



ISSN: 0975-833X

Available online at <http://www.journalcra.com>

International Journal of Current Research

Vol. 14, Issue, 04, pp.xxx-xxx, April, 2024

DOI: <https://doi.org/10.24941/ijcr.xxxx.xx.2024>

INTERNATIONAL JOURNAL
OF CURRENT RESEARCH

RESEARCH ARTICLE

INFLUENCE OF LEADERSHIP STYLES AND CAPACITY DEVELOPMENT ON THE PERFORMANCE OF AGRICULTURAL ENTERPRISES IN KENYA

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ARTICLE INFO

Article History:

Received xxxxxxxxxxxx
Received in revised form
xxxxxxxxxxxxxx
Accepted xxxxxxxx
Published xxxxxx

Key words:

Leadership Styles, Agricultural Enterprises; Performance; Capacity Development.

ABSTRACT

Globally, leadership styles are endorsed as factors that determine the performance of enterprises. Certain approaches to leadership continue to be implemented despite facing widespread disapproval. A performance evaluation of agricultural enterprises in Kenya was conducted to assess the influence of leadership styles and capacity development. The assessment of agricultural enterprises' performance in Kenya encompassed both financial and non-financial indicators. The overarching aim of the research was to assess the influence of different leadership styles and capacity development initiatives on the performance of agricultural enterprises in Kenya. The study was guided by the Systems Theories and Path Goal Theory. The study evaluated the influence of Transformational, Transactional, Democratic and Autocratic leadership styles on the Performance of Agricultural Enterprises in Kenya. The moderating influence of Capacity Development on the relationship between Leadership Styles and the Performance of Agricultural Enterprises in Kenya was assessed. Explanatory sequential mixed methods approach was adopted using cross-sectional survey design to collect quantitative and qualitative data. Quantitative data were gathered using closed-ended questionnaires, while qualitative data were gathered using interview guides and focused group discussion guides. A stratified random sample of 222 leaders and employees was selected from a population of 525 leaders and employees drawn from a census of 105 agricultural enterprises for the quantitative study. Qualitative data drew a sample of 40 participants. Quantitative data was analysed using descriptive and inferential statistics as provided for in Statistical Package for the Social Sciences (SPSS). The overall findings of the study indicate that agricultural enterprises in Kenya perform better under transformational, transactional, and democratic leadership styles but adversely affected by autocratic leadership. The study revealed that the performance of agricultural enterprises in Kenya is significantly moderated by capacity development. The study recommends the implementation of capacity development initiatives by governments, donors and capacity building organizations to enhance the performance of agricultural enterprises in Kenya.

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Citation: Nyamota, Geoffrey, Prof Kiambi, Dionysious and Dr. Mburugu, Kirema. 2024. "Influence of Leadership Styles and Capacity Development on the Performance of Agricultural Enterprises in Kenya". *International Journal of Current Research*, 16, (05), xxx-xxxx.

INTRODUCTION

Transformation of lives in a country like Kenya whose majority of the population derive their livelihoods from agriculture is fundamental towards attaining the Sustainable Development. This study addressed four Sustainable Development Goals (SDGs) namely No poverty, zero hunger, reduced inequalities and strategic partnerships in Kenya. Agricultural enterprises, like other businesses, are established to generate incomes for their proprietors. Agricultural enterprises offer a variety of products and services to farmers. The services offered include access to farm inputs, animal and crop protection products, aggregation, and post-harvest services.

Most agricultural enterprises are micro enterprises employing less than ten employees with an annual turnover of less than five million Kenya shillings (Central Bank of Kenya, 2023). The success of such enterprises is dependent on how they achieve their business goals. Consequently, they employ several staff to manage the business lines of the enterprise. The achievement of organizational objectives by a company has been observed to be affected by a multitude of factors. Leadership styles applied by agricultural firms have been found to influence the performance of employees which directly impacts on the firm's ability to achieve set targets (Northouse, 2019).

Given the heterogeneous backgrounds of agricultural enterprise proprietors, an evaluation was necessary to ascertain their comprehension of suitable leadership styles that could optimize enterprise performance. Owners of agricultural enterprises in Kenya are not obliged by law to adopt any specific standards to be registered and to operate the businesses. Consequently, many of the existing agricultural enterprises do not have well laid down structures that guarantee employee motivation to continuously provide their services. This has resulted in the mushrooming of enterprises that thrive for a little while and either stagnate or close altogether because of lack of leadership. As a result, organizations that collaborate with such businesses should seek to implement enterprise leadership development. Various leadership styles have been analysed in terms of their impact on the performance of enterprises (Northouse, 2019). Studies have indicated that leaders should apply diverse leadership styles to address specific circumstances in the organization. Velu et al. (2017) argue that it is crucial for leaders to apply the most appropriate leadership style depending on the situation at hand in the organization for them to achieve optimum organizational results. It has been argued by many scholars that effective leaders should adjust their leadership style contingent on employees and the inherent situation (Kumar & Bhatti, 2020). Leadership styles adopted have been found to either positively or negatively influence employee performance which directly impacts on how the enterprise achieves sustained organizational performance (Magombo-Bwanali, 2019).

The Path Goal Theory classifies leadership into supportive, directive, achievement oriented or participative (Nzeneri, 2020). The theory has an elaborate questionnaire that was adapted to measure the existence of various leadership styles. The Transformational Leadership Theory has been utilised to explain the various leadership attributes and to explain how leaders influence their followers (Bass, 1985). Consequently, the two theories guided the formulation of research instruments and to explain the study findings.

Statement of the Problem: Highly performing Agricultural Enterprises generate sufficient financial resources to facilitate employment creation for skilled and unskilled workers. Kenya National Bureau of Statistics (2020) postulates that the Agriculture Sector remains a key employer accounting for 34.5% of Kenya's Gross Domestic Product (GDP), employing over 10 million people. Increased profitability of agricultural enterprises leads to low staff turnover from the enterprise, high levels of commitment by all workers. This leads to high levels of product production resulting to owner satisfaction to invest more in the enterprise. A highly performing agricultural enterprise will therefore pay government taxes and levies on time, provide market outlets for inputs, products or services to her clients which will in return lead to sustained business growth. Performing agricultural enterprises influence investor confidence which leads to high levels of capitalisation to expand the business lines that generate highly demanded products and services. Development partners such as donor agencies, non-governmental organizations and faith-based organizations invest in performing Agricultural Enterprises to fight poverty through investing in capacity enhancement programs that address the needs of smallholder farmers who are key to the development of a vibrant agricultural sector. Central Bank of Kenya (2021) indicates a rising number of loans taken by the

Micro, Small and Medium-Sized Enterprises (MSME) sector in Kenya to expand their businesses. In 2020, there were 915,115 active loans taken by the MSME sector in Kenya. Despite the significance of the agriculture sector in Kenya, it only received an allocation of 3.7 percent while trade, real estate and transport sector took a lion share of 66.4 percent. Adoption of appropriate leadership styles that motivate and empower employees influence them to perform their tasks at their best which leads to sustained enterprise performance on increased sales volumes, higher profitability, expanded market outlets, satisfied investors, governments and donors and low staff turnover.

Despite their significance to many countries, Agricultural Enterprises have been noted to either collapse or stagnate businesses making it difficult for owners to continue providing their services to their clients (Jackson, 2021). A lack of leadership to provide strategic direction on the management of employees to efficiently perform their tasks for enhance enterprise performance. KNBS (2023) reports an existence of 7.4 million micro and small enterprises in Kenya who contribute to job creation and production and sale of products and services to the Kenyan population (International Development Association (IDA), 2023). Lack of leadership capacity makes it difficult for the enterprise to anticipate its needs in terms of human resources and working capital and has been found to lead to enterprise stagnation and even collapse (World Bank, 2016). Many of these enterprises lack the leadership capacity to stimulate business growth. Studies have found a trend that sees three out of five enterprises collapsing because of poor leadership at the helm and at various stages of the enterprise. Muthimi and Kilika (2018) explain that a lack of leadership at the helm of the enterprise leads to failure. Many of the studies on how leadership styles influence enterprise performance adopted quantitative approaches leaving out the qualitative approaches which would help resolve why enterprises do not perform. The context in which the studies have been conducted, mainly European and American make it difficult to apply them in the Kenyan context. Adoption of inappropriate leadership styles leads to low product sales, reduced profitability, low capitalisation all of which demoralise investors. Inappropriate leadership styles lead to high staff turnover and the inability of the enterprise to meet her financial obligations such as timely payment of staff salaries, late or non-payment of government taxes and levies, all of which culminate in the failure of the enterprise. Enterprises fail to meet their financial obligations because of poor business performance occasioned by poor leadership which leads to loss of key staff, loss of revenue, and consequent closure. The objective of this research was to ascertain the manner and rationale behind the influence of leadership styles on the performance of agricultural enterprises in Kenya. Additionally, it sought to propose a model that could serve as a guide for developing leadership capabilities to achieve improved performance.

LITERATURE REVIEW

Empowering leadership has been found to aid an increase in sales in international markets (Colovic, 2022). In a study on the role of leadership and business model innovation in late internationalizing SMEs in the Japanese context, it was established that empowering and directive leadership enhance sales in international markets (Colovic, 2022). Leadership

style can be defined as the combination of various attributes, qualities, and conducts used by leaders to interrelate with their support staff (Al Khajeh, 2018). Various scholars describe leadership styles as the way leaders motivate and provide guidance to their employees in their process of executing firm plans (Okorji&Epetuku, 2019). Similarly, Kariuki and Wachira (2017) describe leadership styles as the ways and methods leaders use to guide their employees as they execute organizational plans. Leadership styles exert different types of influence on employees. In their study on the influence of leadership style on financial performance of enterprises in Croatia, (Miloloža, 2018) found a momentous relationship between democratic leadership and financial performance of enterprises. The study indicates that adoption of a suite of leadership styles becomes influential when managing enterprises at a stagnation stage. There is therefore a need to conduct similar studies in agricultural enterprises to find what leadership style would exert the best influence on financial performance. For instance, Miloloža (2018) asserts that leadership style contributes enormously to the performance of small enterprises. Berraies and Bchini (2019) assert that leadership styles influence the innovativeness of employees. Transformational and transactional leadership styles are associated with enhanced follower innovativeness and improved organizational performance. However, the transactional leadership style has been found to exert little influence on employees wanting to adopt exploratory innovation. Leadership styles determine the kind of strategies that firms lay to guide their operations to achieve their set targets.

Other scholars group leadership styles into two broad categories by focusing on the leader or employees (Gandolfi & Stone, 2017). Leader-centred styles include autocratic, charismatic, and transactional. Follower-centred leadership styles include participative, servant, and transformational leadership all of which emphasize the inclusiveness of the democratic leader. On the other hand, other scholars categorise leadership styles into three broad classes: autocratic, participative, and laissez-faire (Northouse, 2019). This is consistent with early scholars of leadership who classified leadership styles into three distinct groups; autocratic, also referred to as authoritarian; democratic, also known as participative, and laissez-faire. Their categorization forms the basis for studies on leadership. Autocratic leaders take responsibility and set clear prospects for what, how, why, and when jobs should be accomplished. Autocratic leaders are fully responsible for all decisions made in the organization and do not consider the input of their employees. On the contrary, democratic leaders are viewed as the most effective leaders because they promote the input of employees in their decision-making process in large and small organizations. In the democratic leadership style, the input of employees towards the accomplishment of targets and undertakings are appreciated. Democratic leaders adopt a two-way interactive process between employees and leaders which is divergent from the one-way communication process adopted by autocratic leaders (Gandolfi & Stone, 2017). Irrespective of the leadership style, advantages and disadvantages exist which makes it difficult to assert as to which leadership style would lead to the best achievement of organizational goals. Organizations are set up to achieve specific set goals and require the intervention of employees to achieve the targets (Velu et al., 2017). Leaders influence the members of the organization to willingly contribute to the

accomplishment of firm goals and objectives. The leader, therefore, exerts the greatest influence on support staff as they perform their tasks to achieve their targets.

Theoretical Framework: The Path Goal Theory recognises four leadership styles namely: directive, supportive, participative and achievement oriented (Nzeneri, 2020). The Path Goal Leadership Theory has proposed a questionnaire that was modified and adopted to collect data. The data was analysed to establish how each leadership style adopted by leaders in a firm influence the performance of their employees. The questionnaire has 20 items which once scored helps a researcher classify the leader into the four broad categories. Their performance was evaluated and compared with the result of their performance. The Path Goal Theory questionnaire was adapted to guide the study. Various scholars have utilised the path goal theory in different contexts. For instance, Rohimin and Hariri (2022) used the theory in the education sector and found that directive and achievement-oriented aspects of the theory are the most widely accepted. Similar studies needed to be conducted in other sectors like the agriculture sector to establish if the findings hold.

Agricultural enterprises have specific goals to accomplish to make their businesses become profitable and sustainable. To do this, leaders have the task of determining the goals, setting the roadmap through which the goals will be achieved and ensure their support staff are supported and guided to navigate through challenging circumstances. The Path goal theory of leadership was used to guide the study by providing the framework upon which the leadership styles practiced by agricultural enterprises were measured. Each of the five objectives was measured using a modified path goal theory questionnaire. Additionally, the theory was used to establish how leaders in specific enterprises influence their support staff to accomplish their tasks. Leaders are expected to set compelling goals and prepare the path through which the goals must be accomplished by the team. This technique helps team members deal with bottlenecks as they emerge and motivate the team to accomplish their tasks. This theory was used to explain why some enterprises perform better than others and are therefore more successful than others. This was the overarching theory for the study.

The second theory utilised was the Systems Theory. To find fresh perspectives on life, Ludwig von Bertalanffy proposed the Systems Theory in the 1940s and thought it might be used to analyse the intricacies of existence (Lewin et al., 1939). The theory underwent more refinement to enable comprehensive approaches to phenomenon analysis across disciplines. According to the systems theory, corporations are social systems made up of different units that harmoniously link to one another to increase their effectiveness. The Systems Theory of business is concerned with how departments inside a company are arranged to work together for the benefit of the company, and how each component complements the other. Because it interacts with its surroundings, the internal organisation must also adjust to shifting circumstances. As such, businesses need to set up feedback loops that make it simple for them to adjust to changes (Teece, 2018). In this scenario, agricultural businesses are divided into divisions like marketing, finance, human resources, and production, all of which must deal with

the environment as suppliers of goods and services. They serve as a market as well for completed goods and services.

Research Methodology and Design: The research employed a pragmatism approach. The pragmatism approach provides the best answer to research questions (Creswell & Clark, 2018). The study blended quantitative and qualitative methodologies because the research subject might be addressed in diverse ways. An explanatory sequential approach was used. Cross-Sectional Survey Design was used to sample was adopted in the Study. Studies that employ cross-sectional surveys are conducted to gather data from subjects at a specific time to address a research question (Sekaran, 2003). Since this study was conducted over a four-week period and the data collected was meant for academic research, the cross-sectional survey approach was the most suitable. Longitudinal studies that collect data over a longer period at various intervals would not be suited for this inquiry due to budgetary and scheduling constraints (Sekaran, 2003).

Quantitative data was collected from a sample of 222 supervisors and operators (leaders and followers) drawn from a population of 525 supervisors and operators from a census 105 agricultural enterprises (Saunders et al., 2016). The selected 105 agricultural enterprises in Kenya constitute a census of enterprises taking part in post-harvest activities in Western, Upper Eastern, and Lower Eastern Kenya under the Bountifield International Mavuno Bora Programme. Quantitative data was analysed using the Statistical Package for Social Scientists (SPSS). After the analysis, enterprises with a specific leadership style that was predominant were further subjected to qualitative study using focussed group discussions and interview schedules. A purposive sample of 40 participants was drawn from the selected agricultural enterprises (Creswell & Creswell, 2018). Collection of qualitative data was aimed at getting a deeper understanding on how specific Leadership Styles influence the Performance of Agricultural Enterprises in Kenya. Similarly qualitative data helped to extract further insights on how capacity development influences the performance of agricultural enterprises in Kenya. The outcomes of the quantitative investigation were explained and interpreted using qualitative data. The application of qualitative research enabled a comprehensive explanation of the outcomes. Since it was expected that the data would correctly reflect the opinions of each member of each agricultural firm and that the data would stand for entire organisations, probability sampling techniques were employed in the study (Taherdoost, 2017).

Data Collection Method and Procedures: Data was collected within the time range approved by the National Commission for Science and Technology Innovation (NACOSTI). To get the relevant data needed to fulfil the study's objectives, careful and thorough data gathering was used (Sekaran & Bougie, 2016). The respondents and study participants were asked to provide written consent. The management of pertinent agricultural firms also signed a consent form allowing the study to be carried out at their premises. A brief letter from the researcher summarising the goals of the study was sent with the questionnaire. The questionnaires were given to the respondents in hard copy, and they had a minimum of one day to finish them before they were collected. Technology-savvy respondents filled out the online forms and uploaded them as Google Forms. By handing out surveys and outlining the goal of the study, the

researcher and research assistants were able to gain the respondents' support. Each respondent had ample time to do the questionnaire on their own. When the respondents were given the opportunity to react whatever they thought fit, they had time to think through the process.

RESULTS AND DISCUSSION

Hypothesis Testing H_{05}

Hypothesis five (H_{05}) was used to establish whether capacity development moderates the relationship between leadership styles and agricultural enterprise performance in Kenya. H_{05} : Hypothesis five stated that capacity development does not moderate the relationship between leadership styles and the performance of agricultural enterprises in Kenya.

The multiple regression model that follows was used to test the null hypothesis:

$$AEP = \beta_0 + \beta_1 TLS_1 + \beta_2 TL_2 + \beta_3 DL_3 + \beta_4 ALS_4 + \epsilon$$

Where: AEP=Agricultural Enterprise Performance

β_0 = Constant

β_1 , β_4 are Beta coefficients for transformational, transactional, democratic, and autocratic leadership styles

TLS_1 = Transformational Leadership style

TL_2 =Transactional Leadership Style

DL_3 =Democratic Leadership Style

ALS_4 =Autocratic Leadership Style

Z=Coefficient of the moderating variable (Capacity Development)

ϵ = Error term

To establish the moderating influence of capacity development on the association between leadership styles and agricultural enterprise performance in Kenya, a two-step method was used. Stepwise method was used to test hypothesis five. The influence of leadership styles was tested against the performance of agricultural enterprises in Kenya in step one. The testing was done by regressing the independent variables (leadership styles) on the dependent variable (performance of agricultural enterprises) without introducing the moderating variable (capacity development). In step two, capacity development was introduced into the relationship with the independent variables (leadership styles) to determine whether there was a moderating effect. Moderation influence happens if a significant influence of the interaction between leadership styles (independent variables) and the performance of agricultural enterprises (the dependent variable) exists.

Step one: The combined influence of leadership styles (transformational, transactional, democratic, and autocratic) was tested against the performance of agricultural enterprises (dependent variable) without the interaction of capacity development (moderating variable). The results are displayed in Table 1. Table 1 shows that leadership styles explained 27.2% of the variation in the performance of agricultural enterprises in Kenya ($R^2 = 0.272$). The F value ($F = 64.345$; $\text{Sig}.0.001 < 0.05$) suggesting that leadership styles significantly influenced the performance of agricultural enterprises in Kenya. Step two: The results of a stepwise regression analysis were used to determine the extent to which capacity development moderates the relationship

Table 1. Moderating Influence of Capacity Development on the relationship between leadership Styles and the Performance of Agricultural Enterprises in Kenya

MODEL SUMMARY				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.522 ^a	.272	.268	11.008
2	.652 ^b	.425	.418	9.814
3	.669 ^c	.447	.437	9.652

Table 2. ANOVA of Moderating Effect of Capacity Development on Leadership styles

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7796.877	1	7796.877	64.345	.001 ^a
	Residual	20841.766	172	121.173		
	Total	28638.643	173			
2	Regression	12168.054	2	6084.027	63.165	.001 ^b
	Residual	16470.589	171	96.319		
	Total	28638.643	173			
3	Regression	12802.658	3	4267.553	45.812	.001 ^c
	Residual	15835.985	170	93.153		
	Total	28638.643	173			

a.Predictors: (Constant), Leadership Styles
b.Predictors: (Constant), Leadership Styles, Capacity Development
c.Predictors: (Constant), Leadership Styles, Capacity Development, Interaction term

Table 3. Regression Coefficients of Moderating Effect of Capacity Development on Leadership Styles

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.383	3.122		5.247	.001
	Leadership Styles	.372	.406	.522	8.022	.001
2	(Constant)	13.496	2.816		4.792	.001
	Leadership Styles	.066	.061	.093	1.075	.284
	Capacity Development	1.148	.170	.580	6.737	.001
3	(Constant)	14.990	2.828		5.300	.001
	Leadership Styles	.057	.061	.080	.944	.347
	Capacity Development	1.164	.168	.589	6.942	.001
	Interaction term	1.680	.644	.149	2.610	.010

between leadership styles and agricultural enterprise performance in Kenya. The findings presented in Table 1 illustrate how capacity development moderates the relationship between leadership styles and the performance of agricultural enterprises in Kenya. The results indicate a change in R-square value by 0.175 (from 0.272 to 0.447), with a p value of 0.001 and an F value of 45.812 ($R^2=0.447$, $F=45.812$, df 1,172, $p=0.001<0.05$). Capacity development increases the goodness of fit by 0.175%. The model summary therefore explains 44.7% of the variations in the performance of agricultural enterprises in Kenya. The remaining 55.3% of the performance of agricultural enterprises in Kenya can be explained by other factors not considered in the model. As a result, the relationship between leadership styles and the performance of agricultural enterprises in Kenya is substantially moderated by capacity development. There was statistical significance in the proportion of agricultural enterprise performance explained by the moderated influence of leadership styles on agricultural enterprise performance in Kenya. The obtained p-value was 0.001, which is smaller than the 0.05 significance level. Comparing the results of the relationship between leadership styles and the performance of agricultural enterprises in Kenya ($R^2=0.272$, $F=64.345$; $p=0.001<0.05$) with those of the relationship between leadership styles and the performance of agricultural enterprises in Kenya, with capacity development integrated ($R^2=0.447$; $F=45.812$, $p=0.001<0.05$) confirms the existence of significant

moderation influence. The model coefficients obtained as shown in Table 1 were all significant at 0.05 level of significance. This implies that capacity development moderates the relationship between leadership styles and the performance of agricultural enterprises in Kenya. Consequently, the null hypothesis H_{05} was rejected. The following equation represents the model that was generated.

$$AEP=14.990+ 0.080LS_1 +0.589CD +0.149CD + 2.828$$

Where AEP= the performance of agricultural enterprises, LS_1 = Leadership styles, CD= capacity development, ϵ is the standardised error. The results resonate with the findings of Sajuyigbe et al. (2021) who found capacity development to be a good predictor of the performance of women owned SMEs in Southwest Nigeria. These results agree with A as and Vennebo (2023) who confirmed that indeed, leadership capacity development among principals and other departmental leaders helps improve the performance of the schools. This was attributed to the fact that when team members are given an opportunity to learn new skills, they quickly adapt and perform better than when no audience is provided for them to learn. Similarly, Suriyani et al. (2023) found capacity building to significantly impact the success of the firms, according to a study by among Weaver Groups in Indonesia. The study used a qualitative descriptive methodology, collecting data for analysis through document analysis and in-depth interviews.

The study concluded that public institutions ought to set aside funds to support private sector empowerment. To improve the long-term use of creative ideas from staff members, they advise top leaders in companies to embrace coaching and mentoring. Comparably, research conducted in Africa by Akolgo-Azupogo et al. (2021) discovered that capacity building helps employees' abilities grow, enabling them to do their jobs more effectively and improving organizational performance. The agricultural sector was among the various industries on which their study was focused. They concluded that businesses hoping to improve their performance should invest in capacity development. Results of qualitative research using focussed group discussions and in-depth interviews established the following themes that explain how capacity development influences the performance of agricultural enterprises in Kenya. Participants indicated that capacity assessment occasionally happens at the enterprise level or at the individual level. Certain participants expressed that this technique aids in identifying their areas of weakness, enabling them to pursue more training to enhance their abilities. It was established that capacity development is practiced at the enterprise level and at other levels with other organizations. For instance, participants expressed their satisfaction in trainings provided either on site or elsewhere to build their capacities. Many participants however noted that specific individuals were more likely to receive the training than others which demotivates them. Participants indicated that mentoring occasionally takes place. Whenever it is used, those mentored significantly improve their service delivery. This is consistent with Susanto and Sawitri (2023) who confirmed that indeed, mentoring enhances the performance of employees in organizations. However, others noted that they had not been mentored and this made them feel demotivated. Some participants confirmed having been coached by their supervisors on how to use the market their services and products to their customers. This way they were motivated to perform better. Others indicated that they had not been coached on how to perform their tasks better. Consequently, they lagged in their ability to efficiently deliver their services to customers. The results resonate with the findings of Suriyani et al. (2023) who guide that mentoring and coaching should be adopted among senior leaders in organizations to enhance sustainable utilization of innovative ideas from employees. Participants expressed their gratitude to management for their effort to ensure external and internal trainings are done. This motivates them because they learn new skills which they apply for better service delivery. However, some complained that they were not adequately trained because other team members got such opportunities more often than others. Participants indicated that at the end of each month, a review was done to gauge their level of achieving their targets. Some participants felt that this opportunity should be used to adjust their roles and responsibilities. Participants indicated that training indeed helped them grow with the enterprise. The findings are consistent with those of Adeyanju et al. (2021) who in their assessment on the influence of training programmes on the performance of youth agricultural enterprises in Nigeria, found a strong correlation between training and performance. However, some participants expressed dissatisfaction when they saw some of their colleagues trained members taking up higher roles at the enterprise because of other reasons. Participants indicated that owners of the agricultural enterprises become enthusiastic about their enterprise performance when profits increase and whenever they see

happy employees. Agricultural enterprises that have invested in appropriate leadership always attract and retain high performance staff. Such staff interact with customers which leads to increased demand for services and products.

CONCLUSIONS AND RECOMMENDATION

Comparing the results of the relationship between leadership styles and the performance of agricultural enterprises in Kenya ($R^2 = 0.272$, $F = 64.345$; $p = 0.001 < 0.05$) with those of the relationship between leadership styles and the performance of agricultural enterprises in Kenya, with capacity development integrated ($R^2 = 0.447$; $F = 45.812$, $p = 0.001 < 0.05$) confirms the existence of significant moderation influence. This implies that capacity development moderates the relationship between leadership styles and the performance of agricultural enterprises in Kenya. From a performance perspective for agricultural enterprises, the four leadership styles exert varied levels of influence. The study found out that leaders who engage and develop realistic goals and guide their employees on how to achieve their goals were most influential. The study confirmed that well guided employees realistically achieve enterprise goals and that rewards only come second in importance when considering factors that influence employee performance in an agricultural enterprise. The Path Goal Theory explained why adoption of capacity development at the agricultural enterprise leads to enhanced performance of the enterprise. The use of the Path Goal Theory to measure the prevalent leadership styles practiced by various agricultural enterprises was found to be accurate when triangulated with the results of qualitative study. The Systems Theory was used to explain how organizations function to achieve their goals. Broader application of the three theories in the agricultural sector broadens the application of the theories. This gives other scholars opportunities to explore the application of the systems theory in other sectors.

RECOMMENDATIONS

The findings of this research make a valuable contribution to the existing body of literature concerning leadership practices and the impact of capacity development adoption on enterprise performance. Capacity development was identified as a significant moderator in the study, which served to enhance the impact of leadership styles on the performance of agricultural enterprises in Kenya. Capacity Building on leadership capabilities needs to be integrated in the activities of Non-Governmental Organizations (NGOs), donors and Governments to fight poverty they need to strategic partnerships. They need to create decent work and enhance social equity through the adoption of strategic partnerships must be encouraged. This strategy will enhance the achievement Sustainable Development Goals.

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