooper and Schindler, 2010). Also survey design enables a researcher to collect quantitative data enabling one to use descriptive statistics Saunders et.al (2015). Above all it is effective, cheap, and easy to conduct.

Target Population

Target Population is the collective of the likely components in given space for which the researcher needs the findings. There are of two categories of population; targets and accessible population (Kothari, 2016). Target population for this study consisted of 1509 employees of 66 tea processing firms managed by KTDA limited and at the time of the study they were demarcated into seven regions. The targeted sample for the study was 403 employee of 24 tea processing firms in regions (5 and 6) Kericho and Kisii highlands, Kenya. The respondents of the study were strategic management team such as, Board of directors (BOD), top and middle

level management. These categories were chosen as the respondents because they are mostly concerned with implementation organizational strategic issues in their tea processing firms (TBK 2016). This is consistent with Indahsari et al. (2017) in their study of Challenges and profitability in remote areas who found out that 350 target population were good.

Sample Design

Purposive sampling technique was used targeting only respondents who work in the targeted KTDA processing firms for they have the required information. Also, this was used owing the fact that all processing firms in region 5 and 6 were to be considered. The sampling technique was adopted considering the sampling size and the analysis that was carried out and this is inconsistent with Geoffrey (2015) who adopted the same technique, in examining the role of R&D spending on economic growth of developing countries and found it appropriate.

Sample Size

The sample of the study was 403 respondents. The study employed a census study by collecting data from all the 403 respondents of the target population comprising of all board of directors, top level management, and middle level management. Kothari (2004) used 390 sample size and found it appropriate for their study. To determine the sample size for the study population, the study used Saunders et al. (2012) formula to calculate sample size, Based on this, and with an estimated 95%. The sample size was 403 employees of twenty four (24) Tea firms which are 100% of firms in regions 5 and 6 and constitute 36% of all the processing firms in Kenya. The sampled firms were selected because they have readily available information, have a higher level of information disclosure, some were not performing well and some have fairly invested in various in knowledge management based on information available from their annual reports (KTDA Annual Report, 2017).

Caroline and Susan (2014) adopted the same formula in their study that yielded 30% of the target population and used a purposive sampling technique in identifying the respondents and this was in line with this study. A study by Baraza (2015) used the same formula to calculate the sample size of (398) by adopting multistage stratified sampling to select the respondents. Isoe et al. (2013), used the same formula in their study that yielded 30% of the target population and used a purposive sampling technique in identifying the respondents and this was in line to this study.

Research Instruments and Data Collection

Data used in this research was gotten from primary sources obtained from the research instruments. The study used primary data that were collected using the questionnaires Saunders (2015) defined questionnaires as measuring instruments that ask individuals to answer a set of questions or responding to a set of a statement. The questionnaire used comprised of Likert Scale this was intended to get the depth of information and data that was analyzed to realize the objectives of the study.

The questionnaire was pretested for reliability and validity on one tea processing firm that was not among the targeted firms. The pre-test sample was selected using purposive sampling technique. After the pilot test, any items that were not clear, or were confusing or could cause bias were modified or omitted. A total of 40 questionnaires were sent out but only 34 questionnaires were received giving a response rate of 85% which was considered to be very good. According to Mugenda (2008), a response rate of 50% is considered adequate, 60% and above good, and above 70% very good.

A total of 403 questionnaires were administered to , directors, top level management and middle level management of tea processing firms who were considered to be the best able to understand the intellectual strategy and do implement at various levels. 320 respondents replied, which is 79.4 percent of response rate. This response rate was statistically adequate as it compares fundamentally well with other studies conducted in the same context (Bolarinwa, 2018). The questionnaires were easy to manage too many respondents within a short time. Also since the questions were the same to all respondents, distortions were greatly minimized. Shin et al. (2017), used a similar tool, in their studies examining the influence of innovation on organizational growth of processing firms and organizational performance and found it appropriate

Justification of the Study

The study will be useful to various stakeholders including: First, Based on these findings, policy makers in tea processing firms in Kenya will identify the specific areas of leadership styles, in making decisions on to be adopted, implemented and eliminate the bottlenecks. Second, Effective leadership is vital for every organization and leadership styles and its practice constitutes significant variables having indispensable role on the success of tea processing firms' project management. Appropriate leadership approach can shape subordinates' performance in a desirable way and facilitate tea firms to go smoothly. Limsila and Ogunlana (2018) assert that employees normally respond well only to proper styles of leadership. The right leadership style

should be able to “push” subordinates to complete assignments timely and correctly while at the same time, bringing out the best in them. Investors need the study findings to enable them promote and get current and creative ideas for resolving problems from all organizational members, make informed intellectual capital decisions and make their investment decisions going forward hence eliminate the factors that affect firm performance. Furthermore, this will allow management to seek proper approaches to solve problems, analyze situations, critically question long held principles/assumptions/ideals, and therefore seek innovative and creative methods to solve traditional problems.

LITERATUREREVIEW

The Agency Theory

Hedonism principle suggest that every person behaves in accordance with self-interest by applying least strength to get maximum benefits. Within the organization environment, these encounters are obvious between the principles who involves another person known as agent to carry out activities on behalf. Agency theory demonstrates connection between stakeholders and agent who has been involved to make judgments on principal's behalf. The actions of agents (called CEOs and top management team) may not necessarily be consistent with the interests of the principal (stakeholders). Strategic management therefore tries to bring governance mechanisms through the board of directors to see that agents will not take decisions in their self-interest. The boards of directors will make sure that the interests of both the principal and agents are aligned for the benefit of a firm. In this process some agency costs are involved such as principal's checking of expenses and agents attachment rate

The Agency Theory is rooted in the work of Berle & Means (1932), and propounded by Adams (1994) on the separation of firm ownership from management. This theory is associated with the RBV theory as it explains the roles of agents and organizational performance of tea processing firms. Agency theory indicates that due to self-interest and information asymmetries, principals lack reasons to trust their agents. This fact makes them seek to resolve these concerns by placing strategies to align the interests of principals and the agents and to minimize the scope for information asymmetries and opportunistic behavior (Morris et al., 2011). In agency theory information is regarded as a product which has a cost and can be bought which then makes it possible for organizations to invest in formal information systems such as innovation, and informal systems such as managerial supervision (Barreto, 2010). The main rule of agency theory is the delegation of duties the principal delegates' responsibilities of an agent. Therefore,

delegation is positive since it subdues individual restrictions because every person has limited resources and time (Nasir et al., 2017). Inside a firm, accountability and power is assigned using organizational structure and work processes by workers. Organizational structure characteristics include hierarchy, power, division of labor and process. This improves the manner duty and power are allocated within an organization and work processes by workers.

This theory is one signal of how R&D strategies influence the operation of tea processing firms. Having good policies in a firm ensures that agency problem and conflicts do not arise between the agents and the principals. Saving of costs in Kenya tea sector is a key aspect because of the high costs that raw materials are bought, labour, operational expenses and power. Cost decrease and saving are the foundations of the study in tea sector in Kenya (Donaldson and Davis, 2014). This theory describes organizational structure in KTDA which is still adopted in tea organizations under its management. Moderating role of environmental factors and leadership tendencies objective is supported.

Leadership Styles Strategy and R and D

Leadership styles are specific behaviors utilized by leaders to encourage juniors to accomplish organizational goals (Gritzo et al., 2017). Wanjala (2014) confirmed that leadership style involves those characteristics of individual leaders which are distinctive across situations. It comprises the forms of control leader's exercise in a group and their behaviour towards group members. Additionally, The study of Politano et al. (2017) argued that leadership styles is among the variables that play essential role in enhancing the interest and commitment of the individuals in the organization and has a positive significant relationship organizational performance.

Research and development and leadership styles carry out significant functions in an organization that underwrite meaningfully to organizational performance. Daniel (2011) recognized four roles executed by leaders of successful R&D teams concentrating on increasing products improvement and innovation teams concentrating on current products improvement: correspondent, planner climate setter. Hence, Processing firm success or failure is largely dependent on the nature of leadership. Many studies on leadership and performance posited that leadership traits and behavioral pattern of the top management affects performance (Amanchukwu et al., 2015).

In leadership study, scholars have recognized several leadership styles that have abundant effect on organizations. They listed out transactional leadership and transformational leadership as the styles of leadership that have the competence in influencing their

followers and the climate of their organizations (Burton and Rycroft-Malone, 2014).

Transformational Leadership Style

Korejan and Shahbazi (2016) describes transformational leadership into four components; intellectual inspiration, idealized influence, individualized concern, and inspirational motivation.

The intellectual inspiration component describes to the behavior by leaders that encourage employees' intelligence, knowledge and learning in order be innovative in their problem-solving and solutions. Such leaders inspire employees to think "out of the box", treating old difficulties in new ways even if they have to challenge their own standards, custom and beliefs (Lai et al., 2020). This dimension intellectually inspires followers to learn new ideas, methods and processes to empower themselves in individuals. Such leaders stimulate intelligence and levelheadedness in employees in implementing job tasks and problem-solving. Intellectual stimulation in a leader encourages employees to seek different perspectives in signifying new and effective ways in completing tasks and re-thinking of ideas for efficient problem-solving solutions (Abazeed, 2018).

Scholars like Faupel and Süß (2019) affirms that Individualized concern represents "leaders who offer tailored socio-emotional support to followers, while developing and enabling them" These types of leaders treat each members of the organization as inimitable individuals built on their needs and competences. They act as a coach or mentor by focusing on the individual's need for achievement and growth. Satisfying employees' needs and anxieties establishes satisfaction amongst them leading to productive working environment.

In idealized influence dimension, leaders encourage their workers to have pride, faith and respect in them and their organizations also, leader's displays charismatic characteristics that generate trust. On the other hand, idealized influence means becoming a role model. Hassan, (2013) opines that such leaders are professed as finest at what they do and ideal to which employees or followers aspire. Such charismatic leaders encourage followers' to feel trust, admiration, loyalty, and respect toward them and are motivated to perform extra-role behaviors. They inspire subordinates to put in additional determination and to go beyond what they (subordinates) expected) which consequently enhance productivity.

Inspirational motivation refers to leaders' behaviors that inspire employees of the organization to attain their goals. Rich, (2013) describe this dimension as "leaders who inspire and motivate followers to reach ambitious goals that may have previously seemed unreachable, by rising subordinates' expectations, and communicating reassurance that followers can achieve ambitious goals, thus generating a self-fulfilling prophecy". They develop

subordinates' commitment to a shared organizational vision and inspire them to work harder and smarter to attain this vision. Such leaders persuade subordinates to go beyond self-interest for the good of the whole group thus generating an environment of teamwork.

Transactional Leadership Style

Transactional leadership style stresses about accomplishing firm objectives using any means. According to Ebrahimi et al. (2016), transactional leadership style concentrates on accomplishment of organizational group undertakings. Employees of organizational team are inspired by dependable compensation to achieve set objectives.

Scholars like (Nwokocha, 2014; Open, 2010) posits that transactional leadership builds the base for relationship amongst leaders and followers in terms of specifying expectations, clarifying responsibilities, negotiating contracts and providing appreciation and rewards in order to achieve the expected performance. Transactional leadership similarly use management principles by exclusion by taking corrective movements when things are don't take intended critical path (Ebrahimi et al., 2016). In this circumstances, transactional leaders emphasis on the foundation of the 'exchange transaction' amongst leader and subordinates by offering rewards (or threatens punishments) for the performance of desired behaviors and the completion of certain tasks. Nwokocha, (2014) describes transactional leadership style based on two dimensions; contingent reward and management by exception.

The contingent reward dimension according to Nwokocha, (2014) produces obedience as employees perform demanded tasks by the leader and organization in order to avoid punishment and obtain reward in the form of acceptable performance, pay increases, recognitions, praise and better work assignment etc. Leaders, who adopt this method, create conclusive expectations to be fulfilled by employees while upholding consistent rules, norms, and procedures. This induces better performance as people perform their best when the chain of command is definite and clear. In addition, according to Liu et al. (2019), consistent honoring of transactional agreements enhances, dependability, trust, and perceptions of consistency with leaders by followers.

The way transactional leaders act when opportunities are not fulfilled are reflected by Management by exception (MBE). This measurement is categorized into two; passive and active. Passive management by exception labels leaders who interfered when only values are not met or when performance is not as per expectations (Bass and Avolio, 2014). Such leaders wait for difficulties to occur before taking action. In contrast, active management by exception describes leaders those who actively monitor the work of their subordinates, wait

for nonconformities from rules and standards and initiate the appropriate changes to the subordinate's work to make corrections throughout the process Bass, (1985) as cited in Obiwuru, (2011). This style of leadership requires focused observing of subordinates and focuses more on upholding stability and meeting opportunities rather than enhancing performance.

Wells and Peachey (2011) investigated the relationship between leadership behaviour and turnover intention from National Collegiate Athletic Association Division I softball and volleyball assistant coaches in the USA. The findings showed that transformational leadership has a direct effect on, and a negative relationship with turnover intention. However, transactional leadership also has a negative correlation with turnover intention. Ali et al. (2014) examined leadership style by using transformational and transactional leadership behaviour. Data was collected from private section schools in Pakistan. Three hundred and fifty-six questionnaires were used. The study found that transformational and transactional leadership behaviours are negatively associated with turnover intention.

Advani (2015) examines the influence of transformational and transactional leadership styles on employee performance in Pakistan banking sector. A questionnaire was used from 172 employees, the results indicate that both transactional and transformational leadership styles have an influence on employee performance. Similarly studies (Brahim et al., 2015) to examine the effect of transactional leadership on employee performance in banking institutions in Algeria. By analyzing a sample size of 132 employees from five banks with analysis of variance, the results indicate that transactional leadership style has a substantial effect on employee performance.

Bratnicka (2015), conducted a study to determine the relationship between transformational and transactional leadership styles and organizational performance using 992 members manufacturing organizations and 846 personnel managers in the District of Columbia. Presentation and analysis of data was done using descriptive statistical techniques whereas ANOVA was embraced to determine if there exists meaningfully diverse mean scores in variables. Lastly, factor analysis was applied to explain changeability amongst associated variables. This research confirmed that effective firms usually follow the leadership styles and leadership strategies anchored to R&D and innovations. Secondly, it was observed that leadership styles significantly affect organizational performance. Bratnicka (2015), posited that the effectiveness of leadership styles to a large extent is responsible for organizational performance in developed economies.

A study by Saif (2017) to examines the impact of transactional and transformational leadership on employee satisfaction in Jordanian public hospitals.

Using a response rate of 86% from 800 questionnaires distributed amongst nine hospitals, the findings of the analysis show that transactional and transformational leadership averagely influence employee satisfaction and organizational performance. Long et al. (2012) found the relationship between leadership style and employees' turnover intention of academic staff in Malaysia. They argue that both types of leadership behaviour (transformational and transactional leadership) have a negative relationship with turnover intention, but the correlation is not significant.

A study by Cho et al. (2016) to investigate the impact of the transformational leadership styles of organizational performance in the Cameroon financial sector. The study adopted descriptive survey research design. Primary was collected using questionnaires. Testing the strength of variables was done using correlation analysis and the degree of significance was tested using multiple linear regression analysis. The outcome confirmed that leadership style strategy allow workers to perform better and therefore enhancing organizational performance. The present research considers the function of transformational leaders and the four elements including; inspiration, encouraging incentive, intellectual motivation and personal reflection and the effect performance of three financial institutions in Jordan. This research concentrated on banking sector and never processing firms.

Conducted a study on effect that that leadership style has on worker performance in Kampala. The study utilized survey research design. SPSS software was used to analyze data. The most consistent objects were arranged using factor analysis. The strength of the association of data was done using correlation analysis and the testing of the degree of significance of data was done regression analysis. The study determined that there was a positive and significant relationship between leadership styles and organizational performance. Study confirmed that transactional leaders was never commonly practiced while transformational leadership style applied particularly in higher offices. Similarly, laissez-faire leadership was mostly present specifically in lower offices. The study created some gaps; the middle level management who are key in implementing polices were not involved. The study lacked details regarding organizational mechanisms put in place for future leadership styles.

Asrarul and Kuchinke (2016) investigated the impact of transformational and transactional leadership styles on employees' attitude towards their leader and performance. The impact of leadership styles on employee performance outcomes is explored hypothetically and tested empirically in the Pakistani processing firms. Descriptive statistical technique was applied on a sample of 224 full time employees' selected using stratified random sampling. The findings of this study reveal that there exists a significant relationship

between transformational leadership and employee performance outcomes. This research endorses that firms must utilize all the three leadership styles to exploit execution of tactical strategies. The study created some gaps by centering on only two leadership styles, hence did not exploit all the leadership strategies.

Felix et al. (2018) carried out study influence of leadership styles on firm performance of state corporations in Kenya. A descriptive survey research based on the perceptions of middle and senior managers in thirty (30) state-owned corporations based in Mombasa, Kenya was undertaken. Primary data was collected utilizing questionnaires. Two independent variables measured were transformational leadership and transactional style. It was confirmed that the two leadership style positively influenced organizational performance in Kenyan processing companies.

A study conducted by Hachem (2017) examined influence of leadership styles on firm performance of small scale processing firms in Nigeria. The research utilized descriptive survey and longitudinal methodology. This research considered transformational leadership styles, introducing structures and nominated alternatives for leadership styles was investigated as longitudinal analysts of performance in 118 R&D teams from five organizations. The study indicated that regions reflected included, schedule performance, cost performance effectiveness, technical quality and speed to market. Initiating structure predicted all the performance measures. Moderator effects for type of R&D work were hypothesized and found whereby transformational leadership style was a stronger predictor of technical quality in organizational performance. The study established that transformational leadership style had a statistical influence on the organizational performance on processing firms.

Tsigu & Rao (2015), in their study "leadership styles: their impact on job outcomes in Ethiopian banking industry" found that transformational leadership style explained the variation on performance better than transactional leadership style. Hence, the researchers urged that if banks under study emphasize more about transformational leadership style, dimensions, it would enable them to better satisfy and therefore make more production from their employees.

Research Methodology

Research Design

Survey design was employed in this study. Survey design was ideal and appropriate to this study because the population under study is spread over a wide region (Cooper & Schindler, 2010). Also survey design enables a researcher to collect quantitative data enabling one to

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tional performance and found it appropriate.

Data Analysis and Presentation

Data collected was analyzed using descriptive statistics Descriptive analytical tools included frequencies, percentages, mean and standard deviations. The analysis of these objectives was also improved by conducting T-tests on, intellectual capital, and organizational performance. Towards this end, statistical tests were conducted at three levels of significance, 0.05, 0.01 and 0.001 respectively. second, Correlation analysis, The Pearson Product moment correlation was used to establish the strength of the relationship of intellectual capital strategy and organizational performance of tea processing firms in Kericho and Kisii highlands, Kenya, third, Inferential analysis, a multiple linear regression analyses were used to establish the influence of strategy and organizational performance of tea processing firms in Kericho and Kisii highlands, Kenya.

RESULTS AND DISCUSSION

Response Rate

The study collected 320 filled questionnaires. Data cleaning process was taken in order to prepare the data for analysis. Data cleaning was done to eliminate outliers. The questionnaires were edited to determine any irregularity, oversight and ambiguity before coding. The study used descriptive statistical techniques to code the collected data in the codebook using SPSS in order to screen for any code discrepancies. All the questions were entered and the results from data screening showed that the data met the required edge. Table 1

Response rate in a research context refers to the size which the collected set of data includes all sample members of the targeted population (Fowler, 2004). Data analyzed in this chapter was obtained from 24 tea processing firms. A total of four hundred and three (403) questionnaires were distributed to the study sample. Out of four hundred and three questionnaires, three hundred and twenty (320) were completed and returned translating to a response rate of 79.4% as indicated in Table 1 above. This response rate was adequate as it compares fundamentally well with other studies conducted in the same context (Machuki, 2011; Ogendo, 2014; Kinuu, 2014). Baruch (1999), in their study to investigate what could be a logical response rate in academic research observed that the average response rate was 55.6 percent. According to Awino (2011) and Kothari (2014) a response rate of 65 percent is acceptable for such studies. Based on these assertions,

Table 1. Response Rate

Questionnaire	No	%
Given out	403	100
Returned	320	79.4

Table 2. Demographic Data

Aspects	Response	Frequency(n=402)	Percent (100%)
Gender of respondents	Male	225	70.3
	Female	95	29.7
Educational qualification	Secondary	12	3.8
	Diploma	153	47.8
	Bachelors	132	41.3
	Masters	22	6.9
	Doctorate	1	.3

Table 3. Showing respondents length of service and gender

Aspects	Response	Frequency(n=402)	Percent (100%)
Employee length of service	Less than 1 year	17	5.3
	Between 1 and 5 years	125	39.1
	Between 5 and 10 years	101	36.1
	Between 10 and 15 years	50	15.6
	Between 15 and 20 years	19	5.9
	Over 20 years	8	2.5
Age of respondents	Between 10 and 20 years	15	4.7
	Between 21 and 30 years	89	27.8
	Between 31 and 40 years	103	32.2
	Between 41 and 50 years	85	26.6
	Over 51 years	28	8.4

this implies that the response rate for this study was adequate.

DISCUSSIONS

The study sought to establish the demographic data of the respondents in terms of gender, educational qualifications, length of service and age profile. This assisted the researcher to determine demographic issues in tea processing firms. The findings are represented in Table 2

The results indicated that the majority 70.3% were males while 29.7% were females. The top management at KTDA managed factories was dominated by male factory unit managers. The distribution as indicated in the research findings revealed the correct picture of gender composition within the tea processing firms as per the sampling frame used by the study.

The findings of educational qualification indicated that 47.8% of the respondents had at least a diploma qualification, 41.3% were degree holders and 6.9% had master's qualifications and 3.8 % had secondary

educational qualifications. The high literacy rate is also explained by the fact that the respondents are the middle level managers in factories managed by KTDA in Kenya. It is normal in KTDA to occupy lower rank when joining as trainee management joining services as a fresher from college, then as one gains experience, one move into the top level management. This means that the KTDA tea processing firms have good level of intellectual capital and thus it can be argued that they are capable of implementing and making R&D decisions.

From table 3, 5.3% had been with the factory for less than 1 year, between 1–5 years 39.1%, between 5-10 years 36.1%, between 10-15 years 15.6%, between 15-20 years 5.9%, and over 20 years 2.5%. had worked in the respective factories for 2 years and above Besides, the respondents have stayed fairly in their workplace and have good knowledge of their areas of operation, have good knowledge and strategic management skills and they can give reliable information, make strategic decisions and understand innovation strategy. These findings confirm that at the top level management, there is regular transfer as the top level managers do not stay in one factory for long. About 5.3% of the respondents

Table 4. Showing responses on leadership styles strategy

	N	Mean	Std. Deviation
Employees need to be supervised closely in order to do their work	320	3.12	1.277
Employees want to be part of decision-making process	316	4.56	.838
In difficult situations, leaders should let employees work problems on their own.	320	3.22	1.620
Providing guidance without pressure is the key to leadership styles.	320	4.03	1.108
Leadership style requires staying out of the way of employee as they do their work.	318	2.30	1.495
As the rule, employees must be given rewards or punishments in order to motivate them to achieve organizational objectives.	320	2.44	1.383
As a rule, good leadership should allow employees appraise themselves.	319	4.13	1.019
Employees feel insecure about their work and need direction	320	3.32	1.193
Leadership style needs to direct/help employees accept responsibility for completing their work	320	4.11	1.017
Effective leadership gives orders and clarify procedures	318	3.96	1.258
GRAND MEAN		3.52	

had worked less than 1 year at the tea processing firms. This also means that there exist association between length of service and R&D strategies implementation of KTDA managed tea processing firms. In an attempt to realize better returns and prizes, KTDA undertakes frequent review of her staff postings fairly regularly given that this staffs are the top management who direct strategic policy and strategic issues. Results indicated that Majority were aged between 31 and 40 years with an overall of (32. 2%).While, the age bracket of between 21 and 30 years (27.8%). Results (26.6%) fell within the age of between 41 and 50 years and over 50 years (8.4%). It can be noted that most of the tea processing firms, directors and top level management does not have young people. This could be attributed to reason that majority of these managers have a wide experience hence, this enhances strong strategic decision making.

Leadership Styles

On this variable the study sought to investigate the effect of leadership style, R&D and performance of Kenyan tea firms. Table 4. Presents the findings. Table 4

The results indicated that Effective leadership gives orders and clarify procedures as reflected by (mean=3.96, SD=±1.258) and the SD of 1.258 signifies that significantly in their views and had the belief that the leadership style practiced was transformational. Results agreed that Employees want to be part of the decision making process (mean=4.56, SD=±0.838) and the SD of 0.838 signifies that results did not differ significantly in their views. Results indicated that the leadership style practiced was democratic leadership style. The study findings conform to study, report in Uganda by Gimuguni, Nandutu and Magolo, (2014), revealed that the appropriate leadership styles were highly practiced in tea processing firms that encourage R and D strategies

The study findings indicated that the majority Employees need to be supervised closely in order to do their work as shown by (mean=3.12, SD=±1.277) and the SD of 1.277 implying on average remained neutral. Subsequently, the respondents agreed that good leadership should allow employees appraise themselves as reflected by (mean=4.13, SD=±1.019). Respondents agreed that Employees feel insecure about their work and need direction as a leadership styles in tea firms as reflected by (mean=3.32, SD=±1.193). This implies that the respondents agree with varied opinions between agree and disagree, although on average the respondents were neutral. Hence, with a grand mean of 3.52, the leadership styles put in place in tea processing firms contribute to organizational performance like when employees are involved in decision making which had a mean of 4.05. This is in line with previous studies conducted by Anyango (2015); Elqadri, Suci and Chandra (2015); Okibo and Shikanda (2016); Ebrahimi et al. (2016); Kabir, et al. (2016); Junquera and Brío (2017)

Leadership styles and Organizational Performance.

In establishing the leadership styles, and it influence organizational performance, the study was meant to determine whether the firms in question have any R&D measures in place, and if so, and how they influence the performance of these firms. The Mean and Standard Deviation were computed as shown in Table 5.

Drawing from the findings of Table 5, the results indicated an increased market share, and tea firm assets have increased for as shown by (mean=4.15, SD=±.779) signifying an increase in lines of production and other modern machines. At the same time, tea firms have expanded their services for the last 5 years (mean=4.17, SD=±.736), thus providing products that offer unique benefits superior to those of competitors (mean=4.08,

Table 5. Leadership styles and organizational performance

	N	Minimum	Maximum	Mean	Std. Deviation
Our firm operates continuously in tea processing	320	1	5	4.08	.804
Our firm has expanded its services for the last 5 years	320	1	5	4.17	.736
Our firm Provides products that offer unique benefits superior to those of competitors.	319	1	5	4.08	.833
Our firm has expanded its tea products (orthodox tea)	320	1	5	3.72	1.075
The firm assets have increased in the last five years	319	1	5	4.15	.779
Our firm has increased its market share	317	1	5	4.18	.773
Our firm produces quality tea products	319	1	5	4.34	.714
Our firm has retained most of our customers	318	1	5	4.29	.681
Our customers get high satisfaction in our services	320	1	5	4.24	.808
Our organization constantly monitors the level of employee commitment to serving customers' needs.	320	1	5	4.07	.802
Our strategies are driven by the need to create customer value.	320	1	5	4.17	.810
The objectives of our firm are driven by the need to achieve high customer satisfaction.	315	1	5	4.26	.775
Our firm always meets the target of our customers	319	1	5	4.23	.669
We are very active in developing new technologies	213	1	5	3.58	1.277
Our firm has maintained sales growth	319	1	5	4.19	.797
Our firm has maintained growth for the last five years	318	1	5	4.06	.834
Our firm is experiencing good high productivity	319	1	5	4.11	.727
Our product development programs are more ambitious than our competitors	320	1	5	3.94	.880
Our firm always satisfies target market of our customers	318	1	5	4.23	.651
We are very active in developing new technologies	319	1	5	3.54	1.331
Our firm has growth in sales volume	317	1	5	4.18	.681
All functions are integrated in serving the needs of our target market	319	1	5	3.88	1.001
Our firm has increased in sales volume in the last five years.	318	1	5	4.10	.831
GRAND MEAN				4.08	

SD=±.833). Results reported that tea firms have expanded their tea products (orthodox tea) as reflected by (mean=3.72, SD=±1.705), agreeing with the Annual market Survey Report carried out by Tea Directorate of Kenya (2016). This confirmed that most Kenyan tea processing firms have adopted R&D strategy by creating new products targeted at its existing markets to achieve performance. The product developments are obtained by value addition, product differentiation, standardization and product diversification of the existing tea products.

It was reported that Customers get high satisfaction fared better than the rest (mean=4.24, SD=±0.808) implying that achieving high quality of customer service has become increasingly critical in the service, tea processing and has been the focus R&D strategy. Results agreed that tea firms produce quality tea products (mean=4.34, SD=±0.714). Similarly, respondents agreed that tea firms have retained most of their customers (mean=4.29, SD=±0.681). Results confirmed that tea firms' strategies are driven by the need to create customer value (mean=4.17, SD=±0.810). Further, results agreed that tea firm's objectives are driven by the need to achieve high customer satisfaction (mean=4.26, SD=±0.775). Followed by tea firms constantly monitors the level of employee commitment to serving customers' needs. (Mean=4.07, SD=±0.802). The study findings were in agreement with a research study conducted by Mujahid (2017) on Export Trends in Global Tea Trade with reference to Sri Lankan and Indian Tea Industry which asserted that in the most of the tea consuming countries consumer inclinations was inclined towards value added tea products such as teabags, instant tea, green tea and organic tea. The study further observed that preference towards loose tea was dropping while demand for value added tea was recording an upward trend.

Organizations in this sector are customer-focused hence are keen on ensuring a high level of customer satisfaction, service quality and greater efficiency in service delivery. This is because satisfying customers are critical to a firm's success. Firms that cannot satisfy their customers are likely to lose market share to rivals who offer better products and services. These findings are in line with other Scholars who found a positive relationship between a firm's own customer satisfaction and its performance (Capon et al., 2013; Simon et al., 2013). Overall, results are in general agreement that there is a positive relationship between a firm's own customer satisfaction and organizational performance since customer satisfaction is linked to increased revenues (Gómez et al. (2014; Simon et al. (2013) and more inelastic demand (Capon et al., 1990; Simon et al. (2009). Several studies have considered the relationship between customer satisfaction and firm performance and results have shown that customer satisfaction provides economic benefits to the firm.

Results generally agreed that tea firm always meets the target of their customers and have maintained sales growth (mean=4.23, SD=±0.669. Confirming that Sales growth is a strategic management decision making and enhance organizational performance. At the same time results agreed that tea firms are experiencing good high productivity (mean=4.11, SD=±0.727. Results also agreed that tea firms have maintained growth for the last five years (mean=4.19, SD=±0.797). Similarly, results agreed that tea firms' product development programs are more ambitious than their competitors (mean=3.94, SD=±0.880). This signifies that making a strategic decision regarding product development programs involve making trade-offs between multiple objectives to select an alternative that best meets the values of the intended clients. The findings of the study showed that their firms have increased in sales volume in the last five years (mean=4.10, SD=±0.831) and growth in sales volume (mean=4.18, SD=±0.681). This standard deviation signifies consumers' preference to Kenyan tea, increase in Market share and hence positive organizational performance. At the same time, most results agreed that tea firms always satisfies target market of their customers as reflected by (mean=4.23, SD=±0.651). On whether functions are integrated in serving the needs of the target market, the results agreed that tea firms have integrated (mean=3.88, SD=±1.001). The finding simply indicates that the opinions on functions, integration were varied. The results confirmed that tea firms were very active in developing new technologies and this had (mean=3.54, SD=±1.331). These findings establish that Satisfying customers are critical to tea firm's performance. This is demonstrated by product diversification, product management, customer satisfaction, service quality and greater efficiency in service delivery. In regard to these findings, it is apparent that tea processing firms have to embrace R&D strategy and monitor strategic decisions that ensure firms are able to satisfy customers because this has got an impact on organizational performance.

These findings are consistent with previous studies conducted by other scholars, including Beheshti & Beheshti (2010) who affirmed that efficiency and effectiveness in utilization of firm resources and the accomplishment of organizational goals increase organizational performance. Dale, Bamford, & Wiele (2016) concur that non-financial strategies are linked with increased firm performance and is seen as providing an important competitive advantage by generating repeat sales, positive word of mouth feedback, customer loyalty and competitive product and service differentiation

Correlation results between the study variables

H_{01a}: Leadership styles strategy has no significant

Table 6. Leadership Strategy and Organizational Performance

Beta Values	R	t-Values	Sig.
-0.104	0.98	-3.424	.081

influence on the organizational performance of Tea Firms in Kericho and Kisii highlands Kenya.

Leadership Styles Strategy on Organizational Performance

The Pearson's product moment correlation was used to test the strength study of the relationship between leadership styles strategy and organizational performance of tea firms in Kenya. Table 6 shows individual values, (B values, t statistics values, and p values).

The study shows that there was a weak significant relationship between leadership styles and organizational performance of Kenyan tea. ($R=0.98$, $\beta= -0.104$, $t= -3.424$; $p>0.05$) indicating a unit decrease in leadership styles yielded -3.424 changes in organizational performance at 5% level of significance. Therefore, we accept the null hypothesis and conclude that leadership styles strategy has no significant influence on organizational performance of tea processing in Kenyan. Implying that leadership style is negatively and significantly correlated with poor performance. This confirms that ($R^2 = 0.98$, $F = .081$, $\beta= -0.104$, $p> 0.05$ P) of the variance in performance was significantly explained by leadership styles, were found negatively related to organizational performance.

These results are consistent with Al-Ababneh (2013); Obunga et al. (2015) and Gul et al. (2012). They all found a negative relationship between the type of leadership and organizational performance. Hence, employees are more likely to be more productive if they are encouraged to have knowledge sharing which is the action in which employees diffuse relevant information to others across the organization, encouraged to think critically in dealing with problems that they encountering the course of their work, seek innovative methods to approach their work and assignments; result into higher organizational performance.

Nuhu, (2010), argued that an ideal leadership styles provide employees with higher level of commitment, satisfaction and performance. Further, (Koech & Namusonge, 2012) affirm that incompetent leadership will lead to, high stress, low job commitment, low job satisfaction and reduced employee performance due to interference from external and internal sources.

CONCLUSIONS

This study and its findings are considered important to

provide understanding into the various leadership style needed to successfully perform in the R&D objective in tea sector. In terms of theoretical significance, this study proposes to fill the gap in the body knowledge in the practices of leadership style in Kenyan tea processing firms R&D agenda by addressing these matter of the present study intends to investigate the nexus of leadership styles objective associated with R&D and organizational performance. This is principally important in the Kenyan tea sector, once a front runner, but is currently lagging behind world producers because they have not embraced R&D. The study findings suggest that leadership style has an impact on R&D. To be innovative, the principles in the organization must be conducive. Again, a leadership style that embrace R&D orientation will bring about effective organizational performance that will enhance the innovativeness of the organization. Tea processing firms in Kisii and Kericho highlands (region 5 and 6) must change from its current traditional approach towards R&D components approach. It behooves on managers to recognize leadership styles that will build extremely engaged and committed personnel and harmonize workers attitude to achieving organizational performance. Kenyan tea sector has reached the optimal level in productivity and cost structure, and in contrary, the sales average at the yearly auctions for bulk tea has been declining. It is evident that the "farmers do not have confidence in the management of KTDA in these regions" in the same manner as the existing realized price level is at par with the optimal cost and productivity levels. As clearly demonstrated in the research findings, leadership in the tea sector should understand this bitter truth and alter their leadership styles in order to create a conducive working environment which facilitates R&D in the tea sector'

RESEARCH IMPLICATIONS AND CONTRIBUTIONS

From practical perspective, the findings of this study will be useful to top management and practitioners to design their leadership style within the strategic condition at the macro or micro organizational level in order to improve team performance especially in heterogeneous team. In addition from policy perspective, this study will be useful in order to provide better training for leadership as a whole. Common belief on use of 'hierarchy' for effective leadership in tea processing firms (sector) is challenged and the power of 'involvement' or high level of participation of team members through greater reliance on coordination in the present day context of better informed and educated workforce as against the least

informed and educated workforce in the past is revealed.

The present study further emphasizes the importance of creating 'newness' to the organization/ industry through the use of appropriate combination of leadership style and organizational culture, as against the 'traditional way of doing things' in order sustain and prosper in the competitive business environment

RECOMMENDATIONS FOR FURTHER RESEARCH

Arising from the findings in this study, the following issues are significant:

The study proposes that tea processing organizations in Kenya especially should adopt leadership styles that will galvanize organizational managerial and leadership processes and influence and behavioral patterns within the expectation level of employees. The adopted styles will also guide employees to develop an acceptable work attitude and behaviours. This is necessary to allow employees to contribute to the achievement of tea processing firms and equally create a healthy and balanced relationship in the workplace.

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